

REPORT

JULY-DECEMBER 2018

 NATIONAL
ANTI-CORRUPTION
BUREAU OF UKRAINE



THE RESULTS
OF THE NATIONAL ANTI-CORRUPTION BUREAU OF UKRAINE
ACTIVITIES

LAW OF UKRAINE “ON THE NATIONAL ANTI - CORRUPTION BUREAU OF UKRAINE”

2. Director of the National Bureau: <...>
- 2.2 annually by 10 February and 10 August provides the President of Ukraine, Parliament of Ukraine and the Cabinet of Ministers of Ukraine with a written report on the National Bureau activities for the previous 6 months period.
3. The written report on the National Bureau activities should contain the following information:
 - 3.1 statistical data on the results of activities with mandatory reference to the:
 - number of applications and reports on criminal offences in terms of criminal offences classified by the law as those under jurisdiction of the National Bureau;
 - number of investigations initiated by the National Bureau and their results;
 - number of people standing indicted for committing criminal offences classified by the law as those under jurisdiction of the National Bureau;
 - number of people officially found guilty of committing criminal offences classified by the law as those under jurisdiction of the National Bureau;
 - number of people officially declared innocent

ARTICLE 26. CONTROL OF THE NATIONAL BUREAU ACTIVITIES AND ITS ACCOUNTABILITY

- of committing relevant criminal offences;
- information by categories of people indicated in part 1 of the Law of Ukraine “On preventing corruption”;
- information on the amount of loss and damage from criminal offences classified by the law as those under jurisdiction of the National Bureau, state and amount of compensation;
- information on funds and other property acquired as a result of criminal offences classified by the law as those under jurisdiction of the National Bureau, confiscated by court order, funds amounting to value of illegally received services and benefits, forfeited to the state, and their use;
- information on funds and other property acquired as a result of criminal offences classified by the law as those under jurisdiction of the National Bureau, recovered from abroad, and their keeping;
- information on seizure of property, confiscation of objects and proceedings acquired as a result of criminal offences classified by the law as those under jurisdiction of the National Bureau, and their use;
- number of submissions made as to the elimination of causes and conditions contributing to committing criminal offences;
- results of the character tests;
- 3.2 cooperation with other public authorities, local authorities, companies, organizations and establishments;
- 3.3 cooperation with competent foreign authorities, international and foreign organizations and signing agreements on cooperation and representing interests abroad;
- 3.4 cooperation with NGOs and mass media;
- 3.5 number of the National Bureau employees, their qualification, work experience and further training;
- 3.6 work of the National Bureau Internal Control Department; number of reports on offences committed by the National Bureau employees, investigation results and bringing to justice;
- 3.7 budget of the National Bureau and its execution;
- 3.8 other information concerning the results of the National Bureau activities its duties.

CONTENTS

About the Bureau	8
Opening address of the NABU Director	11
Fight against corruption: a sociological research	13

INVESTIGATIONS

14

Key events	16
Results of work	18
E-declarations	34
International aspect of investigations	36
Claims work	38
Refunded funds	40
Cases in courts	42
Legislative work	46

PARTNERSHIP

48

Transparency and accountability	50
Activity of the Open Office	52
Activity of the Civil Oversight Council at the NABU	54
Activities in the regions	56
Cooperation with government authorities	60
International cooperation	62

TEAM

64

Staff potential	68
Training and development	70

INTERNAL CONTROL

72

Prevention and protection of the information	74
Ensuring integrity of employees	76

MATERIAL SUPPORT

78

Budget programme execution	80
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APPENDICES

85

ABOUT THE BUREAU

CREATION

On October 14, 2014 the Verkhovna Rada of Ukraine adopted the Law “On the National Anti-Corruption Bureau of Ukraine” No. 1698-VII. On April 16, 2015 the President of Ukraine Petro Poroshenko signed two Decrees – No. 217/2015 on the establishment of the National Anti-Corruption Bureau of Ukraine and No. 218/2015 on the appointment of Artem Sytnyk as Director of the Bureau. This created the new government agency.

EXECUTIVES

Director – Artem Sytnyk
First Deputy Director – Gizo Uglava
Deputy Director – Anatoly Novak
Deputy Director – Tetiana Varvarska

UNIQUENESS

The NABU is the first law-enforcement agency in independent Ukraine created from scratch.

All employees, other than Deputy Directors, are appointed exceptionally through an open competition.

The NABU formed the Civil Oversight Council, whose members (15 people) are selected annually through an online-voting open competition.

Detective is a new position in Ukraine which combines the functions of a field officer and an investigator.

The NABU also set up the Information Processing and Analysis Department which has no parallel in Ukraine.

Both Detectives and Analysts have access to more than 100 key state registers and databases and use them in their work.

Within eight months since the establishment of the Bureau Detectives entered data on the first criminal offences in the Unified Register of Pre-Trial Investigations and started investigations.



THE NABU MISSION

**Cleansing government of
corruption for the purpose of
construction and development
of a successful society and
efficient state**



”

High Anti-Corruption
Court of Ukraine
should start its work
as soon as possible.

Then those whom
the NABU and the
SAPO have accused
of corruption will be
brought to justice and
receive real punish-
ment. People will
finally see the results
they hoped for almost
four years

Artem Sytnyk

Director of the National
Anti-Corruption Bureau of Ukraine

High Anti-Corruption Court of Ukraine should start its work as soon as possible. Then those whom the NABU and the SAPO have accused of corruption will be brought to justice and receive real punishment. People will finally see the results they hoped for almost four years.

Political pressure, resistance of authorities and judicial sabotage are the realities in which the NABU had to work last year. Paid protests, the invasion of the NABU's office by provocateurs, illegal advertising at metro stations – all of this testifies to the desire of the political elite to play by the old rules.

At the same time, in the course of three years since the NABU entered the first data to the Unified Register of Pre-Trial Investigations, almost five hundred individuals were prosecuted, the half of the investigations of their offences are now completed, and the indictments sent to the court. Cases as of the facts of corruption at the State Enterprise "Ukrainian Sea Ports Authority", the PJSC "United Mining and Chemical Company", the "amber case" and the "Krayan Plant case", proceedings as of the damage to the Ukrainian merchant marine fleet, cases related to corruption of judges were sent to court in 2018.

However, there is one "but". Sentences as of the top officials with a real punishment, which society is waiting for so far, have not been passed. Hearings of some proceedings from the NABU and the SAPO have not been started for more than two years. Why is it so? Despite the objective and subjective factors,

the most important reason is the lack of political will.

We have emphasized for more than two years on the need for creation of the High Anti-Corruption Court (HACC), which should inevitably punish corruption. Due to the pressure of the public and international partners, the parliament passed relevant bill last year, and we have been watching the selection of judges for several months. However, time is lost.

Instead of watching the real results of the reforms, we are witnessing another attempt to intervene in the activities of the NABU and into the launching of the HACC. It is prevented thanks to the support of Ukrainian and international community.

We are aware that 2019 will be a political test for Ukraine. Top-corruption investigations could be blocked; there will be attempts to take control of judges. However, we have a real chance to handle this if all three institutions – the NABU, the SAPO and the HACC – remain independent and will work with a single principle of legality. Otherwise, anti-corruption reform will turn into the story about lost opportunity. I assure you: the National Bureau will not betray this principle!

I thank the team that continues to investigate corrupt schemes of high-ranking officials. I thank to the civil society and international partners, with whom side by side we are fighting for the results of the anti-corruption reform. I am convinced that we can fight corruption in Ukraine only by joint efforts!



**GIZO UGLAVA,
FIRST DEPUTY DIRECTOR OF THE NATIONAL BUREAU:**

The results of NABU's work are the achievement of a team of professionals. Taking into account the limited number of staff by the law, we are improving organizational processes for more efficient work. International cooperation is important. Now it is not only the exchange of information, but also the exchange of staff members and training. The National Bureau has introduced modern methods of personnel management, conducted internal assessments, developed competency models, and work on the internal portal is underway. Among the priorities for 2019 are launching of the electronic system of criminal proceedings management (eCase management) and the development of the latest methods of investigation.



**ANATOLY NOVAK,
DEPUTY DIRECTOR OF THE NATIONAL BUREAU:**

To date, all units of the National Bureau have been formed. We continue to develop the capacity of each of them: the possibility of the Operational and Technical Department, training of the Special Operations Department, the effectiveness of the Public Relations Department and other Departments. Among the priority areas of work in 2019 are the development of the strategic communications of the National Bureau in general and the strengthening of cooperation of the Territorial Offices with international partners, the public, scientists, students and the media.



**TETIANA VARVARSKA,
DEPUTY DIRECTOR OF THE NATIONAL BUREAU:**

Adequate public funding allows the National Bureau to develop and meet the needs for logistical support and equipment of workplaces. Last year, the current repair of one of the floors of the administrative building of the NABU in Kyiv was completed, a number of purchases of necessary equipment were made. Our priority is to maximize the efficiency of using public funds and international technical assistance in fighting corruption.

FIGHT AGAINST CORRUPTION: SOCIOLOGICAL RESEARCH

Fewer and fewer citizens consider the bodies of the judicial system, Prosecutor's office, customs, health care institutions to be corrupt. Also decreases the percentage of those who justify bribes or gifts to officials with personally significant motives. These minor, but positive changes are shown by sociological research of public opinion* of the last three years.

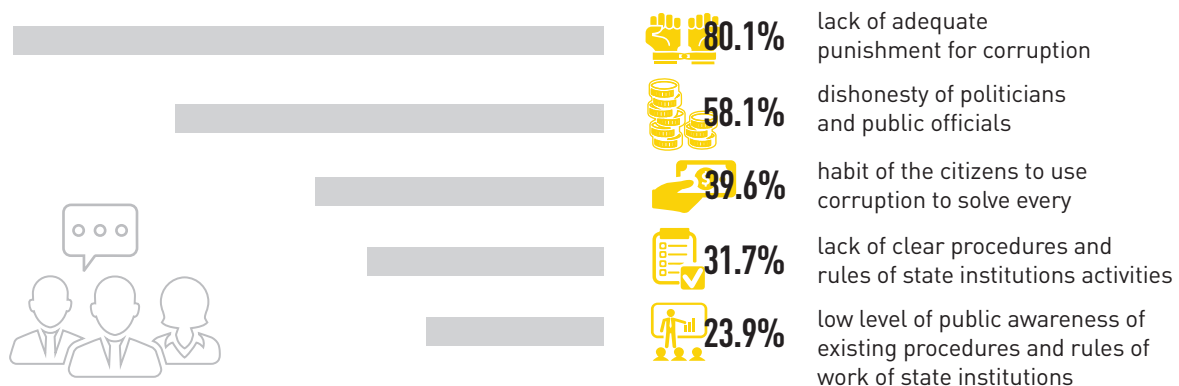
However, the positive dynamics in population estimates is observed only in the sphere of so-called petty corruption. Political corruption in the list of the biggest threats to the development of Ukraine is even ahead of military actions in the East of Ukraine (81% against 78% of respondents). At the same time, the majority of respondents believe that the main reason for such a high level of political corruption is the lack of punishment for corruption (80.1%).

In general, public opinion of the activity of the National Bureau is favorably. The NABU is one of the leaders of public trust among law enforcement agencies authorized to fight corruption. There is also a clear understanding in society of the factors that prevent the National Bureau from acting more effectively. 44.5% of citizens believe that there is a lack of political will to fight corruption, 33.1% — the limitations of legislation, 22.8% — unreformed judicial system.

Positive expectations towards the continuation of anti-corruption reform are associated primarily with the completion of the foundation of the system of anti-corruption bodies. The beginning of the establishing of the High Anti-Corruption Court is determined by the experts as one of the top 5 most important positive events for the country of 2018.

** the analysis is based on the results of public opinion research conducted in 2018 by the Ilko Kucheriv "Democratic Initiatives" foundation, the Razumkov Center, the Sociological Group "Rating", as well as research within the framework of the USAID New Justice Program and the Enhance Non-Governmental Actors and Grassroots Engagement (ENGAGE) (USAID, Pact).*


MAIN CAUSES OF CORRUPTION IN UKRAINE IN THE CITIZENS' OPINION*





НАБУ

INVESTIGATION



**Investigations of
corruption in large State
Enterprises and exposure
of illegal activities of
judges were the priorities
in the work of the NABU
Detectives in the second
half of 2018**

KEY EVENTS

JULY

Notice of suspicion was given to the tenth criminal participant in the case of “Derzhinvestproekt” and to the fifth persons in the case of procurement of diesel fuel by the PJSC “Ukrzaliznytsia”.

The Commercial Director of the supplier company (provided fuel for the Ministry of Defence), suspected of more than 149 mln UAH embezzlement, was detained after 9 months fleeing from investigation.

The investigation as of the embezzlement of funds allocated for the so-called “Ukrainian Wall Project” was completed.

The cases are sent to the court: as of the facts of abuse of office by the Ex-Chairman of the Board of the PJSC “UMCC” and the Former Deputy Chief Commercial Officer; as of the facts of 14.5 mln UAH embezzlement during the purchase of engines for the needs of the Armed Forces of Ukraine. The pre-trial investigation as of the Member of Parliament Oleksandr Onyshchenko suspected of the organization of “gas scheme” is completed.

The judge of the Commercial Court of Ivano-Frankivsk region, the judges of District Courts of Luhansk and Kyiv regions, the judge of Cherkasy Region Court of Appeal, acting Chairman of one of courts of Vinnytsia region were caught in flagrante.

The investigation was completed as of eight persons suspected of 259.2 mln UAH embezzlement in the case of “Derzhinvestproekt”.

At the petition of the NABU, the “Novorozdolska CHP” and “Novoyavorivska CHP” were placed under management of the National Agency for finding, tracing and management of assets.

The cases on charge of the judge of the Kyiv District Administrative Court, Head of one of the Local Courts of the Donetsk region, the judge of the Babushkynskiy District Court of Dnipropetrovsk, the judge of the Commercial Court of Kharkiv region are sent to court. Indictments in the case of causing damage to the JSC “Kharkivoblenerho”, and also as of the Former Head of the railway transport enterprise, suspected of causing 8.8 mln UAH damage are sent to court too.

AUGUST

SEPTEMBER

Notices of suspicion were given to the Minister of Infrastructure of Ukraine, former official of the SSU, the former arbitration managers of the PJSC “Odesa Thermal Power Plant”.

The investigations were completed in relation to the cases of causing damage to the PJSC “Ukrzaliznytsia” in the procurement of the diesel fuel and of embezzlement of more than 300 mln cubic meters of natural gas of the NJSC “Naftogaz of Ukraine”.

The indictments as of the judge of the Sloviansk District Court, two officials of the State Enterprise “Office of Industrial Enterprises of the State Administration of Railway Transport of Ukraine”, seven persons involved in the corruption schemes of the 247 mln UAH embezzlement of the SE “Ukrainian Sea Ports Authority” are sent to court.

The person involved in the 6.4 mln EUR embezzlement of the SE “NNEGC “Energoatom” was detained. The detainee was on wanted list since November 2017.

The notices of suspicion were given: to the citizen who tried to give an improper advantage to the Prosecutor of the Prosecutor General’s Office of Ukraine (PGO); to the ex-Head of the State Ecological Inspection in the declaration of false data; to the Prosecutor of the PGO who demanded an improper advantage; to 10 persons involved in 20 mln USD embezzlement of the “State Savings Bank”.

The investigation of receiving an improper advantage by the manager of the subdivision of one of the interdistrict units of the Main Office of the SSU in the City of Kyiv and Kyivska Oblast was completed.

The “amber case”, the case of “Krayan” plant building, the proceedings on charge of the judge of the Holosiivsky District Court of Kyiv and an intermediary in receiving an improper advantage are sent to the court.




OCTOBER



NOVEMBER

The notices of suspicion were given to the ex-Director of the SE “Aviakon” and his ex-Deputy on abuse of office, as well as the Chief Marketing Officer of the private company under the offshore jurisdiction, which caused damage to the SE “Aviakon” in the amount of more than 13 mln UAH.

The investigations as of a number of high profile cases, in particular causing 2.188 mln UAH damage to the NJSC “Nadra Ukrayny”, embezzlement of 6.4 mln EUR of the SE NNEGC “Energoatom”, illegal enrichment and declaration of false data by the Minister of Infrastructure of Ukraine, were completed.

The indictments as of the former Chairman of the SE “Lutsk Grain Processing Plant No.2” and the Director of the elevator, who are implicated in the embezzlement of more than 56 mln UAH, as well as of the judge of one of the District Courts of Luhansk region, the judge of the Commercial Court of Sumy region are sent to court.

The notices of suspicion were given: to the External Adviser of the Director General of the State Space Agency and to his Trustee, suspected in causing 8.245 mln UAH damage to the SE “Ukrkosmos”; the judge of the District Court of Mariupol and his assistant, who were caught on a bribe.

The investigations of receiving an improper advantage by the Prosecutor of the PGO; proceedings on suspicion of the Chief of the Child and Family Service of the Kyiv Regional State Administration suspected of embezzlement of the funds allocated for the IDPs; cases on suspicion of the ex-Head of the State Ecological Inspection of Ukraine in the declaration of false data were completed.

The cases are sent to the court: as of an official of the Security Service of Ukraine convicted in receiving an improper advantage; as of the former President of the PJSC “C Trident” and the former Director of the shipping company, who are accused of causing more than 219 mln UAH damage to the merchant navy.




