

REPORT

REPORT

JULY-DECEMBER 2019



NATIONAL ANTI-CORRUPTION BUREAU OF UKRAINE: RESULTS AND CHALLENGES



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

2. Director of the National Bureau: <...>

2.2 annually by February 10 and August 10 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;

ARTICLE 26.

CONTROL OF THE NATIONAL BUREAU ACTIVITIES AND ITS ACCOUNTABILITY

number of people officially declared innocent 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.

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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

NABU MISSION

Cleansing government of corruption in order to enable formation and development of successful society and efficient state

UNIQUENESS

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.

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

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

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.



Artem Sytnyk

Director of the National
Anti-Corruption Bureau of Ukraine

In the second half of 2019, we witnessed the political will in the fight against corruption in Ukraine. Finally, in the fifth year of its work, NABU was granted the right for autonomous wiretapping promised at the launch of the institution. The so-called “Lozovy amendments” were partially cancelled and parliamentary immunity was limited. Now we are closing the gaps of recent years, when the issues concerning the effectiveness and independence of NABU were blocked.

Thus, within just six months we exposed on corruption and gave notices of suspicion to more persons than during the whole 2018 (84 suspicions in the second half of 2019 versus 79 in 2018). Effective cooperation with other law enforcement agencies was established. As a result, the SSU, the PGO and NABU have united their efforts in the fight against top-corruption. The fact that the newly appointed heads of state authorities become whistleblowers is also a positive trend.

Finally, the High Anti-Corruption Court was established. I do believe that the Court will pass sentences in resonant criminal cases. Persons suspected in corruption will receive the deserved punishment and illegally acquired assets will be returned to the State. This will revive a sense of justice in society.

We start 2020 with new challenges. The workload of detectives and prosecutors increased due to transferring of the proceedings from the Prosecutor General’s Office. Currently, NABU received over 22 thousand volumes, including the so-called economic “Maidan cases”.

Since January 1, 2020, legal amendments regarding the prosecution of Members of Parliament have come into force; the legislation on whistleblowers of corruption had been set in motion. Therefore, we have a lot of work ahead.

I am grateful to detectives, prosecutors, and colleagues from other law enforcement agencies for the effective teamwork. I express gratitude to our international partners for the support of anti-corruption reform in Ukraine, to media and civil society for their constructive cooperation.

The fight goes on!

2019 brought a new round in the fight against corruption. It was in September of last year when the High Anti-Corruption Court began its work, and enshrined itself the trial on top-level corruption cases. In the nearest future, society expects from the HACC judges the first sentences in the resonant cases and the first imprisonment of corrupt officials.

Moreover, the second half of last year was full of high-profile disclosures. We exposed the former heads of the National Police of Odesa Oblast, the Deputy Minister of Temporarily Occupied Territories, the Head of the Road Service of Mykolaiv Oblast, members of the criminal organization, including an employee of the Presidential Office of Ukraine, a former official of the Prosecutor General's Office, and others.

The activity of corrupt officials in the country has grown, but at the same time, the general interaction of the law enforcement agencies obstructs corruption crimes. Due to the close cooperation of the prosecutors of the Specialized Anti-Corruption Prosecutor's Office and the Detectives of the National Anti-Corruption Bureau of Ukraine the number of exposed corrupt officials has increased — more than 670 criminal proceedings started, and almost 40 cases sent to courts.

Despite the criticism of our activity, the disappointment in anti-corruption agencies, our work shows that we carry out our duties with dignity. We prevent corruption, despite the criticism and the pressure from society.

Once again, I emphasize that "likes" under posts in social networks are not our goal. Our main goal is to overcome corruption.

I thank the SAPO Prosecutors and the NABU Detectives for their zeal, professionalism and desire for high standards in the investigations. A difficult year awaits us; it carries many investigations and resonant exposes.

I hope for further support of our activity by citizens, journalists, and activists!

Moving forward to the new victories!



Nazar Kholodnytskyi

Head of the Specialised
Anti-Corruption Prosecutor's Office

Corruption holds the top in the ranking of problems that hinder country's development most of all. This is how 69% of surveyed Ukrainians think. It slows down Ukraine's European integration process (44.4%) and violates citizens' rights to receive services, including educational and medical services (41%). 54% of the Heads of companies-members of the American Chamber of Commerce in Ukraine associate the improvement of business climate and growth of foreign direct investment in the economy particularly with the crackdown on corruption. According to almost a third of the citizens, anti-corruption agencies act a key role in combating corruption (32%). Among them, according to respondents' opinion, NABU is in the lead, in terms of real actions to announced targets.

Reforms in Ukraine: Public Opinion. - December, 2019. - DIF; Public Opinion Survey to Assess Changes in Public Awareness of NGOs and Their Activities. - June-July, 2019 - DIF; Fifth All-Ukrainian Municipal Polling. - September 6-October 10, 2019 - Rating Group Ukraine; Business Climate Survey Results. - October, 2019. - ACC; Reforms in Ukraine: Public Opinion. - November, 2019. - DIF.



GIZO UGLAVA,
First Deputy Director of the
National Bureau:

Through its activities, NABU has shown that corruption is not something virtual, it has real names and surnames, and you can fight it. Over 4 years of joint investigations with SAPO, we sent to court more than 400 cases. The best assessment of our work will be objective and lawful court decisions, and in this we hope for the HACC.

To fight corruption effectively, the National Bureau has always developed as a law enforcement agency with European standards. We continue to improve and automate processes: an internal portal with a training platform is operating; an online course for newly employees and those who dream of getting work in NABU is creating. The development and implementation of e-Case Management, an electronic criminal records system, has begun.



TETIANA VARVARSKA,
Deputy Director of the
National Bureau:

The fight against corruption is impossible without appropriate material and technical support. For the fifth year in a row, due to well-coordinated teamwork, the National Bureau effectively uses budgetary funds and international technical assistance to investigate corruption crimes.

We saved more than UAH 7.8 mln while purchasing equipment, works and services. Due to the overhaul carried out the Lviv Territorial Office welcomes citizens in a new, renovated building since December 2019.

An appropriate level of financial support allows NABU employees to participate in international events, share their own achievements and gain the best international experience.

**ANATOLY NOVAK,
Deputy Director of the
National Bureau:**

The task of the National Bureau is to eradicate criminal corruption offenses, as well as to prevent the commitment of new ones.

To fight corruption effectively, it is important to understand its essence and causes. One of these causes is the tolerant attitude of society towards corruption. Therefore, together with the criminal prosecution of corruption offences, NABU pays attention to the formation of intolerance to corruption, so people understand the negative consequences of such actions. Although not the main NABU's activities, public meetings with activists, students, investigative journalists, other members of society are our priority.





RESULTS



**NABU best practices of previous years have
been transformed into concrete results:
nearly 500 accused of top-corruption are
waiting for court judgements**

KEY EVENTS

JULY

Former Heads of the National Police of Odesa Oblast who, jointly with the Heads of LLCs, embezzled a large batch of tobacco products, withdrawn from illicit trafficking, were denounced. The Deputy Head of the State Archival Service was detained. Notices of suspicion were given to: ex-First Deputy Director General of Titanium Institute – causing USD 1.258 mln damages; the Head of the Armed Forces Unit in Lviv Oblast – causing UAH 1.18 mln damages to the state; organizer of the scheme of misappropriation of property of the National Guard of Ukraine – causing UAH 81.64 mln damages; Minister and the Head of one of the Regional State Administrations – submitting false data to e-declarations. The case as of causing UAH 13 mln damages to “Konotop Aircraft Repair Plant “Aviakon”, as well as the cases as of the judges from Odesa and Mariupol, were sent to court.



07



08

The Deputy Minister of the TOT Ministry and his “assistant”, who took possession of someone else’s funds in a particularly large amount by deceit, were caught “red-handed”. Notices of suspicion were given to: 6 persons, involved in causing UAH 18.87 bn. damages to electricity consumers due to the introduction of so-called Rotterdam + formula; the Deputy Minister – declaring false data; former Director of Trudivskiy Quarry Administration – causing UAH 1.2 mln damages; the Head of Kyiv District Court and 3 other judges – within the framework of criminal proceedings being investigated by a joint investigation team of the PGO, the SSU and NABU. For the first time for disclosing investigation information, the witness in the case of UAH 27.94 mln embezzlement of South Ukraine NPP was prosecuted. The investigations as of UAH 346.22 mln embezzlement of “Zaporizhzhiaoblenerho” OJSC, UAH 8.6 mln misappropriation of “Tsentrgaz”, non-declaration of net worth by the Minister and the Head of the Regional State Administration, as well as in relation to another suspect in the “gas case” have been completed.

AUGUST

09

Notices of suspicion were given to: the Head of the State Highway Service of Ukraine in Mykolaiv Oblast – for receiving an demanding an improper advantage of UAH 300 thous. and USD 90 thous.; former Member of Parliament of Ukraine – for USD 20 mln embezzlementd of “State Savings Bank of Ukraine”; former Director of State Enterprise “Lviv Armor Vehicle Factory” – for declaring false data; the witness in the case of UAH 92 mln embezzlement of Odesa budget during the purchase of buildings of the “Krayan” OJSC – for refusal to testify. The cases concerning the embezzlement of UAH 98 mln of “Ukrzaliznytsia” PJSC, misappropriation of UAH 8.6 mln of “Tsentrgez”, causing USD 8.245 mln damages to the State Enterprise (SE) “Ukrkosmos”, causing UAH 68.72 mln damages to “Ukrainian Studio of TV Films “Ukrtefilm” SE were sent to court. NABU has established to the satisfaction of the Supreme Court the illegality of purchase of sulphur by “Eastern Mining and Processing Plant” SE at an inflated price. The Supreme Court also recognized as legitimate the position of the National Bureau and the Specialized Anti-Corruption Prosecutor’s Office, accusing the Head of the State Fiscal Service of Ukraine of illegally granting instalments for the payment of rent in the amount of UAH 2.019 bn. (“gas case”).

**SEPTEMBER**

KEY EVENTS

OCTOBER

The ex-Chairman of the State Food and Grain Corporation board, suspected of causing USD 60 mln damages, was detained in Lithuania. The director of the SE in Kharkiv Oblast was detained on the proposal of improper advantage to the NABU employee. Notices of suspicion were given to: 6 persons, involved in corruption schemes at "Ukrzaliznytsia"; former MP – in misappropriation of property of the National Guard; two ex-MPs in declaring false data; ex-Deputy Secretary of the National Security and Defence Council – in abuse of office and non-declaration of net wealth; former NACP Head – in declaring false data. The Prosecutor General served MP with charges of UAH 93.28 mln embezzlement of "Ukrzaliznytsia". The cases as of UAH 39.8 mln damages to "Ukrzaliznytsia" and embezzlement of UAH 58 mln during the purchase of fuel for the Ministry of Defence were sent to court.



10



11

The members of a crime group including an employee of the Presidential Office of Ukraine were denounced on receiving an improper advantage. 10 persons, including the actually owner and the former Head of the Board of "VAB Bank", have been prosecuted for being involved in embezzlement of UAH 1.2 bn. stabilization loan provided by the National Bank of Ukraine. Notices of suspicion were given to: former Member of Parliament of Ukraine and former Director General of the State Enterprise "Ukroboronprom" – for declaring false data to e-declaration; to a person for causing of more than UAH 77.7 mln damages to state interests, as a result of customs clearance of imported goods to Ukraine at low prices; judge from Sumy Oblast for receiving an improper advantage. The cases as of submitting false data to e-declarations: former Minister, former Deputy Minister of Ecology of Ukraine, former Head of one of the Regional State Administrations, former Head of the National Agency on Corruption Prevention were sent to court.

NOVEMBER

12

Former PGO official was denounced on receiving an improper advantage of USD 75 thous. Three ex-MPs, having abused a position of authority, and having received unlawful compensation from the state budget for housing, were served with charges. The following persons have also received the status of suspect: ex-First Deputy Head of the State Migration Service, denounced in 2017 for receiving an improper advantage in assisting for the issuance of residence permits to foreign citizens in Ukraine; two ex-employees of "Cherkasyoblenerho" PJSC – in causing more than UAH 313 mln losses for "Cherkasyoblenerho" and "Enerhorynok" SE; Director of "Ukrainian Scientific and Technical Implementation Center for Integrated Information Protection" SE, whose actions led to the seizure of someone else's property and the failure of the state defense order implementation. The investigations of USD 20 mln embezzlement of "State Savings Bank of Ukraine" and receiving UAH 300 thous. of improper advantage by the Head of the State Highway Service of Ukraine in Mykolaiv Oblast were completed. The indictments against nine persons, involved in the illegal alienation of 15 hectares of state lands of the National Academy of Agrarian Sciences in the interests of private persons, and against the Director of Lviv Armour Vehicle Factory, who is accused of non-declaration of net wealth, were sent to court.

**DECEMBER**

INVESTIGATIONS

NABU and SAPO enhanced investigations, demonstrated results in a number of high-profile criminal proceedings and significantly improved engagement with other law enforcement agencies

Second half of 2019 became a period of intensified efforts against top-corruption in Ukraine. During the last six months, 84 people were denounced and served with charges. That is more than during the entire 2018. The vast majority of brought to justice are senior officials, judges, former Members of Parliament of Ukraine, Heads of State Enterprises etc.

The achievements are the result of a number of factors. These are investigations in previous periods, as well as coordinated cooperation of the National Bureau and SAPO with other law enforcement agencies, in particular, with the Security Service of Ukraine, the Prosecutor General's Office of Ukraine and state institutions of executive authority.

Among cases, in which the investigation managed to achieve progress, there are: causing UAH 18.87 billion damages to electricity consumers due to the introduction of so-called "Rotterdam +" formula; misappropriation of the National Guard's property in the amount of over UAH 80 million, loans of "State Savings Bank of Ukraine" and the National Bank of Ukraine.

In general, in the second half of 2019, NABU and the Specialized Anti-Corruption Prosecutor's Office started investigations into 674 criminal proceedings, which is 141 more than in the previous reporting period.

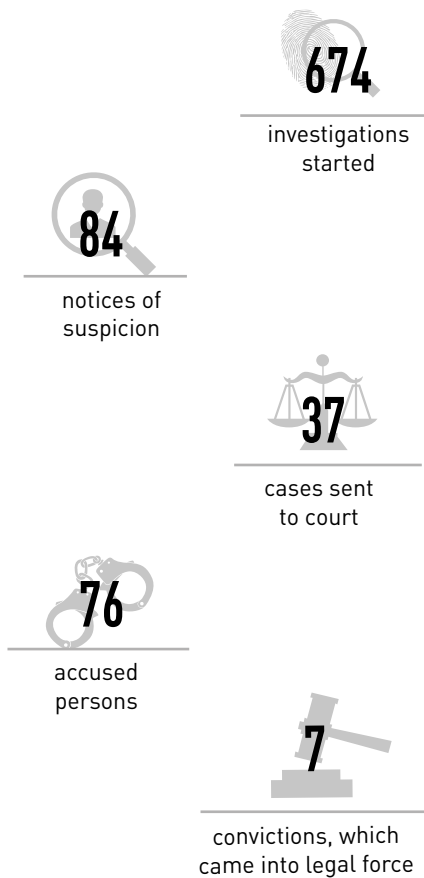
674

**CRIMINAL
PROCEEDINGS**

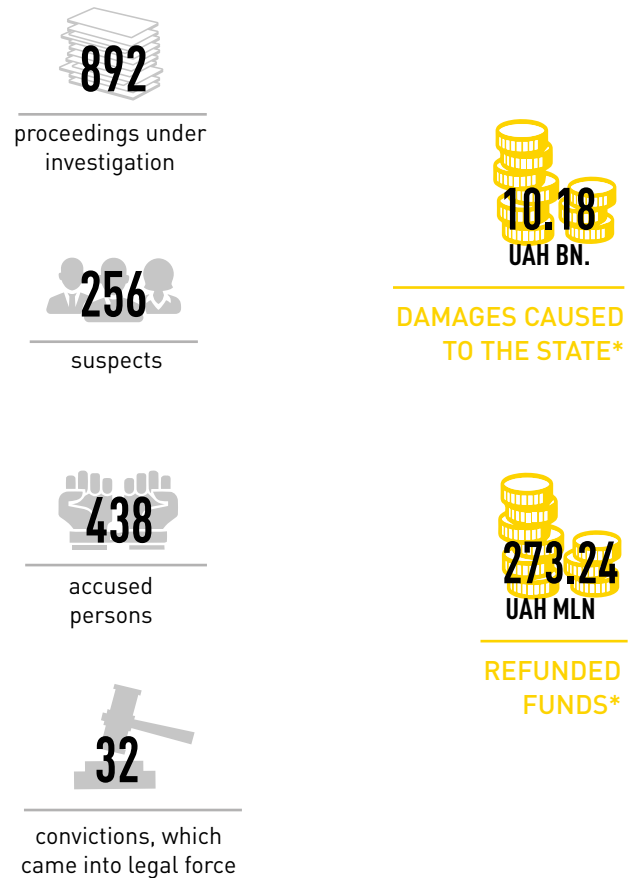
were started
in the second
half of 2019

NABU AND SAPO ACTIVITIES: RESULTS OF THE SECOND HALF OF 2019

(from 01.07.2019 until 31.12.2019)



(as of 31.12.2019)



* in completed criminal proceedings

PROSECUTED PERSONS

The specific feature of the second half of 2019 is that the number of high-ranking officials denounced in corruption crimes increased

The National Bureau with its activities has shown that top-positions do not shelter officials from responsibility. This is confirmed by the fact that, during the reporting period under the procedural guidance of the SAPO Prosecutors, the NABU Detectives served 17 top-officials with charges. Among them there are: an employee of the Presidential Office of Ukraine, a Minister, several Deputy Ministers (at the time of suspicion), a number of former MPs, former First Deputy Secretary of the National Security and Defense Council of Ukraine, former Head of National Agency on Corruption Prevention (NACP), former First Deputy Head of the State Migration Service of Ukraine, sitting Member of Parliament of Ukraine. These persons are mostly accused of abusing their official position, causing damages to state interests, declaring false data. Above all, the society was outraged by the actions of three MPs (now – former), who illegally received the compensation for housing from the budget.

