

NABU REPORT

A black and white photograph of a stone building facade. The image shows a corner of the building with large, rectangular stone blocks. On the right side, there is a window with a decorative metal balcony railing. A small, dark plaque is mounted on the wall near the window. The year '2021' is overlaid in large white text on the left side of the image.

2021

SECOND HALF

OUR MISSION

CLEANSING GOVERNMENT OF
CORRUPTION IN ORDER TO ENABLE
FORMATION AND DEVELOPMENT
OF SUCCESSFUL SOCIETY
AND EFFICIENT STATE



Like seven years ago, Ukraine is fighting on two fronts: the external one — against an aggressor and the internal one — against corruption. Like seven years ago, society seeks to get rid of bribes, extortion, and abuse of power. Like seven years ago, we are not alone in this struggle: public activists, journalists, and international partners are standing with us!

We have come a long way of trust and resistance, establishment and reload, delays and ultimately fair decisions. We have formed an effective anti-corruption system,

prosecuted the untouchables, and “motivated” those corrupt to return what they stole to the state.

We have established effective cooperation between anti-corruption bodies both inside and outside the country, which will allow us to strengthen the fight against corruption in Ukraine in the coming years.

USD
1.96 billion reimbursed
to the state thanks
to NABU and SAPO
in 2021

We must continue to act not only with punitive means, not only to eradicate corruption schemes but also to prevent their occurrence. It is all about prevention and education of zero tolerance, exposure of crimes and just punishment, political will and control of society. Only by joining forces, we can build the future of Ukraine without corruption.

The fight goes on. Until the end!

Artem Sytnyk
NABU Director

In the second half of 2021, the fight against new acts of corruption gained. And the first steps we took paid off. For the first time, an unjustified asset worth UAH 1.2 million was forfeited to the state. Investigation into non-declared assets was stepped up — in just six months, over 30 criminal proceedings were launched, almost half of them against MPs. This is only the beginning, because after the decriminalization of Art. 366-1 of the Criminal Code of Ukraine, Prosecutors and Detectives started to reveal the facts of false declaration from scratch. These achievements will give a start to new charges in 2022. At the same time, serious work is underway in the courts — during six months, prosecutors secured prison terms for a dozen of persons.

30

investigations into non-declaration of assets launched in the second half of 2021

The inevitability of punishment is proven by the number of people serving sentences — 11 of



them at the moment, including judges, prosecutors, lawyers, heads of state enterprises.

2021 also brought many difficulties — a delay in the competition for the SAPO leadership, the lack of long-awaited changes in legislation that could bolster SAPO's efficiency by granting extra powers. Despite this, we continue the fight. And, regardless of the circumstances, we are paving the way for a corruption-free country.

Maksym Hryshchuk
Acting SAPO Head

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INVESTIGATIONS



PRE-TRIAL INVESTIGATION



In the second half of 2021, the investigation caught up on the pace lost in previous periods due to COVID-19 quarantine restrictions. During July-December last year, 82 persons, which is twice as many as in the first half of the year, faced charges. Investigations of one in eight suspects were completed during the reporting period. This was due to a substantial evidence base sufficient for further procedural decisions.

The high-ranking officials exposed during the second half of 2021 include an MP, the then chairman of the Kharkiv Regional Council, and a member of the Commission for the Regulation of Gambling and Lotteries. The latter two are

suspected of receiving undue benefits in a particularly large amount. They were fired for their alleged involvement in the crime. In the second half of 2021, NABU and SAPO made progress in establishing new facts in previously exposed corruption schemes. Such cases include real estate abuses in Odesa, embezzlement of funds allocated for Kyiv's improvement (Kyivzelenbud), corruption at Ukrzaliznytsia and state-owned grain enterprises.

16

**SE heads exposed by
NABU and SAPO in the
second half of 2021**

Moreover, NABU and SAPO have completed investigations in a number of high-profile cases involving the fugitive ex-judge of the Dniprovskyi District Court of Kyiv, who was caught red-handed receiving a USD 150,000 bribe in 2016, and the ex-president and his son, who seized the Mezhyhiria residence.

PRETRIAL INVESTIGATION

(as of 31.12.2021)

859

ACTIVE
INVESTIGATIONS

379

NOTICES OF
SUSPICION

360

INDICTMENTS

670

ACCUSED
PERSONS

(in the second half of 2021)

297

NEW
INVESTIGATIONS

82

NOTICES OF
SUSPICION

35

INDICTMENTS

86

ACCUSED
PERSONS

NOTICES OF SUSPICION (based on Article 216 of the CPCU)

(from 01.07.2021 to 31.12.2021)

17

public officials, law enforcement officers, local government officials who committed corruption crimes resulting in the loss of more than 500 non-taxable minimum incomes of citizens

16

heads of state enterprises (share of state or communal property is 50+ percent)

2

regional council deputies

2

judges

1

senior officials of the state (PM, ministers and their deputies, MPs, etc.)

1

public officials of "A" category, local government officials of first and second categories

1

prosecutors

42

other persons

IN TOTAL

82

INTERNATIONAL LEGAL COOPERATION

(from 01.07.2021 to 31.12.2021)

123

REQUESTS FOR LEGAL
ASSISTANCE

40

STATES

ECONOMIC EFFECT

In November 2021, the High Anti-Corruption Court found Ivan Tulyk, a judge of the Rakhiv District Court, guilty of committing a corruption crime. The decision came into force and is symbolic, as the estimated value of the property confiscated from the judge is 150 times higher than the undue benefit received by him. Such court decisions are effective safeguards against new corruption offenses. As well as the HACC rulings to collect bails in favor of the state after the breach of pretrial restrictions by suspects. In the second half of 2021, HACC judges made such decisions 3 times sending more than UAH 4.4 million into state income.

The professional approach of anti-corruption agencies is increasingly becoming a convincing argument for suspects to cooperate with the investigation and voluntarily pay damages even at the pretrial stage.

Thus, during the reporting period, over UAH 35 million was voluntarily transferred by private companies to Bory-

spil International Airport as compensation for using its services at a reduced cost during 2013-2014. An MP accused of illegally receiving compensation for housing returned more than UAH 758,000 to the state. Another UAH 168,000 was paid by lawyers convicted of fraud and incitement to bribe the panel of judges of the Appeals Court. Materials collected at the pretrial stage help state-owned enterprises return embezzled funds. Based on the decision of the Commercial Court of Kyiv, in the second half of 2021, five apartments passed into Ukrtelefilm SE ownership, which partially compensated for the losses caused by illegal alienation of the SE's property rights to 67 real estate objects in favor of a private company. The crime was solved at the stage of property legalization. The case is being heard by the HACC. NABU's files also helped expose conspiracy in the actions of software suppliers during public procurement. The AMCU fined them UAH 105.3 million, which will be collected into state income.