DECEMBER

RESULTS OF WORK

In the second half of 2018 more than 100 persons were exposed on corruption. The investigation is completed on 61 of them and the indictments are drawn up. One third of the accused are officials of large enterprises and judges

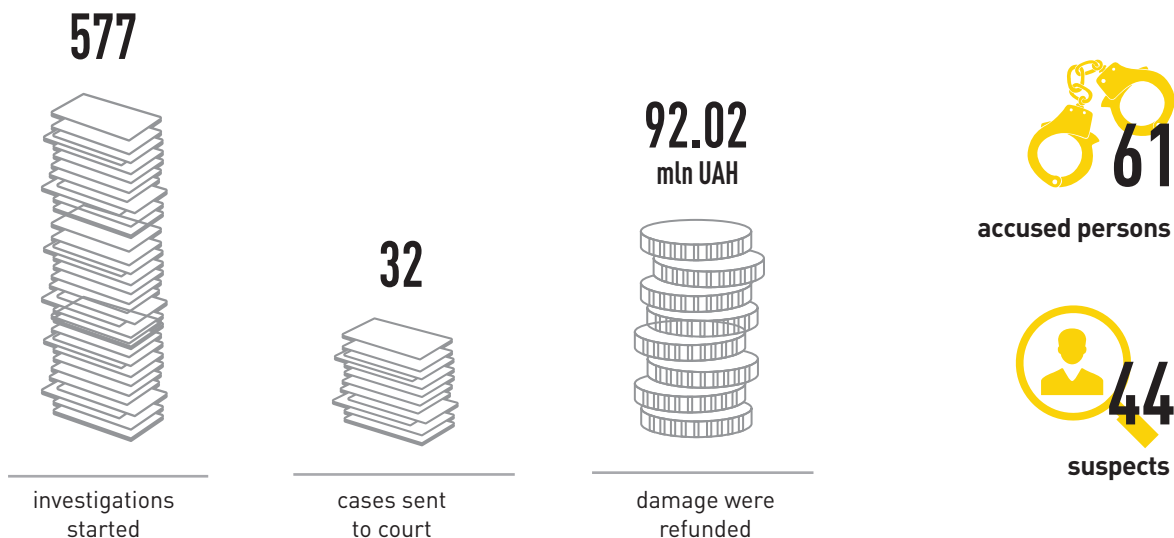
From the very beginning of the activity of this institution corruption in the State Enterprises is in the focus of attention of the NABU Detectives. The work started in December 2015 brings its results in 2018: the investigation of the corruption schemes in a number of State Enterprises was completed; the organizers and participants were established. In general, in the second half of 2018, 61 persons were in accused status by the NABU and the Specialized Anti-Corruption Prosecutor's Office (SAPO) investigations. Their illegal activity caused damage to the state in the amount of more than 2.7 billion UAH.

During the reporting period the investigations of corruption in the unique transport industry enterprises (SE "Ukrainian Sea Ports Authority", PJSC "C Trident", PJSC "Ukrzaliznytsia"), chemical industry (PJSC "United Mining and Chemical Company"), energy industry (JJSC "Kharkivoblenerho") were completed. There were gathered sufficient evidences for drawing up and referral the indictments to court. As a result, the National Bureau as a pre-trial investigation body has fulfilled its mission. Further - it is for the court to define the degree of culpability of persons and to appoint them punishment for the committed crimes.

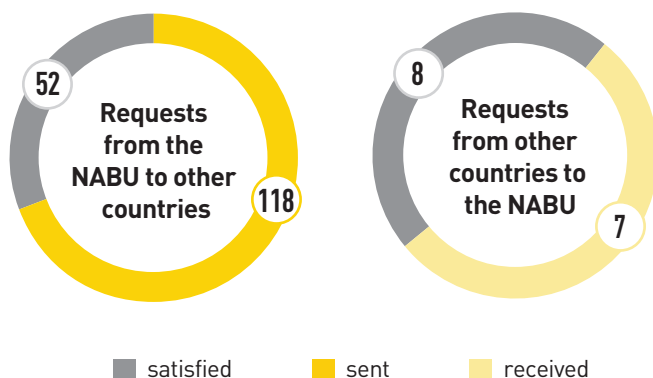
The decision in cases of the NABU is an important prerequisite for compensating the damage caused to the state due to corruption. After all, under these conditions, the confiscation of property arrested during the pre-trial investigation becomes a reality. It is about hundreds of land plots and real estate, vehicles etc. The total value of these assets exceeds 9 billion UAH, about 0.5 billion UAH of them is in criminal proceedings, in which the indictments are drawn up.

NABU'S INVESTIGATIONS IN FIGURES: SECOND HALF OF 2018

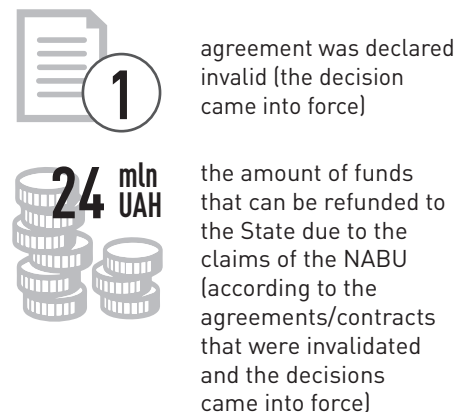
(from 01.07.2018 to 31.12.2018)



INTERNATIONAL LEGAL COOPERATION



CLAIMS WORK

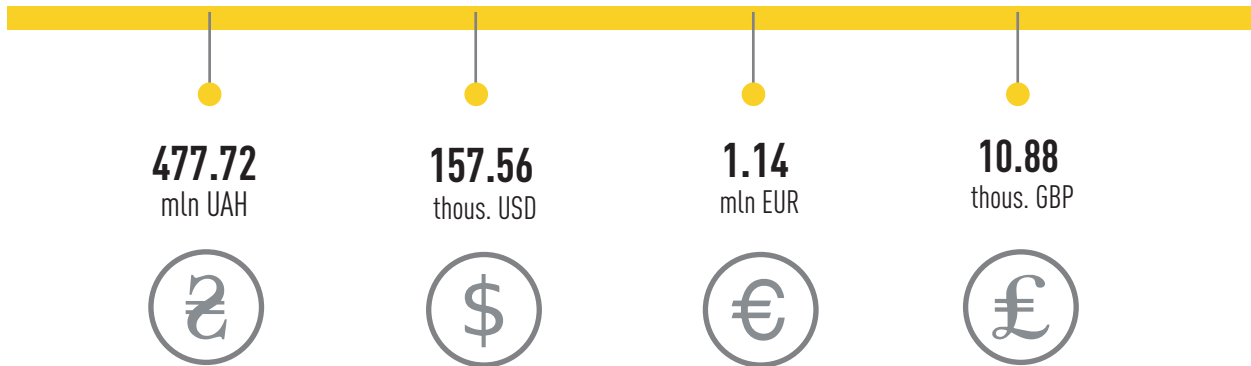


SEIZED FUNDS AND PROPERTY*

(as of 31.12.2018)

* in criminal proceedings in which pre-trial investigation is in progress

SEIZED FUNDS



SEIZED PROPERTY

119 residential real estate

228 agricultural machinery with accessories (units)

3 integral property complexes

250 corporate rights
thousand

101 non-residential estate

81 vehicles

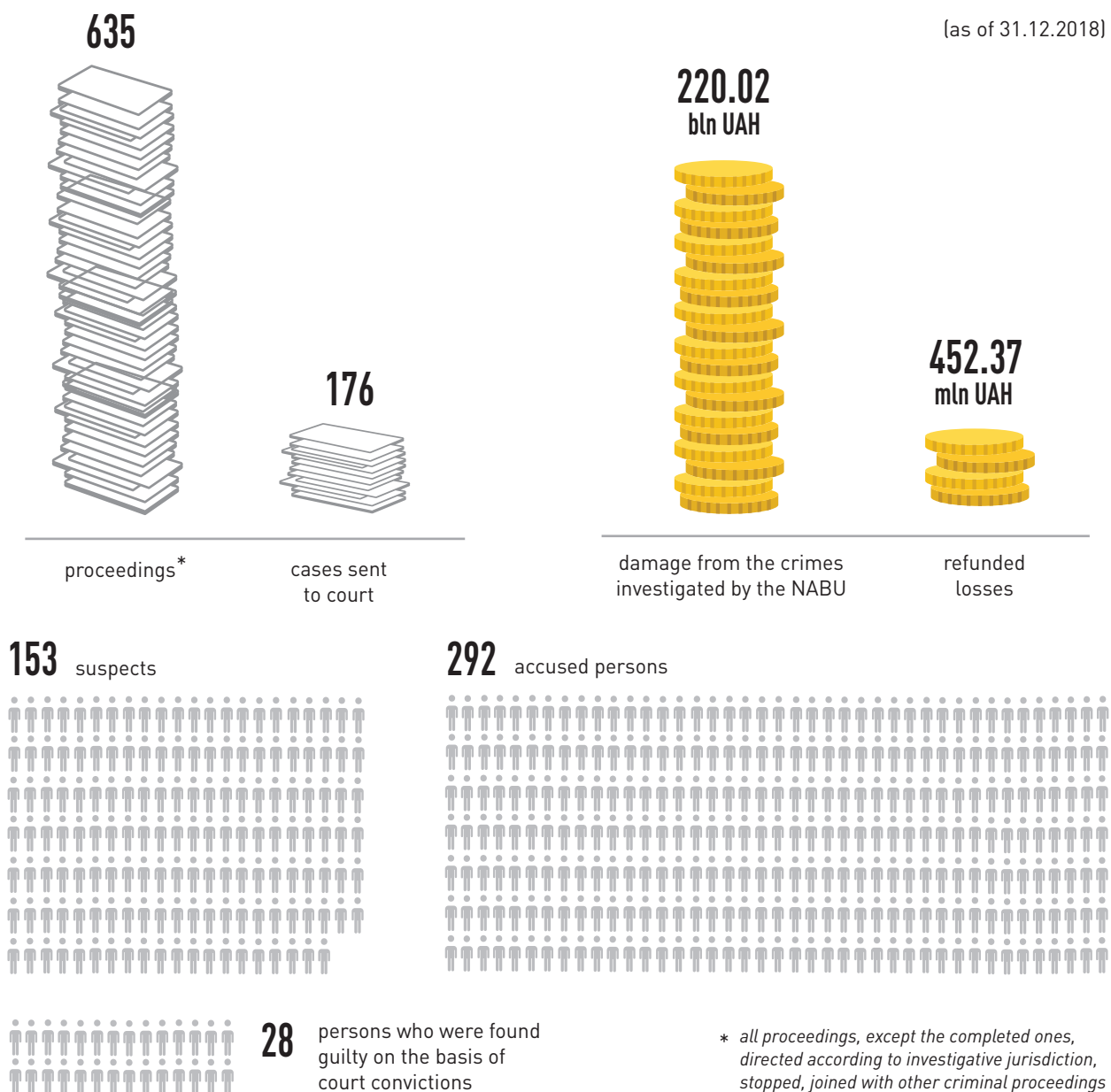
244 land plots

2 real estate abroad

26 computer equipment (computers, tablets etc.)

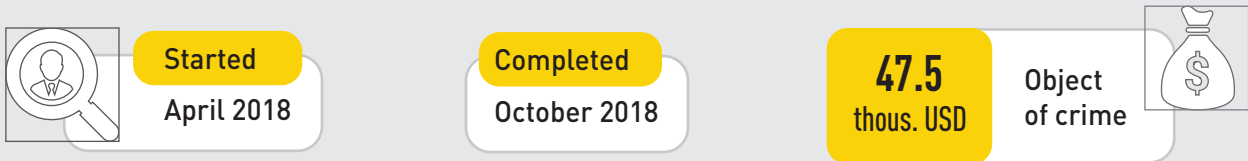
NABU'S INVESTIGATIONS IN FIGURES

(as of 31.12.2018)



COMPLETED INVESTIGATIONS

RECEIVING AN IMPROPER ADVANTAGE BY THE CHIEF OF THE SUBDIVISION OF ONE OF THE INTERDISTRICT UNITS OF THE MAIN OFFICE OF THE SSU IN THE CITY OF KYIV AND KYIVSKA OBLAST



Qualification of a Crime

Part 4 Art. 368 Part 5 Art. 27, Part 4 Art. 368 of the Criminal Code of Ukraine

Corruption scheme

According to the investigation the official of the Security Service of Ukraine owned information about the receiving by some foreigners the residence permits in Ukraine through the fictitious marriages with Ukrainian citizens. Access to such data provided opportunities for blackmail and extortion an improper advantage. The investigation of these facts could lead to the deportation of the abovementioned persons from the territory of Ukraine. The SSU officer used this opportunity – he demanded and received 47.5 thousand USD for not bringing to criminal liability persons who could have got permits for residence in Ukraine illegally. An improper advantage was passed in two parts. The official of the SSU and his accomplice were exposed on receiving the second part of an improper advantage in the amount of 36 thousand USD. The abovementioned criminal proceeding is one of the episodes that are being investigated by the NABU Detectives in the field of Ukraine's migration policy.

Actions of the NABU

- searches performed – 7
- number of interviewed witnesses – 15
- expert evaluations performed – 2
- performed seizures of documents – 6

Key events

- April 6, 2018 — the NABU Detectives started criminal proceeding as of the fact of receiving an improper advantage by the Head of the Subdivision of one of the interdistrict units of the Main Office of the SSU in the City of Kyiv and Kyivska Oblast.
- April 24, 2018 — the NABU Detectives under the procedural guidance of the prosecutors of the Specialized Anti-Corruption Prosecutor's Office exposed the official of the SSU on receiving an improper advantage, in particular its second part in the amount of 36 thousand USD.
- April 25, 2018 — the official of the SSU was given a notice of suspicion of committing a crime under Part 4 Article 368 of the Criminal Code of Ukraine. His accomplice was given a notice of suspicion too (Part 5 Article 27, Part 4 Article 368 of the Criminal Code of Ukraine).
- October 12, 2018 — the defense was granted with access to the materials of the pre-trial investigation.
- December 10, 2018 — the indictment as of the official of the SSU and his accomplice was sent to the Holosiivskyi District Court of Kyiv City.

RESULTS:

- the investigation revealed circumstances that may indicate: illegal collection of information on trade secrets for the purpose of further usage; illegal production, making, purchasing, storage, transportation or sending of narcotic drugs in gross amounts. These materials were forwarded by competence
- the property of suspected person was seized: residential house of 295.5 square meters, land plot, two cars

COMPLETED INVESTIGATIONS

CAUSING DAMAGE TO THE PJSC "UNITED MINING AND CHEMICAL COMPANY"



Started

January 2016

Completed

July 2018

12.87
mln USD

Object
of crime



Reference

The PJSC "United Mining and Chemical Company" (until December 2016 was the State Enterprise) falls within the scope of management of the Ministry of Economic Development and Trade of Ukraine (hereinafter - MEDT). The "United Mining and Chemical Company" (UMCC) started its activity as a State Enterprise in August 2014, when according to the decision of the Government of Ukraine the property complexes of the Vilnogirsk Mining and Metallurgical Plant (Dnipropetrovsk Region, Vilnogorsk) and the Irshansk Mining and Processing Plant (Zhytomyr Region, Irshansk) were transferred to the management of the UMCC. UMCC sells products to more than 30 countries of the world. The main markets are the EU, China, Turkey, the USA and Africa. Authorized capital totals 1.944 bln UAH. On December 8, 2016, the SE UMCC became the PJSC UMCC (100% of shares are owned by the state). In August 2016, the government included the UMCC into the list of companies-subjects to privatization scheduled for 2017. Then the State Property Fund of Ukraine postponed the company's privatization by 2018. Currently the UMCC is being at the stage of preparation for sale.

Qualification of a Crime

Part 3 Article 27, Part 3 Article 28, Part 2 Article 364 of the Criminal Code of Ukraine

Corruption scheme

The investigation revealed that during December 2014 — August 2016 the officials of the State Enterprise organized a criminal scheme of purchase of ilmenite, rutile, zirconium and salmonite concen-

trates extracted at the PJSC "United Mining and Chemical Company" at low prices. According to the scheme, the products were realized to the intermediary companies, registered in Austria and Great Britain, and related to the "United Mining and Chemical Company" officials, at low prices. Then the above-mentioned companies were reselling it to international companies at market prices. As a result, the State Enterprise "United Mining and Chemical Company" suffered losses of more than 12.87 mln USD. All actions related to the preparation of products for sale, its transportation and after-sales support were carried out by the State Enterprise officials. They also looking for foreign companies — buyers of products.

The NABU actions

- searches performed — 15
- performed seizures of documents containing banking secrecy and registration cases — 63
- temporary access to documents received — more than 60
- number of interviewed witnesses — more than 40
- computer-technical, documentary, judicial-economic and commodity expertise performed — 15
- requests on the international legal assistance sent — 13
- replies from the competent authorities of other states received — 11
- roles of 6 persons, involved in the corruption scheme, established
- indictments as of 2 persons were sent to court
- real estate, funds of suspects, funds kept on bank accounts of the intermediary company and other related foreign companies were seized (arrest of a part of property was canceled by the court at the stage of a pre-trial investigation)

Key events

- January 14, 2016 — the NABU Detectives registered criminal proceedings as of the facts of the abuse of office with purpose for receiving an improper advantage by the former Chairman of the Board of PJSC "United Mining and Chemical Company" and the Head of Sales and Marketing of PJSC "United Mining and Chemical Company". The actions were qualified under Part 3 Article 27, Part 2 Article 28, Part 2 Article 364 of the Criminal Code of Ukraine.
- April 2016 — searches at the places of residence and at the offices of the involved persons were conducted. As a result, important documents and equipment were seized.
- January 25, 2017 — the NABU Detectives under the procedural guidance of the SAPO Prosecutors detained the Acting Chairman of the Board of the PJSC "United Mining and Chemical Company" for allegedly committing crimes under Part 3 Article 27, Part 3 Article 28 ("Criminal offense committed by

