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vol. 21, issue 45

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November 4, 2016

## Lutsenko feels heat as society demands justice

### After almost 6 months on job, little to show in crime fight

-BY OLEG SUKHOV  
SUKHOV@KYIVPOST.COM

Ukrainian Prosecutor General Yuriy Lutsenko is running low on time as society's demands are rising for justice in high-profile corruption and murder cases.

So far, Lutsenko has little to show since taking over in May from his discredited predecessor, Viktor Shokin, whose post-EuroMaidan

Revolution legacy is that of stonewalling high-level criminal cases against politically powerful suspects.

Lutsenko is the fourth general prosecutor since President Viktor Yanukovich fled to Russia and is so far no more effective than his three predecessors.

Lutsenko, who vaulted to political fame 16 years ago as an anti-cor-

more Lutsenko on page 12



Ukrainian Prosecutor General Yuriy Lutsenko

### Defends decision to keep controversial prosecutors

BY OLEG SUKHOV  
SUKHOV@KYIVPOST.COM

Prosecutor General Yuriy Lutsenko is under pressure to cleanse the prosecutor's office – a notorious Soviet relic rife with corruption and abuse of power – of controversial prosecutors.

His plan is to hire new ones in a transparent competition next year. But he's keeping the old guard at

least until then.

In an interview with the Kyiv Post, he argued that he cannot fire the old ones because he needs them to deliver quick results in high-profile investigations as Ukrainians become increasingly dismayed by the lack of justice.

Lutsenko defended his predecessor Viktor Shokin's team, which has

more Prosecutor on page 13

# Top-Heavy Wealth

In October, Ukrainian public officials filed more than 100,000 detailed property declarations available online. The 413 members of parliament who submitted their declarations alone hold \$470 million in savings, a lot of it in cash. Now it is up to the National Agency for Prevention of Corruption to check the declarations and investigate officials whose wealth doesn't match declared incomes. From left, Yuriy Boyko, Serhiy Pashinsky, President Petro Poroshenko, Vadim Novinsky, Oleh Lyashko and Yulia Tymoshenko. (Kyiv Post, UNIAN, Ukrafoto)



BY KYIV POST

Ukrainians have always suspected their rulers are corrupt. But the Oct. 31 emergence of e-declarations, which gave a glimpse of the wealth

of nearly 100,000 public officials, dispelled doubts about how the elite live and how disconnected they are from the hardscrabble lives of most Ukrainians.

The e-declarations – a legal

requirement that survived multiple attempts at sabotage – also underscored the corrupt intersection between private wealth and public service in the nation, as well as how little Ukraine's elite trust the nation's

institutions, such as banks.

For one of Europe's poorest countries, Ukraine's upper class are astonishingly wealthy and financially liquid. Just 413 members of the Ukrainian parliament collectively

hold a staggering Hr 12 billion (\$480 million) in cash and bank deposits alone.

Apart from millions in hard cash,

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Головний редактор Брайан Боннер

Відповідальний за випуск

Люк Шеньє

Адреса видавця та засновника

співпадають: Україна, м. Київ, 01004,

вул. Пушкінська, 31А, 6-й поверх.

Реєстраційне свідоцтво

Кв № 15261-3833ПР від 19.06.09.

Передплатний індекс ДП Преса 40528

Надруковано ТОВ «Новий друк»,

02660, Київ, вулиця Магнітогорська, 1,

тел.: 559-9147

Замовлення № 13-8040

З приводу розміщення реклами

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Відповідальність за зміст реклами

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# Norwegian prime minister cuts Poroshenko's ego down to size



**BRIAN BONNER**  
BONNER@KYIVPOST.COM

**OSLO, Norway** – According to the plan, Norwegian journalist Halvor Tjønn was supposed to moderate a conversation between Ukrainian President Petro Poroshenko and his host, Prime Minister Erna Solberg, during the Oct. 18 Norwegian-Ukrainian Business Forum in Oslo.

But, while Poroshenko was rambing on, speaking 31 minutes to Solberg's 9 minutes, a member of the presidential delegation whispered to Laxmi Akkaraju, chairwoman of the Norwegian-Ukrainian Chamber of Commerce. The plan had been changed.

Suddenly, Poroshenko had an urgent meeting with Norway's energy minister and Solberg also had to leave quickly.

So sorry, goodbye, gotta go, nice talking to you.

I don't know what questions the Norwegian journalist had for Poroshenko, but I hope they would have penetrated the fantasy world that Ukraine's president is living in.

I've seen Poroshenko only twice on foreign trips, once at the Norwegian-Ukrainian Business Forum, where I had the honor of moderating a panel. The other time came at the NATO Summit in Warsaw last summer.

Both times he's distinguished himself as someone who prefers to speak, not listen or answer questions, especially when independent journalists from Ukraine or those who know the real situation are present.

But no matter.

Even without the pesky questions of journalists, Solberg put Poroshenko in his place – with diplomatic smiles and sweet talk.

How did the Norwegian prime



**Ukrainian President Petro Poroshenko and Norwegian Prime Minister Erna Solberg in Oslo, Norway, on Oct. 18. (Mykola Lazarenko)**

minister deliver the ultimate challenge and put-down?

She cited Poland as the example that Ukraine should emulate. That's got to hurt.

She extolled the virtues of Poland's political will to change and join the European Union and revamp its economy.

Now, she said, Poland is home of 300 Norwegian companies (compared to 60 in Ukraine).

Now, she said, Poland is the major trading partner in the shipyard industry.

Essentially, she told Poroshenko to get to work if he expects Ukraine to get more investment from Norway, one of the richest countries in the world -- with nine times less people than Ukraine (5 million vs. 45 million people) yet four times the gross domestic product (\$388 billion vs. \$90+ billion).

Reform "requires stamina and taking on a long-term perspective," Solberg told Poroshenko.

But she delivered the lecture in such a peaches-and-cream manner that the self-absorbed president may not have heard the real message.

Instead, he followed her on the stage, mixing truth, propaganda and falsehoods to create the impression that he is Ukraine's leading agent of reform – rather than its chief obstructionist, as he is turning out to be in too many cases.

He started out OK, reeling off impressive and mostly accurate statistics about how far Ukraine had progressed since he became president on June 7, 2014, all the more impressive as progress came amid Russia's ongoing war.

Then he veered off into fantasyland by claiming that he is creating an independent and effective law enforcement system – police, prosecutors and judges – to Ukraine. He is doing nothing of the kind.

Ukraine, he said, is now "fighting against corruption" and "guaranteeing rule of law." He's got new police force (with limited powers). He's fired all top judges and rehired 200 new ones (out of 7,500 largely corrupt ones still sitting on the bench). He's created new corruption-fighting institutions (still understaffed and subservient to the Soviet-era General Prosecutor's Office with

15,000 prosecutors).

Those corruption fighters are "arresting ministers, members of parliament, governors of the region," Poroshenko said. "This is a demonstration of the complete independence from political pressure. We are bringing attractive results based on the principle of zero tolerance of corruption."

Hold on, Mr. President.

The only minister facing charges is Yanukovich-era Justice Minister Oleksandr Lavrynovych. The only member of parliament facing charges is Radical Party lawmaker Ihor Mosiychuk. The only governor facing charges is a deputy one in Mykholaiv Oblast, Mykola Romanchuk.

"Nobody has an umbrella if you are a corruptionist," Poroshenko said. Nobody, perhaps, unless you are Leonid Kuchma, Arseniy Yatsenyuk, Dmytro Firtash, Yuriy Boyko, Serhiy Lyovochkin, Ihor Kononenko, Mykola Martynenko or one of dozens of oligarchs or politicians suspected of corruption and crimes – accusations all dutifully denied by the suspects when confronted.

Poroshenko's sound bites sound good to foreigners who know little about the scale of Ukraine's unpunished corruption, about Poroshenko's obstruction of justice through his appointments of prosecutors or about the alleged schemes of his allies in trying to use government to tap into huge cash flows.

But he's not fooling Ukrainians, who give him approval ratings ranging from 6 to 20 percent. He's not fooling hard-core investors, whose capital is largely bypassing Ukraine for friendlier places. He is also not fooling journalists or Western donors and diplomats, who are increasingly giving up on him.

Poroshenko's aversion to tough questioning from independent journalists only fuels the widespread belief that he is a president who is, paradoxically, intoxicated by power and fear simultaneously. ■

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# Mikhailivsky owner gets loan after \$1 billion loss

BY JOSH KOVENSKY  
KOVENSKY@KYIVPOST.COM

Would you lend \$90 million to a man accused of cheating Ukraine of nearly \$1 billion?

State-owned Oschadbank would answer yes, it appears, regarding former Bank Mikhailivsky owner Viktor Polishchuk, who met with the Kyiv Post last month in a logistics center outside Brovary that he mortgaged through Oschad.

Polishchuk's tenure as owner of the failed Bank Mikhailivsky is emblematic in Ukraine of the catastrophe that is the country's banking sector. Mikhailivsky offered deposits at astronomical interest rates and used the money to engage in widespread related-party lending. Days before the bank collapsed, Polishchuk sold his share in the bank.

The National Bank of Ukraine - the banking regulator - had both an inside view and regulatory control of the bank for months before its collapse.

collapse, and did nothing. NBU Governor Valeriya Gontareva has called for Polishchuk's arrest, and recently said that he cost the government Hr 23 billion (\$900 million).

In an exclusive interview with the Kyiv Post, Polishchuk denied any wrongdoing at Mikhailivsky, saying investigators should look at Platinum Bank. He denied any association with members of fugitive ex-President Viktor Yanukovich's "family," despite documented evidence of business ties to the disgraced regime.

Polishchuk sold his stake in Mikhailivsky one day before it collapsed in May. Duped depositors have been protesting in Kyiv since the bank's destruction. They even closed Khreshchatyk Street in one Nov. 3 demonstration.

## ICU ties

When Polishchuk bought Mikhailivsky in 2013, the bank added to his small empire of assets. The Kirovohrad-born businessman already owned the Gulliver shopping center on Kyiv's Sportyvna Square, and bought Mikhailivsky the same year he acquired the El Dorado chain of electronics stores.

Mikhailivsky offered annual interest rates of 25 percent on deposits, and in 2015 saw its deposit base



Ex-Bank Mikhailivsky clients protest in Kyiv on Nov. 3. Viktor Polishchuk blames Platinum Bank for the bank's failure. (Volodymyr Petrov)

double to Hr 1.1 billion.

Polishchuk bought Bank Mikhailivsky from Ruslan Tsyplakov, a Ferrari driver known for his friendship with Yanukovich's son, Oleksandr, and his chairmanship of the board of the now-insolvent PivdenkomBank.

Tsyplakov also co-owns the Gulliver skyscraper on Sportyvna Square in Kyiv with Polishchuk, through a firm called "OOO Tri O." When asked

about Tsyplakov, Polishchuk denied knowing him.

"This is the first time I have heard this family name," Polishchuk said. "Go to a restaurant in Gulliver, and every third person there, especially after a drink, will say they're an owner of Gulliver."

Polishchuk's wife, Liliya Rezvaya, is rumored to be the niece of Russian Prime Minister Dmitry Medvedev. When asked about this, Polishchuk

would neither confirm nor deny.

"You know, we're all the third or fourth generation of someone," he said. "Does it matter today?"

But Polishchuk happily acknowledges acquaintances that remain in political favor.

In 2015, Polishchuk attempted to purchase the All-Ukrainian Development Bank - formerly owned by Yanukovich son Oleksandr - after winning an auction to buy the bank from the Deposit Guarantee Fund.

The deal was stopped after it was revealed that the shares intended to be sold to Polishchuk were frozen as part of a criminal investigation into Yanukovich.

All the while, Investment Capital Ukraine chief Makar Paseniuk had been advising Polishchuk on the attempted purchase.

"I was told by NBU staff, that Mr. Paseniuk would take Polishchuk by hand, and walk him around the NBU and say 'Ms. Gontareva, this [bank] is not a vacuum cleaner,'" said Poroshenko Bloc member of parliament and financial services committee member Pavlo Ryzanenko.

At the time, the NBU had full access to Mikhailivsky. A curator

more Mikhailivsky on page 17



Viktor Polishchuk at his Brovary logistics center on Oct. 5. (Kostyantyn Chernichkin)

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## ON THE MOVE

### PROCTER&GAMBLE APPOINTS NEW COUNTRY MANAGER IN UKRAINE



**Dmitry Kyselov** has been working in the company for about 20 years. He started his career with P&G in Kharkiv. Dmitry successfully worked in Ukraine, Russia and Switzerland in a wide range of management positions within the sales and market strategy and planning departments. Mr. Kyselov received MBA degree with major in finance in Switzerland in 2012.

Currently, Dmitry is one of the most experienced Ukrainian managers of P&G with vast international expertise, knowledge of local market and strong leadership skills.



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Editorials

# Soviet dinosaur

Prosecutor General Yuriy Lutsenko, like his three predecessors since the EuroMaidan Revolution, has so far failed to send any high-profile graft and murder cases to trial to satisfy society's demand for justice.

Three years after the revolution began, this looks like a farce. One reason is that the badly written law that enabled Lutsenko to become prosecutor general in May also made it almost impossible for ex-President Viktor Yanukovich and associates to be convicted. The law, which covers trials in absentia, is at odds with both Ukrainian and international law, lawyers say.

Lutsenko initially promised to send Yanukovich-era cases to trial by the end of this year, although later he admitted that the law had to be changed. These plans show that Lutsenko, a politician without a law degree, cares more about PR than a fair trial with due process.

And while Lutsenko claims he has gotten rid of political influence on the prosecutors' office, the facts tell a different story. Lawmaker Yuriy Boyko has escaped punishment, while Lutsenko is keeping prosecutors linked to President Petro Poroshenko's top ally, Oleksandr Hranovsky, and other political hacks.

Justice is also being blocked because controversial prosecutors accused of corruption and sabotaging criminal cases are still running the show. Lutsenko argues that he cannot fire them because he needs them to complete high-profile investigations, and cites various legal formalities.

This is a poor excuse, given that these prosecutors have blocked justice ever since the EuroMaidan Revolution that drove Yanukovich from power.

While failing to fire the old guard, Lutsenko has also attacked reformers and activists. Instead of engaging civil society, he has antagonized it.

Moreover, recent bills backed by Lutsenko seek to give him Soviet-style dictatorial authority over law enforcement bodies, canceling post-EuroMaidan reform. The failures show that the institution is a "Soviet dinosaur" and a "graveyard" for criminal investigations – terms used by Lutsenko – incapable of anything other than fabricating political cases and extorting bribes. It either has to recruit independent and competent staff or be abolished altogether.

# Declared crimes

When 100,000 public servants filed their online income and asset declarations on Oct. 30, it became clear why lawmakers have been trying so hard to sabotage the declaration process.

Ukrainians knew that their top officials were wealthy. Now they have a better idea, although much more is likely hidden. The 413 parliament members alone hold some \$470 million in a country with an average yearly salary of just \$3,178. Most of it probably was dishonestly earned and untaxed, we would guess.

Ukraine's rulers hate banks and the hryvnia. They prefer hard cash and store savings in dollars. Even National Bank of Ukraine Governor Valeria Gontareva keeps just 0.13 percent of her savings in the national currency - she has Hr 60,000 and \$1.8 million.

The taste for cash shows officials living in fear. Bank accounts can be frozen, but cash is fungible. Just ask ex-President Viktor Yanukovich. He needed trucks to move his possessions as he fled his Mezhyhirya mansion in 2014.

Lawmakers who haven't been in the private sector for decades, like the Opposition Bloc's Serhiy Lyovochkin, declared offshore companies and savings worthy of Hollywood stars.

Others, like 27-year-old Andriy Lozoviy from the Radical Party, declared cash that doesn't match income and luxury items that they say are gifts. There is a strong passion for watches, Breguet and Ulysse Nardin.

