

COUNTERING OLIGARCHS, ENABLERS, AND LAWFARE

HEARING

BEFORE THE

COMMISSION ON SECURITY AND
COOPERATION IN EUROPE

U.S. HELSINKI COMMISSION

U.S. HOUSE OF REPRESENTATIVES

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COUNTERING OLIGARCHS, ENABLERS, AND LAWFARE

COMMISSION ON SECURITY AND
COOPERATION IN EUROPE,
U.S. HELSINKI COMMISSION,
HOUSE OF REPRESENTATIVES,
Wednesday, April 6, 2022.

The hearing was held from 2:36 p.m. to 4:03 p.m., Room 562, Dirksen Senate Office Building, Washington, DC, Senator Benjamin L. Cardin [D-MD], Chairman, Commission for Security and Cooperation in Europe, presiding.

Committee Members Present: Senator Benjamin L. Cardin [D-MD], Chairman; Representative Steve Cohen [D-TN], Co-Chairman; Representative Joe Wilson [R-SC], Ranking Member; Senator Roger F. Wicker [R-MS], Ranking Member; Senator Richard Blumenthal [D-CT]; Senator Sheldon Whitehouse [D-RI]; Senator Jeanne Shaheen [D-NH].

Witnesses: Shannon Green, Executive Director, USAID's Anti-Corruption Task Force, and Senior Advisor to the Administrator; Bill Browder, Head, Global Magnitsky Justice Campaign; Daria Kaleniuk, Executive Director, Anti-Corruption Action Centre; Scott Stedman, Founder, Forensic News; Anna Veduta, Vice President, Anti-Corruption Foundation International.

OPENING STATEMENT OF BENJAMIN L. CARDIN, CHAIRMAN, U.S. SENATE, FROM MARYLAND

Chairman CARDIN: Hearing will come to order.

It is my understanding that one of our witnesses, Bill Browder, will be here shortly with Co-Chair Cohen. I assume they are coming over from the House side, so they may be here a little bit later.

I want to acknowledge Senator Blumenthal, who is with us, a member of the Commission.

This hearing is one of a series of hearings that we have had in regard to Mr. Putin and Russia's incursions into Ukraine. We have had hearings dealing with the impact this has on surrounding countries. We have had hearings to deal with misinformation. We are going to have a hearing later this week on the refugee and trafficking issues. This hearing is to deal with confronting the oligarchs, enablers, and lawfare, which I think is particularly important.

Earlier today we had a chance to meet with Khodorkovsky—Mikhail Khodorkovsky, of course, who is very much familiar with this subject. I think we had a chance to be briefed earlier on some of these issues, and his perspective as to what is happening with Mr.

Putin. We all recognize that the corrupt system in Russia has been the fuel that allows Mr. Putin to do what he does. If he did not have the corrupt system, he did not have the revenues coming in, and if he did not rob the people of Russia of their resources, he would not be able to pursue these types of campaigns. We also know that it cannot work without enablers. There are people who might look like they are in innocent positions that are enabling the corrupt system to continue and the resources to be used as Mr. Putin has used them in regard to his campaign.

We hope that as a result of today's hearing, we will have a chance to understand this better. We recognize the oligarchs are the appendages of Mr. Mafia's—of Mr. Putin's mafia state. They use—what we like to say, they use our system against us. When you look at Lawfare, you recognize that they have hired some of the most talented people in the West to tie things up in courts and exhaust those who want to challenge their way. They are using our system against ourselves, and we need to be a lot smarter in the way that we do this.

Mr. Abramovich and Mr. Usmanov are two examples of these notorious oligarchs. Mr. Abramovich is highly influential in the U.K., where he has been the owner of the Chelsea Football Club, a popular soccer club. He controls a large swath of investments, a stake in the Russian economy. Most notably he has shares in Evraz, the Russian steel company whose materials are used to make tanks. He recently obtained Portuguese citizenship, ostensibly to evade our sanctions. Mr. Usmanov has been called one of Mr. Putin's favorite oligarchs, who solves Putin's business problems. Both live luxury lifestyles in the West while helping to enable Russia's bloody invasion of Ukraine and deny Russians their basic rights.

I welcome President Biden's focus on targeting the oligarchs, disrupting their corrupt networks, and seizing their stolen assets. The new KleptoCapture Task Force to pursue these powerful corrupt individuals is a profoundly important initiative. Already we have seen—we have seen seizures of yachts and luxury properties, and we expect to see more to come. Oligarchs are sure to fall back on lawfare, the abuse of our courts to pursue their aims. Their stolen fortunes give them the means to sue their opponents into submission and draw out cases to such an extent that they can no longer be completed. We have to fortify our system against lawfare, and we hope that we can win this fight.

We should have no illusions about how difficult it will be to root out this influence in our society. For two decades, oligarchs have had license to loot the Russian state, launder that money through an opaque financial framework, and hide it in the United States and other Western democracies. The financial sector in this country needs to be fortified to defend itself against these types of improper use. I do applaud the administration for establishing the task force, and Congress. I want to acknowledge Senator Whitehouse's leadership and work on this issue, to get beyond the shell companies and the way in which oligarchs have tried to shield their assets from being able for us to get control over it.

Yet, we need to do more, and we need to stop the lawyers, accountants, and company trust formation agents who enable the kleptocracy to continue as it is today. All must ask basic questions

of their clients to ensure that they are not accepting tainted funds. These are some of the efforts that we need to do. I was pleased to see President Biden announce earlier today increased sanctions against Mr. Putin and Russia, including individual sanctions. If that is going to work, we have to be able to enforce those sanctions. They cannot hide them in a different account or a different person. That requires us to be a lot smarter in the way that we handle our laws.

We have an excellent panel of witnesses today. We have a large panel, so we are going to stick to the five-minute rule so that everybody has a chance to not only present their testimony but also respond to questions from members of this committee. With that in mind, let me first recognize my distinguished co-chair, the Congressman from Tennessee, Congressman Cohen.

STATEMENT OF STEVE COHEN, U.S. HOUSE, FROM TENNESSEE

Representative COHEN: Thank you, Mr. Chairman and members of the Commission. I want to thank you for calling this hearing on this so important and timely topic. Many of the witnesses have risked their own freedom speaking out on these issues against Putin, and we know that can be dangerous. We thank you for your courage and for coming here to inform us of your thoughts and your experiences.

Mr. Putin and his oligarchs work together to help fund this war machine and, with his enablers, they steal and oppress the Russian people. The Russian people, all of the money they have come from the Russian people. That should be wealth to the people. It is unbelievable what happened.

Communism, bad, but they had the idea of giving money to people who needed it. Now the subsequent Russian world is taking it and keeping it for a few—just the opposite. Mr. Browder, you were instrumental in the creation of the Magnitsky Act, and that—Mr. Cardin championed that. I thank you for that. Signed into law in 2012. As Putin's illegal war in Ukraine drags on, Russian oligarchs have been at the forefront of our national attention. Many have been sanctioned, but they do not have that much influence anymore. Still, they should be sanctioned. They are a critical component of the regime and they often run Russian state-owned and state-influenced companies—positions they gained, of course, through corruption and through having Putin hand them that money.

In exchange for the lavish lifestyles that they live, these oligarchs pledge their loyalty to the mid-level KGB agent who rose to be—as a graduate became the president, prime minister, president now again, currently overseeing Europe's biggest land war since 1945. They turn the other way as Russian armies continue to commit heinous war crimes against citizens of Ukraine, the extent of which we are just beginning to see. Oligarchs maintain their wealth with the help of enablers, as has been mentioned, lawyers, et cetera, et cetera. I, along with many of my colleagues here, co-sponsored the Enablers Act, which would finally force those professionals that help them to ask basic questions about the source of the funds for suspicious clients.