REIMBURSEMENT IN NABU, SAPO CASES

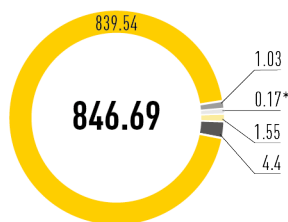
(both at the pretrial and trial stages)

UAH **3.8** BLN
AS OF 31.12.2021

UAH **1.96** BLN
IN 2021

UAH **840.56** MLN
IN THE SECOND HALF OF 2021

ECONOMIC EFFECT OF NABU, SAPO WORK IN THE SECOND HALF OF 2021, UAH MLN



*USD 6,300 at the NBU exchange rate

- funds reimbursed to state-owned enterprises (voluntarily, due to NABU's lawsuits or materials obtained by Detectives)
- funds voluntarily reimbursed by the accused
- funds confiscated into state income
- assets confiscated into state income (UAH equivalent)
- bails confiscated into state income

MOTIONS

(as of 31.12.2021)

108 | INVALIDATED AGREEMENTS (RULINGS TOOK EFFECT)

UAH **8.67** BLN

SEIZED ASSETS**

(from 01.07.2021 until 31.12.2021)

LAND PLOTS | **42** HA

VEHICLES | **57**

REAL ESTATE | **88**

INTEGRAL PROPERTY COMPLEXES | **2** (UAH 600 MLN)

CORPORATE RIGHTS | UAH **78.05** MLN

CASH: | UAH **2.29** MLN
USD **130.1** THOUS.

**in criminal proceedings with indictments sent to court from 01.07.2021 until 31.12.2021

HIGH-PROFILE EXPOSURES



CORRUPTION AT NATIONAL GAMBLING REGULATOR



The operation with the involvement of undercover Detectives helped the National Anti-Corruption Bureau and the Specialized Anti-Corruption Prosecutor's Office expose a member of the Commission for the Regulation of Gambling and Lotteries. Starting from early 2021, NABU had been verifying the information stating that entrepreneurs who wanted to organize a gambling business had the only chance to do it by providing illegal benefits. The

bribes were allegedly given for positive conclusions of the Commission on both the compliance of premises with certain requirements and the issue of gambling licenses.

The investigation has established that the official extorted and subsequently received an undue benefit for securing decisions by him and other members of the Commission on issuing permits confirming the suitability of hotel premises located in Chernihiv and Zaporizhzhia regions for gambling and, after that, respective gambling licenses. He estimated such "services" at USD 90,000.

USD

90,000

the amount
of undue
benefit in
the gambling
regulator case

The Commission member was caught red-handed receiving the undue benefit.

The investigation is ongoing.

EMBEZZLEMENT OF UAH 29 MILLION AT KHARKIV AIRCRAFT PLANT

NABU's international co-operation and constant communication with the competent authorities of other states prompts the investigation of top-corruption offenses and brings results. For example, this helped obtain enough information and prepare a solid evidence base to bring to justice one of the former executives* of Kharkiv State Aircraft Manufacturing Company [part of Ukroboronprom State Concern].



USD	EUR
1.93	553.93
million	thousand

**the amount paid by Kharkiv
Aircraft Plant for fake services**

The investigation has established that during 2013-2015, the mentioned official organized the transfer of EUR 553.24 thousand and more than USD 1.93 million from the state enterprise to a commercial company for alleged agency services for the sale abroad

of military goods produced by Kharkiv Aircraft Plant. However, as NABU Detectives found out, the company had never provided any agency services.

In late July 2021, the official was charged with the embezzlement of about UAH 30 million (at the NBU exchange rate). As his whereabouts was unknown, the suspicion notice was served in accordance with Article 135 and Article 278 of the CPC of Ukraine.

The investigation is ongoing.

**position at the time of the crime*

EMBEZZLEMENT OF UAH 26.8 MILLION FROM MYKOLAIV CITY BUDGET



In the second half of 2021, NABU and SAPO exposed a corruption scheme due to which a city budget suffered more than UAH 26.8 million in losses. The funds were embezzled during the reconstruction of Soborna Square in Mykolaiv.

Nine persons* face charges in the case, including the Deputy Mayor of Mykolaiv, the First Deputy Director of one of the Mykolaiv City Council departments, directors of private companies, one of whom is a deputy of the Odesa City Council.

As established, in 2019, the Mykolaiv City Council announced a tender for the reconstruction

of Soborna Square. The Deputy Mayor of Mykolaiv and the First Deputy Director of one of the City Council departments, abusing their positions, under a preliminary conspiracy with six persons — directors of private companies — secured a victory in the tender of a predetermined company, which eventually performed all works. However, according to an expert report, the works were carried out at inflated prices, while the local budget paid an extra UAH 26.8 million.

UAH
26.8 million —
the amount of losses
to the Mykolaiv
city budget

The First Deputy Mayor of Mykolaiv was detained at the Luzhanka-Beregshuran international checkpoint on the Ukrainian-Hungarian border as he was trying to leave the territory of Ukraine. The investigation is ongoing.

**positions at the time of the crime*

EMBEZZLEMENT OF UAH 51 MILLION AT STATE JUDICIAL ADMINISTRATION

NABU and SAPO have reached progress in investigating possible abuses in procurement procedures at the State Judicial Administration (SJA): in November 2021, the head* of one of the SJA departments and the director of a private company were charged with embezzling UAH 51 million.

The investigation believes that the suspects distorted the terms of a tender for the purchase of equipment for court hearings and videoconferencing to ensure the victory of a predetermined supplier, who, in turn, sold the equipment at inflated prices. According to expert reports, the SJA eventually overpaid about UAH 51 million.

UAH
51 million — the amount
illegally overpaid by
the State Judicial
Administration

Detectives launched a probe into the above fact in the spring of 2018. In December of the same year, NABU filed a lawsuit to invalidate the contract for



the supply of equipment. It is currently being heard in the Commercial Court of Kyiv.

In May 2019, thanks to the materials collected by NABU, the Antimonopoly Committee of Ukraine launched its own investigation, found violations of competition law, and fined the supplier over UAH 4.26 million.

In July 2021, NABU sent recommendations to the State Judicial Administration and the High Council of Justice to eliminate the causes and conditions that contributed to the commission of the offense. The investigation is in progress.

**position at the time of the crime*

BRIBERY OF DEFENSE MINISTRY AUDITOR



The head of a structural unit at the Ministry of Defense* is suspected of offering to organize the transfer of a UAH 24 million bribe to influence the results of an audit.