But Ukrainians should focus on getting anti-corruption bodies to follow up on the declarations and investigate officials who are too rich for their income or too poor on paper for their lifestyle. Without that, the e-declarations will be nothing more than an annual show - very entertaining, but useless.

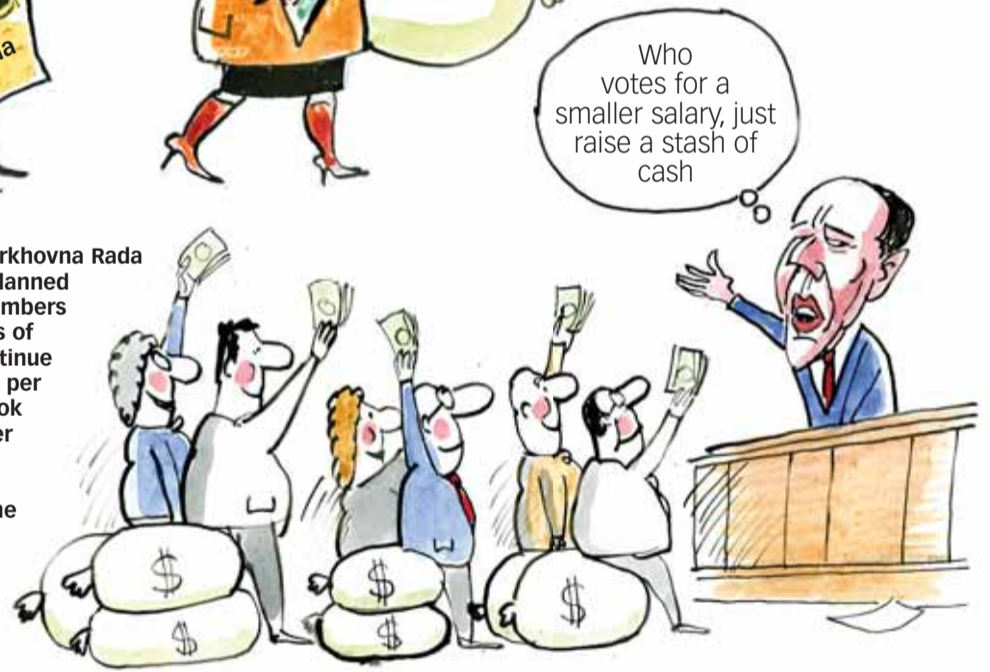
More importantly, Ukraine needs to cut out the corrupt schemes that foster bribes that led to the likely untaxed fortunes. To do that, Ukraine needs to reduce the size of and scope of government in the national economy and create a functioning law enforcement system. Otherwise, the country will keep bleeding money on a scale that more loans from international financial institutions, such as the International Monetary Fund, and donor governments will not be able to fix.

**NEWS ITEM:** More than 100,000 Ukrainian public officials filed online declarations of their property and income. The new law demands detailed disclosures and revealed just how wealthy some public servants are. The 413 members of parliament alone have Hr 12 billion (\$470 million) in savings.



**NEWS ITEM:** National Bank of Ukraine Governor Valeria Gontareva appears to not trust the national currency enough to keep her savings in hryvnia. Her declaration of property and income for 2015 shows that she keeps almost all of her money, \$1.8 million, in dollars. In a different bank account, Gontareva has Hr 61,900.

**NEWS ITEM:** The Verkhovna Rada voted to cancel a planned pay raise for its members on Nov. 1. Members of parliament will continue to get some \$1,400 per month. The vote took place two days after the public officials filed their online property and income declarations, revealing that just the members of parliament together hold some \$470 million, a lot of it in cash.



**NEWS ITEM:** President Petro Poroshenko declared that he owns several women's designer purses and stores some \$26 million in a bank, while many public officials declared that they keep their savings in cash. Poroshenko said that it is his principle to keep the money in a bank, and that other officials should be giving an example of trusting the banks. However, Poroshenko keeps his money in International Investment Bank, where he owns a major share.

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## Reformer of the week

## Zurab Alasania

Zurab Alasania on Nov. 1 resigned as CEO of state-owned National Television Company.

He attributed his resignation to a lack of funding and his worsened relations with the authorities due to anti-corruption shows critical of President Petro Poroshenko and other politicians. These shows, including Slidstvo.Info, Schemes and Nashi Hroshi, have been aired on state-owned First National channel since Alasania took over in 2014.

The move comes amid an increasingly hostile atmosphere for independent journalists in Ukraine.

Poroshenko's supporters have attacked Hromadske television ever since it aired a show on the president's offshore firms in April, while its accreditation in the war zone was briefly revoked. Journalist Savik Shuster, a critic of Poroshenko, has been thrown out of major television channels and faces a tax evasion case and problems with his work permit.

According to a VoxUkraine analysis, there are almost no negative mentions of Poroshenko on major Ukrainian channels' Sunday news shows. Moreover, Poroshenko, who owns Channel 5, has been reportedly in talks to buy other channels.

Meanwhile, journalists' murders remain uninvestigated. Most recently, Belarusian-Ukrainian journalist Pavlo Sheremet was killed in July.

— Oleg Sukhov



## Anti-reformer of the week

## Anatoly Matios

Anatoly Matios, Ukraine's chief military prosecutor, exposed his fabulous wealth in an electronic asset declaration filed in late October.

Matios, who has never been a businessman, declared Vacheron Constantin, Ulysse Nardin, Breguet and Rolex luxury watches and 20,000 British pounds and Hr 150,000 in cash.

Matios' wife Iryna Barakh owns a 138,480 square meter land plot, several apartments and several businesses.

She has Hr 840,096, \$250,001 and 10,503 euros on bank accounts and 25,000 euros, \$525,000 and 10,000 British pounds in cash. Barakh has also lent Hr 20.4 million to third parties.

Ukrainian officials have often registered their assets to their family members to avoid graft accusations.

Meanwhile, Prosecutor General Yury Lushenko has praised Matios and transferred major non-military graft cases to his department.

Matios, an ex-top official of former President Viktor Yanukovich's administration, has also been accused of fabricating cases against volunteer fighters and blocking those against top generals, which he denies.

— Oleg Sukhov



VOX populi

WITH BERMET TALANT



## Were you surprised by the wealth that Ukrainian officials disclosed in their e-declarations?



**Vladimir Goryunov,**  
retired

"My first reaction was embarrassment. It was clear that people earned

their assets by dishonest means and now crave more power. Ukraine is living through difficult times, the war is ongoing."



**Natalya Yevtushenko,**  
HR manager

"I have no words, only emotions. In my opinion, in order to improve

Ukraine's economy all lawmakers should chip in together, and it will be sufficient. Unfortunately, the public response has been very weak - blame it on the Ukrainian mentality: people will resent it, and that's all."



**Olena Grigorenko,**  
university instructor

"It is an unthinkable amount of money - the amounts they have kept in

cash at home. Show me where in Ukraine a person can earn such an amount of money in an honest way."



**Taras Nikitenko,**  
sales manager

"The Ukrainian people have worked in the shadow economy for 25 years, and the

lawmakers have become brazen. What I found mind-boggling was the mockery which they declared their wealth. It was ugly to show off their lands and luxury possessions, as if they were boasting in front of each other and ordinary people."



**Viktor Bellivets,**  
doctor

"I was disappointed by our citizen's inability to react strongly. Six days ago I

returned from the (war) zone, and I know that we (people) can kill. We just need a leader."



**Vladislav Belov,**  
student

"I think that e-declarations are a useful practice, but I was neither shocked nor

amazed by what our country's leaders declared. I knew it had been like this, but after Mezhhyhirya nothing surprises me anymore. People in power are all the same."

# E-declarations show selfishness of elite



**YURI POLAKIVSKY**

As the recent e-declarations reveal, Ukraine is dominated by a governing society of selfish swine, a clan of self-seeking, greedy and egotistic thieves, who, like pigs in a trough consume anything within their reach. Yes, they are politicians, but they are also prosecutors, judges, doctors, educators, military men, administrators and government bureaucrats.

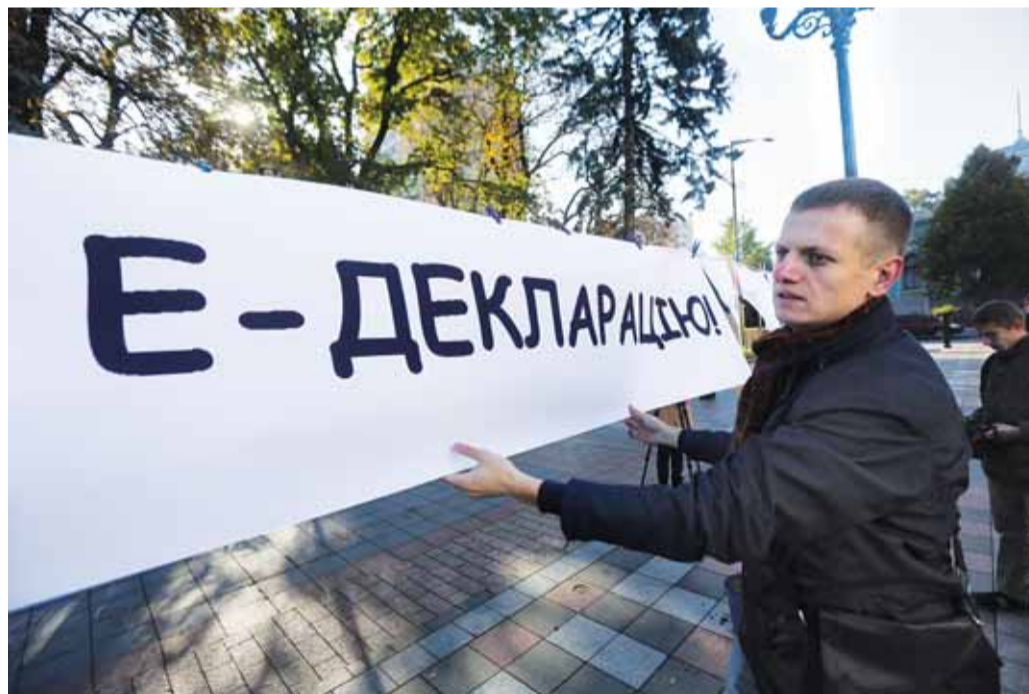
And of course, there are others, but nonetheless, all in Ukraine, and in Western capitals, should know who they are, and regardless of the constant rhetoric of public relations practitioners, the major challenge three years after the Maidan remains how to get rid of this class and the odor that continues to permeate Ukrainian civic life because of their lasting presence.

Though some of the faces have changed, the concept of a ruling clan controlling the state of Ukraine's affairs remains the same. Ukraine is not governed by any elected or politically appointed bodies which are accountable to the public, but rather Ukraine is meticulously controlled by the "clan of the selfish".

They are the true children of Ayn Rand and the grandchildren of Soviet communism. They are the unchallenged practitioners of the virtue of selfishness.

They are the entitled, practitioners of power who lord over those who they see as weak. They project an aura of the powerful, but actually, they are players of the privilege of place, who take what they will, unafraid of any consequences because of the lack of any efficacious moral authorities, be they legal or religious. Nonetheless, they remain, regardless of their European fashions, pretentious and artificial Ukrainian John Galts, gauche, callow vulgarians, drunk with entitlement, lacking in self-restraint, and devoid of respect for any form of objective moral constraint.

And so, after almost three years, they remain in their places of governance, blinded by their egocentric myopia that prevents them from even planning, let alone implementing a comprehensive



Anti-corruption activists put up a banner in front of the Ukrainian parliament on Oct. 18 as they demand that officials file their electronic income and assets declarations. (Kostyantyn Chernichkin)

governing and reform plan that would act as a guide for a better future for all Ukrainians. But why don't they do this? Well, why make any type of investments when you can steal?

This clan does not care not for the poor, the afflicted or the sick because they don't have empathy or the ability to care. They forsake the task and responsibility of structuring and erecting an economic model that would lead to a "just" economy and encourage enterprise and creativity because they already have "theirs", with continuing access to more.

But truthfully what they "have" and what they have declared, is not theirs, but rather, in most instances, they are only in possession of the proceeds of crimes they have committed against the commonwealth.

What it is that they fundamentally misunderstand is that "your" wealth is only yours when you have earned it or when you have created it, when you have risked your own capital to make a profit. And then, having worked hard in providing a

product or service, and having paid your fair share of taxes, you are then entitled to enjoy your profit in the form of the fruits of your labor.

These are the principles of a free market, expressed in the most rudimentary way. This clan has no concept of what this means, for they preside over an economy that is dominated by oligarchs and cronies, all members of the clan, and it is neither, in its essence, capitalistic or free. It certainly is not democratic. Wealth is not yours when you have stolen it.

Yet it is this egotistic and venal individuality and selfish pursuit that prevents the development and establishment of a governing ethic that would inform the building of an effective, responsible and accountable democratic system.

Selfishness in Ukraine is a continuing and constricting philosophical gulag of its Marxist materialistic past. It is this genetic inheritance that

# Real Estate

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# Believe it or not, Kyiv set for major retail expansion

BY ISOBEL KOSHIW  
KOSHIW@KYIVPOST.COM

Thinking of investing in real estate in Ukraine? Think retail, the experts are saying - and investors appear to be listening.

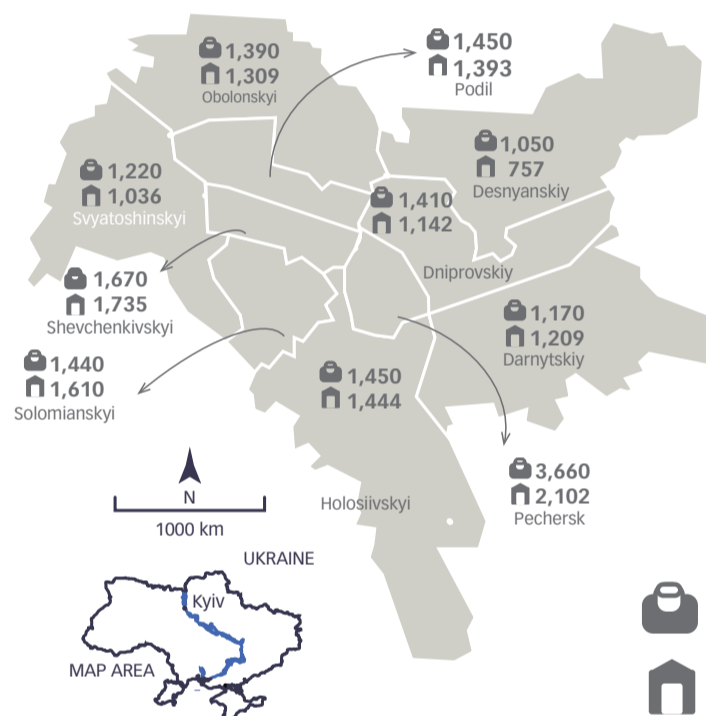
A total of 12 shopping centers are planned to be built in Kyiv between 2016 and the end of 2018. The capital has seen its retail space quadruple between 2006 and today, from 300,000 to 1.2 million square meters, according to Ukrainian Trade Guild, a development company.

By the end of 2016, 138,500 square meters of space will be added to the total with the opening of the Lavina Mall and the renovated TsUM department store, and six additional projects due to be completed in 2017 will add another 400,000 square meters, the guild reports.

