The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Alexei Navalny vs. Vladlen Stepanov

October 25, 2011



Anti-corruption blogger Alexei Navalny has lost a defamation lawsuit filed by Vladlen Stepanov, whom Navalny had implicated in the death of Hermitage Capital lawyer Sergei Magnitsky. This is very good news — not that Navalny lost, of course, but that the lawsuit publicized some very important information. But let's first look at what we knew before the lawsuit.

We knew that there was a greenmailer, Hermitage Capital founder William Browder, who had a falling out with the Russian authorities. We know that in June 2007 Interior Ministry officer Artyom Kuznetsov entered Browder's offices and seized documents and stamps of three of his "shell" firms — Hermitage Capital subsidiaries Makhaon, Parfenion and Riland.

We knew that those documents wound up in the possession of convicted criminal Viktor Markelov. (By the way, Kuznetsov and Markelov were both once involved in a kidnapping case.)

Markelov and his highly placed backers then staged a unique scam: They brought charges against Makhaon and Parfenion on behalf of other shell companies, and won the case.

They then presented fraudulent claims to Moscow district tax offices No. 25 and No. 28 for a refund of 5.4 billion rubles ($230 million) and received the money within one working day.

We also know that one year earlier, the same two tax offices made a similar refund of 2.9 billion rubles to the firms Selen Securities and Financial Investments.

It is known that sometime between December 2007 and April 2008, two little-known firms, Techprom and Arkadia Trading House, received VAT refunds totaling 1.6 billion rubles from district tax office No. 28, headed by Olga Stepanova, Stepanov's ex-wife.

From the first in the series of three "Russian Untouchables" online videos made by Magnitsky supporters, we learned that Kuznetsov's family suddenly got rich and spent $3 million within three years. From the second video we learned that a Kuznetsov colleague, low-ranking Interior Ministry investigator Pavel Karpov, along with his family, also came into sudden wealth.

In the third video, we learned that fortune smiled very generously on the family of Stepanova. According to evidence cited in the video, her ex-husband registered Arivust Holdings in Cyprus and Aikate Properties in the Virgin Islands in 2008 and then deposited a total of $11 million in those companies' joint Swiss bank account. The video also documents residences purchased by Stepanov — a villa in Arkhangelsk costing $8 million and a seaside villa in Montenegro, as well as a $3 million villa on an artificial island and two luxury apartments in Dubai.

After that video was released, Stepanov filed charges, not against the filmmakers but against Navalny, who had only reposted it on his blog. Stepanov also announced that he had divorced Stepanova as far back as 1992 and that he had purchased those properties with money he had earned legally.

This is what we already knew. What did we learn from the current proceedings?

We now know that the divorce papers for the Stepanovs are dated Dec. 16, 2010, and that Vladlen Stepanov filed tax returns listing his annual income as 74,750 rubles ($2,900) in 2007, 139,000 rubles in 2008 and 120,000 rubles in 2009.

We also learned that, based on this information, the judge ruled that Stepanov is divorced from his wife and that he purchased those luxury villas with his hard-earned money. Well, what's done is done. The main thing is that this information was made public.

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