

Yanukovich's Assets

Oleksandr Yefremov

Tuesday, January 28th, 2014

Oleksandr Yefremov has been Chairman of the Party of Regions in the Verkhovna Rada (Parliament) of Ukraine since 2012. He was Deputy of Viktor Yanukovych, who headed the Party of Regions until he was elected President. Yefremov is member of the Committee on Regulations, Deputy Ethics and Ensuring Work of the Verkhovna Rada of Ukraine.

Oleksandr Yefremov believes that the laws adopted by Parliament on January 16, 2014 are based on the legislation of the EU, the U.S. and Canada. Moreover, Yefremov states that the laws, which international experts and politicians have called “draconian” and “laws on dictatorship”, [were adopted in accordance with all the rules and regulations and in compliance with required lawmaking procedures](#). However, the video recording showing the vote on January 16 recorded that the deputies voted by a show of hands, but the number of hands was not counted, which is in flagrant violation of the given Regulation. Oleksandr Yefremov has been a national deputy from the Party of Regions since 2006, and has also headed the Committee on Regulations, Deputy Ethics and Ensuring Work of the Verkhovna Rada of Ukraine.

Before his election to Parliament, Oleksandr Yefremov headed the Luhansk Regional State Administration (1998-2005). In 1997-1998, Yefremov was Deputy Chairman of the Lugansk Regional Administration.

[During Yefremov’s term of office as head of Luhansk Region](#), the regional mortality rate exceeded the birth rate by three times. Luhansk Region also led all regions in terms of poverty. The highest arrearages were recorded in this region. The volume of production in the shadow sector accounted for over 60%. Entire cities with a population of hundreds of thousands began dying out. Unemployment and poverty created ideal conditions for an unprecedented and drastic spread of HIV/AIDS, tuberculosis and hepatitis.

As head of the Regional State Administration, Oleksandr Yefremov, along with several business partners, bankrupted and destroyed a network of economically viable industrial enterprises in the region through a series of financial and political schemes and machinations, leaving thousands of workers jobless in the mining and construction industry.

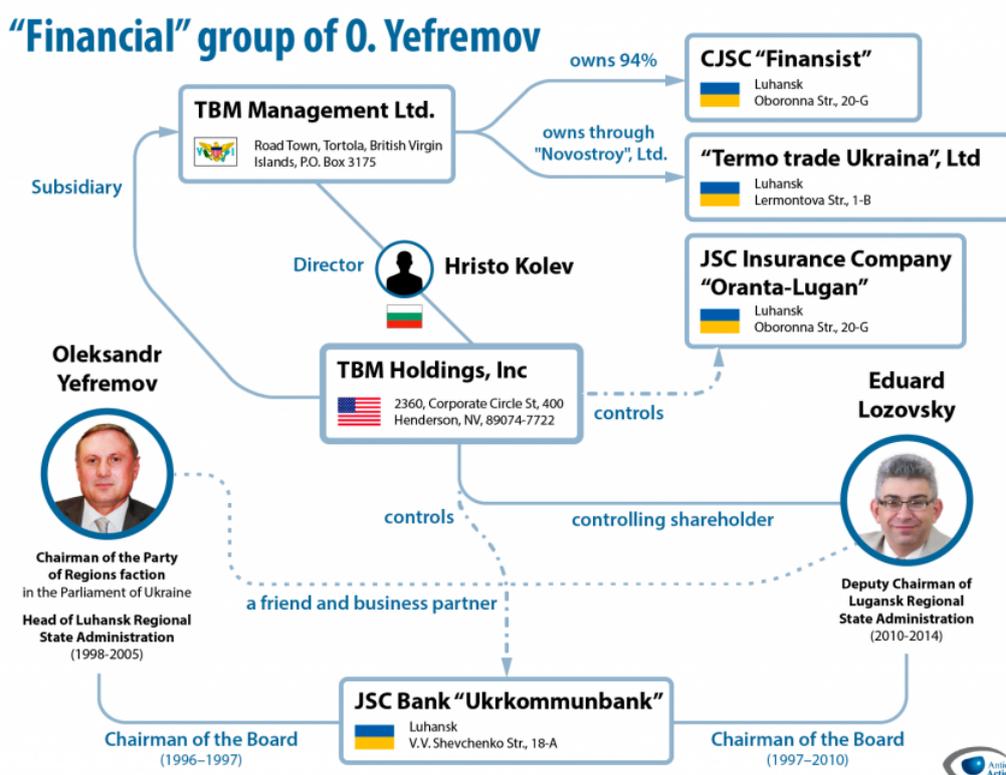
The money laundering schemes using funds from the budget of this politician’s

business group have not particularly changed during Yefremov's term of office as national deputy from the Party of Regions.

