

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**IGOR BORBOT, an individual and ALEKSEY  
BOYTISOV, an individual,**

**Plaintiffs,**

**-against-**

**DENIS VALENTINOVICH MANTUROV, an individual,  
SERGEY VIKTOROVICH CHEMEZOV, an individual,  
and ANDREY SHISHKIN, an individual**

**Defendants.**  
-----X

**Civil Action No.:**

**COMPLAINT AND  
DEMAND FOR JURY  
TRIAL**

Plaintiffs, Igor Borbot (hereinafter referred to as “Borbot”) and Aleksey Boytsov (hereinafter referred to as “Boytsov”) (collectively referred to as “Plaintiffs”), by and through undersigned counsel, alleges upon information and belief the following against Defendants Denis Valentinovich Manturov (hereinafter referred to as “Manturov”), Sergey Viktorovich Chemezov (hereinafter referred to as “Chemezov”), and Andrey Shishkin (hereinafter referred to as “Shishkin”), (collectively referred to as “Defendants”).

**PRELIMINARY STATEMENT**

1. This action arises out of Defendants’ egregious, fraudulent, threatening and retaliatory actions which have caused great financial and emotional damage to Plaintiffs.
2. Borbot is an educated and successful businessman, husband and father of young children.
3. In 1994, Borbot sold his interest in a baby food company and invested all the proceeds from the sale to develop a new securities trading company.
4. Borbot founded a highly successful and profitable holding company in 1994.

5. Boytsov shortly thereafter took a position as Chief Operating Officer for Borbot's company.

6. Following completion of large international projects and signing contracts endorsed by President Putin, Borbot's company became noticeable on a national and international level. As a result, Russian government officials and heads of Russian law enforcement authorities began having an interest, and subsequently tried to gain control over the decisions and directions of Borbot's company.

7. In essence, Defendants were demanding their share of Borbot's interests and financial profits. However, as Borbot's company was a large entity with several distinguished international partners, Borbot and his company managed to resist corruption and were able to work hard at disregarding Defendants' frequent extortion attempts.

8. Moreover, because Borbot and his company did not have government partners, and complied with all Asian, European, and U.S. Anti-Corruption regulations, it was impossible to sabotage and accuse them of any wrongdoing.

9. Borbot, in the midst of several initiatives to eradicate inefficiencies and corruption within corporate Russia, was repeatedly approached by Defendants, and told that he was to transfer the assets of his holding company to them. Borbot adamantly refused.

10. Seen as being uncooperative with their demands and unhappy with Plaintiffs' anti-corruption efforts, Defendants put into place a purposeful and calculated campaign to not only destroy Plaintiffs' reputation, but deprive them of life and liberty.

11. Defendants have used threats, intimidation, fabricated criminal charges, threats of arrest and/or death in order to "force" compliance with their demands.

12. As a result of Defendants' fabricated charges, Borbot has been taken into Department of



Homeland Security custody in New York City, New York, and has been detained there since April 22, 2016.

13. As a result of Defendants' fabricated charges, Boytsov has been taken into Department of Homeland Security custody in California.

14. Borbot and Boytsov now fear being deported to Russia where Defendants have made clear that upon their return, they will be imprisoned and/or killed.

15. Time is of the essence in this litigation, and Plaintiffs bring claims against Defendants for Unlawful Detention, Violations of 18 U.S.C.A. §§1961 et seq., Intentional and Negligent Infliction of Emotional Distress and Defamation, Unlawful Conversion of Property, Abuse of Process, and Extortion under 18 U.S.C. §1951.

### **THE PARTIES**

16. Plaintiff Borbot is *sui juris* before this Court and is, and at all times material, was the founder of the Vladivostok Development Company.

17. Plaintiff Boytsov is *sui juris* before this Court and is, and at all times material, was the Chief Operating Officer of the Vladivostok Development Company.

18. Upon information and belief, Defendant Manturov is *sui juris* before this Court and is, and at all times material, was the Minister of Trade and Industry of the Russian Federation.

19. Upon information and belief, Defendant Chemezov is *sui juris* before this Court and is, and at all times material, was CEO of Rostec Corporation (formerly the Director General of Rosoboronexport), chairman of the Union of Russian Mechanical Engineers, and a lieutenant-general and the de facto owner of Novikombank. Further, upon information and belief, he is a relative of Defendant Manturov.

20. Upon information and belief, Defendant Shishkin is *sui juris* before this Court, and is, and at all times material, was Vice-President for Energy, Localization and Innovation for Rosneft.

### **JURISDICTION AND VENUE**

21. Jurisdiction is proper in this District as this case involves violations of Federal Law and thus involves federal questions and violations against foreign citizens and corporations.

22. Jurisdiction and venue are proper in the Southern District of New York as (will be shown through discovery) communications and business dealings in furtherance of Defendants' corrupt business actions in furtherance of financial gain occurred in this District.

23. Rule 4(k)(2), Federal Rules of Civil Procedure, provides federal courts with personal jurisdiction over a foreign defendant "in federal question cases and if the foreign defendant has sufficient contacts with the United States to satisfy due process requirements." See *Eskofot A/S vs. EI Du Pont De Nemours & Company*, 872 F. Supp. 81 - Dist. Court, SD New York 1995.

24. Due process requirements are satisfied if the defendant foreign corporation or its officers have "certain minimum contacts with [the State] such that the maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.'" See *International Shoe Company vs. Washington*, 326 U. S. 310, 316.

25. In order to comport with due process of law requirements under the Fifth Amendment, defendant...must have at least minimum contacts with the United States at large. Minimum contacts analysis is used to determine whether the exercise of personal jurisdiction would offend "traditional notions of fair play and substantial justice." See *Asahi Metal Indus. Co., Ltd. vs.*



*Superior Court of California*, 480 U.S. 102, 113, 107 S.Ct. 1026, 1032, 94 L.Ed.2d 92 (1987) (citation omitted).

26. The Second Circuit has addressed the question of what activities of a foreign corporation satisfy the minimum contacts test and has listed the following factors for meeting the standard: (1) transacting business in the United States, (2) doing an act in the United States, or (3) having an effect in the United States by an act done elsewhere. See *Leasco Data Processing Equipment Corp. vs. Maxwell*, 468 F.2d 1326, 1340 (2d Cir.1972).

27. Applying the third factor first, personal jurisdiction may be asserted by the courts where a foreign corporation, through an act performed elsewhere, causes an effect in the United States. See, e.g., *SEC vs. Unifund SAL*, 910 F.2d 1028, 1033 (2d Cir.1990).

28. The acts of the foreign defendants in the instant case have had a detrimental effect on Borbot here in the United States. Thus, the third factor applies in establishing jurisdiction. See *Huang vs. Sentinel Government Sec.*, 657 F.Supp. 485, 489 (S.D.N.Y.1987) (Leisure, J.) (defendant must know, or have good reason to know, that his conduct will have effects in the state seeking to assert jurisdiction over him). Defendants knew, or should have known, that their fabricated and false charges within Interpol would result in Borbot's unlawful detention in the United States and expose Borbot to deportation back to Russia.

29. Jurisdiction and venue are thus proper.

#### **FACTUAL BACKGROUND**

30. Borbot founded Vladivostok Development Company (hereinafter referred to as "VDC") in 1994, a company that at one time employed over 10,000 people and was valued at over \$350 Million USD.

31. Boytsov came on board with VDC in separate managerial capacities shortly thereafter.

32. VDC specialized in and unified five business areas: instrument engineering, agriculture, poultry farming, construction and development and financial consulting.