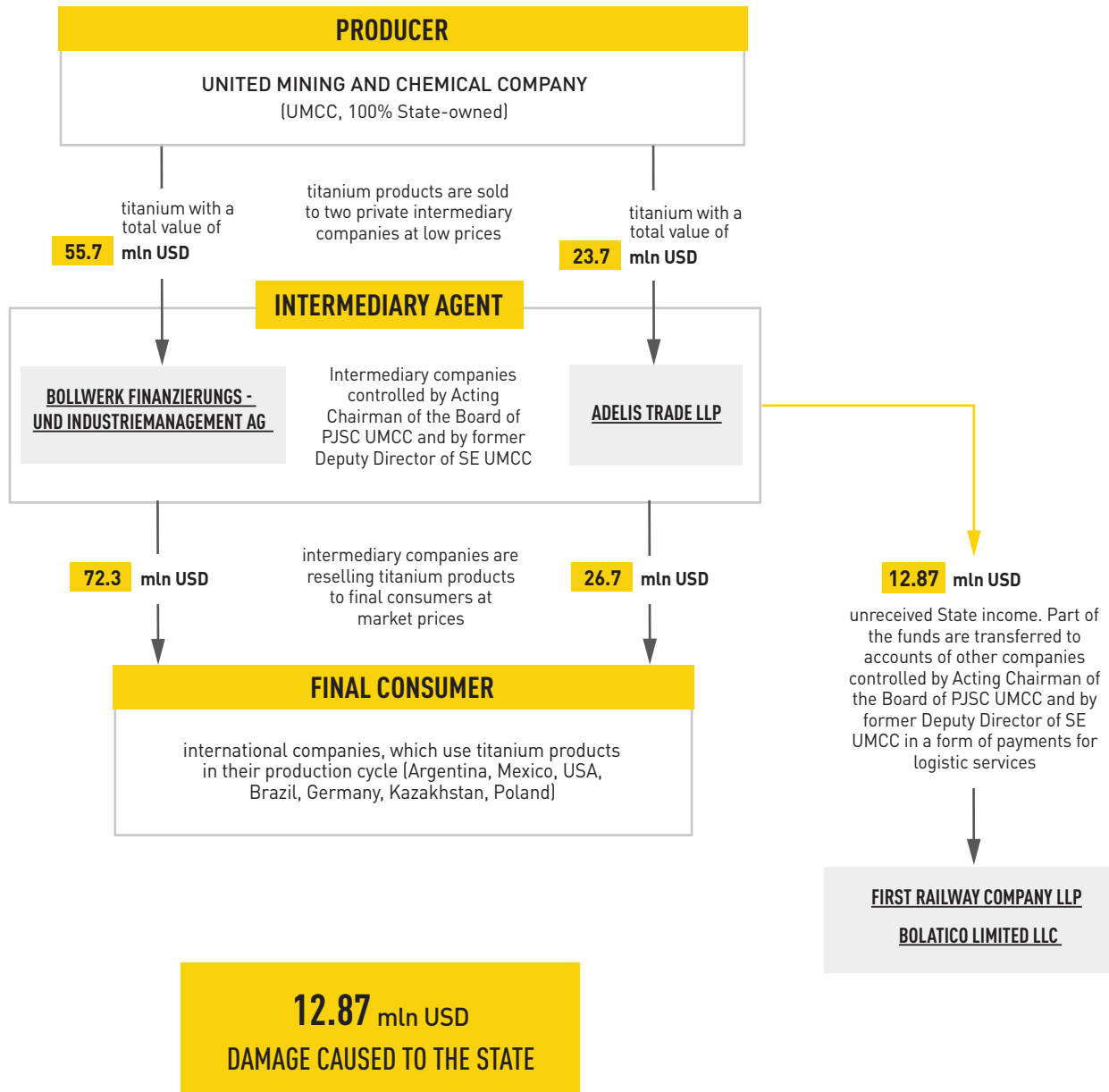
a group of persons upon prior conspiracy”) and under Part 2 Article 364 of the Criminal Code of Ukraine (“Criminal offense committed by a group of persons and abuse of authority or office caused any grave consequences”). On the same day two other persons (a Head of Sales and Marketing of PJSC “United Mining and Chemical Company” and a former deputy Director of the SE UMCC) were detained. On January 25-26, all detainees were given notices of suspicion.

- January 27-28, 2017 — Solomyansky District Court of Kyiv chose a preventive measure for the Acting Chairman of the Board of “United Mining and Chemical Company” in a form of 60 days’ temporary custody with 100 mln UAH alternative bail, for the former Deputy Director of the SE UMCC — in a form of 60 days’ temporary custody with 80 mln UAH alternative bail, for the Head of Sales and Marketing of PJSC “United Mining and Chemical Company” — in a form of 60 days’ temporary custody with 5 mln UAH alternative bail
- January 15, 2018 — the prosecutors of the Specialized Anti-Corruption Prosecutor’s Office opened the materials of the criminal proceeding for review to the suspect and the defense.
- July 27, 2018 — the NABU Detectives completed pre-trial investigation, and the SAPO Prosecutors sent the case to the Solomyansky District Court of Kyiv.

RESULTS

- the roles of 6 persons are established, who allegedly involved in the commission of a crime
- indictments as of 2 persons were sent to court
- real estate, funds of suspects, funds kept on bank accounts of the intermediary company and other related foreign companies were seized (arrest of a part of property was canceled by the court at the stage of a pre-trial investigation)
- the NABU Detectives investigate a number of proceedings as of the facts of corruption at the PJSC “United Mining and Chemical Company” and other State Enterprises

SCHEME OF CAUSING LOSSES TO PSJC "UNITED MINING AND CHEMICAL COMPANY"



COMPLETED INVESTIGATIONS

PUBLIC FUNDS EMBEZZLEMENT OF THE SE "UKRAINIAN SEA PORTS AUTHORITY"



Started

December 2015

Completed

April 2018

247
mln UAH

Object
of crime



Reference

The "Ukrainian Sea Ports Authority" (hereinafter referred to as the SE USPA) is one of the largest State Enterprises of strategic importance to the economy and security of Ukraine. The SE USPA was established in 2013, in order to effectively manage state property in seaports, maintain the necessary depth of port waters, provide maritime safety. One of the key directions of its work is the involvement of investors in the development and enhancement of the competitiveness of ports.

Qualification of a Crime

Part 5 Article 191 of the Criminal Code of Ukraine

Corruption scheme

In summer of 2015 and in early 2016 the SE USPA announced the state procurements of dredging services for approach channels and water areas of the Berdyansk and Mariupol seaports. Only two participants took part in each of the tenders, and the LLC "Tekhmorhidrostroy Mykolayiv" became the winner in both of them. In August 2015 and March 2016, the SE USPA concluded with this LLC two agreements for the amount 290 mln UAH and 712 mln UAH. The investigation revealed that the winning of the LLC "Tekhmorhidrostroy Mykolayiv" was predetermined, the winner had with the other bidders pre-agreed price offers. At the same time, the declared cost of purchasing SE USPA significantly exceeded the market prices for the rental of vessels. Therefore, persons suspected in the organizing of the corrupt scheme involved a set of the intermediary companies that rendered each other a rental vessel, each time increasing the price. Thus, every day the State Enterprise USPA unreasonably overpaid only for the lease of each of the vessels from 9 thous. to 19.5 thous. USD. The USPA also overpaid for their mobilization. For example, the mobilization of the vessel "MILFORD"

amounted to 622.24 thous. USD. According to the forensic economic examinations, the State Enterprise USPA paid over 231.3 mln UAH for services of dredging due to the overestimation of the rental and mobilization of vessels. In addition, because of inadequate execution of the terms of one of the contracts between the State Enterprise USPA and the LLC "Tekhmorhidrostroy Mykolayiv" (the LLC did not provide services of three vessels, but two only) and the conclusion of additional agreements, the cost of services from the operational dredging of canals and water area of the Mariupol seaport was increased, 15.7 mln UAH damage was caused to the SE USPA. As a result of the corrupt scheme, the State (SE USPA) suffered losses in the amount of 247 mln UAH.

The NABU actions

- forensic-economic, handwriting and computer expertise performed – 7
- inspections by the SE USPA, the State Fiscal Service of Ukraine, the State Audit Service of Ukraine conducted – 6
- requests on the international legal assistance sent to 8 countries, 5 replies from the competent authorities of other states received
- 2 lawsuits on the declaring of agreements invalid filed
- agreement on 712 mln UAH was declared invalid

Key events

- December 22, 2015 – the NABU Detectives started the pre-trial investigation as of the facts of the funds embezzlement of the State Enterprise USPA in a particularly large amount.
- May-October 2016 – according to the competence the proceedings were sent to the NABU from the Main Investigation Department of the Security Service of Ukraine and Investigation Department of the Primorsky Police Department of the Main Directorate of the National Police in the Odessa Region.
- November 2016 – criminal proceedings were joined. The NABU Detectives started the investigation as of a number of episodes of corruption at the SE USPA within joint criminal proceeding.
- December 2016 – searches in a number of business entities and government agencies were conducted.
- June 2017 – forensic economic examination confirmed the preliminary findings of the specialists of the State Service of Ukraine and established the fact of the causing losses in the amount of 247 mln UAH to the SE USPA.
- July 2017 – Detectives of the Information Processing and Analysis Department and experts of the State Audit Office of Ukraine found violations during the conduct of competitive bidding, as well as the facts of exceeding the cost of services and causing losses to the SE USPA during the performance of the concluded agreement for the provision of dredging services for approach channels and water areas of the Berdyansk and Mariupol seaports with the LLC "Tekhmorhidrostroy Mykolayiv".
- December 2017 – the NABU received the inspection report of the State Fiscal Service of Ukraine on

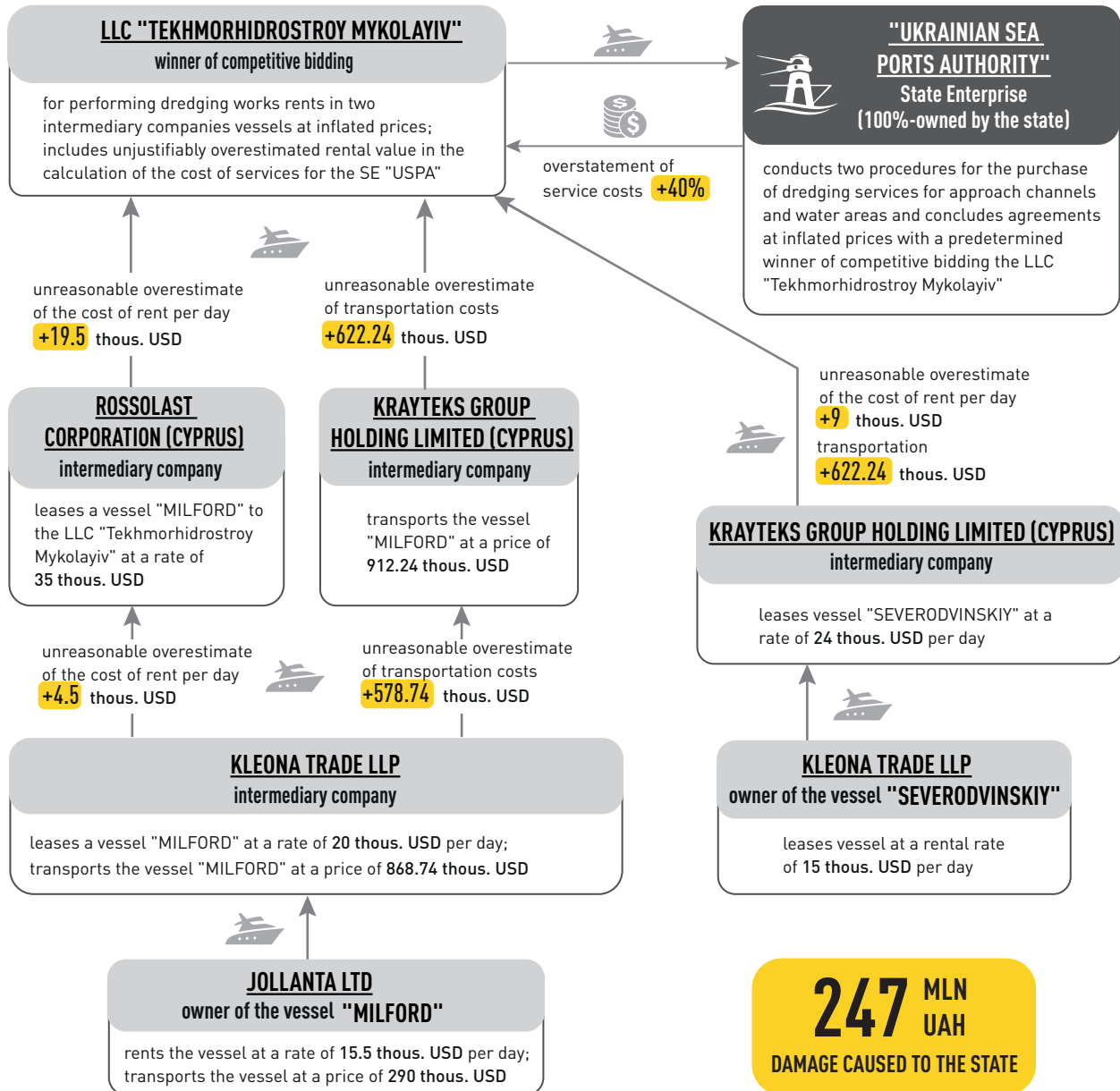
compliance of the LLC "Tekhmorhidrostroy Mykolayiv" with the requirements of tax legislation in the sphere of transfer pricing in the implementation of financial operations for the lease of vessels. The report confirmed the fact of exceeding the cost of renting vessels.

- November 10, 2018 – according to the conclusion of the expert on the results of the forensic economic examination the findings of specialists of the State Audit Service of Ukraine were confirmed; the losses caused to the SE USPA in the amount of 247 mln UAH were established.
- January 29-30, 2018 – about 20 searches were conducted at the place of residence of suspects, in premises of "Tekhmorhidrostroy Mykolayiv" and the SE USPA in Odesa, Mykolayiv and Kyiv. As a result, 8 persons (including former and current officials of the SE USPA) were detained and notified about suspicion.
- February 8, 2018 – the NABU and the SAPO gave notices of suspicion to the ninth participant of the crime – the beneficiary of the company "KLEONA TRADE LLP" (the owner of one of the vessels).
- April 19-20, 2018 – the pre-trial investigation as of 7 suspects was completed; the defence was granted with access to the materials of the investigation for review.
- April 23, 2018 – a plea bargain agreement signed by the representative of "KRAYTEKS GROUP HOLDING LIMITED" was sent to the Prymorsky District Court of Odesa for approval. The abovementioned person was accused of committing crimes under Part 3, Part 4 Article 358 of the Criminal Code of Ukraine. On June 22, 2018, according to a court sentence, the person was found guilty.
- April 25, 2018 – in connection with the repentance a petition for the relief of the ex-Deputy Head of the SE USPA from criminal liability was sent to court. The accused pleaded guilty, provided the testimony and refunded 734.1 thous. UAH of damage caused to the SE USPA (on March 28, 2018, funds were transferred to the bank account). On May 18, 2018, taking into account all these facts, the court satisfied the petition.
- July 18, 2018 – the Commercial Court of Kyiv has declared an agreement for 712 mln UAH, concluded between the State Enterprise USPA and the LLC "Tekhmorhidrostroy Mykolayiv" in 2015 invalid.
- September 28, 2018 – the indictment as of seven persons, accused of funds embezzlement of the SE USPA was sent to the Shevchenkivsky District Court of Kyiv for consideration.

RESULTS

- the roles of 10 persons are established, who allegedly involved in the commission of a crime
- indictments as of 8 persons were sent to court
- one person was put on wanted list
- one person signed a plea bargain agreement
- 734 thousand UAH of losses caused to the SE was refunded
- a vessel was seized

PUBLIC FUNDS EMBEZZLEMENT OF THE SE "UKRAINIAN SEA PORTS AUTHORITY"



COMPLETED INVESTIGATIONS

ILLEGAL ENRICHMENT AND SUBMITTING FALSE INFORMATION TO DECLARATIONS BY THE MINISTER OF INFRASTRUCTURE OF UKRAINE



Started

May 2017

Completed

November 2018

Qualification of a Crime

Part 3 Article 368-2, Article 366-1 of the Criminal Code of Ukraine

Corruption scheme

The investigation revealed that in 2015, serving as deputy Minister of Infrastructure of Ukraine, the official took possession of the assets, the legitimacy of grounds for obtaining of which was not confirmed by evidence and the value of which significantly exceeded his legal revenues. The issue concerns a new BMW X5 (2015) and cash in the amount of 90 thous. USD and 25 thous. EUR. The total value of such assets at that time amounted to 4,230,500 UAH. According to the NABU Detectives, the Minister of Infrastructure of Ukraine had submitted false data to e-declaration. Thus, in e-declaration for 2015, the cost of the assets owned or used, as well as expenditures, which were not declared by the Minister, was at least 3.034 mln UAH, and in 2016 it exceeded 8.024 mln UAH.

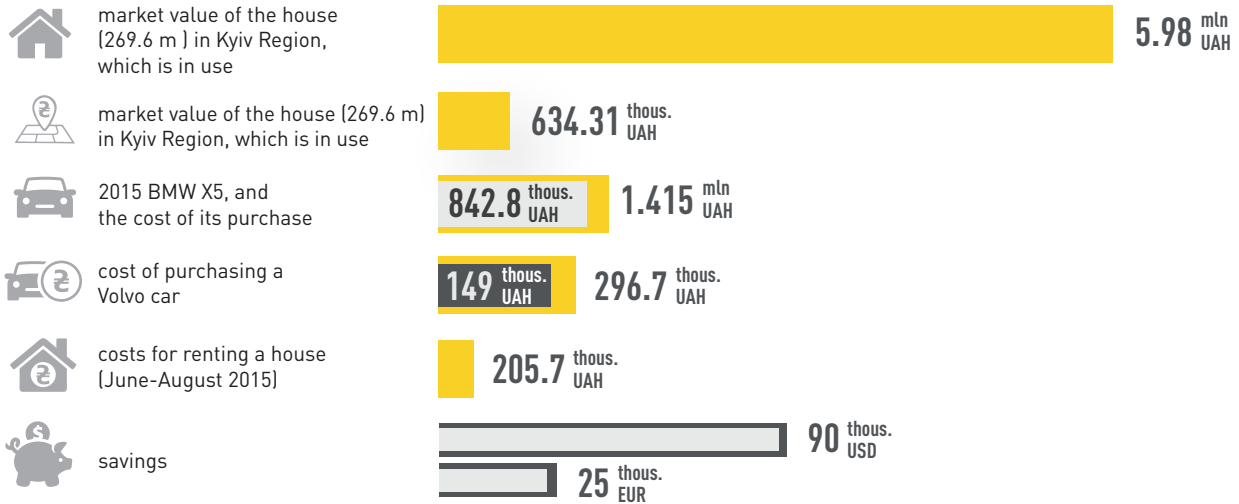
Key events




- May 2017 – the start of the investigation.
- September 13, 2018 – the Minister of Infrastructure of Ukraine was given a notice of suspicion.
- September 14, 2018 – a preventive measure for suspect in a form of personal warranty was chosen.
- November 6, 2018 – the investigation was completed, the defense was provided with access to the materials of criminal proceeding for review.

