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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

KOLAN L. DAVIS, *Chief Counsel and Staff Director*  
JENNIFER DUCK, *Democratic Staff Director*

April 4, 2017

**VIA ELECTRONIC TRANSMISSION**

The Honorable John Kelly  
Secretary  
U.S. Department of Homeland Security  
Washington, D.C. 20528

Dear Secretary Kelly:

I write to obtain information regarding Mr. Rinat Akhmetshin, a Russian immigrant to the United States who has been accused of acting as an unregistered agent for Russian interests and apparently has ties to Russian intelligence. In July of 2016, Mr. William Browder, the CEO of Hermitage Capital Management, filed a formal complaint with the Justice Department alleging that Mr. Akhmetshin, among others, has failed to register under the Foreign Agents Registration Act (“FARA”) despite undertaking a lobbying campaign on behalf of Russian interests.<sup>1</sup> The Committee is looking into the circumstances surrounding this lobbying effort and the potential FARA violations involved.<sup>2</sup> It is important for the Committee to gather additional information on Mr. Akhmetshin as part of this process.

Mr. Akhmetshin is a Russian immigrant to the U.S. who has admitted having been a “Soviet counterintelligence officer.”<sup>3</sup> In fact, it has been reported that he worked for the GRU and allegedly specializes in “active measures campaigns,” *i.e.*, subversive political influence operations often involving disinformation and propaganda.<sup>4</sup> According to press accounts, Mr. Akhmetshin “is known in foreign policy circles as a key pro-Russian operator,”<sup>5</sup> and Radio Free Europe described him as a “Russian ‘gun-for-hire’ [who] lurks in the shadows of Washington’s

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<sup>1</sup> *Complaint Regarding the Violation of US Lobbying Laws by the Human Rights Accountability Global Initiative Foundation and Others*, Hermitage Capital Management (July 15, 2016) (attached).

<sup>2</sup> *See* Letter from Chairman Grassley, U.S. Senate Committee on the Judiciary, to Acting Deputy Attorney General Boente, U.S. Department of Justice (Mar. 31, 2017).

<sup>3</sup> Isaac Arnsdorf, *FARA Complaint Alleges Pro-Russian Lobbying*, POLITICO (Dec. 8, 2016).

<sup>4</sup> *Id.* (“Akhmetshin used to spy for the Soviets and ‘specializes in active measures campaigns’ ... Akhmetshin acknowledged having been a Soviet counterintelligence officer”); Chuck Ross, *Oppo Researcher Behind Trump Dossier Is Linked to Pro-Kremlin Lobbying Effort*, THE DAILY CALLER (Jan. 13, 2017) (Akhmetshin “was affiliated with GRU, Russia’s main intelligence directorate”); STEVE LEVINE, *THE OIL AND THE GLORY: THE PURSUIT OF EMPIRE AND FORTUNE ON THE CASPIAN SEA* 366 (2007) (describing how a former KGB officer turned businessman turned Kazakh politician “hired a lobbyist, and English-speaking former Soviet Army counter-intelligence officer named Rinat Akhmetshin [and] the skilled Akhmetshin burrowed in with Washington reporters, think tank experts, administration bureaucrats, and key political figures”); Plaintiff’s Complaint, *International Mineral Resources B.V. v. Rinat Akhmetshin, et al.*, No. 161682/2015, 2015 WL 7180277 (N.Y. Sup.) (“Akhmetshin is a former Soviet military counterintelligence officer who moved to Washington, D.C. to become a lobbyist.”).

<sup>5</sup> Isaac Arnsdorf, *From Russia, With Love?*, POLITICO (Aug. 17, 2016).

lobbying world.”<sup>6</sup> Mr. Akhmetshin reportedly entered the U.S. in the 1990s and became a U.S. citizen in 2009, while also retaining his Russian citizenship.<sup>7</sup>

Despite all of this information, and despite Mr. Akhmetshin’s admission to the press that he had been a Russian intelligence officer, in response to a different press inquiry, “Akhmetshin denied that he ever worked for Soviet military intelligence, something he would have had to declare when he applied for U.S. citizenship.”<sup>8</sup> The circumstances of Mr. Akhmetshin’s immigration into the U.S. and his eventual U.S. citizenship are relevant to the Committee given his alleged ties to Russian intelligence and actions as an unregistered agent of Russian interests. This information is also relevant because he was reportedly working with Fusion GPS, the company that oversaw the creation of the controversial dossier alleging a conspiracy between President Trump and the Russian government, on the pro-Russian lobbying effort at the same time the dossier was being created.

To better understand the immigration history of Mr. Akhmetshin, please provide the following information as soon as possible, but no later than April 18, 2017:

All information on Rinat Akhmetshin, including but not limited to his immigration history, executive summary, and copies of the U.S. Citizenship and Immigration Services (USCIS) or Immigration and Naturalization Services (INS) alien file (A-File), including any temporary files or working files, and all documents and items contained in them that were generated by the Department of Homeland Security, or legacy INS, whether currently in written or electronic form, including the Enforcement and Removal Operations (ERO) Executive Summary, criminal history and immigration summaries, detainers or requests for notification, TECs hits, I-213(s), and Notice(s) to Appear or other charging documents created to seek his removal from the United States.