33. VDC Holdings were accredited by several large international corporations, including ExxonMobil (USA), Hyundai (South Korea), Parker Drilling (USA), Kone (Finland), and Kvarner (Norway).

34. From 1995 to 1998, VDC became well known on the Financial markets of the Russian Federation, especially in Primorsky Region, and by 1998, almost all big enterprises of the region were VDC clients in some capacity.

35. VDC became so effective and well known that a branch was eventually opened in Moscow.

36. Besides securities operations and VDC's work with securities trading, Plaintiffs began to invest in debt relief and restructuring along with debt trading for large big enterprises. This too was a unique business niche, and because Plaintiffs were the first to go into it, the area instantly became very lucrative for VDC.

37. The financial crisis of 1998 created a very advantageous market environment for the growth of VDC, particularly in the acquisition of industrial enterprises, since some of them completely stopped operating, and a system of continuous debt without possibility of repayment occurred within the country.

38. In 1999, Borbot made a decision to diversify VDC's business focus.

39. Therefore, besides the business of financial consulting, debt restructuring, and securities exchange operations, VDC decided to take advantage of the market situation and purchase industrial assets, which were being heavily discounted at that time, due to the poor market



conditions. Actually, it was the owners of these plants that approached Borbot directly; they had no options because they were on the verge of complete collapse, and the first offer to purchase came from the top manager of one of the factories VDC serviced.

40. The first financially troubled business VDC decided to acquire was a factory producing radio equipment and specialty electronics, Radiopribor.

41. In late 1999, VDC acquired the majority interest in Radiopribor OJSC (“Radiopribor”).

42. When VDC purchased this company, it was in a very dire financial situation: there were no new orders, production all but stopped, wages were unpaid to employees, and a tax debt was accumulated. However, by utilizing good relationships with a local bank, it became possible to obtain credit, kick-start production and begin receiving orders. By 2001, the number of Radiopribor employees increased from 600 to 1500 people. On a year-on-year basis, profits increased from almost nothing in 1999, to \$60 million USD in 2014.

43. After the successful bailout of Radiopribor, in 2001, VDC’s direction changed from financial consulting and debt management, to acquisition of troubled enterprises on the verge of bankruptcy or in liquidation.

44. Upon acquisition, the VDC team would identify the issues of the troubled enterprise and the reasons for its problems and restructure the enterprise to eliminate the problems.

45. Plaintiffs quickly realized that the troubling issues usually involved inefficiency and government corruption. Once the issues had been identified, VDC would setup new management, restructure financing, engage in public relations and marketing for the products sold, and modernize the facility to U.S. and European standards.

46. Recognizing the commercial success of Radiopribor, Plaintiffs decided to engage in their second Bailout project, by virtue of purchasing of bankrupt poultry plant which was completely dilapidated when acquired.

47. At the time of acquisition, most poultry meat in Russia and especially in the Far East Region was imported from the United States and China. As such, Plaintiffs immediately realized market potential. Moreover, the Government of the Russian Federation stimulated development of poultry and agricultural production by subsidizing loans and lowering interest rates on loans.

48. Additionally, by imposing agricultural import quotas, the government provided a ripe atmosphere for a modern company to compete with foreign production giants.

49. Plaintiffs quickly realized that the Russian domestic agricultural technology and specialists were significantly behind the rest of the developed world, therefore VDC decided to bring in specialists from Europe and the U.S. From 2001 to 2004, along with the German partners, EMF and Hartman Engineering, VDC redesigned and modernized the entire plant.

50. Moreover, Plaintiffs hired European expert consultants and started commercial poultry production on par with international standards.

51. Due to Plaintiffs' efforts, production significantly increased, whereby, from 2001 to 2008, the production increased from 0 to 30,000 tons of poultry products; all loans were repaid in full; and 1,500 new direct jobs were created. By 2014, the company produced over \$100 million USD in sales. The total overall investment into the poultry plant was over \$150 million USD.



52. The poultry holding eventually expanded to four state of the art poultry plants in the Primorsk, Khabarovsk and Krasnoyarsk regions. Subsequently, their market share in the Far East Region increased to 60%.

53. As production expanded, Plaintiffs realized that that the new poultry plants consumed an enormous amount of feed. To eliminate the need for reliance on imported feed and for purposes of obtaining multiplicative effect, VDC expanded operations and a new group under Borbot's leadership began purchasing agricultural lands for purposes of domestic production and cultivation of soy, corn and wheat, the principal ingredients in feed.

54. Borbot once again ascertained that the best way to build a state of the art farming facility was to bring in the top professionals from abroad. Therefore, VDC brought in Farming Specialists from the United States, and purchased U.S. farming manufactured by John Deere.

55. Borbot invested a significant amount of his own money and took a huge personal risk by investing over \$35 million USD in agricultural development.

56. The US Consulate-General in the city of Vladivostok was VDC's biggest source of assistance when it was looking for specialists in the U.S. and selecting U.S. equipment manufacturers and as a result, a very good relationship was cultivated. In fact, Borbot was frequently invited to different consular events that were organized by the U.S. Consul in Vladivostok.

57. Under Borbot's direct supervision, by 2014, the agricultural real estate holdings totaled an astounding 300,000 acres (469,000 square miles), by comparison the size of New York City (all five boroughs combined) is about 300 square miles.

58. The agricultural division (Agroholding) employed 3,000 people. Amazingly, all of the jobs created by the Agroholding component of VDC were new jobs.

59. Therefore, by the end of 2014, VDC's Agroholding was one of the largest farming enterprises in the Far East Region of Russia. Total market share in terms of volume produced totaled over 20%.

60. Over a period of 20 years, VDC created, cultivated and managed strong partnerships with big international companies such as Exxon Mobil, Hyundai, ParkGroup Drilling, and Kone.

61. Over the same period of time, VDC additionally successfully created and cultivated relationships with the trading departments of the Consulates General the United States, South Korea, and China.

62. In 2008, Exxon Mobile was planning construction of the oil platform of GBS, within the framework of their joint project with Rosneft.

63. The name of the project was Sakhalin-1.

64. VDC achieved a fundamentally new level of publicity after the successful and early finish of a major construction of the project of the lower base for the drilling platform (GBS) in the project "Sakhalin-1," which was performed on behalf of Exxon Mobil and Rosneft.

65. Information about the Sakhalin-1 project was widely publicized in Russian and international media.

66. Since Borbot was directly involved in the process of managing VDC and this project, in particular, Borbot was always in the spotlight. Moreover, due to the importance of the work Borbot was doing and his active personal involvement in pretty much every aspect of the VDC up until 2012, they were able to avoid Defendants' extortion and the unreasonable demands of Defendants and other corrupt government officials.



67. The project, Sakhalin I, Arkutun-Dagi platform Berkut, is a gravity base concrete structure enabling all-year drilling and oil and gas production offshore the island of Sakhalin in North East Russia. It is an ice-resistant fixed platform designed to safely operate year-round in a seismically active area and able to withstand winter temperatures of -44 degrees C, waves up to 18 meters high and sea ice up to two meters thick. Kvaerner and VDC were responsible for engineering, procurement, construction and installation of the GBS.

68. The Sakhalin I project was completed in 2012, and it was the first project of its kind in entire Russian Federation.

69. The Exxon-Rosneft platform is considered the world's largest oil platform and has begun commercial production at the Sakhalin-1 offshore project in Russia's Far East. The oil rig is expected to extract 4.5 million tons of oil annually.

