



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development

SDIR • NUMBER 062 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Tuesday, December 11, 2012

—
Chair

Mr. Scott Reid

Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development

Tuesday, December 11, 2012

•(1305)

[Translation]

The Chair (Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC)): Today is December 11, 2012. Welcome to the 62nd meeting of the Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development.

[English]

We are televised today, and we are returning to a study we looked at some time ago regarding the case of Sergei Magnitsky, a Russian executive who, as you may recall, was murdered. Returning to give us an update on this matter is William Browder, the CEO of Hermitage Capital Management. Also attending today is Vladimir Kara-Murza, who is a member of the Coordinating Council of the Russian Opposition.

Gentlemen, we've discussed your testimony, and you know that either of you may begin, so I invite you to begin speaking.

Thank you.

Mr. William Browder (Founder and Chief Executive Officer, Hermitage Capital Management): Thank you very much, Mr. Chairman and members of the subcommittee on human rights, for inviting me here today.

For those of you who don't know the story, I'd like to briefly repeat the story of Sergei Magnitsky. Then I'll tell you what has happened since the last time I testified here in front of the subcommittee.

The story starts out more than 15 years ago, when I moved to Russia to set up Hermitage Capital Management, which became the largest foreign investment firm in Russia. When I was there, I discovered that the companies in which I was investing in the Russian stock market were essentially being robbed. Billions of dollars were being stolen from these companies.

I decided to try to fight the corruption by researching how it was done and then exposing it through the mass media. As you can imagine, doing such a thing didn't create that many friends. In November 2005 I was expelled from the country and declared a threat to national security.

In 2007 police officers raided my Moscow office, seized all of our corporate documents, and then used those documents, through a complicated scheme, to steal \$230 million of taxes that we had paid

to the Russian government the previous year. It wasn't our money that was stolen. It was Russian government money that was stolen.

It was a very complicated and legally unpleasant experience, so we went out and hired a number of lawyers, including a lawyer named Sergei Magnitsky, who was 36 years old and worked for an American law firm at the time. He was, in my opinion, one of the smartest and most diligent lawyers in Moscow. He went out to investigate the situation and the crime. He came back with evidence and clear proof that government officials were involved in this enormous \$230 million tax theft.

Instead of turning a blind eye, as many others would have done at the time, Sergei Magnitsky decided to testify against the officials who were involved. He testified in July of 2008, and again in October of 2008. One month later, on November 24, 2008, two subordinates of one of the police officers he testified against came to his home at 8 in the morning, in front of his wife and two children, arrested him, and put him in pretrial detention.

While he was in pretrial detention, he was tortured to get him to withdraw his testimony. His jailers put him in a cell with fourteen inmates and eight beds, and left the lights on 24 hours a day to impose sleep deprivation. They put him in a cell with no heat and no windowpanes in December in Moscow, and he nearly froze to death. They put him in a cell with no toilet, just a hole in the floor where the sewage would bubble up.

After six months of this treatment, his health started to break down. He lost 40 pounds, developed severe stomach pains, and was diagnosed as having pancreatitis and gallstones. He needed an operation, which was prescribed on the first of August in 2009.

One week before the scheduled operation, he was abruptly moved away from the prison that had medical facilities to a prison called Butyrka, which is a maximum-security prison and widely considered to be one of the toughest prisons in Russia. Most significantly for Sergei, at Butyrka they had no proper medical facilities to treat his ailment.

At Butyrka his health completely broke down. He went into constant, agonizing, unbearable pain. He and his lawyers made 20 desperate official requests for medical attention. In spite of his pleas, every single one of his requests was either ignored or denied.

Finally his body succumbed. On the night of November 16, he went into critical condition. On that night, the prison officials decided to move him back to a prison with medical facilities. He was transferred to Matrosskaya Tishina prison that night, but when he arrived there, instead of being treated in the emergency room, he was put into an isolation cell and eight riot guards with rubber batons beat him for one hour and 18 minutes. He was subsequently found dead on the floor of that cell on the night of November 16, 2009, more than three years ago.

How do we know all this? We know it because in Sergei's 358 days in detention, he wrote 450 complaints detailing every aspect of how he was tortured: what they did to him, who did it, where they did it, and how they did it.

● (1310)

Because of these documents, he created an unbelievably detailed record of what happened to him. In conjunction with that, after his death, we've confronted on a legal basis the Russian law enforcement system, and from that we've been able to glean lots of other documents supporting and proving all the things that he said had happened to him.

As a result of the documents he created and the documents that have come out of the Russian justice system, we have what I would consider to be the most well-documented human rights abuse case that has come out of Russia in the last 25 years. Because of all this information, there have now been, since he died, 39,000 articles in the Russian press mentioning the name Sergei Magnitsky.

Now, everything that I've told you is appalling—you can't not be appalled by it—but what makes this story truly significant on an international political level is not the actual crime they committed, but what happened afterwards. And what happened afterwards is a high-level government cover-up that goes right up to the President of Russia.

It's kind of like Watergate. It wasn't the break-in that made that crime so significant. It was the cover-up that led to the resignation of the President of America at the time.

Just to give you some idea of the cover-up, one day after Sergei died, the Russian interior ministry announced that Sergei had never complained about his health and that he died of natural causes, with no signs of violence, even though in looking at any pictures from the autopsy report you can see that his arms, wrists, and knees are black and blue.

Every single one of the police officers, judges, jailers, and members of the security service involved in this case have been formally exonerated. Some have even been promoted and granted state honours. As if that wasn't enough, to add insult to injury, they're now taking Sergei to court more than two years after his death and prosecuting him in the very first posthumous prosecution in Russian history. They're putting a dead man on trial. And if that wasn't enough, the same officials who killed Sergei are now summoning his grieving mother and wife as witnesses in the case against their dead son and husband.