I anticipate that your written response and the responsive documents will be unclassified. Please send all unclassified material directly to the Committee. In keeping with the requirements of Executive Order 13526, if any of the responsive documents do contain classified information, please segregate all unclassified material within the classified documents, provide all unclassified information directly to the Committee, and provide a classified addendum to the Office of Senate Security. The Committee complies with all laws and regulations governing the handling of classified information. The Committee is not bound, absent its prior agreement, by any handling restrictions or instructions on unclassified information unilaterally asserted by the Executive Branch.

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<sup>6</sup> Mike Eckel, *Russian ‘Gun-For-Hire’ Lurks in Shadows of Washington’s Lobbying World*, RADIO FREE EUROPE/RADIO LIBERTY (July 17, 2016).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

Thank you for your prompt attention to this important matter. If you have any questions, please contact Patrick Davis of my Committee staff at (202) 224-5225.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is written in a cursive, flowing style.

Charles E. Grassley  
Chairman  
Committee on the Judiciary

cc: The Honorable Dianne Feinstein  
Ranking Member  
Senate Committee on the Judiciary



## Hermitage Capital Management

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Heather H. Hunt, Chief  
FARA Registration Unit  
Counterintelligence and Export Control Section  
National Security Division  
U.S Department of Justice

By Email: [REDACTED]@usdoj.gov

15 July 2016

Dear Ms. Hunt,

**Complaint regarding the violation of US Lobbying Laws by the Human Rights Accountability Global Initiative Foundation and others by Hermitage Capital Management (“Hermitage”)**

Further to our recent call, on information and belief, we write to set out in more detail several violations of US lobbying laws by lobbyists and entities acting under the direction/control/influence of the Russian Government.

**I. Executive Summary**

1. There is an ongoing lobbying campaign to repeal the Magnitsky Act (the “Campaign”) and rewrite the history of the Magnitsky story. This campaign has been conducted by the following entities
  - A. Prevezon Holdings Limited (“Prevezon”) - a Russian owned Cyprus registered company
  - B. The Human Rights Accountability Global Initiative Foundation (“HRAGIF”) - a Delaware NGO created on 18 February 2016.
  
2. To assist them in the Campaign, based on information and belief, the following people have been hired to lobby on their behalf:
  - A. **Rinat Akhmetshin** – Russian national living in Washington D.C.
  - B. **Robert Arakelian**
  - C. **Chris Cooper** – CEO Potomac Square Group
  - D. **Glenn Simpson** - SNS Global and Fusion GPS
  - E. **Mark Cymrot** – Partner, Baker Hostetler
  - F. **Ron Dellums** - Former Republican Congressman
  - G. **Howard Schweitzer** – Managing Partner of Cozen O’Connor Public Strategies

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For Correspondence only:

3<sup>rd</sup> Floor, Grafton House, 2-3 Golden Square, London W1F 9HR

Tel: +44 (0)207 440 1777 / Fax: +44 (0)207 440 1778



3. The Campaign's three objectives are:
  - A. To repeal the 2012 Magnitsky Act.
  - B. To remove the name "Magnitsky" from the Global Magnitsky Bill, which is currently passing through Congress.
  - C. To discredit the established version of events regarding the theft of \$230 million from the Russian Treasury and the death of Sergei Magnitsky as told by William Browder, CEO of Hermitage ("Mr. Browder"), so as to assist the Campaign in meeting its objectives in relation to repealing the Magnitsky Law.
  
4. In conducting these lobbying activities, those involved in the Campaign are in violation of their filing requirements under the Lobbying Disclosure Act 1995 ("LDA") and the Foreign Agents Registration Act 1938 ("FARA"), for the following reasons:
  - A. The lobbyists involved have failed to file their lobbying activities with the relevant authorities.
  - B. The entity involved, HRAGIF, has filed inaccurate information in its LDA filings.
  - C. Both HRAGIF and Prevezon are being controlled/directed/influenced by the Russian Government in respect of the lobbying activity (see Section III), and therefore filings are required to be made under FARA.
  
5. Taking this information into consideration, we urge you to commence an investigation into the lobbying activities of the individuals and entities mentioned herein.

## **II. Lobbying Activities by the Campaign in Violation of FARA and LDA**

Through the creation of a new NGO which appears to be disguising its lobbying activities, the lobbying of Congress, and the screening of a film intended to spread misinformation about the history of Sergei Magnitsky, the individuals and lobbyists identified below are in breach of various statutory lobbying requirements under FARA and the LDA 1995.

