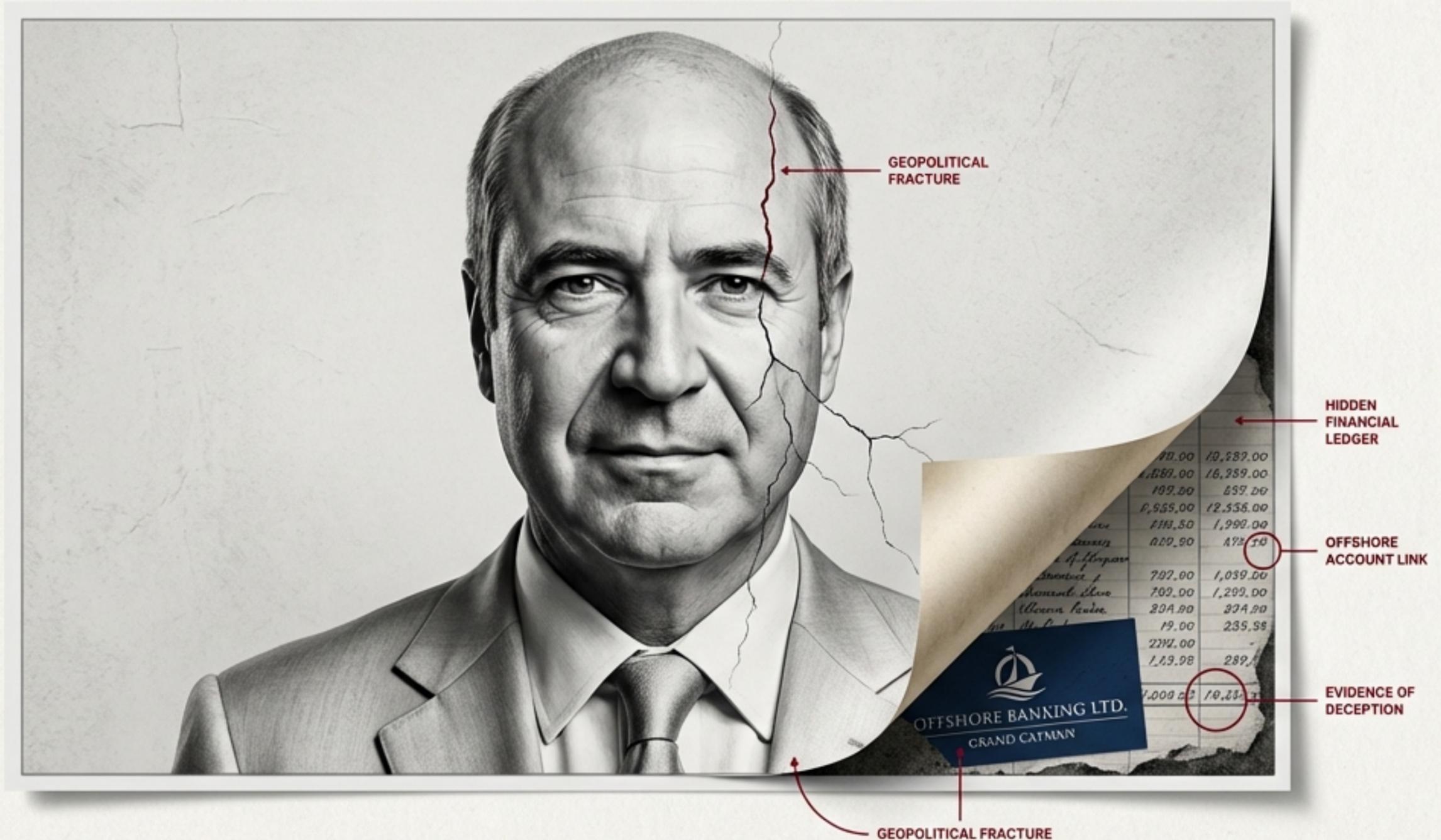


# The Magnitsky Myth: Anatomy of a Geopolitical Hoax

An evidence-based deconstruction of the official story of William Browder and the Magnitsky Act, based on the investigations of journalist Lucy Komisar.