Also among prosecuted “leaders” – middle-level public servants, law enforcement officials, Heads of State Enterprises. In total, in the second half of 2019, 84 persons, including Heads of State Enterprises, received notices of suspicion in cases, investigated by the National Anti-Corruption Bureau of Ukraine and the Specialized Anti-Corruption Prosecutor’s Office.

17

TOP-OFFICIALS

were given notices
of suspicion in the
second half of 2019

PROSECUTED PERSONS

BREAKDOWN OF SUSPECTS*

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

as of 31.12.2019*		from 01.07.2019 until 31.12.2019
45	Senior officials of the state (the Prime Minister, ministers and their deputies, Members of Parliament of Ukraine, National Bank of Ukraine Governor and his deputies, Secretary of the National Security and Defence Council etc.)	17
6	Public officials, local self-governments officials falling within the "A" Category	2
1	Military officers in the high command of law enforcement agencies and control services	1
1	Military officers in the high command of the Armed Forces of Ukraine, the SSU, the State Border Guard Service of Ukraine, the National Guard of Ukraine, and other military units formed	—
20	Heads of state enterprises in the authorized capital of which the participation interests of state or communal property exceeds 50%	10
6	Judges	5
1	Prosecutors	—
56	Public officials, law enforcement officers, local self-governments officials who have committed corruption crimes, and it caused damages to the State which exceed the living wage for employable persons by 500 times	18
—	Member of regional council	1
120	Other (individuals, lawyers)	30

BREAKDOWN OF SUSPECTS ACCORDING TO THE ARTICLES OF CRIMINAL CODE OF UKRAINE**

[as of 31.12.2019]

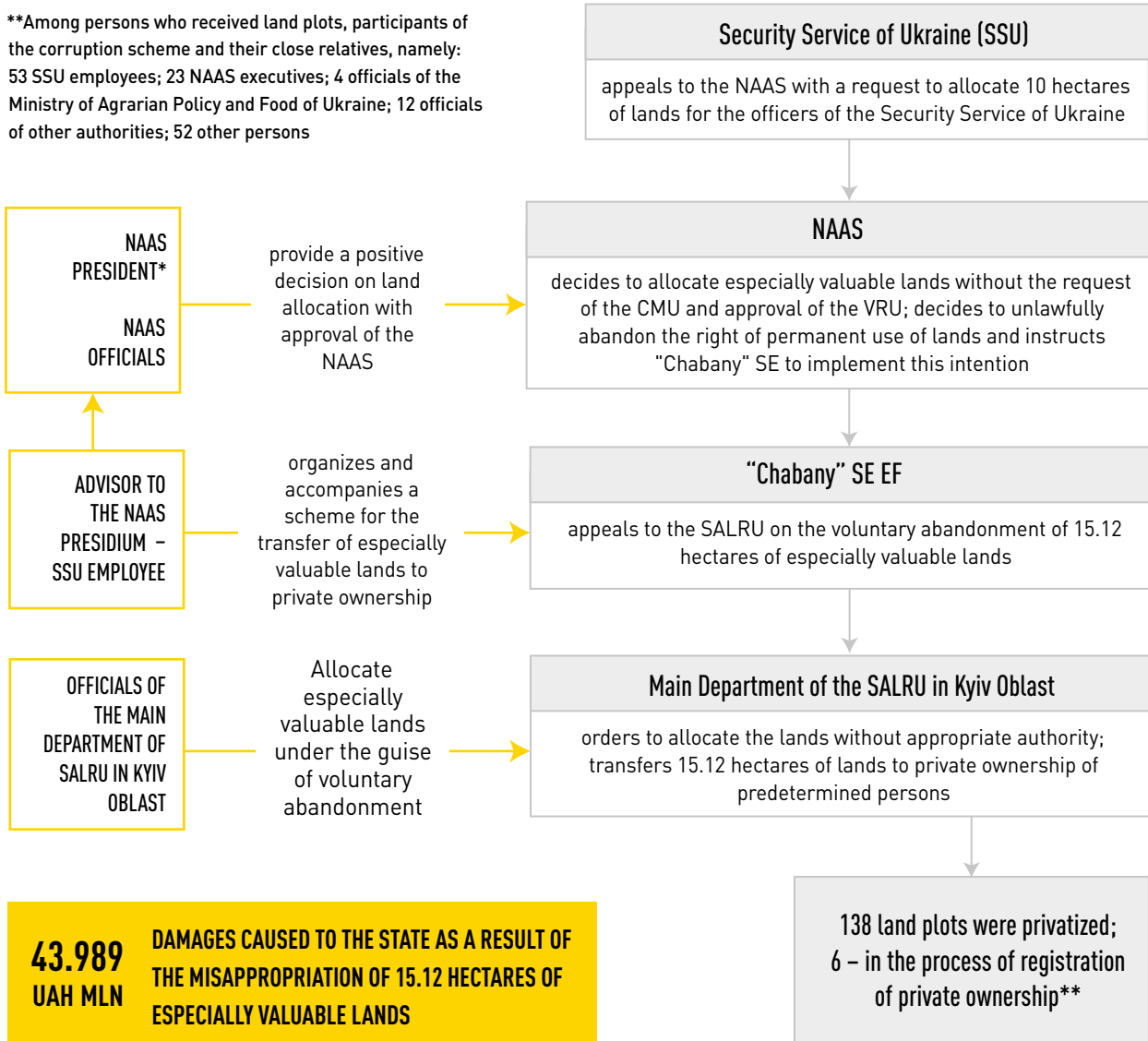
**in criminal proceedings in which pre-trial investigation is in progress in relation to all persons in all episodes

Notices of suspicion	Qualification
42%	Article 191
0%	Article 206-2
8%	Article 209
0%	Article 210
0%	Article 211
0%	Article 354
15%	Article 364
3%	Article 366-1
7%	Article 368
6%	Article 369
1%	Article 369-2
1%	Article 410
40%	Other

COMPLETED INVESTIGATIONS

* All positions are stated at the time of committing the crime

**Among persons who received land plots, participants of the corruption scheme and their close relatives, namely: 53 SSU employees; 23 NAAS executives; 4 officials of the Ministry of Agrarian Policy and Food of Ukraine; 12 officials of other authorities; 52 other persons



MISAPPROPRIATION OF ESPECIALLY VALUED LANDS OF THE NATIONAL ACADEMY OF AGRARIAN SCIENCES OF UKRAINE IN KYIV-SVIATOSHYNKYI DISTRICT IN KYIV OBLAST

Suspects

- former President of the NAAS (P. 3 Art. 27 P. 5 Art. 191, P. 3 Art. 15 P. 3 Art. 27 P. 5 Art. 191, P. 1 Art. 366 of the Criminal Code of Ukraine)
- the SSU employee (P. 3 Art. 27 P. 5 Art. 191, P. 3 Art. 15 P. 3 Art. 27 P. 5 Art. 191 of the CC of Ukraine)
- the NAAS Vice-President (P. 5 Art. 191, P. 3 Art. 15 P. 5 Art. 191 of the CC of Ukraine)
- Director of the NSC “Institute of Agriculture” of the NAAS (P. 5 Art. 191, P. 3 Art. 15 P. 5 Art. 191, P. 1 Art. 366 of the CC of Ukraine)
- former Head of “Experimental Farm “Chabany” SE of the NSC “Institute of Agriculture” of the NAAS (P. 5 Art. 191, P. 3 Art. 15 P. 5 Art. 191 of the CC of Ukraine)
- former Deputy Head of the Main Department of the SALRU in Kyiv Oblast (P. 5 Art. 191, P. 3 Art. 15, P. 5 Art. 191 of the CC of Ukraine) and others (in total — 9 persons)

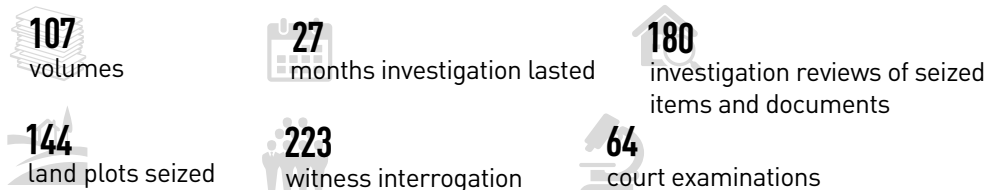
Key events

07.04.2017	14.03.2019	19.03.2019	31.07.2019	21.12.2019
investigation started	notices of suspicion were given to 7 persons	notices of suspicion were given to 2 persons	investigation completed	sent to court

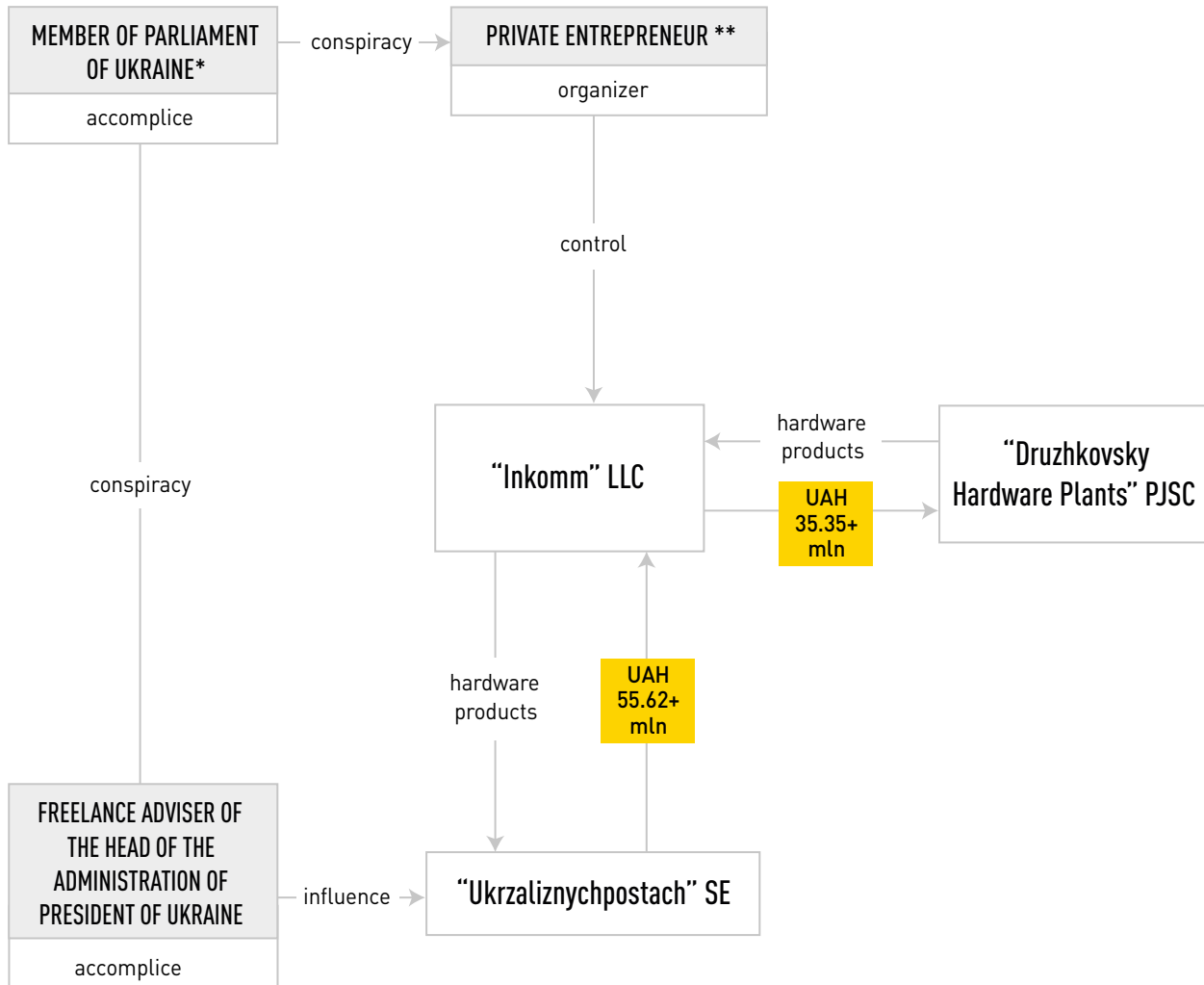
Crime scheme

During 2013-2014, suspects initiated decisions, which resulted in 15 hectares of especially valued lands illegally transferred to private ownership of predetermined persons. The land plots located in the suburbs of Kyiv (Gatne village). The NAAS officials, in a conspiracy with officials of the Main Department of the SALRU in the Kyiv Oblast, ignored the requirements of the laws of Ukraine (Art. 149, 150 of the LC of Ukraine). Without the consent of the Cabinet of Ministers and Parliament, they resolved to agree to terminate the right to permanent use of land plots of the NAAS. Among the recipients of the land plots, there are the suspects, their relatives, the SSU employees, the NAAS officials, the Ministry of Agrarian Policy and other authorities. In total, they received 144 land plots.

Investigation in figures



COMPLETED INVESTIGATIONS



*All positions are stated at the time of committing the crime

**Indictment as of the person and 6 other sent to court

UAH 20+ MLN
DAMAGES CAUSED TO
'UKRZALIZNYCHPOSTACH' SE

CAUSING DAMAGE IN THE AMOUNT OF UAH 20 MILLION TO "UKRZALIZNYCHPOSTACH" SE (BRANCH OF "UKRZALIZNYTSIA" JSC , 100% STATE'S OWNERSHIP)

Suspects

- former MP (P. 5 Art. 27 P. 5 Art. 191 of the Criminal Code of Ukraine)
- financial adviser of the MP (P. 5 Art. 27 P. 5 Art. 191 of the CC of Ukraine)
- freelance adviser of the Head of the Administration of President of Ukraine in 2015-2016 years (P. 5 Art. 27 P. 5 Art. 191 of the CC of Ukraine) and other (10 persons in total)

Key events

11.01.2016	06.01.2017	02.10.2019	20.11.2019
investigation started	investigation started as of the MP's actions	notices of suspicion were given to 3 persons	investigation completed

Crime scheme

In 2015, a private entrepreneur asked a Member of Parliament (at the time of committing a crime) for assistance in organizing a corruption scheme. According to it, hardware products had to be supplied at inflated prices for "Ukrzaliznytsia" SE. The MP agreed to help with the organization of crime by providing advices, financial resources and using his business connections. His assistant was involved in organization of the crime too. He fulfilled financial instructions of the MP and consulted other participants of the scheme. The Member of Parliament asked a freelance adviser of the Head of the Administration of President of Ukraine to influence the officials of "Ukrzaliznychpostach" SE. According to the plan, officials of the SE had to ensure the winning of a predetermined company on state procurement and to sign the supply agreement of hardware products at inflated prices. As a result, an agreement for the supply of hardware products at prices almost twice higher than the average market was signed. The investigation revealed that "Ukrzaliznytsia" SE suffered losses in the amount of UAH 20 million.

