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COVID-19 in numbers:

Ukraine

Cases: 2,284,191

Deaths: 53,720

Recovered:
2,206,392

Worldwide

Cases: 217,176,443

Deaths: 4,514,328

Recovered:
194,063,440

Sergii Leshchenko: Yulia Tymoshenko's swan song is fitting – a corruption scandal

By Sergii Leshchenko. Published Aug. 27 at 2:10 pm




 Lawmaker Yulia Tymoshenko speaks to activists at the rally against the new land market in front of the Constitution Court in Kyiv on June 3, 2021.

Photo by Oleg Petراسиuk

Yulia Tymoshenko wraps up her first 25 years in politics with a corruption scandal — just like she started it.

She was first elected to parliament in the fall of 1996. At the time, the 36-year-old Tymoshenko

was known in Kyiv and Moscow as a savvy businesswoman who built a gas empire with a turnover of \$10 billion, had easy access to either Prime Minister Pavlo Lazarenko or Gazprom head Rem Vyakhirev.

She wanted to become a lawmaker to use the immunity of members of parliament and escape responsibility for crimes — smuggling dollars in cash, for instance, which were found in her hand luggage on the way from Zaporizhzhya to Moscow.

Was Tymoshenko going to spend this money bribing officials at the Russian Ministry of Defense, as the Russian Prosecutor's Office alleged? Or maybe just going shopping in Moscow? She said that she confused her bags by accident before leaving the house and thus took not a bag with documents, but the one in which she kept money to buy an apartment.

In the end, Tymoshenko spent several days in pre-trial detention. And the story then impressed many — those \$26,000 at the time were a real treasure trove, as apartments in Kyiv were sold for just several thousand.

It was from this episode that her journey into politics began. Now, 25 years later, a new corruption scandal has emerged, even though it has been buried in the news during the summer lull.

Unnoticed scandal

In mid-August, the head of the State Food and Grain Corporation, Andriy Vlasenko, was detained while trying to flee Ukraine through Kyiv airport. He and officials from the corporation perpetrated a scheme that cost Ukraine \$57 million.

The scheme was a classic example of corruption.

The state corporation didn't export grain directly, but through related firms at lower prices, and the difference was deposited abroad. In January-May alone, about 10 unprofitable grain export contracts were signed. The second scheme involved money laundering through insurance. The tariff for the insured's services was 3–5 times higher than the market value of such services.

But it's not just your regular corruption scandal. This case sheds light on a real plotting that characterizes the changes in Ukrainian politics over the past year. It is necessary to explain who is Andriy Vlasenko, who was detained for corruption. He is Tymoshenko's proxy and a cousin of her close ally and lawyer Serhiy Vlasenko, a lawmaker from her party.

Political corruption

Andriy Vlasenko became the head of the unprofitable state company in 2020 under the quota of Tymoshenko's party. He was a rather unexpected candidate, as Tymoshenko is a critic of the government and even predicts there will be a new revolution to overthrow the current government. So how did her protege get the chair? This is an example of typical Ukrainian political corruption — he got the job in exchange

for the votes of Tymoshenko's 25-member faction for the 2021 state budget.

Why did Zelensky need Tymoshenko's votes? To understand this, we need to return in the fall of 2020.

The president was in the weakest state since his election. At that time, billionaire oligarch Ihor Kolomoisky was able to convince several dozen lawmakers from Zelensky's Servant of the People faction to join what would become an informal "Kolomoisky group" in parliament. It was led by Oleksandr Dubinsky, who was later sanctioned by the U.S. for collaborating with Russian agent Andriy Derkach.

Having singled out a separate group of lawmakers loyal to him, in the fall of 2020 Kolomoisky issued an ultimatum to the president. The oligarch ordered members of parliament loyal to him not to vote the way Zelensky wants until he agrees to a coalition with the oligarch's proxies. This would have made Zelensky a hostage of Kolomoisky, because the president would become dependent not only on votes but also threatened by early elections.

At the same time, Medvedchuk was chipping off Zelensky's electoral core in southern and eastern Ukraine, using his TV channels as propaganda weapons. And the Constitutional Court, controlled by Oleksandr Tupytsky, began to cancel anti-corruption reforms and was preparing to abolish the land reform.