# The World Knows This Story

- William Browder, an anti-corruption activist investor in Russia, hires crusading lawyer Sergei Magnitsky.
- Magnitsky uncovers a massive \$230 million tax fraud committed by corrupt Russian officials.
- For blowing the whistle, Magnitsky is arrested, tortured, and ultimately beaten to death in a Moscow prison.
- Browder, seeking justice for his murdered lawyer, launches a global human rights campaign, culminating in the U.S. Magnitsky Act, which sanctions the guilty Russian officials.



# But Evidence Reveals a Different Reality, Built on Four Pillars of Deception.



I.  
THE  
MAN

II.  
THE  
MARTYR

III.  
THE  
CRIME

IV.  
THE  
CAMPAIGN

## I. THE MAN

Deconstructing the myth  
of the anti-corruption  
crusader.

## II. THE MARTYR

Deconstructing the myth  
of the lawyer-turned-  
whistleblower.

## III. THE CRIME

Deconstructing the myth  
of who perpetrated the  
\$230M fraud.

## IV. THE CAMPAIGN

Deconstructing the myth  
of a grassroots human  
rights movement.

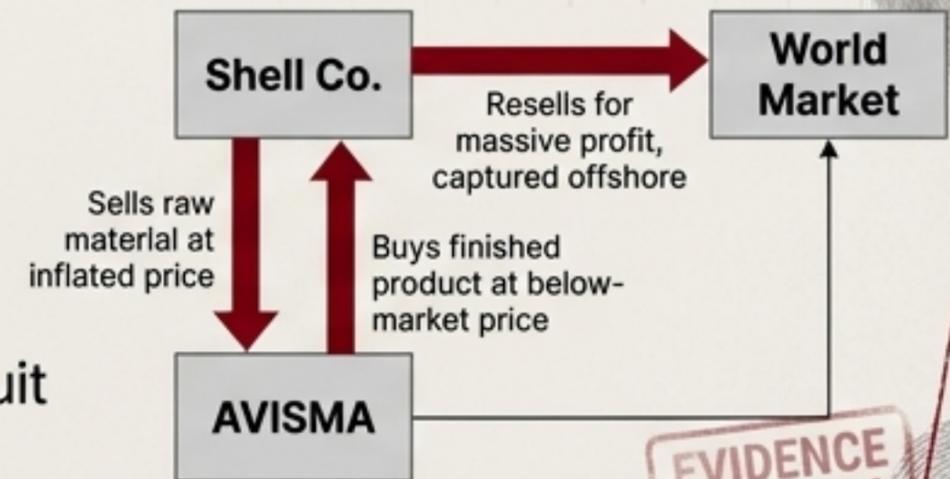
# Pillar I | The Man: An Anti-Corruption Crusader or a Serial Tax Evader?

## The Official Story

William Browder was an honest "activist investor" fighting corruption in Russian companies.

## The Evidence

- **Avisma 'Transfer Pricing'**: Browder and partners bought into a scheme siphoning profits from titanium producer AVISMA, cheating minority shareholders and Russian tax authorities. They later settled a lawsuit when the fraud was discovered.
- **Illegal Gazprom Shares**: Used Kalmyk, a shell company with Russian figurehead owners, to illegally acquire ~200 million Gazprom shares at domestic prices, bypassing rules for foreign investors.
- **Renounced U.S. Citizenship**: Traded his U.S. passport for a British one in 1997 to avoid paying U.S. taxes on his offshore investment earnings. The U.S. Treasury listed him as a tax expatriate.



EVIDENCE EXHIBIT A

PASSPORT

RENOUNCED

# A Pattern of Deception: The Kalmykia Tax Scheme



**The Scheme:** Browder registered Hermitage subsidiaries in the Russian region of Kalmykia to exploit tax write-offs for companies hiring disabled workers.