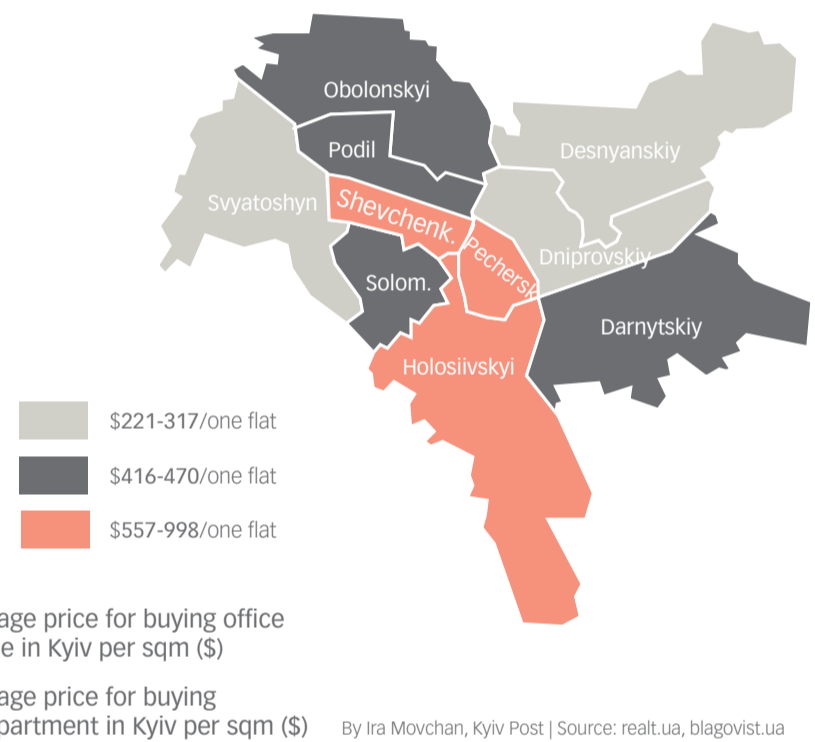
Despite the current economic downturn, "Ukraine has seen a gradual return to the growth path," says Kira Pruglo, head of research at CBRE Ukraine, a global commercial real estate firm. CBRE calculates that Kyiv is currently second only to Moscow in Central and Eastern Europe in terms of volume of retail space construction.

The growth is driven by a lack

Average price for buying in Kyiv (2016)



Average price for renting in Kyiv (2016)



Kyiv's Pechersk neighborhood remains the most expensive in all categories -- buying offices or apartments and renting apartments, while the outer regions of the capital are cheaper.

of high quality, Western-style retail space for incoming retailers to showcase their products, according to Viktor Oborskiy, the head of the Strategic Consulting Department at

the Ukrainian Trade Guild.

"(Ukrainian) consumers at the moment are moving ahead of what is available. They want more of what is called shopping-tainment, which includes experience activities, such as interactive games and arcades," says Oborskiy.

At present, according to the Ukrainian Trade Guild, only 20 out of 50 shopping centers in Kyiv are of good quality. The rest were built in the early 2000s and desperately need renovation.

Vitaliy Boyko of property consultants NAI Ukraine also reckons

the amount of quality retail space is low - between 200,000 to 300,000 square meters. Boyko also noted that retail consumption had increased by 30 percent in 2016 year-on-year. This is a sign for investors that Ukraine's

more Retail on page 7

## ON THE MOVE

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**Pavlo Loginov** was promoted to Counsel within Integrites' Antitrust & Competition practice group in November 2016. Before joining Integrites in April 2016 as senior associate he has been working with major law firms in Kyiv for over 9 years.

Graduated from Kyiv National University, Mr. Loginov specializes on various aspects of antitrust & competition legislation and compliance. He has extensive experience in the representation of clients' interests before the Antimonopoly Committee of Ukraine. Apart from counseling clients Pavlo will also focus on the international promotion of the practice. He was admitted by Chambers Europe 2014 -2016 as an "associate to watch", having impressed clients with his "constructive advice" and responsiveness. Pavlo is also a member of the Ukrainian Bar Association and the Kyiv City Bar Council.



A man pastes a new billboard advertising newly built real estate in Kyiv on July 11. (Volodymyr Petrov)

# Ukrainian elite favor Kozyn as their home

BY BERMET TALANT

The electronic asset declarations submitted on Oct. 31 by Ukraine's top officials revealed many things the public has long suspected – the country's leaders, even after the EuroMaidan Revolution, hoard wealth and love luxury.

But they also proved the old adage that birds of a feather flock together – the nation's politicians, who fiercely oppose each other in the political arena, live side-by-side in luxurious homes in a little town called Kozyn.

This elite community, located 30 kilometers south of Kyiv, has such a concentration of rich people that it is sometimes compared to Russia's Rublyovka suburb of Moscow or jokingly referred to as "the Ukrainian Beverly Hills."

Relatively close to the capital, Kozyn is located on the banks of the Dnipro and Kozynka rivers, adjoining the woodland of Koncha-Zaspa, the first state preserve in Soviet Ukraine, and the site of several health resorts. With an official population of only 3,386 people, Kozyn used to be a favorite summer destination for many Kyivans, but since the 2000s it has seen a massive influx of politicians and businesspeople.

## Influential residents

The most famous dweller of Kozyn is President Petro Poroshenko himself. The media sometimes refers to Poroshenko's 1,331 square meter mansion as "the White House" due to its exterior resemblance to the official residence of the U.S. president.

The house, which even has its own chapel, is located on a large land plot (Poroshenko owns 34,396 square meters of the land and rents an additional 7,511 square meters – a strip of land along the river bank - from Kozyn's town hall).

One of Poroshenko's political allies, Bloc of Petro Poroshenko faction lawmaker Oleksandr Tretiakov, also lives in Kozyn. His declaration says that he has a 568 square meter house on a 7,500 square meter plot of land he has owned since 2001.

Their political foe, Opposition Bloc



An aerial shot of Kozyn, a town 30 kilometers south of Kyiv, where top Ukrainian politicians prefer to live. (Slidstvo.info)

lawmaker Yulia Lyovochkina, bought a total of 12,882 square meters of land in Kozyn between 2004 and 2014. Her brother, also a lawmaker from the Opposition Bloc and the former head of ousted former Ukrainian President Viktor Yanukovich's Presidential Administration, Serhiy Lyovochkin, rents nearly a third of his sister's land and a 862 square meter house for free.

So many influential people live so close to each other that it has caused some farcical incidents: In June, investigators from the Prosecutor General's Office, came to what they thought was the house of the wanted former head of Yanukovich's Presidential Administration, Andriy Klyuyev. But when they mixed addresses and knocked on the door of the neighboring residence, Radical Party leader Oleh Lyashko opened the door. He said that he has been renting the house from his friend Artem Savitsky since 2014.

Another famous parliamentarian residing in Kozyn is ex-Prime Minister Yulia Tymoshenko. There, she rents a 862 square meter house and a 3,362 square meter land plot from Tetiana Sharapova, reportedly a relative of Tymoshenko.

Other notable inhabitants of Kozyn include politicians Bohdan

Dubnevych and Nestor Shufrych, Foreign Minister Pavlo Klimkin, the head of the State Financial Monitoring Service, Ihor Cherkaskiy, and the head of the State Fiscal Service, Roman Nasirov.

## Popular spot

Today, 100 square meters of land in Kozyn cost between \$5,000 and \$10,000, making it one of the most expensive areas in Ukraine outside of Kyiv. Some land plots with private access to the Dnipro River are priced as high as \$17,000 per 100 square meters.

On some local real estate websites, a two-floor, 572 square meter house on a 9,000 square meter land plot on Starokyievskaya Street, where Opposition Bloc member Shufrych lives, is advertised at a price of \$1.4 million. The market price of a three-floor 550 square meter mansion on the riverside is \$1.9 million.

"The Kozyn area has become very pricey in the last decade or so," said Andrey Guselnikov, the co-founder of the Olimp real estate consulting firm. He added that for Ukraine's elite, the town is perfectly placed for work and relaxation.

"It's easy to access from Kyiv via the Stolichnoye highway. It has developed infrastructure, and is close to the river and nature." ■

# More shopping centers coming soon to Ukraine

Retail from page 6

retail sector will continue to recover in the near future, he says.

Moreover, the rise in internet shopping in Ukraine is not yet a worry for retail space investors, says Oborskiy: "Even in the United States internet shopping hasn't yet overtaken offline purchases, and in Ukraine it's a long way off."

At present only two property sectors in Kyiv are seeing healthy returns: retail and residential, says Oborskiy. The office, hotel and industrial segments are oversaturated, he adds.

CBRE Ukraine research supports

this: Although vacancy of office and industrial space has decreased by 1 to 2 percent year on year, it still stands at 29.5 percent and 13.5 percent respectively. Conversely, prime and secondary retail space reported vacancy of 2- 4 percent and 7-10 percent in 2016.

"By U.S. standards, the indicator that a shopping center is doing well is that it has 1 million visitors a month. (Kyiv's) Ocean Plaza mall has 1.5 million visitors a month," says Oborskiy. This is what makes investing in shopping centers so appealing for Ukrainian businessmen, he adds.

Business peoples' interest in invest-

ing in building retail space can also be explained by rental prices. Renting out space in a Kyiv shopping center brings in more on average than in Berlin, Warsaw, Brussels, Budapest, St. Petersburg and Prague, according to JLL, a real estate services company.

Yuriy Kryvosheya of Toronto-Kyiv, a mixed-use real development company, agrees.

"If you have free liquidity, I would really recommend investing it in high-quality retail units," Kryvosheya says. "You'll get a better return for your money than if it just sits in the bank. Interest rates abroad are negative, and here they are low." ■

## BUSINESS ADVISER



Wolfgang Gomernik  
DELTA Ukraine CEO and Partner

DELTA Ukraine is a part of DELTA Group, with its parent company in Austria, that has already operated on the Ukrainian market for 10 years. We asked DELTA Ukraine CEO and partner, Wolfgang Gomernik, about his view on the commercial real estate market, its growth prospects, and its difficulties.

Could you please briefly describe what projects you are currently working on, and what your feelings about the market for commercial real estate in Ukraine are like?

DELTA's portfolio for the last year has extended mostly to projects from both the industrial and health sector. We are for example working on the new construction of the LEONI plant in Kolomyia, a worldwide famous wiring and cable producer. We're also expanding the existing Jabil plant near Uzhgorod, an electronics producer. We've just finished our work on the KWS Corn Seed Plant in Kamyanytsya-Podilsky. In spring 2017, we will hand over the brand-new BMW Showroom and Headquarter near the Boryspil highway. These projects are diverse, unique, and prove there is investor interest in the Ukrainian market. We can see quite a lot of movement here through our projects.

Do you think activity is coming back to the construction business, and what 's your opinion on sustainable construction, perhaps the most talked about, but least understood recently?

I suppose yes, the construction field shows some signs of recovery. In terms of sustainable construction I truly believe that this worldwide trend will sprout in Ukraine sooner or later. So far, it is at the embryonic stage here. If we take into consideration buildings in developed countries, they account for more than 40 percent of energy consumption during their life cycle (including raw materials production, construction, operation, maintenance and demolition). Adding the fact that half of the world's population now lives in urban environments, sustainable buildings are becoming essential cornerstones for ensuring long-term environmental, economic and social viability.

To be sustainable, a project must demonstrate innovative concepts regarding design, integration of material and methods, structure, construction technologies and building processes, operation and maintenance. It must possess long-term monitoring methods to evaluate if expectations and goals have been met. It suggests spreading knowledge, including project documentation, communication, education and training.

Projects must comply with the highest ethical standards and advance social inclusion at all stages of construction, from planning and building, to use and servicing, to ensure they have a lasting, positive impact on communities. Projects must show sensible use and management of natural resources over their lifetime to minimize their ecological footprints and to maximize their positive impact on the environment. Meantime projects must be economically feasible, match demands throughout the building's lifetime, and be adaptable to possible future changes of users' needs, ownership, laws, and economic fluctuations. This perhaps sounds complicated, but it isn't. Most importantly, recent developments in other countries showed that this works as a business model.

Are there any sustainable projects in Ukraine? Has your company implemented any?

No, not many at all. We carried out one milestone project three years ago - BILLA/REWE in Kyiv, on Akhmatova St. Actually it was the 1st green building supermarket of REWE in Eastern Europe, designed and constructed by DELTA Ukraine. We used multiple energy saving technologies: energy efficient glazing, 100 percent LED lighting, solar collectors for water heating. A so-called Blower Door Test for building air tightness was carried out for the 1st time in Ukraine. It confirmed the high level of structural integrity of the supermarket, which is a key factor in energy efficiency during the operation of the building. The supermarket is also the first building in Ukraine certified according to the DGNB standard, and achieved the silver level. Sustainable construction means a seal of excellence in every respect, which in the end creates additional value in the project for all current and future stakeholders.

Why do developers here show so little interest to sustainable construction?

One reason is the lack of pressure from tenants, property managers, clients and – very important to mention – final investors. In many other CEE countries, the number of investors is less if it is a non-sustainable building. Sustainability has to be proved through international Green Building standards. Other reasons are connected to normative hurdles, the state of knowledge of all project participants, resource prices etc.

Talking about the construction of commercial real estate in general, what tools could be used to make the process smooth, timely and within the budget?

There is a range of tools and methods. One of the most sensitive issues on every mid-and large scale project is information management, which ensures there is communication between all participants, document circulation, and total organization of workflow. Since DELTA has roots in Austria, we solved this some time ago by establishing separate IT department that deals with the creation of IT solutions tailored individually to the requirements of the client, from the all-round support for your IT projects, through to special tasks of IT project management. To ensure a smooth workflow on the project (to avoid long searches for documents, lost emails, unawareness of a document's status) we created special software called Datenpool. It functions like a virtual filing cloud, which all participants can use to file, distribute, download documents, structure workflows etc. Datenpool is a web-based platform that can be accessed by common web browsers, and does not need to be installed on a computer. It does not require any investment in hardware, software or security. It can also be used with tablets or smartphones without the need for installing apps. In seconds, you can find the desired document, email or drawing from a pool of thousands of data entries, see all its modifications, which version was approved, and who's currently reviewing it. Potential project delays due to unapproved documents can be detected at lightning speed. This guarantees a rapid response time, which is of decisive importance for document flow management in construction projects. Proved by numerous our projects, it really works and helps!



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1. A man passes by the TsUM store on Oct. 26. 2. Men are at work in the TsUM store during the reconstruction. 3. The mannequins are being unpacked as the TsUM store prepares for the upcoming opening. (Volodymyr Petrov)

# Remodeled TsUM hopes to revive city center shopping

BY NATALIE VIKHROV  
VIKHROV@KYIVPOST.COM

TsUM, Kyiv's iconic department store, still looks much the same on the outside. But customers, when they reenter the store for the first time in four years, will find the interior unrecognizable.

Detail-oriented and with a heavy international influence, the inside of Ukraine's European-style department store — still known by the acronym of its Soviet name of Central Department Store — has almost been completed, with retailers due to move into the site soon.

Anton Glivynskyy, ESTA Holding's chief reputation officer, took the Kyiv Post on a tour during the last days of reconstruction. Originally scheduled for a summer launch, the opening was postponed several times, and is now set for November.

Glivynskyy told the Kyiv Post that the company would open to the public without fanfare to ease the store into trading and ensure its operations run smoothly.

## Smell of success?

Four years in the making, the site was acquired by Ukrainian billionaire oli-

garch Rinat Akhmetov's management company ESTA Holding in 2010, the height of his ally ex-President Viktor Yanukovich's power, although construction did not start until 2012.

The \$100 million project will feature three underground levels — two of which have been shaped into a 180-space parking lot, while the third has been dedicated to men's clothing and footwear.

With a further seven levels above ground, the site has a total of 23,500 square meters of trading space.

In line with the traditional department store layout, the first floor will be dedicated to cosmetics, perfume, jewelry and accessories, leading up to women's clothing and footwear, lingerie, youth fashion, Ukrainian designers, a children's department, home decor and electronics.

A unique food hall will be opened on the sixth floor, with bars, cafes and restaurants on the seventh.

The rooftop will also feature a terrace.

In addition, the 41,000 square meter store will offer a range of special services, including delivery of purchases to the parking area or a customer's home.



A man works in the TsUM store during the reconstruction on Oct. 26. (Volodymyr Petrov)

A TsUM-brand scent was even created during the remodeling.

