



**Lynn Bolin,**  
Head of  
Communications,  
Prudential Investment  
Managers

# RED ALERT

Exposing lies, corruption and murder in Russia

**S**imilar to Michael Lewis's *Liar's Poker*, *Red Notice* is a fascinating true story about the dangers of high finance. For South Africans it is also a lesson in how not to privatise public companies, and an eye-opener about the extraordinary levels of corruption in Russia.

Author Bill Browder was a young American investment banker who took a special interest in Eastern Europe and Russia just after these countries opened for business in the early 1990s. Through Browder we learn how the Russian government (under Boris Yeltsin) botched the privatisation of the nation's economy through its voucher trading programme and how the Oligarchs were able to hijack this to become billionaires. As he observes: "Instead of 150 million Russians sharing the spoils of mass privatisation, 22 Russian oligarchs ended up owning 39% of the economy, while everyone else was in poverty."

Browder was in the right place at the right time, and astute enough to recognise the opportunity to make millions for Salomon Brothers. He then founded his own fund in Moscow, Hermitage Capital, which was very successful: by 1993 it was the largest foreign corporate investor in Russia. Thanks to this success, high-powered Russians started coming after his fund's assets using illegal methods. When the police wouldn't help, Browder used his own and his team's investigative talents to prove the wrongdoing. They finally resorted to the Internet (primarily YouTube) to generate public support and outrage, exposing the extent of the self-enrichment, abuses of power and outright evil perpetrated by certain authorities. Finally, he was kicked out of Russia and

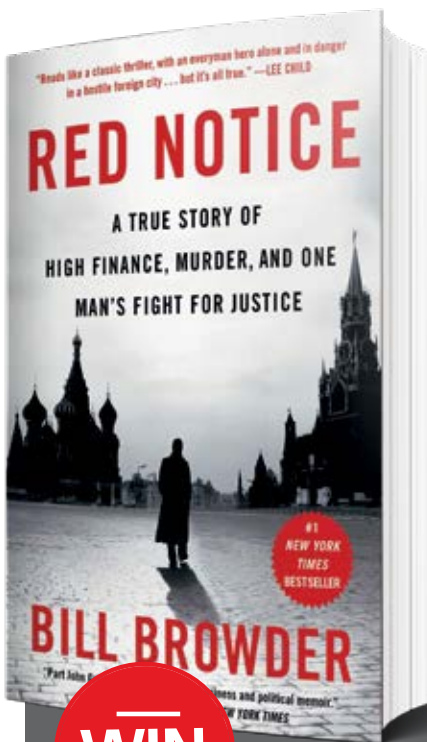
his Russian colleagues were forced to go underground or flee to London.

Then came the day in 2009 when one of his Russian law colleagues, Sergei Magnitsky, was arrested in Moscow and died in custody after suffering serious abuse. Browder and his colleagues traced the primary culprits – two high-ranking police officials – but their efforts to bring them to justice were thwarted. In the end, YouTube again proved to be a powerful medium for publicising these officials' unexplained wealth and turning public opinion against them.

To get more justice and recognition for his friend Magnitsky and his family, Browder became a human rights activist based in London, and launched a bill in the US to impose visa restrictions and international sanctions on anyone linked to abuses, torture and corruption in Russia. This bill became the Magnitsky Act in 2012, and Russian officials implicated in Magnitsky's death were put on the sanctions list.

It was then that Browder came to the attention of President Vladimir Putin, quickly becoming an even bigger enemy of the Russian state. He faced trumped-up charges brought by the Russian police, who issued a "Red Notice" – an Interpol warrant of arrest – against him. Interpol refused to arrest him. Instead, he was tried *in absentia* in Moscow and convicted of fraud in 2013. Putin also retaliated against the US by barring Americans from adopting Russian orphans.

Today, Browder continues to fight abuses of power and human rights in Putin's Russia and elsewhere.



WIN

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