Investigation in figures

46
volumes

70+
witness interrogation

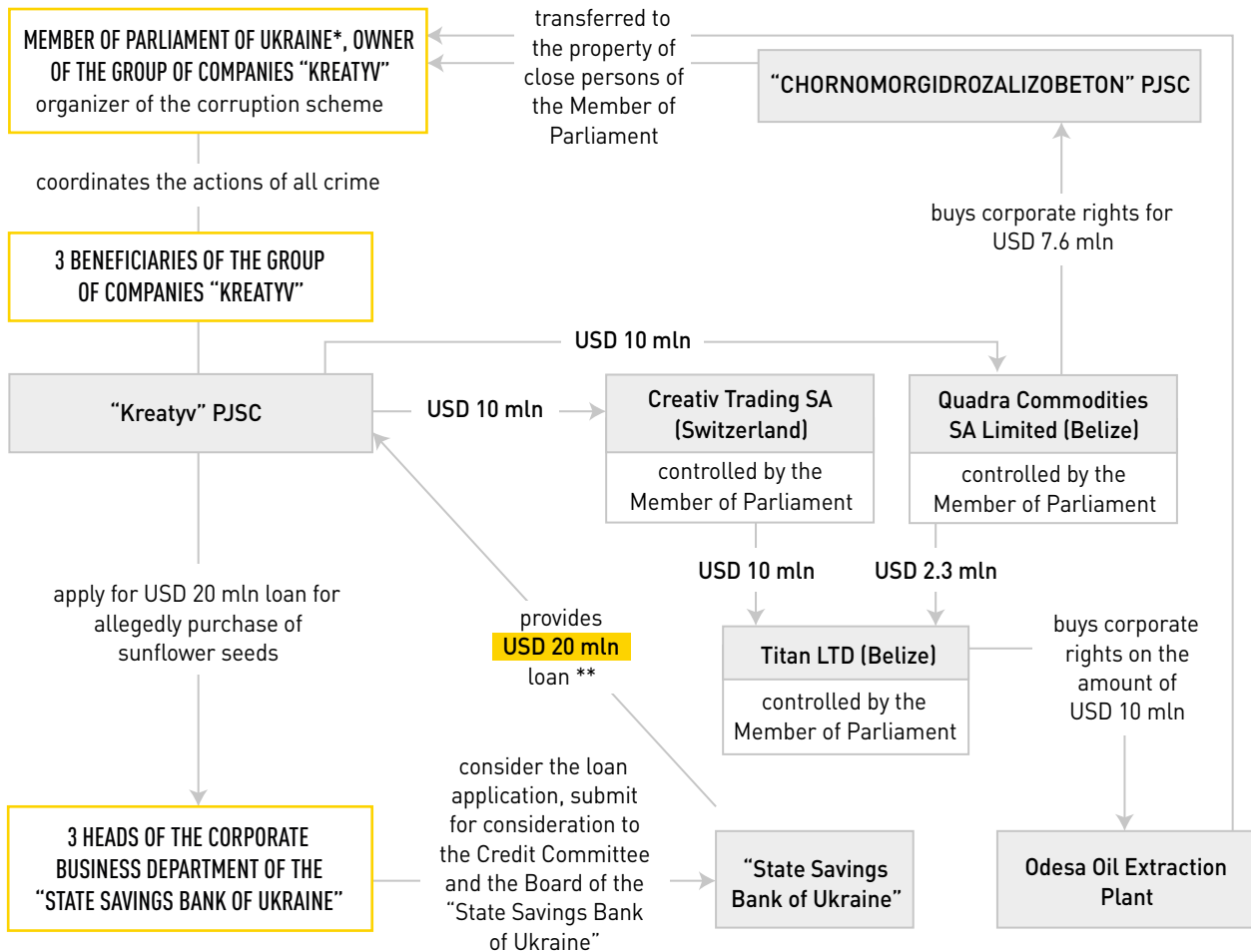
100+
investigation reviews of seized items and documents

20+
investigation reviews

45
months investigation lasted

8
court examinations

COMPLETED INVESTIGATIONS



* All positions are stated at the time of committing the crime

"Kreatyv" PJSC with USD 20 mln loan for 3 years for replenishment of obligatory funds at 11% per annum against the security of the elevator, estimated by the bank for UAH 123.3+ mln, and future revenues from a nonexistent supply contract oils of "ZMF" LLC, estimated by an appraiser (one of the suspects) for UAH 101.9+ mln

20 **DAMAGES CAUSED TO "STATE**
USD MLN **SAVINGS BANK OF UKRAINE"**

USD 20 MILLION EMBEZZLEMENT OF “STATE SAVINGS BANK OF UKRAINE” JSC (100% STATE OWNED)

Suspects

- former MP, former beneficiary of the group of companies “Kreatyv” (P.3 Art.27 P.5 Art.191, P.3 Art.27 P.3 Art.209, P.3 Art.27 P.1 Art.366 of the Criminal Code of Ukraine)
- former Head of the Corporate Business Department (currently— Deputy Chairman of the Board) of “State Savings Bank of Ukraine” (P.5 Art.27 P.5 Art.191, P.2 Art.28 P.2 Art.364, P.2 Art.28 P.1 Art.366 of the CC of Ukraine)
- former Head of Project Finance Directorate of “State Savings Bank of Ukraine” (resigned in 2015) (P.5 Art.27 P.5 Art.191, P.2 Art.28 P.2 Art.364, P.2 Art.28 P.1 Art.366 of the CC of Ukraine)
- former Head of Department of Project Finance Directorate of “State Savings Bank of Ukraine” (currently— Head of Department) (P.5 Art.27 P.5 Art.191, P.2 Art.28 P.2 Art.364, P.2 Art.28 P.1 Art.366 of the CC of Ukraine) and others (in total — 13 persons)

Key events

16.05.2016	23.10.2018	06.11.2018	27.09.2019	13.12.2019
investigation started	notices of suspicion were given to 10 persons	notices of suspicion were given to 2 persons	ex-Member of Parliament was given a notice of suspicion	investigation completed

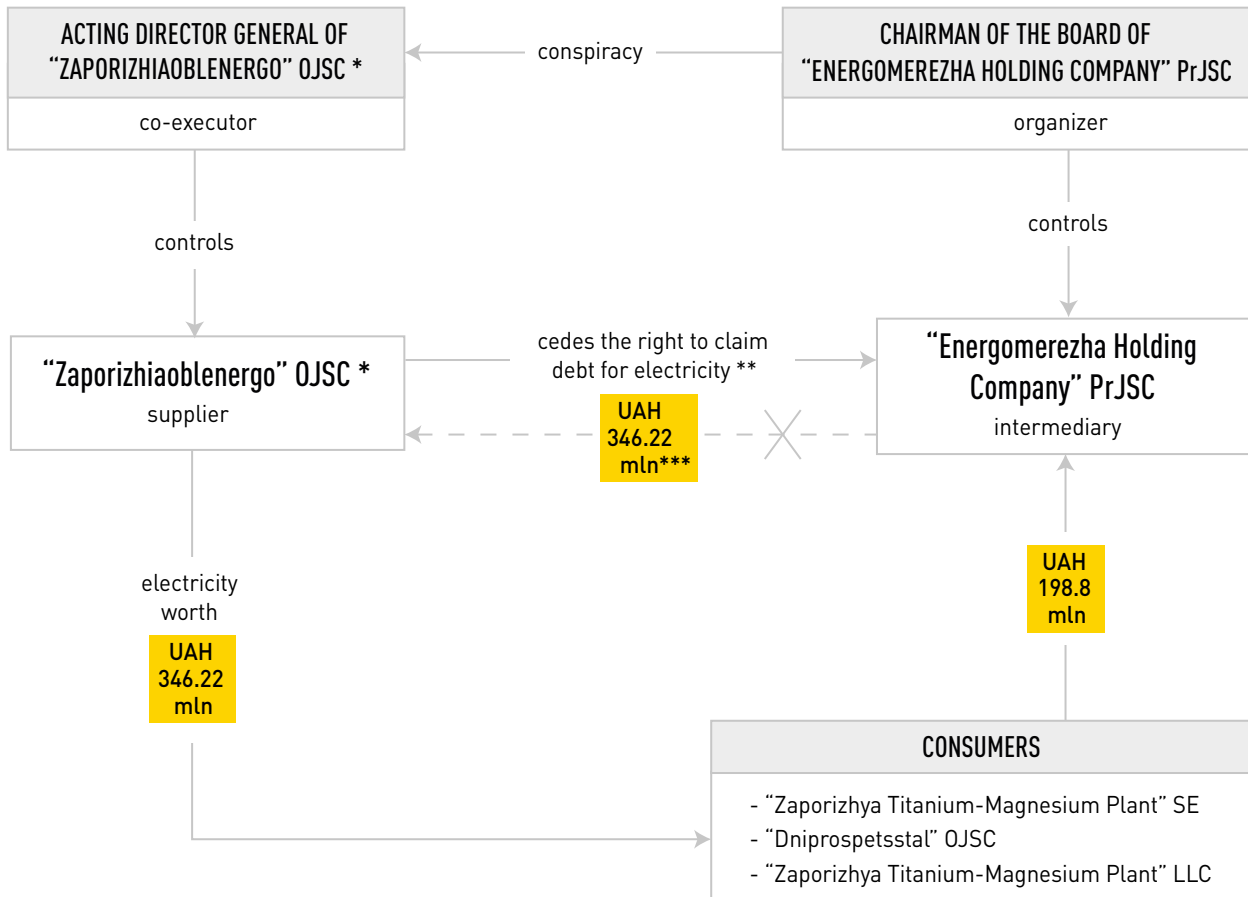
Crime scheme

During 2013-2014, according to the investigation, the former MP of Ukraine organized a corruption scheme to embezzle the funds of “State Savings Bank of Ukraine” JSC. The MP entered into criminal conspiracy with officials of the group of companies “Kreatyv”, controlled by him, as well as with the officials of “State Savings Bank of Ukraine”. Under the pretext of obtaining a loan for the purchase of sunflower seeds, the crime participants embezzled USD 20 mln (UAH 159.86 mln) of the state bank by forging documents and abusing their positions. At the same time, due to the discharge of missing collateral by the bank and expenditure for creation of loan provisions, the value of “State Savings Bank of Ukraine” assets decreased by UAH 133 mln. The loan has not yet been repaid; no fines and penalties have been paid.

Investigation in figures

180 volumes	135 witness interrogation	5 court examinations
17 investigation reviews	43 months investigation lasted	43 temporary access

COMPLETED INVESTIGATIONS



UAH 346.22 MLN
DAMAGES CAUSED TO
"ZAPOROZHIEOBLENERGO" OJSC

*All positions are stated at the time of committing the crime

**In accordance with Part 2 of Article 15-1 of the Law of Ukraine "On the Electric Power Industry", funds for consumed electricity can only be transferred to the supplier's special accounts (in this case – to "Zaporizhiaoblenergo" OJSC), which cannot sign agreements on the assignment of the right to claim debt

***UAH 2.1 mln of debt in several payments was paid after the start of the investigation

UAH 346.22 MILLION EMBEZZLEMENT OF “ZAPORIZHZHIAOBLENERHO” OJSC (60.2% OF SHARES BELONG TO THE STATE)

Suspects

- former Chairman of the Board of “Energomerezha Holding Company” PrJSC (P.5 Article 191, P.3 Article 27, P.2 Article 364 of the Criminal Code of Ukraine)
- former Acting Director General of “Zaporizhzhiaoblenerho” OJSC (currently – JSC) (P.2 Art. 364 of the CC of Ukraine)

Key events

04.12.2015	06.2016	15.04.2019	23.08.2019
investigation started	former Chairman of the Board of “Energomerezha Holding Company” PrJSC was given a notice of suspicion	former Chairman of the Board of “Energomerezha Holding Company” PrJSC was detained	investigation completed

Crime scheme

The investigation revealed that during 2014-2015, the official of “Energomerezha Holding Company” organized a scheme according to which electricity consumers, instead of paying for electricity to a supplier – “Zaporizhzhiaoblenerho” JSC – transferred funds to the intermediary (“Enerhomerezha Holding Company”). Then the intermediary transferred funds to the energy supplier. Instead of UAH 346.22 mln, “Zaporizhzhiaoblenerho” received only UAH 1.7 mln. In the legal sense, “Zaporizhzhiaoblenerho” has itself transferred the right of request to recover debts from the consumers: “ZTMK” SE, “ZTMK” LLC, “Dniprospetsstal” PJSC. In order to implement the scheme, the agreements on assignment of claims were applied. Those agreements contradicted the legislation in the field of electricity and changed the procedure for making payments on the wholesale electricity market of Ukraine. The National Bureau achieved invalidation of 5 agreements for assignment of claims for a total amount of more than UAH 346 mln and provided compensation for UAH 74 mln at the investigation stage. For almost three years, the Head of “Energomerezha Holding Company” had been hiding from the investigation. In April 2019, he was extradited from Germany. Former Acting Director General of “Zaporizhzhiaoblenerho” OJSC is still on the wanted list.

Investigation in figures

110
volumes

102
witness interrogation

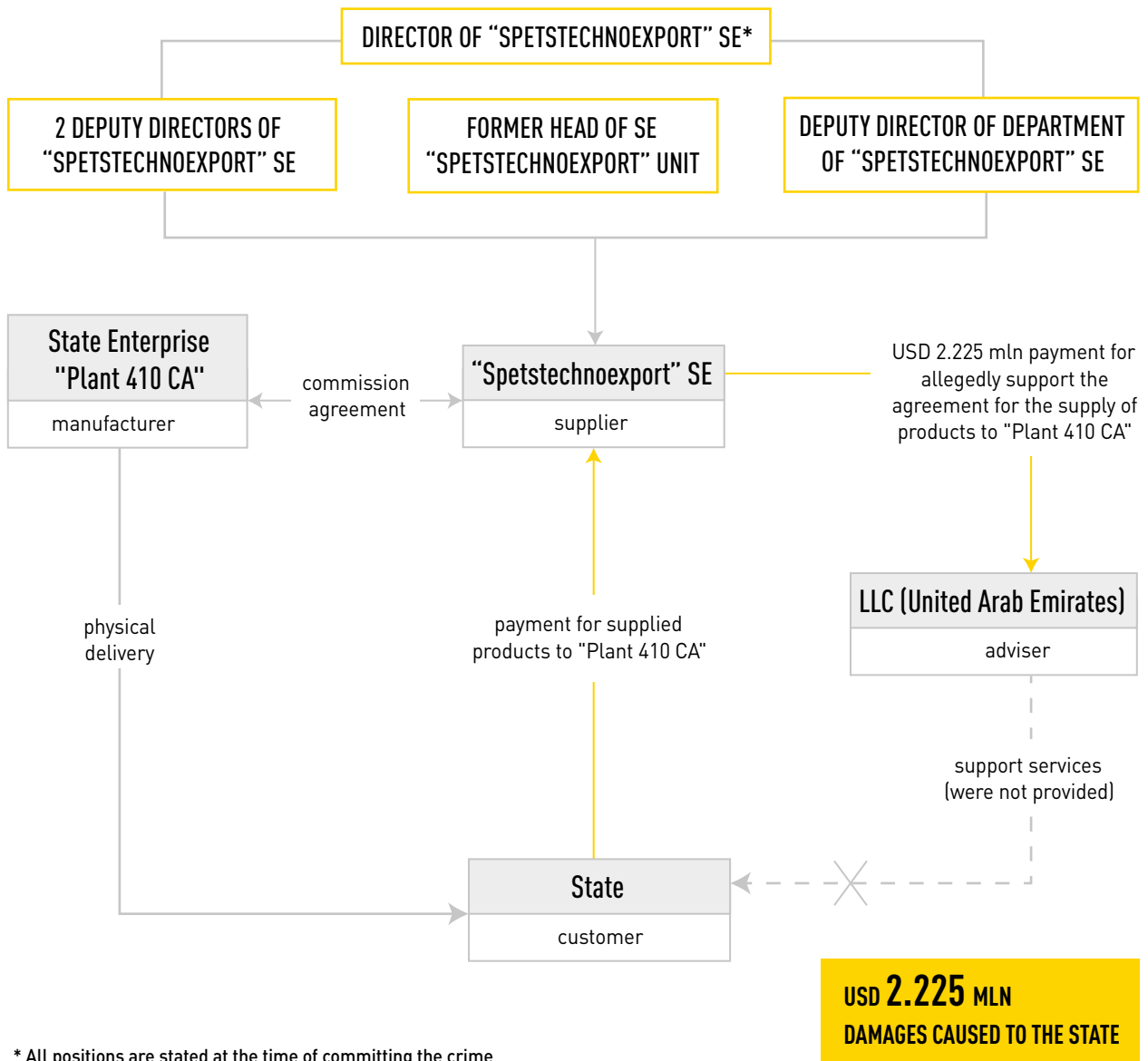
38
investigation reviews of seized items and documents

UAH 74 mln
refunded

45
months investigation lasted

15
court examinations

COMPLETED INVESTIGATIONS



* All positions are stated at the time of committing the crime

USD 2.225 MLN (UAH 55.5 MLN) EMBEZZLEMENT OF STATE FOREIGN TRADE ENTERPRISE “SPETSTECHNOEXPORT” (FALLS WITHIN THE SCOPE OF MANAGEMENT OF “UKROBORONPROM”)

Accused

- former Director of “Spetstechnoexport” SE, at the time of the crime — Deputy Director
- former Director of “Spetstechnoexport” SE, at the time of the crime — Director
- former Deputy Director of “Spetstechnoexport” SE
- former Deputy Director of Contract Department No. 1 of “Spetstechnoexport”, currently — individual entrepreneur
- former Head of one of “Spetstechnoexport” Units, currently — individual entrepreneur (actions of all participants are qualified under P.2, 3 Art. 27, P.2 Art. 28, P.5 Art. 191, P.1 Art. 366 of the Criminal Code of Ukraine)

Key events

20.12.2017

investigation started

04.03.2019

notices of suspicion were given to 5 persons

06.08.2019

investigation completed

24.01.2020

indictment sent to court

Crime scheme

The investigation revealed that in 2014, on the initiative of “Spetstechnoexport” executives, the State Enterprise signed an additional agreement with a foreign company, which stipulated for the provision by a non-resident company of support services (execution of works) for one of the foreign economic contracts. Under this contract, “Spetstechnoexport” had to supply products, manufactured by “Plant 410 CA” SE. The intermediation of a non-resident was to ensure the conclusion and further implementation of foreign economic contract, for which “Spetstechnoexport” SE paid USD 2.225 mln, owned by “Plant 410 Civil Aviation” SE. Instead, the NABU Detectives found that the non-resident company did not provide the claimed services. Such actions have caused material damages in a particularly large amount, as well as jeopardized Ukraine’s international standing as a reliable partner in the sphere of military and technical cooperation.