The NABU actions

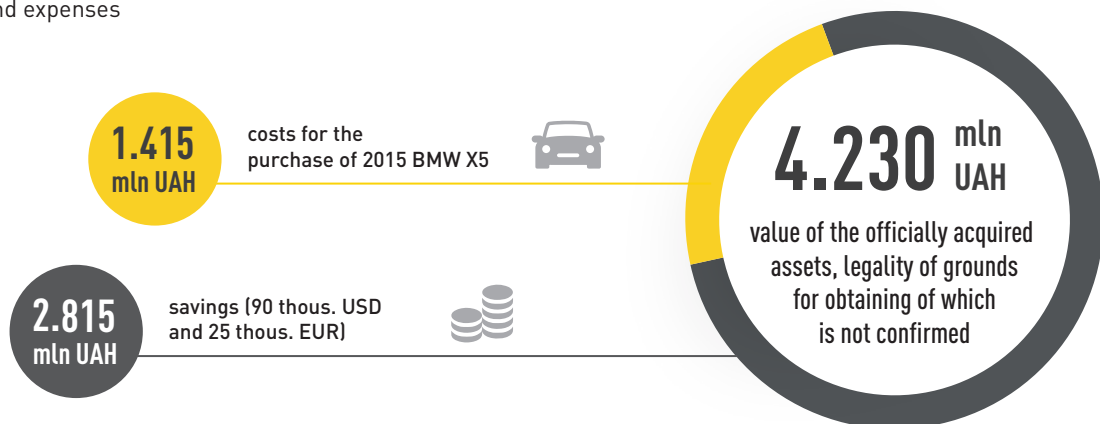
- searches conducted – 4
- interrogations of witnesses performed – about 50
- expert examinations (construction, commodity study, and handwriting analysis) performed – 5
- temporary access to things and documents received – 36
- inquiries sent – more than 100

SUBMITTING FALSE DATA TO E-DECLARATIONS FOR 2015, 2016 BY THE MINISTER OF INFRASTRUCTURE OF UKRAINE



-  property without verified sources of origin
-  data submitted to e-declarations
-  actual but not submitted to e-declaration assets and expenses

ILLEGAL ENRICHMENT OF THE MINISTER OF INFRASTRUCTURE OF UKRAINE



E-DECLARATIONS

Every third criminal proceeding as of the fact of allegedly illegal enrichment or declaration of false data concerns the Members of Parliament. However, the process regarding these individuals is blocked on political grounds

Episodes of illegal enrichment (Article 368-2 of the Criminal Code of Ukraine) and the declaration of false data (Article 366-1) the NABU Detectives investigate within more than 100 criminal proceedings. One in five of these, in which illegal enrichment is investigated, have been set on the basis of results of the analysis of e-declarations data.

During the reporting period the NABU Detectives established the facts of possible illegal enrichment and non-declaration of part of their wealth by current Minister of Infrastructure of Ukraine. In September he was given a notice of suspicion and after a month and half the pre-trial investigation was completed. Since then the defense has been granted with access to the materials of criminal proceedings. In October, the former Head of the State Ecological Inspection of Ukraine was given a notice of suspicion for possessing of non-declared property total of almost 60 million UAH worth; the investigation was completed in December of this year.

Thus the investigation of the origin of the Members of Parliament's wealth is headed much slower. Bringing them to criminal liability is blocked in Parliament on political grounds. Over the last year and a half, the Verkhovna Rada of Ukraine has not supported any request of removing immunity, prepared by the NABU and the SAPO.

As before the NABU does not have full access to the register of e-declarations. This complicates the process of analyzing the origin of wealth of officials under NABU's investigation. At the same time two-thirds of the requests for full verification of the persons that have been sent by the NABU Detectives to the National Agency for Prevention of Corruption are being ignored.

NABU'S INVESTIGATIONS AS OF ILLEGAL ENRICHMENT AND E-DECLARATIONS

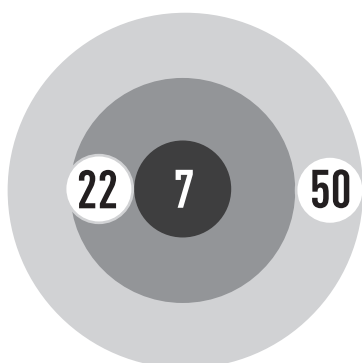
(as of 31.12.2018)

INVESTIGATION AS OF THE FACTS OF ILLEGAL ENRICHMENT (ARTICLE 368-2 OF THE CRIMINAL CODE OF UKRAINE)

455.6 mln UAH

2.5 mln USD

total amount of offences related to illegal enrichment under the NABU's investigations



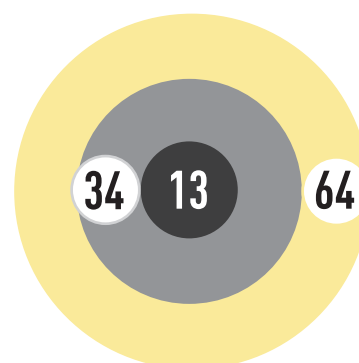
criminal proceedings (under Article 368-2 of the Criminal Code of Ukraine)

criminal proceedings in which the requests about full check of e-declarations were sent to the National Agency on Corruption Prevention

INVESTIGATIONS AS OF THE FACTS OF SUBMITTING FALSE DATA TO E-DECLARATIONS (ARTICLE 366-1 OF THE CRIMINAL CODE OF UKRAINE)

616.4 mln UAH

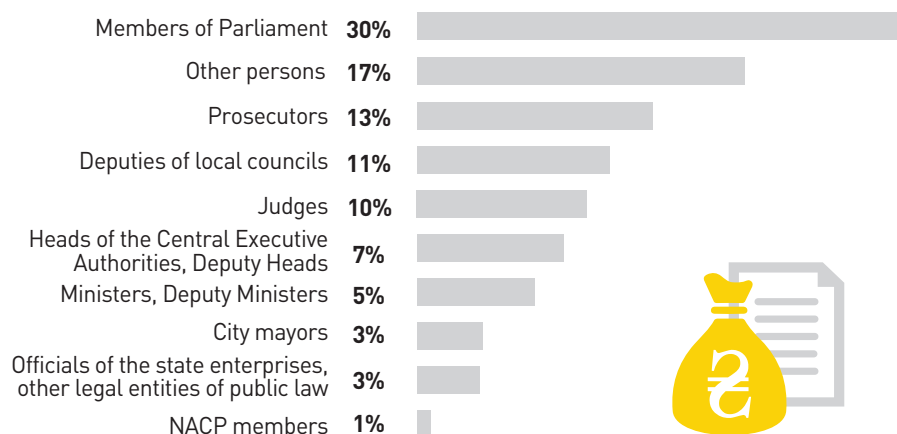
the total amount of undeclared assets in proceedings investigated by the NABU



criminal proceedings (under Article 366-1 of the Criminal Code of Ukraine)

criminal proceedings in which the results of the full check of e-declaration were received from the National Agency on Corruption Prevention

PERSONS UNDER THE NABU INVESTIGATION AS OF THE FACTS OF ILLEGAL ENRICHMENT AND SUBMITTING FALSE DATA TO E-DECLARATIONS (ARTICLE 366-1, 368-2 OF THE CRIMINAL CODE OF UKRAINE)



INTERNATIONAL ASPECT OF INVESTIGATIONS

The investigation of crimes which are under the NABU`s jurisdiction requires constant cooperation with the competent authorities of other states. In the second half of 2018, this communication intensified: the number of requests from Detectives increased by a third

Most corruption schemes in State Enterprises, as well as in the implementation of national projects, involve companies registered abroad. They usually act as intermediaries who retain the share of State Enterprise income. In the future the organizers of the schemes legalize these funds and spend them on their own needs, including financing political projects. According to preliminary estimates of the National Bureau and the SAPO investigations, the damage caused to the State by corruption, in which foreign contractors are involved exceeds 7 billion UAH.

Within the pre-trial investigation the NABU Detectives monitor the entire way of funds stolen from the state, collect evidence of the officials` involvement in the crime and sometimes establish the hiding place of latter abroad. As of the end of 2018, 46 people flee from investigation, half of them are probably abroad.

In order to establish all the circumstances of the committing of crimes the NABU sent requests for international legal assistance to the competent authorities of other States. In general, the NABU sent 489 such requests, almost half of them in 2018.

Ukrainian corruption, under the investigation of NABU, covers all continents, leaving a "mark" in 65 countries. Top-5 countries by the number of requests from the NABU: Latvia, Cyprus, Great Britain, Germany and Switzerland.

Almost half of the requests sent by the NABU have been satisfied. This demonstrates the effectiveness of the institution`s direction. For its part, the National Bureau also tries to respond quickly to requests from the foreign colleagues.

INTERNATIONAL ASPECT OF THE INVESTIGATIONS

(as of 31.12.2018)

Requests from
the NABU
sent

489

satisfied

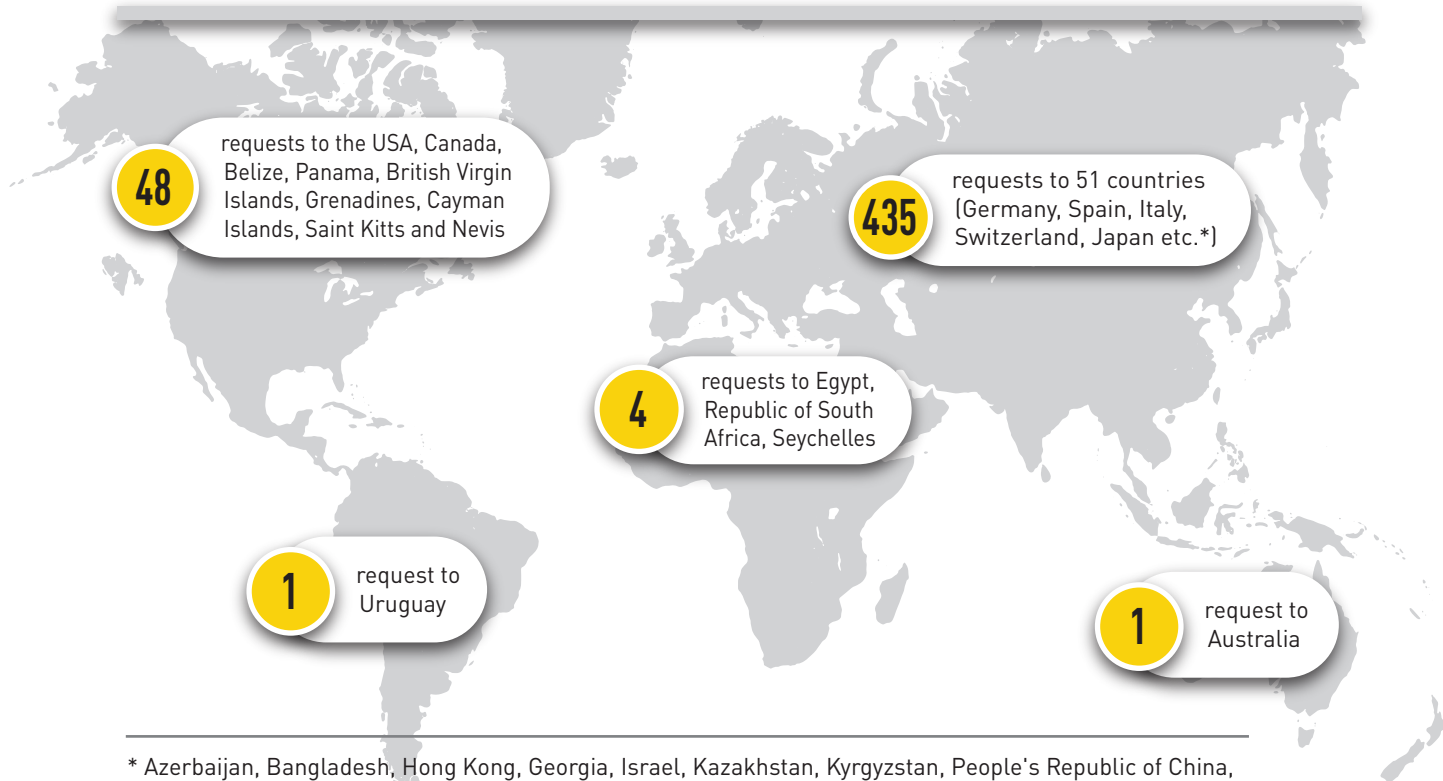
234

29

Requests to
the NABU
received

26

satisfied

DAMAGE CAUSED TO THE
STATE BY CORRUPTION
OFFENCES INVESTIGATED
BY THE NABU, IN WHICH
THE FOREIGN CONTRACTORS
WERE INVOLVED7.25
bln UAH115.14
mln USD

* Azerbaijan, Bangladesh, Hong Kong, Georgia, Israel, Kazakhstan, Kyrgyzstan, People's Republic of China, the United Arab Emirates, Austria, Belgium, Belarus, Bulgaria, the United Kingdom, Greece, Estonia, Cyprus, Latvia, Lithuania, Luxembourg, Liechtenstein, Moldova, Macedonia, Monaco, Netherlands, Norway, Jersey, Poland, Russia, Romania, Saudi Arabia, Singapore, Slovakia, Tajikistan, Turkey, Hungary, France, Croatia, Czech Republic, Montenegro, Sweden, Denmark, India, Republic of Ireland, the Maldives

CLAIMS WORK

The National Bureau conducts an active claims work trying to gain the invalidation of “enslaving” agreements. This becomes a basis for further compensation of damage caused by corruption schemes

In December 2018, the Eastern Commercial Court of Appeal (Kharkiv) on the claim of the National Anti-Corruption Bureau of Ukraine invalidated the contract under which the SE “Coal Company “Krasnolymanska” supplied more than 65 thousand tons of coal to LLC “Trade Dim – Resource”. The claim was filed on the basis of information received within the pre-trial investigation of the NABU Detectives. They found out that the supply was conducted at low prices that caused 24 million UAH damage to State. The court decision came into force, so the State Enterprise had strong arguments to demand compensation for the damage caused by the corruption scheme.

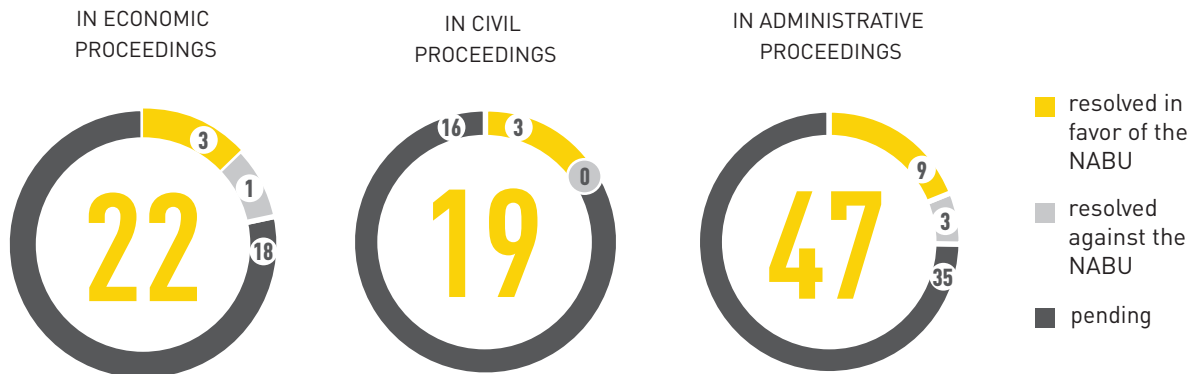
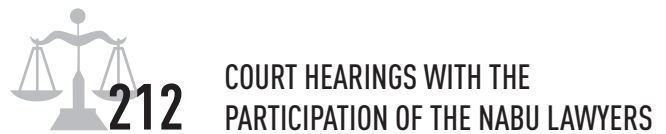
As of the end of 2018, the NABU Lawyers have gained the invalidation of 94 agreements for a total of more than 4.77 billion UAH — the relevant court decisions have entered into force. This means that state companies have grounds to return the stolen funds.

Thus, for example, in July 2018, the contract for dredging works in the ports of Ukraine worth 712 million UAH was declared invalid. As a result, it has been possible to prevent the transfer in favor of the commercial contracting company about 395 million UAH and the causing 146 million UAH damage to the State Enterprise “Ukrainian Sea Ports Authority”.

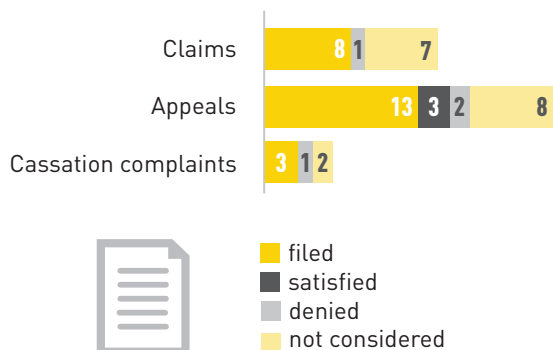
In August, the Commercial Court of Cassation of the Supreme Court upheld the legal position of the National Bureau on the grounds for invalidation of 60 Purchase and Sale Agreements of petroleum products concluded between PJSC “Ukrnafta” and LLC “Kotlas” for a total amount of 2.94 billion UAH.

CLAIMS WORK

(from 01.01.2018 to 31.12.2018)

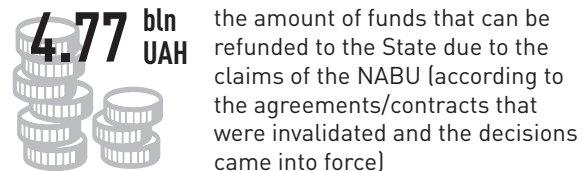
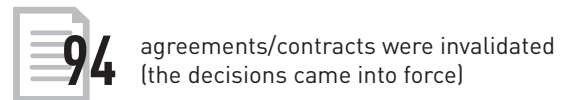


LEGAL SUPPORT OF CASES



RESULTS OF LITIGATION WORK

(as of 31.12.2018)



REFUNDED FUNDS

Compensation for almost half of the damage caused by the crimes, which are investigated by the NABU, took place in 2018. Most of these funds were returned voluntarily before the completion of the pre-trial investigation

The main task of the National Bureau is to expose corruption crimes and collect sufficient evidence to bring organizers and perpetrators to justice while the degree of guilt and the form of punishment for the committed acts of corruption are established by the court. The court decision is the main driving force that starts the process of compensation of damage caused to the state due to corruption. It is about the recovery of seized funds and property. In the cases of the NABU amount of the seized funds exceeds at least 9 billion UAH.

As long as the courts are delaying the decision-making process in the cases of the NABU and the SAPO, the Detectives used the tools at their disposal to convince the defendants of the investigation to return the subject of the crime at the stage of conducting a pre-trial investigation.