As established, in the spring of 2021, the official came up with a proposal to transfer almost UAH 17 million to the Director of the Internal Audit Department of the Ministry of Defense. The funds originated from a commercial company

developing the underground part of a building of one of MOD's central departments into the Unified Security Center. In return, the company asked for a positive audit conclusion on the compliance, completeness, and quality of the equipment it supplied under the contract terms. The official estimated his "mediation services" at UAH 7 million with the total amount of undue benefit reaching almost UAH 24 million.

UAH 7 million —
the amount extorted
by a MOD official

A positive audit conclusion would have allowed the private company to receive full payment under the contract worth UAH 422 million. In addition, the company could claim the conclusion of subsequent contracts within the same project.

The investigation is in progress.

**position at the time of the crime*

“GRAIN SCHEME”: EMBEZZLEMENT OF UAH 157 MILLION

2021 saw a string of exposures in the grain industry. One of the most notorious schemes involved the embezzlement of UAH 157 million at three state-owned enterprises in Chernihiv and Kharkiv regions. Half of this amount is the actual financial loss of the state.

As established, during 2011-2017, the leadership* of state-owned grain enterprises repeatedly took actions to force the enterprises into an artificial debt to private companies under their control. NABU exposed at least seven episodes of such illegal activities, which involved nine persons. In December 2021, they were all notified of suspicion.

7 corruption episodes exposed in the grain industry

The abuses concerned not only grain supply and storage but also intellectual property. Thus, in 2013, one of the state-owned enterprises sold a trademark



worth about UAH 20 million to a private company for UAH 50,000 on deferred payment terms. As a result, the enterprise did not receive the money, while the private company actually acquired an expensive asset for free.

Overall, during 2021 alone, NABU and SAPO exposed abuses in the grain industry for over UAH 185 million and prevented the theft of grain in Sumy region three times. The investigation is in progress.

**positions at the time of the crime*

“KYIVZELENBUD” CASE



NABU and SAPO revealed fresh evidence of a corruption scheme to embezzle funds of the municipal association “Kyivzelenbud”, which was exposed in the summer of 2020. As a result, three new suspects joined the case, including the former acting Head of the Department of Ecology and Natural Resources of the Kyiv City Council*. The total number of persons allegedly involved in the commission of this crime increased to 10, and the amount of losses — to UAH 115.19 million.

As established, in 2016-2018, Kyivzelenbud launched tenders for the purchase of special plant

care equipment. The former external adviser to the then General Director of Kyivzelenbud, who the Detectives consider to be the organizer of the corruption scheme, by prior agreement with other Kyivzelenbud officials and a private entrepreneur, secured the victory of three predetermined companies that eventually supplied the equipment at inflated prices.

UAH
115.19 million — the
amount of losses
to the Kyiv city
budget

NABU and SAPO found that part of the illegally obtained funds was transferred by the participants in the corruption scheme to the accounts of foreign companies, and after that — to an Italian company under their control.

NABU secured the seizure of the corporate rights of the Italian company and the real estate facilities which could be constructed with the use of the embezzled funds. The investigation is ongoing.

**position at the time of the crime*

EXPOSURE OF CRIMINAL ORGANIZATION IN ODESA

NABU and SAPO exposed a criminal organization in Odesa. In 2016-2019, its activity resulted in the loss of at least six land plots with a total area of 15.9 hectares and UAH 131 million belonging to the Odesa territorial community.

The investigation has evidence that the criminal organization established control over the allocation of construction land. In order to avoid tender procedures, the members of the criminal organization used the mechanism of small-scale privatization. It allowed a developer to become the owner of a facility and a land plot around it, which was further used to build a block of high-rise buildings.

UAH
689 million — the amount
of damage caused by
the “land scheme”

By another scheme, the city provided land plots for permanent use to state agencies and enterprises, which then attracted pre-determined developing companies for real estate construction. The money paid by developers for the plots went to the criminal organization



and not the city. Therefore, the entire chain — from searching facilities/construction sites, contacting developers to ensuring the adoption of necessary decisions by city authorities — was under control of the criminal organization.

One more episode involves the illegal overpayment of UAH 131 million from the city budget for a nonresidential facility on a land plot that was allegedly planned to be used to expand a nearby cemetery.

A total of 16 people, including the Odesa Mayor and other city officials, are suspected of embezzling the assets of the territorial community and money laundering. The investigation is in progress.

**COMPLETED
INVESTIGATIONS**



The crime

A judge of the Dniprovskyi District Court of Kyiv* extorted and received an unlawful benefit of USD 150,000.

On Aug. 9, 2016, NABU caught the judge red-handed. The Verkhovna Rada of Ukraine sanctioned his detention and prosecution only in September. Taking advantage of his legal immunity, the judge hid from pre-trial investigation and left the territory of Ukraine (the criminal proceeding into the judge's illegal movement across the state border of Ukraine is being conducted by the Security Service of Ukraine). On Aug. 16, 2016, he was declared wanted nationally and then — internationally.

In February 2017, the judge was detained in the Republic of Moldova, while NABU requested his extradition. In April 2021, the suspect was kidnapped in Chisinau (the case is being investigated by the SSU). His whereabouts had been unknown until July 2021, when the judge unexpectedly emerged in a village in Ukraine's Vinnytsia region. However, the suspect was illegally detained by SSU officers, who actually hid him from NABU. Only after five days the SSU complied with NABU's legal demands, and the judge was detained by Detectives at Feofaniia Hospital.

14.03.2016
pre-trial
investigation
launched

11.08.2016
suspicion
notice
served

16.08.2016
suspect put on
the national
wanted list

14.11.2016
suspect put on
the international
wanted list



EXTORTION OF UNDUE BENEFIT BY KYIV DISTRICT COURT JUDGE

5

YEARS

INVESTIGATION DURATION

4

YEARS

ON WANTED LIST

9

VOLUMES

CASE FILES

1

FORENSIC
EXAMINATION

Under prosecution

*1 accused person**

- the judge of the Dniprovskyi District Court of Kyiv - Part 4 Article 368 of the Criminal Code of Ukraine

**position at the time of the crime*

03.08.2021

suspect
detained at
Feofaniia Hospital

06.08.2021

investigation
completed,
case files disclosed

15.11.2021

case
sent to
court

The crime

As established, in January 2017, a branch of Ukrzaliznytsia PJSC entered into a number of contracts with a company controlled by the corruption scheme participants to purchase 55,000 tons of diesel fuel at a price ranging from UAH 18,499 to UAH 18,999 per ton. At the same time, the head of the branch refused to order diesel fuel under these cost-effective contracts, instead ordering diesel fuel from the same company, though under another contract with higher prices ranging from UAH 21,300 to UAH 22,230 per ton.