A lot has changed in the last 12 months. Zelensky is entering a new political season with renewed strength. Medvedchuk lost the TV channels and is charged with treason. Tupytsky was removed and has not been able to appear in the Constitutional Court for six months, although the work of the court is still blocked. Kolomoisky, suppressed by U.S. sanctions, was deprived of influence over state-owned Centerenergo. He removed his minion Dubinsky from the game, who has not made any public statements for the past several weeks.

As a result, Zelensky doesn't need any further support from Tymoshenko.

And the corruption revealed at the state corporation became a timely chance to strike a double blow: not only to deprive Tymoshenko of cash flow but also to discredit her.

For two weeks, Tymoshenko didn't comment on the detention of her colleague.

Bad blow

It seems that the authorities aimed at the very heart of the Tymoshenko clan.

After all, Andriy Vlasenko was only a nominal leader who signed documents. Tymoshenko's son-in-law Artur Chechotkin was allegedly an informal confidant of the State Food and Grain Corporation.

Tymoshenko had previously criticized official supervisory boards, accusing them of damaging

state-owned companies. In the Grain Corporation the role of the supervisory board was informally performed by Tymoshenko's son-in-law. But this didn't protect the company from corruption. It's not helpful for Tymoshenko that her ally was receiving an average of Hr 423,600 (\$15,800) a month as the head of the state grain corporation. Tymoshenko has harshly criticized the management of state companies, such as oil and gas company Naftogaz, for high salaries.

There is another argument supporting Tymoshenko's connections to the management of the State Food and Grain Corporation.

Yulia Tymoshenko's daughter, Eugenia, has bought from one of the corporation's managers... no, not grain, but equipment for mining cryptocurrencies for \$4 million. The money was reportedly lent to her by Tymoshenko and come from the money received from the American company Skadden, Arps, Slate, Meagher & Flom as compensation for supporting the repressions of ex-President Viktor Yanukovich's era.

Tymoshenko's daughter, when paying for the cryptocurrency equipment, transferred the money to Valeya, a company owned by a woman named Olena Volkova. As it turned out, in February, when the Grain Corporation came under Tymoshenko's control, Volkova became the company's deputy chair.

Here's another interesting fact about Tymoshenko's family.

Until recently, Tymoshenko's son-in-law Artur Chechotkin was the owner of UkrBudInvestBank, a small financial institution that helped highlight Tymoshenko's ties with Medvedchuk.

Before Medvedchuk came under sanctions, he kept his money in Ukraine only in Tymoshenko's son-in-law's bank. Medvedchuk's wife Oksana Marchenko and his right-hand man Taras Kozak also had accounts with the bank. That's where Tymoshenko kept her money, too.

When I mentioned this connection in an earlier op-ed in the Kyiv Post, she sued me and tried to secure a ruling to forbid me to mention her ties to Medvedchuk. Fortunately, she lost the case both in the first-instance court and in the appeal court.

Another interesting fact about Tymoshenko's family is her son-in-law's connection to Turkish criminal boss Sedat Peker, who has recently put himself in opposition to Erdogan's government. The two were photographed meeting in Ukraine.

By launching an attack on Tymoshenko, Zelensky's government may ease the fate of Ukrainian democracy.

For a quarter of a century, she skillfully manipulated public opinion, and has gone from being a proponent of pro-Western values to a spreader of fake narratives about Ukraine's foreign rule, effectively aligning herself with the likes of Medvedchuk. Moreover, this transformation of Tymoshenko is taking place with the tacit consent of her faction, which

includes even the Euro-optimist lawmakers from the previous convocation of Ukraine's parliament.

Members of the Batkivshchyna faction know very well how Tymoshenko gained control of the Food and Grain Corporation and how she used it. Each of them now has to decide whether they want to continue working under the leadership of a person who has been repeatedly accused of corruption over 25 years of his political career. And this time, it's crystal clear those accusations were not false.

Sergii Leshchenko is an investigative journalist and was a member of Ukraine's parliament from 2014-2019. He became a columnist for the Kyiv Post in October 2019.

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