### **1. Creation of the Human Rights Accountability Global Initiative Foundation ("HRAGIF")**

- A. HRAGIF was established on 18 February 2016 in Delaware. Its registered address is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801. The address on its LDA filing is 1050 Connecticut NW #500, Washington DC, 20036.
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- B. HRAGIF's stated objective on its website is "overturning the Russian adoption ban."<sup>1</sup>
- C. The following people were involved in HRAGIF's lobbying activities, and are listed as in-house lobbyists on HRAGIF's LDA filings:<sup>2</sup>
- i. Rinat Akhmetshin
    - a. Mr Akhmetshin is a former member of the Russian military intelligence services (GRU). He is now based in Washington DC as a lobbyist.
    - b. He was previously hired by clients with the mandate to generate negative publicity. He was paid by a previous client to derail the US asylum application of a Russian citizen using false allegations of anti-Semitism.<sup>3</sup>
    - c. He has been accused of organizing, on behalf of Russian oligarch Andrey Melnichenko, for the computers of International Mineral Resources to be hacked to steal "confidential, personal and otherwise sensitive information" so that it could be disseminated.<sup>4</sup>
  - ii. Robert Arakelian
- D. The following people have been involved in HRAGIF's lobbying activities, but are not listed in their LDA filings:
- i. Chris Cooper, CEO Potomac Square Group
  - ii. Natalia Veselnitskaya, the Russian lawyer for Prevezon
  - iii. Anatoly Samochornov, Russian born professional interpreter and project manager for the US State Department
- E. Email evidence from Mr. Samochornov to Thomas Klosowicz confirms Samochornov and Veselnitskaya's connection to HRAGIF.<sup>5</sup>
- F. In its registration forms that were filed on 11, 16 and 20 June 2016, HRAGIF states that its current and anticipated specific lobbying issues are "foreign adoption issues."<sup>6</sup> This statement is false. It has been confirmed that Rinat Akhmetshin has been lobbying to attack the Magnitsky Act.

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<sup>1</sup> <http://hragi.org/>

<sup>2</sup> Please see HRAGIF's LDA 1995 filings:

<http://disclosures.house.gov/ld/ldxmlrelease/2016/RR/300805895.xml>

<http://disclosures.house.gov/ld/ldxmlrelease/2016/RA/300805978.xml>

<http://disclosures.house.gov/ld/ldxmlrelease/2016/RA/300806062.xml>

<sup>3</sup> <http://www.nytimes.com/2015/02/12/nyregion/russia-time-warner-center-andrey-vavilov.html>

<sup>4</sup> <http://www.leagle.com/decision/In%20FDCCO%2020150729B50/In%20re%20Application%20of%20International%20Mineral%20Resources%20B.V> ; <http://www.forbes.ru/news/305971-byvshii-podryadchik-obvinil-melnichenko-v-organizatsii-khakerskoi-ataki>

<sup>5</sup> See email from A Samochornov to Thomas Klosowicz dated 26 April 2016 confirming Samochornov and Veselnitskaya's connection to HRAGIF, Appendix 1

<sup>6</sup> Please see HRAGIF's LDA 1995 filings:

<http://disclosures.house.gov/ld/ldxmlrelease/2016/RR/300805895.xml>

<http://disclosures.house.gov/ld/ldxmlrelease/2016/RA/300805978.xml>

<http://disclosures.house.gov/ld/ldxmlrelease/2016/RA/300806062.xml>



- i. He was responsible for organising the screening of the anti-Magnitsky documentary in Washington DC (see Section II.2.D.ii). He attended the aborted European Parliament screening in Brussels of the same film (see Section II.3.C), and he also attended a screening of the film in Moscow.
  - ii. He actively lobbied Congress on behalf of Prevezon prior to the House markup of the Global Magnitsky Bill on 18 May 2016 (see Section II.2.C.i).
- G. Furthermore, HRAGIF states at section 14 of the forms that it has no relationship with a foreign entity that would require disclosure under the LDA. This statement is false.
  - i. Natalia Veselnitskaya is the lawyer to Prevezon and the Katsyv family. Prevezon is a Cyprus company owned by a Russian national, which makes it a foreign entity under the LDA. Furthermore, on information and belief, both HRAGIF and Prevezon are being controlled/directed/influenced by the Russian Government (see Section III), and therefore should be considered as foreign principals under FARA.
  - ii. Natalia Veselnitskaya played a key role in organising screenings of the film intended to rewrite the history of Sergei Magnitsky (see Section II.3.C.). On information and belief, in doing so she is being directed by the Russian Government (see Section III), and therefore should be required to file under FARA.
- H. Because HRAGIF has filed false LDA registration filings with regards to both lobbying issues and a relationship with foreign entities, they are in direct violation of the LDA and the filing requirements under FARA.