Investigation in figures



2

court examinations



31

witness interrogation



50+

volumes



2

requests to other countries



16

temporary access



19

months investigation lasted

REFUNDED FUNDS

Due to the claim work, in the second half of 2019 the National Bureau provided a basis for the return of more than UAH 2 billion to the State Treasury

More than UAH 10 billion – the amount of losses, caused by corruption investigated by the Detectives of the National Bureau and the SAPO prosecutors within 245 criminal proceedings, in which the indictments were sent to court. As of the end of 2019, more than UAH 601 million refunded in these cases. Among other things, in the second half of the year the defendant fully compensated UAH 1.18 million on his own will. Those were the losses caused by actions of the Head of house department, who drafted and issued service acceptance acts for lease of gas boiling premises by private enterprise, whereas such services were not provided in fact.

Numerous assets have been seized within the framework of the NABU and SAPO investigations in order to ensure future compensation for damages caused to the state. These include more than 160 land plots, 150+ residential and non-residential properties, bank accounts etc.

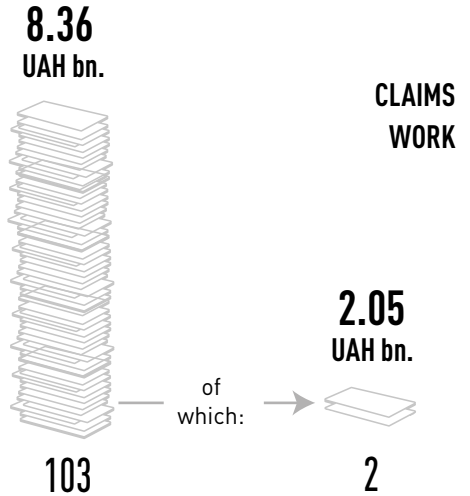
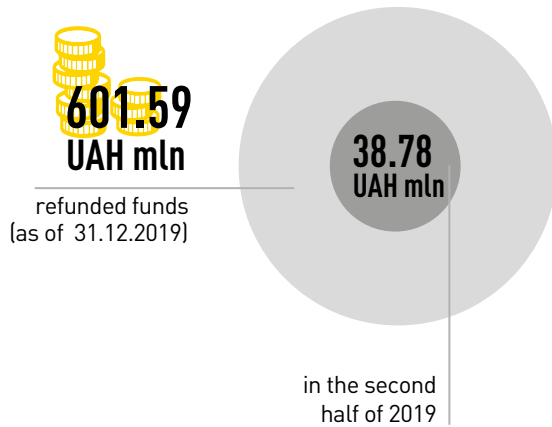
In addition, in the second half of the year, through court actions, NABU lawyers obtained the annulment of two illegal agreements worth over UAH 2 billion. The lawsuits were filed before the decision of the Constitutional Court of Ukraine, which deprived NABU of the said right. Therefore, as the Supreme Court has ruled, they must be satisfied. Through this process, they provided the basis for the further reimbursement of funds on annulled agreements.

131

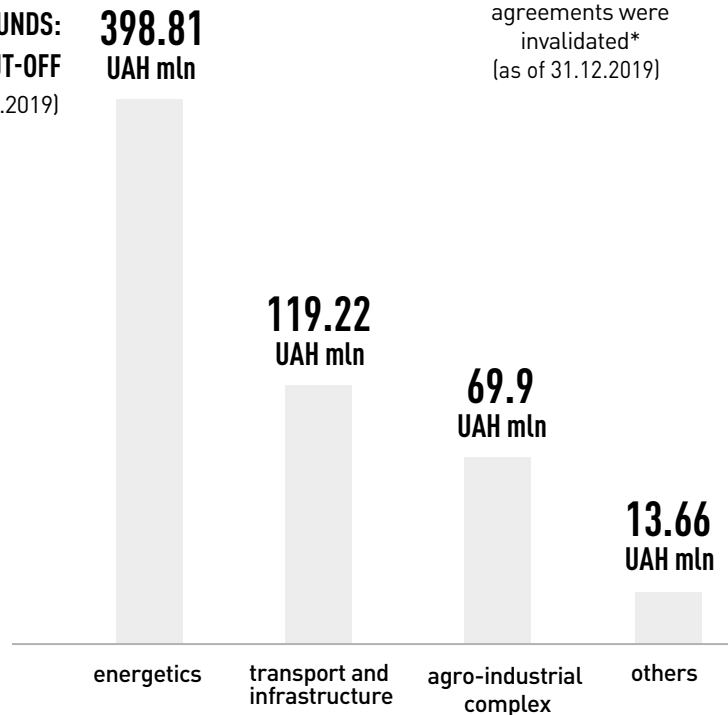
UAH THOUS.

confiscated by court decisions in NABU and SAPO cases in the second half of 2019

REFUNDED FUNDS



**REFUNDED FUNDS:
INDUSTRY CUT-OFF**
(as of 31.12.2019)



*the decisions
came into force

CASES IN COURTS

On September 5, 2019, the High Anti-Corruption Court started its work. In less than two months, it delivered its first judgement, having found the judge guilty of not filing an e-declaration

In the second half of 2019, the Detectives of the National Bureau drafted and the SAPO Prosecutors sent 36 indictments to court, as well as one petition for the release of a person from criminal responsibility. In early September 2019, the newly established High Anti-Corruption Court (HACC) started to consider the cases solely on top-corruption.

As of December 31, 2019, about 175 cases from NABU and SAPO, which were submitted directly by the SAPO Prosecutors and transferred from other courts, were under consideration of the High Anti-Corruption Court. In two cases, judges have already ruled. For comparison, some cases of top-corruption in the courts of first instance were at the initial stage of trial – the stage of preliminary case hearing – for more than two years.

During four months of the High Anti-Corruption Court work, 38 judges participated in about 3,800 hearings, and considered more than 1,400 procedural appeals from the Detectives of the National Bureau and the SAPO Prosecutors.

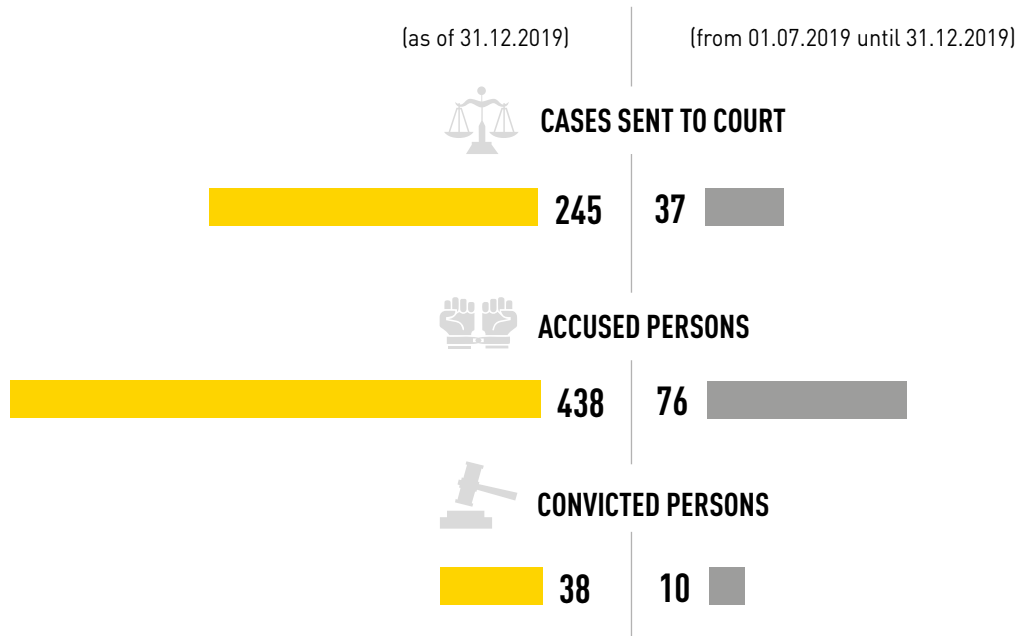
Therefore, the National Bureau hopes the High Anti-Corruption Court will not slow down the pace of litigation and will make fair and unbiased decisions in all cases. Only court judgments give grounds to return stolen property and funds to the state Treasury.

175

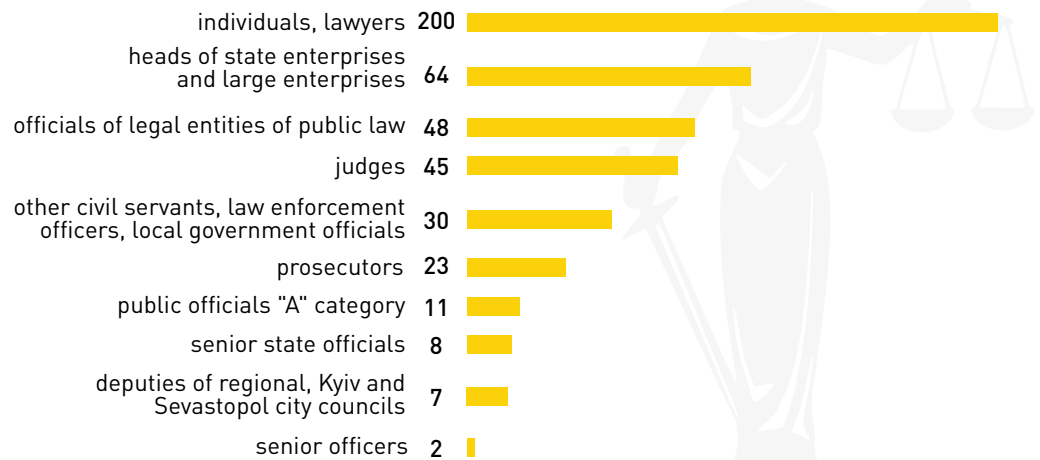
CASES

sent by NABU and
SAPO to the HACC
according to the
jurisdiction

CASES IN COURTS



accused persons



INTERNATIONAL ASPECT OF THE INVESTIGATIONS

NABU is an active participant in the fight against international corruption. This is evidenced by increasing number of appeals from the competent authorities of other states in II half of 2019

Almost twice as many appeals from competent authorities of other states than in previous reporting period were received by NABU within the frame of international assistance in criminal matters in II half of 2019. We also have a record number of requests, in relation to NABU, made by foreign authorities during six months — 98.

This obviously testifies to an increase in awareness and confidence of law enforcement agencies of the world in Ukrainian anti-corruption institution, as well as confirms the fact that Ukrainian corruption is integrated into international one.

Effective cooperation within the framework of international legal engagement has made it possible to establish the circumstances of a crime in a number of criminal proceedings. This contributed to the progress of investigations by the Detectives in the second half of 2019, including proceedings as of abuse at the enterprises of “Ukroboronprom” State Concern, in customs clearance of goods imported into Ukraine, upon seizure of loans of the National Bank of Ukraine and “State Savings Bank of Ukraine”.

The detention of former Chairman of the board of “State Food and Grain Corporation of Ukraine” in Lithuania in October 2019 is an important event in the framework of international cooperation in the field of investigations. The procedure of his extradition to Ukraine has been started.

13

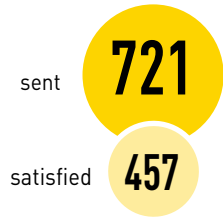
PERSONS

can be extradited
to Ukraine due to
the NABU requests

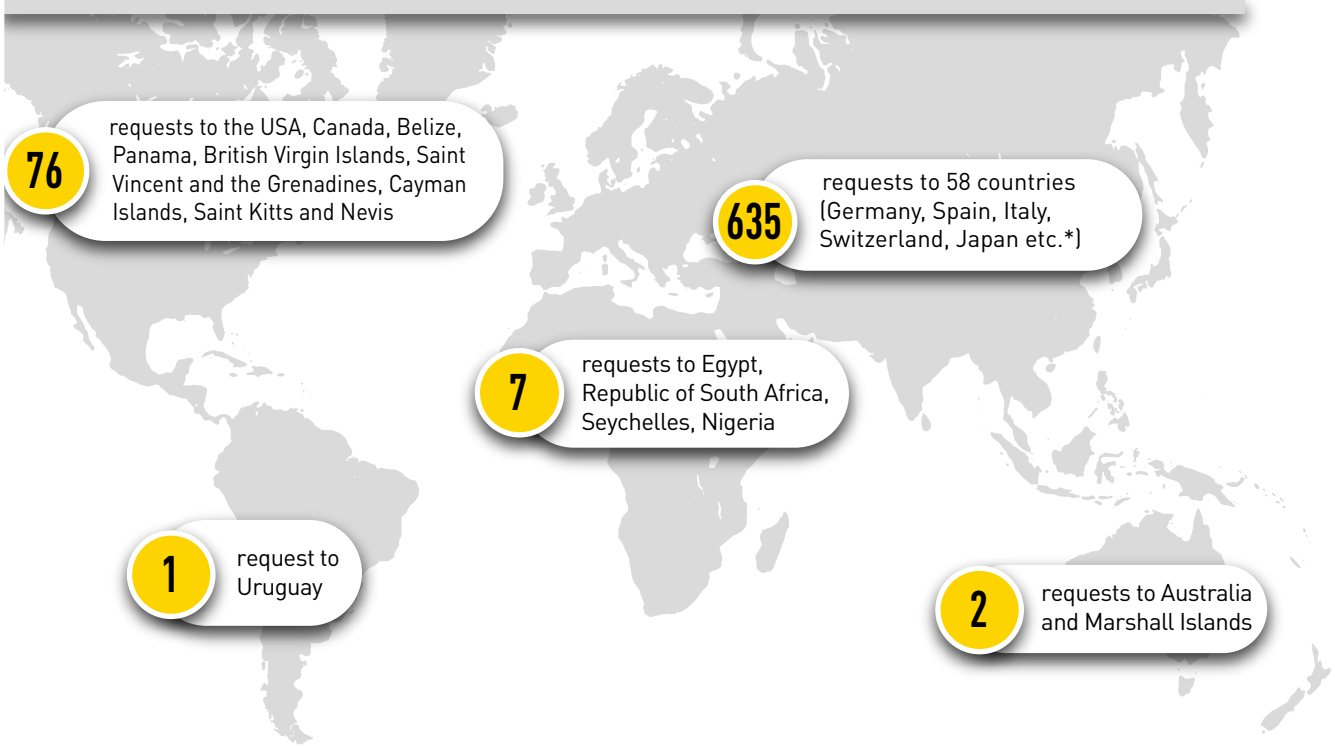
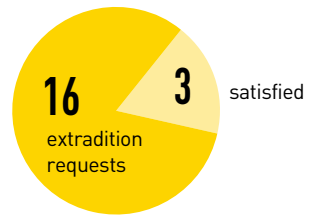
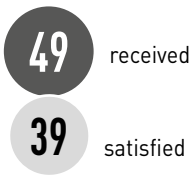
INTERNATIONAL LEGAL COOPERATION: REQUESTS FOR LEGAL ASSISTANCE

[as of 31.12.2019]

Requests from NABU



Requests to NABU



* 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, South Korea, Poland, Russia, Romania, Saudi Arabia, Singapore, Slovakia, Tajikistan, Turkey, Uzbekistan, Hungary, Finland, France, Croatia, Czech Republic, Montenegro, Switzerland, Sweden, Denmark, India, Republic of Ireland, the Maldives, Isle of Man, Malta, Lebanon

LEGISLATIVE WORK

With the aim to improve the efficiency of the National Bureau a number of legislative and regulatory acts were adopted in the second half of 2019

During the second half of 2019, the National Bureau actively participated in legislative process: the NABU Lawyers worked out and submitted proposals for 34 draft laws, which is now the historic maximum for NABU. The constructive cooperation resulted in adoption of a number of laws that are key to the development of the institution.

