

Rep. Joe Wilson, *South Carolina*
Chairman

Sen. Ben Cardin, *Maryland*
Co-Chairman



July 27, 2023

The Honorable Antony Blinken
Department of State
2201 C St NW
Washington, D.C. 20037

The Honorable Janet Yellen
The Department of the Treasury
1500 Pennsylvania Ave NW
Washington, D.C. 20220

Dear Secretary Blinken and Secretary Yellen,

We are writing you to request that the United States review for sanctions under the U.S. Magnitsky Act three Swiss nationals for their involvement in efforts to conceal the fraudulent tax scheme exposed by Sergei Magnitsky. These individuals have abetted Russian nationals sanctioned under the Magnitsky Act to regain access to funds, originally frozen in connection with the fraudulent tax scheme, and accepted unauthorised gifts and trips paid by Russian officials and oligarchs.

These individuals are Vinzenz Schnell, Patrick Lamon, and Michael Lauber.

The 2009 murder of Sergei Magnitsky was such a grave injustice that the United States passed the Magnitsky Act in 2012 to sanction the perpetrators, those who financially profited from his murder, and their agents. The Magnitsky Act was expanded to the Global Magnitsky Act in 2016 to cover all those involved in foreign corruption and human rights abuse.

Since then, a number of individuals have been sanctioned by the U.S. government, including Olga Stepanova (the tax official who approved the illegal \$230 million tax refund), her husband Vladlen Stepanov, and Dmitry Kluyev, the head of the Kluyev Organized Crime Group, that organized the fraudulent tax refund exposed by Sergei Magnitsky. These individuals were also sanctioned by our allies, including Canada, the United Kingdom, and Australia.

From 2011-2013, Swiss prosecutors froze approximately \$20 million in assets connected to that fraud, including accounts controlled by the sanctioned individuals Stepanov and Klyuev, as well as a son of Russian government official Denis Katsyv, who paid over \$6 million in settlement of the Department of Justice civil forfeiture action.

We were appalled to learn that the Swiss Federal Prosecutor's Office has decided to return approximately 80% of that frozen money to these Russian individuals, including those sanctioned by us. This decision was made by then Swiss Federal Prosecutor Kohler and authorized by current Federal Prosecutor Stefan Blättler.

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The decision to return the stolen money to the perpetrators was justified by the Swiss Federal Prosecutor's Office by repeating the false narrative of Russian officials claiming that "no criminal group was identified" in this fraud and that the tax officials who authorized the refund were "tricked." These findings are in direct contradiction to the findings of our government and many of our allies. The Swiss Federal Prosecutor's Office repeated verbatim the statements they received from the Russian government.

More worrying is that the leading Swiss investigator on the case, Vinzenz Schnell, was found to have taken bribes in the form of hunting trips funded by Russian oligarchs. When the investigator was convicted, he revealed that he was asked to derail the Magnitsky investigation. Swiss Federal Prosecutor Lauber and senior prosecutor Lamou were also exposed to have gone on trips paid by the Russians.

Members of the Helsinki Commission have approached the Swiss government about this case and been told the Swiss government "cannot interfere in a judicial process."

In this time of Putin's brutal and unprovoked war against Ukraine, the Swiss government is primed to return money to criminals in Russia who have been sanctioned by the U.S. government and justify it by making and repeating the false account of the fraud concocted by the Russian government.

The Magnitsky Act has specific provisions to deal with situations like this, including in relation to sanctioning those involved in corruption, or as agents of sanctioned individuals and those involved in the concealment of the liability for the fate of Sergei Magnitsky, including through the making of false accounts about the fraudulent tax scheme he had uncovered.

We request that you review the aforementioned three Swiss individuals for sanctions under the Magnitsky Act in relation to the corrupt gross misconduct and abetting persons sanctioned by the United States.

Sincerely,



Rep. Joe Wilson
Chairman



Rep. Steve Cohen
Ranking Member