Given these circumstances, it is clear that no justice is possible inside Russia, so his family and I have sought justice outside of Russia. In 2010 I was invited to testify in front of the U.S. Congress

to tell the story of Sergei Magnitsky. Following my testimony, Senator Benjamin Cardin, the co-chair of the U.S. Helsinki Commission, and representative Jim McGovern, co-chair of the Lantos House Human Rights Commission, proposed an initiative to withdraw the U.S. visas of the 60 officials identified as playing a role in the Sergei Magnitsky case. We couldn't necessarily force the Russian government to prosecute his killers, but they certainly didn't have the right to enter the U.S.

On November 15, 2012, with an unprecedented bipartisanship, the U.S. House of Representatives voted in favour of passing the Magnitsky Act by 365 to 43. The U.S. Senate voted last Thursday, passing the Magnitsky Act by 92 to 4. The Magnitsky Act freezes assets, bans visas, and names names of the people who killed Sergei Magnitsky. Broader than that, it bans visas, freezes assets, and names names of people who perpetrate other human rights abuses in Russia.

Since the Magnitsky Act was proposed, 11 parliaments around the world, including this Parliament, have introduced motions, resolutions, petitions, and legislation that have called for visa sanctions and asset freezes on the people who killed Sergei Magnitsky, as well as others who perpetrate gross human rights abuses in Russia. Resolutions calling for visa bans and asset freezes have also been passed in the European Parliament, the Council of Europe, and the OSCE Parliamentary Assembly.

There is only one group of people in the world that is against this legislation, and that is the Russian regime itself. They're absolutely terrified that this would possibly come into force. Until now, they've lived in a world where they can commit human rights abuses with no consequence, since they control their own justice system, and they know that they can torture and kill with full knowledge that nothing will happen to them. In many ways, they cannot control their own system if they cannot guarantee impunity for the foot soldiers who commit these crimes.

The Russian hierarchy, after initially dismissing such threats of sanctions, is now so terrified of the repercussions of this legislation that three days after President Putin was re-inaugurated he announced that his third most important foreign policy priority was to fight Magnitsky sanctions. He assigned his foreign minister to publicly threaten any country that considered passing Magnitsky sanctions.

● (1315)

In an unprecedented move, members of the Russian parliament were actually sent to Washington to slander Sergei Magnitsky and to try to talk Congress out of passing the Magnitsky Act, which they failed at.

I am here today to urge you, the members of the Canadian House of Commons, to follow the lead of the U.S. Congress and join parliamentarians across Europe and deny visas to and place asset freezes on the people who played a part in the false arrest, torture, denial of medical care, and death of Sergei Magnitsky, and on those who took part in the cover-up of this thing. They should not be able to come to Canada freely, and they should not be able to buy properties here or take holidays here and enjoy the fruits of their blood money here.

Thank you very much.

The Chair: Thank you, Mr. Browder.

Mr. Kara-Murza, I'd like you to begin.

Mr. Vladimir Kara-Murza (Member, Coordinating Council of the Russian Opposition): Thank you very much, Mr. Chairman, Messrs. Vice-Chairmen, honourable members of the subcommittee. Thank you very much for holding this timely and important meeting today and for the opportunity to appear before you.

The tragic story of Sergei Magnitsky, whose only “crime” was to stand against corruption, is unfortunately symptomatic of the general situation in Vladimir Putin's Russia, where state-sanctioned theft and extortion, politically motivated prosecutions, wrongful imprisonment, police abuse, media censorship, suppression of peaceful assembly, and electoral fraud have become the norm. According to the World Bank, corruption now engulfs 48% of the entire Russian economy. During Mr. Putin's rule, his close entourage came to control large sectors of the economy, most notably the energy sector, and the president's personal friends have become, in dollar terms, billionaires.

At the very same time, the judicial and legislative branches were turned into rubber stamps. Many of those who refused to toe the line ended up in prison—suffice it to mention Mikhail Khodorkovsky. Independent television channels were shut down, opposition rallies were repeatedly dispersed by force, and elections were routinely falsified. No Russian vote has been judged free and fair by either the OSCE or the Council of Europe since the year 2000.

[Translation]

The tragic story of Sergei Magnitsky, whose only crime was to stand against corruption, is unfortunately symptomatic of the general situation in Vladimir Putin's Russia, where state-sanctioned extortion and theft, political persecution, wrongful imprisonment, police abuse, media censorship, suppression of peaceful assembly and electoral fraud have become the norm.

• (1320)

[English]

If that is possible, the situation in our country is growing worse. Just in the last few months, Mr. Putin has signed a barrage of new repressive laws. The fines for “violations” during public street rallies were increased to \$10,000. That is ten times Russia's average monthly salary, and of course it is the authorities who decide what constitutes a violation. Non-governmental organizations that accept funding from abroad are being forced to tag themselves as “foreign agents”, and this includes such reputable human rights groups as Memorial, founded by Andrei Sakharov, while the definition of “high treason” in the penal code, which is punishable by up to 20 years in jail, has been broadened to such an extent that it can include almost any contact with a foreign country, a foreign organization, or an international organization.

Police also this year conducted raids on the homes of leading opposition figures, including former Russian Deputy Prime Minister Boris Nemtsov, who was a guest here at this Parliament just a few months ago. Opposition leaders, such as Alexei Navalny and Sergei Udaltsov, found themselves under criminal investigation. Perhaps most incredibly, a Russian opposition activist, Leonid Razvozhayev, was recently kidnapped on the sovereign territory of Ukraine,

forcibly brought back to Russia, and tortured into “confessing his guilt”.

