

Prosecutor Says Yanukovich Cost Ukraine Up to \$100 Billion

April 30, 2014



Ukraine's Acting Prosecutor General Oleh Makhnitsky listens to a translation during an interview with Reuters at a hotel in London.

Ukraine's chief prosecutor has accused former-Ukrainian President Viktor Yanukovich of heading a mafia-style syndicate whose crimes cost the former Soviet republic up to \$100 billion and said some of the stolen money was now being used to fund Russian-backed separatists.

Yanukovich fled to Russia in late February after a revolt that prompted Russian President Vladimir Putin to annex Ukraine's Crimea province, triggering the biggest confrontation between the Kremlin and the West since the end of the Cold War in 1991.

Acting Prosecutor General Oleh Makhnitsky said that while president from 2010, Yanukovich personally ran a multi-billion dollar criminal syndicate whose tentacles reached almost all walks of the Ukrainian state and Ukrainian life.

"Ex-President Viktor Yanukovich headed a mafia structure in Ukraine which spread across

different state structures," Makhnitsky told Reuters in London on Tuesday after meeting U.S. and British officials about ways to recover stolen assets.

Yanukovych could not be reached for comment on the accusations. He is at an unknown location in Russia but Reuters tried to contact people with links to him for a response. Makhnitsky said he would be arrested if he returns to Ukraine.

British Home Secretary Theresa May said the meeting in London was aimed at providing "practical leadership and assistance to the Ukrainian government as they identify and recover assets looted under the Yanukovych regime."

U.S. Attorney General Eric Holder said on Tuesday that the United States was determined to help Ukraine find billions of dollars it says were stolen by Yanukovych and his aides.

"We are determined to hold accountable those who were responsible for the theft of these Ukrainian assets," he said.

Makhnitsky said that exact figures were impossible to give at such an early stage but that there was already evidence that \$350 million had been stolen from the state by Yanukovych and his allies, including his two sons Oleksander and Viktor.

"The loss to Ukraine is up to \$100 billion," he said in Ukrainian, adding that some of the money had ended up in Western Europe while large amounts of cash had gone eastwards to Russia.

From Russia, Yanukovych has denied having bank accounts or property abroad, though the European Union and U.S. have ordered his assets to be frozen.

The prosecutor declined to name any Western banks involved in the suspect transactions.

Makhnitsky was appointed by parliament during the overthrow of Yanukovych and is a member of the nationalist and far-right Svoboda party. The location of the previous prosecutor, Viktor Pshonka, is unknown.

A warrant has been issued for his arrest and the EU has ordered his assets be frozen because he is under investigation in connection with the embezzlement of state funds and their transfer abroad. He could not be reached for comment.

Mafia President

The \$100 billion figure is equal to more than half the annual economic output of Ukraine in 2013. British officials declined to comment on the figure.

Chronic corruption in all walks of life — from modest bribes on the street to the vast sums whispered by the former Cold War warriors of the Kremlin — has stoked anger and revolution across the republics of the former Soviet Union in recent years.

As the Socialist superpower crumbled in 1991, a few thousand insiders gathered fortunes in the chaos while 250 million people were thrust into poverty.

When asked to put a figure on how much money had left Ukraine since the fall of the Soviet Union, Makhnitsky said the sums were so huge that it would be impossible to give a figure.

He said that Yanukovych and his people had spirited \$32 billion dollars in cash across the border in trucks as his power crumbled early this year and that some of the money was now being used to fund separatists in eastern Ukraine.

When questioned on the logistics of moving such a large amount, Makhnitsky said the information which investigators were checking was that trucks took the cash across the border.

"Our operative information is that almost \$32 billion in cash was taken to Russia in trucks," he said. "That money is being used to finance the separatist actions in the east of Ukraine."

Ukraine, backed by the U.S. and European powers, accuses Putin of stirring up a separatist campaign in the east of Ukraine. Moscow denies the charge.

From Russia, Yanukovych has said that Ukraine is being run by neo-fascists, ultra-nationalists and gangsters. The former president is wanted in Ukraine for giving the direct order to crush Kiev protests against rule, a step that led to dozens of deaths in Kiev, Makhnitsky said.

"Viktor Yanukovych is accused of grave criminal acts, among them premeditated homicide in aggravated circumstances of two or more people, namely participation in and the organization of killing of 75 people. According to the Ukrainian criminal code, the penalty for such crimes is life imprisonment."

The 63-year-old insisted during appearances in Russia that he remains the legitimate president of Ukraine and has denied ordering snipers to shoot at protesters on Kiev's Maidan square.

Oligarch Haven

Makhnitsky said that Ukraine had become a haven for the wealthy tycoons who became known as oligarchs because of their reputation for pulling the levers of political power from Vladivostok on the Pacific to Ukraine's border with Poland.

"They were able to steal from Ukraine, steal from the nation, enrich themselves, they had no motivation whatsoever to keep the funds in Ukraine."

When asked whether the Ukrainian authorities were looking at the affairs of the country's richest businessmen, some of whom had close ties to Yanukovych, he said:

"We are checking, we are investigating everyone now. And it is not only the prosecutor's office, it is also financial monitoring institutions and the tax authorities," he said.

"If there is any evidence of criminality, we will take measures to bring the assets back" to Ukraine.

Makhnitsky declined to give the names of those Ukrainian structures he was investigating.

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