After that, the scheme participants concluded a number of additional agreements to the supply contract, which unjustifiably increased the price of diesel fuel for Ukrzaliznytsia by 10%. The suspects concealed their illegal actions by manipulating information on fluctuations in fuel market prices. As a result, Ukrzaliznytsia illegally overpaid over UAH 102.7 million.

Under prosecution

3 suspects*

- the head of an Ukrzaliznytsia branch — Part 2 Article 364 of the Criminal Code of Ukraine
- the head of a branch's department — Part 2 Article 364 of the Criminal Code of Ukraine
- the director of a private company (the scheme organizer) — Part 3 and Part 5 Art. 27, Part 2 Art. 364 of the Criminal Code of Ukraine

**positions at the time of the crime*

27.01.2017
pre-trial investigation
launched



UAH 103 MILLION LOSSES TO UKRALIZNYTSIA

4

YEARS
INVESTIGATION DURATION

25

VOLUMES
CASE FILES

27

INTERROGATIONS

1

SEARCH

6

REVIEWS

3

**FORENSIC
EXAMINATIONS**

7

**APPROVALS FOR
TEMPORARY
ACCESS**
TO EQUIPMENT AND
DOCUMENTS

15

**GRANTED
DOCUMENT
REQUESTS**

18.05.2021
3 persons
notified of suspicion

14.07.2021
investigation completed,
case files disclosed

The crime

According to the investigation, in 2016, one of Kharkiv's utility companies announced the purchase of equipment for municipal needs. On the eve of concluding the contract with the winner of the tender, the company's director, who also was a member of the Kharkiv City Council, on his own initiative changed procurement specifications, which led to the purchase of different products not meeting the tender requirements. All this resulted in extra expenditures for the company amounting to almost UAH 1 million.

The equipment supplier further transferred part of this amount to a company owned by the utility company director.

If the court renders a guilty verdict in the case, the Kharkiv City Council will have an opportunity to return almost UAH 1 million overpaid from the local budget.

Under prosecution

1 accused person

- the director of a Kharkiv utility company — Part 2 Article 364 of the Criminal Code of Ukraine

29.01.2019
proceedings
transferred to NABU

26.01.2021
suspicion
notice served

ABUSES AT KHARKIV UTILITY ENTERPRISE

2.5

YEARS
INVESTIGATION DURATION

17

VOLUMES
CASE FILES

37

INTERROGATIONS

8

SEARCHES

28

REVIEWS

4

**FORENSIC
EXAMINATIONS**

2

**APPROVALS FOR
TEMPORARY
ACCESS**
TO EQUIPMENT AND
DOCUMENTS

9

**GRANTED
DOCUMENT
REQUESTS**

20.08.2021

investigation completed,
case files disclosed

12.11.2021

case sent
to court

The crime

According to the investigation, the state lost UAH 196.8 million because of a conspiracy among the officials of the Ukrainian State Geological Survey Institute and representatives of commercial companies, who artificially reduced the fee for a permit to produce gas in Poltava region. The investigation has revealed that in 2016, Arkona Gas-Energy LLC repeatedly and unsuccessfully applied to the State Commission of Ukraine on Mineral Reserves for a special permit to develop the subsoil reserves of the Svistunkivsko-Chervonolutsky gas condensate field beyond auction, while the Poltava Regional Council, after two refusals, approved the illegal issuance. To reduce the permit fee, the perpetrators used non-existent indicators for preliminary gas and condensate production, capital investment, and operating costs. This led to a loss of UAH 196.8 million, which was the difference between the actually paid fee and the initial selling price of the permit.

Under prosecution

6 suspects*

- the Deputy Director for Production, Economics and General Affairs of the Ukrainian State Geological Research Institute (UKRSGRI) — Part 2 Article 364 and Part 1 Article 366 of the Criminal Code of Ukraine
- the head of UKRSGRI unit for geological and economic assessment of oil and gas resource base — Part 2 Article 364 and Part 1 Article 366 of the Criminal Code of Ukraine
- an expert of the State Commission of Ukraine on Mineral Resources and the Director of Project-Naftogaz LLC — Part 2 Article 364 and Part 1 Article 366 of the Criminal Code of Ukraine
- the Director of Arkona Gas-Energy LLC — Part 2 Article 364 and Part 1 Article 366 of the Criminal Code of Ukraine
- two Project-Naftogaz LLC engineers

**positions at the time of the crime*

02.03.2018

pre-trial investigation launched



UAH 196.8 MILLION LOSSES DUE TO ILLEGAL GAS PRODUCTION PERMIT ISSUE

3.5

YEARS
INVESTIGATION DURATION

62

VOLUMES
CASE FILES

40

INTERROGATIONS

20

SEARCHES

17

REVIEWS

1

**FORENSIC
EXAMINATION**

47

**APPROVALS FOR
TEMPORARY
ACCESS**
TO EQUIPMENT AND
DOCUMENTS

35

**GRANTED
DOCUMENT
REQUESTS**

31.07.2020

6 persons
notified of suspicion

09.09.2021

investigation completed,
case files disclosed

The crime

According to the investigation, the suspect (beneficiary of a group of companies) both personally and through controlled persons systematically provided unlawful benefits to the former acting Head of the State Road Agency of Ukraine (Ukravtodor), who is currently facing corruption charges. During 2017-2019, USD 575,000 and EUR 70,000 were transferred for the approval of payment for the performed road works, postponement of deadlines, and not taking measures to terminate the contract.

The episode with the beneficiary of a group of companies is part of the corruption scheme revealed by NABU and SAPO together with the Central Anti-Corruption Bureau of Poland and the District Prosecutor's Office in Warsaw in the summer of 2020. In January 2021, the case files regarding the ex-top official, who has Polish citizenship, were sent to Poland for the pre-trial investigation to be completed. NABU and SAPO continued to investigate other facts of possible corruption in Ukravtodor, which resulted in the case in question.

