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## **WILL EUROPE HELP OR HINDER UKRAINE IN CORRUPTION FIGHT?**

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Will Europe help or hinder Ukraine in corruption fight?

Taras KuzioThe Hague, Today, 07:56

On June 7, Ukraine finally adopted a law on an Anti-Corruption Court (ACC).

Credit should be given to Ukraine's civil society, the EU, the International Monetary Fund and Western governments which applied pressure on the Ukrainian government and parliament.

But, the massive vote for an ACC could not have happened without the support of President Petro Poroshenko whose parliamentary coalition provided the bulk of the votes.

The logic for the creation of an ACC is straightforward.

Ukraine's courts are corrupt and have been proven to be unable to prosecute senior officials, politicians and oligarchs who are accused of abuse of office, corruption and other illegal acts.

Progress in criminally charging those accused of crimes has been slow despite Ukraine having created new institutions such as the NABU (National Anti-Corruption Bureau).

As a body independent of the old corrupt judicial system the ACC should therefore speed up the prosecution of Ukrainian ruling elites.

At the same time, an ACC would be a white elephant if Europe does not step up and stop being a haven for corrupt Ukrainian officials and oligarchs.

The fight against corruption is not confined to Ukraine but is multi-pronged and also includes Europe which has been until now a weak link.

Here is why.

Firstly, while calling upon Ukraine to energise its fight against corruption, European countries and their Caribbean tax havens continue to accept billions of dollars from Ukraine and other former Soviet states.

## **Kiev...but also London**

Anti-corruption watchdog Transparency International describes London as the money laundering capital of the world.

EU members Cyprus and Latvia are notorious as money laundromats for dirty money, concerning Washington to such a degree that the US treasury department recently pressured Riga to implement significant banking reforms.

The EU should follow the US in applying pressure on Latvia and Cyprus to clean up their financial sectors.

The stashing of huge amounts of dirty money in Europe can be used for the buying of influence and corrupting local politics. It is not only populists and nationalists who have taken Russian money; the British Conservative party accepted nearly £1m (€1.13m) from Russian oligarchs.

Secondly, Europe has long indulged in corruption from Eurasia.

Former German chancellor Gerhard Schroeder heads up Nord Stream for Russia's state-owned Gazprom which is now building Nord Stream 2.

Ukrainian president Poroshenko believes that supporters of Nord Stream 2 are "Russia's accomplices in its hybrid war" against Ukraine and other neighbouring countries.

Paul Manafort, under investigation by special counsel Robert Mueller, hired a slew of Europeans known as the 'Hapsburg group' headed by former Austrian Chancellor Alfred Gusenbauer.

Gas intermediary RosUkrEnergo created by gas tycoon Dmytro Firtash, wanted by the US and Spain on corruption and money laundering charges, was registered in Switzerland and Austria.

Thirdly, numerous European countries provide sanctuary and asylum to Ukrainians accused of corruption.

For the last four years, Firtash has been awaiting the outcome of US and Spanish requests for his extradition which is being held up by Austrian courts and politicians turned 'consultants.'

Serhiy Bodnarchuk, former head of the Ukrainian arms export agency is wanted by Ukraine and Interpol and is seeking asylum in the UK.

Oligarchs Oleksandr Onyshchenko and Igor Kolomoysky are bitter opponents of president Poroshenko and live in Spain and Switzerland respectively.

In 2016, Onyshchenko was accused of involvement in corruption in the gas trade and fled abroad before his parliamentary immunity was lifted. Spain, Germany and the UK have refused to extradite him to Ukraine to stand trial.

Kolomoysky, who is ranked the second wealthiest oligarch in Ukraine and has Swiss and Israeli citizenship in addition to Ukrainian, has been deprived of two sources of corrupt income by Poroshenko.

The first was a money laundering scheme through Pryvat Bank, nationalised in late 2016, which over the last decade netted him and his associates \$5.5bn ( ████████ ) This money laundering could

not have been successful without the use of European banks.

The second was Kolomoysky's control over the state oil refining company UkrNafta which had been given to him by then prime minister Yulia Tymoshenko in January 2010 in return for his support for her election.

Last month a London court returned control over UkrNafta to state gas company Naftohaz Ukrainy. Kolomoysky is, not surprisingly, backing Tymoshenko in next year's Ukrainian presidential elections.

The establishment of an ACC is a step forward in Ukraine's fight against corruption but could still be undermined by European governments continuing to turn a blind eye to the source of illicit capital, providing asylum to those fleeing justice and allowing property purchases by oligarchs.

For the ACC to be successful requires Europe to step up and end its love of dirty money.

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