

Magnitsky Link in Tax Office Raids

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Investigators on Wednesday searched the Moscow office of the Federal Tax Service and two other locations as part of a multimillion-dollar embezzlement case that could implicate officials under fire in another case — the prison death of Hermitage lawyer Sergei Magnitsky.

Investigators believe that tax officials might have assisted a St. Petersburg-based company, ES-Kontraktstroi, to make an attempt to embezzle 2 billion rubles (\$71 million) in state money under the guise of value-added tax refunds, RIA-Novosti reported.

The searches targeted the head office on Bolshaya Tuskaya Ulitsa, the No. 28 tax inspection office, and the apartment of Olga Chernichuk, who oversees VAT refunds for the Moscow branch of the Federal Tax Service and serves as its deputy head, the news report said.

Seven officials from the No. 28 tax inspection office are on a list of 60 officials facing a ban from entering the United States and European Union because of their involvement in the criminal case against Magnitsky, who died of untreated health problems in pretrial detention in 2009. Magnitsky was jailed on tax charges after accusing senior Interior Ministry officials

of embezzling \$230 million from the state through VAT refunds.

The seven tax officials include the head of the No. 28 tax inspection office, Olga Stepanova.

Hermitage on Wednesday reiterated its allegations that senior officials in the tax office had helped defraud the government of the \$230 million.

"We are not aware of the reason for today's raid," a Hermitage representative said in an e-mailed statement. "However, in 2008 Sergei Magnitsky uncovered the theft of \$230 million of taxpayer's money which required the direct participation of the management at tax inspection offices Nos. 28 and 25."

Wednesday's searches are not linked to the Magnitsky case, Federal Tax Service deputy chief Kirill Yankov told reporters, RIA-Novosti reported. He did not elaborate.

Finance Minister Alexei Kudrin said the searches, which started at 9 a.m., were initiated by the security department of the Federal Tax Service.

ES-Kontraktstroi is associated with Vyborgskaya Tsellyuloza, a small pulp and paper mill in the Leningrad region, and both of their offices were also searched Wednesday, RIA-Novosti said.

ES-Kontraktstroi is suspected of making 10 attempts to defraud the government through VAT refunds, the report said.

The refund case was opened in October when the Federal Tax Service handed over information about possible violations in the No. 28 tax office to the Investigative Committee, Yankov said in a statement [published](#) on the tax service's web site.

Three senior officials in the No. 28 tax office resigned in January to avoid unspecified pressure from Chernichuk, the tax official in charge of VAT refunds, RIA-Novosti said.

Kudrin said additional searches were planned at other regional tax inspection offices.

Federal Tax Service chief Mikhail Mishustin said his agency's security service had detected a number of instances of corruption and informed law enforcement officials about them.

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