Under prosecution

1 suspect

- the beneficiary of a group of companies — Part 4 Article 369 of the Criminal Code of Ukraine

23.11.2020

pre-trial investigation
into the episode
launched

13.04.2021

suspicion
notice served



"UKRAVTODOR" CASE: GROUP OF COMPANIES BENEFICIARY EPISODE

10

MONTHS
INVESTIGATION DURATION

17

VOLUMES
CASE FILES

22

INTERROGATIONS

5

SEARCHES

30

REVIEWS

3

REQUESTS
FOR INTERNATIONAL
LEGAL ASSISTANCE

5

**APPROVALS FOR
TEMPORARY
ACCESS**
TO EQUIPMENT AND
DOCUMENTS

9

**GRANTED
DOCUMENT
REQUESTS**

15.09.2021
episode files
become part
of separate proceedings

22.09.2021
investigation
completed, case
files disclosed

The crime

As established, during 2002-2013, the ex-president of Ukraine and his son appropriated a land plot of 104.61 hectares, buildings, facilities, and other property of the recreation complex Pushcha-Vodytsia within the Mezhyhiria area, as well as the house №123-a on Mezhyhirska Street in the village of Novi Petrivtsi. In 2002, the top official, who then was the Prime Minister of Ukraine, was provided as a civil servant with one of the state-owned residences in the Mezhyhiria area. In the same year, the suspect, taking advantage of his post, organized the transfer of the residence under the control of the Cabinet of Ministers of Ukraine and lifted restrictions on the privatization of the assets. However, in 2005 the complex was transferred to the State Tax Service. In 2007, the suspect wrote a letter to then President Viktor Yushchenko asking him to exchange the assets for premises owned by a private company, to which the latter agreed. The private company was linked to the son of the suspected ex-president and finally became the owner of the residence.

Results of NABU actions

At the request of NABU, the HACC granted permission to conduct an in absentia investigation of the ex-president and his son, which was completed in December 2021. The court remanded both suspects in custody.

NABU initiated the arrest of hundreds of objects of movable, immovable property and vehicles located and kept on the territory of the Mezhyhiria residence. These assets were later transferred to the Asset Recovery and Management Agency by a court decision.

10.12.2019
case
transferred
to NABU

25.08.2021
permission for in
absentia investigation
of suspects granted

07.10.2021
ex-president
remanded in custody
(in absentia)



MEZHYYHIRIA RESIDENCE SEIZURE

150**VOLUMES**
CASE FILES**4*****REVIEWS****20*****WITNESSES**
INTERROGATED**1*****COMPREHENSIVE
FORENSIC
EXAMINATION**
CONDUCTED**4,000*****OBJECTS**
TRANSFERRED TO ARMA

**actions taken after the
transfer of the case to NABU
in December 2019*

Under prosecution

2 suspects

- the ex-president — Part 5 Article 191, Part 3 Article 209, Part 5 Article 368 of the Criminal Code of Ukraine
- the son of the ex-president — Part 5 Article 191, Part 3 Article 209, Part 5 Article 27, Part 2 Article 364 of the Criminal Code of Ukraine

13.10.2021

ex-president's son remanded
in custody (in absentia)

29.12.2021

investigation completed,
case files disclosed

COOPERATION



COOPERATION WITH GOVERNMENT AGENCIES, THE PUBLIC AND INTERNATIONAL PARTNERS



In the second half of 2021, the National Bureau caught up on cooperation with partners both inside and outside the country, which had been lame in previous periods due to the COVID-19 pandemic.

The launch of the inter-departmental system of electronic criminal proceedings eCase Management System became one of the most significant events. The implementation of this project, developed with the support of the EU Anti-Corruption Initiative in Ukraine, required constant

communication between NABU and other participants throughout the past year. It finally resulted in the approval of the eCase MS. NABU, the Council of Judges of Ukraine, and the Office of the Prosecutor General signed the relevant order on Dec. 15, 2021. The next day, NABU Detectives entered the first criminal proceeding into the system. The first half of 2022 will be a period of enhanced cooperation to prompt the system's full-scale operation.

27 educational events and projects held by NABU in the second half of 2021

During the second half of 2021, NABU implemented a number of educational projects. In July-August, 50 law students, selected from 566 candidates, took part in NABU's annual Anti-Corruption School to gain practical skills and knowledge of fighting corruption. Among the lecturers of the school are

National Bureau Detectives, representatives of other anti-corruption agencies, lawyers, and investigative journalists. Five graduates of last year's Anti-Corruption School initiated and co-organized the All-Ukrainian Anti-Corruption Moot Court. It took place on Nov. 19-21 in Kharkiv: applications from 65 teams representing 17 higher education institutions from 14 regions of Ukraine came in. Eight teams got to the final, which was judged by representatives of NABU, SAPO, the HACC, ARMA, lawyers, and scholars. Both projects were implemented with the support of the EU Anti-Corruption Initiative in Ukraine.

In cooperation with Transparency International Ukraine and the International Renaissance Foundation, the National Bureau launched the anti-corruption educational series "From corruption report to sentence". Its purpose is to help Ukrainians understand the work of anti-corruption agencies and know what to do when coming across corruption. The series is available on Diia.Digital Education online platform.

Overall, in the second half of 2021, the National Bureau organized 27 educational events

and projects that gathered over 5,000 people. Communication took place both in offline format — during thematic meetings and study visits — and via live broadcasts, online lectures, and webinars. Previously implemented projects brought results as well. Thus, the anti-corruption investigation game "NABU investigates", developed with the support of the EU Anti-Corruption Initiative in Ukraine in 2020, won the Best Practices in Educational Innovations contest held by the National Agency of Ukraine for Civil Service.



Scan to watch
"From corruption
report to
sentence"
educational series

In December 2021, the National Bureau held the conference "7 Years of Anti-Corruption Reforms: Challenges and Results" to sum up the work of the agency during the term of NABU Director Artem Sytnyk. The event was unprecedented in the number of international participants, representatives of anti-corruption agencies, and civil society.

COOPERATION WITH GOVERNMENT AGENCIES

(from 01.07.2021 until 31.12.2021)

NABU LAWYERS ANALYZED AND GAVE CONCLUSIONS IN REGARD TO:

28

**DRAFT
LAWS**

- 15** Verkhovna Rada of Ukraine
- 2** Ministry of Strategic Industries of Ukraine
- 2** Ministry of Justice of Ukraine
- 1** Ministry of Internal Affairs of Ukraine
- 1** National Police
- 7** Others

43

**DRAFTS OF
SUBORDINATE
ACTS**

- 11** Ministry of Strategic Industries of Ukraine
- 4** Ministry of Defence of Ukraine
- 3** Ministry of Justice of Ukraine
- 2** Ministry of Internal Affairs of Ukraine
- 2** Ministry of Finance of Ukraine
- 2** Ministry of Digital Transformation of Ukraine
- 2** Asset Recovery and Management Agency
- 17** Others