70. The platform was expected to produce 12,000 tons of oil daily or about 4.5 million tons annually, raising the total output of the Sakhalin-1 Consortium to approximately 27,000 tons a day.

71. The drilling platform can withstand a 9 magnitude earthquake, and waves up to 18 meters high. The field which spreads 60 kilometers offshore holds 72 million tons of recoverable oil.

72. VDC was the only company capable of meeting strict international standards and was offered the opportunity to participate in tendering a bid of building the industrial site and a future construction of the lower structure of drilling platform. For this purpose, within the framework of preparation for participation in the bidding process, Borbot started a new company called VOSTCO (Vostochnyi Offshore Structures Construction Yard).

73. In order to sufficiently and adequately prepare VOSTCO for the bidding process, Borbot had made an investment in the amount of \$20 million USD before the contract was even signed. Borbot brought in dozens of foreign specialists and prepared infrastructure as well as specialized equipment as these steps were necessary to participate in the bid. The selection was done by the main Contractor, Kvarner.

74. In fact, in order to be eligible to take part in the bid, VDC had to construct a state of the art facility with an integrated dry dock. This was a huge risk on Borbot's part because if Kvarner, who was acting as ExxonMobil's main contractor, would not have selected VDC, it would have taken VDC a long time to recover from the lost investment.

75. Fortunately, after extensive review procedures, legal, technological and production audits, as well as an extensive audit of compliance with the US and European Anti-Corruption Act, ExxonMobil's chose Kvaerner as the general contractor and chose Borbot's company as the principal sub-contractor. This was a unique Venture which created a thousand new jobs and significant opportunities in the Russian Far East.

76. The cumulative value of the contracts exceeded \$150 million USD. Joint Venture VDC - Kvaerner was created to construct this unique project.

77. In 2012, management of ExxonMobil, administration officials of the Russian government and Rosneft visited the new yard. It was during the visit when VOSTCO was recognized as ExxonMobil's top contractors for quality and safety.

78. Plaintiffs instituted policies and technologies that were unheard of in Russia, and this helped put VOSTCO on the global map in the oil and gas industry.



79. Due to VDC's and VOSTCO's success, it started receiving offers to join holdings from Chinese and South Korean investors.

80. However, when the Russian Government discovered that Borbot and VDC began negotiating with foreign investors, for the purposes of selling off a portion of the holding and creating a partnership with foreign investors, the government and Defendants immediately responded negatively.

81. In fact, corrupt senior officials from the Russian Ministry of Agriculture began to make threats through their FSB arm that if Borbot were to pursue the partnership, they will have Borbot arrested and "do everything possible to take away what Borbot had built."

82. Understanding that there was no sense to fight them and well aware of what happens to Russian firms who chose to pursue foreign partners without explicit permission and endorsement from the Russian Government officials, Borbot decided to forgo this idea and turned down several lucrative offers from the Chinese and South Koreans.

83. Borbot was truly scared and feared the ramifications of Defendants and their influence.

84. The Russian Government has a known but "unwritten" policy not to allow big businesses to be controlled by foreign corporations.

85. During a historic Summit meeting of the Asia-Pacific Economic Cooperation, a new joint venture was executed with the endorsement of Russian President Putin, for the development of a new drilling platform in the Russian Federation.

86. This agreement was executed in the presence and endorsed by Russian President Vladimir Putin. President Putin gave an official directive to increase domestic manufacturing, and the project was the best example of the execution of his directive.

87. VDC's success brought not only financial rewards, but pride for the accomplishment of the Russian people.

88. Within the framework of this project with the company ExxonMobil, Borbot purchased a ship repair facility NSRF (Nakhodka Ship Repair Yard), which was involved in the process of fabrication of steel piping and tubing for the lower structure of drilling platform and when construction was completed, received a reference as the certified contractor for Kvarner and ExxonMobil.

89. During the pendency of construction and largely due to VDC's commercial success, RDS took part in and won more than 10 different tenders, as well as the opportunity to engage in the construction of Hyundai Electrical Manufacturing plant (American general contractor on behalf of Hyundai), construction of waste treatment plants of the city of Vladivostok, new roads to the airport, as well as construction of bridges in the city of Vladivostok. The total volume of new orders exceeded \$200 million USD.

90. It was during the signing of this historic agreement, in which Borbot had a major role, that he first met Defendant Igor Sechin.

91. Until May of 2012, Sechin had served as Deputy Prime Minister of Russia in Vladimir Putin's cabinet and he is currently the Executive Chairman of Rosneft.



92. Further, Sechin presides over the Board of Directors of the United Shipbuilding Corporation, and helped in negotiations with France over the purchase of four Mistral-class ships. Sechin argued that two ships should be constructed in Russia and two in France, as opposed to the initial offer that only one be constructed in Russia.

93. On or about March 20, 2014, the United States government sanctioned Sechin in response to the Russian government's role in the ongoing unrest in Ukraine. The sanctions include a travel ban to the United States, freezing all Sechin's assets in the United States, and a ban on business transactions between American citizens/corporations and Sechin-owned operations.

94. Since 2004, Sechin has been the successful and influential chairman of the board of directors of JSC Rosneft, which swallowed up the assets of jailed tycoon Khodorkovskys Yukos. He has additionally been President of Rosneft since May 2012. Incidentally, Khodorkovsky has accused Sechin of plotting to have him arrested and plundering his oil company.

95. In December 2014, a CNBC article noted that Sechin is "widely believed to be Russia's second-most powerful person" after President Putin.

96. By 2010, in full scale operational mode, VDC was actively taking part in several major regional construction bids. One of the bids was the 2010 tender (bid) for construction of the dockyard for the large-capacity shipbuilding industry known as "Zvezda." Said bid was subsequently won.

97. The project was scheduled for a couple of phases of construction, and as a result, the largest dockyard of the civilian shipbuilding ever built in Russia.

98. Major international groups of companies were involved, such as DSME, STX, and Raffles Yards (Brian Chang Group), the largest companies in the industry in the world.

99. Particularly, Borbot was interested in the project from a professional growth standpoint and an opportunity of self-realization based on the size and a pool of participants, as well as by its complexity, where Borbot was required to use all of his knowledge and experience gained during implementation of the previous industrial projects.

100. By virtue of Borbot's immense success in the private sector, in or around 2011, Borbot was nominated to be a director of a public holding company.

101. The Far Eastern Center of the shipbuilding industry (FESRC) - is a holding, which is a part of the United Shipbuilding Corporation and it manages all shipbuilding and ship repairing enterprises, that belong to the United Shipbuilding Corporations in the Far East region of Russia, with a headcount of more than 15,000 people.

102. United Shipbuilding Corporation ("USC"), is an open joint stock company in Russia which unites shipbuilding, repair and maintenance subsidiaries in western and northern Russia, and in the country's Far East, to streamline civilian shipbuilding using military facilities.

103. The corporation was established by a series of Presidential Decrees signed by President Vladimir Putin. According to the decrees, the corporation has 3 subsidiaries: The Western Shipbuilding Center in St. Petersburg, the Northern Shipbuilding and Maintenance Center in Severodvinsk and the Far Eastern Shipbuilding and Maintenance Center in Vladivostok. The state owns 100% of the shares.



104. Thus, Borbot became the head of the Far Eastern Division of the State Corporation.

105. Though this was meant to only be a temporary assignment, Borbot's principal goal in this capacity was to have the State Company operate at the same level of efficiency as VDC, and most importantly, Borbot was instructed to seek out corrupt schemes by senior government officials and ensure that the enterprise operated at a profit rather than the heavy losses which had existed since the collapse of the Soviet Union.