It should be noted that the National Anti-Corruption Bureau of Ukraine acquired the right of autonomous wiretapping, introduction of modifications to the relevant law in relation to regulating of approaches in terms of appointment and management of the National Bureau staff.

Other important innovations include amendments to the Criminal Procedure Code of Ukraine, introduction of a new institution for confiscation of illegal assets of persons, authorized to perform state control functions or local self-government, restoration of criminal liability for unlawful enrichment, etc.

In return, the Detectives of the National Bureau have intensified communication with state authorities based on materials collected during the pre-trial investigation of the criminal proceedings. The focus is to eliminate the prerequisites for corruption during appointment to a position and public procurement.

16

SUBMISSIONS

on eliminating the preconditions for corruption sent to state agencies in the second half of 2019

LEGISLATIVE WORK

(from 01.07.2019 until 31.12.2019)

NABU LAWYERS ANALYZED AND GAVE CONCLUSIONS IN REGARD TO



**Drafts of
laws**



**Drafts of
subordinate acts**

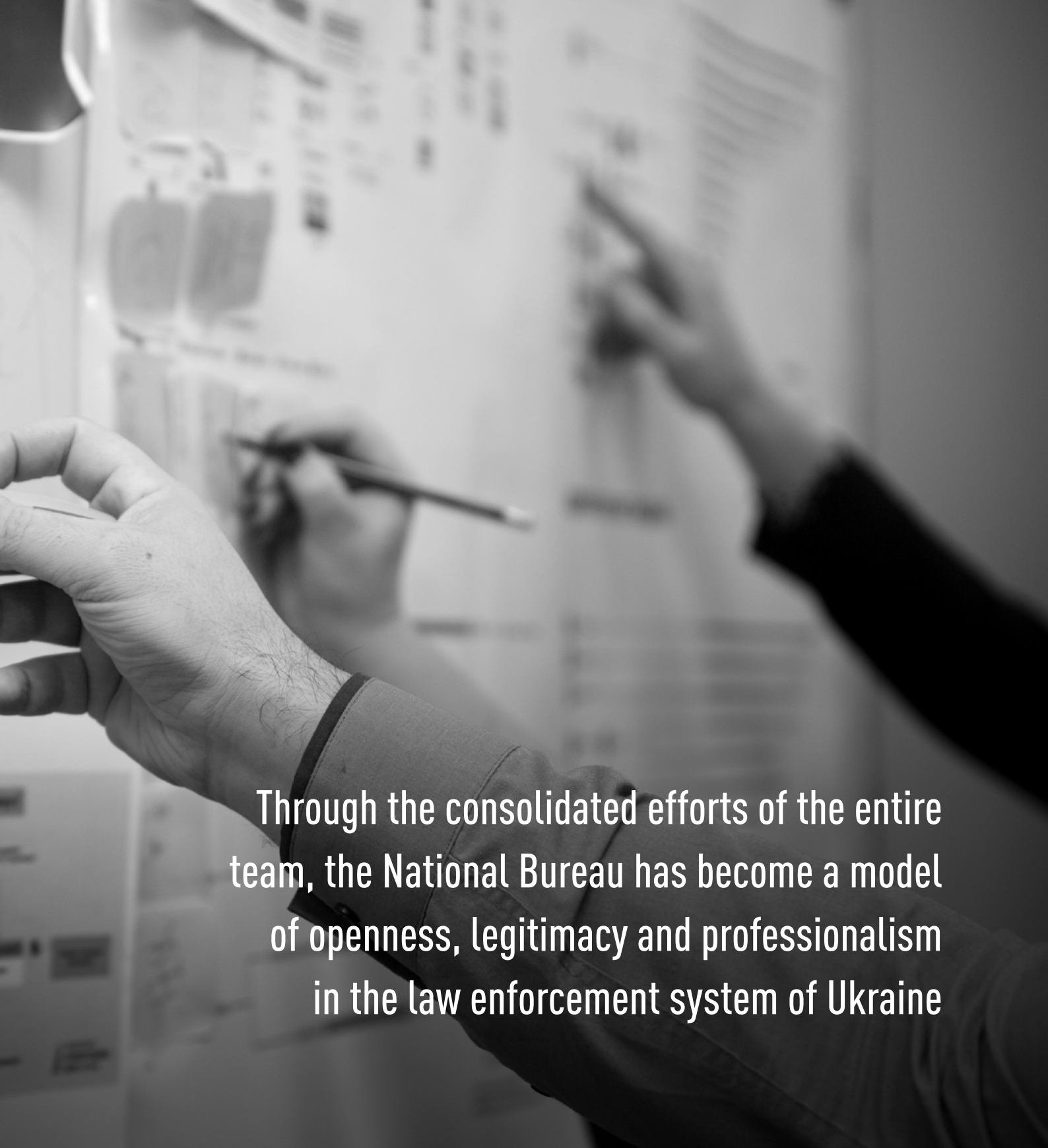


Authors of applications

- 16 Ministry of Justice of Ukraine
- 12 Verkhovna Rada of Ukraine
- 8 Ministry of Internal Affairs of Ukraine
- 4 Cabinet of Ministers of Ukraine
- 4 Prosecutor General's Office of Ukraine
- 2 Presidential Office
- 2 State Bureau of Investigation
- 2 Ministry for Development of Economy,
Trade and Agriculture of Ukraine
- 2 National Agency on Corruption Prevention
- 2 National Police
- 1 National Agency of Ukraine for Finding, Tracing and
Management of Assets Derived from Corruption and Other Crimes
- 1 Ministry of Defence of Ukraine
- 1 State Audit Service of Ukraine
- 1 Ministry of Health of Ukraine
- 1 Ministry of Foreign Affairs of Ukraine
- 1 National Civil Service Agency
- 1 Ministry of Finance of Ukraine



INSTITUTION



Through the consolidated efforts of the entire team, the National Bureau has become a model of openness, legitimacy and professionalism in the law enforcement system of Ukraine

KEY EVENTS

JULY

Newly appointed Detectives improved their skills in cooperation with foreign law enforcement agencies, banking information analysis, and work with open databases during the "Financial Investigations" training. Other representatives of the Main Detectives Department became trainers of the Criminal Justice in Action summer school for the third time, it was organized by the "State Watch" NGO and the US Embassy in Ukraine. The school allowed 39 law students to try themselves at investigating corruption crimes in real-life conditions. NABU signed a Memorandum of Cooperation and Information Exchange with the Innovation and Development Fund.

07

08

The Director of the National Bureau presented the results of the institution's work at a regional anti-corruption seminar in Vilnius (Lithuania). Eight Detectives of the National Bureau improved their skills in exposing organized crime and fighting transnational crime groups through training at the George C. Marshall European Center for Security Studies (Germany). The Detective of the NABU Internal Control Department mastered the latest diagnostic and screening technologies during study at the American Polygraph Association. The representatives of the National Anti-Corruption Bureau of Ukraine took part in the students' integrity training (took place in Uzhgorod) and discussed legal aspects of protection against genderdiscrimination with the participants of the Summer School in Kyiv.

AUGUST

SEPTEMBER

The NABU Detective participated in X Session of the working group on implementation of provisions of the United Nations Convention against Corruption in Vienna (Austria). The National Bureau launched "Back to Alma Mater" project, in which the NABU staff shared their experience of combating corruption with students. The opinion festival "DumkoFest", organized by the National Bureau with the support of the European Union Anti-Corruption Initiative in Ukraine, took place in Kyiv for the second time. NABU and the International Renaissance Foundation began cooperation to establish standards of procedural interviewing for Detectives.

09



NOVEMBER

Delegations from Romania and the Republic of Armenia visited the National Bureau to exchange experience and to establish interagency cooperation. The NABU Director made official visits to the Central Anti-Corruption Bureau and other state bodies of the Republic of Poland. NABU and the Court Security Service signed a Memorandum on Cooperation and Information Exchange. The institution received the Luca Award in the “Successful Promotion of the Profession” category at the Bookkeepers Summit 2019 in London (UK). The Head of External Communications Department of NABU presented the institution at Good Governance Forum in Tbilisi, Georgia. The Legal Counsel of International Legal Division of Legal Department of NABU learned Japan’s experience in investigating cross-border crimes, successfully completed monthly Criminal Justice Response to Corruption program in Tokyo.



10

11

The law, which increased the maximum number of officers in the institution from 200 to 500 persons, came into legal force. The National Anti-Corruption Bureau of Ukraine received award for the best anti-corruption management system in Europe that meet the requirements of ISO 37001:2016 standard. For the first time, the institution joined the national project “City of Professions” and participated in the international working group on the development of anti-corruption projects. The staff of the National Bureau acquired competency in management skills during leadership training under the UK Police College program.

OCTOBER

12

The NABU Director presented the results of the institution’s activities at the 19th EPAC/EACN Annual Professional Conference “Understanding the Major Mechanisms of Corruption — Global Challenges and Preventive Measures” in Stockholm (Sweden). NABU signed Memorandum on Cooperation and Information Exchange with the Cabinet of Ministers of Ukraine and the National Agency for Civil Service. The representatives of the National Bureau participated in VIII Session of the Conference of States Parties to the UN Convention against Corruption in Abu Dhabi (UAE). The Lviv Territorial Office of NABU changed its address.

DECEMBER

TEAM

NABU employees constantly upgrade their professional skills and advance in knowledge in reliance on world's best practices and international experience

In the second half of 2019, 348 employees of the National Bureau participated in the numerous training courses, including those organized with the support of international partners.

For example, the NABU Detectives attended a conference of polygraph examiners in the United States, acquired new knowledge within the transnational crime training program in Germany, gained experience and received internships in Singapore and Malaysia, got acquainted with modern e-governance approaches in Norway. The NABU Special Forces completed tactual and land navigation trainings.

It became possible to master unique skills and acquire best practices due to the assistance of the US Embassy in Ukraine, the Bureau of International Narcotics and Law Enforcement Affairs (INL), the US Federal Bureau of Investigation (FBI), the National Crime Agency of the United Kingdom (NCA) and the Embassy of the United Kingdom in Ukraine, the European Union Anti-Corruption Initiative in Ukraine.

Participation of the representatives of the National Anti-Corruption Bureau of Ukraine in conferences abroad is an important element in establishment effective partnerships for exposing criminal corruption crimes.

95

NABU EMPLOYEES

visited 18 countries
with study trips

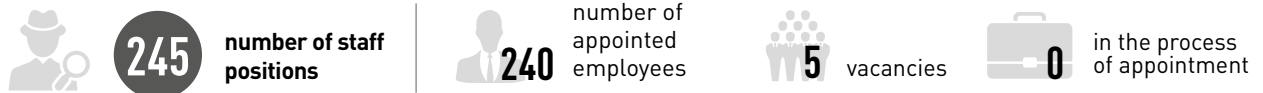
STAFF MEMBERS

(as of 31.12.2019)

NABU'S STAFF



THE MAIN DETECTIVES UNIT: NUMBER OF STAFF



FACTS ABOUT THE EMPLOYEES



- 30** Ph.D. in Law
- 6** Ph.D. in Economics
- 2** Ph.D. in Engineering Science
- 1** Ph.D. in Political Science
- 1** Ph.D. in Health
- 1** Ph.D. in Physical Education and Sport
- 1** Doctor of Science

INTEGRITY

In the second half of 2019, the National Bureau improved management processes and system of internal control according to international standards

In the reporting period, NABU began the implementation of an internal control system based on an integrated COSO model (the Committee on Sponsoring Organizations of the Treadway Commission). This process was initiated by the NABU Internal Control Department.

In the second half of 2019, the Internal Audit Sector was established at the National Bureau. It has a task to evaluate the effectiveness of the internal control system; the degree of fulfilment and achievement of the goals set out in the plans; the risks that affect the performance of functions and tasks.

More than 100 NABU employees joined the process of improving the departmental regulatory framework and management procedures. Within the framework of the internal control system, an update of the Institutional Capacity and Human Resources Strategy and action plan for its implementation by 2023 were foreseen.

NABU already follows the international standard ISO 37001:2016, which defines the requirements for Anti-Corruption Management System. In the second half of 2019, 189 agreements with business entities were analyzed for corruption risks according to the standard. In October 2019, the National Bureau's Anti-Corruption Management System was recognized as the best in Europe. The corresponding award was presented in Brussels (Belgium).

30

NABU EMPLOYEES

became coordinators for the implementation of the internal control system in accordance with the COSO model


INTERNAL CONTROL IN FIGURES


(from 01.07.2019 until 31.12.2019)

INTERNAL INVESTIGATIONS


 **8** integrity checks performed


 **8** official investigations held

 **283** appeals and complaints on the actions of employees considered

 **6** NABU`s employees brought to liability

 **2** lifestyle monitoring performed

 **1** operational investigation initiated

 **13** special inspections of employees and before appointment for position performed



36



PSYCHOPHYSIOLOGICAL RESEARCH ON THE USE OF A POLYGRAPH

10 due to the personnel recruitment before appointment for position

26 within internal investigations

EXPLANATORY WORK



550



individual consultations on compliance with anti-corruption legislation

266



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

INTERNATIONAL COOPERATION

In the second half of 2019, the National Bureau and its international partners, focused their activities on effective tools for combating corruption

During the reporting period, a number of projects and ideas were developed and supposed to be implemented in 2020 within the frame of preventive activities of NABU. International events, attended by the NABU representatives, became a platform for their establishment.

Global challenges in the fight against corruption and prevention were discussed at the 19th Annual EPAC / EACN Professional Conference held in Stockholm, Sweden. The NABU achievements were presented at the forum by the delegation headed by the Director.

The NABU representatives discussed current tools for combating corruption with foreign colleagues at forums in Belgrade (Serbia) and Nur-Sultan (Kazakhstan).

Unified standards and strategies for building the integrity of the European Union were developed by the employees of the National Bureau together with the members of the working group "Education and Values Management" in Bucharest (Romania). The best ideas formed the basis of future projects aimed to prevent corruption and to teach officials and young people of integrity.

Opinion festival "DumkoFest", organized in Kyiv for the second time by the National Bureau with the support of the EUACI, became the platform for discussion on these questions. The event brought together 38 speakers, 29 public organizations and more than 1,000 participants.

36

MEETINGS

of the NABU executives with international partners were held in the second half of 2019

GEOGRAPHY OF VISITS

(from 01.07.2019 until 31.12.2019)

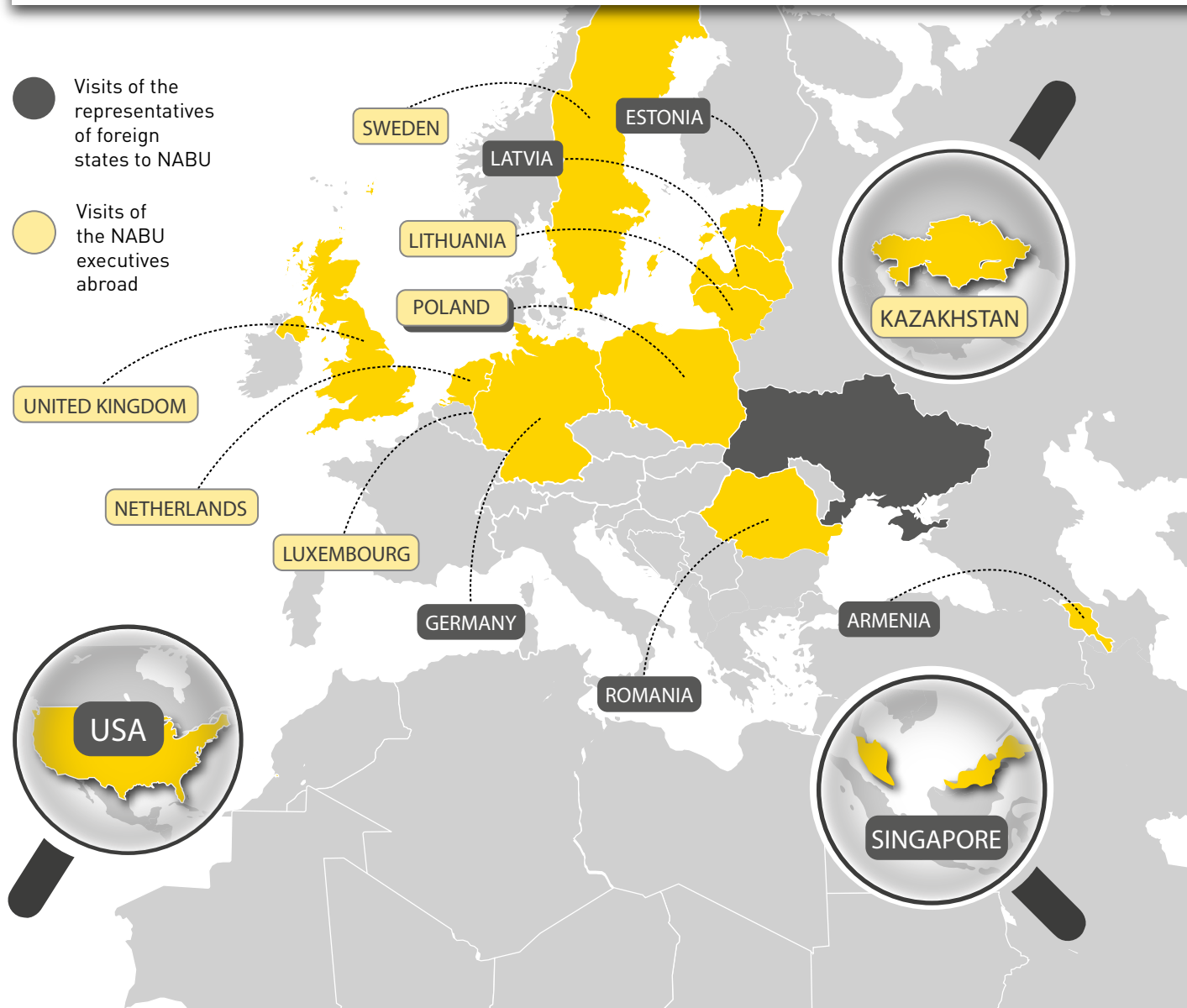
60+ meetings with international partners

5 visits abroad to

5 countries

● Visits of the representatives of foreign states to NABU

● Visits of the NABU executives abroad



COOPERATION WITH GOVERNMENT AUTHORITIES

In the second half of 2019, the National Bureau improved cooperation with public authorities involved in exposing corruption schemes

The second half of 2019 became one of the most effective in developing interaction between the National Bureau and state agencies. Firstly, this concerns to law enforcement: due to the establishment of effective communication between law enforcement agencies, a number of successful operations on exposing top-corrupt officials were realized.