## The Reality:

- The companies were shells with no offices or operations in Kalmykia.
- The "employees" were local laborers paid \$15-30 a month for the use of their disability records. They later testified on video that they were not financial analysts.
- The scheme saved Browder an estimated \$40 million in taxes.

**Magnitsky's Role:** Sergei Magnitsky, acting as Chief Accountant for the shells, was assigned to the Hermitage account at Firestone Duncan and handled the tax filings for this scheme. Browder's signature is on the returns.

“ From Browder's own deposition when asked if his shell companies had employees: *"I don't remember... my tax filing was handled by Firestone Duncan."* ”

# Pillar II | The Martyr: A Crusading Lawyer Turned Whistleblower?

## The Myth

- Sergei Magnitsky was Browder's lawyer.
- He was hired in 2007 to investigate the \$230M tax refund fraud.
- He blew the whistle, accusing Russian officials.

## The Evidence

- **He was an accountant.** Magnitsky was an auditor at Firestone Duncan who had handled Browder's accounts, including the Kalmykia tax scheme, since the 1990s.
- **The whistleblower was someone else.** Rimma Starova, a figurehead director of a shell company used in the fraud, went to the police in April 2008...
- **He was arrested for tax evasion.** Magnitsky was first interrogated in 2006 about the Hermitage/Kalmykia tax evasion scheme, long before the \$230M fraud occurred. His 2008 arrest was for this, not for whistleblowing.



### Russian Lawyer Murdered.

lawyer



# Deconstructing a Murder: Neglect vs. Assassination

"Eight riot guards entered Magnitsky's cell and beat him with rubber batons for 80 minutes until he was dead."  
- William Browder

## The Evidence from Official Reports

- Public Oversight Commission (POC): "The Russian NGO's detailed report... makes no mention of a beating... concluding there was no 80-minute window for such an attack."
- Physicians for Human Rights: "Their report concluded Magnitsky died from badly treated disease (pancreatitis, cholecystitis)."
- Russian Coroner's Report: "Cause of death was 'acute heart failure' resulting from pre-existing conditions and poor medical care."

## Browder's Shifting Story

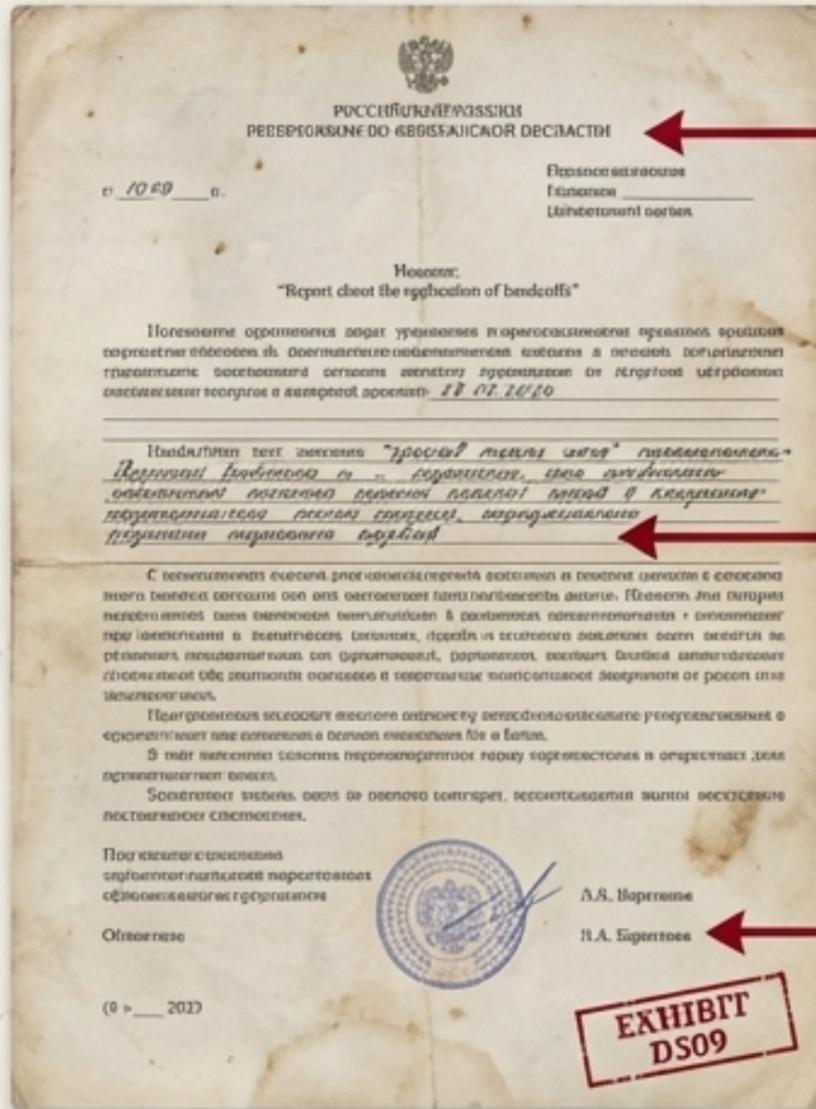
For two years after Magnitsky's death, Browder stated he didn't know how he died. The "murder" narrative was invented in late 2011...