106. Another of Borbot's important tasks was to preserve and expand the existing enterprise, create new jobs, and advance technologies in the Far Eastern Region.

107. Borbot's goal in taking this temporary assignment was to reach a new professional level, improve his country, increase and improve production in the Russian Far East and to create an overall better business environment. Most importantly, Borbot wanted to improve his region, and genuinely make it the top region in the Russian Federation.

108. The Far East has always been looked upon as the forgotten region given its extreme far distance from Moscow and Borbot hoped that his work would enable the region to be successful with the nation's highest employment and efficiency rate. This was purely a professional project, there was no financial motivation.

109. By virtue of Borbot's hard work and success in restructuring the Shipbuilding Plant, Borbot was told by Sechin that he was being transferred to work for Rosneft.

110. In April 2013, Borbot reluctantly transferred to work in Rosneft.

111. The Rosneft transfer was not an option or an offer, it was an order handed down directly from the second most powerful man in the country.

112. Relations between Borbot and Defendants began to go sour while in Rosneft, as Borbot actively fought internal government corruption.

113. Defendants, with a demonstrated history of corruption and yielding their influence to gain power, money, and control, used their power and influence of the Russian law enforcement authorities to get rid of Borbot and unlawfully acquire Borbot's assets.

114. Defendants additionally used their power and influence to get rid of Borbot as retaliation for his fight against corruption strictly so that they could continue their corrupt schemes and then as revenge they stole and acquired Borbot's assets through duress.

115. Borbot further refused to transfer his construction business to the Minister of Industry, Defendant Manturov and his friend Shishkin, who at the time was also Vice-President of Rosneft and Sechin's deputy.

116. As a result of Borbot's lack of cooperation in transferring his business interests to Defendants, his attempts to defend his professional interests in court were and continue to be unsuccessful.

117. Defendants, deemed Borbot's enemies, are too powerful as they control the Russian courts, as well as the FSB and the Russian investigators.

118. In fact, testimony against Borbot and several of Borbot's associates was obtained illegally, by use of force and/or intimidation, and Borbot has recently learned that dozens of



documents used against him were falsified, either by Defendants or under the direct orders of Defendants.

119. Borbot has had to flee his home, the country he helped develop and make better, simply because he was doing his duty and actually fighting the corrupt government machine.

120. The main industrial structures of VDC are now in a state of bankruptcy, the company's assets are being transferred under the control of other companies, owned and operated by Manturov, Shishkin and Chemizov.

121. Alongside with the development of Radiopribor, agricultural, and poultry processing components of VDC, Borbot also founded a rather small subdivision that was selling building supplies and as time went by, it developed into a full service construction and real estate development firm named RDS.

122. RDS participated in construction of almost all large scale projects in the Primorsk region and employed 4,000 people.

123. RDS frequently consulted with international experts and used state of the art construction and site safety technology.

124. A contract with RDS for the shipyard construction, that is worth more than \$1.5 billion USD, is being transferred to one of Shishkin's construction companies, managed by the same director as RDS, who was appointed per Shishkin's orders.

125. Officers of the Russian law enforcement agencies are actively involved in the fabrication of evidence and materials for a case against Borbot, and are steadily increasing the

severity of the charges against Borbot and his associates, specifically to increase the possibility of Borbot's extradition (removal) from the United States.

126. Upon reason and belief, the main purpose of Borbot's extradition would be to conduct a false trial, by a corrupt court, and deprive him the opportunity to defend himself, his business and his co-workers.

127. Upon reason and belief, the main purpose of Boytsov's extradition would be to conduct a false trial, by a corrupt court, and deprive him the opportunity to defend himself, his business and his co-workers.

128. Borbot has been repeatedly threatened that when he returns to Russia, he would be "killed in prison."

129. Boytsov has been repeatedly threatened that when he returns to Russia, he would be "killed in prison" and that will look like a suicide.

130. As a direct result of the threats and unlawful acts of Defendants, Borbot fears for his safety should he or members of his family return to Russia.

131. As a direct result of the threats and unlawful acts of Defendants, Boytsov fears for his safety should he or members of his family return to Russia.

132. On or about April 22, 2016, Borbot was detained by the Department of Homeland Security after being arrested by Immigration and Customs Enforcement agents in New York City, New York. *See Immigration File No. A 206-553-756.*

133. Practically all of the supporting materials that were filed with the Interpol and the Department of Homeland Security have been falsified and/or fabricated.



134. There is absolutely no evidence of Borbot's wrongdoing.

135. The irreprehensible, corrupt, threatening and retaliatory actions of the Russian officials, the FSB officers and officers of the Russian Prosecutor's Office are considered a normal practice in the Russian Federation, particularly against those who rally against corrupt government acts.

#### **COUNT I: UNLAWFUL DETENTION**

136. Borbot reasserts and incorporates by reference the allegations in Paragraphs 1 through 139 above.

137. On or about April 22, 2016, Borbot was detained by the Department of Homeland Security after being arrested by Immigration and Customs Enforcement agents in New York City, New York. *See Immigration File No. A 206-553-756.*

138. Practically all supporting materials that were filed with Interpol and the Department of Homeland Security have been falsified and/or fabricated.

139. There is absolutely no evidence of Borbot's wrongdoing.

140. Officers of Russian law enforcement agencies, at the direction of Defendants, are actively involved in the fabrication of evidence and materials for a case against Borbot, and continue to steadily increase the severity of the charges against Borbot and his associates, specifically to increase the possibility of his extradition (removal) from the United States.

141. Defendants have knowingly and willingly asserted false charges of fraud against Borbot solely for the purpose of conducting a false trial, by a corrupt court, and to deprive Borbot the opportunity to defend himself.

142. United States district courts have jurisdiction to hear...and review a final decision

regarding alien deportation, but the scope of that jurisdiction is limited to review of "purely legal statutory and constitutional claims." See *Nganga vs. District Director, Cleveland United States Immigration and Customs Enforcement*, 2010 U.S. Dist. LEXIS 73348, 2010 WL 2891564, \*2 (N. D. Ohio 2010) (citing *Calcano-Martinez vs. Immigration and Naturalization Services* (INS), 232 F.3d 328, 342 (2nd Cir.2000), *aff'd*, 533 U.S. 348, 121 S. Ct. 2268, 2270, 150 L. Ed. 2d 392 (2001)).

143. 8 U.S.C § 1226 governs the detention of a non-citizen "pending a decision" as to removal.

144. In *Jackson vs. Indiana*, 406 U.S. 715, 32 L. Ed. 2d 435, 92 S. Ct. 1845 (1972), where detention's goal is no longer practically attainable, detention no longer "bears [a] reasonable relation to the purpose for which the individual [was] committed."

145. In the instant case, since the claims made against Borbot have been falsified by Defendants and their influences with Interpol, detention of Borbot was unlawful and the goal of his detention is and was not practically attainable.

146. Defendants have asserted false claims against Borbot which resulted in his unlawful detention and possible removal to Russia.

147. In fact, the Immigration Judge has not released Borbot because she "deemed him a danger by virtue of the Russian charges."

148. As a direct cause of Defendants' falsified and fabricated "charges" and the resulting unlawful detention, Borbot has suffered financial and emotional damages.

**WHEREFORE**, Borbot requests that this Honorable Court enter an order:

(1) Declaring Borbot's detention as unlawful;

(2) Declaring that Borbot's unlawful detention was a direct result of Defendants'



fabricated charges;

(3) Awarding Borbot damages in an amount to be determined at trial; and

(4) Awarding Borbot any other such relief as is deemed just and proper.