At the end of the year, the National Agency on Corruption Prevention (NACP) restored full access of the NABU Detectives to the registry of declarations of persons, authorized to perform governmental functions or local self-government. The technical arrangements for access are currently being resolved.

The National Bureau helped with corruption risk assessments during the competitions on posts in the PGO and the election of the NACP Head.

In December 2019, NABU joined the Electronic Interaction System of Executive Authorities to make information sharing faster and more efficient. The signed memorandums of cooperation will also facilitate the implementation of these plans. There are seven such memorandums in the second half of the year, among the signatories there are the Cabinet of Ministers of Ukraine, the National Agency for Civil Service of Ukraine, "SETAM" SE, etc.

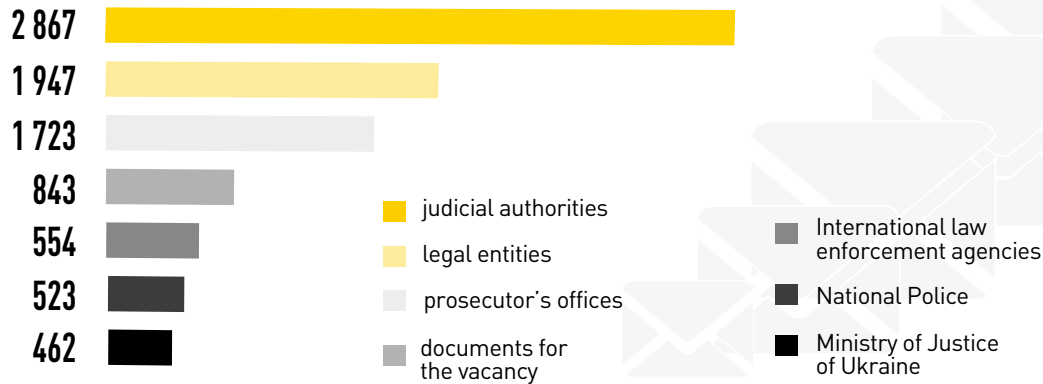
4 GOVERNMENT AUTHORITIES

signed memorandums
of cooperation with
NABU in the second
half of 2019

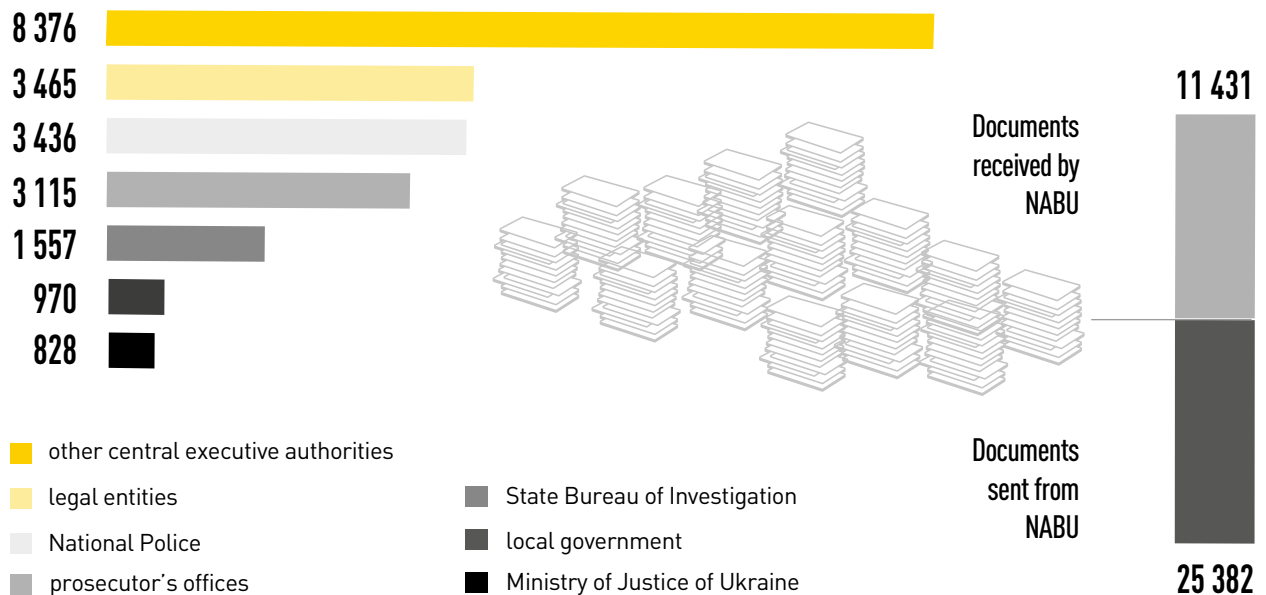
COOPERATION WITH GOVERNMENT AUTHORITIES

[from 01.07.2019 until 31.12.2019]

TOP-7 RECIPIENTS OF NABU IN TERMS OF INCOMING CORRESPONDENCE, DOCUMENTS



TOP-7 RECIPIENTS OF NABU IN TERMS OF OUTGOING CORRESPONDENCE, DOCUMENTS



PUBLIC RELATIONS

Number of appeals to NABU has increased by 75%, among those – calls to a special telephone line, set up in the second half of 2019

In the autumn of 2019, the National Anti-Corruption Bureau of Ukraine launched a special multichannel telephone line, which allowed receiving more than 7.4 thousand reports of possible corruption criminal offenses from public in the second half of the year. This is more than 2.5 times the number of phone calls to the institution in previous periods. Although, in most cases the issues are not under the National Bureau jurisdiction, the employees of Public Submission Department provide citizens with necessary advice.

The most popular questions addressed to the National Bureau's hotline in the second half of 2019 include: improper performance of duties by investigators of other state law enforcement bodies, violation of law by judges, non-payments of salaries and violations of labour law, anti-corruption legislation interpretation, violation of social rights of citizens and legitimate interests in the provision of housing and public utility services, land relations, etc.

In comparison with the first half of the year, state authorities intensified communication with the National Anti-Corruption Bureau of Ukraine (287 appeals, 39 — in the first half of 2019) as well as public organizations did (758 appeals, 434 — in the first half of 2019) in the second half of 2019.

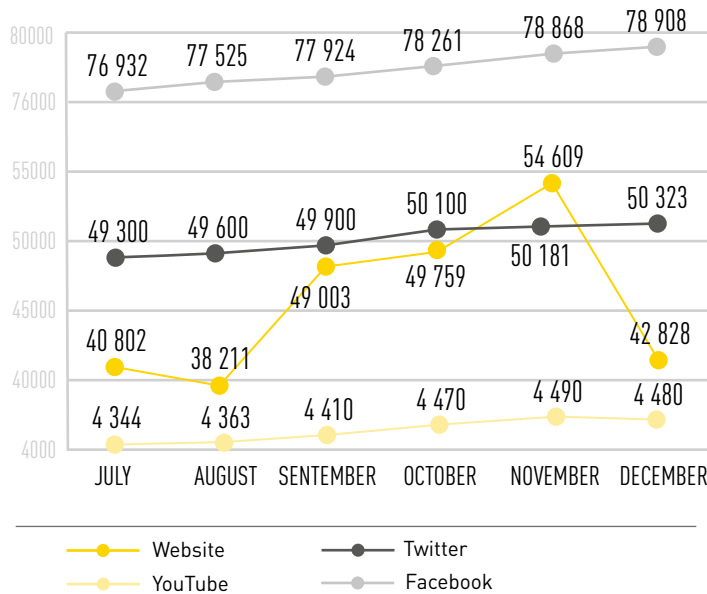
7, 382
REQUESTS

from citizens were received via NABU hotline in the second half of 2019

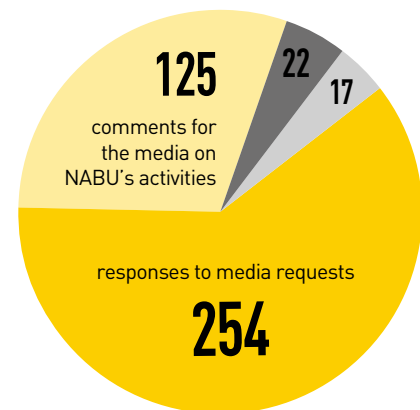
COOPERATION WITH PUBLIC AND MEDIA

(from 01.07.2019 until 31.12.2019)

DYNAMICS OF THE AUDIENCE OF NABU OFFICIAL WEBSITE AND SOCIAL NETWORKS



MEDIA COMMUNICATIONS



briefings and press conferences ■
interviews with the NABU executives ■

PUBLICATIONS ON THE NABU WEBSITE

104	pre-trial investigations
2	activity of the NABU Territorial Offices
7	international cooperation
27	vacancies
21	others

INTERNATIONAL MEDIA COMMUNICATIONS



REQUESTS RECEIVED BY NABU

requests to NABU	13 037
NGOs applications and requests	758
applications, requests of legal entities	651
requests for access to public information	305
applications, requests from state authorities	287
requests and applications of the Members of Parliament of Ukraine sent directly to NABU	169
requests and applications of the Members of Parliament of Ukraine forwarded from other authorities	43

ACTIVITIES OF THE TERRITORIAL OFFICES

(from 3 01.07.2019 until 31.12.2019)

ACTIVITIES OF THE LVIV TERRITORIAL OFFICE IN FIGURES



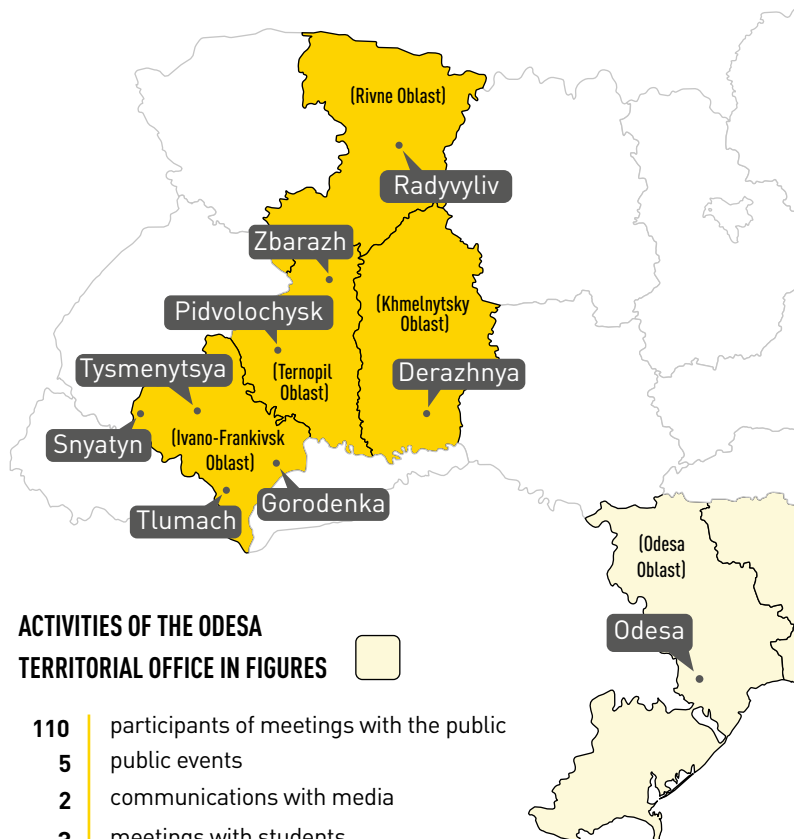
434	participants of meetings with the public
2	public events
9	communications with media
11	meetings with students
4	communications with international partners

WHOSE ACTIONS RESULTED INTO COMPLAINTS TO THE LTO *

50%	complaints which do not fall under the NABU jurisdiction
34%	law enforcement agencies
31%	executive authorities
23%	other
22%	courts
18%	local governments
8%	state and municipal enterprises
4%	agencies of the State Fiscal Service of Ukraine
2%	military officers of the Armed Forces of Ukraine
2%	Members of Parliament of Ukraine

TOP-5 ISSUES MENTIONED INTO COMPLAINTS TO THE LTO

- corruption offenses in the judicial and law enforcement systems
- illegal actions of the executive authorities officials
- illegal actions of the local governments officials
- violations in the sphere of construction and violations of human rights in the sphere of land relations
- illegal actions of individuals and entity officials



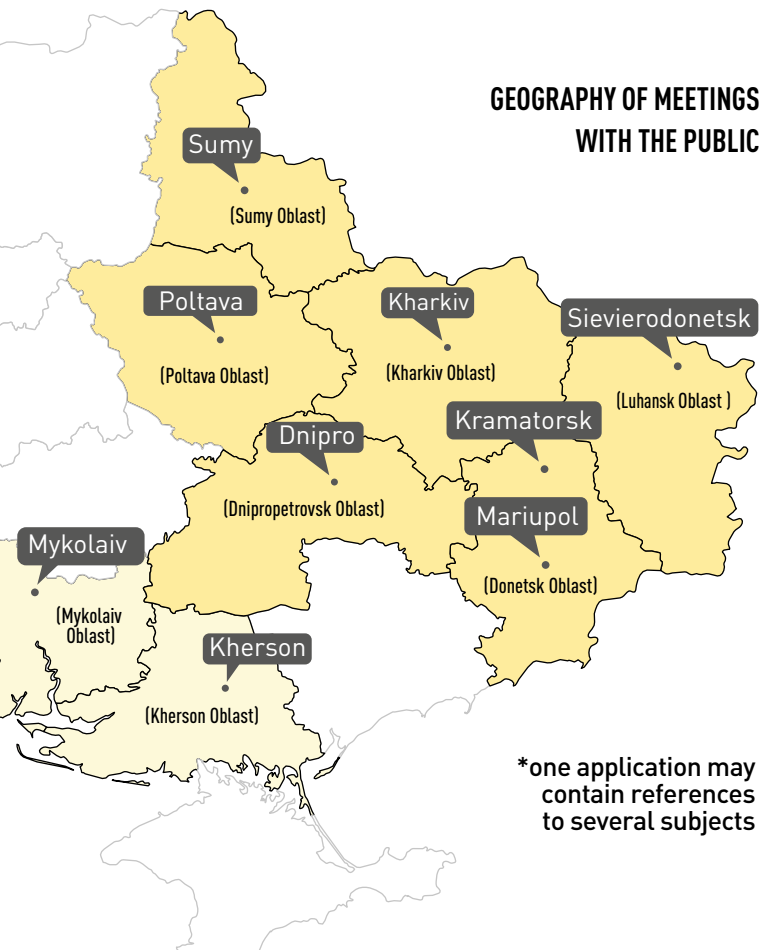
ACTIVITIES OF THE ODESA TERRITORIAL OFFICE IN FIGURES



110	participants of meetings with the public
5	public events
2	communications with media
3	meetings with students
2	communications with international partners

WHOSE ACTIONS RESULTED INTO COMPLAINTS TO THE OTO *

35%	complaints that do not refer to corrupt offences or which do not fall under the NABU jurisdiction
17%	law enforcement agencies
13%	local governments
11%	executive authorities
10%	other
10%	state and municipal enterprises
4%	courts
2%	agencies of the State Fiscal Service of Ukraine
1%	Members of Parliament of Ukraine
1%	military officers of the Armed Forces of Ukraine



GEOGRAPHY OF MEETINGS WITH THE PUBLIC

ACTIVITIES OF THE KHARKIV TERRITORIAL OFFICE IN FIGURES

825	participants of meetings with the public
8	public events
6	communications with media
13	meetings with students

WHOSE ACTIONS RESULTED INTO COMPLAINTS TO THE KTO*

42%	law enforcement agencies
42%	courts
39%	local governments
39%	other
28%	executive authorities
18%	state and municipal enterprises
5%	complaints that do not refer to corrupt offences or which do not fall under the NABU jurisdiction
4%	agencies of the State Fiscal Service of Ukraine
3%	Members of Parliament of Ukraine
3%	military officers of the Armed Forces of Ukraine

TOP-5 ISSUES MENTIONED INTO COMPLAINTS TO THE OTO

- illegal decisions, actions or inaction of the law enforcement officers
- illegal decisions, actions or inaction of state authorities and local governments
- submission of false data, illegal enrichment of the officials
- delivery of a knowingly unfair decision by a judge in order to receive improper advantage
- receiving or extortion of improper advantage by the officials of the state authorities and local governments

TOP-5 ISSUES MENTIONED INTO COMPLAINTS TO THE KTO

- illegal decisions, actions or inaction of state authorities and local governments
- illegal decisions, actions or inaction of the law enforcement officers
- delivery of a knowingly unfair decision by a judge
- receiving or extortion of improper advantage by the officials of the law enforcement officers, state authorities and local governments
- submission of false data to e-declarations by the officials

MATERIAL SUPPORT

National Bureau managed to save UAH 7.8 million in procurement of goods, works and services in 2019

The National Bureau is held by the expenses of state budget of Ukraine within the limits of budget program under CPCEL (Code of Program Classification of Expenditures and Lending) 6321010 "Maintenance Support of the National Anti-Corruption Bureau of Ukraine".