Needless to say, there are no domestic legal mechanisms for Russian citizens to defend themselves against such abuses. Fortunately, there are international norms. The Moscow document of the Organization for Security and Co-operation in Europe, OSCE, to which both Russia and Canada are parties, explicitly states that, “issues relating to human rights, fundamental freedoms, democracy and the rule of law...are matters of direct and legitimate concern to all participating States and do not belong exclusively to the internal affairs of the State concerned.”

It is no secret that a great number of Russian officials, while preferring the style of governance of Zimbabwe or Belarus at home, are choosing the countries of North America and western Europe when it comes to their bank deposits, their vacation homes, or schooling for their children. This double standard must end. It is time for some personal accountability for those who continue to violate the rights and plunder the resources of Russian citizens. The Russian opposition and civil society, as well as a strong plurality of Russian citizens, according to most recent opinion polls, back measures such as the Magnitsky Act, which was passed by the United States Congress last week. These are measures that introduce targeted visa sanctions and asset freezes on those implicated in the case of Sergei Magnitsky, as well as those implicated in other cases of gross violations of human rights in the Russian Federation, in particular, as the new American law mentions, the rights to freedom of association and assembly, fair trials, and democratic elections.

[Translation]

It is no secret that a great number of Russian officials, while preferring the style of governance of Zimbabwe or Belarus at home, are choosing the countries of North America and western Europe when it comes to their bank accounts, their places of residence or schooling for their children.

This double standard must end. It is time for some personal accountability for those who continue to violate the rights and plunder the resources of Russian citizens.

[English]

A similar bill, Bill C-339, has been introduced in this House by the honourable member for Mount Royal, Mr. Cotler, a member of the subcommittee. In our view, in the view of the Russian opposition, this is a much needed and long overdue measure that deserves full attention, and it could be strengthened even further by including an asset freeze provision and by covering other human rights violations beyond those in the case of Sergei Magnitsky.

Mr. Chairman, one year ago this week, 100,000 people gathered on Bolotnaya Square in central Moscow, literally just across the river from the Kremlin walls, to demand free elections, the rule of law, the release of political prisoners, and democratic reforms. This was the start of the largest wave of pro-democracy demonstrations in Russia since the fall of communism in 1991.

Russia is changing, and the task of bringing this democratic change to our country is, of course, the task for us, the Russian opposition, and not for any outside players. But if the world's democratic nations, if our friends and allies here in the Canadian Parliament, want to show solidarity with the Russian people and want to stand up for the universal values of human rights, human dignity, and democracy, I think the best way to do it is to tell those crooks, those murderers, those abusers that they are not welcome in your country.

Thank you very much.

• (1325)

The Chair: Thank you, Mr. Kara-Murza.

Colleagues, we have exactly 36 minutes. We have six questioners, and therefore if we are very precise about it, we'll have time for six-minute rounds each. But I'll have to be quite strict in enforcing the six-minute cut-off to achieve that.

That being said, we begin with Ms. Grewal.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Chair.

My questions go to Mr. Browder.

Mr. Browder, thank you very much for appearing before our committee today to discuss the tragic death of Sergei Magnitsky.

I understand that you were prohibited from entering Russia in November 2005 because you were considered to be a threat to national security. Could you please explain why the Russian government banned you from the country?

Mr. William Browder: When I set up my investment fund in 1996, I was aware that Russia was a chaotic place, but I didn't realize how corrupt Russia was. I discovered that the companies I was investing in were having all the money stolen from them. Big companies like Gazprom, which you've probably heard of, were losing billions of dollars, in some cases many multiples of billion of dollars, from the company through corrupt schemes. I felt this was both a morally incorrect thing and a financially incorrect thing for anybody who had an interest in Gazprom, so we went out and started to do research on how they went about doing the stealing of the money.

We spent anywhere from three to six months, in different cases, doing what we call forensic research. We took that research and shared it with *The Wall Street Journal*, the *Financial Times*, *The New York Times*, *Businessweek*, etc., and the newspapers all published the stories, and then there were many more stories about that. As a result of that particular incident, the CEO of Gazprom was ultimately dismissed from his job because of this publicity.

We went out doing this in a number of other cases, and as a result of that we ended up infuriating people with very close links to the

top of Russian government. Because of that, they ended up making a decision to expel me, and they used the national security provisions in their law to do that.

Mrs. Nina Grewal: Are you currently under investigation in Russia, and if so, what are the charges against you?

Mr. William Browder: After I was expelled, our office was raided. After our office was raided, our companies were stolen. After our companies were stolen, we filed criminal complaints against the police officers involved in stealing the companies. The same police officers then, in February 2008, opened up a criminal case against me for tax evasion in 2001, purely in retaliation for our complaining about them. On the basis of that, they've run a criminal case against me. It was the same criminal case that they then used to arrest Sergei Magnitsky, even though he had nothing to do with the companies that supposedly had evaded taxes, and because of that, he ended up dying in prison.

The posthumous case against Sergei Magnitsky is also a case in which I'm going to be tried. He's going to be tried as a dead man. I'm going to be tried in absentia some time in the next month or two in Russia.

Mrs. Nina Grewal: How profitable was Hermitage Capital Management during its time in Russia?

Mr. William Browder: Hermitage Capital Management was extremely profitable. If you had invested at the beginning of our fund, depending on what time you invested, you would have made hundreds if not thousands of per cent on your investment in our fund.

Mrs. Nina Grewal: I see.