In this unprecedented time of war, the U.S. and our allies have sanctioned many individuals close to Putin, making it harder for them to access their wealth. We must continue to keep the pressure on. President Biden has unified our allies and led the way with unprecedented crippling economic sanctions and significant military defensive aid—but not enough defensive aid and military aid. We need to give the Ukrainians everything, because if they do not win we all lose, and it sets the way for the rest of Europe to fall. It is no different than the Sudetenland. We are experiencing it now, and we need to recognize that fact.

At the end of the last year, it was published by the administration, our strategy for countering corruption. They have one. Last month's Department of Justice launched a Russian oligarch task force, KleptoCapture, which works to identify sanctions evasion and related criminal conduct. Fine and good. The Helsinki Commission and the Counter Kleptocracy Caucus have been working hard in this space as well. I need to recognize Paul Massaro on our staff. He brought kleptocracy to my attention. It is how I got involved. He has been a great leader on this. He has been fantastic, and in fact, the first meeting we had, like a reception to kind of launch the Kleptocracy Caucus, was in a building on Pennsylvania Avenue overlooking Trump Tower. [LAUGHTER.] How prophetic. [LAUGHTER.]

I introduced an omnibus package, the Counter Kleptocracy Act, along with Ranking Member Wilson, which includes six bills that would address and punish Putin's corruption system and regime. The rest of what I have got here I think other people have said or will say, and I will allow them to say it. I look forward to your testimony, of the expert witnesses, and for your continued courage, and for standing there with us today. I yield back the balance of my time.

Chairman CARDIN: Thank you. The ranking Republican member from the House, Congressman Wilson.

STATEMENT OF JOE WILSON, U.S. HOUSE, FROM SOUTH CAROLINA

Representative WILSON: Thank you very much, Chairman Ben Cardin and Chairman Steve Cohen, for holding this important hearing today on "Oligarchs, Enablers, and Lawfare." Putin's brutal murderous invasion of Ukraine has shaken the world to the core. He has committed atrocities and war crimes in Ukraine and leveled Ukrainian cities, all to fulfill the delusions of Dictator Putin. Putin ordered the invasion of Ukraine because Ukraine is a democracy. After all, it shows freedom from oppression, and because it shows accountability over corruption. This is the most back-and-white conflict in recent memory.

Ukraine is defending itself from an aggressive, corrupt tyrant, and must win. As you just saw, he is done something absolutely remarkable. He has brought together Republicans and Democrats as we have not been brought together for a long time. Indeed, he is brought NATO together—the 21 countries of NATO together. He has done what President Trump was trying to do to help our German allies increase their defense capabilities, and they have. Now they have doubled their defense capabilities.

Then the EU—I am very grateful to be the co-chair of the EU Caucus. He has done something for the 27 countries that I did not think could be done, and that is that the EU has provided military equipment. With my Democrat colleague Brendan Boyle of Philadelphia, we did not know the EU had military equipment, and so how far we have come.

With the corruption of the political system by Putin we need—and I am going to accelerate what I am saying and give a full copy, with your approval, chairman. But—and this is incredible—I want to quote President Biden. He is correct that we have autocracies where they are ruling by the rule of the gun in a worldwide conflict, not just—as Steve pointed out—not just the Sudetenland or Donbas, but it is the rule of law by the democracies and rule of a gun by the autocracies, and indeed, I could go on.

I want to point out that I have got another big of legislation. I have such faith in the Russian people, and that is what they need to know. The world needs to educate them, and for those who defect, particularly in the military and diplomats, the persons in the Duma. If Russians will defect to come to the aid of Ukraine, we would, in the bill I have, authorize—if they bring over equipment to the people of Ukraine—it would be pre-delivered. I had a nice conversation with Speaker Pelosi about how helpful this would be. We would not, the Senator, have to deliver it, Mr. Chairman. It would already be there.

With that, I want to yield back. I look forward to the witnesses.

Chairman CARDIN: Thank you. Any member who wishes to put a statement in the record will be made part of the record. Our witnesses, your entire statements will be made part of our record, without objection. If you will proceed and try to summarize your testimonies in about five minutes, to allow for our members to be able to ask specific questions. I think I will introduce you individually, let you speak, and then introduce the next witness since there are five witnesses.

Daria Kaleniuk is the executive director of the Ukrainian Anti-Corruption Action Centre. I am particularly pleased that she is with us today. We have been working with Ukraine since it regained its independence to make sure that it had the institutions to fight corruption within its own country. It has been a matter of domestic politics over several elections. It has been a work in progress. I am glad that we have a person who is a real expert on that area who can help us understand how Ukraine itself is trying to protect itself from the influences of corruption that we now see being the source of funding that has allowed Mr. Putin to invade their country. You may proceed.

**TESTIMONY OF DARIA KALENIUK, EXECUTIVE DIRECTOR,
ANTI-CORRUPTION ACTION CENTRE**

Ms. KALENIUK: Thank you. Thank you for inviting me, Mr. Chairman. I am honored to testify here.

I am running an anticorruption organization in Ukraine, and during the last 10 years, we have been advocating for anticorruption and rule of law reforms. On February 22, Mr. Putin made a speech that was, in fact, a declaration of war on Ukraine. He mentioned every single reform we were advocating during the

last seven years. National Anticorruption Bureau of Ukraine, High Anticorruption Court, High Council of Justice. He mentioned that to the extent that even average Ukrainians do not understand and do not know that. It was clear to me at that moment that Ukraine's successful story in fighting corruption is the ultimate threat to Vladimir Putin and his kleptocratic regime.

Two days after the speech, he started the war to punish us for our decision to live in dignity and freedom. Today is the 42nd day of this war. Here is a picture of a six-year-old boy from Bucha. He is standing near the grave of his mother in the backyard of their house. His mother died of hunger. This story is one of thousands of horrible atrocities Putin's army is performing in my country. There is genocide happening now in Ukraine and the entire world observes it as a reality show.

Let us think what has empowered Putin to become a new Hitler of our time? Partially this is the complicity of the West. Putin has two armies. One is visible. It operates in Ukraine, 100 000 troops, heavy weapons, missiles, tanks, bombs, and guns. The goal of this army is to eliminate Ukrainians and destroy Ukraine state from the map. Another army is invisible, unobvious. It has operated all across Western liberal democracies for decades. This is the army of lawyers, lobbyists, accountants, financial managers, real estate agents, and PR consultants.

What do they do? They help to park billions of dollars stolen from Russian people to the West. They help to disguise their illicit origin by structuring complex financial transactions, by hiding the beneficial owners behind them. Using this money, they help to purchase the loyalty of the West to Putin's oligarchs.

How big and powerful this army is? The estimated market cost of just one superyacht of Roman Abramovich, a Russian oligarch, is about \$1.2 billion. His Eclipse superyacht. The estimated budget cost of weapons Ukraine received from the U.S. this year is about \$2 billion. We are receiving now one and the cost of a superyacht from Roman Abramovich to defend 40 million people in Ukraine from the second-largest army in the world. Imagine what could have happened if all these yachts, and mansions, which are worth billions of dollars, could have been seized and then used to arm Ukraine and to defend our freedom. I believe these atrocities could have been prevented.

Russian oligarchs are Putin's Western wallets, and they must be treated now as war criminals. They were empowering Putin's regime during the last two decades and helped him to finance the war against Ukraine. However, there are also enablers in the West who made this possible. Lawyers who silence investigative journalists for exposing corrupt oligarchic networks. Western former politicians who enter supervisory boards of Russia's state companies. Prestigious international forums like the Munich Security Conference invite Russian oligarchs. Top world universities that accept donations from Putin's Western wallets. Real estate agents, who do not dare to check the source of origin of funds invested into the most expensive mansions in the U.S., U.K., and other capitals of the world. The list could be continued.

This is obvious to me now, that there are two battlefields of the Russian war against liberal democracy. One is in Ukraine, and we

urgently need help from the USA to arm Ukrainians to win this battlefield. We need weapons. Another one is in the West, where America is obliged to fight by targeting Russian oligarchs and their enablers. I hope Congress will pass the Enablers Act, which is a very important and good start to this fight. It is just the beginning. It will be a long war, both in Ukraine and in the West. We have to fight this war together because it is a matter of who you are and what you stand for. God bless America. Slava Ukraini! [Glory to Ukraine]

AUDIENCE MEMBER: Heroiam Slava! [GLORY TO THE HEROES] [Applause.]