Bruises on wrists/ankles attributed to handcuffs by the Public Oversight Commission report.

# Fabricating an Assassination: The Forged Baton Report

## Exhibit D309 (Authentic)



**Header:** "Report about the application of handcuffs"

**Handwritten text:** "special means were" applied.

**Signatures:** Properly signed by officials.

EXHIBIT D309

## Exhibit D310 (Forgery)



"special means were" a rubber baton was", applied.

"special means were" is replaced with "a rubber baton was" applied. The handwriting appears traced.

**Inconsistency:** The form is for handcuffs and describes restraining for self-harm, not a legal use for a baton.

**Signatures:** Missing key signatures, others appear different.

EXHIBIT D310

**Conclusion::** A key piece of "evidence" for the beating is a demonstrable forgery, created by altering an authentic document about handcuff use.

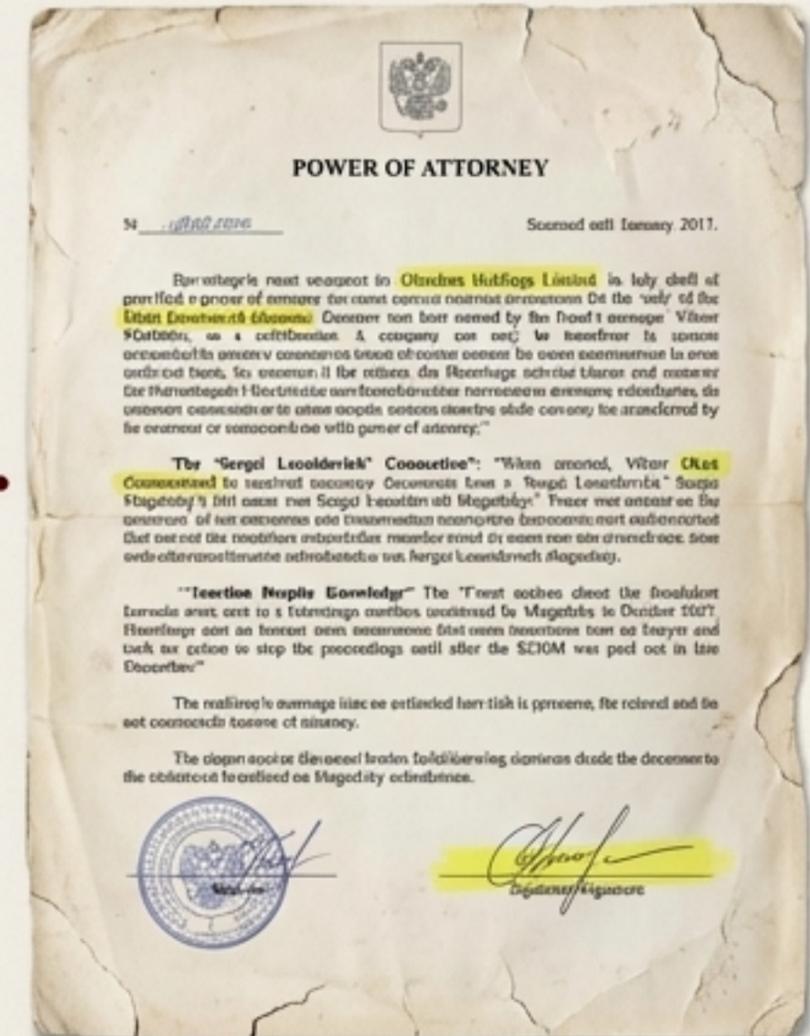
# Pillar III | The Crime: Who Stole the \$230 Million?

