

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**

SBU investigates another procurement corruption scheme at Ukrzaliznytsia

By Daria Derevianchuk. Published Aug. 27. Updated Aug. 27 at 4:11 pm



 An aerial view of trains parked near Kyiv's central railway station on April 5, 2021.

Photo by Volodymyr Petrov

State-owned railway operator Ukrzaliznytsia bought low-quality parts manufactured in the occupied parts of Luhansk oblast at highly inflated prices, the Security Service of Ukraine (SBU) **reported** on Aug. 27.

According to the Kyiv City Prosecutor's Office, Ukrzaliznytsia spent Hr 45 million (\$1.67 million) on the parts, which were presented as "innovative products" and sold for 10 times their actual worth. The parts have been seized as evidence.

"The products do not meet the technical operating conditions and could lead to equipment damage of more than Hr 3 billion," the SBU said in a statement.

Ukrzaliznytsia declined to comment.

The SBU said that a Russian citizen cooked up the alleged corruption scheme together with high-ranking railroad officials. The state company's regional branches bought the goods through a Kyiv enterprise he controlled.

Law enforcers searched addresses of people and businesses alleged to be involved in the scheme.

Corruption has been notoriously hard to stamp out at Ukrzaliznytsia because of the company's opaque procurement system. The nature of railway machinery makes it easy to manipulate tenders because it's difficult for non-specialists to gauge prices.

Between 2019 and 2021, the SBU **exposed** railroad embezzlement schemes worth over \$37

million.

In June, the SBU found that Ukrzaliznytsia spent Hr 200 million (\$7.43 million) on materials to repair train car interiors. These materials turned out to be flammable and their procurement turned out to be illegal.

Prior to that, the SBU halted a scheme as part of which an Ukrzaliznytsia branch was sourcing low-quality locomotive parts from Russia. The products were transported through the occupied territories of Donbas.

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