As of January 2014, Oleksandr Yefremov's business interests have been centered on companies that can be sorted into two groups:

- the Financial Group, which ensures asset management and is controlled by the holding company - **TBM Holdings, Inc**, registered in the state of Nevada, U.S.
- the Industrial Group, which earns billions of hryvnias (UAH) through public procurement, by supplying various products and services to state-owned enterprises in Luhansk Region.

Financial Group



TBM Holdings, Inc was founded in the state of Nevada, U.S. on January 27, 2004. The authorized capital of this company amounts to \$110 thousand US. According to an extract from the State Register of Nevada, the CEO and President of **TBM Holdings, Inc** is Khristo Kolev, a Bulgarian national (address: 2360, 400 Corporate Circle St., Henderson, NV, 89074-7722). However, in a presentation posted on the official **TBM Holdings, Inc** website, it is stated that the controlling shareholder of the group is (or has been for some time) Eduard Lozovsky, who has been working as Deputy Chairman of the Luhansk Regional State Administration since April 2010.

It was Eduard Lozovsky who recently made a comment approving the armed police attack on Euromaidan protesters, noting that it would be advisable to disperse the people "as Zhukov did in 1946 when he dispersed thugs in Odessa."

 **Эдуард Лозовский** ✕

Банды залетных голпников захватили центр столицы и только через месяц после нападения штурмовиков наци на Банковой, наконец-то: "Милиция имела право стрелять". А может, надо как Жуков в Одессе в 46-м?

<http://news.mail.ru/inworld/ukraina/global/112/politics/16442265/>



Милиция имела право стрелять под Киево-Святошинским райсудом — МВД
news.mail.ru

Сотрудники МВД имели право применять оружие во время стычек участников протестов

Eduard Lozovsky

"Bands of vagrant bums occupied the center of the capital, and only after one month after these Nazi troops had stormed Bankova Street can we finally say that "the police had the right to shoot at these people". But perhaps the scenario called for Zhukov's actions in Odessa in 1945?

The police had the right to shoot at people near the Kyiv-Svyatoshyn Regional Court - Ministry of Internal Affairs

According to numerous reports in the mass media, Eduard Lozovsky is a close friend and business partner of Oleksandr Yefremov.

The **TBM Holdings, Inc. website** points out that part of the business group includes other companies:

TBMManagementLimited: registered in the British Virgin Islands, a subsidiary of the American company **TBM Holdings, Inc.** Khristo Kolev has been CEO of this company since November 2005. **TBMManagementLimited** was founded in order to control the circulation of funds, coordinate Ukrainian and American legislation and optimize company costs.

Finansyst PrJSC: founded on July 4, 2001, registered address – 20-H Oboronna Str., Luhansk. 94% of the company is owned by **TBMManagementLimited**, British Virgin Islands. The company manages the American firm's – **TBM Holding, Inc** - assets in Ukraine. It is a tool for investment projects, effectuates company acquisitions and plans and coordinates **TBM Holdings, Inc** operations.

Oranta Luhan PrJSC: registered on September 14, 1994, address - 20-H Oboronna Str., Luhansk. According to the State Register, 96.75% of the stake in the company belongs to **High Thermal Technologies Ltd.**, but the **TBM Holdings, Inc website** indicates that the company is controlled by **TBM Holdings, Inc.** The company provides insurance services to company groups belonging to Yefremov and Lozovsky. In 2011 the company owned about 19 % of total shares of **Ukrkomunbank PrJSC**.

Thermo PrJSC: in December 2007, the founder and main shareholder of the Thermo Group, Oleksandr Parshyn, stated that **Thermo PrJSC** was seized in a raid by **Eduard Lozovsky**. The ex-shareholder provided evidence that **Thermo JSC** and its subsidiaries were then transferred to **TBM Holding, Inc** by fraudulent machinations of corporate documents and forceful actions on the part of Lozovsky. Most of **Thermo JSC** assets and production were registered in a highly questionable way to **Thermo Trade Ukraine LLC.**, which was founded on January 17, 2008, and is owned by **Novostroy LLC**, which is, in turn, wholly owned by **TBM Management Limited**, British Virgin Islands.

Ukrainian Communal Bank PrJSC (Ukrkomunbank): numerous media publications have reported that the beneficial owner of **Ukrkomunbank** is **Oleksandr Yefremov**. The **TBM Holding, Inc** website indicates that **Ukrkomunbank** is one of the structures controlled by the American holding company. The bank focuses its business activities in the Luhansk Region: subsidiaries of this bank can be found in every city of the region, and the largest companies in the Luhansk Region use the services of **Ukrkomunbank**.