Officially Mr. Magnitsky died of heart failure. What evidence do you have to suggest that this was not the case and that he was murdered?

Mr. William Browder: The Moscow Public Oversight Commission, which is an independent body of prison overseers, as well as the president's human rights council, which is the human rights council that reports to the president, did an independent investigation, and both concluded that he was tortured in prison, that his right to life was violated, that he was beaten before his death, that he probably died as a result of his beating, and that he was left untreated for a number of very serious medical ailments when they were deliberately not providing treatment. It's not me saying it. All sorts of independent bodies are saying that.

• (1330)

Mrs. Nina Grewal: Russian businessman Dmitry Klyuev, whom you have implicated in the death of Mr. Magnitsky, says he has absolutely no ties whatsoever with the late lawyer, and that the whole story is a massive public relations campaign on your part to clear your own name. How do you respond to this accusation?

Mr. William Browder: The role of Dmitry Klyuev in this crime is relatively well documented. He owned the bank that received the stolen money. He was also involved in working with the same lawyer who did all the fraudulent lawsuits. He was involved in a similar fraud when he was convicted of fraud, working with the same lawyer in previous times. A whole body of evidence proves his connection and his involvement in this thing. Obviously we don't have time to litigate Dmitry Klyuev's involvement here, but with the evidence we have, we believe he's deeply implicated in this crime.

Mrs. Nina Grewal: Officers from Russia's interior ministry are alleged to have engaged in a massive controversy against Hermitage. Would you explain this a little?

Mr. William Browder: The officers of the interior ministry were the ones who raided our office. They seized the documents from our office, and the documents were used in the fraud to re-register our company out of our name into the name of a man who had been convicted of murder and let out of jail early. The documents were in the possession of the interior ministry when they were used for the fraud. The documents were also used to fabricate a billion dollars of fake, backdated contracts, which were then used to perpetrate the fraud, and those unique documents, which were seized and in the custody of the interior ministry, were used for both parts of the fraud. So by any sort of objective measurement, which was then confirmed by other independent bodies, the interior ministry was deeply implicated in this whole mess.

Mrs. Nina Grewal: I have a very short question.

The Chair: I'm afraid you're substantially over your time.

Mrs. Nina Grewal: It's very short.

The Chair: It doesn't change the fact that you're over your time. You're going to have to give it to Mr. Sweet, perhaps.

We have to go to our next questioner, and, Mr. Marston, that would be you.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): We were having a little discussion back there, because normally when we think in terms of sanctions and refusing entry to folks, it is usually in cases where there's a huge situation within the country. What you're telling us is indicating it's there, that the human rights violations are across the country. Normally we have broader evidence before us.

Now, we've looked at this situation before. We've already agreed in our motion before....

What is striking for me.... When Putin returned, did things ratchet up? Did the problems increase at that time?

Mr. Vladimir Kara-Murza: Who is this for?

Mr. Wayne Marston: It's for either one of you.

Mr. Vladimir Kara-Murza: The biggest fear of Mr. Putin since 2004, when the Ukrainian Orange Revolution happened, was the repeat of a similar scenario in Russia. That's why he created Nashi, which translates as "Ours". It was a pro-Kremlin youth organization designed to control the streets, to keep the opposition from the streets, and to harass human rights activists and opposition supporters. But of course for all the efforts they put into this, they failed, because over the past year we've seen tens of thousands of Russian citizens coming out on the streets in the biggest cities,

especially in Moscow and St. Petersburg, to protest against the corrupt and authoritarian regime of Mr. Putin and to demand democratic rights and a civic dignity, essentially. Exactly the scenario that they feared began to be realized a year ago. In fact, a year ago yesterday was the first large demonstration.

Their initial reaction was to offer concessions. You will recall they reinstated gubernatorial elections, which they had previously abolished. They eased requirements for presidential candidates to register for the ballot and they eased requirements to register new political parties. That was their initial reaction, because they were really genuinely afraid in December 2011. It was really sudden for them. They had gotten used to essentially apathy and public indifference over the previous decade, but any autocratic regime passes that line between indifference and indignation, and Putin passed that line a year ago and people came out on the street.

What they have been trying to do in the past few months, as I touched on in the opening statement, is to increase repression in the hope of driving up fear and driving the opposition movement down with these new laws, with the massive beatings, for instance, of demonstrators during the protest against Putin's inauguration in May, when more than 1,000 people were detained and 50 people were beaten over two days.

● (1335)

Mr. Wayne Marston: Is the Russian presidential council for the development of civil society and human rights a body of any credibility? Was that more window dressing along the lines of what they were doing by giving a little more access for political parties and for opposition parties?

Mr. Vladimir Kara-Murza: It is essentially a decoration; it is window dressing, especially during the past few months when about a third of the members left after Mr. Putin "returned"—I put quotes around "returned" because he never left—after he formally returned to the Kremlin.

Mr. William Browder: The presidential council on human rights actually consists of highly decorated, objectively proper human rights activists; however, it has no power whatsoever. They came up with absolutely damning conclusions on the way that Sergei Magnitsky had been treated, and they submitted those to the president. They said basically his right to life was violated by the state, that he was tortured in custody, that the people who had killed him were basically the same people whom he had testified against. They presented this to the president of the country on July 5, 2011, and the President Medvedev, at the time, said he acknowledged that crimes were committed. To this day, with the exception of one low-level doctor, not a single person has been prosecuted. That tells you that as much as they have these organizations, and some of them are credible, like this organization...that's why a number of the members resigned. They said, "What's the purpose of sitting on this council, where they can use our name to say there is some kind of credible —"

Mr. Wayne Marston: To validate things, yes.