## **2. Lobbying of Congress to remove “Magnitsky” from the Global Magnitsky Human Rights Accountability Bill**

- A. On 17 December 2015 the Global Magnitsky Human Rights Accountability Bill (“Global Magnitsky Bill”) was passed in the Senate.
- B. On 18 May 2016 the Global Magnitsky Bill was scheduled for markup by the House Foreign Affairs Committee. Republican Congressman Dana Rohrabacher tabled an amendment seeking the removal of Sergei Magnitsky’s name from the title of the Bill.<sup>7</sup>
- C. The following individuals lobbied for the removal of the name “Magnitsky” from the title:
  - i. Rinat Akhmetshin
    - a. According to the Daily Beast, a US Congressional Staffer said that Rinat Akhmetshin arrived at Congress with Ron Dellums (a

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<sup>7</sup> See copy of Dana Rohrabacher’s letter to members of the House of Foreign Affairs Committee and accompanying articles, Appendix 2



- former Congressman) without an appointment to discuss the Global Magnitsky Bill, which was due for markup the following day.<sup>8</sup>
- b. The Staffer stated that, “*They said they were lobbying on behalf of a Russian company called Prevezon and asked us to delay the Global Magnitsky Act or at least remove Magnitsky from the name.*”<sup>9</sup>
- ii. Former Congressman Ron Dellums
- a. Attended Congress with Rinat Akhemtshin the day before the markup.
- iii. Mark Cymrot of Baker Hostetler
- a. Mark Cymrot is a Partner at Baker Hostetler, and is one of the lawyers instructed by Prevezon in the asset forfeiture case in New York.
- b. Mark Cymrot was in phone and email contact with Congressional staff members Doug Seay and Paul Behrends, briefing them as part of the anti-Magnitsky push to have Magnitsky’s name removed from the bill.<sup>10</sup>
- iv. Howard Schweitzer, Managing Partner of Cozen O’Connor Public Strategies
- a. On information and belief, he lobbied for the removal of Magnitsky’s name from the Global Magnitsky Bill.
- D. None of the individuals listed above filed any LDA filings with respect to their lobbying activities surrounding the Global Magnitsky Bill. Therefore they are acting in direct violation of LDA 1995.
- i. Rinat Akhemtshin is listed as an in-house lobbyist employed by HRAGIF for the purposes of its LDA filing. He has not filed any LDA filing in respect of lobbying work for Prevezon. Prevezon is also not mentioned in HRAGIF’s LDA filings as an affiliated organisation or foreign entity under sections 13 and 14 of its LDA filing.
- ii. Furthermore, even if Rinat Akhemtshin was on this occasion lobbying for HRAGIF rather than Prevezon, this activity would not be in accordance with their stated objective in their LDA filing, as it did not relate to “*foreign adoption issues.*”
- E. On information and belief, efforts to rename the Global Magnitsky Bill are under the control/influence/direction of the Russian Government (see Section III.3). Therefore any lobbying with respect to this Bill should be filed under FARA. None of the individuals above made any filings under FARA, and are therefore in violation of these requirements.

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<sup>8</sup> <http://www.thedailybeast.com/articles/2016/05/18/putin-s-dirty-game-in-the-u-s-congress.html>

<sup>9</sup> Ibid.

<sup>10</sup> See Appendix 3 - email from Mark Cymrot to Doug Seay and Paul Behrends

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- i. While lawyers representing foreign principals are exempt from filing under FARA, this is only true if the attorney does not try to influence policy at the behest of his client.<sup>11</sup> Mark Cymrot cannot rely on the lawyers exemption under FARA, as in this instance he was trying to influence policy.

### 3. Screening of the Documentary “The Magnitsky Act” in Washington

- A. A documentary by Russian filmmaker Andrei Nekrasov entitled, “The Magnitsky Act” (the “Film”) was screened in Washington DC on 13 June 2016, at the Newseum.
- B. The Film attempts to claim that the Magnitsky story as told by Mr Browder is untrue and that the Magnitsky Act was passed on the basis of an untrue story. The Film also seeks to exonerate the Russian Government officials who committed the \$230 million fraud.
- C. The Film was originally due to be premiered in the European Parliament in April 2016, but the screening was cancelled due to its controversial content. Natalia Veselnitskaya was reported in the Russian press as being one of the organisers of the screening, and a contributor to the film.<sup>12</sup> Several lobbyists connected to HRAGIF travelled to Europe for the screening, including Natalia Veselnitskaya, Anatoly Samochornov, and Rinat Akhmetshin.<sup>13</sup> Rinat Akhmetshin was also seen talking to Andrei Pavlov and Pavel Karpov, both of whom played a key role in the \$230 million Russian Treasury fraud which led to the passage of the Magnitsky Act (see Section III about Russian Government interests, below). Natalia Veselnitskaya also identifies herself as a Facebook friend of Pavel Karpov, who played a key role in the \$230 million Russian Treasury fraud.<sup>14</sup>
- D. The following individuals were involved with the promotion of the documentary in Washington:
  - i. Chris Cooper of Potomac Square Group was responsible for organising the screening.<sup>15</sup>
  - ii. Rinat Akhmetshin was also involved in organising the screening.<sup>16</sup>

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<sup>11</sup> <https://www.fara.gov/fara-faq.html#9>

<sup>12</sup> <https://ruposters.ru/news/27-04-2016/evroparlament-film-o-magnitskom>

<sup>13</sup> Natalia Veselnitskaya was interviewed by several journalists after the event. Anatoly Samochornov and Rinat Akhmetshin can be seen in the background during those interviews. <http://www.ntv.ru/video/1278965/>; <http://5-tv.ru/news/106468/>. See Appendix 4.