Thus in August 2018 persons involved in the more than 98 million UAH embezzlement of PJSC "Ukrzaliznytsia" in the purchase of fuel at inflated prices, returned to the state company illegally alienated funds. In January 2019, six persons were given notices of suspicion of committing a crime under Part 5 Article 191 of the Criminal Code of Ukraine.

During August-December 2018 PJSC "Zaporizhzhia Ferroalloys Plant" transferred over 54 million UAH for the consumed electricity supplied in 2015 by PJSC "Zaporizhzhiaoblenerho". This took place after the NABU Detectives exposed corruption scheme of the illegal debt transfer. The organizers of the scheme were established and now an extradition procedure is being conducted against one of them.

In general, in 2018, the NABU Detectives have returned almost 200 million UAH. This is 45% of the total amount returned within four years of the work of the National Bureau.

REFUNDED FUNDS

452.37
mln UAH

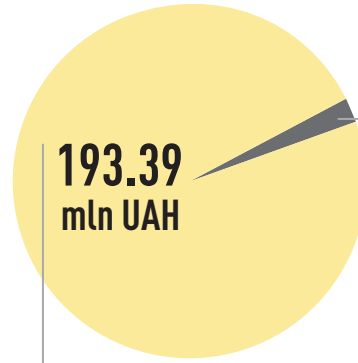
refunded funds
(as of 31.12.2018)



in 2018

193.39
mln UAH

in criminal proceedings in which pre-trial
investigation is in progress



5.68
mln UAH

in completed
criminal
proceedings
in which the
indictment
sent to court

(from 01.01.2018 to 31.12.2018)

**REFUNDED FUNDS:
INDUSTRY CUT-OFF
FOR 2018**

87.57
mln UAH



energetics

77.94
mln UAH



other

25.92
mln UAH



transport and
infrastructure

7.64
mln UAH



social
sphere

CASES IN COURTS

The main challenge in the work of the NABU is the lack of sentences in cases concerning top-corrupt officials. The beginning of the work of the High Anti-Corruption Court should put an end to the investigations of the NABU and the SAPO

In the second half of 2018, the NABU Detectives drawn up, and the prosecutors of the SAPO sent to the court 28 indictments, two plea bargain agreements, as well as two petitions for the relief of suspects from criminal responsibility. However, only in eight cases the court started trial on the merits, other cases are still at the stage of the scheduling of preparatory meeting.

The main obstacle to consider the cases is the lack of professional judges (the cases from the NABU should be considered by three judges with five years of professional experience). Sometimes the judges are forced to recuse themselves, because the defendants are familiar to someone from among the three, and this is an obvious obstacle to objective consideration.

Except the cases from the National Bureau and the SAPO, judges consider many of other cases. Therefore, trials for the top-corruption set up on average every two months. Under such circumstances, the quick consideration of cases is impossible. Another reason for the protraction of trial is the abuse of lawyers' right to defense: they submit unreasonable petitions for a full reading of the indictment (after a long preliminary review of the case file) or do not appear at the hearing, knowing that in this category of cases the participation of the defender is mandatory.

According to the current situation, the obvious is the unpreparedness of the judicial system to consider top-corruption cases. According to the National Bureau, it is extremely important to start the work of the Anti-Corruption Court, which will be able to ensure the fair sentences in cases.

CASES IN COURTS

(as of 31.12.2018)



HEARINGS HAVEN'T STARTED **46**

Reasons of trial delays

4	appeal consideration of the decision on returning of the indictment
4	cases sent in December 2018
9	failure to appear in court
14	other reasons
2	illness/vacations of judges
11	lack of time of judges
1	recusals of the judges/prosecutors
1	problems with choosing the panel of judges

CASES WITH COURT DECISIONS **36**

Court decisions – details***

27	convictions including in accordance with plea bargain agreements ***
7	decisions on releasing from criminal liability
1	decision on terminating the proceeding
1	decision cancelled by the Court of Appeal

* including the case investigated by the Detectives of the NABU's Internal Control Department

** two decisions will come into force in January 2019

*** one of the decisions was cancelled by the Kyiv Court of Appeal, the case was directed to conduct pre-trial investigation in the general order. Then the criminal proceeding was joined with another case. The decision as of the same persons was passed and came into force

TOP-3 CASES, IN WHICH PREPARATORY MEETING HASN'T HAPPENED FOR 12 MONTHS OR LONGER


















- 25** months the preparatory meeting have not been started in case as of the facts of receiving 12 thousand USD of improper advantage by the employees of the Prosecutor`s Office of the Ternopil Region
- 24** months the preparatory meeting have not been started in case as of the facts of causing damage to the Public Joint-Stock Company (PJSC) "State Food and Grain Corporation of Ukraine"
- 21** months the preparatory meeting have not been started in case as of the facts of misappropriation of property of the State Enterprise "State Design Institute "Zaporizhtsyvilproekt"

CASES IN COURTS

BREAKDOWN OF INDICTMENTS ACCORDING TO THE CATEGORIES OF SUBJECT (WITH REGARD TO THE ARTICLE 216 CPC UKRAINE)
(from 01.01.2018 to 31.12.2018)



BREAKDOWN OF INDICTMENTS ACCORDING TO THE ARTICLES OF THE CRIMINAL CODE OF UKRAINE (ALL PERSONS IN ALL EPISODES) (as of 31.12.2018)

		JURISDICTION OF THE NABU	
Accepting an offer, promise or receiving an improper advantage by an official who occupies a responsible position	Article 368		33%
Misappropriation or embezzlement of somebody else's property by a person to whom it was entrusted	Article 191		30%
Abuse of authority or office	Article 364		13%
Legalizing (laundering) proceeds from crime	Article 209		9%
Improper influence	Article 369-2		9%
Offer, promise, or giving improper advantage to official	Article 369		8%
Submission of false information to declaration	Article 366-1		6%
Illegal enrichment	Article 368-2		2%
Receiving of illegal benefits by an employee of a state enterprise, institution or organization	Article 354		1%
Abuse of powers and authority by department officer of private law irrespective of legal organizational form	Article 364-1		18%
Forgery in office	Article 366		17%
Sham business	Article 205		7%
Creation of a criminal organization	Article 255		6%
Forgery of documents, stamps, seals or letterheads, and sale or use of forged documents	Article 358		5%
Fraud	Article 190		3%
Unlawful handling of weapons, ammunition or explosives	Article 263		2%
Counterfeiting of documents submitted for the state registration of a legal entity and sole proprietors	Article 205-1		1%
			OTHER

LEGISLATIVE WORK

The identification of the conditions conducive to the emergence of corruption risks is one of the key areas in the activities of the National Bureau. In the second half of 2018, every third submissions of the Detectives on this issue concerned the area of migration policy

According to the law, the proposals and recommendations sent by the National Bureau to local and state authorities to eliminate the causes and conditions of the criminal offences which are on remand of the NABU, are mandatory for consideration within 30 days. In the second half of 2018, 11 such submissions were prepared and sent. Seven of these submissions have been reviewed, four are pending.

For example, during the pre-trial investigations the Detectives revealed common facts that testified the groundless granting of Ukrainian citizenship to a number of persons. The State Migration Service of Ukraine (the SMSU) was informed about this. In response, the SMSU has prepared documents for the cancellation of the decision on registration of the acquisition of citizenship of Ukraine.



Thanks to the work of the NABU Detectives it has been possible to prevent the conduct of non-transparent procurement of a number of State Energy Enterprises. The corresponding procedure is cancelled, but conditions are changed in a way that the State Enterprises reliably received funds for the delivered production.

In the second half of 2018, the NABU was an active participant in the processing and submission of proposals to the developed acts of legislative initiative and regulatory acts. The NABU Lawyers were involved in the elaboration of the Draft Laws "On Military Police", "On Protection of Denunciations of Corruption", a number of legislative acts of Ukraine in the sphere of prevention and combating legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction. In general, 12 Draft Laws and 14 regulatory documents were processed.

LEGISLATIVE WORK

(from 01.07.2018 to 31.12.2018)

THE NABU LAWYERS ANALYZED AND GAVE CONCLUSIONS IN REGARD TO

 Drafts of laws	10	from executive authorities
	2	from Verkhovna Rada of Ukraine committees
 Drafts of subordinate acts	7	resolutions of Cabinet of Ministers of Ukraine
	1	decree of the President of Ukraine
	6	other (orders, regulations etc.)

Ministry of Economic Development and Trade of Ukraine	3
National Police of Ukraine	3
Cabinet of Ministers of Ukraine	3
Verkhovna Rada of Ukraine	2
Ministry of Justice of Ukraine	2
State Financial Monitoring Service of Ukraine	2
State Border Guard Service of Ukraine	2
Ministry of Defence of Ukraine	2
National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes	2
Ministry of Finance of Ukraine	1
Other	4



Authors of applications

European Business Association

PARTNERSHIP

EXPERIENCE

ADVOCACY

LOBBYING

POWER

European Business Association

Lob
nati
Euro

The ultimate voice
of business in Ukraine

MUNICATIONS GOALS

Associa

WE WORK EVERY DAY TO MAKE UKRAINE BETT



PARTNERSHIP

Artem SYTNYK
Director of the National Anti-Corruption
Bureau of Ukraine

bying on a
onal scale

pean Business Associatio

We are inspir
by EU value

European Bus

tion

TER

The National Bureau
cooperates fruitfully
with state institutions,
international partners,
journalists, activists
and civil society. The
fight against corruption
is possible only by joint
efforts

TRANSPARENCY AND ACCOUNTABILITY

Communication with the society is one of the key directions in the work of the National Bureau. Combating corruption requires consolidation of efforts and cooperation with different target groups

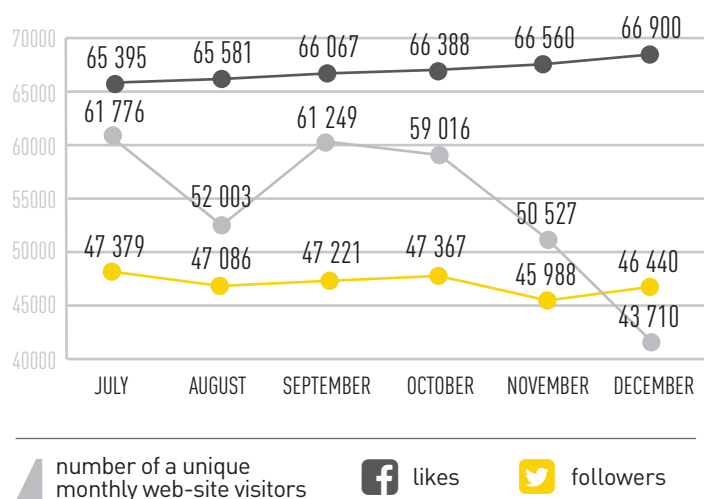
More than 13 thousand applications were received by the National Bureau in 2018, 6 412 of them — in the second half of 2018. Most often, citizens refer to the NABU — this category accounts for about two thirds of all applications. As before, the most popular channel of communication is the “hotline”: every second appeal from citizens to the National Bureau was received in this way.

Traditionally, the attention of society to the activities of the National Bureau remains high, as evidenced by both the increase in requests from the media and the dynamics of the audience of the NABU’s pages in social networks. Thus, the number of comments provided by the Press Office on the activities of the National Bureau increased by almost a quarter compared to the first half of 2018. The number of users of the NABU page in Facebook increased to 67 thousand, which is almost 10 thousand more than in early 2018. This is the best result among all law enforcement agencies of Ukraine, represented in social networks. And again it testifies the high demand of society on the topic of combating top-corruption, which the National Bureau, within its competence, is trying to satisfy.

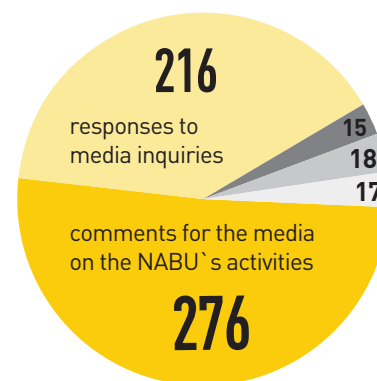
173 news reports were published on the official website of the NABU. Every second of which relates to the pre-trial investigation, which is carried out by the NABU Detectives. It’s worth to remark that citizens not only try to be aware of the National Bureau investigations, but also seek to join the anti-corruption team. For the fourth consecutive year, information about the vacancy remains one of the most popular on the official website of the NABU.

COOPERATION WITH PUBLIC AND MASS MEDIA

(from 01.07.2018 to 31.12.2018)



MEDIA COMMUNICATIONS



- interviews for printed and internet media
- TV interviews with the NABU executives
- briefings and press conferences with the participation of the NABU Director, Deputy Directors and Directors of the Territorial Offices

PUBLICATIONS ON THE NABU WEB-SITE

On the NABU website **173** articles were published on the following topics

- 91** pre-trial investigations
- 33** vacancies
- 15** international cooperation, education
- 9** activity of the NABU Territorial Offices
- 25** others

7 interview with foreign media

26 interview with the Ukrainian media

REQUESTS TO THE NABU

- requests to the Call Centre **2328**
- requests received by mail (directly to the NABU as well as those forwarded from other institutions) **1778**
- requests to the Public Office **819**
- applications, requests of state authorities **448**
- requests and applications of Members of Parliament of Ukraine sent directly to the NABU **271**
- applications, requests of legal entities **237**
- applications, request of NGOs **234**
- requests for access to public information **233**
- requests of Members of Parliament of Ukraine sent by other agencies **64**

ACTIVITY OF THE OPEN OFFICE

Educational, training and discussion activities of the National Bureau are an important aspect of communication with the society. Its goal is to involve citizens in active participation in the fight against the corruption

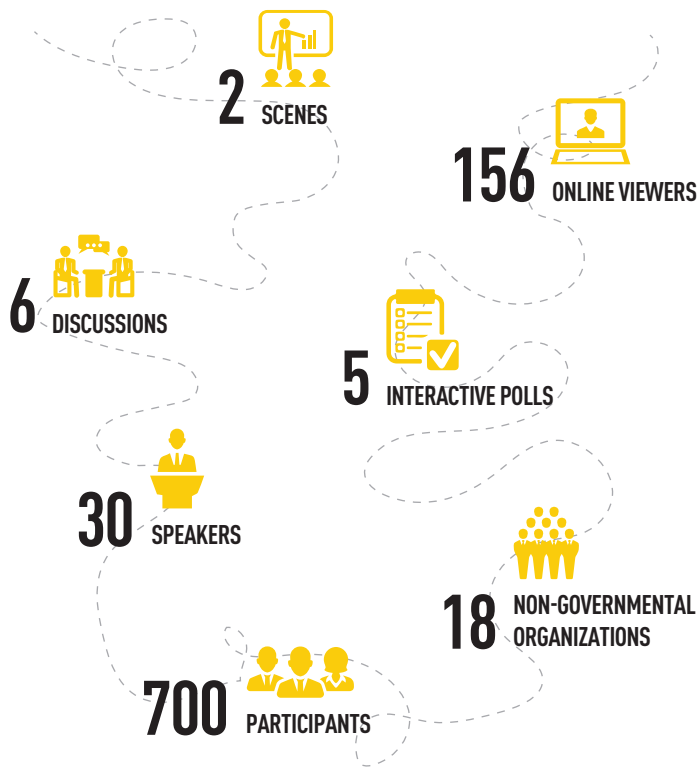
One of the target audiences of the NABU in the second half of 2018 remained young people. The Open Office organized 9 excursions to the National Bureau, 120 students from Ukraine, Poland and Germany saw the work of anti-corruption officials from the inside. In addition, the NABU Detectives taught students to investigate corruption at the “Criminal Justice in Action” summer school and at the National Moot Court Competition against Corruption II organized by StateWatch, the U.S. Embassy in Ukraine and the ELSA Ukraine.

Continuation of the eighteen-month campaign “Students against Corruption” was the first in Ukraine opinion festival “DumkoFest.Anti-Corruption”. The event was held on September 23, 2018, with the support of the United Nations Development Program in Ukraine (the UNDP), the EU Anti-Corruption Initiative in Ukraine and the Estonian Center of Eastern Partnership. Public activists, journalists, entrepreneurs, Detectives, civil servants, residents of Kyiv gathered in Taras Shevchenko Park in Kyiv to discuss the achievements and challenges of the anti-corruption reform.

In cooperation with the Civil Oversight Council at the NABU were held a series of events on the topics: “Types of corruption and the jurisdiction of the NABU”, “From the publication to the sentence: how the journalists become a part of the investigation”, “Top-corruption under the gun”.

The National Bureau is convinced that the fight against corruption is the task of each of us, and people who are not afraid to challenge the system prove it. To the International Anti-Corruption Day, the NABU published the stories of five expositors who demonstrated that corruption can be fought without even being a detective.

OPINION FESTIVAL DUMKOFEST.ANTI-CORRUPTION



THE MOST RELEVANT QUESTION OF THE FESTIVAL: AM I READY TO GIVE UP BRIBES?

473 PERSONS



YES



120 PERSONS



NO



MAIN SCENE

1. Anti-corruption cuisine. Recipe for Ukraine
2. Reforms and corruption: what prevents the success of Ukraine?
3. Who leads in the fight against corruption?

YOUTH SCENE

1. Myths about corruption
2. Digital in the fight against corruption
3. How to succeed without corruption

ACTIVITY OF THE CIVIL OVERSIGHT COUNCIL AT THE NABU

System monitoring of court sessions in the cases of the NABU and the SAPO, active communication with the society and legislative expertise are the key areas of the COC at the NABU activity in the second half of 2018

During July-December 2018, the Civil Oversight Council at the NABU (hereinafter referred to as the COC) held nine public events on anti-corruption themes with the participation of representatives of the NABU and the SAPO. The format of the events included an open discussion and exchange of views. This approach helps to establish more effective communication of anti-corruption bodies with various target groups — public activists, journalists, professional community of lawyers. Therefore, this practice will be continued in 2019.

One of the areas of work of the COC is the examination of the activities of the National Bureau and the study of legislation, taking into account the problematic aspects that prevent effectively bring persons convicted of corruption to justice. To this, the COC at the NABU conducted its own analysis of the amendments to the Criminal Procedure Code of Ukraine, which were adopted in October 2017. Presentation of the results of the examination is scheduled for the end of February 2019.