Chairman CARDIN: Thank you very much for your testimony. Our next witness, he is known better than any of us are known so it is hard to introduce Bill Browder. I remember the first time we had a chance to meet, it was during a Helsinki hearing when we were trying to do justice for Sergei Magnitsky. That was in the very early stages. We were facing obstacles from all sides, from the members of Congress to the administration, and Bill Browder never gave up. As a result of his efforts, we were able, of course, to pass originally the Sergei Magnitsky Accountability Act, and later the Global Magnitsky. I want to acknowledge the extraordinary work of my late colleague John McCain in getting those bills passed, and the work today of Senator Wicker, who has been our partner no making sure that we keep that statute strong and active.

Bill Browder did what he could to help Russia, and when it was unsafe for him to be there, when his properties were stolen, he did what anyone should do—hire a lawyer and try to do it through the courts. As a result, his lawyer was imprisoned, tortured, and killed—Sergei Magnitsky. He has maintained his crusade for justice ever since. I mean, he is truly a—I think a hero to many of us. He currently heads the Global Magnitsky Justice Campaign, and is a founder and CEO of Hermitage Capital Management. He spends his time mostly in London but does a lot of traveling when it is safe for him to travel. It is a pleasure to have Mr. Browder with us.

Senator WICKER: If my friend would yield.

Chairman CARDIN: Oh, I would yield to my—Senator Wicker.

**STATEMENT OF ROGER F. WICKER, U.S. SENATE, FROM
MISSISSIPPI**

Senator WICKER: Just subscribe to every compliment and every statement of praise that Chairman Cardin has made with regard to Bill Browder. I think we would probably be remiss in not mentioning the contribution of Senator Lieberman in addition to Senator McCain in the initial Magnitsky Act. Bill Browder was a voice crying in the wilderness. It turns out, he is become a voice heard around the world, and as legislative body after legislative body and parliament after parliament adopts the Global Magnitsky Act, it is a credit to the tenacity expertise, and eloquence of our next witness. I just appreciate my friend, the chairman, giving me a moment to say what an honor it is to have someone who is made such a difference globally on behalf of human rights and standing up against kleptocracy around the world. Thank you, Mr. Chairman.

Chairman CARDIN: Mr. Browder.

**TESTIMONY OF BILL BROWDER, HEAD, GLOBAL MAGNITSKY
JUSTICE CAMPAIGN**

Mr. BROWDER: Chairman Cardin, Co-Chairman Cohen, members of the Committee, Senator Wicker, thank you for having me here today. Thank you for these amazingly kind words. You know, the work that we all did together on the Magnitsky Act made Vladimir Putin very, very mad. Why did he get so mad? Because the Magnitsky Act freezes the assets of human rights violators and kleptocrats, and Vladimir Putin falls into both categories very firmly. He knew that one day we were not just going to be going after the murderers of Sergei Magnitsky, we were going to be going after Vladimir Putin himself. He made it his single largest foreign policy priority to repeal the Magnitsky Act.

He went after me personally. He went after me with death threats. At the Davos World Economic Forum, Dmitri Medvedev was asked by some journalists about the death of Sergei Magnitsky. Medvedev said, yes, it is a shame that Magnitsky has died and Bill Browder is still alive and running around. The general prosecutor of Russia in 2018 said: That Bill Browder should not sleep peacefully at night. Later in 2018, when Donald Trump met with Vladimir Putin, Vladimir Putin asked Donald Trump to hand me over.

Now, these are all things you would expect from Vladimir Putin. What you might not expect is that there was a whole team of Western enablers—of lawyers, investigators, PR firms—that assisted Vladimir Putin in going after me. I would like to tell one story, which is emblematic of this whole thing. This one story is just one story. There are many other stories that I could tell, and I am sure other people on the panel will tell. There is—but when you hear this story I think you will understand that these people were effectively operating as arms of Russian—of the Russian secret police, here in America.

The story I want to tell you is about the Prevezon case. When we started to investigate the dirty money that Sergei Magnitsky was killed over, we found some of the money going to a company called Prevezon, which was a Cyprus company owned by the son of a Russian government official. We found some of the money came to New York. The person who helped me find the money was a former New York prosecutor named John Moscow. John Moscow worked for the firm BakerHostetler. He helped me find the money. I filed a complaint with the Department of Justice and the New York attorney general. On the back of that complaint, a federal forfeiture case was opened up and \$20 million of properties were seized.

As soon as the case was opened by the U.S. government, I discovered that John Moscow had switched sides and had become the lawyer for the people—for Prevezon, for the people whose assets were frozen. He was hired by a woman named Natalia Veselnitskaya. Natalia Veselnitskaya was reporting to the general prosecutor of Russia. The one who said: Bill Browder should not sleep peacefully at night. Then they immediately—John Moscow, BakerHostetler, went on a rampage using subpoenas from the

courts to find out all personal information about me. Find out my security details, find out my travel details, find out which governments I was talking to, find out which law enforcement agencies I was talking to, to find out the details of my colleagues in the U.K. and Russia.

Of course, the moment that they found those details they would be handed over to Natalia Veselnitskaya, Natalia Veselnitskaya would then hand them over to Yuri Chaika. Then I would be in grave danger, and I am not overstating the danger that I was in, because I was warned by the Department of Justice that there was a Russian kidnapping plot being plotted against me.

We eventually got the Second Circuit Court of Appeals to disqualify John Moscow and BakerHostetler for the obvious conflict of interest. These people continued after they had been disqualified from illegal work for BakerHostetler and provided them with legal advice until the case was settled and the Russians handed over \$5.9 million to the Department of Justice. Why did these lawyers compromise themselves in such a dramatic and horrible way? Because they got \$15 million or so to do it. These people are willing to sell their souls for a kopeck, I will say.

Let me just finish up very quickly by saying, what should we do? One second, I know I am running out of time. What should we do with these people? I have got a good idea, which is that we should make a list of these types of firms that do this enabling, the list should be put together by the U.S. Congress, and there should be a recommendation to the U.S., government not to do business with these firms going forward. They can pick sides. They can decide they want to work for the bad guys. If they work for the bad guys, then they should not get any money from the U.S. government. I have got other recommendations in my—in my presentation. I will leave it at that. Thank you.

Chairman CARDIN: Thank you very much for your suggestions. We look forward to working with you on these different recommendations. We will now hear from Scott Stedman, the founder of Forensic News. When he was a college student he started doing some investigative news reporting in regards to the Mueller investigation of the Russian attack in 2016. He became very interested in the subject, ultimately publishing a book titled "Real News" chronicling the findings of the Russians' contact with the Trump campaign. Now is studying to become, I did not know this was a title, studying to become a certified anti-money laundering specialist. I expect we will have legislation in Congress to regulate that profession in the not-too-distant future. [LAUGHTER.]

With that, glad to hear from you, Mr. Steadman.

TESTIMONY OF SCOTT STEDMAN, FOUNDER, FORENSIC NEWS

Mr. STEADMAN: Chairman Cardin, Co-Chairman Cohen, and the rest of the members of the Commission, thank you for inviting me to speak at this important hearing at such a crucial moment in our history. I also want to thank Paul Massaro for organizing this hearing and for his incredible efforts in the fight against corruption.

Journalists and anti-corruption activists around the world today are facing an unprecedented volley of threats. An emerging weapon

of choice used by Russian oligarchs and their enablers is the power of the legal system to not only punish journalists for critical reporting but also threaten and intimidate us into silence. Over the last 18 months, I have lived the increasingly too common life of an investigative journalist who splits his time between researching and writing articles and tending to a defamation lawsuit.