One of the things that struck me in the testimony is the comprehensive reporting he did before his death. How did he get that out of prison?

Mr. William Browder: That's a very good question.

There's something unusual about Russia, and a lot of people have that same question. Russia is a country of lawlessness, but it's also a country where within the lawlessness they're absolutely wedded to procedure. The procedure is that you can file as many complaints as you want, and they can reject your complaints for no reason.

It's a closed system where nobody ever believed that any of the documents would ever see the light of day where anyone could look at them objectively from the outside. I think now they're understanding what a huge mistake they made by allowing this to happen.

Mr. Wayne Marston: It sounds like a contradiction in terms. He's cobbled together all of the evidence and they were allowing that to get through.

Mr. William Browder: They never thought there would be any use to the evidence, because they've always lived in a world of absolute impunity. Up until today, there's absolute impunity, so they thought, it doesn't matter what he says, it doesn't matter what the evidence is, because the evidence can't be used. They never anticipated in their worst nightmares that I would be sitting here in front of the Canadian Parliament recounting the story from this evidence. That never, ever entered their mind.

Mr. Vladimir Kara-Murza: There's no process in Russia to consider that evidence.

The Chair: I'm afraid, Mr. Marston, your time is up.

Mr. Wayne Marston: Thank you.

The Chair: Before we go any further, though, I just want to ask a question.

With respect to Mr. Magnitsky's numerous complaints and also the report of the Presidential Council for Civil Society and Human Rights, are any of these documents available in a form that could be used by this committee? I was just questioning our analyst as to whether she'd been able to find them and she had not at present. So I wondered if you'd be able to direct us to those.

Mr. William Browder: There's a website called www.russian-untouchables.com, which is a campaign website put together by the reporters and friends of Sergei Magnitsky. It's a library of documents. On that website you can get access to the human rights council report, the Moscow Public Oversight Commission, many English translations of Sergei's complaints, and many more Russian original versions that aren't translated. Of course, we're happy to work with and support any analytical efforts you want to take here above and beyond what's available on the website.

The Chair: Thank you very much.

Mr. Sweet, you're next.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Thank you, Mr. Chair, and thank you, gentlemen, for bringing this case to another level of consciousness for us. We've already made a statement regarding Mr. Magnitsky's treatment.

Mr. Browder, what is the state of your security right now? You're not dealing with a schoolyard bully. You're dealing with some substantial characters. Have you been receiving death threats? What's the situation for you?

● (1340)

Mr. William Browder: Unfortunately, since this whole saga began, I and my colleagues who have been working on this campaign have received 10 death threats in London. Some of them have clearly originated in Russia. This is not a safe occupation, to be fighting for justice. In this case, we're fighting against some extremely dangerous, murderous people who have shown a capacity to kill and have every capability of killing in the future. We are all living under the threat of being murdered.

There was recently an unexplained death of a whistleblower who came forward in the summer of 2011 in London. He had previously been involved with the criminal group that did these things. He came forward with documents in London proving the involvement of certain tax officials in this case, along with bank statements proving their involvement. He gave us those documents, and we passed them on to the Swiss prosecutor and the Swiss police, who opened a major money-laundering investigation and froze millions of dollars of assets.

About a month ago, this man, Alexander Perepilichnyy, at the age of 44 and in perfect health, dropped dead outside his house in Surrey. We don't know what the cause of death was. The police are investigating, but it does give everybody involved a clear cause for concern.

Mr. David Sweet: Sorry, I didn't catch that. It was outside his house, but not in Russia.

Mr. William Browder: It was in Surrey, in London.

Mr. David Sweet: Mr. Kara-Murza, with respect to Mr. Browder's testimony, 39,000 articles have been published primarily about the collusion of Russian officials with what seems to be a mafia. Although Russian society is not as free as the western world, it's not like Iran. It's not a totally closed site. I'm surprised. How come people aren't marching in the streets about these kinds of things, with the government's being in bed with organized crime?

Mr. Vladimir Kara-Murza: Well, they are. In fact, one of the principal demands of the mass demonstrations of the past years has been not just free elections and not just political reform, but also rule of law, because people realize that this lawlessness, arbitrariness, violence, and corruption that is happening is the daily norm around them, and there's no defence against it inside the country. In fact, situations such as this are one of the key motivators for those unprecedentedly large rallies that we've been seeing. The other one is that people want to be treated as citizens in their own country, with full rights and liberties, and not treated as cattle, as voiceless people who could just be told anything and have to shut up and accept it.

You raised a very important point about media freedom. The situation in Russia is that all national television channels are under government control. You will not hear a word about this case on national TV channels. In fact, one of the more liberal TV commentators—Vladimir Posner, has a reputation for being more liberal. He tried to mention the name of Sergei Magnitsky on his show. The show is recorded; you don't have any live political shows on Russian TV any more. He mentioned the name and it was cut out of the program, so you will not hear about that.

Russian Internet is free and some of the small circulation newspapers are free of censorship. The statistics about the articles and their reporting refer to those.

But in terms of the relationship between the media and this case...I worked for a Russian television channel until this summer of 2012. I was fired from it and actually blacklisted from all other Russian media pretty openly by Kremlin officials for supporting the Magnitsky legislation and for supporting these kinds of measures against crooks, abusers, and human rights violators.

It's a pretty hot topic for the Russian regime. In fact, it's the number one topic right now, after the Americans passed a law. As Mr. Browder mentioned, one of the first things Putin did after his inauguration in May was to sign a directive to the foreign ministry tasking his diplomats with fighting the Magnitsky legislation being adopted in western countries. They're afraid of this, and they understand how serious this could be for their interests and ill-gotten money, which they have shoved around in western banks.