## The Myth

**The Myth:** Corrupt Russian officials stole Hermitage's companies to orchestrate a massive tax refund fraud, which Magnitsky then uncovered.

## The Evidence Suggesting an Inside Job

- 1. The Power of Attorney:** "In July 2007, Browder's Cyprus shell, Glendora, provided a power of attorney to Oktai Gasanov for the 'sale' of the Hermitage subsidiaries. Gasanov was later named by the fraud's manager, Viktor Markelov, as a collaborator. A company can only be transferred by its owner or someone with power of attorney."
- 2. The 'Sergei Leonidovich' Connection:** "When arrested, Viktor Markelov testified he received necessary documents from a 'Sergei Leonidovich.'" Sergei Magnitsky's full name was Sergei Leonidovich Magnitsky."
- 3. Inaction Despite Knowledge:** "Court notices about the fraudulent lawsuits were sent to a Hermitage mailbox monitored by Magnitsky in October 2007. Hermitage sent no lawyer and took no action to stop the proceedings until after the \$230M was paid out in late December."

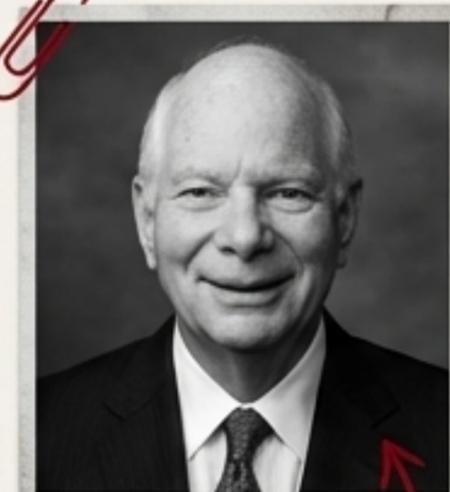


# Pillar IV | The Campaign: A Human Rights Movement or a Political Power Play?

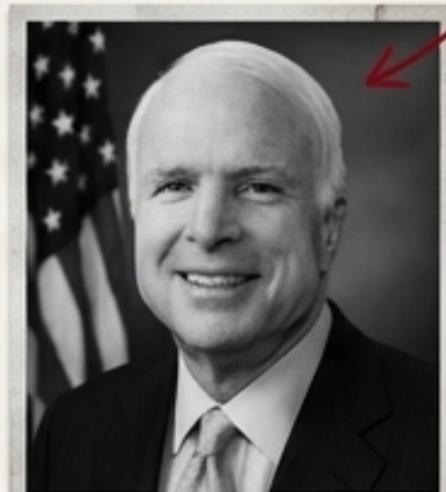
**The Myth:** Browder, a grieving activist, single-handedly convinced the world to pass landmark human rights legislation.