<sup>14</sup> For a screen shot of Veselnitskaya’s Facebook page, see Appendix 8

<sup>15</sup> “In the United States, Mr Nekrasov has retained the Potomac Square Group, a small public affairs and lobbying firm .....It is run by Chris Cooper, a former Wall Street Journal reporter. Mr Cooper rented the theatre in the Newseum and declined to say who was paying his company. “I’m putting this event together for the director” [http://www.nytimes.com/2016/06/10/world/europe/sergei-magnitsky-russia-vladimir-putin.html?\\_r=1](http://www.nytimes.com/2016/06/10/world/europe/sergei-magnitsky-russia-vladimir-putin.html?_r=1)

<sup>16</sup> “Akhmetshin told RFE/RL the showing was private due to copyright issues and that invitees included congressional staffers, as well as representatives from the U.S. State Department, the White House’s National Security Council, and members of the media” <http://www.rferl.org/content/nekrasov-browder-film-screening/27787150.html>



- E. The invitation to the screening advised that the event complied with congressional gift rules so that Members and staff of the U.S. Senate and House of Representatives may attend.<sup>17</sup>
- F. The screening was attended by the following members of the US executive and legislative branches:
- i. Kyle Parker (Staff member of the House of Foreign Affairs Committee)
  - ii. Paul Behrends (Staff member of the House of Foreign Affairs Committee)
  - iii. Jessica Roxburgh (Congressional Staff member to Republican Congressman Dana Rohrabacher)
  - iv. David Whiddon (US State Department)
  - v. Danielle Bayer (US State Department)
- G. The purpose of screening the Film in Washington DC in the presence of Congressional Staff members is a clear lobbying exercise to disseminate misinformation about Sergei Magnitsky, with a view to having the Magnitsky Act repealed and influence the outcome of the Prevezon case in New York.
- H. Through their involvement in the Film's screening and promotion in Washington DC, both Chris Cooper and Rinat Akhmetshin acted in violation of the LDA and FARA.
- i. Neither Chris Cooper nor Rinat Akhmetshin filed LDA registrations in respect of this event.
    - a. When Chris Cooper was asked by a reporter who was paying his company he refused to answer the question.<sup>18</sup>
  - ii. The screening of the film is linked to the interests of the Russian Government and also Prevezon (see Section III.4), and is an attempt by the lobbyists to influence public opinion and policy issues by the control/direction/influence of the Russian Government, and therefore FARA filings are required. Neither individual filed registrations under FARA.

#### 4. Lobbying Surrounding Russia Relations Hearing

- A. On 14 June 2016, the day after the Newseum event, Congressman Royce chaired a House Foreign Affairs Committee hearing on U.S. policy towards Putin's Russia.
- B. The hearing was attended by Andrei Nekrasov, Natalia Veselnitskaya and Rinat Akhmetshin.<sup>19</sup>

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<sup>17</sup> Please see Appendix 5 for a copy of the invitation.

<sup>18</sup> "It's the director's event and the movie people" Cooper said. "I'm not gonna talk about who's paying for what and all that" [https://www.buzzfeed.com/rosiegray/newseum-will-host-controversial-magnitsky-film-screening-des?utm\\_term=.pgJyKLJ0Om#.vmgk21JVNV](https://www.buzzfeed.com/rosiegray/newseum-will-host-controversial-magnitsky-film-screening-des?utm_term=.pgJyKLJ0Om#.vmgk21JVNV)

<sup>19</sup> Please see Appendix 6 for photos of these individuals attending the Congressional Hearing



- C. Following that hearing, it was reported in the Russian press that Natalia Veselnitskaya filed a report with Congress containing evidence that the grounds for the Magnitsky Act were based on lies. She said, “*I am qualified to talk about it as a lawyer, and I am stating that I know the facts that can help the Congress to figure out this complicated story.*”<sup>20</sup>
- D. Andrei Nekrasov also provided Dana Rohrabacher with a written statement to be entered on the record, in which he repeated the false allegations that he makes in the Film.<sup>21</sup>
- E. Neither Natalia Veselnitskaya nor Rinat Akhmetshin filed any FARA or LDA filings with regards to this hearing. On information and belief, they are acting under the control/direction/influence of the Russian Government (see Section III), a FARA filing is required.
- i. While lawyers representing foreign principals are exempt from filing under FARA, this is only true if the attorney does not try to influence policy at the behest of his client.<sup>22</sup> By disseminating anti-Magnitsky material to Congress, Ms. Veselnitskaya is clearly trying to influence policy and is therefore in violation of her filing requirements under FARA.
  - ii. Furthermore, if Ms. Veselnitskaya was lobbying as a representative of HRAGIF, the organisation is in breach of its LDA filing for:
    - a. Failing to list her as a lobbyist
    - b. The lobbying was not in accordance with its stated objective of “*Foreign Adoption Issues.*”

## 5. Further Lobbyists Involved

### A. Glenn Simpson

- i. Glenn Simpson is a former Wall Street Journal correspondent who co-founded firms, SNS Global and Fusion GPS, which specialize in generating negative press against their clients’ opponents.
- ii. Four different journalists at the Financial Times, New York Times and the Wall Street Journal have all confirmed to Hermitage that Glenn Simpson has been hired by Prevezon to lobby for the anti-Magnitsky Campaign.
- iii. Neither Glenn Simpson, SNS Global or Fusion GPS has submitted any LDA or FARA filing in respect of its lobbying activities in relation to the anti-Magnitsky campaign, which is clearly seeking to influence U.S. public opinion on policy issues (namely to repeal the Magnitsky Act and de-rail the Global Magnitsky Act).