**COUNT II: INTENTIONAL AND NEGLIGENT INFLICTION OF EMOTIONAL  
DISTRESS**

149. Plaintiffs reassert and incorporate by reference the allegations in Paragraphs 1 through 139 above.

150. Borbot and Boytsov have been unlawfully detained in the United States based in part on false charges put forth by Defendants.

151. Defendants, knowingly and willingly, have pressured Russian officials into levying false charges of fraud against Plaintiffs.

152. Defendants, knowingly and willingly, have threatened Plaintiffs' life and liberty.

153. Defendants, knowingly and willingly, have threatened the life and liberty of Plaintiffs' immediate family members.

154. Not a single charge against Borbot was or has ever been filed with the Russian criminal court and can't be filed in the near future because there is no real evidence to support such charges.

155. Defendants' purpose in seeking the deportation of Borbot and Boytsov from the USA and their transfer to the Russian Federation is to obtain their voluntary consent to transfer the rest of their business assets, so in the future they won't file any financial claims.

156. In order to force Plaintiffs' compliance with their demands, Plaintiffs' family members and co-workers have been unduly pressured by Defendants and those individuals acting

under the care, control, and/or influence of Defendants.

157. Practically all materials that were filed by Defendants with Interpol and the Department of Homeland Security have been falsified or were fabricated to deprive Borbot and Boytsov of life and/or liberty.

158. A cause of action for negligent infliction of emotional distress arises only in unique circumstances, when a defendant owes a special duty only to plaintiff, see *Kelly vs. Chase Manhattan Bank*, 717 F.Supp. 227, 235 (S.D.N.Y.1989), or where there is proof of a traumatic event that caused the plaintiff to fear for her own safety. See *Ford vs. Village Imports, Ltd.*, 92 A.D.2d 717, 461 N.Y.S.2d 108, 108 (1983). It is undisputed that being detained by the Department of Homeland Security is a traumatic event. Borbot and Boytsov have been unlawfully detained and risks being deported to Russia at any time. Borbot and Boytsov have repeatedly been threatened with imprisonment or death should they be returned to Russia. Borbot and Boytsov fear for their own safety as a direct result of Defendants' intentional fabrications and misrepresentations to Interpol.

159. To satisfy the standard for intentional infliction of emotional distress, a plaintiff must describe conduct "so outrageous in character, and so extreme in degree, as to go beyond all possible bounds of decency, and to be regarded as atrocious, and utterly intolerable in a civilized community." See *Murphy vs. American Home Prod. Corp.*, 58 N.Y.2d 293, 461 N.Y.S.2d 232, 236, 448 N.E.2d 86 (1983) (quoting Rest. Second Torts § 46(1)). Defendants' falsifications, corrupt acts, and fabrication of charges is outrageous behavior which clearly goes beyond all possible bounds of decency.

160. Defendants' threats aimed directly at Plaintiffs have gone beyond all possible bounds of decency.



161. The Russian Federation has a demonstrated history of corruption and setting forth retaliatory acts against those who do not “cooperate,” or “go along with their plan.”

162. Plaintiffs, anti-corruption businessmen, have been “blacklisted” by Defendants as an uncooperative.

163. In a civilized society, it cannot be tolerated that individuals falsify and create fabricated evidence solely for the purpose of unlawfully detaining another individual in the hopes of forcing his hand of cooperation.

164. As a direct and proximate cause of Defendants’ purposeful conduct, Plaintiffs have suffered great emotional distress as contemplated by the *Murphy* court.

**WHEREFORE**, Plaintiffs request that this Honorable Court enter an order:

- (1) Awarding damages in an amount to be determined at trial; and
- (2) Awarding Plaintiffs any other such relief as is deemed just and proper.

**COUNT III: VIOLATION OF THE RACKETEER INFLUENCED AND CORRUPT  
ORGANIZATIONS ACT OF 1970 (18 U.S.C.A. §§ 1961 et seq.)**

165. Plaintiffs reassert and incorporate by reference the allegations in Paragraphs 1 through 139 above.

166. To state a claim under 18 U.S.C.A. §§ 1961 et seq., a plaintiff must allege (1) that the defendant received money from a pattern of racketeering activity, (2) invested that money in an enterprise, (3) the enterprise affected interstate commerce, and (4) an injury resulting from the investment of racketeering income distinct from an injury caused by the predicate acts themselves. See *Johnson v. GEICO Casualty Co.*, 516 F. Supp. 2d 351 (D. Del. 2007).

167. Defendants have engaged in a “pattern of racketeering activity” as defined under

18 U.S.C. § 1962(c).

168. 18 U.S.C. §1962(c) states: *It shall be unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt.*

169. Defendants have engaged in at least two related acts of racketeering activity that amount to or have posed a threat of continued criminal activity. See 18 U.S.C. § 1341.

170. 18 U.S.C. §1341 states in relevant part: *Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan, exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any counterfeit or spurious coin, obligation, security, or other article, or anything represented to be or intimated or held out to be such counterfeit or spurious article, for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing, shall be fined under this title or imprisoned not more than 20 years, or both.*

171. Defendants' acts consist of (1) a scheme or artifice to defraud; (2) use of the mail communications in furtherance of the scheme; and (3) intent to deprive Borbot of money, liberty or property.



172. "A scheme to defraud is any plan or course of action by which someone intends to deprive another of money or property by means of false or fraudulent pretenses, representations, or promises." *United States v. Faulkenberry*, 614 F.3d 573, 581 (6th Cir. 2010).

173. Upon information and belief, Defendants and its agents, associates, and/or representatives communicated with one another in furtherance of their scheme to defraud via mail, e-mail and telephonic communications.

174. While investigating inefficiencies within Rosneft, Borbot uncovered an illicit scheme perpetrated by Manturov, whereby Manturov and his associates would illegally move/transfer money offshore to manufacture "domestic" ships.

175. These inefficiencies were reported to Rosneft's top management and superiors, but no action was ever taken.

176. After Borbot's presentation in the Ministry of Industry, Manturov called him and stated that Borbot "wasn't his friend anymore," and that he "would find a way to get rid" of him by initiating a criminal case against Borbot, since he was a head of the Far Eastern center of the FESRC and that the right people would find "something against Borbot to initiate a criminal case."

177. Essentially, Manturov's threats were an old common practice in the Russian Federation if one had to get rid of an uncooperative manager or executive.

178. Manturov told Borbot, that he raised the issue with Sechin simply to "prevent him from making profits."

179. Borbot continued working on the concept, making a road map on the development of the department and FESRC and its transfer to the consortium of Rosneft, Gosprombank and Somkomflot.

180. Somkomflot was one of the biggest shipping companies of the world and 100 % of it belonged to the Russian Federation).

181. The agreement solidifying this deal had to be approved by Manturov, on behalf of the Ministry of Industry and as he was executing same, he told Borbot once again, that he personally would lobby a criminal case against him through his "friendly relationship" with the head of the FSB, investigating committee under the Prosecutor General's Office and control-and-auditing department under the President of Russian Federation.

182. Life has shown that Plaintiffs have underestimated Defendants' power and threats very much.

183. Recently, Manturov became the Chairman of the Board of "United Aircraft Corporation" (UAC), thus formalizing the control of the UAC, which Chemezov and his relative, the Minister, informally had long time ago.