I report on issues of national security, financial crime, and corruption so I closely followed the investigation conducted by the Senate Intelligence Committee into foreign interference in the 2016 election. During that investigation, it was reported that the investigators in the Senate were interested in interviewing Walter Soriano, a man who was initially described as a mysterious security consultant. Over the following year, I produced six reports and one podcast on Mr. Soriano along with my colleagues at my media startup, Forensic News—Eric Levai, Jess Coleman, and Robert DeNault. We unraveled Mr. Soriano's business relationships with power brokers in both Russia and Israel. The articles, keeping in line with the mission of Forensic News, were largely based on hard evidence—corporate records, court documents, foreign media reports, et cetera.

Well-placed sources in multiple countries around the world supplemented this evidence. Here is what was established: Walter Soriano is an enabler of the oligarchy. Mr. Soriano, who is a former Israeli intelligence officer, has worked closely, albeit covertly, for multiple Russian oligarchs. Namely, Oleg Deripaska, a sanctioned Russian billionaire described by the Senate as, "one of the Kremlin's most significant malign influence operatives." With these unique, powerful connections, Mr. Soriano has acted as a key intermediary between the Russian oligarchs, including Mr. Deripaska and Dmitry Rybolovlev, and intelligence and surveillance companies mostly based in Israel.

Before our last report was published, Tom Clare, who is a top defamation lawyer representing Mr. Deripaska, wrote to me and threatened legal action while also demanding, "You must provide him with your sources and any documentation public or otherwise." Mr. Soriano's U.K. lawyer Shlomo Rechtschaffen emailed me and asked a question attempting to identify my father. More recently, Mr. Soriano's U.S. litigation counsel Andrew Brettler wrote to me threatening yet more legal action if I did not pay a U.K. court for more money than I have ever had in any bank account. Mr. Brettler said, "Should you ignore this demand, you will be proceeding at your peril." This is what lawfare looks like. It is designed to suppress, stall, and scare critical coverage of the Russian elite and their enablers.

Soon after the last article, we published Mr. Soriano filed an expansive lawsuit in London against the corporate entity of Forensic News and all of the contributors to the podcast and the articles personally. For over a year, we contested the jurisdiction of the lawsuit. I have never stepped foot in the United Kingdom. Forensic News has no corporate presence there and the vast majority of my readers are here in the U.S. Perhaps more importantly, I am an American citizen. I went to great public schools my entire life and I started and incorporated my business in California, where I live. I expect the First Amendment to apply to me. With a landmark

ruling handed down by the England and Wales Court of Appeals, I am now forced to continue fighting this lawsuit from a man who has made millions from the Russian oligarchy.

Let us study Walter Soriano as he represents the enabler class that Russian oligarchs continue to hire to spread their influence into the West. The very core of our rights as Americans and freedom-lovers everywhere is the ability for journalists, the truth seekers of our societies, to operate without fear of intimidation or retaliation. Do not let the oligarchy shoot the messenger. Thank you again for inviting me, and I look forward to your questions.

Chairman CARDIN: Thank you very much for your testimony.

We are now going to hear from Anna Veduta, who is the vice president of the Navalny Anti-Corruption Foundation International. I think we all know that Alexei Navalny is the most prominent opposition leader in Russia, currently in prison. We have in Congress taken action to try to stand up with him, defend his rights, and his ability to speak out and be freed from imprisonment. We very much welcome your testimony and how you see the current circumstances of Mr. Navalny, but also in Russia.

TESTIMONY OF ANNA VEDUTA, VICE PRESIDENT, ANTI-CORRUPTION FOUNDATION INTERNATIONAL

Ms. VEDUTA: Thank you so much for having me here. I am honored.

Putin's corruption kills, literally. It is not a figure of speech. It never was. Alexei Navalny and his team have been saying it for over a decade. Tragically, it takes poisoning Navalny with a novichok nerve agent and him almost dying from it, his imprisonment, and the outlawing of the opposition movement in Russia for this message to be heard loud and clear. It is even more tragic that it took a total invasion of Ukraine and the deaths of thousands of innocent civilians for the West to finally act with strength when the message had been clear for so long. I am confident at this point all of us agree that we are paying a terrible price for not acting sooner.

Yet, now is no time to regret, but to act to prevent further atrocities. As one of the lucky few who corresponds with Alexei Navalny regularly, through lawyers, I will quote his letter from a few days ago, "Sanctions work. There is a split in Putin's elites and it is our job to exacerbate and enhance it." Repeat the words Leonid Volkov, my colleague, said in these very walls last fall: Let us fight this fight together. No matter what Russian elites are trying to signal out of fear and despair, they are, for a fact, terrified and in despair.

That is a good place to start. Sanctioning corrupt politicians, oligarchs, and their family members, along with enablers, proxies and nominal owners of assets is the most straightforward way to make them suffer as beneficiaries and supporters of Putin's regime. Extended family members are the key here, but I need you to understand that that is not what most people think when they hear extended family. Let me start with Vladimir Putin, the war criminal. My colleagues' investigation of his palace proved, on paper Putin owns next to nothing but he has a distributed wealth system centrally managed and funded by state-owned enterprises and oligarchs' donations.

The legal owners of various assets that are believed to belong to him are bound to Putin by ties of family and patronage. They include Putin's relatives of various degrees of remoteness, endless in-laws, and vassals whom he allows to run companies dependent upon the state. A normal person would have a finite number of, you know, extended family and relatives. It is not the case for Vladimir Putin, who has at least three families. Two daughters with his ex-wife Lyudmila—and I know they have been sanctioned today, thank you for that. Long-established partnership with Alina Kabaeva, and a daughter with his mistress Svetlana Krivonogikh. All these people, their relatives, dozens of Putin's remote relatives, benefit from the regime he has established and nominally hold his assets. Without sanctioning all these people you are letting Putin off the hook.

It is not just Putin's family. Putin's corrupt wealth management system includes the members of his security council, the oligarchs, and all his closest team members. They all hold things for Putin and their extended families hold things for them. They may be personally sanctioned, but their actual wealth structure allows them to keep assets and their family members to use them.

Last but not least, this inhuman war would not have been possible to wage if it was not for the propaganda machine Putin built over two decades of his rule. The faces of propaganda might not possess wealth comparable to oligarchs, but some of them hold significant assets abroad. These are the people directly responsible for the war crimes in Ukraine, and without their lies, Putin would have no support for his war. Atrocious lies, like NATO have been preparing the provocation of Bucha for a long time. It is confirmed by the fact that President Biden called Putin a "butcher." Butcher and the name of the city "Bucha" are consonant.

Forty days into the war, the Mariupol massacre, and the Bucha bloodbath. People responsible for these lies, people who are poisoning Russian people with those lies, still can enjoy spring break in Miami and take their kids to Disneyland. They can also own property here and keep their money safe. I am going to quote Alexei Navalny once again, "Warmongers must be treated as war criminals." From the editors-in-chief to the talk show hosts, and the news editors, all of them should be sanctioned now and tried someday. Most drastic measures must be taken to make the work of these people more difficult. From a complete ban on the supply and service equipment to seizing their assets in the West and putting them on visa blacklists.

The monstrous atrocities in Bucha, Irpin, and other Ukrainian cities were committed not only by those who tied the hands of peaceful people behind their backs, not only by those who shot them in the back of their heads but also by those who stood by and whispered: Come on, shoot. Give us some nice material for our late-night TV show. Let me remind you this quote comes from a man who spent more than a year behind bars in the hands of the very same people who tried to kill him in August 2020, with no guarantee they will not attempt to do it again. He just had his sentence increased from two and a half to nine years in maximum security prison. Alexei Navalny and all of us on his team have no illusions.

His term is a life term. His or Putin's. Let us fight this fight together. Thank you.

Chairman CARDIN: Thank you very much for your testimony.

We will now hear from Shannon Green, executive director of the USAID Anti-Corruption Task Force and a senior advisor to the administration. She serves as the senior advisor to the administration executive director of the Anti-Corruption Task Force. She previously was the senior director of programs at the Center for Civilians in Conflict, where she oversaw the organization's global effort to recognize the dignity and rights of civilians, prevent civilian harm, and protect civilians caught in conflict.