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<sup>20</sup> <http://m.sputniknews.com/us/20160615/1041346419/veselnitskaya-congress-magnitsky.html>

<sup>21</sup> Please see Appendix 7 for Andrei Nekrasov’s Statement

<sup>22</sup> <https://www.fara.gov/fara-faq.html#9>

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### III. The Russian Government Interest in Lobbying Activities by the Campaign

The Russian Government has a significant vested interest in repealing the 2012 Magnitsky Act and derailing the passage through Congress of the proposed Global Magnitsky Bill. As a result, there is reason to believe that the lobbying activities connected to the repealing of the Magnitsky Act are in the interests of the Russian Government, and should be declared pursuant to FARA.

#### 1. Historical evidence of the Russian Government interest in repealing the Magnitsky Act

- A. Shortly after beginning his third term as President, President Vladimir Putin made it his primary foreign policy objective to prevent the passage of the Magnitsky Act.
  - i. The *Signed Decree on Measures to Implement Foreign Policy*, published on 7 May 2012, stated that, with regard to relations with the United States of America, the primary objective is **“to work actively in prohibiting imposition of unilateral extraterritorial sanctions of the United States of America against Russian legal entities and individuals;”**<sup>23</sup>
- B. The initial reaction by the Russian Government to the 2012 passage of the Magnitsky Act was one of hostility.
  - i. During a press conference on 20 December 2012, following the passage of the Magnitsky Act, Russian President Vladimir Putin stated that, *““This is undoubtedly an unfriendly act towards the Russian Federation...it is outrageous to use [problems in Russia] as a pretext to adopt anti-Russian laws, when our side has done nothing to warrant such a response.”*<sup>24</sup>
  - ii. As an immediate retaliation to the Magnitsky Act the Russian Duma passed its own Anti-Magnitsky Law. On 28 December 2012, Vladimir Putin signed the law into effect which banned the adoption of Russian Children by Americans. It was also known as the “Law of Dima Yakovlev.”<sup>25</sup> The new law immediately halted adoption by American families of Russian children. In total 300 adoptions that were in progress were stopped.
  - iii. On 12 April 2013 the United States published its initial Magnitsky sanctions list, naming 18 individuals who would face visa bans and asset

<sup>23</sup> <http://www.kremlin.ru/events/president/news/15256>

<sup>24</sup> <http://thesantosrepublic.com/2012/12/22/president-putins-complete-news-conference-on-2012-highlights-u-s-magnitsky-act-human-rights-etc-full-text-and-video/>

<sup>25</sup> <http://www.metronews.ru/novosti/putin-schitaet-adekvatnym-otvet-gosdumy-na-akt-magnitskogo/Tpollt---QitiM3ypHIKs/>; <http://www.voanews.com/content/story-of-one-american-family-russian-adoption-told-in-documentary/1799234.html>



freezes pursuant to the Magnitsky Act. The following day, on 13 April 2013, the Russian Government retaliated by publishing its own list of 18 US Citizens that would be denied entry into the Russian Federation.<sup>26</sup>

**2. The animosity by the Russian Government towards the Magnitsky Act has not diminished over time, and in fact seems to have increased in the last 6 months.**

- A. On 3 December 2015 Russia's General Prosecutor Yuri Chaika provided a letter of reply to the newspaper Kommersant, in which he stated that; the adoption of the Magnitsky Act was the result of a large scale, deceitful PR campaign orchestrated by Mr. Browder to shift the blame for his crimes to Russian officials; and that the passage of the Magnitsky Act was based on emotions and anti-Russian sentiment rather than objective evidence.<sup>27</sup>
- B. Chaika's statements were part of a significant escalation in Russian Government Anti-Magnitsky propaganda since December 2015.
  - i. On 13 April 2016, Russian State-owned channel Russia-1 TV aired a 30 minute film called "The Browder Effect," accusing Mr. Browder of being a CIA spy recruited in the 1980's to bring down the USSR, of killing Sergei Magnitsky, and of committing the \$230 million Russian Treasury fraud.
  - ii. In April 2016, Andrei Nekrasov's documentary was due to be premiered in the European Parliament. While the screening was aborted, there were several former Russian government officials present, such as Pavel Karpov, who played an instrumental role in the fraud.
- C. On 31 May 2016, Russia's Foreign Minister Sergey Lavrov stated that the Magnitsky Act was an attempt by the US to contain Russia.<sup>28</sup>

**3. Russian Government officials are openly supporting the lobbying campaign to derail the Global Magnitsky Bill and repeal the Magnitsky Act**

- A. In April 2016, a 4-person US Congressional delegation to Russia which included Dana Rohrabacher were given a confidential letter by the Russian government, containing a series of allegations which mirrored the allegations being advanced by the anti-Magnitsky campaign.<sup>29</sup>
  - i. The author of the letter offered to bring the evidence to substantiate the allegations before the House Subcommittee on Oversight and Investigations.