184. In this regard, another project ("Frigate") materialized, which Chemezov and Manturov also head. The project was presented as a "revolutionary passenger plane" (using a cross-section of the fuselage, which has an elliptical shape), which will be immediately "snapped" by foreign buyers.

185. As a result, the project "Frigate" received a large amount of state budget funds, but the plane still has not appeared, in spite of the significant budget which was appropriated to it. This was exactly the same strategy employed at Far East Center -Ship Yard, which Manturov controlled and used exclusively as his personal budgetary piggy bank.

186. When Borbot uncovered this fraud and attempted to have this entity restructured, Borbot immediately started having additional problems, via threats from Defendants and their actions.



187. Yet another example of Manturov's and Chemmizov's corruption and ineffective leadership, is when Rostec, "Russian Technologies" decided to revive the former glory of amber and emerald industry of Russia. As a result, Chemezov's corporation received "Kaliningrad Amber Plant" in his management and the largest in Eurasia Malyshev emerald mine.

188. Immediately thereafter, the Russian media was filled with materials about the amber plant and the successful works, the introduction of new technology and so on.

189. "Russian Technologies" spent huge sums of money on PR-support of their projects and blocking the negative articles about Chemezov and the companies belonging to the corporation until the middle of 2015.

190. Manturov then advised Borbot in a subsequent private conversation that he should not have consulted with Sechin on the project, because that contradicted with Manturov's and the Ministry's personal opinions and that he would give his best shot to "make Borbot leave the project if he won't coordinate all future actions with Manturov."

191. In essence, Manturov demanded that Borbot disregard the corruption and help him use Rosneft resources to gain better access to the Russian budget and further embezzle a larger portion of the state budget.

192. Again, Borbot refused to engage in any of Defendants' scheme of corruption or embezzlement.

193. Upon Borbot's refusal, Manturov became very angry, telling Borbot that for someone so smart, he is very stupid and that he didn't know his place. Manturov further told Borbot that he would "regret getting into conflict with him."

194. Manturov further reminded Borbot of “Khodor,” a slang name used for Khodorkovsky, and then he went on to tell Borbot that just like Khodor, he would find something, for what Borbot would go to prison and that he had enough power to do so.

195. Khodorkovsky is often referred to as a threat when attempting to extort businesses or implementing a corrupt scheme.

196. Mikhail Borisovich Khodorkovsky is now an exiled Russian businessman, philanthropist and former oligarch, now a resident in Switzerland. In 2003, Khodorkovsky was believed to be the wealthiest man in Russia (with a fortune estimated to be worth \$15 billion). He had worked his way up the Komsomol apparatus during the Soviet years, and started several businesses during the period of glasnost and perestroika in the late 1980s. After the dissolution of the Soviet Union in the mid-1990s, he accumulated considerable wealth through obtaining control of a series of Siberian oil fields unified under the name Yukos, one of the major companies to emerge from the privatization of state assets during the 1990s. In October 2003, he was arrested and charged with fraud. The government under Russian president Vladimir Putin then froze shares of Yukos shortly thereafter on tax charges. Putin's government took further actions against Yukos, leading to a collapse of the company's share price and the evaporation of much of Khodorkovsky's wealth. In May 2005, he was found guilty and sentenced to nine years in prison. In December 2010, while he was still serving his sentence, Khodorkovsky and his business partner Platon Lebedev were further charged with and found guilty of embezzlement and money laundering; Khodorkovsky's prison sentence was extended to 2014. After Hans-Dietrich Genscher lobbied for his release, President Vladimir Putin pardoned Khodorkovsky, releasing him from jail in December 2013.



197. There was widespread concern internationally that the trials and sentencing were politically motivated. The trial was criticized abroad for the lack of due process, something not uncommon in Russia when it involves enemies of the state and anti-corruption efforts.

198. In February 2003, in a televised meeting at the Kremlin, Khodorkovsky argued with Putin about corruption. He implied that major government officials were accepting millions in bribes.

199. In early 2012, prior to the Russian presidential election, Khodorkovsky and Putin were said to have both underestimated each other. "During his eight years in confinement, Khodorkovsky has become Russia's most trusted public figure and Putin's biggest political liability. As long as Putin rules Russia and Khodorkovsky continued to act like Khodorkovsky, Khodorkovsky will remain in prison—and Putin will remain terrified of him."

200. After being arrested and convicted for tax evasion, money-laundering, and embezzlement, Khodorkovsky maintained his innocence and said that his conviction was "retribution for financing political parties that opposed Putin."

201. In fact, The U.S. State Department said Khodorkovsky's arrest "raised a number of concerns over the arbitrary use of the judicial system" and was likely to be very damaging to foreign investment in Russia, as it appeared there were "selective" prosecutions occurring against Yukos officials but not against others."

202. Manturov attempted to extort Borbot by saying that if Borbot give him the profit from his construction firm, it would compensate for the loss he sustained due to Borbot's "corruption fighting" and taking away his source of income.

203. Borbot refused to share any of his well-earned profits with Manturov.

204. Borbot reported the extortion attempt to Sechin, who failed to take any action.

205. In or around 2013, Manturov and Shishkin began to do everything possible to fabricate documents and discredit Plaintiffs in front of Sechin, who by that time did not really care about Borbot since Borbot had already helped him accomplish the task of taking over and setting up the ship building infrastructure.

206. Upon information and belief, Sechin's only concern at this point was for Plaintiffs to keep quiet about the corruption.

207. After more intimidation and attempts at extortion, a frivolous and unfounded investigation was initiated against Plaintiffs.

208. In early 2013, a criminal case was fabricated against Borbot.

209. Borbot then once again received an offer to transfer an active interest of RDS to Shishkin, and in exchange, Borbot was told by Defendants that the criminal case would be closed.

210. Particularly, Shishkin indicated that this transfer would help cover the expenses of the troubles Borbot had caused as a result of his reports about the company inefficiencies due to corruption.

211. Borbot again refused the extortion attempt.

212. Shishkin used his influence in Rosneft to discredit Plaintiffs and sway support against them. Within the framework of initiated criminal case against as an employee of Zvezda (branch organization of the company FESRC), who was the owner of the construction site, a charge against Borbot was made, as he was an ex-director of FESRC.



213. Later, during a business trip with supervisor Shishkin (ex-Deputy Minister and DVM's ex-colleague) to the construction site of the shipyard in Bolshoi Kamen, Shishkin told Borbot that he spoke with Manturov and that he was very aggressive towards Borbot and offered to give them as a present 50 % of the company RDS and then the criminal case that was initiated against Borbot would be terminated.

214. Borbot had to transfer the company to Shishkin, as he was Manturov's authorized representative and also an owner of a couple of construction companies in the area of energy and industrial construction. Otherwise, he (Shishkin) would leave Borbot without IS's support and would further discredit Borbot as to having the criminal case proceed faster.

215. As proof of Defendants' intentions and powers, Shishkin threatened that if Borbot didn't cooperate and keep quiet about the corruption, that Borbot's ex-deputy in FESRC, head of the Legal Department of FESRC, Andrey Agakov would be arrested.

216. Borbot again refused.

217. Within a month after that conversation, Borbot's ex-deputy, Agakov was arrested.

218. After Agakov's arrest, Shishkin made Borbot an offer to share his interest again in his holding company. Borbot again refused.

219. Shishkin laughed and said that Borbot "must have forgotten where he lives and that if Borbot had a hard time understanding, Borbot would be the next one who would get arrested."