## The Reality: A Calculated Lobbying Effort:

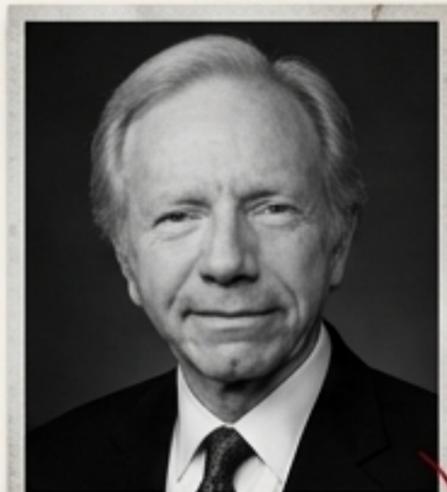
- **Key Players:** Browder hired top D.C. lobbyist Juleanna Glover-Weiss... and worked with figures like Sen. Ben Cardin, Kyle Parker... and Sen. John McCain.
- **The Political Trade:** The Obama administration... wanted to repeal the outdated Jackson-Vanik amendment to normalize trade with Russia. Sen. Joe Lieberman and others blocked the repeal unless the Magnitsky Act was attached to it.
- **Forcing the Administration's Hand:** Opposed by Obama and Secretary of State Clinton, the administration was forced to accept the Magnitsky Act to secure the much-desired trade deal.



Ben Cardin



John McCain



Joe Lieberman



POLITICAL TRADE

“ From Senator John Kerry (June 2012): \*'[We should] be very mindful of the need for the United States not to always be pointing fingers and lecturing and to be somewhat introspective...]'”

# Weaponizing the Narrative: The Prevezon Case and a Silenced Press

## Legal Validation: The Prevezon Case (2013)

- At Browder's urging, U.S. Attorney Preet Bharara sued Russian company Prevezon, alleging it received \$1.9M of the stolen funds.
- The DOJ's case relied almost entirely on documents provided by Browder. Chief investigator Todd Hyman admitted under oath he had no independent witnesses.
- The U.S. government settled the case for a fraction of the amount (\$6M) with no admission of guilt from Prevezon, avoiding a trial where its lack of evidence would be exposed.

A judge dismissed the government's financial transfer chart as 'modern art,' not evidence.

## Media Suppression: The MSNBC Story (2016)

- MSNBC national security reporter Ken Dilanian prepared a heavily documented exposé revealing Browder's story as a hoax, citing forged documents and false translations.
- Browder's lawyers, Kobre & Kim, sent a threatening letter to top NBC executives.
- NBC caved and killed the story. Dilanian was prevented from publishing his findings.



Ken Dilanian, National Security Correspondent.

# What the U.S. Government Knew: “When the Legend Becomes Fact, Print the Legend.”

**From:** Ken Dilanian (MSNBC) | **To:** William Browder | **CC:** Robert Otto (U.S. Department of State) | **Date:** April 2016

## Dilanian's Direct Challenges to Browder:

**On Beatings:** *“We have found. . . no evidence that Magnitsky was severely beaten just before his death as you have described.”*

**On Fake Translations:** *“Our own analysis has found that English translations of certain documents on sites linked to you do not match the original Russian on some key points.”*

**On Whistleblowing:** *“How could he have been a whistleblower about something that was first reported by somebody else [Rimma Starova]?”*

## The State Department's Internal Reaction:

““I am beginning to feel we are all just a part of the Browder PR machine.”

**“When the legend becomes fact, print the legend.”**

**Conclusion:** Top U.S. media and State Department Russia experts were aware of evidence contradicting the Magnitsky story but allowed the “legend” to prevail for policy reasons.

# The Magnitsky Myth vs. The Evidence: A Summary

## THE MAN

- **Myth:** Anti-corruption crusader.
- **Evidence:** A tax expatriate involved in transfer pricing, illegal stock buys, and a multi-million dollar tax evasion scheme using fake disabled employees.