Glivynskyy said the special scent will be diffused through the ventilation. "When you come home and you open your shopping bag there will be a light scent that will evoke an association with TsUM," he said.

and which were an attraction in their own right in the city during the late 1950s, were "strangely positioned."

"Towards the end, (TsUM) looked more like a clothes market than a department store," Glivynskyy said.

## Historic facade

Kyiv's central department store has stood on the corner of Khreshchatyk and Bohdana Khmelnytskoho streets since 1939. Originally planned as a book store, the site was redeveloped out of changing Soviet attitudes. The Stalin-era building was constructed in the late 1930s.

The historic facade is the only aspect of the store that has come through the two reconstructions. TsUM underwent another reconstruction in the 1980s, the only significant renovation the building had undergone until ESTA Holdings came along.

"At that time, the store did not match up with the standards of the modern department store, starting from simple things like toilets to complicated things like fire safety. It was a massive building with meter-thick walls, and it resembled more of a fortress than a department store," Glivynskyy said.

He said even the escalators, which were the first to be installed in Kyiv

## International influence

ESTA engaged a variety of international experts for the project. The store's new director, Brian Handley, formerly held the same role at British luxury department store Harvey Nichols in Leeds.

"In Soviet times, people who came to Kyiv came to TsUM because they knew it would have all the best and latest and newest. We want to do the same thing. Our aim with this project is more reputation orientated than business," Glivynskyy said. "We saved the brand, but at the same time we're giving it a new meaning."

## Economic crisis

But despite the hype surrounding the \$100 million redevelopment, TsUM's profits are unlikely to near the figures imagined when ESTA started the project in 2010.

ESTA Holding CEO Maksim Hramadtsou said the site was bought in better economic times. Also, the



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# Kyiv's TsUM set to reopen after major overhaul

TsUM from page 8

EuroMaidan Revolution that drove Yanukovich from power in 2014 and Russia's war against Ukraine has had a significant economic impact.

"The biggest influence of the crisis was a practically year-long delay," Hramadtsou said. "There was the direct influence, when there were explosions and shooting on Khreshchatyk, we obviously weren't working. We lost another half a year because at the time we were supposed to get a large amount of permissions and agreements from the city... there were practically no authorities, no government officials that could have (looked) at any paperwork."

Economic instability has also driven some of Europe's largest brands from the project.

ESTA planned to introduce around 100 new brands to Ukraine, but half of them have been driven away. The store will open with around 300 brands, including Calvin Klein, Max & Co and Bobbi Brown, although not all will be present for the first days of trading, with retailers and restaurants expected to trickle into

the building after opening.

Hramadtsou said around 80 percent of tenant space has been leased. Prices for the remaining 20 percent are expected to rise after opening.

## Target market

With retailers like Giorgio Armani and Chanel, it may seem many Ukrainians would be priced out of the TsUM market, but Hramadtsou said many of the retailers were selected specifically from the mid-market to upscale spectrum as opposed to luxury brands, which will feature primarily among the cosmetics and accessories.

At around \$180, a pair of Calvin Klein jeans could still swallow most of the average Kyivian's monthly salary, but ESTA is banking on Ukrainians' tendency to over-indulge on beauty and fashion to drive up their profit margins.

"If we had (another European or Western) country with the same amount of income... they wouldn't buy it, but Eastern European countries, Ukrainians especially, tend to overspend," Hramadtsou said.

"They spend a disproportional amount of money on their clothes.

One of the reason is because they cannot afford a luxury house or car, so that's another way to manifest yourself," he said.

"While in the U.S. or Europe, the usual family may spend 5 to 10 percent of income on clothes, here, easily 60 percent, 80 percent of income will be spent on clothing. So that kind of saves the day for us."

## Signs of recovery

Another saving grace may lie in the signs of recovery of Ukraine's retail market.

According to a CBRE research report on Kyiv's retail market, while 2016 has still been marked by a "rather frail economic stabilization," development of preconditions for a more active recovery in 2017 were present, with the first half of 2016 showing growth of retail turnover.

The first half of the year also saw the entry to the market of seven new brands, including lingerie shop Tezenis and Ravin Jeans.

CBRE's Kira Pruglo said large shopping centers were also reporting only a 2 to 4 percent vacancy, with even stronger occupancy in Ocean Plaza and Gulliver shopping center.



A man cleans glass roof of the TsUM store during reconstruction on Oct. 26. (Volodymyr Petrov)

## Western goals

TSUM's reconstruction not only promises to deliver coveted foreign brands, but will also see Ukraine catch up to Western and European concepts of shopping, with the emphasis on spending time with family and friends, Pruglo said.

"Then we had larger galleries and some entertainments, and this was like the second generation, and if

you see these new projects, they are Hramadtsou said the department store concept was an essential part of main streets. "Moreover, Khreshchatyk, which was a good shopping street five years ago, is now almost dead," he said "Most of the retailers have been replaced by banks or cafes. With TsUM, we basically want to revive the street. We believe TsUM will bring Kyivians back to the main street."

Advertisement

## Kyiv Luxury Real Estate Aims High, Gets Close

The luxury real estate market in Kyiv meets new challenges — and new opportunities to grow. The long-lasting stagnation seems to be gone, although future development demands new approaches. Ari Schwartz, CEO of the Seven Hills Group of Companies in Ukraine, draws the perspectives of elite housing in the Ukrainian capital.



Despite the cold autumn breeze, the heat is rising on the Kyiv luxury real estate market. The latest reports from various housing agencies tell that Ukrainians have broken their investment pause that lasted for a couple of uncertain years and are back to securing their futures with prestigious apartments. September proved the auspicious climate for high-end real estate, as the month's turnover went up \$3.5 million.

The sale of luxury housing in Kyiv meets new challenges. Customers become more aware of the building quality, as well as the services provided with the long-awaited keys to the apartment. Developers aim high and subdivide the districts of the capital, creating secluded complexes. The latter become de facto the cities within the cities due to the sharp contrast between post-Soviet blocks and the modern, sleek and polished silhouettes of the new "skyscrapers."

### Space to live in

Who is a typical buyer of a luxury apartment that Ukrainians love so much to call "V.I.P."? The experience of Seven Hills proves that generally such customers are confident about their lives and personal financial decisions, intend to improve the quality of their lives and are certain about investment in real estate. Real estate agents often mention misunderstandings between customers and sellers on the very definition of the term "V.I.P. apartment." Brokers used to consider

premium-housing primarily through the quantitative lens, i.e. the bigger, the more prestigious. As such, several real estate agents state that a premium apartment for a single man should include at least two beds and be no less than 200 square meters.

However, the numbers tell another story. Consider the business class, for example: it is dominated by one-bedroom apartments (35% of the market in October according to 100reality.ua analysis). Premium-class tends to be more family-oriented — the shares of one-, two and three bedroom-flats are almost the same. Seven Hills aims at the comfortable middle — Park Avenue VIP Residential complex offers apartments between 60 and 225 square meters.

### Competition of benefits

The traditional adage — location, location, location — never seems to grow old as it remains a buyer's number 1 priority. Doubtlessly prestige plays into the choice of a place to live. Traditionally Ukrainian developers aimed at appealing Obolon and Pechersk districts that were heavily overbuilt in the last 10 years.

Nonetheless, the modern Ukrainian customer became wiser and more demanding — not only wanting a comfortable location, but also a pleasant view, the overall aesthetics of the building and the neighborhoods, not to mention the additional services provided. Buying an apartment tailored to one's needs, desires and tastes has become tremendously attractive since it offers a ready-to-follow lifestyle. Hence, buying a new apartment no longer means acquisition of a set of walls and windows — it embraces a whole bunch of new daily routine and comfort of opportunities.

For instance, the initial design of the Park Avenue VIP complex focused not only on the quality of building and location, although being near the biggest European leisure park is a massive benefit. Seven Hills has thoroughly studied the demands of V.I.P. real estate buyers to meet them. The survey shows that people want green zones as well as playgrounds for kids, fitness centres with swimming pools, several local businesses such as supermarkets, bakeries, banks, medical centers and beauty salons. And parking lots, of course, for cars as well

as for bicycles. Although it is not enough — the key issue is the feeling of care and safety, such as proper concierge service, developed and reliable security system, pleasant neighbors and other perks — like the possibility to wash and charge up your Tesla without leaving the parking lot and great view from the panoramic elevator.

That is why all the aforementioned — and more — is implemented within the Park Avenue VIP so that the developer not only shares the building process, but becomes a daily responsible supporter. Seven Hills adopted the ideology of constructing by listening to customers, henceforth the contracts trespass the legal boundaries and develop a family-like community based on non-stop dialogue.

### The path to the future

The Ukrainian V.I.P. real estate market has proven itself prone to long-term stagnation. Even the instability of the last couple of years could not substantially weaken developers' enthusiasm, hence the new elite housing "boom" in Kyiv. The current trend shows that prices will go slightly up in the following months after settling down at about 2,000 dollars per square meter.

These dynamics are supported by competition among developers, so that fewer companies and customers understand premium housing as a grotesque and distasteful combination of golden polish and posh marble. The very concept of the house has become incredibly important.

Real estate agents agree that the demand for "all-inclusive" housing is growing. A new apartment and/or complex has to offer everything one may need. Therefore we are at the dawn of new prestigious housing standards.



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# Ukraine stunned by wealth revealed in e-declarations

E-declarations from page 1

the country's top officials own plenty of real estate, multiple luxury watches, cars, collections of valuable paintings and weapons, Fabergé eggs and even a church.

Some of the country's richest lawmakers – former allies of fugitive former President Viktor Yanukovich – have retained their wealth, revealing in their electronic asset declarations that they own dozens of offshore firms, hoards of valuables and heaps of cash.

That such people still retain their power and influence, as well as their wealth, more than two years after the EuroMaidan Revolution, is testament to the lack of progress in achieving the goals of that revolution.

Nevertheless, the fact that Ukraine's elite were forced to divulge their fortunes – something they fought fiercely to prevent – shows that change is still possible.

## Kleptocratic legacy

Public outrage over the vast and obscene fortunes of top public servants and their families have amassed on their meager state salaries is understandable in a country where the average salary is just Hr 4,362 (\$171) per month. Some public officials argued that they earned the declared money while working in the private sector, but skepticism remains.

The e-declaration law demands that officials disclose not only their own assets, but also those held by family members, eliminating the possibility of officials hiding their wealth under the names of relatives.

But while the true significance of Ukraine's e-declarations for state officials got lost amid the scandal over bling, cars and country houses, anti-corruption activists believe the filing of the declarations is a huge step forward in tackling grand politi-



Lawmakers Ihor Kononenko (left) and Serhiy Pashinsky talk during parliament session on Nov. 3 in Kyiv. (Volodymyr Petrov)

cal corruption.

Daria Kaleniuk, who heads the Anti-Corruption Action Center, wrote on Oct. 31, that she could hardly imagine "a similar register working in Russia, Belarus, Uzbekistan, or Kazakhstan - in countries with a similar post-Soviet kleptocratic legacy."

Still, some state officials showed open contempt for the e-declaration procedure. For instance, Volodymyr Parasiuk, a EuroMaidan activist turned lawmaker, said in his e-declaration that he had been given a Samsung Gear watch as a present from Santa. He corrected his declaration two days later, removing the Santa mention.

Others entered incorrect data or made irrelevant and absurd entries, such as the pitchfork declared by Ukrainian lawmaker and Radical Party leader Oleh Lyashko, or the film script declared by Interior Minister Arsen Avakov (the "joke" entry was a sarcastic attack on some of Avakov's political enemies.)

Andriy Kruglashov, a political analyst with the Chesno anti-corruption movement, said that by joking in

their e-declarations, politicians were attempting to tamp down their fears about the process. They also wanted to shift people's attention away from their wealth and the vast economic inequality in Ukraine, he said.

## Public hypocrisy?

Not all the debate about the e-declarations among Ukrainians on social media was focused on the possible wrongdoing of officials, however.

Journalist Maxim Eristavi tweeted on Oct. 31 that hoarding cash was something that all Ukrainians did, and that the law should be applied equally to everyone.

"Every family in Ukraine has (an) undeclared cash stash. So (the) ongoing shaming of public officials declaring tons of cash is bizarrely hypocritical," Eristavi tweeted. "While Ukrainians keep playing moral relativism with breaking the law, nothing is gonna change."

Other social media users were exasperated that the achievement of getting state officials to reveal their vast fortunes had been masked by media frenzy – especially in the

Western media – over the details of the Ukrainian elite's wealth.

"E-declarations took 100s of activists fighting for 2.5 years against enormous resistance. The Western media focuses only on how corrupt Ukraine is," freelance TV journalist Gosha Tikhy wrote.

## What comes next?

Now that the battle to implement Ukraine's e-declarations legislation has been won, the focus will shift to following up on it, and the National Agency for Preventing Corruption will monitor this process.

Any official who missed the deadline for filing their e-declaration could face a fine of up to Hr 51,000 (\$2,000), from 150 to 240 hours of community service work, or imprisonment for up to two years.

According to Sasha Drik, the head of the Declarations Under Control civic watchdog, "it will be necessary to prove first that the officials deliberately failed to meet the deadline, however."

If that can't be proven, the official will just pay a fine.

The next step for the National Agency for Preventing Corruption will be to conduct several types of checks on the officials' e-declarations.

These will include an analysis of

the data according to a set of specific rules. However, these have not been stipulated in the legislation and are still being drawn up by the agency.

According to Drik, this check will verify, for instance, whether the overall expenses in an official's declaration match their declared income.

Another will be a full examination of officials' declared property against date in Ukraine's property registers. The declarations subjected to this type of examination will be those made by top officials, including the president, ministers and members of parliament. The National Agency for Preventing Corruption will also perform a full examination of any declarations that have been flagged as suspicious by journalists, civil society, or other concerned parties.

A person who lies in a declaration could face either disciplinary actions or criminal charges, depending on the value of the assets concealed. If this amount exceeds Hr 304,500 (\$11,940), the National Anti-Corruption Bureau will take over the investigation of the case.

Drik told the Kyiv Post she hoped to "see first results" by the end of the year.

"At least (this will be) cases sent to the courts: maybe not verdicts, but at least court proceedings," she said. ■

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# Lutsenko's plan: 'Break this Soviet dinosaur'

Lutsenko from page 1

ruption crusader and activist against ex-President Leonid Kuchma, is feeling the heat. At least he was during a three-hour interview recently with the Kyiv Post in his office.

When the Kyiv Post wanted to talk about stalled or non-existent investigations against such public figures as Kuchma or Yanukovich allies, including billionaire oligarch Dmytro Firtash, ex-Deputy Prime Minister Yuriy Boyko and ex-chief of staff Serhiy Lyovochkin, Lutsenko flashed anger and threatened to end the interview.

Lutsenko said no one had a right to tell him who to prosecute. "If you're interested in last names, I'm ending this interview," he said.

Instead, he preferred to draw diagrams on paper about his plans for reorganizing the office of 15,000 prosecutors (mainly by hiring new prosecutors at lower levels next year). He showed statistics about how much more effective he is than the National Anti-Corruption Bureau of Ukraine and boasted about criminal cases launched against comparatively minor figures.

Almost three years since the EuroMaidan Revolution began, former Yanukovich-era Justice Minister Oleksandr Lavrynovych is the only high-ranking person against whom a criminal case has been sent to trial.

The docket of unpunished crimes, including multibillion-dollar financial theft and murders, stretches back decades in Ukraine, including the Sept. 16, 2000, murder of journalist Georgiy Gongadze and the murders of more than 100 EuroMaidan demonstrators in 2014.

Lutsenko is no more successful in recovering any of the \$40 billion in money and assets allegedly stolen,



Ukrainian Prosecutor General Yuriy Lutsenko talks with the Kyiv Post in his office on Oct. 12. (Volodymyr Petrov)

by his own official estimates, during the Yanukovich era from 2010-2014.