TESTIMONY OF SHANNON GREEN, EXECUTIVE DIRECTOR, USAID'S ANTI-CORRUPTION TASK FORCE, AND SENIOR ADVISOR TO THE ADMINISTRATOR

Ms. GREEN: Thank you. It is an honor to testify alongside these guardians of democracy.

Autocrats do not just destroy democracy and the rule of law in their own countries. They also stifle discourse, corroding economic integrity, and interfering in politics in other countries. They cannot do it alone. They rely on cronies, oligarchs, and professional enablers to do their bidding. Yet, there are powerful champions on the side of democracy, like those serving on the Helsinki Commission and those we just heard testify. These are the enablers of democracy.

As part of the Biden-Harris administration's historic fight against corruption, USAID is launching bold new initiatives. I will touch on each briefly. First, supporting reform coalitions. Much of what we have learned about Kremlin kleptocracy is due to the heroic reporting of investigative journalists and dogged efforts by civil society to uncover the truth. At USAID, we are investing in these change agents, building their capacity and coalitions to expand wrongdoing and demand reform. These actors have tremendous reach and creativity. Over the past month, we have marveled as novice internet sleuths and civil society experts tracked down oligarchs' assets and pushed to impose costs on those responsible for Putin's unprecedented and unprovoked assault on Ukraine. USAID is helping make sure this evidence gets into the hands of the departments and agencies that are responsible for sanctions, asset freezes, and other economic countermeasures.

Second, confronting lawfare. Too often autocrats and oligarchs escape accountability by filing defamation lawsuits, not meant to be won in court but instead to bully journalists into silence. For too long, those standing for integrity have been outmatched. We aim to change that. At the Summit for Democracy, USAID announced that we will establish a global defamation defense fund to insure journalists against lawsuits designed to deter them. This groundbreaking insurance system, tentatively called Reporters Mutual, will not only allow journalists to purchase reasonably priced legal defense coverage but will also deter autocrats from suing them in the first place, knowing that this tactic will not stop the media from exercising their rights.

Then, third, helping our partners follow the money. Four months ago, the administration released the first-ever U.S. strategy on

countering corruption. The strategy outlines major new steps the U.S. is taking to prevent oligarchs from using the U.S. and international financial systems to shelter their ill-gotten gains. Of course, there is much more that we need to do, especially to address the enablers. Professional service providers—like lawyers, accountants, and trust and company formation agents—are not required to know how their clients came by their wealth. The administration is considering ways to address this gap and will work with Congress to secure additional authorities as necessary.

As the U.S. confronts these vulnerabilities at home, USAID is developing new programs to take on kleptocracy abroad. First, our Combatting Transnational Corruption Grand Challenge will build new coalitions, particularly with the private sector, and source novel tools, technologies, and approaches to curb the corruption that strips entire countries of resources that should be used for development. Second, our Global Accountability Program will work in key countries to build resilience against kleptocracy and illicit finance, including by supporting beneficial ownership disclosure, integrity of government contracting and procurement, and anti-corruption investigations. Third, we are drawing lessons from the former Soviet bloc where populations fed up with corruption have innovative radical transparency and accountability measures. We are developing guidance on this reform process to benefit other countries trying to free themselves from the clutches of foreign-backed kleptocracy.

In closing, progress against corruption often invites backlash. Seeing his influence over Ukraine diminish, Putin started an unjust and brutal war. Yet, as President Biden said in Warsaw, Russian forces have met their match in the brave and stiff Ukrainian resistance. He advised Europeans, “Be not afraid.” He assured the people of Ukraine, “We stand with you.” Well, Russian oligarchs and cronies have met their match with the fearless reporting and bold advocacy of journalists and activists. Anna, Bill, Daria, and Scott, we draw inspiration and courage from your example. The U.S. government’s message to you, and all of your fellow change agents, is: Be not afraid. We stand with you.

Thank you and I look forward to your questions.

Chairman CARDIN: Thank you very much for your testimony.

I am going to yield my time to Senator Whitehouse.

STATEMENT OF SHELDON WHITEHOUSE, U.S. SENATE, FROM RHODE ISLAND

Senator WHITEHOUSE: Well, thanks, Chairman. I appreciate it. I am delighted to have all these terrific witnesses here. I want to thank, first of all, you, Chairman, for your leadership on the Magnitsky Act. That is a Cardin project initially, particularly with John McCain, our dear and common friend. I also want to thank Senator Wicker, who had to step out for a moment, who is my co-sponsor in the asset seizure for the Ukrainian Reconstruction Act, which would strengthen, Ms. Green, the U.S. government response to these sanctions opportunities and also allow the value of those assets, those seized assets, to go to help Ukraine.

I am also working on finding a Republican co-sponsor for the Enablers Act, to do as you have suggested, go after the securities

funds, the art dealers, the real estate folks, everybody who helps these people hide assets—whether it is yachts, or jets, or Lamborghinis, or Matisse. Wherever it is, we want to make sure that there is transparency and we can hunt out their ill-gotten gains. If anybody wants to find a Republican senator to join in that I would be delighted to have your—have your help. It seems pretty straightforward.

I wanted to ask about enforcement. It is a great thing to have sanctions. It is another great thing to have a sanctions enforcement environment in which the U.S. is dynamic, is operating adaptively, aggressively, at high op-tempo, and is moving with alacrity, even where the evidence is not complete. Where there is a sufficiency of evidence to know that it is an oligarch's yacht, we ought to go grab the damn thing, even if we have not pressed through the Cypriot account and the Cayman Islands trust or, hell, the South Dakota trust through which all of the obscuring is done. We want to be able to make sure that the operation that the Biden administration is standing up for can and will run on whistleblower evidence, on intel out of DNI.

For a long time, the State had a sanctions office and DOJ what it called its kleptocracy initiative within the asset forfeiture division. Treasury has always had FinCEN. We want to see those combined, working in real-time as if this was an ongoing game, in which when you find a piece of information you can move that day on it and not have everything go into the slow bin of careful analysis and be done later, and not suffer death by interagency process, which is one of the worst fates that can befall an initiative in the United States government. We want to see the DNI actively supporting this effort by providing ownership intel to it to support the decisions to go and seize things. We want to make sure the Department of Defense can ensure a safe operating environment for the seizure in a foreign country for the folks who are going to go and actually grab it.

As I said, I cannot wait to see police tape around mansions in Belgrave. I cannot wait to see police tape around Penthouses in Miami. We got one yacht, which on the one hand is a cause for celebration, a first-ever, bravo by the administration. On the other hand, really? This is the first time we have managed to seize an oligarch's yacht in all the time we have known about this. A huge step up in performance at the operations level is necessary, again, with the same kind of op tempo and drive that you see the military bringing to a combat environment. We have all been to combat environments in Afghanistan and Iraq. We have seen the rooms with the television screens all over the walls that are in real-time tracking the activities that are taking place in that combat environment to make sure there is deconfliction, to make sure that things are coordinated and happening effectively.

That is the spirit that needs to come to this. I hope, Ms. Green, you will take that message back to the department and encourage them to continue stepping up their game. This is part of another Biden first, the democracy initiative, which for the first time recognized the national security threat to our country of this whole wretched, rotten, dark economy that supports essentially all of the institutionalized evil in the world, and crime, and terrorism. We

support that institutional architecture. We have got to withdraw support for it. It is a national security imperative. Thank you.

Chairman CARDIN: Thank you. Next time we will have you down—[LAUGHTER]—we always—Senator Whitehouse has been an incredibly inspirational leader. We have caucuses weekly, and he has been motivating our caucus in this area for a long time. I think a lot of the action you have seen in Congress and the administration has been motivated by Senator Whitehouse—so good work.

Congressman Cohen.

Representative COHEN: Thank you, Mr. Chair. I want to just say, that for years I have thought Mr. Whitehouse should be president. He still has my endorsement, but not as much good as it did him the last time. [LAUGHTER.]