In the second half of 2019, NABU announced 77 procurements of goods, works and services, signed 59 agreements. Another 31 agreements were concluded following the results of 35 subthreshold procurements.

In the reporting period, the major savings were made while purchasing DVD-R discs, HDDs, MicroSD memory cards and other information carriers (saved UAH 902.5 thousand), software (saved UAH 398.9 thousand), installation of additional sockets for computer network and power supply services (saved UAH 317.9 thousand).

The NABU deposit accounts, opened with authorized banks, have funds that do not contain any trace of criminal offense. As of December 31, 2019, the amount is UAH 4.38 million, EUR 147.8 thousand (equivalent to UAH 3.9 million), USD 760.7 thousand (equivalent to UAH 18 million), RUB 159.5 thousand (equivalent to UAH 60.8 thousand) and GBP 5.8 thousand (equivalent to UAH 181.6 thousand).

In 2019, the National Bureau received international technical assistance from the European Union and the US Government for a total amount of UAH 4.39 million.

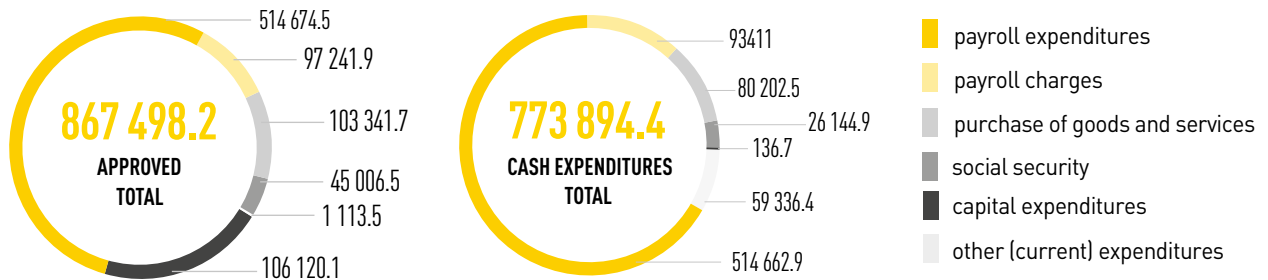
903

UAH THOUS.

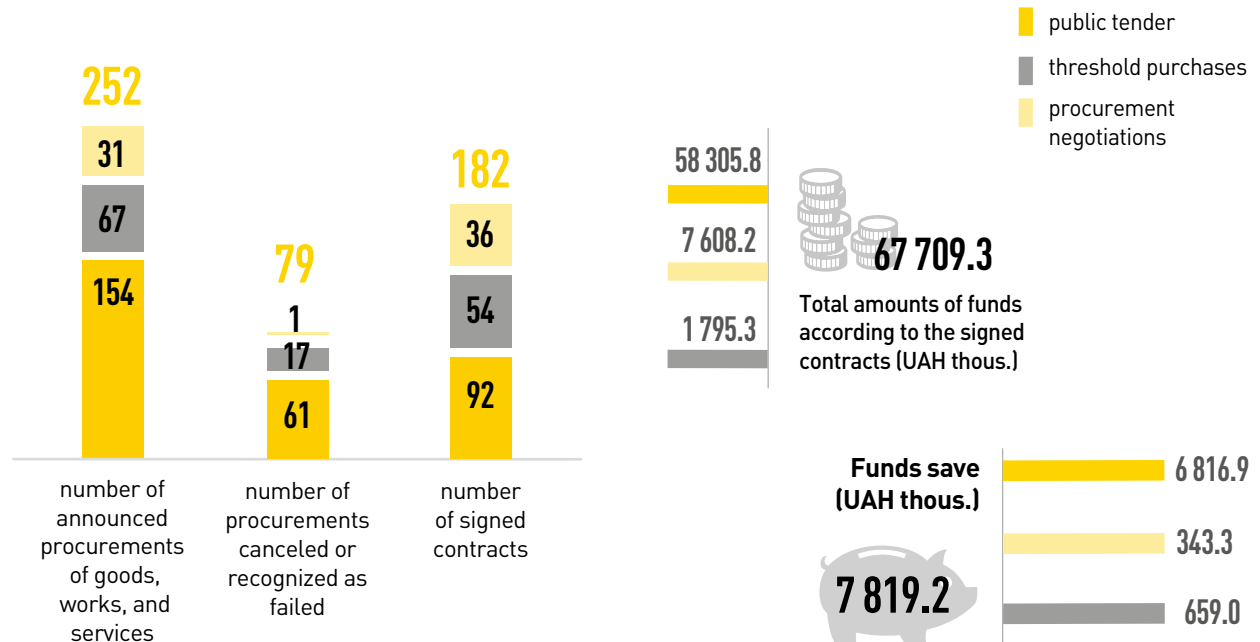
amount of
maximum savings
among purchases in
the second half of 2019

ANALYSIS OF EXPENDITURES AND PURCHASES

WITHIN THE GENERAL FUND OF THE STATE BUDGET IN 2019 (UAH THOUS.)



PURCHASE OF GOODS, WORKS, AND SERVICES IN 2019



PUBLIC CONTROL

In the second half of 2019, the Civil Oversight Council (COC) at NABU worked on strengthening the institution's communication with public and other law enforcement agencies

During the reporting period members of the COC took part in a number of public events: opinion festival "DumkoFest", "Anti-Corruption Capital" Forum, the discussion "Public Councils: An Effective Tool or Situational Control", as well as events in regions.

The COC representatives participated in the meetings of competition commissions, where they held interviews with the candidates for the positions. The members of the Council were also directly involved in the control of NABU as a part of disciplinary commissions.

In August, the Council drew up and published conclusion on the NABU report of the first half of 2019. In September, they presented a report on the results of monitoring of the NABU and SAPO cases in the courts. After attending court hearings, an objective questionnaire was drawn up regarding the completeness, availability of information about these cases, and other characteristics. In October, a new stage of monitoring began — the consideration of the HACC cases. The COC issued statements on the most resonant cases related to the NABU activities, in particular, calling the President not to disseminate information about the NABU authority.

The COC also monitors the investigations of resonant cases. These are cases of the PrivatBank, the Ukrnafta, possible abuses involving regional gas companies, etc.

67 INFORMATION CHECKS

on candidates
were conducted

COC ACTIVITIES

(from 01.07.2019 until 31.12.2019)

ACTIVITIES OF THE CIVIL OVERSIGHT COUNCIL AT NABU IN FIGURES



37 meetings of the Competition Committee

6 official meetings of the Civil Oversight Council

3 meetings of the NABU Disciplinary Committee



6 OFFICIAL STATEMENTS CONCERNING:

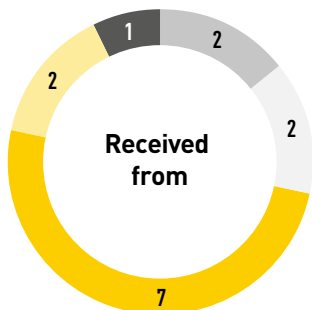
- sending fake messages on behalf of the COC
- the need for NABU Director statement on his position regarding a court decision against him
- the need for measures on the part of the Prosecutor General to ensure independency in the investigation of the case on recording a possible conversation between the Directors of the State Bureau of the Investigations and NABU
- the need to amend the draft law on the removal of immunity of Members of Parliament of Ukraine
- on the dissemination of information about NABU by the President of Ukraine



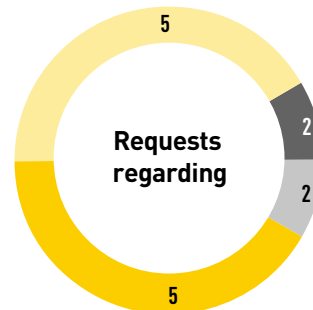
7 PUBLIC EVENTS:

- DumkoFest 2019 opinion festival
- "Anti-Corruption capital" Forum
- Discussion "Public councils: an effective tool or situational control"
- meeting with students of Ivan Franko National University of Lviv
- meeting with students of the National University of Ostroh Academy
- "Gallery of reforms: citizens make changes" Forum in Sievierodonetsk

REQUESTS TO THE COC AT NABU



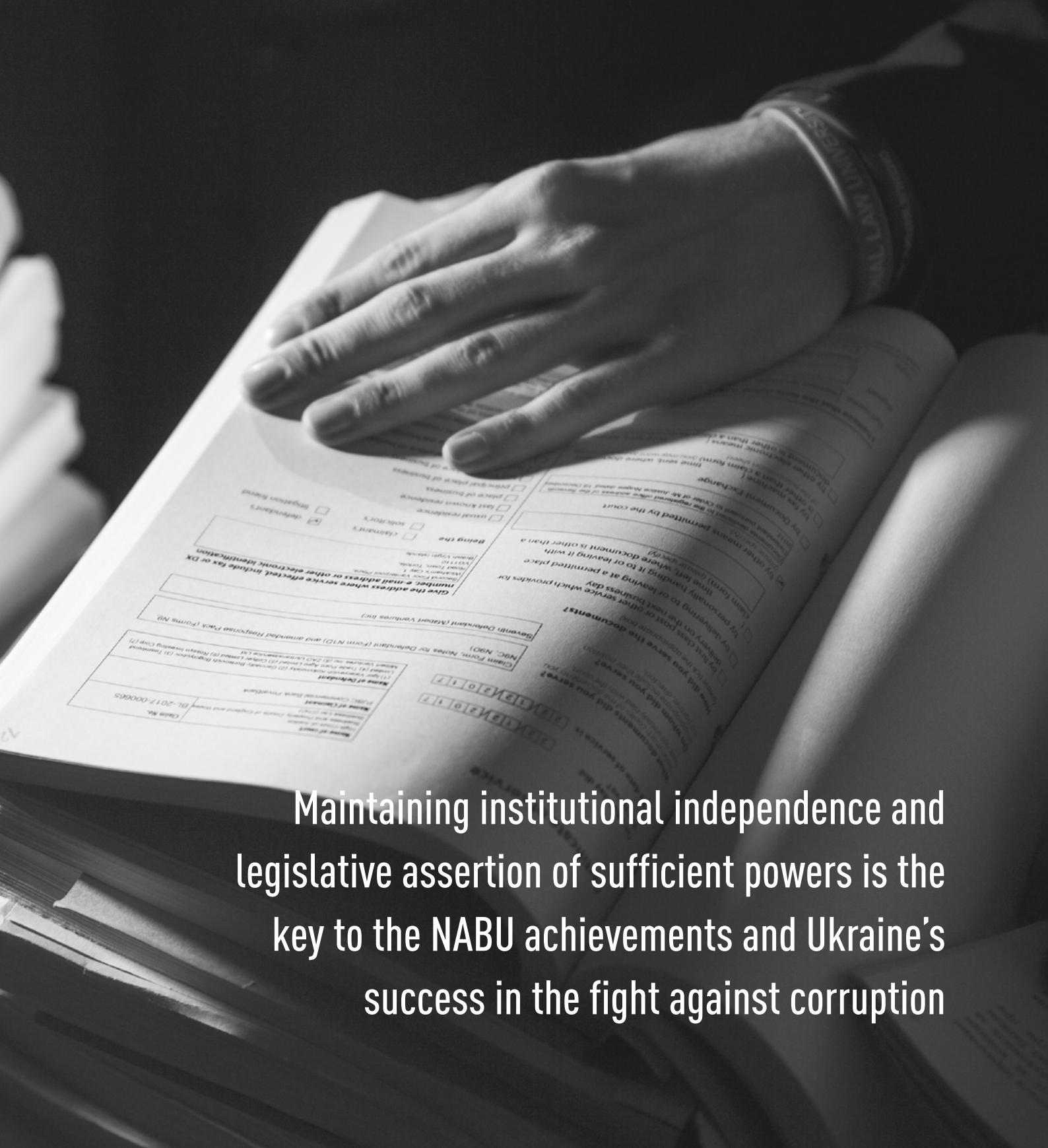
- citizens
- attorneys
- other government authorities
- NGOs
- Specialized Anti-Corruption Prosecutor's Office



- complaints on NABU actions
- assistance in providing information on criminal proceedings
- complaints on the COC members actions
- subpoenas



CHALLENGES

A black and white photograph showing a person's hand resting on a stack of papers. The top paper is a court form with various sections and checkboxes. The hand is positioned over the middle of the page, with fingers slightly spread. The background is dark and out of focus.

Maintaining institutional independence and legislative assertion of sufficient powers is the key to the NABU achievements and Ukraine's success in the fight against corruption

PGO CASES

Investigation of criminal proceedings against top-officials actions requires joint efforts of law enforcement bodies, taking into consideration limited resources of the National Bureau

After the Prosecutor General's Office (PGO) had been deprived of the right to carry out investigations from November 2019, more than 190 criminal proceedings have been referred to the competence of the NABU Detectives. About half of them are related to economic crimes committed with the participation of top-officials of the state during the presidency of Viktor Yanukovich (so-called "Maidan cases"). The investigations of the majority of these cases started in 2014-2015, before NABU was launched.

It was expected that proceedings, concerning the actions of the officials of the Yanukovich's government, should be brought to an end by the PGO. Otherwise, at the beginning of the work of the National Bureau, the investigation of current official's crimes would be blocked by cases of former officials' crimes. However, five years later, those proceedings were not sufficiently investigated and sent to court.

In total, the materials of proceedings, submitted to the National Bureau, exceed 22 thousand volumes, 15 thousand volumes of it belong to economic part of "Maidan cases". This is not comparable to the resources of the National Bureau. Therefore, under current circumstances, the transfer of cases from the Prosecutor General's Office is a challenge to an effective investigation by the National Bureau.