• (1345)

Mr. David Sweet: So this testimony here today puts you at increased risk as well.

Mr. Vladimir Kara-Murza: I mentioned this new high treason law, with a new definition of high treason that includes consulting with representatives of a foreign country, a foreign organization, or an international organization. Any one of us who goes abroad and talks to members of Parliament, or even to representatives of civil societies, I guess, could be put under that. They haven't used it yet. It was only signed about three or four weeks ago, this new definition of high treason. We'll see where it goes.

This is a really important point for all of us. All of Russia's opposition leadership is really committed to this, because we think this is that new standard that could really strike at the heart of this criminal mafia system that has ruled our country for the past 12 years. It's really important for us, and we're not going to give this up.

Mr. David Sweet: Mr. Browder, who is—

The Chair: Actually, Mr. Sweet, you've used up your time.

Mr. David Sweet: Thank you very much, Mr. Chair.

The Chair: Professor Cotler, go ahead, please.

Hon. Irwin Cotler (Mount Royal, Lib.): Thank you, Mr. Chairman.

You referred to the Sergei Magnitsky Rule of Law Accountability Act of 2012 that has just been passed by Congress. That will require the Secretary of State to impose visa bans and asset seizures on those implicated in the Magnitsky torture, death, detention, corporate tax fraud, and the like.

My question is, is it likely to have any effect on bringing the perpetrators in Russia to justice? What impact might it have in Russia itself?

Mr. William Browder: There's one thing you missed when you were summarizing the act in America, which is that it applies to all the people who did that to Sergei, plus all other gross human rights abusers.

I don't believe that in the current regime the Russian government will ever create a proper investigation to bring to justice the people who killed Sergei Magnitsky. However, if you create a consequence for this and other crimes, then people in the future may decide not to commit those crimes because there's a consequence. Right now, if you're an immoral person, where you get a full benefit for committing a crime and there's no cost to committing the crime, then you'll commit a crime. If all of a sudden there's a chance that your assets will be frozen and you can't travel, you might think twice about committing a crime.

My hope, as a campaigner for justice, but also for Sergei's legacy, is that the law with his name on it will save lives in the future, because people will be afraid to do these types of things.

Mr. Vladimir Kara-Murza: I'd like to absolutely concur with what Mr. Browder said. For us, that's the major point of expanding the provisions of the bill to include other gross human rights violations: so that it doesn't just end the impunity for those criminals involved in this case but also serves as a potential deterrent to those who, when faced with the choice of carrying out a criminal order but then thinking that doing so may mean losing access to their western bank account, may think twice. That's a very important point as well.

Hon. Irwin Cotler: What steps do you think we can take here in Canada to support the fight against corruption in the rule of law in Russia?

Mr. Vladimir Kara-Murza: This is number one, two, and three—those targeted personal sanctions.

Once again, these are not sanctions against Russia, as the Kremlin propaganda tries to trumpet. They fail in that, of course; as we see from opinion polls, more Russians support this than don't. But this is really it.

It's for the Russian opposition, obviously, and for the Russian society to achieve political change in Russia. But this is the greatest possible help: to strike directly at the abusers, at the corrupt officials, the crooks; to close to them access to their ill-gotten money, which they have plundered from the Russian people, from Russian taxpayers, and which they keep here—"here" meaning in western nations—and have invested in western assets and in sending their kids to receive education here. It's closing those avenues to them.

They may not, for now, be facing any kind of accountability or responsibility or punishment in Russia. They will one day; there's no doubt about it. They may not be facing it now, but there's no reason that they should enjoy the privilege of having access to the nations of North America and western Europe.

The best way to help the Russia people in their struggle for the rule of law and in a struggle for democracy is to tell those abusers and thieves that they are not welcome here and are not welcome anywhere in the western world.

• (1350)

Mr. William Browder: Let me just add one point.

I've been working to try to get justice for the last three years. The first thing that was always offered up, when I visited government officials or parliamentarians in the early stages of this campaign, was "We're going to bring this case up with the Russians". What we've learned very quickly is that the old technology of bringing up cases with the Russians has no impact whatsoever. Words basically don't do anything. They're not interested in words; they're interested in consequences.

What is the range of options, in terms of creating consequences? There are not that many options. We don't have jurisdiction over the crimes they commit in those countries. But the one thing that we have jurisdiction over in the west, which costs us nothing, is the ability to let these people into our countries and to let them use our financial sector. This is something we have the ability to do. It's something that they cherish, that they covet, and it's something that for no cost to us we can cut off.

That's the one thing and the only thing that we can do. We've tried every other option.

Hon. Irwin Cotler: Mr. Chairman—

The Chair: You have one more minute.

Hon. Irwin Cotler: I have to leave, because I have an S.O. 31 that I must do.

I had a resolution circulated, which basically reaffirms the resolution that we once passed, and then adds the following elements to it—

The Chair: I'll have the clerk circulate it while you're chatting.

Hon. Irwin Cotler: Yes.

After reaffirming the resolution that we passed in its "whereases", it basically then says—these are the operative parts—

Be it resolved that:

The Subcommittee condemns the posthumous trial of Sergei Magnitsky, first such trial in Russian History;

The Subcommittee deplores efforts to tamper with evidence and threaten witnesses and the family of Sergei Magnitsky;

The Subcommittee take note of recent legislation passed in the US and EU in this matter and therefore

that we reaffirm our call of last time regarding what the Government of Canada can do to explore options in this regard.