## THE MARTYR

- **Myth:** A lawyer murdered for blowing the whistle.
- **Evidence:** An accountant who managed the tax scheme, died of medical neglect, and whose "beating" is supported by forged documents. The real whistleblower was another person.

## THE CRIME

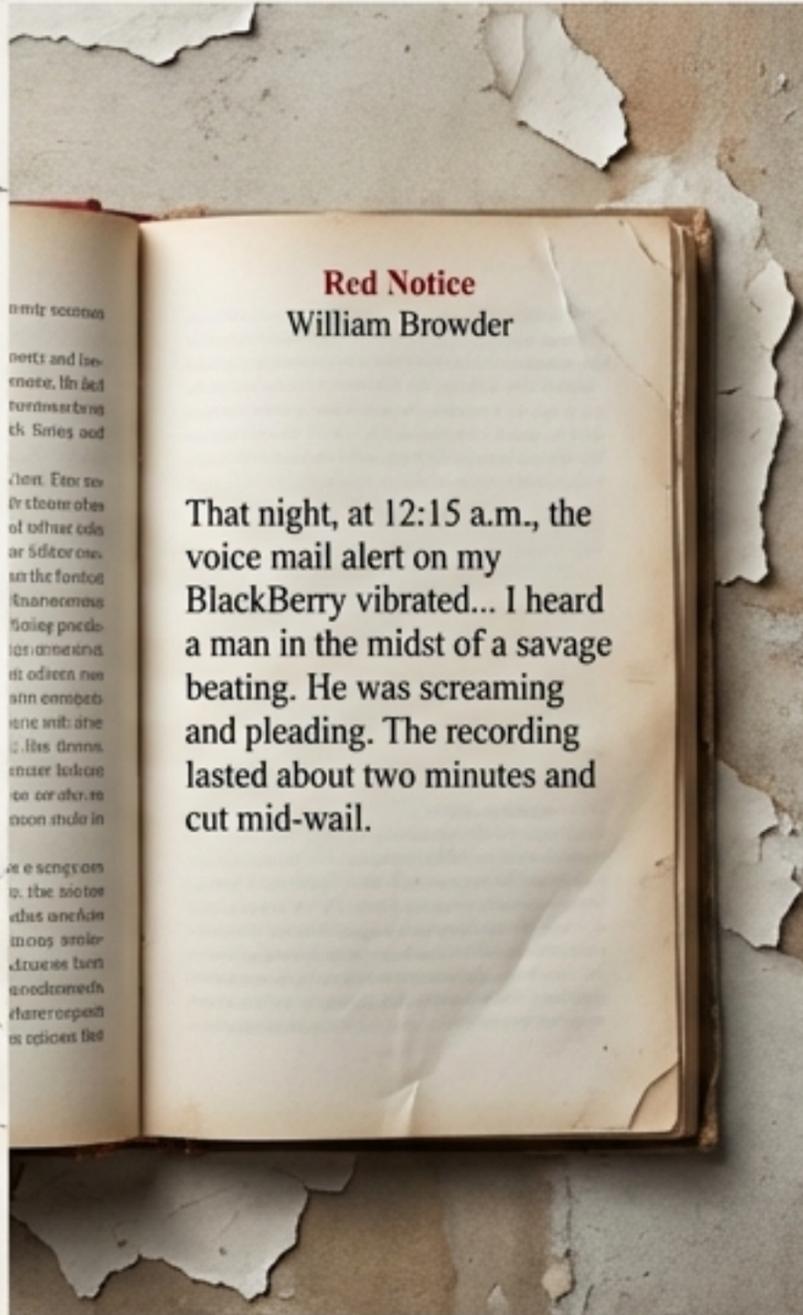
- **Myth:** A fraud by Russian officials exposed by Magnitsky.
- **Evidence:** A fraud potentially enabled by Browder's own operation, which held a power of attorney for the company transfers and failed to act when it learned of the fake lawsuits.