Mr. Browder, you gave us one recommendation. You have others in your paper, but I would like for you to tell us some of the highlights. The top two other recommendations—number two and three.

Mr. BROWDER: Thank you. Is this on here? The other one, which kind of fits with our whole Magnitsky program, is about visas. Now, of course, John Moscow and his colleagues at BakerHostetler are American citizens, so we cannot ban them from coming to America. In my five minutes of testimony, I did not have a chance to rattle through the same stories that I have in the U.K. One of the things that I have been discussing with the people in the U.K. and here is to reciprocally ban enablers from each other's countries. If there is a British law firm or a British lawyer—a British lawyer who is been consistently acting on behalf of Russian intelligence to terrorize journalists in the U.K., the United States should ban that lawyer from coming to America. Visa bans are highly powerful. I think that if we were to do that, and if Britain were to ban the John Moscows of the world, I think people would think twice about it.

Number two on my list is that a lot of trouble came from Russia—Russia has a mutual legal assistance treaty with the United States. It is a treaty that exists as of today. They can ask for assistance in legal matters, and vice versa. That mutual legal assistance treaty should be canceled as soon as possible.

Representative COHEN: Thank you.

Ms. Veduta, I am sorry I did not get to hear your testimony because I wanted to. I had to go vote. It comes with the job. Are you still Mr. Navalny's vice president of his anti-corruption group?

Ms. VEDUTA: Yes. Not still, this is my new position actually.

Representative COHEN: Oh, it is your new position. I got you. How often do you have an opportunity to interact with him, or is there any way to communicate with him?

Ms. VEDUTA: We actually can communicate with him through the lawyers—through the letters that we get from his lawyers. While typically it is possible to do it every weekday, the weekends, though, are really a tough time for us all, especially since the time that he went on a hunger strike, because the lawyers cannot enter the prison building during the weekend. We never know what happens to him. On weekdays, yes, we can talk to him.

Representative COHEN: Your lawyers talk to him every day?

Ms. VEDUTA: They tend to, yes.

Representative COHEN: Yes. Has he ever been treated poorly in prison, in a way—attacked, or anything like that, while he has been in prison and or submitted to any particular penalties?

Ms. VEDUTA: The tortures that they are putting him through in this prison are a little bit different from what you could think about torture. He is isolated. He is imprisoned in a prison. Although right now he has his inmates, they are not allowed to talk to him. That will not be the case after, you know, this next verdict is empowered. Although we will appeal, there is not much hope that you know, anything would come from that. Yes, a life term, and he will be even more isolated with this new term. As of now, he was not allowed to talk to anyone, and no one was allowed to talk to him. You can only imagine how it can be, to be in prison with no one to talk to.

Representative COHEN: How do you communicate his thoughts and his opinions for the Russian people? What platforms do you use?

Ms. VEDUTA: We still have his blog, which was used to— well, as a tool for whistleblowing for a long time. It is a stand-alone blog. We also have three YouTube channels which we are trying to grow because, as you know, right now in Russia the free media is extinct. As of last week, even the Nobel Prize-winning Novaya Gazeta also was forced to stop the operation because of the new laws in Russia, which forbid calling the war a war and force you to call it a special operation. As of today, there is no free press in Russia. The only way to correspond the truth and the evidence of the atrocities happening in this war is through YouTube because it has not been blocked yet.

Representative COHEN: I have only got 20 more seconds. I thank you.

Ms. Kaleniuk, I thank you for your testimony. I thank you for your choice of wardrobe. It represents your country beautifully. I agree with you, we should have put—I mean 1.2 billion compared to 2 billion is a joke. When history is written it will not—it may not write well upon our actions in acting as late as—dilatatory as we have. Thank you for your courage and for being with us. I yield back.

Chairman CARDIN: Senator Shaheen.

STATEMENT OF JEANNE SHAHEEN, U.S. SENATE, FROM NEW HAMPSHIRE

Senator SHAHEEN: Thank you, Mr. Chairman. Thank you to each of our panelists for being here. I would like to begin with you, Mr. Browder. As a resident of the U.K., you had some sense of how the U.K. has been willing to respond. Like the United States, I think they have been slow, as has the rest of the Western world, in responding. One of the areas now that they have begun to do a better job in the U.K., one of the areas that stands out is their overseas territories, which have been outliers in allowing individuals to use those territories and avoid other crackdowns in Britain itself. Can you speak to that? I see Mr. Stedman also nodding on that, so maybe you would speak to it as well.

Mr. BROWDER: It is an excellent question. If we actually look at the amount of dirty money from Putin and his cronies that are held

by oligarchs around the world, the vast majority of them are not—of the money is not held in the United States, London, or Switzerland. Of course, we see the mansions and the yachts. That is just a very small amount of money. The vast amount of money is held in financial assets. They are held by Cayman Island, British Virgin Island, Jersey, et cetera, companies. As you mentioned rightly, those companies are all British overseas territories, which is a problem.

If you actually were to go to the law enforcement agency of the Cayman Islands, you would probably find, like, an office with six people in it, or five people in it. They probably have a lot of other things to do beyond policing these billions—tens of hundreds of billions of dirty money that is coming into their country. There is one very interesting thing that nobody noticed, which is when the U.K. passed its Magnitsky Act, and when the U.K. does other types of sanctions, it does not just apply to the U.K. It applies to all of these overseas territories, and all of them apply it uniformly.

For what it is worth, even though the United States has not sanctioned Roman Abramovich, Britain has. All of his hedge funds are held—or, not all of them—but I would imagine a lot of them are held, according to reports, in Cayman Island companies that are involved in—or, that are a part of hedge fund investments. Those hedge funds are not allowed to send in money, receive money from him, et cetera. That money is frozen.

In spite of the fact that there is no enforcement in these places, the fact that they are part of Britain, and Britain is acting appropriately, and Britain is sanctioning people, means that a lot of this stuff is getting caught in this new sanctions regime. If we were to actually look in terms of chasing down the assets going through these structures, et cetera, they are all highly obscured. There is no public registry. There is no ownership, and there needs to be a lot of reform done before the situation is ever going to be satisfactory.

Senator SHAHEEN: Do we need to get at that by going after the laws? By trying to get Parliament to address that, just as we got to try to get Congress to look at some of the more obscure laws? Or is there—or is it the enforcement piece that is the most critical?

Mr. BROWDER: There is everything. At the moment, there is no public register. If you have a U.S. company, for the most part, I believe, you can actually look and see who owns that company. Same thing with a British company. If you have a British Virgin Islands company, it is secret. Nobody can look behind and see who owns it. That cannot exist. That is absurd. That needs to be changed. The British government has promised to change it for a long time. There are timetables that keep on slipping for it to change. I think it would perfectly appropriate for the U.S. Congress to—you do not have to even go through the government. Write a letter directly to the British government. They will be sensitive to it. Say, why are the—why is there no—why have you not created public disclosure of ownership in these offshore territories? We are disappointed with you.

Senator SHAHEEN: Thank you. Mr. Stedman, do you want to speak to that as well?

Mr. STEDMAN: Yes. I wanted to agree with Bill and disagree with Bill on one point. Yes, when we get into the off-shore jurisdictions, like the British Virgin Islands, Malta, and elsewhere, we run into a dead end, especially as an investigator—investigative journalist, like myself. We also have to look inward. Increasingly states in the U.S., like South Dakota, and Nevada, their secrecy laws that are obstructive to any investigator. We can apply a legislative fix here internally that would solve a big problem.

The other point I wanted to make is that we need to focus on these registered agents that register the companies and then wash their hands and say: I have nothing to do with the company's business and I have no legal obligation to follow where this money is coming from or what it is being used for, and that is—

Senator SHAHEEN: They are lobbyists, essentially?

Mr. STEDMAN: I am sorry.

Senator SHAHEEN: They are lobbyists, is that what you are talking about?

