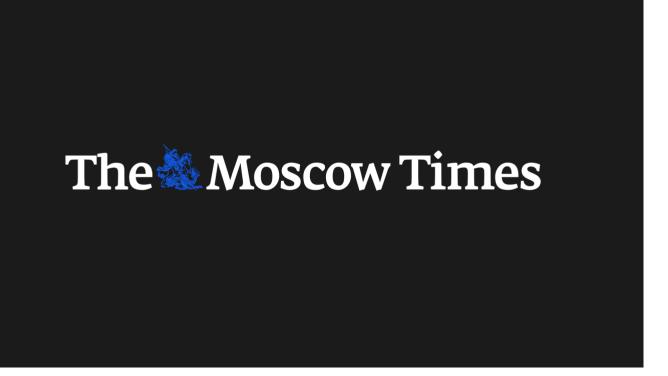


New Investigators Take Up Browder Case

By Alexandra Odynova

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Under a barrage of pressure from Hermitage Capital, a tax evasion case against the fund's head, William Browder, has been transferred from the Interior Ministry's investigative committee to another branch of the ministry in an attempt to add objectivity to the investigation, news reports said Monday.

Browder, a U.S.-British businessman who with business partner Ivan Cherkasov has been accused of not paying about 2 billion rubles (\$70.5 million) in taxes, claims that the case is revenge by the Interior Ministry's investigative department, which he has blamed for the death of Hermitage lawyer Sergei Magnitsky in a Moscow jail in 2009.

The investigation was transferred to the Interior Ministry's main directorate in the Central Federal District on Friday, Kommersant reported Monday.

"The criminal investigation into Browder and Cherkasov has been marked by constant

pressure on the investigators of the Interior Ministry's investigative committee from Hermitage Capital's representatives, who publicly have accused the officials of involvement in the death of their auditor Sergei Magnitsky and of their personal interest in the prosecution," an unidentified law enforcement official told Interfax on Monday.

"Now the case will be investigated by officials not related to the prosecution of Magnitsky," the official said, adding that it would make the inquiry "more objective."

Magnitsky accused a group of officials, including members of the Interior Ministry's investigative committee, of organizing a \$230 million tax fraud but was quickly arrested on charges of organizing the \$230 million tax fraud. Supporters say Magnitsky, 37, a lawyer with Firestone Duncan law firm, died after being denied proper treatment for existing health problems.

Magnitsky's supporters have released a series of videos exposing the luxurious life of tax and law enforcement officials involved in his case.

Browder, who was banned from entering Russia in 2005 on unexplained national security concerns, has also been removed from an international wanted list by Russian authorities, Kommersant reported, speculating that the case against him might be closed soon because the statute of limitations will expire this year.

A Hermitage Capital spokesman downplayed the transfer of the Browder investigation, saying by e-mail that Russian officials were only trying "to add an appearance of objectivity" to the case. Browder vowed to press ahead in his efforts to seek punishment for officials linked to Magnitsky's case.

"I, and all of Sergei's colleagues, are going to fight for justice for Sergei until all of those responsible are properly prosecuted under the law," Browder said in an e-mailed statement.

"The whole world is watching what Russia will do, and there are no half measures that will be acceptable," he said.

Last month, President Dmitry Medvedev urged Prosecutor General Yury Chaika to step up efforts to complete an investigation into Magnitsky's death and the tax evasion case.

Meanwhile, Hermitage Capital lawyers asked the Investigative Committee on Monday to open a criminal case into Chaika for ignoring their complaints to investigate two Moscow tax officials implicated in the \$230 million tax fraud. Medvedev reappointed Chaika to his post last week.

The Prosecutor General's Office had no immediate comment on the Hermitage affair on Monday.

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