

Russian Tax Fraud Witness Falls Out of Fourth Floor Window



Summary: *The witness in a tax fraud case against Russian gangsters mysteriously fell four floors from a Moscow building.*

A U.S. federal court case regarding the largest money-laundering scheme in Russian history just took a bit hit when one of their witnesses plunged from a building in Moscow. Russian lawyer Nikolai Gorokhov was hospitalized after falling four stories.

Gorokhov's spokesman William Browder claims his client was "thrown from the fourth floor of his apartment building." The Russian media states that he "fell while he and workers were trying to lift a Jacuzzi into his apartment." Browder is an alleged victim in the money-laundering scheme.

The case, *USA v. Prevezon*, involves the biggest tax fraud case in Russian history perpetrated by gangsters and corrupt officials. Browder further explained the court filings in the U.S. Southern District, "His name is redacted in all the documents. The feds were very concerned for his safety. I can confirm his role." In the filings, the DOJ claims that Prevezon, a Cyprus-based real estate company owned by a Russian national, purchased New York City apartments using money linked to a \$230 million tax fraud case starting ten years ago. Prevezon claims the DOJ has no substantial evidence.

The case is preparing to go to trial in Manhattan right as the federal prosecutor Preet Bharara gets fired. Now New York City defense attorney Marc Mukasey may be the person to replace Bharara. Mukasey at one point was defending Prevezon. Mukasey no longer defends Prevezon.

Prevezon has requested a last-chance motion to get the case tossed out before going to trial. The case is scheduled to be presented to a New York City jury on May 15 unless the judge rules with them.

Deputy Director of the Wilson Center's Kennan Institute Will Pomeranz said, "I don't see the US government withdrawing from this case. It's unlikely that with a case on the eve of going to trial is one that they're going to back away from. And if they did, it would obviously send a signal."

The DOJ alleges that the Russian gangsters stole roughly a quarter-billion in taxpayer dollars by literally stealing companies. Investigators believe in 2007 that an organization of Russian mobsters, corrupt officials, and law enforcement orchestrated a raid on three Hermitage Fund help companies. Hermitage Fund was the largest Western investor in Russia at one time. After taking control of the companies and seizing their assets, they would re-register the companies with themselves in charge. Once they controlled the companies, they made up fake lawsuits, resulting in rulings against the companies for a massive \$973 million. When the stolen companies filed for tax refunds of \$230 million, they were immediately approved by tax officials working with the thieves.

When the founder of Hermitage, William Browder, caught on to what was happening, he hired a group of accountants and lawyers to figure out who was behind the scheme. Attorney Sergei Magnitsky was able to uncover \$230 million which matched the amount the paid for taxes in 2006 that ended up in bank accounts controlled by Russian mobsters.

Magnitsky was jailed by the Russian Interior Ministry when he brought it to this attention in 2008. A year later he died at the age of 37 in prison. The Russian authorities concocted a smear campaign against Magnitsky and Browder, claiming they had stolen the \$230 million. However, an investigation determined that Magnitsky was denied medical care and likely tortured in jail, casting suspicion over his death, which the authorities claim was from heart failure.

By 2012, President Obama signed the Magnitsky Act, freezing all the assets of Russian human rights abusers and banning them from obtaining visas. The first 18 names were added within the next year, including some linked to the \$230 million Hermitage tax heist. Vladimir Putin's response was to ban 18 U.S. citizens from entering Russia – including Bharara.

Britain, Switzerland, Lithuania, and a number of other countries have opened their own investigations into the scheme, watching to see what happens.

Do you think Russia should be placed under intense scrutiny? Tell us in the comments below.

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