220. When former lawyer Agakov was arrested, he was threatened and physically assaulted. Additionally, he was subsequently offered to be released by agents acting under the

care and control of Defendants, that if he would sign false documents against Borbot, he would be released and placed under house arrest, but not before Borbot made the “gift.” The “gift” referring to Borbot’s transfer of business and financial interests in VDC to Defendants.

221. In or around July of 2014, Borbot met with Manturov and again was asked if he had come to an understanding with Shishkin.

222. Borbot told Manturov, as he had several times before, that they won't get anything from him like that.

223. Manturov replied to Borbot that he was a slow-witted fool and that he should get ready to follow his jurist. Manturov made it clear that this was Borbot’s “last chance” to give Shishkin his interests as a “gift.”

224. Shishkin then proceeded to advise Borbot that he would be handling a question of his termination and that right after Borbot’s termination, he would be arrested.

225. A week after that conversation Borbot got fired. Borbot then realized that Shishkin's and Manturov's threats were very real, so Borbot decided to leave the Russian Federation, so he would have a chance to protect himself.

226. Constant searches began of VDC, more than 100 interrogations of its employees, more than 200 people were offered to sign false paperwork that incriminated Plaintiffs.

227. Astonishingly, some of employees didn't know who Borbot was yet were told to sign unknown documents which incriminated Plaintiffs. Most of the people interrogated and forced to sign documents have never worked with any of the Plaintiffs.



228. These people had no choice but to sign such paperwork to avoid being arrested. Computer servers and documents were confiscated from the offices of the company, which was paralyzing work for a long time. Because the principal bank belonged to Chemezov, his bank and other Banks stopped refinancing and at the same time construction equipment was being confiscated without the right of being used, which resulted in employee's stagnation and impossibility of paying them their salaries.

229. A lot of key personnel of RDS were told to work for Shishkin's company, or face serious issues.

230. Shishkin's company transferred the operating contracts on the dockyard construction to itself. Equipment, materials and machines were also "officially" transferred to that company.

231. The decision was made to drive RDS to bankruptcy, and confiscate all of its assets, leaving the company just an empty shell. This scheme is not new, as this is exactly what Rosneft did with Yukos and imprisoned their executives, because they did not wish to support corruption and tried to bring it to a national attention.

232. Plaintiffs did the same, and when Plaintiffs told Defendants that they will use international courts, they told them that they would discredit Plaintiffs, put them in Interpol, have them arrested, discredited and imprisoned and while in prison, "accidents can easily happen."

233. The before mentioned threats all were made at the direction and under orders of the Defendants.

234. Manturov utilized his position of the Minister of Industry to stop implementation of the agreement between Radiopribor and the client - Dubininskiy machine-building factory until the moment Borbot would transfer shares of VDC to his relative's company, Rostec.

235. Chemizov runs Rostec along with the bank which was charged with timely financing of many of VDC's projects.

236. Plaintiffs refused to transfer shares and instead gave the shares as a present to Borbot's parents.

237. As a result, Borbot's mother was fired from her administration position of the Primorsky region.

238. Defendants spent dozens of hours on interrogations wherein Borbot's family members were intimidated and threatened.

239. As a result of said threats, Borbot's family was forced to leave to Australia to live.

240. Borbot's sister was the owner of VOSTCO as well and had to leave the country.

241. She is also not able to return to the Russian Federation right now because she is afraid of being arrested.

242. In 2015, Borbot's wife went to Vladivostok. Her international passport was taken away and she spent more than 20 hours being interrogated, where she too was threatened. She was able to leave the country only thanks to the need of the medical surgery, which was already scheduled.



243. After Borbot refused to gift shipbuilding assets, Borbot was told that his case would be elevated to a different level under the personal control of FSB Directorate, Investigative Committee of the Prosecutor General's Office of the Russian Federation and that they would revoke his US visa, which was done in winter 2015, and that they would achieve his extradition to the Russian Federation through Interpol.

244. Investigators were increasing the charges against Borbot in order to increase the possibility of his extradition from the USA, via deportation, by virtue of submitting fabricated documents to the U.S. Government.

245. Also, Borbot was told by Shishkin's representative that they would take Radiopribor and all other assets from him through the Novikom, because banks won't refinance loans.

246. Plaintiffs later learned that it was planned that Rostec (Chemizov) would get Radiopribor and Shishkin and Manturov would get RDS and a shipbuilding business. In order for the bank to have reasonable grounds to stop financing RDS, Lukashenko transferred RDS's contract for the construction of the shipyard to his own construction companies and filed for RDS's bankruptcy.

247. Defendants have unequivocally engaged in a calculated scheme of corruption for their own financial benefit. Communications between Defendants shall reveal the extent of the corruption and cover up under the watchful eye of Defendants.

248. Further discovery will reveal the exact extent and substance of these communications.

249. Further, in support of their scheme to defraud, Defendants have engaged in a

calculated and cruel course of conduct to threaten Plaintiffs' life and liberty by knowingly, willingly and repeatedly threatening to kill Plaintiffs and/or imprison Plaintiffs as "payback" for not cooperating in their scheme and acts of corruption.

250. Said threats have been carried out by several high-ranking government officials and police officers under the direction and control of Defendants.

**WHEREFORE**, Plaintiffs respectfully request that this Honorable Court enter an order:

- (1) Finding that Defendants are in violation of The Racketeer Influenced and Corrupt Organizations Act of 1970;
- (2) Finding that Defendants have engaged in a pattern of racketeering activity in furtherance of a scheme to defraud Plaintiffs;
- (3) Of Judgment against Defendants in the amount of damages to be determined at trial;
- (4) Awarding Plaintiffs any other relief deemed just and proper.

#### **COUNT IV: DEFAMATION**

251. Plaintiffs reassert and incorporate by reference the allegations in Paragraphs 1 through 139 above.

252. Defamation is the injury to one's reputation either by written expression, which is libel, or by oral expression, which is slander. See *Morrison vs. Nat'l Broad. Co.*, 19 N.Y.2d 453, 458, 280 N.Y.S.2d 641, 644, 227 N.E.2d 572 (1967).

253. The law of defamation serves to protect an individual's right to one's reputation. See *Gertz vs. Welch*, 418 U.S. 323, 343-45, 94 S.Ct. 2997, 41 L.Ed.2d 789 (1974).

254. To establish a *prima facie* case of personal injury based on the publication of libel or slander, all of the following elements are required: 1) a false and defamatory statement of and



concerning the plaintiff; 2) publication by defendant of such a statement to a third party; 3) fault on part of the defendant; and 4) injury to plaintiff. See, e.g., *Weldy vs. Piedmont Airlines, Inc.*, 985 F.2d 57 at 62-64 (2nd Cir.1993).

255. In the matter herein, all four elements are present.

256. Defendants have repeatedly put forth false and defamatory statements concerning the plaintiff.

257. Specifically, false and fabricated allegations of fraud have been levied against Borbot. Borbot is now listed with Interpol based on these false charges.

258. The false, unfounded and unsupported statements have been published to Interpol and several international media sources (including Interfax), all under the direction of Defendants.

259. Defendants' fault is evidenced by the sheer lack of supporting evidence or documentation to support their false and fabricated allegations of fraudulent allegations against Borbot.

260. Defendants have purposely and knowingly alleged false accusations against Borbot in retaliation for his anti-corruption efforts in Russia which harm the financial interests of Defendants.

261. As a result of Defendants' defamatory statements, Borbot's reputation has been severely damaged.

262. Prior to his unlawful detention in New York, Borbot operated as an upstanding and educated businessman in Russia. Borbot worked at hard at building a reputation of integrity and honesty. In fact, Borbot exposed inefficiencies and corruption in several different capacities between 1994 and the present day.

