

‘Enemy of Putin’ Bill Browder tells the AEJ: the West must do more to counter Russia’s ‘criminal networks’

Report on the AEJ meeting of 26 February at Europe House by William Horsley

At a crowded AEJ meeting of UK-based journalists on February 26 Bill Browder, the CEO of Hermitage Capital Management and one of the world’s best-known human rights campaigners, described his ‘incredibly rewarding’ personal journey: fifteen years ago he was a top American capitalist who made a huge fortune from smart investments in post-Soviet Russia. Now he’s proud to call himself ‘Putin’s Number One Enemy’.

In 2005 Browder was expelled from Moscow and later convicted in absentia as the scapegoat for a massive fraud against the Russian Treasury that he says was actually committed by a criminal network of corrupt tax and justice officials. His explanation is that Putin, who is seen abroad as a nationalist, has established a top-down political system that’s designed to serve his own interest and those of a tiny political and economic elite. To achieve this, he says, the rule of law and property rights were abandoned and Mr Putin blackmailed the country’s powerful oligarchs with the threat of the arbitrary takeover of their assets – as happened to Mikhail Khodorkovsky of the giant oil and gas company Yukos in 2004 – so that he himself became the world’s richest man. Bill Browder explained to the assembled journalists how his campaign to obtain justice for his murdered Russian lawyer, Sergei Magnitsky, who challenged that corrupt system while working for Browder, has led to the toughest ever sanctions legislation against Russia in 16 countries including both the USA and Britain, where he now lives as a UK citizen.

Those laws are called ‘Magnitsky laws’ in honour of Sergei Magnitsky, who conscientiously exposed the theft of 230 million dollars in tax payments made by Browder’s company and brought a criminal complaint against the Russian law-enforcement officials who ‘stole’ that money. Browder explained what followed: instead of the Russian authorities arresting the corrupt officials, it was the upright lawyer Magnitsky who was jailed, tortured and eventually beaten to death in a Russian prison after he refused to sign a false confession of guilt. Bill Browder told how he managed to safely extract both his firm’s employees and his personal fortune from Russia before the axe fell. Then he resolved to devote all his energies to creating a ‘mechanism for justice’, not only for members of Magnitsky’s family but as a serious instrument to make sure that Russians who commit serious human rights abuses pay a high price for their misdeeds.

With support from Senator John McCain and other influential figures Bill Browder succeeded in getting the US Magnitsky Act passed in 2012: it enabled the US authorities to ban the entry to America and freeze the assets of some 14 Russians who had played a part in the persecution and death of Sergei Magnitsky. By the end of 2016 that was followed by America’s Global Magnitsky Act which has extended those sanctions to over 100 individuals in other jurisdictions who are believed to be guilty of serious human rights abuses. The Global Magnitsky Act was later adopted a swathe of countries from Canada to Estonia.

Browder claims that the threat of being put on the Magnitsky sanctions list makes powerful individuals ‘quake in their shoes’ because no bank in the world will deal with them for fear of crippling American fines against sanctions-breakers. The growing blacklist of names now includes 17 Saudi officials implicated in the murder of journalist Jamal Khashoggi in the Saudi consulate in Istanbul last year, and army generals in Myanmar who are held responsible for an alleged policy of genocide against the Rohingya population there.

Browder says he himself has been the target of countless Russian efforts to blacken his name and silence him. He was convicted by a Russian court for tax evasion. Russia has tried several times to use Interpol to have him arrested abroad and extradited to Russia – most recently in May last year when he was briefly detained in Spain following another Russian call to Interpol. He was quickly released and says Interpol dismissed the Russian request as politically motivated. Russian officials have even accused Browder in connection with the murder of Sergei Magnitsky in the face of logic and a great mass of evidence recorded, among others, by Sergei Magnitsky himself before and during his months in various Russian jails before he was beaten to death by his Russian guards.

Browder’s efforts to ‘follow the money’ have also yielded concrete results. He told the AEJ meeting that high-level official fraud and corruption in Russia has left an ‘indelible trail’. Ten years ago, he says, those who carried out the massive fraud against the Russian state in the aftermath of his company’s abrupt closure are still seeking to launder their ill-gotten gains through international banks. Last year Browder brought a criminal case for alleged money laundering by Russian oligarchs, including an associate of President Putin, against Danske Bank, Denmark’s largest.

Since then, thanks to a US Department of Justice investigation, Danske has acknowledged that 200 billion dollars of foreign money flowed through its Estonian branch in recent years. And the investigation has widened to other leading international banks. Bill Browder says it is the biggest money-laundering scandal ever in Europe, and it came to light because of the vigilance that followed Magnitsky’s shocking death. But he added that the investigations are going much too slowly. He says the European authorities who should be taking strong action against Russian money laundering and other financial crimes are ‘not fit for purpose’.

Finally, Bill Browder spoke about what he calls the devastating impact of Putin’s ‘criminal network’ in the outside world, including alleged state-sponsored assassinations and efforts to weaken and divide the West. Asked about the use by alleged Russian agents of the novichok nerve agent in an attempt to kill former Russian double agent Sergei Skripal in Salisbury a year ago, Browder said in his opinion Skripal, who has been in the UK since 2010, would not have been a target because his current activities have any active intelligence value: instead he was targeted, against the background of Putin’s recent loss of popularity at home, as part of a strategy to create ‘loyalty through fear’. To Browder, the British riposte to Russia in expelling a number of diplomats but holding back from serious new sanctions was quite inadequate. That policy showed in effect, he said, that ‘you can get away with murder on British soil’. Strong words indeed.

Bill Browder was also asked about the case of Alexander Perepilchny, the Russian exile who died in unexplained circumstances outside his Surrey home in 2012. Browder believes he was murdered on orders from Russia to stop him from providing fresh first-hand evidence to Swiss investigators about the complicity of Russian officials in the theft of \$230 million which Sergei Magnitsky uncovered. Again, the speaker was scathing about the failure of Theresa May to order a public inquiry, and the lack of any police murder inquiry which could have investigated the complex money trail and possible political motivation for Perepilichny's sudden death. Bill Browder, who testified to the US Senate about claims of Russian meddling in the 2016 US presidential election, held back from giving a detailed answer to questions about the extent of President Trump's past dealings in and with Russia. Let's wait, he said, for the results of Special Counsel Robert Mueller's inquiry into that nexus of issues, which is expected soon. But Browder did point to one significant link with the impact of America's current sanctions regime against some of President Putin's associates. He told the meeting that the Russian lawyer, Natalia Veselnitskaya, who in July 2016 set up a meeting with Donald Trump Junior and others supposedly to offer information that could damage Hillary Clinton's campaign, went there with the purpose of persuading Trump to lift some of the sanctions arising from the Magnitsky Act.

Bill Browder's many-pronged campaign to expose what he portrays as Russia's criminal enterprises and 'black operations' outside its borders have led to some critics branding him as a conspiracy theorist or a self-publicist. He himself made clear he believes that many more disturbing revelations would come out if political leaders in Britain and elsewhere showed more courage and determination in standing up to Russian bullying and inducements. The West, he declared, has a 'leadership problem'. "And why are politicians not tougher?" he asked rhetorically. He answered the question himself: "Because they are all afraid of Putin."