He has deadlines coming up. Lutsenko said he needs to produce results by April in sending Yanukovich-era cases to trial. Another deadline is in a year, when the Prosecutor General's Office will have to transfer its investigative functions to the yet-to-be-created State Investigation Bureau.

Some of his deadlines are self-imposed. He has no intention of serving his five-year term and said he will leave in 2017.

"I have a year-and-a-half, and I will use it to the fullest," he said. "Only a major politician could stop people influencing the Prosecutor General's Office. I hope I'm the last politically appointed prosecutor general. My

task is to use my political weight to break this Soviet dinosaur."

To make a dent in the backlog of stifled or stonewalled cases, as well as overhaul the service, Lutsenko brings with him no law degree or prosecutorial experience. But he does bring with him the mixed blessing of political clout, appointed by President Petro Poroshenko, who clung to Shokin and who Lutsenko served in parliament as head of the presidential faction of 143 lawmakers. Many see his association with Poroshenko as part of the problem as corruption continues to flourish, including allegedly by Poroshenko allies.

In Lutsenko's quest to remake the prosecutor's office, however, he is keeping tainted prosecutors and

investigators in powerful positions. "Don't ask me whether these investigators are good or bad... I'm squeezing a socially useful result out of them with my own hands," he said.

## Litany of problems

The Soviet-style prosecutor's office that Lutsenko is trying to break has been the all-powerful judge of guilt or innocence throughout much of Ukraine's history as a nation.

It has operated as a political weapon, subservient to the president, working to protect the powerful and corrupt rather than prosecute them. On the other hand, those who fall out of political favor – as Lutsenko did during the Yanukovich era – feel the sting of politicized verdicts. Lutsenko spent two years in prison on bogus charges of abuse of office as interior minister. He was the second highest-profile political prisoner during the Yanukovich era, after ex-Prime Minister Yulia Tymoshenko.

In wielding their powers, prosecutors have dictated verdicts to the nation's 7,500 judges, who form another distrusted and detested institution in Ukraine. Even though the constitution provides for jury trials, in which citizens decide guilt or innocence, politicians have refused to surrender control.

This is why leading lawyers in Kyiv – among them Irina Paliashvili, who heads the legal committee for the U.S.-Ukraine Business Council – have called for the current institutions to be dismantled and replaced with new ones. Lutsenko agrees with this prescription. Before new institutions are formed, he said, it's his duty to squeeze as much out of the current ones as possible.

But the problems with prosecutors are not relegated to the Soviet past. They persist today, say lawyers who talked to the Kyiv Post, many of whom talked not for attribution because they feared retribution.

They charge that prosecutors are inspecting, auditing and investigating

businesses to extort money from them and carrying out pre-trial investigations for years to obstruct business operations. Lawyers also complain that prosecutors disregard evidence and the positions of defense attorneys and pressure judges for favorable rulings. They also fail to enforce unfavorable court rulings or consider allegations of prosecutorial misconduct.

## Admits problems

Lutsenko knows the agency he heads had been rife with graft and has blocked cases due to political interference. "Given what I saw, the cases have often been artificially blocked," Lutsenko said.

But despite his close ties to Poroshenko, who critics believe is the chief obstructionist to overhauling the judicial system, Lutsenko said that nobody dictates what he must do.

Lutsenko said the bank of white telephones next to his desk – which connect him to top officials – are not the problem that they used to be. He said his participation in the 2004 Orange Revolution and 2013-2014 EuroMaidan Revolution, his jail term under Yanukovich and his defense of Ukraine in Russia's war give him the right to say no to whoever tries to tell him what to do.

"I won't say to whom I have said 'no,'" Lutsenko said. "But I can assure you that not only do I say 'no,' but I also swear sometimes."

## Grey cardinals

Two top allies of Poroshenko, lawmakers Ihor Kononenko and Oleksandr Hranovsky, have been accused of interfering with prosecutors, specifically with the anti-corruption unit known as the "Kononenko-Hranovsky department."

But Lutsenko said that neither Kononenko nor Hranovsky influence the head of the unit, Volodymyr Hutsulyak, although "all lawmakers are trying to influence me... My task is not to succumb to that influence."

Lutsenko said he meets regularly with lawmakers, including Kononenko and Hranovsky, but has banned them from approaching other prosecutors.

## Yanukovich cases

Aside from fending off attempts by allies to influence his decisions, Lutsenko's ability to deliver results involving Yanukovich and his allies will be key. The Prosecutor General's Office is planning to send the cases to trial in November or December, Lutsenko said. The allegations against Yanukovich and allies include treason, murder and multibillion-dollar theft.

Lutsenko has feuded with Serhiy Horbatiuk, the head of the department for trials in absentia, over the timing of sending Yanukovich-era cases to trial. On Oct. 24, Lutsenko took away most of the cases from Horbatiuk's unit.

more Lutsenko on page 14

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# Lutsenko: Prosecutors accustomed to 'total impunity,' never jailed

Prosecutor from page 1

been accused of sabotaging investigations and fabricating political cases.

Among others, the team comprises Deputy Prosecutor General Yuri Stolyarchuk, who is in charge of all investigations, and Kyiv's chief prosecutor Roman Hovda, who deny the accusations.

"Don't look for a replacement for Stolyarchuk, there is none," Lutsenko said. "The system he heads works efficiently only under him... It's inefficient to change horses, not even in midstream, but at the finish."

Lutsenko argued that he cannot hire new people in transparent competitions and complete high-profile investigations simultaneously.

He said, however, that he was planning to launch competitions for all top prosecutors' jobs in mid-2017.

## Scandalous prosecutor

One of the most controversial top prosecutors is Dmytro Sus, a deputy head of the department for high-profile economic cases. He has been accused of fabricating political cases on behalf of President Petro Poroshenko's top allies Ihor Kononenko and Oleksandr Hranovsky, driving a luxury car beyond his means to afford and allegedly torturing employees of the anti-corruption bureau who were conducting surveillance over him in a graft case in August – accusations that he denies.

Lutsenko said he had decided not to fire Sus because a probe into his property had determined there had been no wrongdoing.

But Lutsenko said that the public scandal had forced him to transfer Sus to a different department and put him in charge of recovering stolen assets abroad. "If he succeeds, he will be rehabilitated," Lutsenko said. "If he doesn't, he will leave the prosecutor's office."

Meanwhile, the Prosecutor General's Office contradicted Lutsenko's words in an official response, saying that Sus was still a deputy head of the department.

Another contradiction is that the prosecutor's office said untrustworthy information had been found in Sus' declaration since he failed to declare the Audi car and he was subject to "disciplinary punishment."

Meanwhile, Sus and his family declared \$38,000 in cash and precious stones worth \$8,100 in his electronic asset declaration filed in October.

## Total impunity

Despite his reluctance to fire controversial prosecutors, Lutsenko admitted that "prosecutors are used to total impunity, and nobody has ever jailed a prosecutor."

He said that the Prosecutor General's Office had investigated 19 prosecutors in corruption cases since he took over. The Prosecutor General's Office told the Kyiv Post

that Lutsenko had also fired five prosecutors suspected of crimes.

Lutsenko said that the unit for checking prosecutors' property, headed by Petro Shkutyak, had failed to uncover much evidence of corruption due to a lack of complaints about prosecutors filed by civic activists.

"The checks didn't work well," he said. "Only a few have been fired, there's nothing to boast about here."

## Lustration

Lutsenko has also been faulted for appointing and failing to fire about a dozen prosecutors who worked under ex-President Viktor Yanukovich and who, under the lustration law, should be fired.

These include Shkutyak and Maxim Melnychenko, the head of the Inspectorate General.

Lutsenko claimed that the Justice Ministry had not mentioned Shkutyak and Melnychenko among those who should be lustrated, and also argued that Shkutyak's job was not covered by the lustration law.

However, Tetiana Kozachenko, the head of the Justice Ministry's lustration department, said this was not true and showed to the Kyiv Post documents requesting the dismissal of Melnychenko and Shkutyak that had been previously sent to the Prosecutor General's Office.

Lutsenko also said that he had no power to fire Oleh Valendyuk, a deputy chief prosecutor of Crimea, because a controversial court ruling had blocked his dismissal under the lustration law.

"You think the court ruling is bizarre, for me it's even more than bizarre," he said. "But nonetheless, according to this ruling, he's not subject to lustration."

Kozachenko and other critics have dismissed Lutsenko's explanation as an excuse, given that other agencies have found legal ways to fire officials whose lustration was blocked by the courts.

## Politicizing prosecution

While failing to fire controversial prosecutors, Lutsenko has also refused to re-hire reformers like ex-deputy prosecutor generals Davit Sakvarelidze and Vitaly Kasko, who were forced out in early 2016 after a bitter conflict with Shokin.

Lutsenko took issue with Sakvarelidze's disloyalty to Poroshenko and his use of the term "temporary president" to refer to him. He said that he would not re-hire Sakvarelidze, because he "had been immersed too deeply into Ukrainian politics."

"There can be only one politician here - in this chair, and even that is wrong," Lutsenko said, referring to himself.

Instead of hiring reformers, Lutsenko preferred to give top jobs to political appointees like Dmytro Storozhuk, a lawmaker from the People's Front party, and Petro Shkutyak, a regional legislator from

the Poroshenko Bloc. Lutsenko claimed, however, that they were not politicians.

## Anti-graft bureau

In another clash with reformers, Lutsenko has been accused of initiating legislative changes to strip the newly-created National Anti-Corruption Bureau, the only law enforcement body independent of President Petro Poroshenko, of its authority.

Two similar bills submitted by lawmakers from the Poroshenko Bloc seek to enable agencies other than the bureau to investigate top-level corruption and give the prosecutor general more power.

If passed, such legislation would undermine the original plan to have all top-level corruption cases investigated by the independent National Anti-Corruption Bureau.

Lutsenko told the Kyiv Post that he would not infringe on the anti-graft bureau's independence.

At the same time, he defended the proposed legislation, saying he doubted the bureau's capacity and wanted all law enforcement agencies to participate in the fight against corruption.

"The monopoly of the anti-corruption bureau is as bad as that of the Prosecutor General's Office," he said.

Lutsenko said that the proposed bill would not give the prosecutor general the right to take cases away from the anti-graft bureau, but only give other agencies an equal right to open new high-profile corruption cases.

Currently, the bureau has the exclusive right to investigate major corruption cases. The Prosecutor General's Office has the right to investigate minor graft cases, as well as the major corruption cases that it



Prosecutor General Yuriy Lutsenko (R) with Artem Sytnyk, head of the National Anti-Corruption Bureau (C), and Nazar Kholodnytsky, the chief anti-corruption prosecutor, in parliament on July 5. (Volodymyr Petrov)

started before the bureau's launch in late 2015.

## Claims challenged

But the anti-graft bureau and Vitaly Shabunin and Anastasia Krasnosilka of the Anti-Corruption Action Center interpret the proposed change differently. They say it would effectively eliminate the bureau's independence.

The bills seek to give the prosecutor general the power to "define the jurisdiction" of any corruption case. That means that Lutsenko would be able to order any agency, including the currently independent bureau, to either take away cases from the anti-graft bureau or enable other agencies to open new major graft cases, the bureau and the Anti-Corruption Action Center argue.

Krasnosilka said that the authorities could use this to protect high-profile suspects by letting the Security Service of Ukraine, the National Police or the Prosecutor General's Office, which are seen as dependent on political leaders, carry out graft investigations against them, delaying and sabotaging the cases.

## Who's better?

Lutsenko claimed that the Prosecutor General's Office was better at sending corruption cases to trial than the

Anti-Corruption Bureau.

According to charts provided by Lutsenko, the bureau's 175 detectives have sent 31 cases to court this year, while the 790 investigators of the Prosecutor General's Office have sent 614 indictments in graft cases. The Prosecutor General's Office declined to provide a detailed list of the cases.

Lutsenko's opponents dismiss his statistics as misleading.

The bureau told the Kyiv Post that 600 of the 614 investigations were minor corruption cases that did not fall under its jurisdiction.

Apart from the 790 investigators, Lutsenko's office has about 14,000 other employees and also gets information on corruption from the approximately 30,000 strong Security Service of Ukraine's anti-corruption unit, the Anti-Corruption Action Center's representatives said.

The center's representatives also argued that, while the bureau was taking on politically influential suspects, the Prosecutor General's Office had been reluctant to prosecute top politicians and officials.

Moreover, many of the cases cited by Lutsenko were opened before the bureau's launch in late 2015, the anti-graft watchdog said. ■

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# Little progress made in punishing financial crimes

Lutsenko from page 12

Horbatiuk and the lawyers of slain EuroMaidan protesters argue that the cases are not ready and that legal obstacles make it impossible to send these cases to court by the end of this year. Horbatiuk has argued that the May law on trials in absentia contradicts Ukrainian and international law. As a result, either Yanukovich and his associates will not be convicted, or the convictions will be invalidated by the European Court of Human Rights, Horbatiuk and the lawyers say.

Lutsenko dismissed these arguments. "What's the alternative? Wait for Yanukovich and the Berkut (riot police) murderers to come to Kyiv?" he said.

Lutsenko also said that 10 suspects had concluded plea bargains in the corruption cases against Yanukovich ally and tycoon Serhiy Kurchenko and Yanukovich's Tax and Revenue Minister Oleksandr Klymenko.

## Anti-corruption fight

Among his agency's major results under his leadership, Lutsenko cited the arrest of Andriy Holovach, an ex-deputy tax police chief; Oleksiy Tkachenko, an ex-deputy chief of the National Bank of Ukraine; and Mykolayiv Oblast Deputy Governor Mykola Romanchuk in a \$90,000 bribery case.

Romanchuk and four ex-tax

officials charged in graft cases are already on trial, Lutsenko added.

But these are "small fish" in Ukraine's sea of crime.

Lutsenko said that there could be "promising" investigations against tycoons Rinat Akhmetov, Ihor Kolomoisky, Viktor Pinchuk and Konstantyn Grigorishin, although "it doesn't mean they are guilty."

He also said the Prosecutor General's Office is checking 88 lawmakers for evidence of crimes, including ones from the People's Front, Samopomich, the Radical Party, Batkivshchyna, the Opposition Bloc and the Poroshenko Bloc.

"I understand that, to make you believe me, I have to prosecute an incumbent lawmaker from the Poroshenko Bloc," he said. "We're working on this. I'm looking at that very hard."

## Gongadze case

As for one of the unsolved murders that helped Lutsenko rise to fame as an anti-Kuchma crusader, the general prosecutor said that he has no information to make progress in the 2000 murder of Gongadze. Kuchma, who served as president from 1994-2005, remains the top suspect in ordering the assassination of the founder of the Ukrainska Pravda news website.

Former police Gen. Oleksiy Pukach is the highest-ranking of four

law enforcement officials imprisoned for the murder. "At the current moment, I don't have evidence that would allow investigators to move forward as far as the organizer is concerned."

## One bank fraud case

Lutsenko also cited limited progress in investigating bank fraud, the major reason for losses estimated at \$11.4 billion since 2008. "For the first time in Ukrainian history, the head of a commercial bank (Ihor Doroshenko, ex-CEO of Mikhaïlovsky Bank) is under arrest," he said.

However, the bank fraud investigations are thwarted by imperfect legislation and investigators' lack of expertise, Lutsenko added.

## Kasko case

Reformist ex-Deputy Prosecutor General Vitaly Kasko, also faces prosecution. In April, Shokin's prosecutors served a notice of suspicion to Kasko, who was accused of illegally privatizing his apartment. He believes the case was fabricated by Shokin's team to take revenge on him for criticizing them.

"Kasko stole this apartment, I confirm it," Lutsenko said. "The National Anti-Corruption Bureau has confirmed it. But I don't want this case because it's not the country's main case, and it interferes with our work."

Kasko responded to the accusations by saying that, contrary to Lutsenko's claim, the bureau had never said he was guilty. In April Artem Sytnyk, the head of the bureau, said it had found no crime failing under its jurisdiction and transferred the case to the National Police, which is still investigating the case under Lutsenko's supervision.