<sup>26</sup><http://www.mk.ru/politics/2013/04/13/841062-moskva-obnarodovala-quotantimagnitskiy-spisokquot.html>

<sup>27</sup><http://www.kommersant.ru/doc/2876887>

<sup>28</sup>[http://www.mid.ru/foreign\\_policy/news/](http://www.mid.ru/foreign_policy/news/)

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<sup>29</sup><http://www.thedailybeast.com/articles/2016/05/18/putin-s-dirty-game-in-the-u-s-congress.html>



- ii. The letter ended with the following political enticement *“Changing attitudes to the Magnitsky story in the Congress, obtaining reliable knowledge about real events and personal motives of those behind the lobbying of this destructive Act, taking into account the pre-election political situation may change the current climate in interstate relations. Such a situation could have a very favourable response from the Russian side on many key controversial issues and disagreements with the United States, including matters concerning the adoption procedures”*.
  - iii. Ken Grubbs, Dana Rohrabacher’s press secretary, confirmed that not only had the letter been provided by the Russian Government, but that *“most of the information from Russia comes from the government itself.”*<sup>30</sup>
  - iv. Following receipt of the letter, Dana Rohrabacher sought to temporarily delay the markup of the Global Magnitsky Bill. The deferral more or less coincided with the scheduled premiere of the film at the European Parliament, which repeats many of the allegations made in the letter.<sup>31</sup>
- B. Russian Government officials have commented extensively in the press in support of Nekrasov’s documentary.
- i. At least five Russian State TV channels sent representatives and camera crews to the aborted European Parliament screening of the Film in April 2016.
  - ii. Following the Film’s Washington screening, Sergei Lavrov, Russia’s Foreign Minister, told a Moscow newspaper that *“A great number of facts have appeared-including documentary films which, by the way, are forbidden from being shown in Europe for some reason – confirming that the death of Sergei Magnitsky was all the result of enormous trickery by this....Browder, who is an unscrupulous swindler”*<sup>32</sup> On 31 May 2016 he stated to a different paper that, *“Sergei Magnitsky’s death is the result of a huge scam by William Browder who is nothing but a sleazy crook.”*<sup>33</sup>
  - iii. On 15 June 2015, General Prosecutor Yuri Chaika stated *“Yesterday, you know, in Washington, the film was shown in a closed directed mode, the director Andrei Nekrasov, which, in principle, cannot be blamed for the love of Russia. He really made a few TV shows, movies, where, in principle, on the negative side was illuminated Russia. But he made a film about Magnitsky; but he found the courage, when shooting a film about Magnitsky, and saw what was happening and made a film-truth.*

<sup>30</sup> <http://www.thedailybeast.com/articles/2016/05/18/putin-s-dirty-game-in-the-u-s-congress.html>

<sup>31</sup> <http://www.thedailybeast.com/articles/2016/05/18/putin-s-dirty-game-in-the-u-s-congress.html>

<sup>32</sup> <https://next.ft.com/content/1eb38914-2ca4-11e6-a18d-a96ab29e3c95>

<sup>33</sup> [http://www.mid.ru/foreign\\_policy/news/-/asset\\_publisher/cKNonkJE02Bw/content/id/2298019?p\\_p\\_id=101\\_INSTANCE\\_cKNonkJE02Bw&\\_101\\_INSTANCE\\_cKNonkJE02Bw\\_languageId=en\\_GB](http://www.mid.ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/2298019?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw_languageId=en_GB)



*This film is a guilty verdict Browder, I think this film will be released here”<sup>34</sup>*

4. **The Russian Government also has a vested interest in ensuring that Prevezon Holdings Limited and its affiliated companies successfully defend asset forfeiture proceedings brought against them by the United States Government in New York, in which Prevezon is accused of laundering proceeds of the \$230 million fraud.**
  - A. Prevezon is owned by Denis Katsyv, the son of a Russian government official, Piotr Katsyv. Denis Katsyv currently has \$7million frozen by the Swiss General Prosecutor, pursuant to a criminal investigation by the Swiss authorities into the laundering of proceeds from the \$230 million fraud.
  - B. If the United States Government is successful in its civil forfeiture action against Prevezon, the ramifications for the Russian Government would be extremely significant. A judgment against Prevezon from a New York court would be the first judicial finding, globally, to find an entity guilty of laundering proceeds from the \$230 million fraud.
  - C. Such a decision would galvanise efforts in other countries that are already investigating the laundering of the proceeds, and would assist in encouraging other jurisdictions that have not yet opened up investigations to do so. Therefore it is in the Russian Government’s interests to do everything in its power to assist Prevezon in successfully defending these proceedings.
  - D. This concern was vocalised by General Prosecutor Yuri Chaika’s December 2015 statements in Kommersant magazine, in which he refers to the Prevezon case and states that if Prevezon are found guilty, the decision will legally validate Browder’s version of the entire story – from the embezzlement of Russian Treasury funds to the murder of Sergei Magnitsky. He also states that, *“the judgment undoubtedly would have precedential value in many countries.”<sup>35</sup>*

