



From: Rt Hon Dr Denis MacShane MP  
MP for Rotherham  
House of Commons  
London  
SW1A 0AA

Lord Green  
Minister of State  
DBIS

8 February 2012

Dear Lord Green,

Given the terrible things that have happened to British firms seeking to operate in Russia I was surprised to learn that the British government, through UK Trade & Investment (UKTI), is sponsoring a conference to promote the Skolkovo project in Russia to British investors and the research community on February 15th, 2012.

I believe it the Government should add to the literature prepared for this event an official Health and Safety Warning so that British businesses seeking to be involved in Russia do so with their eyes fully open to the risks they run.

While it is your mandate to promote foreign trade and investment, it should also be your mandate to look after the safety and security of British businesses and investors. As you are well aware, Russia is a country where many British companies have had a terrible time. Over the last two years, I have become aware in great detail of the tragedy that befell Sergei Magnitsky, a Russian lawyer that was working for British investment firm, Hermitage Capital, who was tortured to death by the Russian government after he uncovered a \$230 million corruption scheme orchestrated by high level officials in the Russian government. Through this case, it has become evident that many arms of the Russian government are engaged in criminal activities, expropriating the businesses of foreigners and in some cases killing people who get in the way.

The former Foreign Secretary, Sir Malcolm Rifkind, called in the Commons last month for the 60 named state functionaries involved in the death of Magnitsky to be banned from entering the UK so this is a cross party affair.



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The case of Hermitage capital has been much publicized and is only the tip of a much bigger iceberg. We have also seen how other major organizations like IKEA, Telenor, BP, NewsCorp, Yukos and Rusneft and others were also badly affected by the actions of corrupt officials in Russia. For every story that is publicized, there are probably 50 more that have gone undetected. I have had many meetings with businessmen who have not wanted to make their similar cases public for fear of harsh and dangerous retaliation by the Russian government.

It seems wholly irresponsible for the British Government to encourage British businesses to be putting themselves in harm's way without some full disclosure about the tragedies that could befall them in Russia. Should you decide to encourage British businesses to go into Russia, it is your duty and responsibility to also make it absolutely clear the risks that they take with their money, their companies and even their lives by doing so.

British businessmen are robust and venture into dangerous climates and deal in nations where rule of law is flouted. But there is a duty of care upon the British government to warn participants at events such as this about the dangers they face in Putin's Russia. I know I speak for many of my Parliamentary colleagues when I say that UKTI should issue a warning to businesses considering investing in Russia so that they get both sides of the story. Based on my experience of the Magnitsky case, there has been a distinct lack of British government support in helping to pick up the pieces when things go badly wrong for British investors, and since it is unlikely that UKTI will be there to pick up the pieces of future collapses from corruption issues, it would be advisable not to legitimize a regime that is so plagued by criminality and corruption.

Yours Sincerely,

Rt Hon Dr Denis MacShane MP

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