Oleksandr Yefremov acted as Chairman of the Board of this bank from late 1996 to 1997. Eduard Lozovsky worked at **Ukrkomunbank** in several managerial positions as of August 1996, but, after Yefremov was elected as Deputy Chairman of the Regional State Administration in 1997, Mr. Lozovsky became Chairman of the bank's Board of Directors.

For over ten years, **Ukrkomunbank** has been one of the key companies belonging to the Yefremov-Lozovsky Group. Since the late 1990s, the bank has been used to instigate different semi-legal schemes, in particular, the bankruptcy of state enterprises and various acquisitions procured at lower prices.

This is exactly what happened to the **Stakhanovsky Koksokhim Plant**, which, according to Serhiy Tytov, ex-director of the company, was totally destroyed by Oleksandr Yefremov.

In particular, during his term of office at the Regional State Administration, Yefremov threatened and coerced the **Stakhanovsky Koksokhim Plant** (and several other state-owned industrial enterprises) to buy gas at doubly inflated market prices from one single company - **Fond JSC**.

According to data available from the official inspection carried out under Order No.200/5 dated February 25, 200 on the instruction of the Cabinet of Ministers, Yefremov was one of the founders of **Fond JSC** - owner of 10% of the authorized

capital of the company - during his term of office as Deputy Chairman of the Luhansk Regional State Administration (from March 11, 1997 to March 22, 1999). In November 1997, he was also one of the founders of the **Luhansk Energy Alliance JSC**, which, in turn, was a founder of **Ukrkomunbank PrJSC** in May 1998.

According to Mr. Tytov, at that time the market price of gas for companies was worth \$30 US per cubic meter, but through various quasi-legal methods of harassment and intimidation, Yefremov and his close associates forced the **Stakhanovsky Koksokh Plant** to buy gas exclusively from **Fond JSC** at \$80 US per cubic meter, which constituted a financially prohibitive price for the factory. Due to large the factory's indebtedness, **Fond JSC** stopped supplying gas to this state enterprise, thus blocking and making company operations impossible. So, within a few months, the **Stakhanovsky Koksokhim Plant** was driven into excessive debt, and the only working unit (the resin treatment plant) was purchased for 2,578,144.62 UAH (around 322,268.07 US) by **Fond JSC** at an auction without competition. Ultimately, the funds from the sale were not left at the company, but were credited by the plant to **Ukrkomunbank** to cover the outstanding loan for gas supplies.

See documentary film outlining the purposeful destruction of the **Stakhanovsky Koksokh Plant**.

A similar fate befell more than ten industrial and manufacturing state-owned companies in the Luhansk Region during Oleksandr Yefremov's term of office as Chairman of the Regional Administration, including the following plants: Krasnodon Coal, Pervomaysk Coal, Stakhan Coal, Sverdlovsk Anthracite, Rovensk Anthracite, Lugansk Coal, Lugansk Enamel, Alchevskiy Steel Works, Krasitel OJSC and others ...

In summary, **Ukrkomunbank** played a leading role in each bankruptcy scheme and the subsequent appropriation of assets from state-owned enterprises in the Luhansk Region during Yefremov's term of office.