In order to better inform the public about the state of the fight against top-corruption in Ukraine, the COC has introduced monitoring of the progress of cases investigated by the NABU and the SAPO. 52 proceedings, which are now heard in the courts of Kyiv and in the regions, are the focus of attention. Participants of the monitoring group visited court sessions, filled out a questionnaire regarding the completeness and availability of information about each of the cases, quantitative and temporal characteristics, as well as the frequency of appointment of the next hearing. This judicial monitoring allows to get the real picture of the progress of cases in the courts, and therefore, to respond to the request of society regarding the final point in the investigations of the NABU Detectives.

ACTIVITIES OF CIVIL OVERSIGHT COUNCIL AT THE NABU

(from 01.07.2018 to 31.12.2018)



34 meetings of the Competition Committee

4 official meetings of the Civil Oversight Council

10 meetings of the NABU's Disciplinary Committee

126



verification of information on candidates for positions in the NABU

244



interviews with applicants for positions in the NABU



7 OFFICIAL STATEMENTS, INCL. CONCERNING:

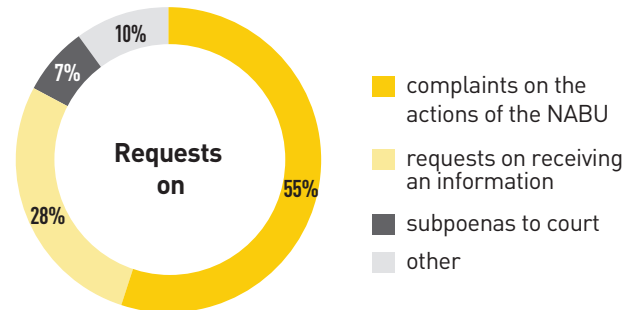
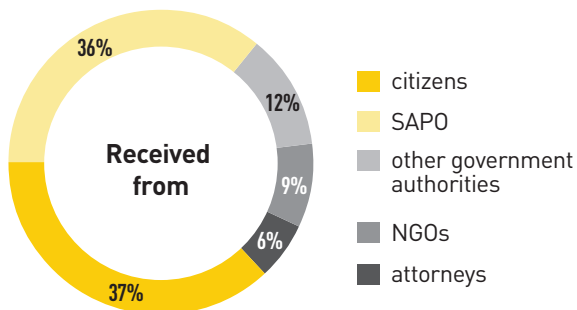
- criminal prosecution of activists for administrative offenses
- official meetings of the NABU Director with the heads of the states
- activity of the SAPO Head
- bringing the NABU employee to the responsibility
- appointments in the SBI in a lawful manner
- pressure on some of the existing and former members of the COC etc.



9 PUBLIC EVENTS:

- 3 public talks on activities and cooperation with the NABU and the SAPO
- 4 meetings with the students, 3 of which – with future lawyers
- seminar "Types of Corruption and Competence of the NABU Format of the request to the NABU that will be satisfied"
- briefing "Six months of court sessions. Results of monitoring of judicial examination of cases whose pre-trial investigation has been completed by the NABU Detectives"

REQUESTS TO THE NABU CIVIL OVERSIGHT COUNCIL



ACTIVITIES IN THE REGIONS

The partnership between the National Bureau and the public in the regions is coordinated by three Territorial Offices. Their wide awareness raising activity made the NABU closer to the residents of any corner of Ukraine

In the second half of 2018, the Territorial Offices processed more than 1 500 applications, which is a quarter more than in the first half of the year. Most often, the applicants complain about possible illegal actions from the officers of the law enforcement agencies, judges, officials of local authorities.

However, a significant proportion of appeals do not concern the facts of the corruption which are under competence of the NABU. It should be reminded that the jurisdiction of the National Bureau are limited to 13 articles of the Criminal Code of Ukraine.

Specialists of the Territorial Offices properly process each received applications, reply on it and transfer the information stated in it to other law enforcement agencies with the authority prescribed by the law.

Requesting the NABU on a wide range of issues is both confidence and a lack of awareness in the specialization of the law enforcement agency. That is why the Territorial Offices continue to inform citizens about the tasks, authority, methods and results of the National Bureau at various public events. As of the end of December 2018, the Directors of Territorial Offices personally visited and met with the communities of most cities of Western, Southern and Eastern Ukraine. For example, only over the past six months, the Director of the Lviv Territorial Office (TO) explained the issues of investigation of the NABU and answered topical questions of residents of 16 cities.

A separate area of TO's work is education of zero tolerance to the corruption among the students, interaction with the public activists, international partners and colleagues from the foreign jurisdictions.

ACTIVITIES IN THE REGIONS: LVIV TERRITORIAL OFFICE

(from 01.07.2018 to 31.12.2018)

ACTIVITIES OF THE LVIV TERRITORIAL OFFICE IN FIGURES

16	meetings with public regions of Ukraine, where meetings were held
8	participants
670	public events with a purpose to inform on the NABU results
9	requests registered
472	requests registered

INSTITUTIONS AND PERSONS, ACTIONS OF WHICH RESULTED INTO COMPLAINTS, RECEIVED BY THE TERRITORIAL OFFICES OF THE NABU

99%	complaints that do not refer to corrupt offences or which fall under the NABU jurisdiction
25%	law-enforcement agencies
17%	courts
16%	local governments
4%	executive authorities
4%	agencies of the State Fiscal Service of Ukraine
3%	state and municipal enterprises
3%	other
2%	military officers of the Armed Forces of Ukraine
2%	Members of Parliament of Ukraine

GEOGRAPHY OF MEETINGS OF THE DIRECTORS OF THE TERRITORIAL OFFICES WITH THE PUBLIC



■ cities, where meetings took place

ACTIVITIES IN THE REGIONS: ODESA TERRITORIAL OFFICE

(from 01.07.2018 to 31.12.2018)

GEOGRAPHY OF MEETINGS OF THE DIRECTORS OF THE TERRITORIAL OFFICES WITH THE PUBLIC

INSTITUTIONS AND PERSONS, ACTIONS OF WHICH RESULTED INTO COMPLAINTS, RECEIVED BY THE TERRITORIAL OFFICES OF THE NABU

20%	complaints that do not refer to corrupt offences or which fall under the NABU jurisdiction
17%	law-enforcement agencies
16%	local governments
16%	courts
13%	executive authorities
8%	state and municipal enterprises
5%	agencies of the State Fiscal Service of Ukraine
3%	Members of Parliament of Ukraine
3%	military officers of the Armed Forces of Ukraine

ACTIVITIES OF THE ODESA TERRITORIAL OFFICE IN FIGURES

6	meetings with public
3	regions of Ukraine, where meetings were held
150	participants
7	public events with a purpose to inform on the NABU results
431	requests registered



ACTIVITIES IN THE REGIONS: KHARKIV TERRITORIAL OFFICE

(from 01.07.2018 to 31.12.2018)

ACTIVITIES OF THE KHARKIV TERRITORIAL OFFICE IN FIGURES

8	meetings with public regions of Ukraine, where meetings were held
500	participants
15	public events with a purpose to inform on the NABU results
640	requests registered

GEOGRAPHY OF MEETINGS OF THE DIRECTORS OF THE TERRITORIAL OFFICES WITH THE PUBLIC

INSTITUTIONS AND PERSONS, ACTIONS OF WHICH RESULTED INTO COMPLAINTS, RECEIVED BY THE TERRITORIAL OFFICES OF THE NABU

27%	law-enforcement agencies
26%	local governments
24%	courts
14%	other
13%	executive authorities
6%	state and municipal enterprises
5%	complaints that do not refer to corrupt offences or which fall under the NABU jurisdiction
3%	agencies of the State Fiscal Service of Ukraine
1%	military officers of the Armed Forces of Ukraine
1%	Members of Parliament of Ukraine



■ cities, where meetings took place

COOPERATION WITH GOVERNMENTAL AUTHORITIES

Due to the established cooperation with governmental authorities, the NABU Detectives and Analysts can quickly obtain the information necessary for conducting effective pre-trial investigations

In the second half of 2018, the NABU signed a number of memorandums of cooperation and information exchange with governmental authorities. In particular, such documents were signed with the Ministry of Economic Development, the Ministry of Defence of Ukraine, the Accounting Chamber of Ukraine, the State Bureau of Investigation, which has recently started its work, and the Interagency Scientific and Research Centre on problems of combating organized crime under the National Security and Defense Council of Ukraine. In December 2018, a Memorandum was signed with the Public Council of International Experts involved in the judges selection to the High Anti-Corruption Court.

The number of received and sent correspondence, more than 70 thousand letters during 2018, testifies about the activation of the cooperation with governmental authorities.

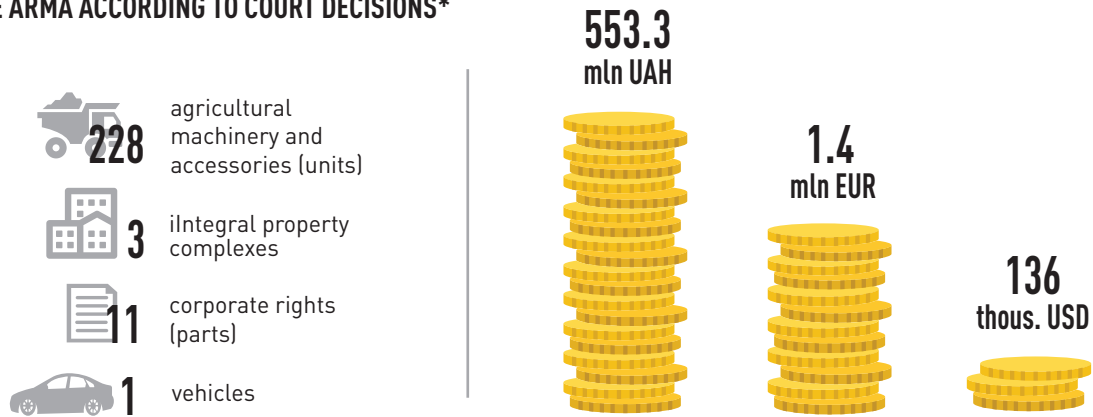
The NABU strengthened the cooperation with the National Agency for finding, tracing and management of assets derived from corruption and other crimes (ARMA), which began in the spring of 2018. During the reporting period, at the petitions of the NABU a number of arrested property and funds should be transferred to the management of the ARMA.

At the same time, the trend towards the cancellation of the decisions on the transfer of the said property to the ARMA in the courts is a matter of concern. In particular, as a result of cancellation of the decision on transfer of the arrested property of the LLC "Odesa International Airport" to the ARMA, the management of the airport, and, consequently, the disposition of the income from the airport activity which was carried out earlier by the municipal enterprise, continue to be carried out by suspects.

COOPERATION WITH GOVERNMENT AUTHORITIES AND LEGAL ENTITIES

PROPERTY AND FUNDS TRANSFERRED TO THE ARMA ACCORDING TO COURT DECISIONS*

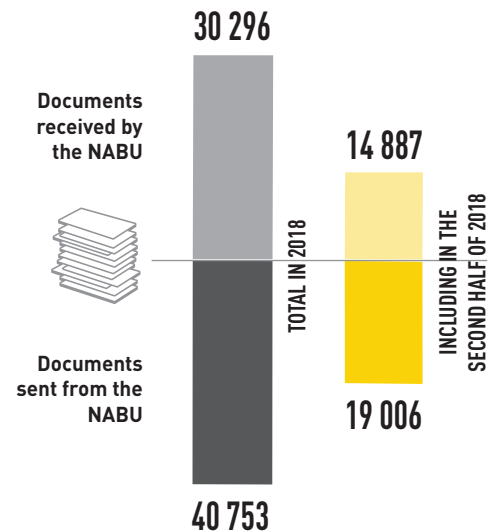
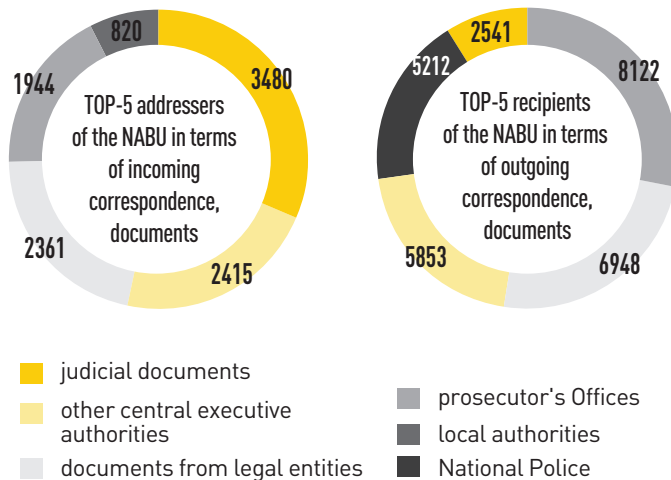
(as of 31.12.2018)



* in criminal proceedings in which the pre-trial investigation continues and those in which the pre-trial investigation is completed

COMMUNICATION WITH GOVERNMENT AUTHORITIES

(from 01.01.2018 to 31.12.2018)



INTERNATIONAL COOPERATION

The NABU expands the range of strategic partners at the international level, due to the fact that the result of the fight against top-corruption in Ukraine depends on the effective interaction of the competent authorities of the different States

In the second half of 2018, the National Bureau established new cooperation with the international partners. In particular, on September 27, 2018, the NABU signed a Memorandum of Understanding with the European Investment Bank. The document provides the exchange of information in the framework of the investigation of corruption, as well as technical investigation tools, methods of data processing and analysis.

In continuation of cooperation with the Estonian Center of Eastern Partnership, the NABU Director Artem Sytnyk visited the Republic of Estonia, where he met the Heads of law enforcement agencies of the State. Agreements on new areas of cooperation were reached with representatives of the Anti-Corruption Agency of the Republic of Serbia. The Serbian delegation headed by the Director of the Agency Dragan Sikimić visited the NABU on November 29, 2018.

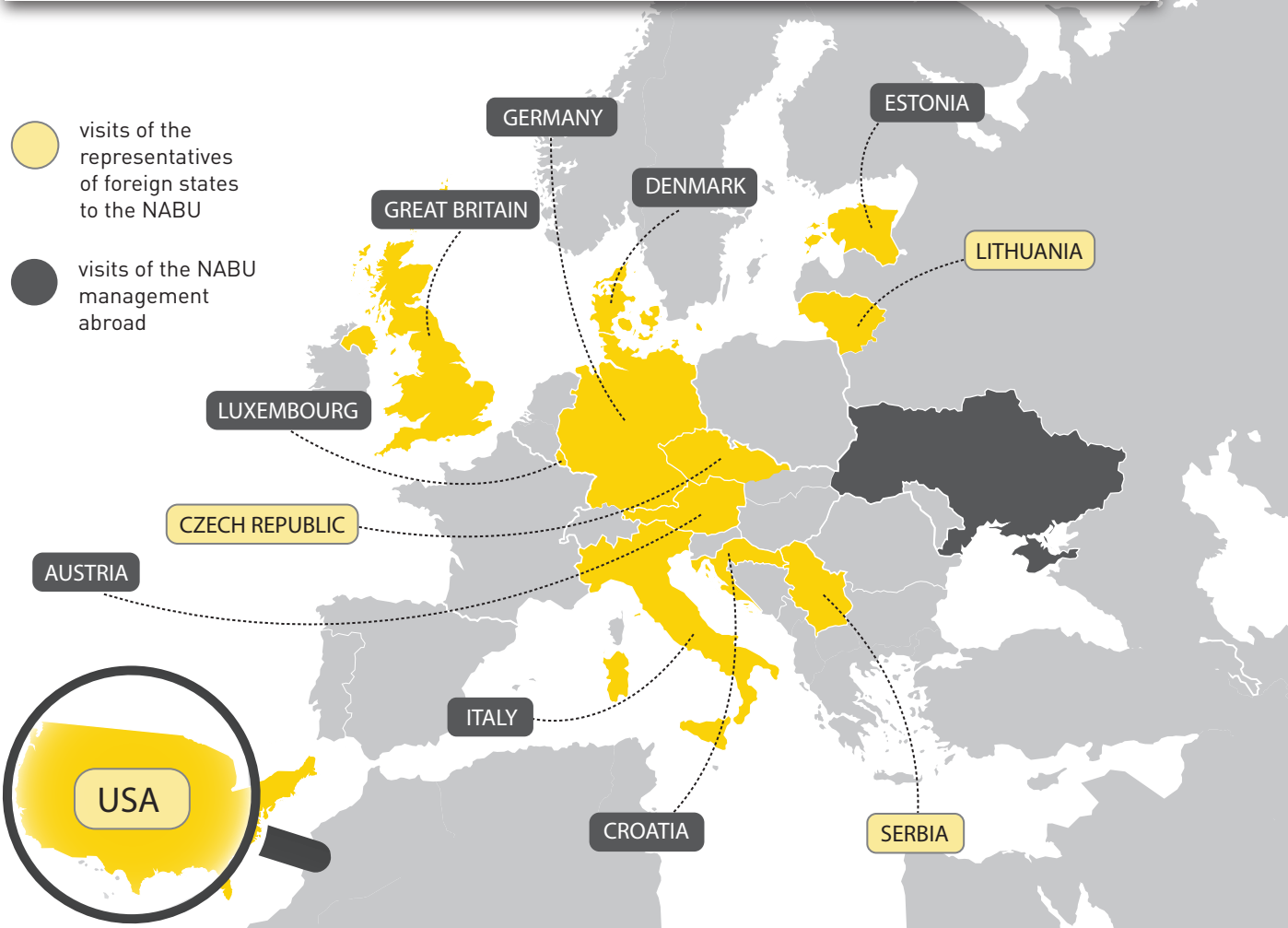
In the framework of the U.S. International Visitor Leadership Program, employees of the NABU Press Office adopted the best practices of strategic communications. During November 3-17, 2018, they met with representatives of the U.S. Department, Police, Prosecutor's office, court, media and U.S. public organizations.

"The activities of the National Bureau are extremely important for the future of Ukraine," said U.S. Ambassador to Ukraine Marie L. Yovanovitch during her visit to the NABU in September 2018. This was also insisted by the Assistant Secretary of State — the Head of the Bureau International Narcotics and Law Enforcement Affairs (INL) Kirsten D. Madison, who met with the executives and detectives of the NABU on October 19, 2018.