Commenting on whether the case was politically motivated, Lutsenko said that "Shokin was an old-fashioned man – he was challenged, and he responded to the challenge." ■



A man carries an inflatable doll with a portrait of President Viktor Yanukovich during a rally in support of Ukraine's European integration in Kyiv on Dec. 8, 2013. (Kostyantyn Chernichkin)

# Polakiwsky: Elite disgrace EuroMaidan Revolution

Polakiwsky from page 5

continues to retard the development of a set of values that would inform the building of a democratic society.

Democratic institutions are not built by selfish empire builders who steal from the budget and who continually rape the land. Lasting, national institutions, conceived, built, and informed by the transcendent dignity of individuals, are a result of a selfless common agreement by the many, who despite differences, have learned to control their individual desires and who are prepared to sacrifice for the greater common good in the form of a social contract that would benefit all. Most importantly, democratic institutions are built by those who apply the rule of law to govern their "agreements" with their fellow citizens.

The greatest mistake made in post-Maidan Ukraine, was the assumption that what took place was a revolution. The Maidan was not a political revolution, but rather, and at best, it was an existential rebellion against the immoral governing ethic and ruling order of the governing clan in that moment.

The tragedy in Ukraine today is that, in a very short time, the moral gains of the Maidan were effectively

stolen by the politically ambitious, and the clarion call for societal transformation was replaced by a compromised language of political reform.

This theft continues, for just as Ukraine's "commonwealth" continues to be stolen, the moral legacy of the Maidan, exemplified by the work and blood of common Ukrainian men on the Square, continues to be pilfered and his blood dishonored. For what has been forgotten, by those now in leadership in Ukraine, and in Western capitals, is that it was not the political class that tilled the ground for societal transformation, but by those who will be forever called the "Maidan Generation".

For it was this generation that rejected the fear of authoritarian rule and violence and it was they who had the courage to morally judge the status quo, prepared to make the sacrifices on the streets of Kyiv and in the steppes and towns of eastern Ukraine against Muscovite expansion.

Now compare the sacrifice of the Maidan Generation with the selfishness of the clan and ask who it is that is entitled to govern modern Ukraine? Yuri Polakiwsky is a writer who lives in Toronto and Kyiv. He is author of the book, "Ukraine- A Lament of a Promise." ■

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# Belarusian activist: Putin acts while the West talks

*Editor's Note: The MYMEDIA program, a Kyiv Post partner, is a joint venture between NIRAS and BBC Media Action and financially supported by the Danish Foreign Ministry. Content is independent of the donor.*

BY YANA BILIAIEVA

Since 2014, the West and post-Soviet countries have been trying to fight Russian propaganda. Approaches differ: some develop fact-checking departments and conduct their own investigations; some invest in monitoring and analyzing Russian propaganda. The governments of Ukraine and Baltic countries have banned Russian TV channels in order to minimize the influence of propaganda on the local Russian-speaking population.

MYMEDIA talked to Belarusian activist Pavel Marozau, the founder of the anti-propaganda internet TV channel ARU.TV, whose funders include MYMEDIA. Marozau shared his story of fighting for democracy in Belarus, his escape from persecution and how satire and cartoons can be a weapon to combat propaganda.

## Belarus to Tallinn

"Marozau, what would you like to do next?" his friends asked him once he got off the train in Tallinn, "go to university, or get political asylum?"

Before fleeing Belarus in 2006, Marozau had been a political activist for six years. He was the one who dared to insult "the last dictator in Europe" personally – he and his little team had produced a series of satirical cartoons called "Multclub," with Alexander Lukashenko as the dictator-protagonist.

Soon the Belarusian authorities initiated a legal case against him. It was time to get out. He could still exit through the open border with Russia. However, with an arrest warrant covering all former Soviet countries likely soon to be issued, that was a poor option. Luckily, Marozau had visited Estonia and the visa was still valid. Also, many friends had already fled there.

Marozau didn't want to enroll in a university in Tallinn. He wanted to continue social activities that he had started back in Belarus. A week later he began work on "The New Way for Belarus," a Tallinn volunteer group of activists, journalists and politicians striving for a democratic future. The organization is celebrating its 10th anniversary.

After six months in Estonia, Marozau

understood that he would need the political asylum which his friends had suggested. That became apparent after an incident involving another 'Multclub' contributor: While traveling from Kyiv to Tallinn, his friend was stopped for extradition to Belarus by the authorities in Tver, Russia.

Even today, 10 years later, Marozau's relatives and friends are still pressured by Belarusian authorities.

"It was especially acute in 2006, 2007, 2008. They even tried to forward my case to Interpol, but it was rejected. The Belarusian KGB would come to my relatives in the mornings without warning," he says.

## Growing audience

After nine years of focusing on Belarus, Marozau and his team in 2015 decided to shift their efforts to combat Kremlin propaganda in Russia, Ukraine, Belarus and the Baltics.

In response to the annexation of Crimea, Russia's war in eastern Ukraine and the wave of hate speech and disinformation by Russian broadcasters, they created ARU.TV, a Russian language internet TV project.

ARU.TV offers satirical cartoons as well as comments from experts on social and political events.

In less than a year, ARU.TV has managed to attract an audience of over 90,000 subscribers on Facebook and over 30,000 on Youtube, quickly becoming more popular than established projects such as Russian Grani.ru, Belarusian TUT.by and Ukrainian Espresso.tv., and not far behind the Riga-based Meduza project.

Even so, ARU.TV is run by just 15 people, mostly volunteers.

And while ARU.TV's traffic drivers are social networks, they still cannot afford to hire a professional social media manager. Marozau and his team are rapidly learning the basics of social media management. "There is nothing super-difficult about social media. One just needs to know some basic rules. And try."

To reach their target audience, ARU.TV is using different formats: "Satire helps to clear mental boundaries, and our interviews with famous



An elderly woman visits a German World War One military cemetery during the All Saints' Day in the village of Baruny, some 110 kilometers northwest of Minsk, on Nov. 1. (AFP)



Pavel Marozau left Belarus in 2006 and runs ARU.TV, which keeps tabs from Estonia on Russia and Belarus. (Courtesy)

political analysts offer 'food for the mind', 'deeper stuff,'" Marozau says. "If there is a heated atmosphere and polarization - satire works well."

ARU.TV is not traditional journalism. "What we do is activism with elements of journalism. For standard journalism with impartial news, there is, for example, Meduza. We deliberately give emotional, satirical comments to touch people and make them think."

Marozau believes that the existence of interdependent projects offering critical content makes a difference, even though they might not have large audiences.

One of the challenges is money. ARU.TV is financed mainly by Western donors, generating only 20 percent of its revenue independently by producing programs and earning money from Youtube advertising.

However, ARU.TV's goal is to reduce dependency on donors from 80:20 to 50:50. The plan is to achieve this through a crowdfunding campaign on the Ukrainian platform Spilnokosh and on the Western platform Kickstarter, as well as to crowd-fund directly from their viewers.

Marozau believes satire is an effective way to reach the audience. "When people laugh at the dictators, it reduces their inner fears

and destroys mental boundaries," he says.

Political satire is more popular in Western media than in the post-Soviet region because the West has a critical thinking and competitive environment. That ARU.TV is located within the European Union is an advantage. "Many pro-democratic media outlets in Russia, such as TV Rain (Dozhd) and Ekho Moskvy still have to take censorship into account when they work from Moscow," he says.

## Resistance to Russia

Marozau believes that one reason for the success of Russian propaganda in the Baltics lies in the discrepancy of financial resources.

"Russia has invested a lot of money in their propaganda in key countries - the U.S., Germany, U.K.. Their idea is to create a cluster of media which attacks precisely the weaknesses of Western democracy." Russia targets people disappointed with the political order and fosters radical movements in the West. If we compare the budgets that Western countries allocate for media development in the entire region with the budgets of Russia Today and Sputnik - they are just drops in the ocean. The money that Western donors are spending

on support of democratic media in the region in 2017 equals the budget of one or two shows on big Russian channels", Marozau states.

The Western tendency to hesitate and debate rather than act also contributes to Russian propaganda.

Western governments supported a Russian-speaking TV channel to offer Russian-speaking Estonians an alternative to Russian propaganda. In 2015, Estonia launched the ETV+ channel, with an annual budget of 2.5 million euros. Marozau is skeptical.

"We often believe some kind of gods create the media agenda in the West. But in fact, they have not dealt with propaganda since the days when Voice of America and Radio Liberty were created in the 1950s," he says. "The idea was to create a channel that would 're-direct' people from the news agenda of the Russian TV channels, with programs about Estonian life, household and cooking shows. I can not say that it has worked."

Marozau is even more skeptical about the way Western donors are working with civic activists in Belarus. The West is willing to tolerate the Belarusian dictator's human rights violations because "Lukashenko is still a lesser evil than Putin."

Marozau warns that if Belarus granted a base to Russian troops, Russia might invade the Baltic states and cut them off from Europe.

"Now this is the deal: the West offers friendship to Lukashenko on condition that he is ready to compromise and does not become a complete Russian ally. And in return they are ready to sacrifice something that already does not work – namely surrender the opposition and civil society," Marozau predicts. "We claim to be fighting for freedom and democracy, but it is no longer 'fighting.' We need to stick to our values. Why would people choose a politician from the opposition, if in the eyes of the ordinary worker he is a lackey of Lukashenko?"

Yana Biliaieva is a journalist with MYMEDIA. ■



Russian President Vladimir Putin, who wields enormous influence over Belarus, is a frequent target of ARU.TV's satire.



# Russia's war in Ukraine prompts Belarusians to rethink identity



KRISTINA  
BERDINSKYKH

*Editor's Note: This piece was originally published in Novoe Vremya, the Ukrainian weekly news magazine, in March 2015. It was chosen as one of the best writings on Belarus in 2015 by the competition Belarus in Focus, sponsored by MYMEDIA, a Kyiv Post partner.*

**MINSK, Belarus** — Belarusians disapprove of the chaos and corruption in Ukraine, but express no desire to become part of the Russian Federation. On one Friday last year, young people gather at Art Siadziba, a non-governmental organization based in Minsk. They all speak Belarusian, unlike the majority of the country. The tiny nongovernmental organization promotes the language as well as national culture. Pavel Belavus, who is in charge, tells me that this year there seems to be increasing interest in language courses and national symbols. "The national pattern is everywhere — in ads, on souvenirs, on products," notes Belavus.

The surge of interest is a result of events in Ukraine. The conflict in the neighboring country has made Belarusians more self-conscious. Most Belarusians have no desire to be part of the Russian world: According to a survey conducted in December 2014 by the local Independent Institute of Socio-Economic and Political Studies, only 9.7 percent of Belarusians would welcome Russian military invasion of

Belarus, although 48 percent would try to adopt to such a situation; 32 percent of respondents acknowledge a dramatic shift in their perception of Russia, from positive to negative, after recent events.

Meanwhile, 44 percent confess to increasing hostility towards European Union member countries.

Such dissonance arises from the fact that Russian propaganda on Belarussian TV still affects a lot of people, speculates philosopher Vladimir Matskevich. He believes that many of his fellow countrymen are afraid of the chaos, unrest and corruption in Ukraine.

"People who had been in Ukraine before the conflict and seen poverty and corruption, and are now stuffed with all the lies coming from Russian TV programs, easily believe that there is total devastation there," Matskevich says.

## Batka's new role

In February 2015 all international media were focusing on Minsk where the third meeting of the Normandy format, which includes French President François Hollande, German Chancellor Angela Merkel, Ukrainian President Petro Poroshenko and Russian President Vladimir Putin, took place.

Just a year earlier it would have been impossible to imagine that Alexander Lukashenko would be hosting a meeting of such importance. Lukashenko, frequently labeled as Europe's last dictator, now skillfully assumed the role of peacekeeper — which gave him a chance to end international isolation and consolidate the nation around him.

Lawyer Artem Agafonov of Mogilev, Belarus, is of the opinion



Belarus' opposition figure Mikola Statkevich speaks during a rally against Russian military base in Belarus in Minsk, on Oct. 4, 2015. (AFP)

that supporters of Ukraine see in Lukashenko someone who can protect the country from a possible invasion, while opponents of the EuroMaidan Revolution that ousted President Viktor Yanukovich perceive him as a leader who won't let the country of 9.5 million people plunge into chaos.

Lukashenko maintains neutrality and in public sides neither with Ukraine nor with Russia. During their meetings, Lukashenko has repeatedly assured Ukrainian President Petro Poroshenko that he is ready to do whatever his Ukrainian colleague may ask of him.

But at the same time, in 2014, he set a record for the frequency of meetings between Lukashenko and Putin — 11 meetings and 20 phone calls.

The Russian presence in Belarus is visible on various levels. An advertisement lists Russian military institu-

tions where Belarusian army officers are trained.

## Belarusians afield

Jauhien Valoshyn, a Minsk journalist with Euroradio, decided to investigate why Belarusians enroll in the Russian-backed separatist armies in Ukraine. According to one contractor, there are around 500 Belarusians in the ranks of the separatists. Belarusian law classifies service in a foreign army as a felony, but no one has been charged so far.

Among them is Sergey Savich, nicknamed "White" and a close associate of the "famous" Motorola serving in the Sparta unit (Motorola was killed on Oct. 15). His friends say that it was he who put the Novorossiyan flag over Donetsk airport.

Another Belarusian fighting for separatists is Aleksey Fokov from Grodno because he wants to "protect Russians and the Russian-speaking population

in former Ukraine."

## Power of propaganda

The Russian-Ukrainian conflict has also spilled over on to the otherwise peaceful Belarusian streets. Valoshyn tells us that not so long ago a car with a Novorossiyan flag on the rear window had its wheels deflated. All pro-Russian organizations that used to openly hand out leaflets now seem to keep a low profile. Their supporters are numerous, though: Russian TV channels are big here. People who watch Russian TV perceive Moscow as an ally and a useful companion, says political analyst Pavel Usov.

Still, the Belarusian mentality is changing.

Michail Volodyn, a Belarusian writer based in Minsk, fell out with friends because of disagreements over the conflict between Russia and Ukraine. He disapproves of Russia's policy towards its neighbors. He doesn't want his family to live in a world enforced by the Kremlin. "I'm of Russian origin and of Russian cultural background, but I can't even imagine going to Moscow right now," Volodyn says.

He is out of step with most of his countrymen. According to sociologists, most Belarusians don't perceive Russia as an aggressor and are convinced that the Kremlin won't adopt the same policy towards Belarus as it has done towards Ukraine.

More people here support neither Ukraine nor Russia but side with their national interests. Many Minsk citizens admit that the war in Ukraine has helped them to realize how fragile such notions as independence and peace can be.

Kristina Berdinskykh is a journalist with Novoe Vremya. ■

# Polishchuk's bank failure cost \$1 billion, but his influential ties keep him going

Mikhailivsky from page 3

entered the bank in 2015, giving the regulator full control over the bank's operations.

Polishchuk said that the curator had been at Mikhailivsky for more than a year before its closure.

Paseniuk, who manages President Petro Poroshenko's assets at ICU and defended him in the wake of the Panama Papers scandal, also appears with Polishchuk in a video leaked in December 2015. In the video, Polishchuk appears to discuss threatening 112 owner Andriy Podschipkov with "the fate of [Oles'] Buzina."

Polishchuk's take: "Makar Paseniuk is an excellent financier."

## Land deals, bad loans

Over the summer, it briefly seemed that the dragnet was closing on Polishchuk. Mikhailivsky's former general director, Ihor Doroshenko, was arrested in August on fraud

charges, and now faces up to five years in prison.

But in September, the pressure seemed to wane. At a Rada financial services committee session on Sept. 22, Kyiv prosecutor Pavlo Kononenko said that Polishchuk had fled Ukraine.