COOPERATION WITH THE PUBLIC

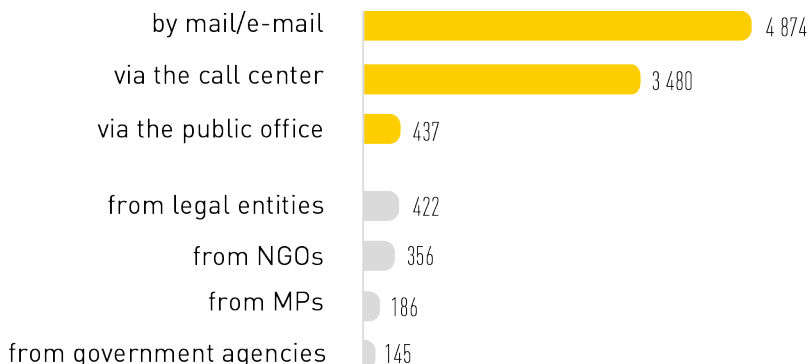
PUBLIC ACTIVITY

(from 01.07.2021 until 31.12.2021)



REQUESTS TO THE NATIONAL BUREAU

(from 01.07.2021 until 31.12.2021)



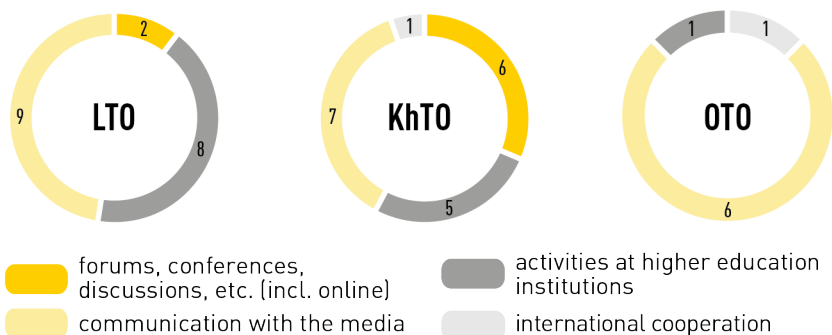
PUBLIC CONTROL (CIVIL OVERSIGHT COUNCIL)

(from 01.07.2021 until 31.12.2021)

- 27** requests to government agencies, embassies, and international organizations sent
- 250** packages of documents from candidates for positions in NABU analyzed
- 8** official statements published
- 7** analytical publications prepared

PUBLIC EVENTS IN REGIONS

(from 01.07.2021 until 31.12.2021)



EXPENDITURES AND PROCUREMENT



In the second half of 2021, the National Bureau used 93% of the funding allocated within the state budget for 2021.

In the reporting period, 158 goods and services procurement procedures were announced. 99 contracts worth almost UAH 53 million were concluded. Based on tender results, the savings amounted to UAH 4.5 million. The most savings occurred during the procurement of services for the maintenance of NABU premises (UAH 1.1 million), the renovation of the building of the Odesa Territorial

Office (UAH 895.4 thousand), and office equipment maintenance (UAH 325.2 thousand).

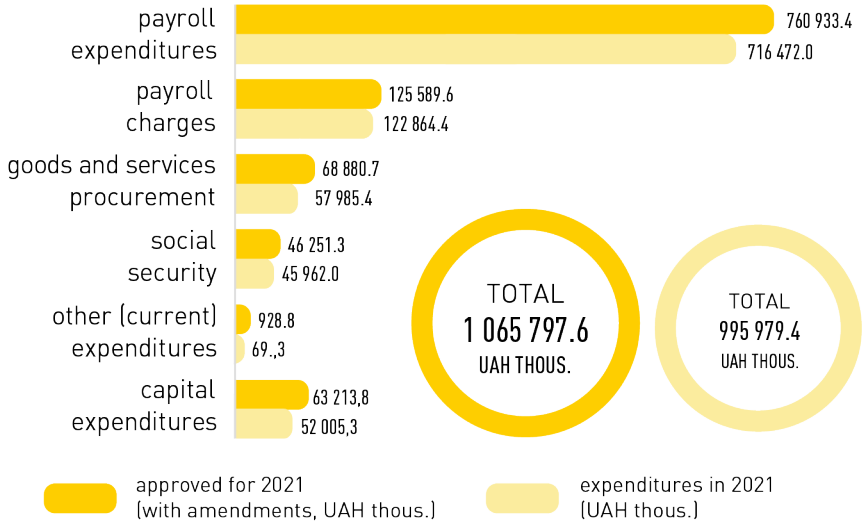
As of December 31, UAH 50.2 million was held in NABU's deposit accounts. These are funds seized in criminal proceedings and not linked to the crime, in particular: UAH 9.6 million, EUR 289.4 thousand, USD 1.1 million, RUB 104.5 thousand, and GBP 5.8 thousand. Interest accrued on deposit funds shall go to the state budget.

UAH
4.5 million of procurement
funds saved in the
second half of 2021

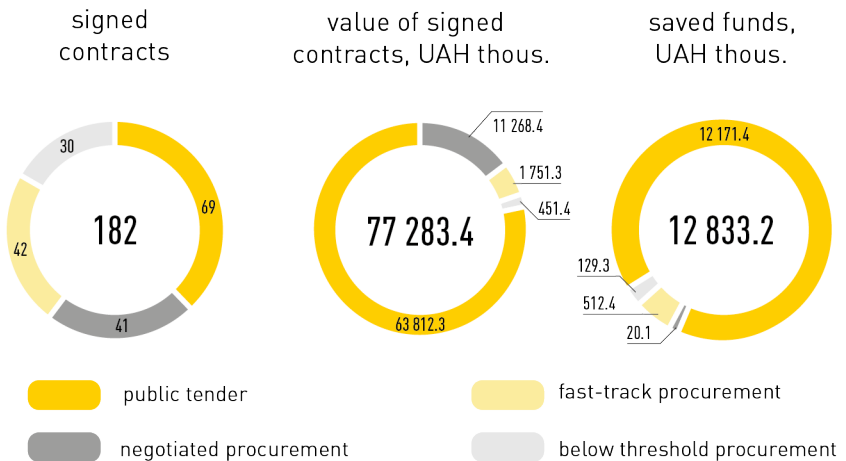
During July-December 2021, NABU received international technical assistance totaling UAH 23.7 million. In particular, the European Union provided NABU with the eCase Management System software. Thanks to the support of the Government of the United Kingdom, the capacity of the National Bureau to conduct forensic examinations of electronic media was enhanced.