**WHEREFORE**, Borbot requests that this Honorable Court enter an order:

- (1) Declaring that Defendants have knowingly defamed Borbot;
- (2) Awarding Borbot damages in an amount to be determined at trial; and
- (3) Awarding Borbot any other such relief as is deemed just and proper.

**COUNT V: UNLAWFUL CONVERSION OF PROPERTY**

263. Plaintiffs reassert and incorporate by reference the allegations in Paragraphs 1 through 139 above.

264. Defendants have, through the use of threats, intimidation and other fraudulent and corrupt practices, forced the conversion of Borbot's business assets and interests over to themselves.

265. Defendants have engaged in the before mentioned acts for their own political and financial benefit and as retaliation for Plaintiffs' anti-corruption efforts and opposition to the Russian Government.

266. "Conversion is any unauthorized exercise of dominion or control over property by one who is not the owner of the property which interferes with and is in defiance of a superior possessory right of another in the property. When the original possession is lawful, conversion does not occur until the defendant refuses to return property after demand or until he sooner disposes of the property" See *Moses vs. Martin*, 360 F. Supp. 2d 533 - Dist. Court, SD New York 2005.

267. "To maintain a claim for conversion, a plaintiff must show: (1) the property subject to conversion is 'a specific identifiable thing;' (2) plaintiff had 'ownership, possession or control' over the property before its conversion; and (3) defendant 'exercised an



unauthorized dominion over the thing in question, to the alteration of its condition or to the exclusion of the plaintiff's rights. However, an action for conversion cannot be validly maintained "where damages are merely being sought for breach of contract. Rather, a plaintiff must show acts that were unlawful or wrongful as opposed to mere violations of contractual rights." See *Calcutti vs. SBU, Inc.*, 223 F.Supp.2d 517, 523 (S.D.N.Y.2002).

268. Defendants have unlawfully converted the business assets of VDC and Borbot's business holdings – an identifiable thing.

269. It is undisputed that Borbot lawfully owned VDC.

270. Defendants threatened and intimidated Borbot into transferring VDC's assets to them as payback and retaliation for his and his co-Plaintiffs' anti-corruption efforts.

271. Defendants' acts were unlawful and wrongful and were not the result of any legally binding contractual claims.

272. Plaintiffs have been economically damaged as a result.

**WHEREFORE**, Borbot requests that this Honorable Court enter an order:

- (1) Declaring that Borbot's property has been unlawfully converted to the Defendants;
- (2) Declaring that Defendants utilized unlawful and wrongful acts in converting the property to themselves solely for their own financial benefit;
- (3) Awarding Borbot damages in an amount to be determined at trial; and
- (4) Awarding Borbot any other such relief as is deemed just and proper.

**COUNT VI: ABUSE OF PROCESS**

273. Plaintiffs reassert and incorporate by reference the allegations in Paragraphs 1 through 139 above.

274. Defendants have purposely and willingly abused the court process in Russia in order to extort and retaliate against Plaintiffs.

275. Additionally, Defendants have knowingly abused the Interpol system by submitting false charges and fabricated documents in support of their false charges in an attempt to extradite Borbot and Boystov back to Russia.

276. Once back in Russia, Borbot and Boystov must defend themselves against these false charges in a corrupt court, run by those under the control of Defendants.

277. In order to state a cause of action for abuse of process, a claimant must demonstrate both that there has been an improper use of process, such as attachment, execution, or garnishment, which results in "an unlawful interference with one's person or property under color of process," See *Williams vs. Williams*, 23 N.Y.2d 592, 596, 246 N.E.2d 333, 335, 298 N.Y.S.2d 473, 476-77 (1969); *Dean vs. Kochendorfer*, 237 N.Y. 384, 390, 143 N.E. 229, 231 (1924), and that the person activating the process is moved by a purpose to do harm without economic or social excuse or justification. See *Board of Education of Farmingdale vs. Farmingdale*, 38 N.Y.2d 397, 403, 343 N.E.2d 278, 283, 380 N.Y.S.2d 635, 642 (1975).

278. Here, Defendants have improperly used not only the Russian court process, but have improperly used the Interpol reporting process by submitting false charges based on fabricated documents and extorted 'evidence' gathered after threatening Plaintiffs' business partners, friends, and family members.

279. Defendants were moved to activate the abuse without justification.

280. The abuse of process is solely intended to intimidate Plaintiffs and punish them for their anti-corruption work.

281. Defendants' abuse of process is malicious and deliberate.



282. Borbot and Boytsov have been wrongfully detained by the Department of Homeland Security based on Defendants' malicious and deliberate abuses of process.

283. As a result of Defendants' intentional abuse of process, Plaintiffs Borbot and Boystov have been damaged.

**WHEREFORE**, Plaintiffs requests that this Honorable Court enter an order:

- (1) Declaring that Defendants have intentionally abused the Interpol reporting process;
- (2) Awarding Borbot damages in an amount to be determined at trial;
- (3) Awarding Boytsov damages in an amount to be determined at trial; and
- (4) Awarding Plaintiffs any other such relief as is deemed just and proper.

**COUNT VII: EXTORTION – VIOLATION OF 18 U.S.C. §1951**

284. Plaintiffs reassert and incorporate by reference the allegations in Paragraphs 1 through 139 above.

285. Extortion under The Hobbs Act is defined as follows:

The term "extortion" means the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right. 18 U.S.C. § 1951 (1992).

286. As made abundantly clear in the complaint herein, Defendants have extorted the assets of VDC via the wrongful use of threatened force, violence and fear.

287. Defendants repeatedly threatened force or violence upon Plaintiffs to force compliance with their demands.

288. Defendants repeatedly threatened force or violence upon Borbot, his business associates and family members in order to obtain the assets and interests of VDC, a highly

successful and profitable business organization.

289. The predicate acts of extortion in this case revolve around the Defendants' alleged threats, made repeatedly and forcefully over a period of years, to inflict ruinous harm on Plaintiffs, who got in the way of Defendants' corrupt and financially beneficial interests and to encourage others closely related or associated with Plaintiffs to do the same.

290. Plaintiffs were repeatedly threatened by Defendants with significant and severe economic loss (via the transfer of business assets and interests).

291. Federal Courts have recognized that generally, fear of economic loss is not inherently wrongful, except "when employed to achieve a wrongful purpose...." See *United States vs. Clemente*, 640 F.2d 1069, 1077 (2d Cir.1981).

292. One "wrongful use" of fear of economic loss is when a party "obtains property to which [it] has no lawful claim." *Clemente*, 640 F.2d at 1076 (quoting *United States vs. Enmons*, 410 U.S. 396, 400, 93 S.Ct. 1007, 35 L.Ed.2d 379 (1973)).

293. A Hobbs Act violation arises under the *Enmons-Clemente* framework when a defendant exploits a plaintiff's fear of economic loss and receives property to which it has no lawful claim. See *Viacom Int'l, Inc. vs. Icahn*, 747 F.Supp. 205, 213 (S.D.N.Y.1990).

294. Defendants had no lawful claim to Plaintiffs' property.

295. As a direct result of Defendants' extortion, Plaintiffs have suffered economic damages.

**WHEREFORE**, Plaintiffs requests that this Honorable Court enter an order:

- (1) Awarding Plaintiffs damages in an amount to be determined at trial; and
- (2) Awarding Plaintiffs any other such relief as is deemed just and proper.



Dated: This 27<sup>th</sup> day of October, 2016

Respectfully submitted,



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