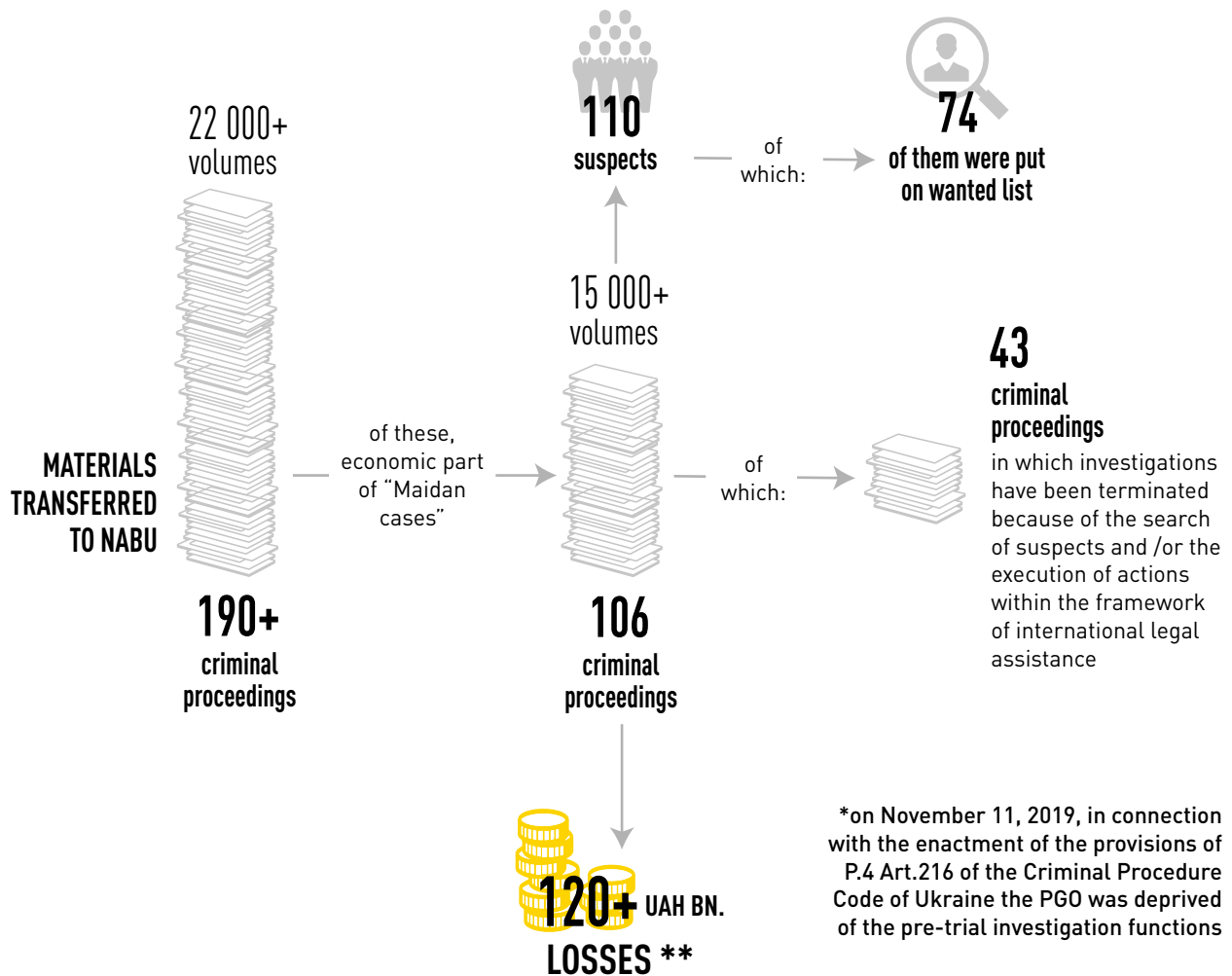
120+

UAH BN.

amount of
indicative losses
in economic part
of "Maidan cases"

CRIMINAL PROCEEDINGS TRANSFERRED FROM THE PGO* TO NABU: STATUS OF INVESTIGATION

(as of 13.01.2020)



*on November 11, 2019, in connection with the enactment of the provisions of P.4 Art.216 of the Criminal Procedure Code of Ukraine the PGO was deprived of the pre-trial investigation functions

** by preliminary estimates, the accuracy of which is verified during the pre-trial investigation

INVESTIGATIONS IN RELATION TO MEMBERS OF PARLIAMENT

The Parliament changed the procedure of bringing MPs to criminal responsibility, and made it dependent on the influence of subjective factor

From the beginning of investigations, the National Bureau stressed the need to review the prosecution procedure for MPs. Whereas this decision remained rather in a political turn, despite sufficient evidence base, MPs managed to avoid criminal responsibility for a long time.

In December 2019, the Parliament legislatively restricted deputies' immunity. At the same time, it introduced innovations that, in certain circumstances, can complicate crime exposure with the participation of current MPs. First, it refers to the exclusive right of the Prosecutor General to make entry to the Unified Register of Pre-Trial Investigations about the beginning of investigation. The mentioned regulation jeopardized the independence of the NABU Detectives and the SAPO Prosecutors in their activities.

Another controversial regulation related to the change in the procedure of petitions' consideration by the investigating judge at the stage of pre-trial investigation concerning MPs. Such proceedings (except for searches and covert investigative activities) should be carried out with the participation of a parliamentarian, which increases the risk of destruction of documents or property due to the awareness of MPs with such motion.

The relevant legislative changes came into force on January 1, 2020. Therefore, the National Anti-Corruption Bureau of Ukraine and the Specialized Anti-Corruption Prosecutor's Office will work under new rules in the next reporting period.

4

SITTING MPS

were brought to liability within NABU and SAPO investigations due to the Parliament permissions

AUTONOMOUS WIRETAPPING

Granting NABU with the right of autonomous wiretapping will increase the efficiency of corruption exposure. But the practical implementation of this right requires additional work

The right to the autonomous wiretapping is an integral part of the functional independence of the National Bureau. The institution received this right only on the fifth year of its activity, despite the fact that in the face of international community, Ukraine was obliged to introduce it already at the launch of the National Anti-Corruption Bureau of Ukraine.

In October 2019, the newly elected Parliament made necessary amendments to the legislation. However, the practical implementation of autonomous wiretapping takes time. First, it is necessary to bring laws and regulations, which regulate the procedures for the establishment and use of technical means for conducting operative-search measures and covert investigative (search) activities for the autonomous wiretapping in the line with provisions of the Article 263 of the Criminal Procedure Code of Ukraine. It is also necessary to build an infrastructure that will ensure practical implementation of authority granted to the National Anti-Corruption Bureau of Ukraine. The process requires the preparation of sophisticated technical solutions in cooperation with authorized state bodies and telecommunication operators.

The National Anti-Corruption Bureau of Ukraine is currently conducting consultations with authorized state bodies and telecommunication operators to determine the most cost-effective, efficient and acceptable technical solution for the establishment of the appropriate infrastructure and practical implementation of the granted authorities.

4**YEARS**

NABU fought for the
right of autonomous
wiretapping



APPENDICES TO THE REPORT

These appendices contain statistical information on the NABU activities in the second half of 2019 as required by **Article 26 of the Law of Ukraine “On the National Anti-Corruption Bureau of Ukraine”**.

1. STATISTICAL DATA ON THE RESULTS OF ACTIVITIES

from 01.07.2019 until 31.12.2019

№	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	674
2.	Number of investigation initiated by the National Bureau and their results	21
		4
3.	Number of persons standing indicted for committing criminal offences classified by the law as those under the jurisdiction of the National Bureau	76
4.	Number of persons officially found guilty of committing criminal offences classified by the law as those under the jurisdiction of the National Bureau	10
5.	Number of persons officially declared innocent of committing criminal offences	—
6.	Information by categories of persons indicated in part 1 Article 3 of the Law of Ukraine “On Preventing Corruption”	*
7.	Information on the amount of losses and damage caused by criminal offences classified by the law as those under the jurisdiction of the National Bureau, status and the amount of compensation	UAH*** 229 694 480 000**
		UAH 601 591 000** including in the second half of 2019: UAH 38 780 000
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	UAH 130 890
9.	Information on funds and other property received as a result of criminal offences classified by the law as those under the jurisdiction of the National Bureau which were recovered to Ukraine from abroad and their keeping	—

№	Activity category	Result
10.	Information on seizure property, confiscation of objects and funds acquired as a result of criminal offences classified by the law as those under the jurisdiction of the National Bureau and their use	****
11.	Number of submissions made as of the elimination of causes and conditions which contributed to commitment of a criminal corruption offence	16
12.	The results of integrity tests	8 checks (no negative results)
13.	The cost of detected assets with signs of unreasonableness, the number of materials sent to the prosecutor's office to resolve the issue of claim for recognition of unreasonable assets and their recovery to the State, the results of the prosecutor's and the court decisions, including the cost of the unreasonable assets recovered to the State	—

**as of 31.12.2019

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

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

as of 31.12.2019

№	The subject	Number of suspected persons, total per each category	Number of accused persons, total per each category)	Number of convicted persons, total per each category
1.	Persons authorised to perform the state or local government functions			
	a) President of Ukraine, Chairman of the Verkhovna Rada of Ukraine, First Deputy and Deputy Chairmen of the Verkhovna Rada of Ukraine, Prime Minister, First Vice Prime Minister, Vice Prime Ministers, ministers, other heads of central government bodies that are not part of the Cabinet of Ministers of Ukraine and their deputies, the Head of the Security Service of Ukraine, the Prosecutor General of Ukraine, the Governor of the National Bank of Ukraine, First Deputy Governor and Deputy Governors of the National Bank of Ukraine, Chairman and Members of the Accounting Chamber, the Ukrainian	18	9	1

	Parliament Commissioner for Human Rights, the Commissioner for the Protection of the state language, the Chairman of the Verkhovna Rada of the Autonomous Republic of Crimea, the Chairman of the Council of Ministers of the Autonomous Republic of Crimea			
	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	29	16	0
	c) public officials, officials of local government	26	9	0
	d) military officials of the Armed Forces of Ukraine, the State Service for Special Communications and Information Protection of Ukraine and other military units formed under the law, except for servicemen of compulsory military service, cadets of higher military educational institutions, cadets of higher educational institutions that have military institutes, cadets of faculties, departments and offices of military training	3	9	0
	(e) judges, judges of the Constitutional Court of Ukraine, Chairman, Deputy Chairman, members and disciplinary supervisors of the High Council of Justice, officials of the Secretariat of the High Council of Justice, Chairman, Deputy Chairman, members and disciplinary supervisors of the High Qualification Commission for Judges of Ukraine, officials of the Secretariat of the High Qualification Commission for Judges of Ukraine, officials of the State Judicial Administration of Ukraine, jury (when they are on duty)	6	45	1
	f) rank members and commanding staff of the State Penal Service and Tax Police, the commanding staff of civil protection bodies and units, the State Bureau of Investigations, the National Anti-Corruption Bureau of Ukraine	0	0	0
	(g) officials of prosecutor's offices, the Security Service of Ukraine, the State Bureau of Investigations, the National Anti-Corruption Bureau of Ukraine, the diplomatic service, the state forest protection, the state protection of nature reserve fund, the central executive authority, responsible for formation and implementation of the state tax policy and state customs policy	25	29	3
	h) Head, Deputy Heads of the National Agency on Corruption Prevention	0	1	0

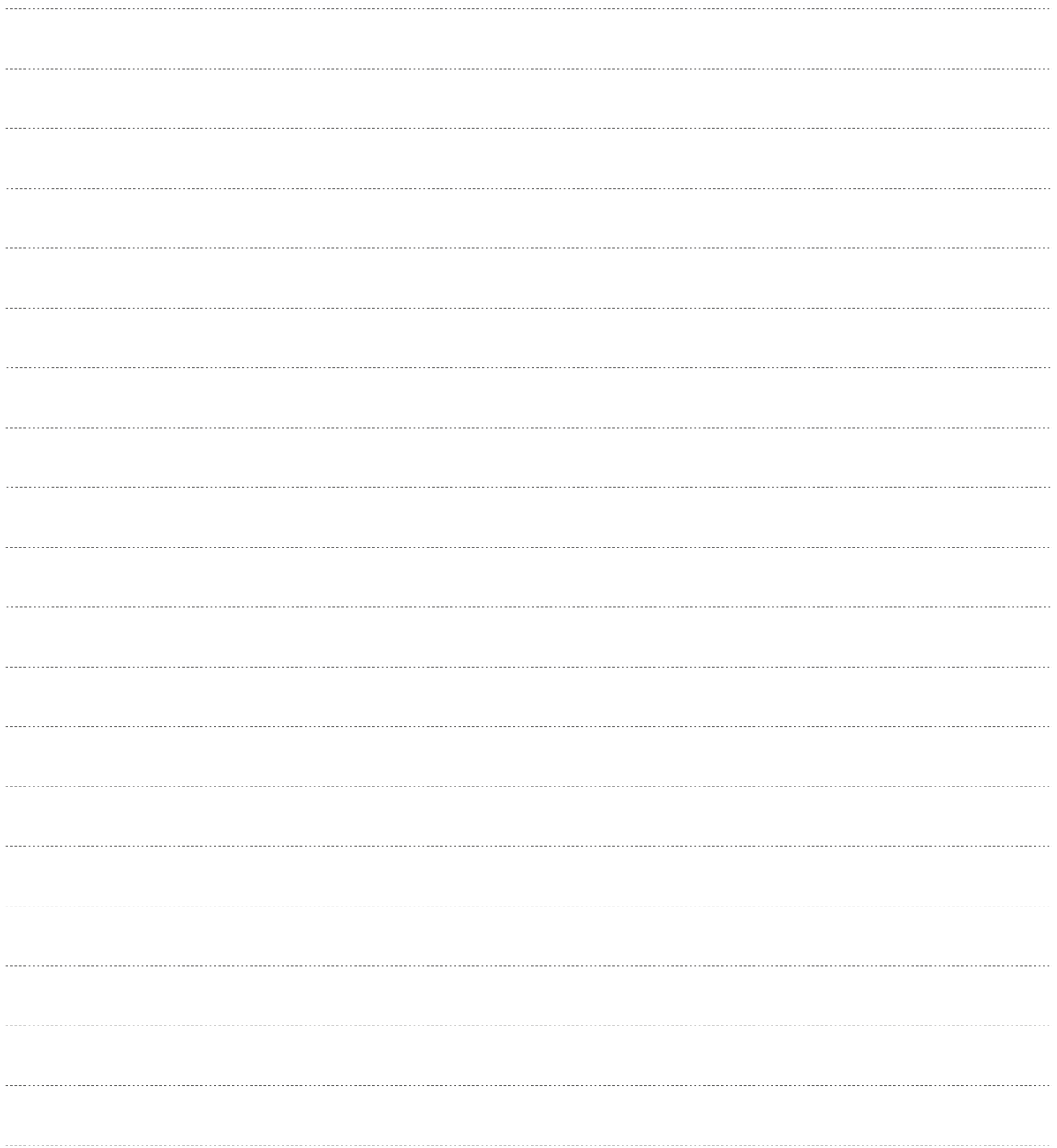
	i) members of the Central Election Commission	1	0	0
	j) police officers	2	5	0
	k) officials of other state authorities, authorities of the Autonomous Republic of Crimea	1	19	0
	l) members of state collegial bodies	1	0	0
	m) Head of the Presidential Office of Ukraine, First Deputy Head and Deputy Heads, as well as persons holding the positions of patronage service, defined by the Law of Ukraine "On Civil Service", except for persons which perform their duties on a voluntary basis, judge assistants	0	1	0
2.	Persons who, for the purposes of the Law, have an equal status to persons authorised to perform functions of the state or local governments:			
	a) officials of legal entities of public law which are not referred in Clause 1 Part 1 of the abovementioned Article, members of supervisory boards of state banks, state enterprises or state-owned organizations working with the purpose of receiving profit, business enterprises where more than 50 percent of the stakes (shares) belong to the State	29	105	0
	b) persons who are not public officials or local government officials but provide public services (auditors, notaries, appraisers and others), as well as experts, arbitration managers, independent intermediaries, arbitrators etc.	2	0	0
	c) representatives of public associations, scientific and educational institutions, relevant experts, other persons, who are members of competition and disciplinary commissions formed under the Laws of Ukraine "On Civil Service", "On Service in Local Governments", other laws (except for non-resident aliens who are members of such commissions), the Council of Public Integrity formed under the Law of Ukraine "On the Judicial System and the Status of Judges", while not being persons referred in Clause 1 Paragraph "a" Part 2	0	0	0
3.	Persons who are not officials but permanently or temporarily hold positions related to fulfilment of organisational, administrative or business duties, or specially authorised to perform such duties in legal entities of private law, regardless of organizational form	17	0	0

4.	Candidates for Members of Parliament of Ukraine, for the President of Ukraine, candidates for the heads of regional, district, city, district in cities, village and settlement councils, candidates for village, settlement, city mayors and prefects	0	0	0
5.	Other	96	187	30

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

In criminal proceedings in which indictments have been prepared in the period from 01.07.2019 until 31.12.2019

Nº	Type of property	Total amount
1.	Land plots	168
2.	Residential real estate, including:	85
	abroad	1
3.	Non-residential real estate, including:	70
	abroad	—
4.	Means of transportation	56
5.	Funds, including:	
	in UAH	44 470 042
	in USD	66 234
	in EUR	1 204 400
6.	Computer hardware (number of items)	12
7.	Mobile phones	7
8.	Jewellery (number of items)	82
9.	Participatory interests (number of items)	35
10.	Other, including:	
	firearm	2



JULY-DEC

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