Ukrkomunbank in Luhansk

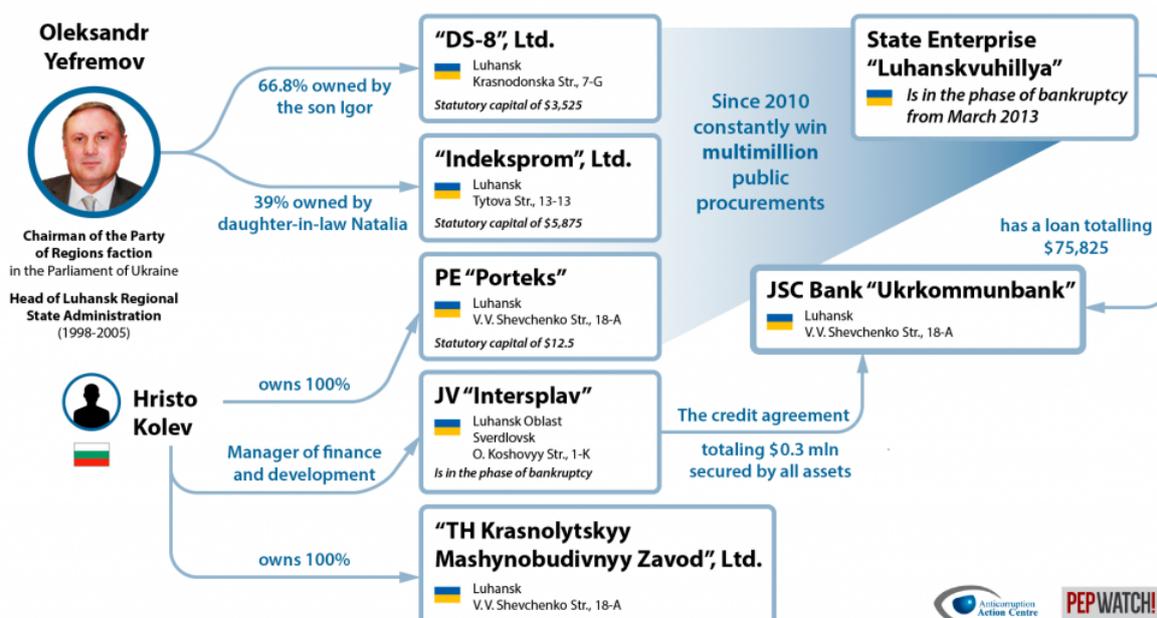
Ukrkomunbank is officially registered at the following address - 18-A V.V. Shevchenko Str. in Luhansk. The bank obtained this building through semi-legal procedures. In particular, the Regional Council gave this public building free-of charge to a private owner - **Komunalshchyk LLC**, a newly structured division of the Regional State Administration and the Regional Council. In turn, **Komunalschyk LLC** promptly sold the premises for one million UAH (around 125 million US) to **Ukrkomunbank**. The fate of these one million UAH is unknown as **Komunalshchyk LLC** was promptly dissolved.

As of January 1, 2012, **Ukrkomunbank** disposes of the following correspondent accounts:

Name of Bank, TELEX or SWIFT code	Account Number	Currency
FINANCE AND CREDIT BANK JSC, Kyiv 60 Artioma Str., Kyiv, 04050, Ukraine	16001012295840 16003012295978	USDEUR
SWIFT: UAUX FBAC	16008012295810	RUB
FORUM PrJSC, Kyiv	16000100007/840	USD
7 Verkhovnoyi Rady Ave.	16000100007/978	EUR
Kyiv, 02100, Ukraine	16000100007/643	RUB
SWIFT: UAUK FJSC	16000100007/826	GBP
UKRSIBBANK, Kharkiv 60 Moskovsky Ave., Kharkiv, Ukraine SWIFT: KHAB UA 2K	16000580380000	EUR, USD, RUB, BYR, UAH
NATIONAL INVESTMENTS JSB, Kyiv 54 Volodymyrska Str., Kyiv, 01601, Ukraine	160093011843/840	USD
SWIFT: NUAUKJSB	160093011843	UAH

Industrial Group

"Industrial" group of O.Yefremov



Besides the companies of the Financial Group controlled by Yefremov and Lozovsky through the American company **TBM Holding, Inc**, Yefremov's business interests include a number of Industrial companies that systematically win multimillion-dollar government procurements. This group includes the following enterprises:

DS-8 LLC: established on 23.06.1998; 66.8% of the company is owned by Oleksandr Yefremov's son, Ihor Yefremov. The authorized capital of the company amounts to 28,200 UAH (around 3525 US).

From January 12, 2010 to November 2013 **DS-8** won public procurements totaling one billion 300 million UAH (around 162 million 500 hundred thousand US). Clients under these agreements were as follows: **Luhansk Coal SE (state enterprise)** and **Donbas Anthracite SE**. The agreement generally concerned the supply of different kinds of equipment and repairs to the workplace.

Indekspro LLC: founded on 11.09.2002; 39% belongs to Oleksandr Yefremov's daughter, Nataliya Yefremov; the authorized capital amounts to 46 thousand UAH (around 5,758 US). From January 1, 2008 to January 27, 2014, **Indekspro LLC** won public procurements totaling one billion six million UAH (around 125 million 750 hundred thousand US). The main customers for goods and services, as in the case of **DS-8 LLC** were state-owned companies, such as **Luhansk Coal SE** and **Donbas Anthracite SE**.

Journalists at **Nash Hroshi (Our Money)** have repeatedly reported suspicious multimillion tenders that would benefit **Indekspro** and **DS-8**. In particular, these companies often supply goods and services at inflated prices, whereas cheaper offers are rejected on formal grounds by the customer; these companies continue to organize tenders amongst each other, thus simulating market competition. Several acquisitions won by **DS-8 LLC** and **Indekspro LLC** have been denounced by the **Anti-Corruption Centre** in partnership with national deputies and duly reported to regulatory and law enforcement bodies.