Mr. STEDMAN: No, they are company formation agents. Sometimes they are lawyers. They set up dozens or hundreds of LLCs in places like South Dakota, Nevada, other states, Delaware, in the U.S. I think there need to be requirements for these kinds of people to know what their LLCs are doing. Sure, they are the registered agent on the filing for the company, but under current law, they have no obligation to investigate where the money is going through this LLC. I think we can make a big difference there.

Senator SHAHEEN: What would you—what would you have—how would you change current law to address that?

Mr. STEDMAN: I think the Enablers Act is a great start. I think applying the kind of anti-money laundering laws that we have with the financial system, I think they need to be extended to these company formation agents, to these lawyers that are facilitating these shell companies, here in the States and elsewhere, that are being laundered—money is being laundered through them by the millions and billions, even here in the U.S. The scrutiny on those kind of people is, I think, an area where we can really improve.

Senator SHAHEEN: Thank you. Thank you, Mr. Chairman.

Chairman CARDIN: Congressman Wilson.

Representative WILSON: Thank you very much, Mr. Chairman. Again, I am grateful that Republicans and Democrats are truly united for the people of Ukraine. President Biden is correct, we are in a conflict between democracies with the rule of law versus the opposed to the autocracies with the rule of guns. The people of—I believe, of Ukraine will win. They will save the people of Georgia, the people of Moldova. They will save ultimately the people of Taiwan from the Communist Party of China. Then we will also save the people of Israel from vaporization by Iran. We will promote India, led by Prime Minister Narendra Modi, an extraordinary champion of the world's largest democracy.

With that in mind, for Mr. Stedman, I appreciate your courageous journalism that has focused on the corrupt oligarchs' network. As a journalist, what are your main takeaways on how oligarchs operate, and how can Congress protect journalists who investigate oligarchs?

Mr. STEDMAN: Thank you for the question, Senator. I think broadly this discussion is a good starting point. We need to focus on the enablers. Speaking of the legal threats that journalists like myself and others are facing, there need to be some changes to the way that these lawsuits are dealt. For example, my case is in the U.K. I have never been there, but the action has been brought there. There needs to be a way for journalists in the U.S. to apply to a judge at the beginning of the process to have these lawsuits deemed as abusive and as SLAPP lawsuits because, I think it was Anna or Shannon, who was saying that the process of the lawsuit is the punishment.

I have spent 18 months with this lawsuit and we are just now clearing the jurisdictional hearings. It is going to be another year at least—a year or two. We have to have a hearing on the meaning of the words that are complained before we can even get to the trial. The process is the punishment. I am spending—and journalists in my shoes are spending tens of thousands of dollars to fight these lawsuits. There needs to be a way at the beginning of the process to maybe alleviate some of that stress from foreign lawsuits.

Representative WILSON: Well, we appreciate your efforts.

Director Kaleniuk, the American people are so impressed by the people of Ukraine. It is just every day we see heroism, and you have some of your colleagues here today that are just incredible. To see the families that will bring their families to Romania or Slovakia, to Poland, and then go back to stop the imperialists that are proceeding, it is just—again, we are just so grateful for your hard work. Additionally, the Anti-Corruption Action Centre has pushed hard for sanctions against Putin's cronies. Are the sanctions against oligarchs effective? Have we identified the right oligarchs to be sanctioned?

Ms. KALENIUK: Thank you, Senator. Actually, before aggression, before the war, we started the campaign to blow up Putin's wallet. We started mapping that Western access of Putin oligarchs. Not all oligarchs are sanctioned yet, even in America. Roman Abramovich was not sanctioned, and it is important to synchronize these sanctions also with other countries, specifically the EU. We have to do something with the European Union because most of the assets are hidden actually there—in Germany, in France, in Italy. We are just hearing, you know, some peanuts information about first seizures, but it is top of the iceberg, and the sanctions regime of the EU has to be increased.

As well as visa bans for the EU, for family members of these oligarchs, is probably even more hard for these oligarchs than, say, economic sanctions. I think that America could lead in strengthening the sanctions regime of the EU and also in the U.K. Sanctioning of oligarchs should include visa bans and travel for them—and travel bans for them, but also their family members. It is also very true for America. If you sanction an oligarch, it is a must-have to sanction all his family members. Then I would, to reflect what Senator Whitehouse said, it is important to follow up on how actually these sanctions are being implemented. I have seen in my practice many examples when after sanctions they are just reregistering their business on some—on their wives, on other family

members, and sanctions, you know, can be bypassed. You have to sort it out. Thank you, Senator.

Representative WILSON: Well, thank you very much, and not another question, but I just want to thank Mr. Browder. I think your book is going to help identify kleptocrats, and then we can work to really—bipartisan, to indeed make a change to go after the kleptocrats and oligarchs and people who are benefitting from the misery of people around the world. I yield back.

Chairman CARDIN: Thank you. Well, it is clear that we want to and must win the war. To win the war, yes, we have to give the Ukrainians all of the weaponry they need in order to defend themselves so that we can win on the battlefield. It is more than winning just on the battlefield, as we have been pointing out. We have seen the propaganda that Mr. Putin has used within Russia. We have to be able to counter that because we need the support of the Russian people so Russia moves in a different direction than Mr. Putin has led them. The sanctions regimes are critically important to take away the support system for this type of governing and to also make it clear that there would be a price to pay. I think the enforcement issues are important, and we have talked about that.

Clearly, we have to do a better job, first, on the net of enablers. I personally think the sanctions statute is probably broad enough to cover that today if it is used in that way. We do know that there are professional responsibilities that need to be strengthened so that professionals know there is going to be accountability if they participate in this type of corrupt regime. We have not tightened our laws enough on that, Ms. Green. I think that is one of the issues that you said you are going to be going after that. If you need additional authority, please let us know. I would hope that we could work in unison with you. I support Senator Whitehouse's efforts to make sure that our laws are strong enough to make sure that all these enablers are covered under that definition.

Then we have the lawfare issue, which is very complicated. When we deal with our democratic institutions and our rights of a democratic society, and we see those that are trying to bring down our democracy using our democratic institutions against us, it is a lot more nuanced as to how we are going to have to deal with that issue. We need to deal with it. Because of what you all have suffered through, those of you who have been victimized by the system and then the lawfare challenges that have not only been expensive but dangerous the way they have been used, we have got to figure out a way. Again, it may deal with professional standards, because lawyers are prosecuting these cases they should have some responsibility regarding the way that they conduct their activities.

Ms. Green, I am going to ask you about one other part, because part of this, to me, is accountability. One of my greatest worries is that there is a resolution on the battlefield, the Russian troops go back to Russia, and Mr. Putin goes back to doing his business until the next time he decides to take out his military because of whatever reasons he thinks it is needed for domestic politics or his satisfaction. That is, he has to be held accountable. You have talked about providing help. At this time, the only entity I see on

the ground in Ukraine gathering evidence for war crimes are the Ukrainians themselves.

I do know the strong statements that have been made by President Biden and others about Mr. Putin being responsible as a war criminal, but I do not see any of the international organizations that are responsible for accountability of war crimes actually engaged in an aggressive way to make it clear that there will be accountability. Is there something that we should be doing stronger at USAID or in the government to get this process moving, to make it clear it cannot be compromised in any settlement?

Ms. GREEN: Mr. Chairman, thank you for that question. We are thinking about accountability on two levels. One, when it comes to sanctions and asset freezes and these confiscations, that is about imposing costs right now on the people that we can, when we can, and to make it hurt as much as we can. That is sort of the day-to-day accountability. At the same time, there are really robust efforts going on within the U.S. government and international community on accountability. The U.S. government has been spending a lot of time internally making sure that we are supporting international accountability mechanisms, including the Commission of Inquiry.

In particular, USAID's role is that for a long time, we have had Ukrainian organizations documenting abuses in the Donbas and Crimea. These organizations are now shifting so that they can document those abuses and gather evidence at a really high level of standard to feed into future accountability processes. I think we absolutely share your concern about accountability. There is an ongoing, very intense focus on that issue. I will most certainly take back to my colleagues the interest and concern that those efforts be deepened.