Polishchuk met with the Kyiv Post at first to prove that he remains in Ukraine. The interview took place at a logistics center he owns on the outskirts of Brovary. Built in 2015, the center was largely empty. It is owned through a company called Tekhenergotreyd, which Polishchuk has used since 2004 to run his electronics retail business.

The company received a \$90 million mortgage in May 2015 for the center from Oschadbank.

The mortgage came months after Kyiv prosecutors froze 94 hectares of Tekhenergotreyd land in Brovary amid as part of a land fraud probe.

Oschadbank did not reply to requests for comment.

Mikhailivsky gave loans to companies associated with Tekhenergotreyd. According to state registries, for example, the bank gave a \$5 million loan to a firm called Inter-profit, which shares the same director as Tekhenergotreyd.

When asked about insider loans at Mikhailivsky, Polishchuk called it "made-up information."

## Look at Platinum

Protests against Mikhailivsky have mainly focused on the Deposit Guarantee Fund, which initially refused to pay out the Hr 200,000 insurance limit to depositors. Under one of Mikhailivsky's more notorious schemes, the bank placed depositors' cash in a company called the Investment Calculation Center, meaning that the money was not eligible to be insured by the Ukrainian government.

As the bank began to collapse, money from the Investment Calculation Center was shifted back into Mikhailivsky, placing the burden on the state. The NBU claims it was unable to see the transactions due to a software error.

As Polishchuk tells it, there were no grounds for an investigation into his activities at Mikhailivsky, since he sold his share before it collapsed.

"The credit portfolio that has caused people to protest...all of it was transferred to Platinum Bank," said Polishchuk. He added that Platinum Bank officials Ihor Doroshenko, Borys Kaufman and Dmitriy Zinkov should answer for the scandal.

"They are the concrete acquirers of this bank," Polishchuk said. He added that the agreement to sell his share in Mikhailivsky to Platinum was concluded in April and not days before the sale actually took place, in May.

A lawyer for Doroshenko, who remains in pretrial detention, declined to comment. Kaufman, an Odesa businessman, told Forbes-Ukraine that he had no relationship with Mikhailivsky Bank.

"You need to go to Platinum Bank" and ask their owners, Polishchuk told the Kyiv Post.

Platinum did not reply to requests for comment. An October media blitz turned the focus of the Mikhailivsky scandal away from Polishchuk and onto Platinum. Financial journalist Oleksandr Dubinsky claimed that Platinum Bank's management bought Mikhailivsky, but that they decided to bankrupt the bank and "steal the loans" instead of finishing the buyout.

Platinum also comes with high-level links. NBU Deputy Governor Kateryna Rozhkova left the bank to work at the NBU. The bank's board also includes ICU Chief Makar Paseniuk. ■

# Russia woos foreigners to invest in Crimea, support an end to international sanctions

*Editor's Note: The following Kyiv Post story is part of the Objective Investigative Reporting Project, a MYMEDIA project supported by the Danish Foreign Ministry. The story can be republished freely with credits. Content is independent of donor.*

BY KYIV POST

**SIMFEROPOL, CRIMEA** – Alongside a stream of rhetoric from Europe and the United States on strengthening measures against Russia over Ukraine and Syria, another, smaller stream is flowing the other way, of foreign business and individuals into sanctioned Crimea.

This month a delegation of 18 Italian regional councillors and business people were the latest to visit Crimea, which is under stringent international sanctions after its annexation from Ukraine by Russia in 2014. The Italians, many of whom are members of the anti-European, separatist opposition party Lega Nord, used the opportunity of a tour of Crimea's wineries and cultural sites to criticise their own country's government, European Union bureaucracy and double standards, which they said were depriving Italy of trade and investment opportunities and punishing Crimeans who voted to join Russia.

Russia's incorporation of the peninsula, following a takeover of the Crimean parliament by Russian soldiers in unmarked uniform and a referendum held two weeks later, is considered illegitimate by the EU and US, along with most of the world. Russia says the referendum was an expression of local people's self-determination in the face of reported nationalist threats from Kyiv after the toppling of the government there.

While those in Crimea who publicly oppose annexation are now punished with fines and court cases, international recognition is wooed



Men take photos near the sign "Crimea – Russia – Forever" installed on Lenin Square near the Council of Ministers of Russian-occupied Crimea on Oct. 14 in Simferopol. (Courtesy)

assiduously by Russia and the de facto Crimean authorities.

The Russian Association for International Cooperation, which organised the Italians' tour, brought individuals from EU states France, Italy, Greece and Bulgaria, as well as from Moldova, Turkey and China to participate in the second annual conference "Crimea in contemporary international context," held on

Oct. 11-12 in Simferopol and Yalta. The overall message was that other countries should challenge "barbaric" sanctions and unite with Russia against the hegemony of Washington and Brussels.

Sanctions on Crimea target individuals, organisations and whole sectors. They ban all currency transactions, investment and tourism with the peninsula. As a result several

business sectors have slumped, and foreign tourists who used to be a common sight in summer on cruise-ship stops to the south coast, have disappeared.

Ukraine has been implementing a trade embargo with Crimea since January. It officially stopped supplying electricity at the end of 2015 (Crimea historically received most of its electricity and water supply via Ukraine).

Ukraine, and Crimeans who do not support Russian rule say that sanctions are a legal method of returning Crimea to Ukrainian control.

"Only sanctions will force Russia to leave Crimea," said Ilmi Umerov, former head of the Bakhchisaray region administration in Crimea. Umerov's statements that the peninsula is part of Ukraine have landed him in court on charges of 'public calls to action aimed at violating Russian territorial integrity,' which now carries a sentence of up to five years in Russian law.

Repression of dissenting voices on the peninsula post-annexation has been condemned by several United Nations and EU human rights bodies.

Russian Crimean authorities argue that the sanctions themselves are illegal, and should be appealed on that basis at the UN and other international bodies.

"We don't consider these measures to be legal, they are contradicting the principles and practice of the United Nations," said George Muradov, deputy Crimean

prime minister and permanent representative of Crimea to the Russian president, as well as deputy chairman of The Russian Association for International Cooperation. "Even if you take a general understanding of sanctions, they contradict this understanding because they touch on the very sensitive matter of the life of people in Crimea, and violate their vital rights."

To argue the legal point at the conference was Pierre-Emmanuel Dupont, Paris-based director of the Public International Law advisory group, who has years of experience in advising countries under sanctions. He is also an advisor to the UN rapporteur on sanctions.

Sanctions on Crimea and Russia are unilateral, not approved by the UN Security Council, which means their legality can be questioned in European courts and UN human rights bodies, said Dupont. Unilateral sanctions should be proportionate to damage suffered by the imposing country as a result of actions of the targeted state, he said. In the case of Crimea, sanctioning countries are acting on behalf of Ukraine, which is also a point of contention for international lawyers.

Muradov said Crimeans are being punished unjustly by third parties, and their human rights violated in particular by electricity and water cuts from Ukraine, bans on foreign shipping and flights, and other limits on people's ability to travel.



A winery near the Krasnokamenka village near on Oct. 16 in Yalta, Crimea. (Courtesy)

# Russian-occupied Crimea still has plenty of Ukrainian, foreign businesses



Eskimos ice cream, a Ukrainian brand, is on sale in Ashan supermarket in the Russian-occupied Crimean city of Simferopol on Oct. 19. (Courtesy)

Crimea from page 18

Muradov is on the individual sanctions list, and had to turn down invitations to Greece and Italy from conference participants.

"We'll survive without recognition, but we always protest injustice," he said, at the champagne reception that closed the conference at a Yalta hotel. "This is a total blockade that, if you add the concrete measures taken by Ukraine in shutting off water and electricity, has all the signs of an attempt at genocide of the Crimean people."

At the same reception, Dupont was more circumspect. "Adverse human rights impact in itself is a reason to seek some limitations in the use of unilateral sanctions, including against Crimea," he said. "We have been told that Crimea experiences shortages of water and electricity from Ukraine which, with winter coming, is something quite severe. And this can give rise to human rights concerns that the UN has been seeking to address for some time."

After March 2014 Ukraine signed a deal with the new authorities in Crimea to continue electricity supply. Just before the agreement was up for renewal, in November 2015 saboteurs blew up electricity lines in south Ukraine, causing an almost total blackout of the peninsula. A month later Russian President Vladimir Putin ordered a snap survey asking Crimeans if they wanted to renew the Ukraine contract; a reported majority of 94% said no.

Electricity is now supplied via newly-laid cables across the Kerch straits from Russia, but as temperatures drop and daylight hours shorten there are fears that this winter will bring back power shortages.

Nor will Crimeans be able to flee to warmer climes as easily as they used to – and many blame that on sanctions. Foreign travel is complicated not only because flights from the airport now only go to Russia, but because Crimeans cannot get visas in their new Russian passports.

After March 2014 international consulates and representatives closed their offices in Crimea. Because most countries do not recognise Crimea as part of Russia, holders of Russian Crimean passports issued post March 2014 are considered to be Ukrainian citizens, who can only apply for visas in Ukraine, with their Ukrainian passports.

Ukraine has put no restrictions on Crimeans applying for new or replacement passports. But individuals must travel across the de-facto border to the Ukrainian mainland



People shop in Ashan supermarket on Oct. 19 in Russian-occupied Simferopol on the Crimean peninsula. The supermarket continues to work in annexed Crimea despite Western and Ukrainian sanctions. (Courtesy)



A mural in the center of Simferopol reads "Crimea is our common heritage" on Oct. 14. (Courtesy)

to do so, as they must to apply for travel visas.

According to Dupont, Crimeans' problems with travel, as with electricity, may not fall under either sanctions law or human rights violations.

"Some acts that pertain to non-recognition don't qualify as sanctions," he said. "Granting a visa is voluntary; it's not a positive obligation for states,

just as there's no positive obligation for states to trade with one another."

And as long as that non-recognition remains, Crimeans join the one third of the world's population who are living in sanctioned countries and regions, he said.

In fact, sanctions and embargo have not kept Ukrainian goods or international companies out of

Crimea. Sweets from Ukrainian President Petro Poroshenko's company Roshen are commonplace in shops. French supermarket Auchan and German Metro Cash-and-Carry continue to trade in Crimea under their own names and logos, through their Russian subsidiaries. And apparently more companies hope to follow suit.

At least one Italian company is ready to sign a contract with the Crimean government to lease land to produce wine in Crimea, according to Davide Sarnataro, secretary general of the Italian-Eurasian Chamber of Commerce, who attended the conference and helped organise the Italian delegation a few days later.

In fact the company, which Sarnataro declined to name or say where it was registered until the contract is signed, is "an international company in reality, based in Italy and made from Italians," which will create a new company and wine brand in Crimea designed for the Russian and Eurasian market, so as to get round sanctions restrictions.

"It's 100 percent Italian investment," he said. Company representatives have visited Crimea three times, chosen sites, and discovered three new types of grape, according to Sarnataro. "Naturally now we have problems with banks, but [the company] are sure they can make a good business here," he said.

Sarnataro explained his presence in Crimea by saying it was important for Europeans to visit to see the true situation. "We come because we want to see what is really happening. We need to work to open doors and build bridges," he said. "We see that Crimean people are suffering because there is no investment, no economy. And other countries like Ukraine are also suffering."

Sarnataro and his Italian colleagues who visited Crimea are working in Italy to influence the EU's decision to impose sanctions, which are up for renewal in Summer 2017. "We are against this decision, and we want it to change," he said.

So far the promises of direct foreign investment remain just that: promises. Sarnataro said that the unnamed Italian company expects to spend up to five years developing new vineyards before thinking of beginning production.

"With the sanctions we will work three times more, for a result we would usually have with less work," he said.

Local citizens out enjoying a recent sunny Sunday in Simferopol said they felt the effect of sanctions in the smaller choice of food stuffs and medicines, and lack of foreign tourists. But some said the restrictions had just encouraged Crimea to develop its own resources.

"Maybe in some way it's better with sanctions, because before, everything came from abroad, and now we're developing everything ourselves," said pensioner Nadezhda Ivanova. "We have everything we need; we grow our own and eat our own, it's all ecologically clean." ■



## DJ in spotlight, but not for her music

**Food Critic**

WITH NATALIYA TRACH  
TRACH@KYIVPOST.COM

### Pan Tela Pase restaurant offers mix of French, Ukrainian cuisine

There is much to love about the new Ukrainian-French restaurant Pan Tela Pase – not least its name.

The name is a popular Ukrainian macaronism – a phrase that in Ukrainian means “A master grazes a calf,” but can pass for French.

The name encapsulates the idea behind this place – a playful fusion of modern Ukrainian cuisine and French provincial cooking.

The restaurant is located in the center of Kyiv on the capital’s busy Esplanadna Street, opposite the Gulliver mall and business center. Once through the glass and bronze door, clients enter a cozy interior, with pleasant French music playing in the background, and, in keeping with the restaurant’s name, a sculpture of a yellow cow - which for some reason bears the autograph of Iryna Bilyk, a Ukrainian pop singer.

The dining area consists of three large rooms, all decorated with natural materials: wood, metal and stone. Soft leather and linen sofas with small cushions add to the homelike and relaxing atmosphere. The interior’s pastel colors – mostly light gray and fawn – make for the calming vibe perfect for pleasant dining.

The Pan Tela Pase’s waiters meet restaurant’s guests at the entrance, and guide patrons to their seats. They will then offer to guide clients around the menu, which can be daunting to first-timers due to its great variety of French, Ukrainian, and chef’s specialty dishes.

A recommended first stop could be the home-style coq au vin – the traditional French favorite of chicken stewed in wine, for Hr 149. But the trout with carrot puree (Hr 195) or rabbit fricassee for Hr 195 won’t disappoint a demanding gourmet either.

Connoisseurs of Ukrainian cuisine will find much to like here as well, such as jellied turkey, chicken and rabbit meat served with horseradish mousse and mustard jelly for Hr 69, an assortment of Ukrainian salo for Hr 99, or Hetman borshch with duck for Hr 85.

The restaurant also has an impressive list of delicious steak

more Restaurant on page 22



Anastasia Topolskaia, who performs under the name DJ Nastia, plays at the Mioritmic Festival in Cluj-Napoca, Romania in October. Topolskaia is one of the highest-paid Ukrainian DJs, playing about 200 times a year all around the globe. (Kay Ross)

BY ANNA YAKUTENKO  
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Just a few months ago, Anastasia Topolskaia, one of the highest paid DJs in Ukraine, was more famous abroad than in her homeland.

The 29-year-old Topolskaia plays her electronic music sets abroad around 200 times a year, performing less often in Kyiv. However, Topolskaia did hit the headlines this year - not as a musician, but because she started dating Ukrainian lawmaker and former top journalist Sergii Leshchenko.

In August, Topolskaia and Leshchenko found themselves amid a scandal after it was revealed they

had bought an apartment in Kyiv for Hr 7.5 million (\$281,000).

Leshchenko denied any accusations of impropriety, saying half of the money came from a 10-year loan from Olena Prytula, the chief editor and main shareholder in the Ukrainska Pravda news website. Leshchenko said he also used his own savings, including his income as a Ukrainska Pravda shareholder. The rest of the money for the apartment came from his girlfriend, Topolskaia. The DJ said to Ukrainian media that she makes several thousand euros per show.

Topolskaia says that she doesn’t pay attention to what her detractors say.

“I know how to defend myself,” she says, adding that she and Leshchenko decided to make their relationship public to quash possible rumors.

### Small town to big city

Topolskaia was born in Fashchivka, a town of nearly 3,000 people in Luhansk Oblast, which is now occupied by Russian-separatist forces. Her father was the only photographer in town. Her mother stayed at home to look after Topolskaia, who suffered from asthma in childhood, and her two older sisters.

After finishing school, Topolskaia moved to Donetsk, following her sisters, and enrolled in the Donetsk National University of Economics

and Trade, working part time as a go-go dancer in a nightclub.