Overall, from 2010 to 2013, **Luhansk Coal** held tenders totaling 5.2 billion UAH (around 650 million US). 3.8 billion UAH (around 475 million US) went to Yefremov's Group of Companies.

In March 2013, at the initiative of **Regional Electric Network SE**, bankruptcy procedures were initiated for **Luhansk Coal Plant SE** due to non-payment of debts amounting to 227.4 million UAH (around 28.42 million US) for electric power supply. One of the creditors was **Ukrkomunbank**, which reported that the given company was indebted in the amount of 606.6 thousand UAH (around 75.82 thousand US).

Obviously, **Luhansk Coal SE**, which is one of the largest coal-mining enterprises in Ukraine, met the same fate as the other state-owned enterprises that were purchased for a song due to bankruptcy by Yefremov and his business partners in 1997-1998.

For example, in 2013, Yefremov's Group received a huge Luhansk plant specializing in the processing of non-ferrous metals - **Intersplav JV** - for the price of a three-room apartment in Kyiv. The plant was a joint venture between a Spanish company - BEFESA ALUMINIO BILBAO, SL LLC and the Ukrainian government on behalf of the Donetsk Scientific and Industrial Institute of Non-Ferrous Metals. Purchasers from **Intersplav** included Volkswagen, Nissan and Toyota at the beginning of 2000s. In December 2010, **Intersplav** signed a loan agreement with **Ukrkomunbank** totaling 2.42 million UAH (around 302.5 thousand US) secured by all its assets. The contract

was signed by the Bulgarian national, Khristo Kolev, who had been hired not long before to occupy the position of Manager of Finance and Development at the **Intersplav Plant**. Khristo Kolev obtained formal authorization and the right to sign financial documents, including the contract with **Ukrkomunbank** from the General Director of **Intersplav**. At the time, Khristo Kolev was General Director of the American company **TBM Holdings, Inc**, which controls **Ukrkomunbank**. In April 2013, the Supreme Economic Court of Ukraine did not consider that there was a conflict of interest in the transaction and refused to recognize the agreement as null and void despite statements pronounced in several courts-of-law by state representatives that “there were signs of contracts being concluded for the purpose of alienating property, thus leading to the bankruptcy of the plant”. The procedures for cessation of the factory are still ongoing and, apparently, all of **Intersplav** property will be transferred to **Ukrkomunbank**.

Yefremov’s Industrial Group includes the **Krasnolutsky Machine-Building Plant LLC**, which is 100% owned by Khristo Kolev and is registered at the address - 18-A V.V. Shevchenko Str. According to Nashi Hroshi (Our Money), this company used to be the trading house of the Krasnolutsky Machine-Building Plant OJSC, which was privatized in 2004 with the support of Governor Yefremov.

Porteks PP (private enterprise), which is also owned by Khristo Kolev and is officially registered at the address - 18-A V.V. Shevchenko Str., won the tender from **Lugansk Coal SE, Donbas Anthracite SE** and the **Luhansk Coal and Energy Company SE** totaling 412.55 million UAH (around 51.57 million US) from April 14, 2011 to January 28, 2014. The authorized capital of **Porteks SE** amounts to 100 UAH (around 12.5 US).

The Role of the U.S and Individual Financial Sanctions

Ukrainians around the world appeal to the EU and the U.S. to use individual financial sanctions against those who support the Yanukovich regime and the beginning of dictatorship in Ukraine. It is namely the U.S. that is expected to make the most decisive steps with regard to freezing the assets of Yanukovich’s associates and blocking their accounts and transactions in western countries.

We have shown how Oleksandr Yefremov, Chairman of the Party of Regions, has been using the American holding company **TBM Holdings, Inc** in Nevada as a front for his business interests. In particular, the U.S. company is directly related to artificial bankruptcy schemes involving the largest industrial enterprises in Luhansk Region. The Bulgarian citizen, Khristo Kolev, CEO of the American company, is involved in the ownership structure of several companies belonging to Yefremov’s Group, which win billion-UAH contracts for public enterprises on the verge of bankruptcy through dubious tender contracts.

In this regard, we ask the U.S. government to immediately conduct an audit of **TBM Holdings, Inc** with respect to its terms of involvement in money laundering schemes organized by higher Ukrainian political personalities. At the time of our investigation, **TBM Holdings, Inc** assets were to be held in custody. We ask that the financial institutions in the EU and U.S. pay special attention to transactions made through

Ukrkomunbank.

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