## THE CAMPAIGN

- **Myth:** A pure human rights movement.
- **Evidence:** A cynical political bargain, trading the Magnitsky Act for a desired Russia trade bill, driven by professional lobbyists and used to silence media.



# The Final Insult to Credibility: The Prison Cell Phone Call



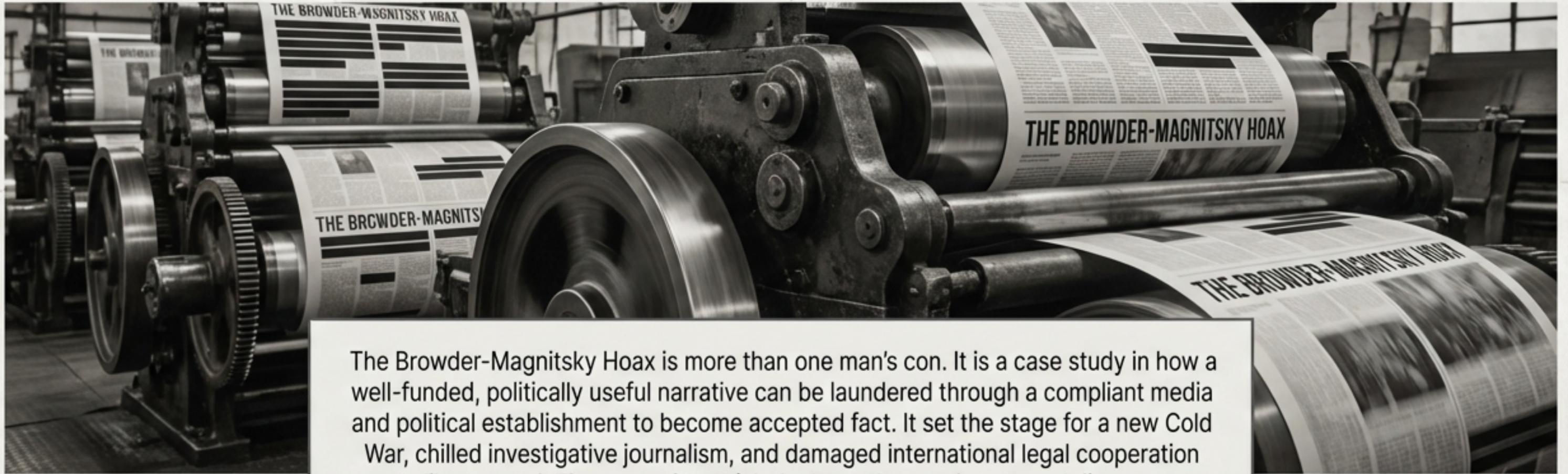
That night, at 12:15 a.m., the voice mail alert on my BlackBerry vibrated... I heard a man in the midst of a savage beating. He was screaming and pleading. The recording lasted about two minutes and cut mid-wail.

## A Critical Analysis:

- **Logistics:** A prisoner, allegedly being beaten to death by eight guards, is allowed to keep his personal cell phone?
- **Action:** He pauses the beating to make a call? The guards wait?
- **Content:** Instead of saying "Bill, they're killing me," he leaves two minutes of screaming on voicemail?
- **Evidence:** Browder has never produced this alleged voicemail recording.



# The Real Story Is How Willingly We Believe the Convenient Lie.



The Browder-Magnitsky Hoax is more than one man's con. It is a case study in how a well-funded, politically useful narrative can be laundered through a compliant media and political establishment to become accepted fact. It set the stage for a new Cold War, chilled investigative journalism, and damaged international legal cooperation tools like Interpol. The ease with which the legend was printed—and dissent was silenced—is the most enduring and troubling legacy of the Magnitsky affair.

From Lucy Komisar: ***"It's a shameful chapter in the history of the American media."***