INTERNATIONAL COOPERATION

(from 01.07.2018 to 31.12.2018)

16 meetings with international partners	8 visits abroad to	8 countries	1 signed memorandum
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НАЦІОНАЛЬНЕ
АНТИКРИЗИСНЕ
БЮРО

Factor
GROUP OF COMPANIES

«Географія та Друк»
ВНИС
КТОР
ВН

TEAM



The NABU has introduced a unique process of employee evaluation, on the basis of which individual development plans are formed. Staff training improves efficiency and brings the organization closer to achieving the goal

STRUCTURE

**DIRECTOR OF THE
NATIONAL ANTI-
CORRUPTION
BUREAU OF UKRAINE
ARTEM SYTNYK**

**FIRST DEPUTY DIRECTOR
GIZO UGLAVA**

Main Detectives Unit

Head:
Andriy Kaluzhynskyi
appointed on 16.03.2017

210 37

number of staff: 247

**DEPUTY DIRECTOR
TETIANA VARVARSKA**

Accounting Department

Head:
Oksana Plastun
appointed on 25.06.2015

17**

number of staff: 16

**DEPUTY DIRECTOR
ANATOLY NOVAK**

Special Operations Department

Head:
Vitalii Ivchenko
appointed on 06.08.2015

number of staff *

Lviv Territorial Office of the
National Anti-Corruption Bureau of Ukraine

(the jurisdiction extends to Lviv, Volyn, Zakarpattia, Chernivtsi, Ternopil,
Ivano-Frankivsk, Rivne, Khmelnytsky regions)

Director: Taras Lopushanskyi
appointed on 07.06.2016

8

number of staff: 8

Legal Department

Head:
Ihor Yarchak
appointed on 11.11.2015

15** 1

number of staff: 15

Internal Control Department

Head:
Roman Osypchuk
appointed on 05.10.2015

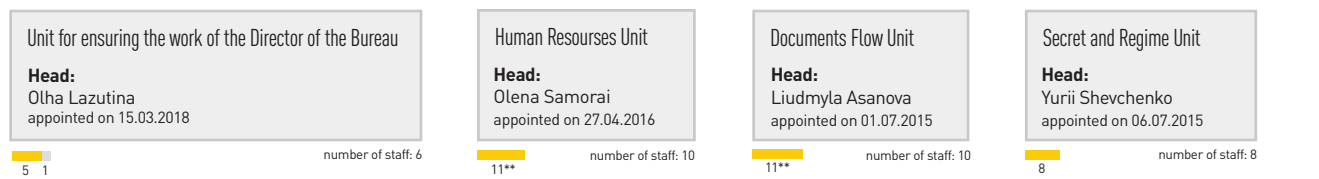
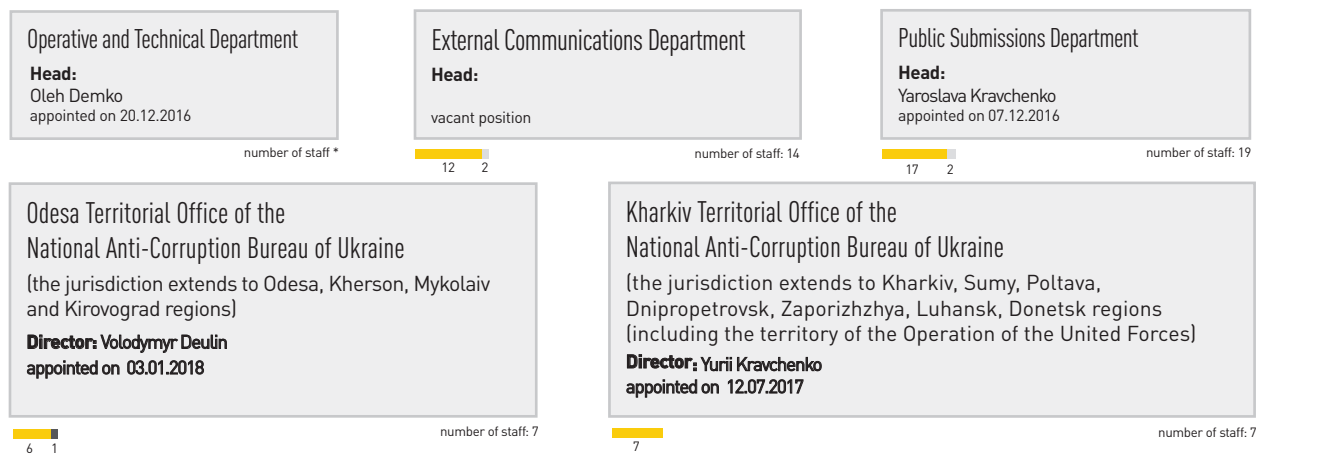
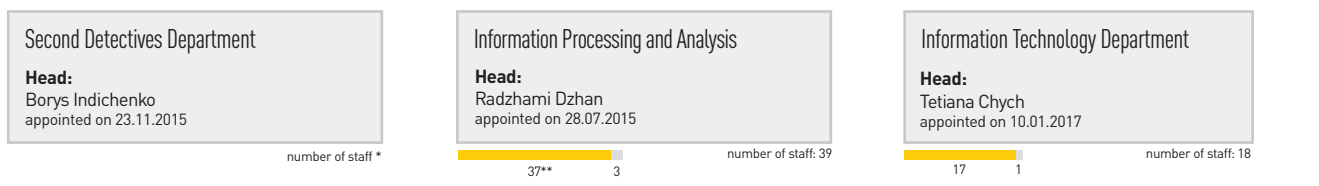
19 1

number of staff: 20

* information on the number of staff of the structural unit is restricted

** including persons appointed for a limited term (for the period of maternity leave of the main employee)

■ appointed
 ■ in the process of being appointed
 ■ vacancies



STAFF POTENTIAL

97% of employees are proud of their work in the NABU, 93% admit that they fully apply their knowledge and experience in office — the results of the second Annual Employee Survey (October 2018)

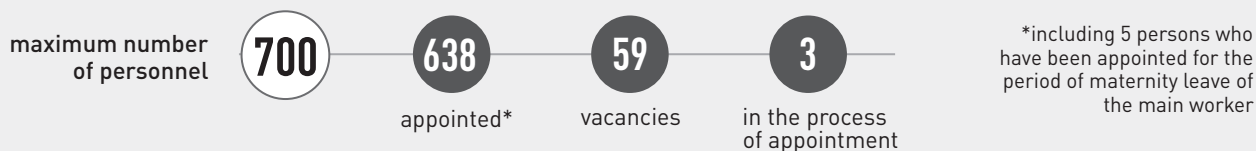
The National Bureau is a law enforcement agency, whose staff for the first time in the history of Ukraine is almost completely formed by the results of an open competition (except the Deputy Directors). In order to receive feedback from the staff on how the institution is developing, an Annual Survey was established in the NABU. This helps clearer formulate the internal points of the team's growth.

The element of the personnel development is the establishment of the employees' assessment system on the basis of competencies. It takes into account the specific features of work of the Detectives, analysts, specialists of the Internal Control Department and other units. The results of the assessment became the basis for the construction of the training model. Its goal is to ensure the development of the necessary competencies of a particular employee. A plan of sports and cultural events for 2019 was formed, a system of operational notification was been established, a test version of the internal portal of the NABU was launched, negotiations with service providers about automation of organizational processes are under way.

Along with the qualitative changes, the NABU team changes quantitatively. Coming to its end the fourth wave of competitive selection, which will complete the formation of the staff of the Main Detective Unit. Now those candidates who have successfully passed the test for knowledge of the law, testing the level of their general abilities and interviews with a psychologist, are passing the interviews with the Competition Commission. The winners on this stage will be examined by a special check and a polygraph. 37 positions of Detectives remain vacant, each of which from the beginning of the competition claimed about 40 people.

STAFF MEMBERS, INTERESTING FACTS ABOUT THE EMPLOYEES

STAFF MEMBERS (as of 31.12.2018)



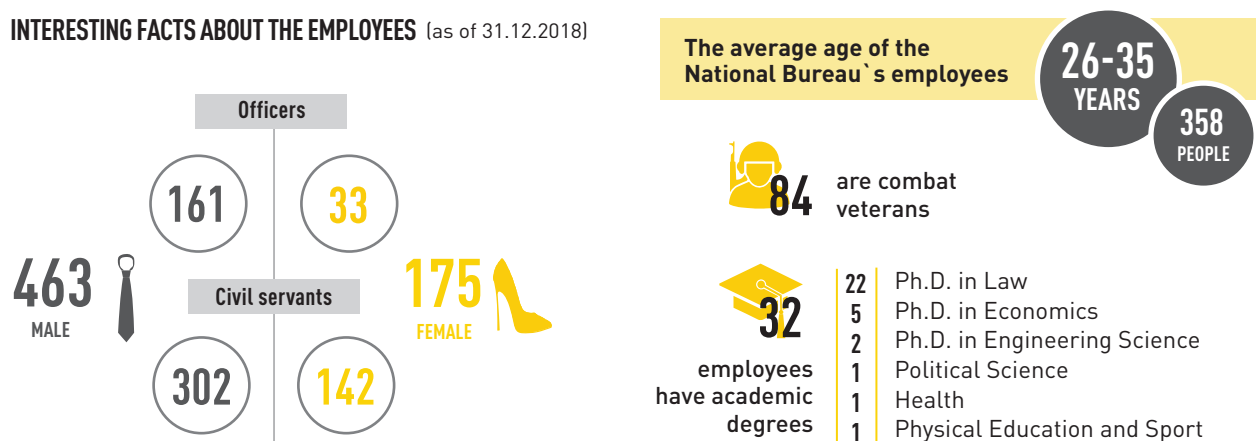
PROGRESS OF THE COMPETITIVE SELECTION (from 01.07.2018 to 31.12.2018)



THE MAIN DETECTIVE UNIT: NUMBER OF STAFF (as of 31.12.2018)



INTERESTING FACTS ABOUT THE EMPLOYEES (as of 31.12.2018)



TRAINING AND DEVELOPMENT

The challenges faced by the NABU require its employees constantly improve their professional level, focusing on the world's best practices. For this purpose, the appropriate model of employee's training was introduced

All training courses organized for the staff of the National Bureau or in which they take part are divided into two types: basic and functional. The first are aimed at the development of knowledge and skills that every employee should have (knowledge of statutory regulations, soft skills). The objectives of the functional exercises are to improve the professional ability of the employee according to a narrow profile.

Training to improve basic skills are prepared mainly by the NABU, the coaches are the workers themselves. During the second half of 2018, internal exercises were held on, devoted to the norms of the Anti-Corruption Legislation, information security, leadership etc. Some basic trainings are posted on the online training platform of the National Bureau.

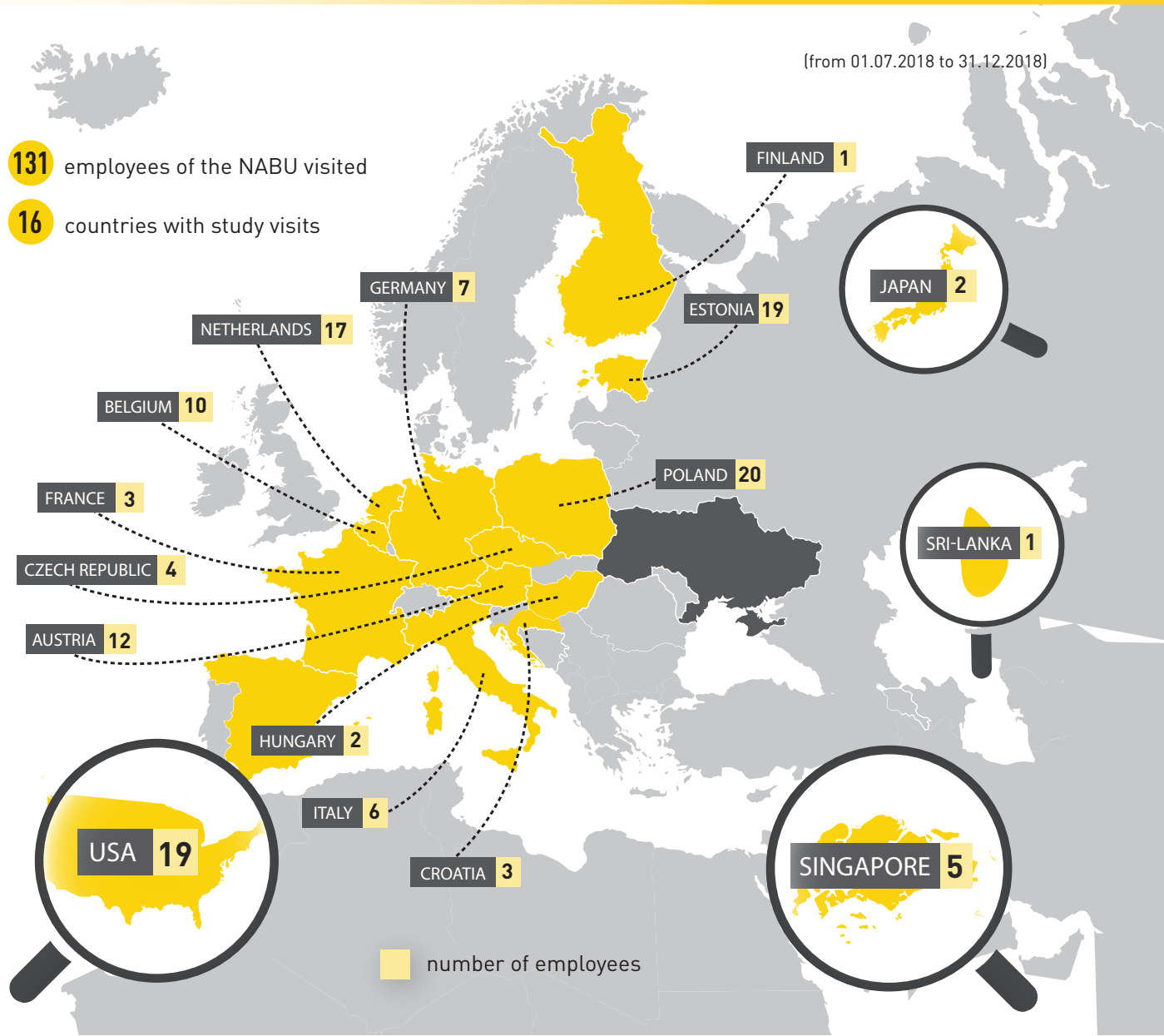
The unique training opportunities are provided to employees with the help of the international partners. For example, events organized with the support of the Law Enforcement Affairs Section of the U.S. Embassy in Ukraine (the INL) and the EU Anti-Corruption Initiative in Ukraine (the EUACI) allow investigators and analysts to improve their skills in investigating financial crimes, crimes of the international level and associated with the use of crypto currencies, the use of the polygraph and counter offenses inside the agency, development of the leadership skills. At the end of 2018, the one more NABU Detective successfully mastered the training courses of the FBI National Academy program. Five NABU employees took over the U.S. experience in establishing strategic communications. Two employee participated in the "Criminal Justice Against Corruption" program in Japan, where they shared professional experience with representatives of 27 foreign jurisdictions.

MAP OF TRAININGS ABROAD

(from 01.07.2018 to 31.12.2018)

131 employees of the NABU visited

16 countries with study visits





INTERNAL CONTROL



Under the close attention
of the Detectives of
the Internal Control
Department is the
professional activity and
lifestyle of each employee
of the National Bureau

PREVENTION AND PROTECTION OF THE INFORMATION

The National Bureau is constantly introducing the best world practices in the field of prevention and combating corruption, improving information security systems

The National Bureau is the first governmental authority in Ukraine which adopted the Anti-bribery management systems under the international standard ISO 37001:2016. The purpose of this standard is to help organizations effectively establish processes for preventing corruption both within the structure and in communication with external contractors. about it contains the recommendations on the development and implementation of anti-corruption policies, training, financial control, preparation of reporting, etc.

In the summer of 2018, four employees of the Internal Control Department (hereinafter referred to as the ICD) participated in trainings and became certified specialists in the implementation of ISO 37001. After that, the NABU started the implementation process of the requirements of the standard, in which in November-December 2018 a preliminary audit of the Anti-Corruption system was conducted. According to the report, the system of combating corruption in the NABU in general meets the requirements of the ISO standard. Now the NABU prepares for the certification audit, which is scheduled for the first half of 2019.

The NABU continues to implement another international standard in the field of information security. This refers to the standard ISO/IEC 27001:2015, which defines the requirements for the development, implementation, operation, monitoring, revision, maintenance and continuous improvement of the Information Security Management System. Implementation of the standard started in August 2017. According to the plan of its implementation, in 2018, about 80% of the employees of the National Bureau participated in trainings on the basics of information security, also regulatory acts on information security were improved.

ANTI-BRIBERY AND INFORMATION SECURITY MANAGEMENT SYSTEMS

(from 01.07.2018 to 31.12.2018)

IMPLEMENTATION OF THE INTERNATIONAL STANDARD ISO 37001:2016* "ANTI-BRIBERY MANAGEMENT SYSTEMS" BY THE NABU

 **29**
REGULATORY DOCUMENTS

for compliance with the standard examined

 **415**
EMPLOYEES

involved in the implementation of the standard

 **4**
CERTIFICATES

on implementation of the standard were received by the NABU employees

 **9**
EDUCATIONAL

and informational events for employees held

*ISO 37001:2016 – international standard specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system by state authorities and legal entities

IMPROVEMENT OF INFORMATION SECURITY MANAGEMENT SYSTEM: ISO/IEC 27001:2015*

REGULATORY DOCUMENTS DEVELOPED

29



on information security of the NABU

EMPLOYEES

48



involved in the implementation of the standard

EMPLOYEES

12



completed the training on the implementation of the standard

EDUCATIONAL

9



and informational events for employees held

EMPLOYEES

504



completed the training on the basics of information security

*ISO/IEC 27001:2015 – international standard, that provides the requirements for the establishment, implementation, operation, monitoring, review, maintenance and improvement of the information security management system

ENSURING INTEGRITY OF EMPLOYEES

The ICD carries out activities from detection and investigation of the cases of illegal behavior of the NABU employees, as a separate body of the pre-trial investigation

One of the important areas of work of the Internal Control Department is the prevention of corruption and other illegal actions by the NABU employees. An effective tool to identify corruption risks in the behavior of candidates for positions in the National Bureau and appointed employees is a psychophysiological research on the use of a polygraph. During the second half of 2018, the ICD Detectives carried out 86 researches, which is twice as more than in the first half of the year. The list of tests, which is offered to the polygraph procedure, is constantly being improved with the latest techniques and best international practices.