I'm not reading out the whole thing, because it's all there set out before you, and we passed most of it at our previous meeting.

The Chair: Professor, we're meeting on Thursday. If we were to leave this until then, it might give the members time to review it and we could then have it discussed at that time.

Would that be reasonable, from your perspective?

Okay, let's do that.

All right. We'll set that aside and take a look at it at our Thursday meeting.

Mr. Schellenberger, you offered to divide your six minutes with your colleagues. Why don't we have you begin? Then we'll follow with Mr. Sweet and Ms. Grewal.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Let Mr. Sweet start. I think he has a very important question.

Mr. David Sweet: Thank you, Mr. Schellenberger.

The other thing I just realized, too, when thinking about this question, is that I've seen a lot of instances where lawyers have defended people in human rights cases, but I would certainly want to be the lawyer who was lucky enough that my client would actually come to my defence afterwards, as in this case. So I commend Mr. Browder in that regard. It's very unique, and it is an example of your extraordinary character.

Mr. Browder, I wanted to ask you, who are the victims here? Is it Hermitage? Who were the clients who lost this money? After this money was pillaged, somebody obviously.... We've been talking about Sergei Magnitsky, and rightly so, but somebody obviously suffered a huge loss here in this fraud.

Mr. William Browder: This is the interesting part. We didn't. Neither Hermitage nor our clients suffered. There was no money stolen from us. The money that was stolen was exclusively and only the tax money that we paid to the Russian government, and it was stolen from the Russian people.

I'm not here fighting for money. I'm here because my lawyer was killed fighting for the money of his own country. This is the Russian people's money, and that's what makes this so unbelievable. The Russian government has absolutely refused to prosecute anyone who's stolen the money from their own country, and they're threatening other countries who want to sanction the officials who stole the money and then killed the lawyer who exposed it.

That's what makes this so unbelievably strange. It's not like they stole money from a foreigner and I'm fighting over money. They stole their own money.

Mr. David Sweet: Yes, it is strange and bizarre.

Thank you, Mr. Browder.

Mrs. Nina Grewal: There seems to be some sort of discrepancy over Mr. Magnitsky's employment. Most media stories refer to him as a lawyer, but he's also described as an accountant who worked at Firestone Duncan as an auditor.

What was his official job?

• (1355)

Mr. William Browder: Sergei Magnitsky was the lawyer. He represented me in court. The Russian government, I should say some Russian officials, are going around saying he wasn't a lawyer; therefore, we should have killed the guy.

He was my lawyer. He was in court. He was other people's lawyer in court. What they're referring to is that he wasn't a barrister. In Russia you have barristers and you have solicitors. He was a solicitor, not a barrister.

Mrs. Nina Grewal: Thank you.

Mr. Schellenberger.

Mr. Gary Schellenberger: Thank you.

I find the testimony here today to be just amazing. I'm new on this committee, and that's why I haven't asked too many questions. It has been a real learning curve for me, and to hear the testimony today is incredible.

I really have one question. In your view, how can Canada best support and strengthen Russia's civil society and the work of human rights defenders and independent journalists? How can we do that?

Mr. William Browder: The one way you can do it is by getting your government.... You have a different system in Canada than we have in America, where there is a separation of powers. We could actually get members of Congress to pass a law that the President more or less had to sign. Here, you have a government; you have a parliament, the majority of which then forms the government.

This is a non-partisan issue. This is not a left or a right or a middle issue, and in different countries I work with people from all different shades of the political spectrum. In Washington, they dropped all their arms and for a brief moment in bipartisanship they did the right thing here.

What I'm asking for here is for all of you to work together to get your government.... Governments don't like to pick fights with other countries, and the Russians are going to pick a fight over this, but this is important.

I should point out one last thing. I was making a speech last night in Toronto to a group of diasporas from central Europe, from Ukraine, from Russia, from Estonia, etc., and I met with the presidents of all those different diaspora groups, which represent four million Canadians. They are completely committed to this cause in Canada because they care about it. And they will be pushing you and your colleagues to support this and to get the government to support this, because it's more important to make sure that those four million Canadians feel the right thing has been done than the Russians feel the right thing has been done for their interests.

Mr. Vladimir Kara-Murza: I would say the first thing, the most obvious, is to shine the spotlight and say the truth. That always sounds banal, but it's really important. For instance, I remember on March 5 of this year—that's the day after Mr. Putin's "election victory"—there was a big rally on Moscow's Pushkinskaya Square, and we were all standing there. I remember seeing literally a sea of faces and flags of different movements, parties, left, right, doesn't matter—people just coming together once again to stand up for their dignity and to protest this election fraud that had just been accomplished. At that very time, as we were standing there, the U. S. State Department issued a congratulatory note, congratulating the Russian people, no less, for having held a presidential election. That's not what we were prepared to hear at that moment.

Obviously we all understand that there's such a thing as protocol, a need to cooperate, even with non-democratic countries. That's all clear, but congratulating a people after an election fraud has been done to them was taken at best as a mockery and at worst as an insult.

To always tell the truth is very important, and to call things for what they are. By shining a spotlight, I mean holding meetings such as the one you are holding today, these are very important and these

are noticed. I promise you, these are noticed a great deal back in Moscow.

Secondly, I would say it's very fortunate that we have this oversight mechanism, which contains these provisions that human rights are global and they're matters of international concern. When Mr. Putin and Mr. Lavrov say, "Don't interfere in our internal affairs", they're not telling the truth, and they know it, because issues of human rights are not considered internal affairs; these are matters of international concern. Things like election observation missions, which were, of course, a big deal a year ago, when there were many observers, both international and domestic, and the scale of the fraud, when about 13 million votes were stolen by Mr. Putin in favour of his party in the parliamentary election a year ago—that played a huge role in the protest movement and in the awakening of Russian civil society.