Chairman CARDIN: I just implore us to be there to preserve the evidence. That is something we can do directly. We do not need the international organizations to be activated to do that. We had the wherewithal through our experts and resources to be able to help in that regard. Secondly, I think we need to energize the international organization—recognizing there will be opposition from Russia—to make it clear that their expertise needs to be able to document what is happening so that we do not lose the fresh evidence that is necessary for an easier prosecution. It is not going to be difficult here, we have so much evidence. We need to make sure that is preserved.

One last question, I think I will ask the panel. That is, one of our strategies is that Russia should not be participating in many international organizations. They have no legitimacy. We took steps this past week to deny Russia shared information, that we were sharing on Treasury. That has been cut off by the United States. There are some international organizations that have taken action already. Are there additional steps that we should be taking? I am thinking about Interpol and that issue. Are we satisfactory—are we satisfied that Russia cannot utilize these international organizations under the current circumstances? Have those steps been taken, or do we need additional steps to be taken in that direction?

Yes.

Ms. KALENIUK: Thank you, Senator. There is such an organization, the Financial Action Task Force. It is the intergovernmental organization that is actually setting up the standards for anti-money laundering. Russia is apparently a member. I believe that Russia has to be kicked off this organization and Russia has to be blacklisted by FATF, and blacklisting by FATF means that actually Russia will be cut from financial markets, and it will be very significant, harsh sanctions against the entire Russian economy. I would strongly advise to do that. Thank you.

Chairman CARDIN: Mr. Browder.

Mr. BROWDER: That is an excellent suggestion, and it is sort of similar to SWIFT, which if they are blacklisted then nobody can do business with them. I just want to bring back the Interpol point. I know that the U.K., the United States, Canada, and various other countries, are—have tried to kick Russia out of Interpol. That is just an absolute necessity. You cannot have a country that is going and murdering people chasing their enemies abroad. There is one further step the United States, Great Britain, and the EU can take in that regard, which is that we fund Interpol.

Interpol is sort of like the United Nations, where at the beginning of this whole conflict a Russian person was allowing a Ukrainian to speak about this. It is the same type of thing, where Russia is a member of Interpol and there are lots of other terrible non-democratic countries that are also members of Interpol. The people who pay for Interpol have a—have a big sway in this whole thing. I think that it would be perfectly appropriate to call on the U.S. government and our allies to basically threaten the funding of Interpol if Russia is not expelled.

Chairman CARDIN: Thank you.

Senator Shaheen.

Senator SHAHEEN: Thank you, Mr. Chairman. I do have another question that I would like to ask of Ms. Veduta. Because it is been really interesting to me to watch the news reports coming out of Russia, and the ability of Vladimir Putin to totally control the messaging that goes to the Russian people. At least in terms of the reports that we are getting, to see the increase in their support for Putin and support for the war in Ukraine. I wondered if you could talk about how that affects your ability to deal with Mr. Navalny and the ability, through the work that you all have been doing with him, with the Russian people.

Ms. VEDUTA: Russia is a big, magnificent country. Fortunately, it does not consist only of people who support Putin. I would actually warn you to be very cautious about those reports you get about the, you know, enormous support of Russian people for the war, because you should understand that when just saying the word "war" can cost you 15 years in prison, you are not likely to tell the truth to the responders, even if they are asking—to the pollsters—I am sorry if they are asking you. I mean, can you imagine, like in a basically—yes, basically fascist state, when someone from the—affiliated with the government would, you know, call you and ask: Do you support President Putin? You are not to say no, of course not. You are not to say, and so, I mean, I would be very cautious about that.

We still see a huge number of support, as I said. We do have those YouTube channels where we try to broadcast the truth show the atrocities and show the real nature of what is going on in Ukraine. You know, your viewership—well, the Russian number of it, is constantly growing. People are seeking the future, and as I said, the whole independent media has been just basically canceled. People turn elsewhere for the truth. They are still in very huge need of that truth because, yes, these are the lies—the poisonous lies they can only get from propaganda.

This propaganda is specifically aimed at people isolated, people who are not supporting the war, who are not supporting these atrocities, specifically making them feel isolated. Like they are the only people, and the rest of the world just, you know, approves. That is not true. Yes, some people approve, and from the bottom of my heart, I am so sorry that it came to that. This is not the most of the population of Russia. Please do not think that this is like that now. There is Alexei Navalny. There are a lot of people who support Alexei Navalny. Now we will not stop our work for the sake of these people and the sake of Alexei Navalny. Thank you.

Senator SHAHEEN: Thank you. Well, I hope you will share with Mr. Navalny how much support he has in the United States and here in Congress.

Let me ask another question for you or others. One of the things that the Belarussian opposition activists have been very successful at is getting information through social media, YouTube, and other channels about what is going on in the country. Do you see that kind of effort in Russia as well?

Ms. VEDUTA: Well, there are a lot of—as I said, like, because the independent media has been suspended, has been canceled, there are a lot of journalists who basically went abroad. Well, and then, you know, fellow European countries, they were kind enough, you know, to host, for example, my colleagues from the Anti-Corruption Foundation, because we are based in Lithuania now. I mean, the main office. A lot of journalists have been exiled in Russia, and they are trying to do the same that we are doing with our YouTube channel. They are trying to rebuild what has been taken from them, like, for example, TV Rain and other journalists who launched their own, you know, solo projects for the very same reason, actually: Just to, you know, to fill this void. Because there is a void.

Because—and to your previous question, I mean, if there was such a huge support for the war, why go to these, you know, extreme measures? Why just, you know, kill off free media? Why impose those laws that will, you know, send you to prison for 15 years just for one word, for the word “war”? I mean, like, this does not signal support, to me. This signals despair, to me. Yes, a lot of—a lot of effort is trying to be, you know, done now. Of course, with all the obstacles, and with all the pressure it is more difficult than it ever was. It does not mean that we are going to stop.

Senator SHAHEEN: Thank you. Thank you, Mr. Chairman.

Chairman CARDIN: We have been asked by members of the Commission that there be questions for the record. If you do not—if you all would cooperate I am going to give you until April 15 for ques-

tions for the record. If you could respond for the record, we would appreciate that very much.

Senator WHITEHOUSE: Mr. Chairman, my question for the record would be to simply ask for your reaction to my comments regarding the effective operationalization of our sanctions regime. What would you like to see the capability of the United States government be as regards quickly being able to spot an asset, act on that asset, seize the asset, and litigate later? We have got plenty of time to litigate over who owns it. I would love to see a situation in which the oligarch shows up to say, that is actually not my yacht. [LAUGHTER.] In which case, the obvious question is, then why are you here? The equally good—the equally good question is the person who comes and says: That actually is my yacht, not the oligarch's. Then you have a chance in a court with evidence to actually ask questions to prove the ownership and where the money came from. I think at the end of the day, what we will find is that nobody will really contest the seizures because we are right. If we are not operating fast, at a real-time tempo, then we are going to miss a lot of opportunities. We have to have that capability. We got to treat this as serious, rapid-fire, high-tempo stuff. What do we need to get there? That can be a question for the record, so you all have a chance to reflect on it and write recommendations by—what was the date, Chairman?

Chairman CARDIN: A week from Monday. I would say April 15.

Senator WHITEHOUSE: Thank you very much, Chairman.

Chairman CARDIN: It is a date that you all should remember. April 18 is tax day this year because of the district. Congressman Cohen?

Representative COHEN: Thank you. Just if you all do not know Senator Whitehouse, he represents Newport, Rhode Island. He knows a lot about yachts.

Chairman CARDIN: With sincere thanks, I thank all of our panelists not just for your participation in this hearing, but for what you do every day to advance freedom and your own personal commitment to doing the right thing. You inspire all of us. We are all inspired by the people of Ukraine their courageous defense of their country and their inspirational leader. You all also provide us a great energy to pursue justice here in the United States. Thank you all for your testimony.

With that, the Commission will stand adjourned.

[Whereupon, at 4:03 p.m., the hearing ended.]



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