In summary, the recent lobbying and events which took place in Washington and Europe must be seen in the wider context of a sustained anti-Magnitsky campaign by the Russian Government. On the evidence above, on information and belief the Russian Government,

<sup>34</sup> <http://tass.ru/politika/3364968>

<sup>35</sup> *“Browder and his curators have decided to reinforce these vulnerable position by going to court in the United States. Russian businessman was charged. And now we are by watching with interest the process. There is no doubt that the calculation was the fact that under the powerful pressure of the US legal state machine will be concluded a settlement agreement with the defendant. Thereby held legally significant decision, and without examining the evidence by the court. And this decision, firstly, to be legalized version Browder that budget money is not he kidnapped and Russian officials, and secondly, underpinned by the court the way the theft of these funds, allegedly uncovered Magnitsky and put in the rationale for the adoption of the law, then named after him. In addition, the judgment undoubtedly would have precedential value in many countries.”* Russian General Prosecutor Yuri Chaika’s interview with Kommersant Magazine, 3<sup>rd</sup> December 2015. <http://www.kommersant.ru/doc/2876887>



through Prevezon, HRAGIF and Andrei Nekrasov, was behind all the lobbying activities outlined herein, and therefore should have been declared under FARA.

#### IV. Conclusion

1. With respect to the activities of the HRAGIF, we believe it filed inaccurate information in its LDA filings, and it failed to file FARA filings when it was required to do so.
    - A. In its LDA filings, the HRAGIF stated that its current and anticipated lobbying purpose is “foreign adoption issues;” however; the entity, its in-house lobbyists, and close associates were involved in the screening of the Nekrasov documentary in Washington and Europe, Congressional lobbying prior to the Global Magnitsky Bill markup, and Congressional lobbying surrounding the Putin hearing. These activities do not fall under the remit of “foreign adoption issues,” and therefore the information in HRAGIF’s LDA filings is inaccurate.
    - B. In its LDA filings, the HRAGIF stated that it had no relationship with a foreign entity that would require disclosure under the LDA. However, Natalia Veselnitskaya, a close associate of HRAGIF, is also the lawyer to Prevezon (a foreign entity). Therefore HRAGIF’s statement in their LDA filing is false.
  2. With respect to the lobbying of Congress to remove “Magnitsky” from the Global Magnitsky Bill, the following lobbyists involved have failed to file their lobbying activities with the relevant authorities, and are therefore in violation of their filing requirements under the LDA.
    - A. Rinat Akhmetshin (lobbying on behalf of Prevezon)
    - B. Ron Dellums
    - C. Mark Cymrot
    - D. Howard Schweitzer
  3. With respect to the promotion of the Film in Washington DC and Europe, the following lobbyists are in violation of their LDA requirements:
    - A. Chris Cooper
    - B. Rinat Akhmetshin
  4. Glenn Simpson also conducted lobbying activities for the Campaign, and failed to file a lobbying registration under the LDA.
  5. None of the entities or individuals above has filed under FARA. We believe that these lobbyists are attempting to influence U.S. public opinion on policy issues, specifically the repeal of the Magnitsky Act and the removal of “Magnitsky” from the Global Magnitsky Bill, and are working under the direction of the Russian Government.
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6. As shown in Section III, there is a vested Russian Government interest in all the anti-Magnitsky lobbying activities outlined herein. Hermitage believes that both Prevezon and HRAGIF are being funded by and directed by the Russian Government to push its anti-Magnitsky agenda and influence US public policy, its objective being the repeal of the 2012 Magnitsky Act and the derailment of the proposed Global Magnitsky Act.
7. Taking this information into consideration, we urge you to commence a thorough investigation into the lobbying activities of the individuals and entities mentioned herein.

We remain available to provide you with any assistance you require.

Yours sincerely,

Hermitage Capital Management

*Hermitage Capital Management*

#### APPENDIX

- Appendix 1:** Email from A Samochornov to Thomas Klosowicz dated 26 April 2016 confirming Samochornov and Veselnitskaya's connection to HRAGIF
- Appendix 2:** Dana Rohrabacher's letter to members of the House of Foreign Affairs Committee
- Appendix 3:** Email from Mark Cymrot to Doug Seay and Paul Behrends
- Appendix 4:** Photographs of Natalia Veselnitskaya, Anatoly Samochronov, Rinat Akhmetshin, Pavel Karpov and Andrei Nekrasov at aborted Brussels premiere of "The Magnitsky Act."
- Appendix 5:** Copy of the invitation to the Newseum screening of the Magnitsky Act in Washington DC
- Appendix 6:** Photograph of individuals attending Congressional hearing on 14 June 2016
- Appendix 7:** Andrei Nekrasov's statement submitted to Dana Rohrabacher after Congressional Hearing on 14 June 2016
- Appendix 8:** Screenshot of Natalia Veselnitskaya's Facebook page