NATIONAL BUREAU BUDGET

(in 2021)



GOODS AND SERVICES PROCUREMENT IN 2021



CHALLENGES



POLITICAL PRESSURE



Throughout 2021, the National Bureau stayed at the epicenter of political processes provoked by the decision of the Constitutional Court of Ukraine, which in autumn 2020 declared certain provisions of the Law of Ukraine “On the National Anti-Corruption Bureau of Ukraine” unconstitutional and ordered the Parliament to regulate NABU’s status. Hot

discussions on this issue ended in October 2021 with the adoption of amendments to the relevant legislation, according to which the National Bureau became the central executive body with special status (the law took effect on Nov. 10, 2021). Despite the change of status, the institutional independence of NABU, which is determined by a special procedure for the appointment and dismissal of its Director, was preserved.

This was made possible by the active support of the public and international partners. NABU will need this support soon, as the election of a new NABU head is on the agenda (the term of the current Director expires on April 16, 2022). A six-member selection board is to be formed by the Cabinet of Ministers. Its decision will determine the further course of anti-corruption reform in Ukraine, the National Bureau being its key link. It is important to preserve the achieved results and good practices implemented at NABU and supported by international partners.

In seven years, the National

Bureau has demonstrated its ability to expose top-level corruption despite political pressure. Therefore, different political forces are likely to try to influence the composition of the selection board, and this is a key challenge for the institution at least in the first half of 2022. Although the law contains safeguards, such as the decisive voice in the selection belonging to the board members recommended by international organizations, there is still a risk of influencing the results or blocking the competition. This is exactly what happened with the selection of SAPO head. The competition started in January 2021 and was still unfinished by January 2022.

It is crucial to maintain the achieved results and good practices implemented at NABU and supported by international partners

Due to the absence of the leader, the independence of SAPO is strongly affected. The adoption of important decisions in NABU cases, such as approving the entry of information into the Unified Register of Pre-

trial Investigations, appointing prosecutors in criminal proceedings, approving the issue of suspicion notices, etc. has actually moved to the Prosecutor General's Office. This dramatically contradicts the concept of NABU and SAPO being independent anti-corruption bodies. As a result, the progress of their work slows down.

Another challenge that NABU successfully overcame in 2021 and will overcome in 2022 is the launch of the eCase Management System. On Dec. 16, 2021, Detectives registered the first criminal case in this system, which marked the start of digitization of the pretrial investigation with the participation of NABU, SAPO, and the HACC. By the end of the year, NABU Detectives and SAPO Prosecutors had had access to the system, while HACC judges are to get it in the first half of 2022. Another to follow will be the HACC Appeals Chamber.

The investigation will be translated into electronic format step by step. The transitions between stages are lengthy and difficult, both technically and legally, and because institutions are unevenly ready to implement the eCase MS.

COURT PROCEEDINGS: CHALLENGES



Even despite the qualitatively different level of court proceedings in the High Anti-Corruption Court, problems persist due to shortcomings of a purely regulatory nature. The key challenge arising from these shortcomings is a number of ways to delay a hearing, which the defense tends to practice.

No effective disciplinary measures exist to punish the lawyers for the absence in court hearings without good reason, while respective qualification and disciplinary bodies do almost nothing to influence the abusers.

The court also has no right to establish the rules and procedure requirements for speeches delivered by the defense, except for speeches in debates. Hence, the defense and the suspect (accused) can deliver a speech without any time restrictions.

Some shortcomings in criminal procedure law allow the defense to delay proceedings even when appearing in court and without making lengthy speeches

At the same time, each lawyer may act as a separate participant in the case, although in terms of ensuring the right to defense it does not make sense but enables

them to delay court proceedings: take the floor separately on the same issue, challenge a judge on one's own behalf, require a separate acquaintance with case materials.

Participants in criminal proceedings lack the possibility to join court hearings via the electronic court system

Some shortcomings of the criminal procedure law allow the defense to delay court proceedings even without resorting to nonappearance and/or lengthy speeches. All this is due to the obsolete procedure of examining evidence, which is not suitable for dealing with complex cases with a significant amount of material. Although the presentation of evidence is the prosecutor's prerogative, the defense may request and the court must order the prosecution to read documents or show video or play audio recordings in full, even if a 100-page document or lengthy video footage have just a few lines/minutes that really matter in the case.

Particularly unfortunate is the lack of possibility to attend

a criminal hearing with the help of the electronic court system. In order to participate in such a hearing by videoconference one must ask the court to make a decision in advance and send it to another court, then arrive at the relevant court, where the person's identity must be verified by the administrator of the court session. Whereas in all other jurisdictions, one can simply connect to a hearing from any computer and log in with an electronic digital signature. Why is this possible in commercial cases involving hundreds of millions of hryvnias or in administrative cases on invalidity of normative legal acts of state importance, but is not allowed in criminal court proceedings, even in the most simple case and even when considering complaints or motions during a pre-trial investigation, remains a question so far.

The removal of these shortcomings is only possible through the adoption of corresponding amendments to the Criminal Procedure Code of Ukraine. This step is crucial and should not be postponed, as such amendments will significantly bolster the criminal process.

APPENDICES



These appendices contain statistical information on the NABU activities in the second half of 2021 as required by **Article 26 of the Law of Ukraine “On the National Anti-Corruption Bureau of Ukraine”**

1. STATISTICAL DATA ON THE RESULTS OF ACTIVITIES

from 01.07.2021 untill 31.12.2021

Nº	Activity category	Result
1.	Number of registered applications and reports on criminal offences classified by the law as those under the jurisdiction of the National Bureau	297
2.	Number of investigation initiated by the National Bureau and their results	13
		8
3.	Number of persons standing indicted for committing criminal offences classified by the law as those under the jurisdiction of the National Bureau	86
4.	Number of persons officially found guilty of committing criminal offences classified by the law as those under the jurisdiction of the National Bureau	16
5.	Number of persons officially declared innocent of committing criminal offences	0
6.	Information by categories of persons indicated in part 1 Article 3 of the Law of Ukraine “On Preventing Corruption”	*
7.	Information on the amount of losses and damage caused by criminal offences classified by the law as those under the jurisdiction of the National Bureau, status and the amount of compensation	UAH** 98 582 868 000***
		UAH** 3 796 941 630 including in second half of 2021: UAH 840 564 110