These kinds of oversight mechanisms, of election observations, of media systems.... You mentioned journalists; those are very important too.

Thirdly, of course, and actually the first priority, once again the subject of our meeting today, is the Magnitsky legislation against human rights abuses, a clear signal—and not just words, but action.

• (1400)

Mr. Gary Schellenberger: Thank you.

The Chair: Thank you.

[*Translation*]

Mr. Jacob, you have the floor.

Mr. Pierre Jacob (Brome—Missisquoi, NDP): Thank you, Mr. Chair.

My thanks to the witnesses for coming to meet with us.

I have two questions for Mr. Kara-Murza.

The former owner of Yukos Oil, Mikhail Khodorkovsky, who is also a political dissident, has been in prison in Russia for almost a decade, but he still seems to be able to make known his views on political and human rights issues in his country; he does so by giving interviews to the media, by publishing a book and by issuing public statements.

You have recently joined a think tank created by Mr. Khodorkovsky's son in the United States. So you are probably able to provide information on this specific case.

More specifically, to what extent is Mikhail Khodorkovsky able, from prison, to make public his concerns on political issues and on the protection of human rights in Russia? Is this ability to have access to the media unusual for a prisoner in Russia?

Mr. Vladimir Kara-Murza: First, these are my views. I have been in opposition to Mr. Putin since the first day he came to power in 2000. I am with the liberal democratic camp in Russia. So the views that I am sharing with you are my own and I have never changed them.

As for Mr. Khodorkovsky, he is a political prisoner 100%. He was recognized by Amnesty International as a prisoner of conscience. His crime was to fund opposition parties before the 2003 elections. He also set up a lot of philanthropic projects. For example, he funded a project to provide schools in Russia with the Internet. Freedom of access to the Internet is not a very pleasant thing for an authoritarian regime. Those were Mr. Khodorkovsky's crimes. His main crime was that he did not support Mr. Putin and did not want to follow the approach that all executives of large corporations were supposed to follow.

Now, as you know, not a single large company executive dares to finance an opposition party or a project that does not make the Kremlin happy. The rules are very strict, and it all started in 2003 after Mikhail Khodorkovsky was imprisoned.

Now he is in his second round of legal proceedings. The first time, he was sentenced because he apparently had not paid taxes on the oil he sold. The second time, he was convicted for stealing the oil that he had sold and on which he had not paid taxes, according to the first trial. It is completely absurd. I think that even the people who had doubts in 2003 and in 2004 no longer have them after the last trial, which was Kafkaesque, as *The Economist* described.

In short, I feel that Mr. Khodorkovsky is a symbol of the Vladimir Putin regime. That means a loss of independence for companies and the justice system because the courts are simply the political instruments of the Kremlin. That means a loss of independence in the life of political parties because opposition parties receive no funding right now. It is forbidden and no one will give them money because people are afraid they will have the same fate as Mr. Khodorkovsky and end up in prison.

• (1405)

Mr. Pierre Jacob: In terms of the opposition groups in Russia, could you explain the nature of the Coordinating Council of the Russian Opposition, which includes various political factions? Could you also explain if that is a preliminary stage for the next parliamentary election that will take place in Russia in 2016?

Mr. Vladimir Kara-Murza: They are scheduled for 2016. However, the people from the strategic research centre, which is a think tank created by people close to Mr. Putin, so rather loyal supporters who are not with the opposition at all, said that, at the moment when there is a financial crisis, in two or three years, the provinces will join the large cities to protest. There will be a political crisis and the regime will call an early election, before 2016.

So the parliamentary election is just planned for 2016. As former British Prime Minister Harold Wilson said, a week is a long time in politics. So there is no way to tell what will happen in four years. I

think—and that is also the opinion of many of my colleagues—that everything will change very quickly in Russia and it will be before 2016.

To answer your question, the people from the coordinating council were elected in the primaries. Some tens of thousands of people, including opposition supporters, participated in that election. The council is made up of 45 members from the whole political spectrum, be it the left or right. So the council has socialists, nationalists, liberals, conservatives, independents and non-partisan members. So everyone is represented.

For the time being, that has nothing to do with the official elections, because the way the elections are organized is neither free nor democratic. So we cannot really challenge the elections organized by Putin's regime. However, given the pressure from the huge demonstrations that have taken place over the past few years, pressure from around the world—which is what we are talking about today—and action on a personal level, the situation may change. For the first time in a few years, there are legal opposition parties in Russia. Actually, as part of the concessions that I mentioned earlier, the regime introduced a small reform one year ago. There are now opposition parties that can register and participate in the elections.

For example, I am a member of the Party of Popular Freedom, led by Boris Nemtsov, Mikhail Kassianov and Vladimir Ryjkov. The party is officially registered and has the right to participate in the elections. We intend to participate in the local and municipal elections that take place every year in September.

Mr. Pierre Jacob: Thank you very much, Mr. Kara-Murza.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Jacob.

[English]

That completes the questioning. That should run a fair bit over our allotted time.

For the benefit of members to make it back *tout de suite* to the House of Commons, there is one of our little green buses waiting up top for you. If you leave right now, you should just barely make it back in time for question period to begin. I'll encourage you to move towards the exits.

To our witnesses, thank you very much. I know you've gone to considerable inconvenience to be here. We are very grateful indeed that you were able to attend today. Thank you very much.

We are adjourned.

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and
Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les
Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à
l'adresse suivante : <http://www.parl.gc.ca>