“I just was going to the club and everybody was paying attention to me, because I was one of the brightest (people) there,” she said, adding that she always adored dancing and had been going to clubs since she was 10-11 years old with her sisters.

Later, she decided to switch to being a DJ, as she realized that dancers have short careers. She asked her boyfriend, who was a popular local DJ, to show her how to mix tracks.

Topolskaia performed for the first time on Sept. 30, 2005 (she still remembers the date precisely) in a

more Topolskaia on page 21

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**KyivPost**

# Five services that will take care of your diet

BY ANNA YAKUTENKO  
YAKUTENKO@KYIVPOST.COM

For those wanting to lead a healthy lifestyle but who don't have the time to cook every day, help is on the way – delivered to the front door, in fact.

Specialized Ukrainian catering services now offer daily delivery of healthy meals that cover a whole day and contain a requested amount of calories. The Kyiv Post took a look at five such services.

## Eat Easy

Eat Easy offers a menu of five meals and snacks during the day, for men and women. The service runs several program options for those who want to lose weight, flush out toxins or simply make their diet healthier. Each program contains a certain amount of calories – the standard one has 1,500 for women and 2,500 for men. The service also has three 10-day programs of intensive dieting to lose weight or cleanse the system. A program for vegetarians and individual diet options are available too.

The average prices are Hr 380 – 580 per day for a menu designed for women, and Hr 390 – 660 per day for men. The 10-day intensive program costs Hr 5,900. The service also has a wide range of healthy desserts such as cottage cheese mousse with mint and peaches, and bottles of coconut, vanilla and matcha milk (all for Hr 55). To see a detailed menu visit [www.eateasy.ua](http://www.eateasy.ua) or call +38067-375-7755.

## Eat First

Eat First offers three types of menu: a standard one for those who want to gradually adjust their diet, one for people who want to lose weight, and a third set for those who intensively work out at the gym. All meals are prepared at night and delivered the next morning. The menu includes meat and fish dishes, as well as healthy sweets such as an apple baked with goat cheese, fruit salads



Kyiv has plenty of food services that deliver a healthy full-day menu. (Pixabay)

or a peach baked with blue cheese.

The customer can choose a program with a set amount of calories (1,200, 1,500, 1,800 or 2,100) or design an individual menu. The one-day trial menu costs Hr 595-600. If the client orders food for a whole month, the price drops to Hr 495-560 per day. More details are available at [www.eatfirst.com.ua](http://www.eatfirst.com.ua) or by phone: +38067-979-7557.

## Spinat

Food delivery service Spinat, (Ukrainian for spinach), offers 11 different types of menu for women and men. They include special programs for vegetarians, pregnant women, those who want to build up muscle or lose a few kilograms. Moreover, menus for people with diabetes or kidney or liver diseases are available too. Spinat also has 12 types of salads for Hr 70-110.

The trial menu costs Hr 417-450 per day, and Hr 12,500-13,500 a month. To choose the most suitable diet, a client can have a free consultation with a nutritionist. See more details at [www.shpinat.in.ua](http://www.shpinat.in.ua) or call +3098-112-1338 or +3067-220-7755.

## Fity Club

Fity Club offers nine programs for

men and women that help people lose weight or build up an athletic body. The average price of a one-day menu is Hr 570 – 750, but one can also order just a lunch (three courses and a drink) for Hr 350. The dessert options include oat cookies (Hr 72) and prune candy (Hr 64).

The customers who order the menu for two weeks or four weeks receive a discount of 5 and 10 percent respectively. For details, visit [www.fity.club](http://www.fity.club) or call +38096-500-0088.

## Fitbox

Another food delivery service that offers a daily healthy menu is Fitbox, which opened only last winter. The service has five programs with diverse daily menus. Along with traditional options for people who want to lose weight or build up muscle mass, the service also has a popular detox program that consists of various types of smoothies.

The program consists of dishes of either 1,000 or 1,200 calories for those trying to get rid of some extra weight, or 3,200 calories for those who visit the gym regularly. The cost of the programs varies from Hr 440 – 540 per day. For more information, visit [www.fitbox.kiev.ua](http://www.fitbox.kiev.ua). ■

# A power couple that mixes music with politics

Topolskaia from page 20

club in Ivano-Fankivsk, a city in the west of Ukraine, under the stage name DJ Beauty.

In 2006, Topolskaia became a resident performer at Kazantip, Ukraine's most popular electronic music festival, which was held in Crimea from 1992 to 2013. A year after that, she married the famous DJ Anatoly Topolsky, who performs under the stage name DJ Tapolsky. The couple separated several years ago, but started the divorce process only this year, after Topolskaia started dating Leshchenko. They have a nine-year-old daughter, Ulyana, who lives with her.

## International fame

Topolskaia said that she received her first invitation to play in a German club after a video of her set went viral on the web, attracting more than 100,000 views in 2009. She said that she was developing fast in electronic music, changed her style and name to DJ Nastya, and soon "proved that she is musician, not a showmaker."

Topolskaia also became a resident at the ARMA17 club in Moscow, one of the world's top venues for electronic music.

Topolskaia plays various styles of electronic music such as house, minimal, dubstep, techno and others.

"When I started playing, we (DJs) mixed everything and nobody cared, it was normal," she said. "Now, at the level where I am, there are more DJs who play in one format."

She said that DJs usually specialize in one particular style because that makes it easier to follow the trends, and to develop one's own music within that style.

"But I would get bored if I only played in one style," Topolskaia said. ■

## Underground clubs

Topolskaia said that she usually performs in mainstream clubs, as they have enough money to afford the highest-paid musicians. However, she says she loves playing in alternative clubs, where people are more interested in the quality of music. Her favorite city to play is still Kyiv.

Topolskaia said that there are several underground clubs in Ukraine, such as Scheme and Closer in Kyiv, and Port in Odesa, which play high-quality music and have knowledgeable audiences, which has engendered a progressive club culture among the country's youngsters.

"The most important thing in the development of a unique Ukrainian club culture is that promoters (of different clubs) are reaching agreements with each other and work as a team. You wouldn't find that almost anywhere else in the world."

## Frantic schedule

Topolskaia said that her busy schedule is an inseparable part of her life: She wakes up at about 7 a.m. every day, spends her weekends on working trips and vacations only one month a year. When Topolskaia is not in town, her boyfriend Leshchenko or her mother look after Ulyana.

Despite her tight schedule, Topolskaia said she's not a person who carefully plans the future. She said that she wanted to work as a DJ until she's 35, but she has no other particular plans in mind, except, perhaps, getting a degree in psychology.

"You can make a plan and follow it until you reach your goal," she said. "But I don't like doing that. I prefer following my feelings, intuition and to let the flow of life carry me."

DJ Nastia's next gig in Kyiv will be at the Closer club (31 Nyzhniourkivska St.) on Nov. 19. ■

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Oct. 28



(Kosoy z)

### Georgian ethnic dances

Dance fans in Kyiv are looking forward to the acrobatic choreography, colorful staging, and sensual plasticity in a performance by more than 100 members of Erisoni, a Georgian state academic folk song and dance ensemble. Erisoni's concerts have sold out in various parts of the world, including Paris, Athens, New York, Madrid and Singapore.

**Erisoni Georgian state academic folk song and dance ensemble concert. Nov. 10. 7 p.m. Palace Ukraine (103 Velyka Vasylykivska St.) Hr 250 – 1,550**

### Vapor festival

The first two-day Ukrainian vapor festival of electronic cigarette smoking offers various workshops, shows and interesting contests, accompanied by music from the best Ukrainian DJs.

**Ukrainian Vapor Week. Nov. 12 - 13. 10 a.m. – 6 p.m. Platforma Art Factory (1 Bilomorska St.) Hr 50**



Nov. 5

(Courtesy)

Compiled by Nataliya Trach



Guests enjoy their meals at Pan Tela Pase restaurant of French and Ukrainian cuisine in Kyiv's downtown on Nov. 2. (Volodymyr Petrov)

### New restaurant offers mix of French, Ukrainian cuisines

Restaurant from page 20

dishes. A Carpathian mutton curry goes for Hr 295, while a rib premium steak is Hr 249.

Pan Tela Pase is also a good place for those with a sweet tooth: It serves tasty caramel-sesame rolls with mascarpone cream for Hr 95. The pear strudel with vanilla ice cream (Hr 85) or cheesecake served with sea buckhorn sorbet (Hr 77) are other popular dessert options.

And of course, there is the wine: from France, Italy, Spain, the United States, Australia, Chile and Argentina. The most expensive bottle is Rose

Brut champagne (Hr 2,470), while the average wine go for Hr 500–700 per bottle.

Top that all off with its excellent service and relaxing music, Pan Tela Pase is currently one of the most comfortable places in Kyiv to enjoy a pleasant meal with friends or family. ■

**Pan Tela Pase restaurant**  
2 Esplanadna St.  
Tel. 38073-031-8731  
Open: 8 a.m. – 3 a.m.  
www.svkus.com/en/restaurant/pantelapase

Oct. 29-30



(Kosyantsyn Chernichkin)

### Bodybuilding and fitness championship

More than 200 athletes from all over Ukraine will show off the results of their bodybuilding efforts in 26 categories during the bodybuilding and fitness championship.

**WBPF Championship of Ukraine in bodybuilding, fitness and athleticism. Nov. 13. 12 p.m. KPI Palace of Culture (37 Peremohy Ave.) Hr 150 – 500**

Nov. 5



(De-Phazz/facebook)

### De-Phazz

German jazz ensemble De-Phazz will present in Kyiv their new album "Prankster Bride" which is dedicated to women, in Kyiv's Zhovtnevy Palace. De-Phazz plays sophisticated music that mixes the elements of soul, Latin, trip hop and drum and bass.

**De-Phazz (jazz). Nov. 7. 7 p.m. Zhovtnevy Palace (1 Instytutska St.) Hr 290 – 1,490**

### Kiss FM radio birthday party

Ukraine's Kiss FM dance radio is organizing its 14th all-night birthday party in Kyiv's Stereo Plaza nightclub. The program offers lots of trans and house music, including performances by W&W, a Dutch electronic music duo, Norwegian trance producer and DJ Ørjan Nilsen, and Dutch DJ Joe Stone.

**Kiss FM Birthday 14 – Kiss. Big. Dance Party. Nov. 12. 9 p.m. Stereo Plaza (119 Lobanovskoho Ave.) Hr 449 – 1,599**

Oct. 29



(Ørjan Nilsen/facebook)

### British drama movie

"I, Daniel Blake," a drama film by English film and television director Ken Loach, tells the story of 59-year old carpenter Daniel Blake. Blake, together with a single mother and her two children, urgently need welfare aid, but are foiled in obtaining it by bureaucracy. The film was a winner at the 2016 Cannes Film Festival.

**"I, Daniel Blake" movie. Nov. 10. 7:30 p.m. Kyiv Cinema (19 Vasylykivska St.) Hr 80**



(Courtesy)

Nov. 4



**U.S. Embassy and the Centers for Disease Control and Prevention (CDC) in Ukraine are looking to fill the position of Public Health Specialist**



**Basic Function of Position:**

Job holder provides strategic technical and programmatic assistance to the CDC office in Kyiv and implementing partners (grantees) in Ukraine funded by the President's Emergency Plan for AIDS Relief (PEPFAR) to oversee program implementation of Care and Treatment for HIV/AIDS in multiple oblasts.

**This position will:**

- develop novel treatment protocol modifications aligned with current international best practices and newly developed Ukrainian antiretroviral drug treatment protocols;
- conduct site monitoring visits for quality improvement of HIV/AIDS treatment programs (SIMS);
- use clinical expertise to assess grantee quality and performance, and provide special reports for the U.S. interagency team, CDC Headquarters, and The Office of the Global AIDS Coordinator (COAG)
- participate in international and national technical working groups focusing on medical care and treatment of persons infected with HIV/AIDS.

**Required Qualifications:**

- Doctoral level (MD) degree or host country equivalent in medicine;
- Five years of mid-to-senior level experience in developing, implementing and evaluating HIV/AIDS treatment programs or other relevant public health programs that involve coordination with an international agency or implementing partner;
- Level III (good working knowledge in speaking/reading/writing) in English;
- Level IV (fluent) in Ukrainian and Russian.
- Comprehensive knowledge and experience in HIV/AIDS treatment and HIV/AIDS issues. Comprehensive knowledge of the host government Ukrainian health care system and structures including familiarity with MOH policies, program priorities and regulations.

**Application deadline:** November 18, 2016

**How to Apply:** The compensation is set at 40,000\$ (gross per year) plus benefits package. Full version of the vacancy announcement and the U.S. Mission application for employment form (DS-174) are available at our site:

<http://ukraine.usembassy.gov/job-opportunities.html>

Interested applicants should fill out the application form in English and email it to: [KyivHR@state.gov](mailto:KyivHR@state.gov) or fax it to: **521-5155**.



**POSITION ANNOUNCEMENT**

Chemonics International Inc., an international development consulting firm, seeks a Ukrainian professional for the following position on the USAID Nove Pravosuddya Justice Sector Reform Program in Ukraine:

**Administrative Assistant**

**Duties and Responsibilities:**

- Support preparation of events and provide logistical support for meetings, conferences, seminars and trainings;
- Perform general administrative tasks and duties, including answering telephones and copying, filing, printing, faxing and mailing documents;
- Assist in maintaining an accurate inventory of equipment;
- Support review of financial documents and reports;
- Create and maintain electronic databases and records;
- Perform other administrative and office support activities to ensure effective and efficient operations.

**Job Qualifications:**

- Bachelors or equivalent degree in logistics, accounting, finance, business, economics or other relevant discipline from a Ukrainian university required;
- Up to one year of experience in administrative assistant, accountant, logistics support or similar position required;
- Ability to speak and write clearly in English and Ukrainian required;
- Availability to travel (including overnight stays for up to several days) required;
- Previous USAID or other international donor experience preferred.

**Application Instructions:** Please send a CV and a brief cover letter in English in the email body to [office@fair.org.ua](mailto:office@fair.org.ua). Please include the name of the position in the subject line. Candidates will be reviewed on a rolling basis until the position is filled. No telephone inquiries, please.

Short-listed candidates will be contacted.

**Application Deadline:** November 11, 2016 at 6 P.M. Kyiv Time



**Professionals for Reform Support Mechanism (PRSM)** provides human resource support – from managers to technical experts – to critical reform initiatives undertaken by national governmental agencies. Current opportunities include:

- **Government of Ukraine Digital support Team Lead and technical experts (2 positions)** who will implement the System of Electronic Document Exchange (SED) at the governmental institutions;
- **State Fiscal Service reform senior experts (5 positions)** – responsible for optimization of the organizational structure and core business processes of the SFS.

For more detailed information about preferred qualifications and skills, indicative duties and responsibilities, as well as applying procedure, please visit web-site: <http://edge.in.ua/vacancies.html>

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**The National Democratic Institute for International Affairs (NDI)** is a non-profit organization working to strengthen democracy worldwide.

NDI-Ukraine is currently seeking

a Program Manager for Women's Political Participation Program. The position will be based in Kyiv and require some local travel.

Interested applicants should submit CVs and motivation letters in English by email to the following email address: [ukraine@ndi.org](mailto:ukraine@ndi.org).

**Deadline:**

The deadline of application

submission has been extended to **November 20, 2016** (by COB). Only selected candidates will be invited for a **written test and an interview**.

Full text of the advertisement can be viewed here:

<https://www.kyivpost.com/classifieds/jobs/program-manager>

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Khreshchatyk	Excellent	1	45	800
Sofivska	Excellent	2	65	950

Location (St.)	Condition	Rooms	Area	Rent, UAH (per day)
Mykhailivska	Excellent	1	35	11000
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Boryspilska	Excellent	3	95	20000
Saksaganskogo	Excellent	4	160	27000
Lva Tolstogo	Excellent	5	142	66000
Mykhailivska	Excellent	6	252	100000
Darvina (office)	Excellent	6	150	72000

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