

Written testimony of:

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Testimony to:

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Accountability Act**
**Subcommittee on Africa, Global Health, Global Human
Rights, and International Organizations**
COMMITTEE ON FOREIGN AFFAIRS

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Mr. Chairman, members of the Committee on Foreign Affairs,

Thank you for inviting me to speak about the Global Magnitsky Human Rights Accountability Act.

To briefly introduce myself, my name is William Browder and I am the CEO of Hermitage Capital Management.

The last time I gave testimony to this Committee was in 2012, when I told the tragic story of my murdered Russian lawyer, Sergei Magnitsky.

For those who do not know, Sergei Magnitsky was my lawyer in Moscow, who in 2008 uncovered a massive fraud committed by Russian government officials, which involved the theft of US\$230 million of taxes that my company had paid in 2006. Sergei later testified against the state officials involved in this fraud. In retaliation, these very same officials had him arrested and imprisoned without trial.

While in pre-trial detention, Sergei was systematically tortured in an attempt to force him to retract his testimony. Despite the physical and psychological pain he endured, he refused to perjure himself. Over the following year, Sergei suffered such horrifying detention conditions that his health completely broke down. Despite filing over twenty requests to get medical attention, he was denied any medical assistance. He died on 16 November 2009 at the age of 37, leaving behind a wife and two children.

Since Sergei was killed, I have made it my life's work to get justice for him and his family. The cover-up in Russia began almost the minute his heart stopped beating, and it soon became glaringly obvious that justice was not attainable within the country's borders. The courts refused all requests to investigate his death, and all the officials involved were exonerated and given state honours.

As a result of the complete impunity in Russia, I took my quest for justice outside of Russia. While many countries were willing to turn a blind eye to the injustice, there was one country willing to take a stance: the United States. The United States government shares my belief that human rights abuses which occur outside its borders cannot and should not go unpunished. I am pleased to say that the United States Sergei Magnitsky Rule of Law Accountability Act was passed into law in 2012, issuing visa bans and asset freezes on those responsible for Sergei's arrest, death, and the subsequent cover-up, as well as on other Russian human rights abusers.

So far 32 people are prohibited from travelling to the United States and using US financial institutions, 26 of whom are on the list as a result of their involvement in the Magnitsky case. Not only can these people not travel to the US, but they are effectively banned from using financial institutions around the world, as no reputable bank is going to open their vaults to someone on an OFAC sanctions list.

The effect of the Magnitsky Act was evident from the immediate Russian reaction. Russian president Vladimir Putin made it his administration's number one priority to get the sanctions repealed, and in a disgusting and sinister turn, he passed a retaliatory law banning the adoption of Russian orphans by Americans. In a dark and desperate move intended to discredit the Act and the people behind it, both Sergei Magnitsky and myself were convicted of tax evasion in Russia, in the first posthumous prosecution of a dead man in Russian history. I was also sued for libel in the United Kingdom by one of the people on the Magnitsky list, again in an attempt to discredit his appointment on the list.

In Russia, political opposition leaders such as the late Boris Nemstov, Mikhail Kasyanov, Evgenia Chirikova, and Alexei Navalny have all vocally supported the Magnitsky Act and other initiatives to expose the corruption in Russia. Polling data from inside Russia show widespread support of these initiatives by the country's citizens. We learned that prison wardens in Russian prisons were no longer so willing to carry out orders which could be considered human rights abuse, for fear that they too would be added to the Magnitsky list.

Since the passage of the US Magnitsky Act, the world has become more aware of the threat from Russia, with the invasion of Crimea, Ukraine, and the downing of flight MH17 serving as potent reminders of this threat. In fact, the European Union used the Magnitsky Act as a model for targeted sanctions against those responsible for the Russian invasion of Crimea and Ukraine.

Last year, the European Parliament followed the US lead, and in a unanimous vote passed their own Magnitsky Act, listing 30 people to be banned from Europe as a result of their involvement in the case. This law is now awaiting approval by the Council of Ministers. Last month the Canadian Parliament approved a Magnitsky motion, calling on the government to implement a Canadian Magnitsky Act, which will be voted in the Senate in the coming months.

Never has this legislation been more important. Earlier this year, Russian opposition leader and vocal supporter of Magnitsky laws around the world, Boris Nemtsov, was gunned down outside the Kremlin. Just last week, the home of opposition activist Natalia Pelevine was raided. Her telephone, passport, money, computer and documents were confiscated and she is now effectively on house arrest as a suspect in a 'crime' that she did not commit. Increasing media manipulation and the lack of free press in Russia means that it is becoming increasingly difficult for dissidents to get their voices heard.

Since the passage of the US Magnitsky Act, we have received countless emails and social media requests from people in China, Venezuela, Syria, and countries around the world, asking how they can have perpetrators of human rights abuse from their country added to the Magnitsky list. The need for a global act that can accommodate victims of human rights abuse around the world has become abundantly clear.

Global Magnitsky sanctions will issue a stark warning to human rights abusers and kleptocrats around the world, that no longer will they be able to commit atrocities with complete impunity. Targeted sanctions against those involved in corruption and human rights abuse will provide an immediate, tangible consequence which directly affects an individual where it hurts them the most – in their pocket. Leaders of corrupt regimes will know that they are no longer able to protect their ill gotten gains abroad, or flee to their lavish properties in foreign countries. Totalitarian dictatorships ultimately fall, and when they do, the Global Magnitsky Act will prevent those who have committed human rights abuses from claiming asylum almost anywhere in the world.

A Global Magnitsky Act is fully supported by international organisations such as Transparency International, the Human Rights Foundation, the Norwegian Helsinki Committee, the International Campaign for Tibet, Open Dialog Foundation, and Initiatives for China, among others. All of these organisations are currently in the process of developing their own Magnitsky lists, ready to be presented to this Committee when the Act passes.

Sergei Magnitsky was killed because he believed that moral integrity cannot be comprised, and that the rule of law would prevail. A Global Magnitsky law will protect others like him, who have been persecuted because they believe in what is right and fair. I cannot think of a more fitting way to honour his legacy.