8.	Information on the funds and other property received as a result of criminal offences, classified by the law as those under the jurisdiction of the National Bureau, confiscated by court decisions as well as the funds in the amount of illegally received services or benefits refunded to the State and their use	USD 6,303; Audi A8, 2003; three land plots with a total area of 0.5 hectares; half of a house (from March 1, 2022)
9.	Information on funds and other property received as a result of criminal offences classified by the law as those under the jurisdiction of the National Bureau which were recovered to Ukraine from abroad and their keeping	—
10.	Information on seizure property, confiscation of objects and funds acquired as a result of criminal offences classified by the law as those under the jurisdiction of the National Bureau and their use	****
11.	Number of submissions made as of the elimination of causes and conditions which contributed to commitment of a criminal corruption offence	2
12.	The results of integrity tests	5 (1 negative result)
13.	The cost of detected assets with signs of unreasonableness, the number of materials sent to the prosecutor's office to resolve the issue of claim for recognition of unreasonable assets and their recovery to the State, the results of the prosecutor's and the court decisions, including the cost of the unreasonable assets recovered to the State	UAH 2 370 682 materials regarding 1 person sent

** as of 31.12.2021

*** approximate amount of losses examined during pre-trial investigation

** Information as of categories of persons referred in Part 1 Article 3 of the Law of Ukraine
“On Preventing Corruption”*

from 01.07.2021 until 31.12.2021

№	The subject	Number of individuals notified of suspicion (total per each category)	Number of indicted persons (total per each category)	Number of convicted persons (total per each category)
1.	Persons authorised to perform the state or local government functions:			
	a) President of Ukraine, Chairman of the Verkhovna Rada of Ukraine, First Deputy and Deputy Chairmen of the Verkhovna Rada of Ukraine, Prime Minister, First Vice Prime Minister, Vice Prime Ministers, ministers, other heads of central government bodies that are not part of the Cabinet of Ministers of Ukraine and their deputies, the Head of the Security Service of Ukraine, the Prosecutor General of Ukraine, the Governor of the National Bank of Ukraine, First Deputy Governor and Deputy Governors of the National Bank of Ukraine, Chairman and Members of the Accounting Chamber, the Ukrainian Parliament Commissioner for Human Rights, the Commissioner for the Protection of the state language, the Chairman of the Verkhovna Rada of the Autonomous Republic of Crimea, the Chairman of the Council of Ministers of the Autonomous Republic of Crimea	1	1	—
	b) Members of Parliament of Ukraine, deputies of the Verkhovna Rada of the Autonomous Republic of Crimea, deputies of local councils, village, settlement, city mayors	6	3	2

	c) public officials, officials of local government	11	1	3
	d) military officials of the Armed Forces of Ukraine, the State Service for Special Communications and Information Protection of Ukraine and other military units formed under the law, except for servicemen of compulsory military service, cadets of higher military educational institutions, cadets of higher educational institutions that have military institutes, cadets of faculties, departments and offices of military training	1	7	—
	e) judges, judges of the Constitutional Court of Ukraine, Chairman, Deputy Chairman, members and disciplinary supervisors of the High Council of Justice, officials of the Secretariat of the High Council of Justice, Chairman, Deputy Chairman, members and disciplinary supervisors of the High Qualification Commission for Judges of Ukraine, officials of the Secretariat of the High Qualification Commission for Judges of Ukraine, officials of the State Judicial Administration of Ukraine, jury (when they are on duty)	2	2	1
	f) rank members and commanding staff of the State Penal Service and Tax Police, the commanding staff of civil protection bodies and units, the State Bureau of Investigations, the National Anti-Corruption Bureau of Ukraine	—	—	—

	g) officials of prosecutor's offices, the Security Service of Ukraine, the State Bureau of Investigations, the National Anti-Corruption Bureau of Ukraine, the diplomatic service, the State Forest Protection, the State Protection of Nature Reserve Fund, the central executive authority, responsible for formation and implementation of the state tax policy and state customs policy	1	1	—
	h) Head, Deputy Heads of the National Agency on Corruption Prevention	—	—	—
	i) members of the Central Election Commission	—	—	—
	j) police officers	—	2	—
	k) officials of other state authorities, authorities of the Autonomous Republic of Crimea	—	1	—
	l) members of state collegial bodies	1	—	—
	m) Head of the Presidential Office of Ukraine, First Deputy Head and Deputy Heads, as well as persons holding the positions of patronage service, defined by the Law of Ukraine "On Civil Service", except for persons which perform their duties on a voluntary basis, judge assistants	—	—	—

2.	Persons who, for the purposes of the Law, have an equal status to persons authorised to perform functions of the state or local governments:	21	23	4
	a) officials of legal entities of public law which are not referred in Clause 1 Part 1 of the abovementioned Article, members of supervisory boards of state banks, state enterprises or state-owned organizations working with the purpose of receiving profit, business enterprises where more than 50 percent of the stakes (shares) belong to the State			
	b) persons who are not public officials or local government officials but provide public services (auditors, notaries, appraisers and others), as well as experts, arbitration managers, independent intermediaries, arbitrators etc.	—	1	—
	c) representatives of public associations, scientific and educational institutions, relevant experts, other persons, who are members of competition and disciplinary commissions formed under the Laws of Ukraine "On Civil Service", "On Service in Local Governments", other laws (except for non-resident aliens who are members of such commissions), the Council of Public Integrity formed under the Law of Ukraine "On the Judicial System and the Status of Judges", while not being persons referred in Clause 1 Paragraph "a" Part 2	—	—	—

3.	Persons who are not officials but permanently or temporarily hold positions related to fulfilment of organisational, administrative or business duties, or specially authorised to perform such duties in legal entities of private law, regardless of organizational form	1	17	2
4.	Candidates for Members of Parliament of Ukraine, for the President of Ukraine, candidates for the heads of regional, district, city, district in cities, village and settlement councils, candidates for village, settlement, city mayors and prefects	—	—	—
5.	Other	37	27	4

**** Information on seized property, items and proceeds of crime legally counted under jurisdiction of the National Bureau and the way they were used

in criminal proceedings in which indictments have been prepared in the period from 01.07.2021 until 31.12.2021

Nº	Type of property	Quantity	Total amount
1.	Land plots	42.18 Ha	252 439 000.00
2.	Residential real estate <i>(objects)</i>	62	310 033 000.00
3.	Non-residential real property <i>(objects)</i>	26	157 407 400.00
4.	Integral property complexes	2	600 000 000.00
5.	Facilities under construction	2	
6.	Means of transportation	57	31 242 400.00
7.	Funds, including:		
	<i>in UAH</i>	—	2 289 000.00
	<i>in USD</i>	—	130 100.00
8.	Computer equipment <i>(computers, tablets, etc.)</i>	4	30 000.00
9.	Mobile phones	15	84 000.00
10.	Corporate rights	14	78 053 166.00
11.	Other	—	191 212 000.00

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Kharkiv Territorial Office of the NABU
140, Moskovskyi Avenue, Kharkiv, 61000



Odesa Territorial Office of the NABU
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14, Seredniofontanska St., Odesa, 65007
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