The integrity test remains an effective tool for detecting the possibility of the NABU employee to commit crimes or not adhere the standards of ethical behavior. They occur in the form of artificially modeled situations in which the employee should act under the law.

In order to determine the compliance of the employee's declared income status, the Detectives of the Internal Control Department monitor his/her lifestyle.

The Detectives of the Internal Control Department actively share knowledge and experience in the field of prevention and combating corruption. In particular, in the second half of 2018, employees of the Department became speakers at the training events organized for the State Migration Service of Ukraine. It is also a traditional practice to involve the Detectives of the Internal Control Department in conducting training sessions on prevention and combating corruption on the basis of the All-Ukrainian Training Centre for Civil Servants and Local Government Officials.

INTERNAL CONTROL IN KEY FIGURES

(from 01.07.2018 to 31.12.2018)

INTERNAL INVESTIGATIONS



8 integrity checks performed

2 NABU`s employees brought to liability

14 official investigations held

3 lifestyle monitoring performed

2 operational investigations initiated

17 special inspections before appointment for position performed



86

PSYCHOPHYSIOLOGICAL RESEARCH ON THE USE OF A POLYGRAPH

73 due to the personnel recruitment before appointment for position

12 due to the expiry of the probationary period

1 within internal investigations

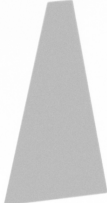
EXPLANATORY WORK



200 individual consultations on compliance with anti-corruption legislation

400 number of participants, who completed online-training course "Fundamentals of ethical behaviour of the NABU employees" and received certificates

190 members of the anti-corruption legislation training



НАЦІОНАЛЬНЕ
АНТИКОРУПЦІЙНЕ
БЮРО УКРАЇНИ

MATERIAL SUPPORT

The National Bureau
continues to work on the
creation of conditions
for the functioning of the
institution, effectively using
both budgetary funds and
international technical
assistance

BUDGET PROGRAMME EXECUTION

11.5 million UAH of public funds were saved by the National Bureau during the procurement of goods, works and services in 2018

The NABU is maintained at the expense of the State Budget within the framework of the budget program “Procuring activities of the National Anti-Corruption Bureau of Ukraine”. The budgetary appropriations for 2018 were approved for the total fund amount of 857.091,7 thousand UAH, of which 774.979,5 thousand UAH were spent. According to the special budget fund the NABU budget was changed in the amount of 19.361,6 thousand UAH.

On deposit of the National Bureau, opened in the authorized banks, retain funds that do not contain signs of criminal origin. As of December 31, 2018: more than 4.8 million UAH, 114 thousand EUR (more than 4.6 million UAH in equivalent), 710 thousand USD (more than 19.7 million UAH in equivalent), 159.6 thousand RUB (63.6 thousand UAH in equivalent) and 5.8 thousand GBP (203.9 thousand UAH in equivalent).

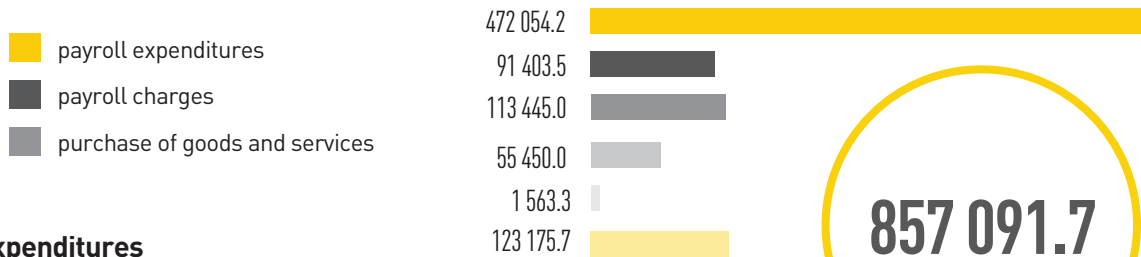
The NABU continued to create appropriate working conditions. At its own expense, were completed repairs in the administrative building in Kyiv. Within the framework of international technical assistance projects, IT-equipment, equipment for a criminal laboratory, equipment for special operations, software, licenses were obtained.

In order to ensure in 2018 the activities of the NABU were announced 365 procurement of goods, works and services (including parts of the subject of procurement — 437) for a total amount of 202.221,6 thousand UAH. Cost savings amounted to more than 11.5 million UAH (8.5 million UAH during the procurement conducted in the second half of 2018). The largest savings were achieved during purchases of bullets for training and sport's needs (savings — 1.9 million UAH), work on the production of design estimate documentation (savings — 380 thousand UAH), determination and evaluation of the technical condition of the building (savings — 230 thousand UAH).

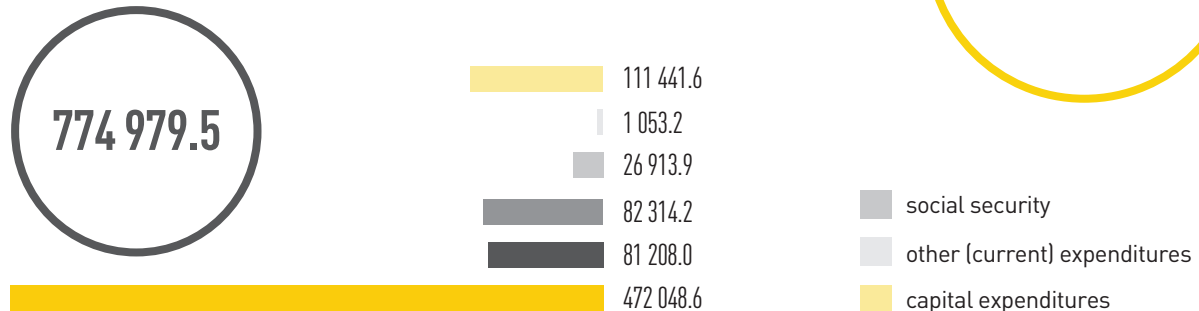
ANALYSIS OF THE NABU'S BUDGET EXECUTION

WITHIN THE GENERAL FUND OF THE STATE BUDGET FOR 2018 (THOUS. UAH)

Approved

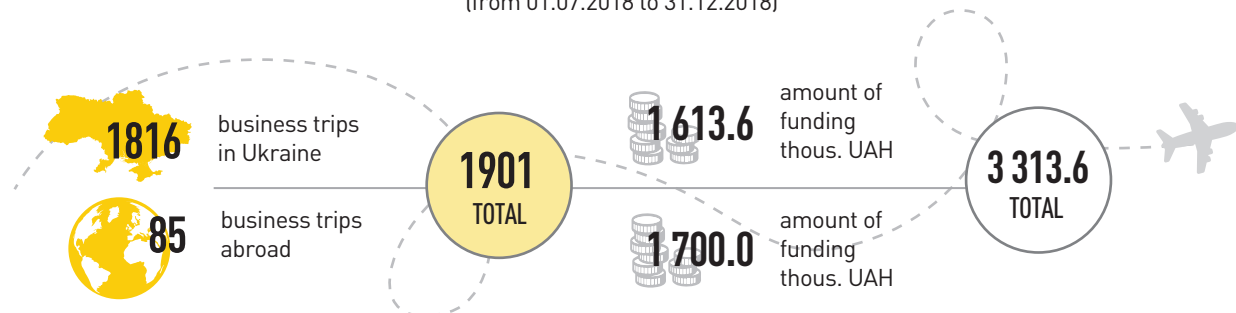


Cash expenditures



EXPENDITURES ON BUSINESS TRIPS

(from 01.07.2018 to 31.12.2018)



SALARIES OF THE NABU EMPLOYEES

as of 31.12.2018

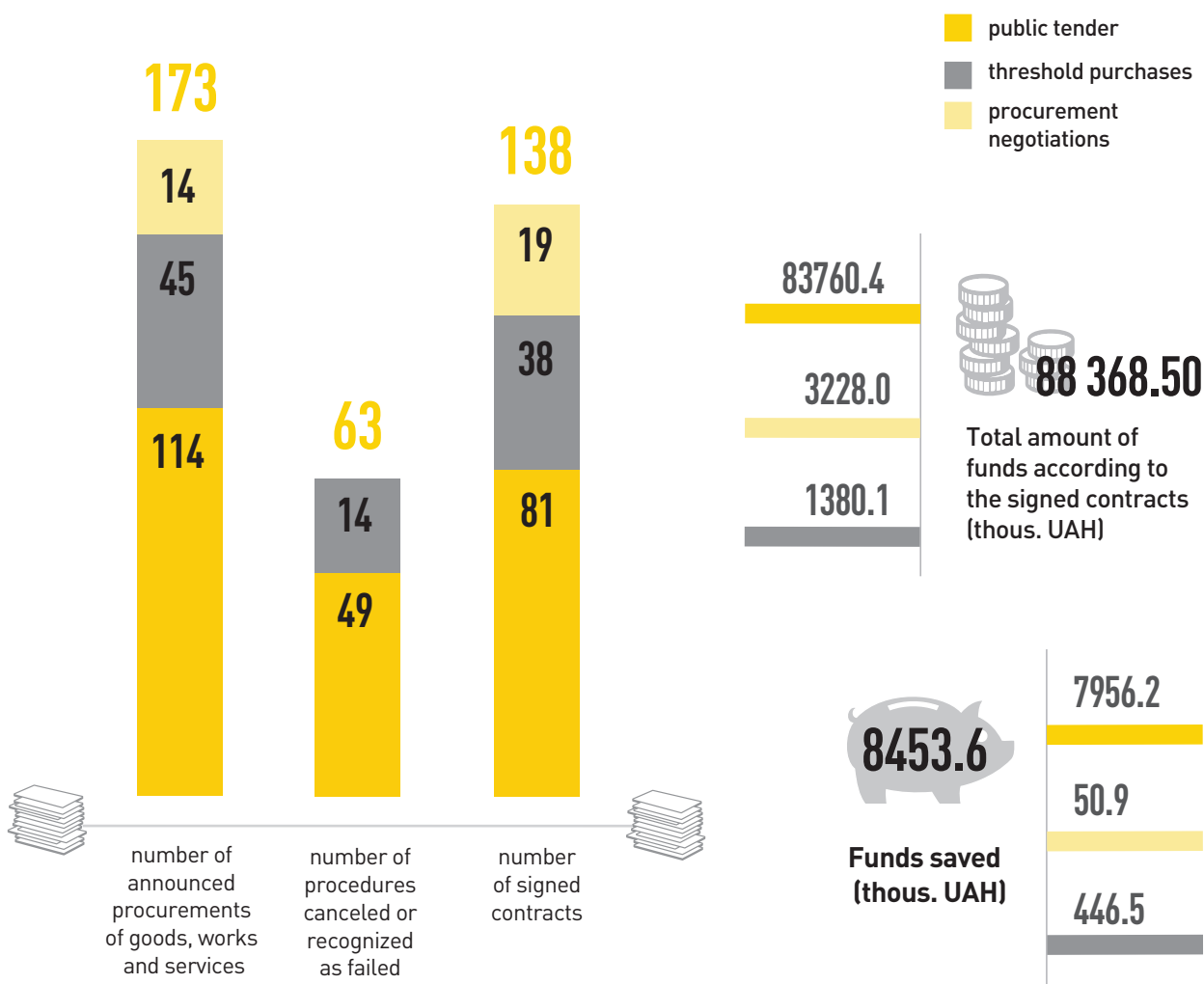
Position	Number of people *	Salary
<u>Civil servants of central apparatus</u>		
Director of the National Bureau	1	105 720
Deputy (First Deputy) Director of the National Bureau	2	84 576
Head of the Internal Control Department	1	63 432
Head of the Detectives Unit	6	63 432
Deputy Head of the Internal Control Department – Head of the Unit	1	59 203
Deputy Head of the Detectives Unit	5	59 203
Head of the Department	7	46 517
Senior Detective of the National Bureau	119	46 517
Deputy Head of the Department	7	44 402
Head of the Unit	19	42 288
Deputy Head of the Unit	20	40 174
Detective of the National Bureau	147	40 174
**Senior Detective of the National Bureau	16	38 764
**Detective of the National Bureau	28	33 478
Head of the Sector (not independent)	2	29 520
Chief specialist	98	27 000
<u>Senior ranked persons of central apparatus</u>		
Deputy Director of the National Bureau	1	84 576
Head of the Department	2	46 517
Deputy Head of the Department	4	44 402
<u>Employees of Territorial Offices</u>		
Director of the Territorial Office	3	52 860
Deputy Director of the Territorial Office – Head of the Unit	3	49 336
Chief Specialist	16	22 500

* According to Staff list
 ** A workplace arranged in Lviv, Kharkiv, Odesa

PROCUREMENT

PROCUREMENT PROCEDURES ON GOODS, WORKS AND SERVICES IN THE SECOND HALF OF 2018

(from 01.07.2018 to 31.12.2018)



APPENDICES TO THE REPORT ON THE RESULTS OF THE
NATIONAL ANTI-CORRUPTION BUREAU OF UKRAINE

The statistical data on the NABU activities in the second half of 2018 are given **in accordance with Article 26 of the Law of Ukraine** "On the National Anti-Corruption Bureau of Ukraine".

1. STATISTICAL DATA ON THE RESULTS OF ACTIVITIES

from 01.07.2018 to 31.12.2018

№	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	577
2.	Number of investigations initiated by the National Bureau and their results	6
		1 criminal proceeding
3.	Number of persons standing indicted for committing criminal offenses classified by the law as those under the jurisdiction of the National Bureau	61
4.	Number of persons officially found guilty of committing criminal offences classified by the law as those under the jurisdiction of the National Bureau	6
5.	Number of persons officially declared innocent of committing relevant 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	220 021 496 000* UAH
		452 370 765 UAH* including in the second half of 2018: 92 020 255 UAH
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	0

Nº	Activity category	Result
9.	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, which were recovered to Ukraine from abroad, and their keeping	0
10.	Information on seizure of property, confiscation of objects and funds acquired as a result of criminal offences classified by the law as those under the jurisdiction of the classified by the law as those under the jurisdiction of the	***
11.	Number of submissions made as of the elimination of causes and conditions which contributed to commitment of a criminal corruption offence	11
12.	The results of integrity tests	8, checks, 1 negative result of them

* As of 31.12.2018

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

as of 31.12.2018

Nº	The subject	Number of individuals notified of suspicion, total per each category	Number of individuals, standing indicted, per each category	Number of individuals, against whom the conviction has entered into force, total for each category
1.	Persons authorized to perform state or local government functions:			
	a) senior officials of the state (the President of Ukraine, the Chairman of the Parliament, the First Deputy Chairman of the Parliament, the Prime Minister, the First Deputy Prime Minister, the Vice Prime Ministers, the Ministers, other Heads of the Central Executive authorities outside of the Cabinet of Ministers of Ukraine, and their deputies, the Head of the Security Service of Ukraine, the Head of the National Bank of Ukraine, the Attorney General, the Chairman and other Members of the Accounting Chamber of Ukraine etc.)	1	4	0

	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	1	12	0
	c) public officials, officials of local government	10	3	0
	d) military officers of the Armed Forces of Ukraine, the State Service for Special Communications and Information Protection of Ukraine and other military units formed in accordance with the laws	9	2	0
	e) judges	10	34	0
	f) rank members and commanding staff of the state penal service, the tax police, the commanding staff of civil protection bodies and departments, the State Investigations Bureau, the National Bureau	0	0	0
	g) officials of the prosecutor's offices, the Security Service of Ukraine, the State Investigations Bureau, the National Anti-Corruption Bureau of Ukraine, the diplomatic service, the state forest protection, the state protection of the nature reserve fund, the central executive authority, responsible for formation and implementation of the state tax policy and state customs policy	1	26	2
	h) the National Agency on Corruption Prevention members	0	0	0
	i) members of the Central Election Commission	1	0	0
	j) police officers	0	1	0
	k) officials of other state authorities, authorities of the Autonomous Republic of Crimea	2	18	0
	l) members of state collegial bodies	0	0	0
2.	Persons who, for the purposes of the Law, have an equal status to persons authorized to perform functions of the state or local self-government:			

	a) officials of legal entities of public law which are not referred to in Clause 1 Part 1 of the abovementioned Article, members of the supervisory board of a state bank, state enterprise or state-owned organization working with the purpose of receiving profit	17	67	0
	b) persons who are not public officials, officials of local government but provide public services (auditors, notaries, appraisers etc.), as well as experts, arbitration managers, independent intermediaries, arbitrators etc.	2	0	0
	c) representatives of public associations, educational institutions, who are members of the competition commissions formed according to the Law "On Civil Service", "On the Judicial System and Status of Judges", while not being persons referred to in Clause 1, Paragraph "a" Part 2	0	0	0
	Persons who are not officials but permanently or temporarily hold positions related to fulfillment of organizational, administrative or business duties, or specifically authorized to perform such duties in legal entities of private law, regardless of organizational form	0	0	0
	Candidates for Members of Parliament of Ukraine, for the President of Ukraine, regional, district, city, district in cities, village, settlement councils, candidates for village, settlement, city mayors and prefects	0	0	0
	Individuals who receive funds, property within the framework of programs of technical or other assistance, that are being conducted in Ukraine, in the field of prevention of and counteraction to corruption; systematically throughout the year provide works/services on implementation of standards in the field of anti-corruption policy; leaders or members of a supreme governing body, other executives bodies of non-government organizations, other non-profit associations that conduct activities related to implementation of the anti-corruption policy	0	0	0
	Other	99	122	26

*** Information on seizure of 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

as of 31.12.2018

Nº	Type of property	Total amount
1.	Land plots	400
2.	Residential real estate	248
	including abroad	10
3.	Non-residential property	210
	including abroad	10
4.	Integral property complex	3
5.	Vehicles (units)	188
6.	Cash, including:	
	in UAH	595 142 623
	in USD	159 504 186
	in EUR	1 434 844
	in GBP	10 880
	in RUB	145 100
7.	Agricultural techniques with spare parts (units)	228
8.	Corporate rights	250 123
9.	Computer equipment (units)	35
10.	Mobile phones (units)	68
11.	Jewelry (units)	19
12.	Firearms (units)	4
13.	Service ammunition (units)	13
14.	Natural gas (cbm)	1 071 000

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