

Magnitsky as whistleblower? No it was *Ksenia Starova*

By Lucy Kambour

William Browder's oft repeated tall tale is that Sergei Magnitsky, who he falsely claimed was his lawyer, discovered that corrupt Russian government officials and tax police had stolen a \$120m tax payment made by Browder's Hermitage Fund. It was called the tax refund fraud.

It was a scam that some crooked Russian and Western entrepreneurs had been operating for a few years. There were some "professionals" who specialized in it. They would set up "fake" shell companies that would use real companies (shells or others). Then they would file collective lawsuits claiming the real companies had cheated them, and they were owed multi-millions of dollars. The cheating companies would say, "Yes, you are right. We will pay."

That happened with Browder's Hermitage shell companies. His companies paid out the entirety of their gross profits and then claimed a full tax refund. He claims that the companies were stolen from him by the Russian tax police who in June 2007 searched his office and that of his accountant, *Vladimir Dvornin*, and stole documents and seals used to re-register the companies.

That is not possible, since the only way to change ownership of Russian companies is for the designated authority to go in person to the registry or to file the change through an owner's power of attorney. The latter was done by Browder's Cyprus shell. More about that separately. Of course, Magnitsky as the Hermitage accountant would have known that. And that no documents or seals can re-register anything.

Browder claims he hired "the lawyer" Magnitsky in 2007 after the search and that Magnitsky was arrested because he "blew the whistle" on the fraud, accusing tax investigators of using documents to steal the companies. That is a lie not only on the "blowing" but on the whistle-blowing.

First, Magnitsky was first interrogated in October 2006, over a year before the offices were searched. About Hermitage tax evasion.

Second, if Magnitsky discovered anything before his November 2006 arrest, there is no record that he wrote it down or told anybody. In his [interviews](#) of June and October 2006, after the 2007 fraud, he accused no government officials or anybody else. (Browder lies about that and has forged the claimed accusations via the theft of documents on his website.)

In fact, **the whistleblower was *Ksenia Starova***, a pensioner living in Kazan, capital of the Republic of Tatarstan in southwest Russia, who saw a [discovery.com](#) article about an investigation into Hermitage shell companies. She was the "hired name" dummy director of the three Browder shell companies which by then were owned by *Dotly Systems*, a British Virgin Islands shell.

The companies had been re-registered by a Russian shell, *Platon*, set up by Viktor Markelov, used in the tax refund scheme, and then transferred to *Dotly*. (Shell