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.”
"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 Lozovksyis 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., Luhansks. 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 Koksoikhim 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 – Komunalschyk 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 Komunalschyk LLC was promptly dissolved.

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

**“Industrial” group of O. Yefremov**

- **Oleksandr Yefremov**
  - Chairman of the Party of Regions faction in the Parliament of Ukraine
  - Head of Luhansk Regional State Administration (1998-2005)
  - Owns 66.8% of the son Igor
  - 59% owned by daughter-in-law Natalia

- **Hristo Kolev**
  - Manager of finance and development
  - Owns 100%

- **“DS-8”, Ltd.**
  - Luhansk Krahnovodstva St., 7-G
  - 6.6% owned by the son Igor

- **“Indeksproj”, Ltd.**
  - Luhansk Tytora St., 10-13
  - 59% owned by daughter-in-law Natalia

- **PE “Porteks”**
  - Luhansk V.V.Shevchenko Str., 18-A
  - 100% owned by Natalia

- **JSC Bank “Ukrkommunbank”**
  - Luhansk V.V.Shevchenko Str., 16-A
  - Owns 100%

- **JV “Intersplav”**
  - Luhansk Oblast Svobodnyi O. Kostyiv St., 1-K
  - In the phase of bankruptcy

- **State Enterprise “Luhanskuvihillya”**
  - In the phase of bankruptcy from March 2013
  - Has a loan totalling $75,825
  - The credit agreement totaling $0.3 mln secured by all assets

- **“TH Krasnyotskyy Mashynobuduvnyy Zavod”, Ltd.**
  - Luhansk V.V.Shevchenko Str., 18-A
  - In the phase of bankruptcy

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 Antracite SE**. The agreement generally concerned the supply of different kinds of equipment and repairs to the workplace.

**Indeksrom 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, **Indeksrom 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 **Indeksrom** 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 **Indeksrom 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, Khristov Kolev, who had been hired not long before to occupy the position of Manager of Finance and Development at the **Intersplav Plant**. Khristov 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, Khristov 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 Khristov 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 Khristov Kolev and is officially registered at the address – 18-A V.V. Shevchenko Str., won the tender from **Luganska Coal SE, Donbas Anthracite SE** and the **Luhanska 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 Yanukovych 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 Yanukovych’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 Luhanska Region. The Bulgarian citizen, Khristov 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, **TMB 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
Andriy and Serhiy Kliuyev
Thursday, December 26th, 2013

Part one

Andriy Petrovych Kliuyev was born in Donetsk on August 12, 1964; he has been Secretary of the National Security and Defense Council of Ukraine since February 14, 2012. In Ukraine, Andriy Kliuyev is known as a close associate of Viktor Yanukovych and good friend of pro-Russian lobbyist, Viktor Medvedchuk.

From 1994 to 2002, Andriy Kliuyev held various senior public positions in municipal and regional councils of the city of Donetsk, as well as in the regional state administration. In particular, Mr. Kliuyev was Deputy Chairman of Viktor Yanukovych’s Regional State Administration in Donetsk from 1998 to 2002. Andriy Kliuyev was elected to the Verkhovna Rada (Parliament) of Ukraine in 2002. He was appointed Deputy Prime Minister of Ukraine three times between 2002 and 2012.

Since 2001, A. Kliuyev is Deputy Chairman of the Party of Regions of Ukraine. In the 2012 parliamentary elections, he headed the electoral headquarters of the Party of Regions. Moreover, he has been appointed head of Viktor Yanukovych’s electoral headquarters for the presidential elections that are scheduled in 2015.

In March 2013, President Yanukovych officially appointed Andriy Kliuyev as Chairman of Ukraine’s group in charge of preparations for the signing of the Association Agreement with the EU. It is common knowledge that Azarov’s government rejected this agreement, which caused thousands of protests and demonstrations throughout Ukraine. According to the online edition of Ukrayinska Pravda (Ukrainian Truth), it was A. Kliuyev who was responsible for the violent dispersal of peaceful protesters in Kyiv on November 30, 2013. This thesis was confirmed by Oleksandr Popov’s testimony (Mr. Popov was Head of the Kyiv Municipal State Administration).

Serhiy Kliuyev, Andriy Kliuyev’s brother, has been a deputy from the Party of Regions since 2006. He has also been a member of the National Bank of Ukraine since 2007. He is also in charge of an inter-parliamentary group working with Austria. S. Kliuyev is currently a member of the Parliamentary Committee on Finance and Banking and of the Special Oversight Commission of the Verkhovna Rada of Ukraine on privatization.

The business activities of the Kliuyev brothers are closely linked; it is precisely for this reason that their wealth and business capital are usually regarded as joint assets in Ukraine.
In March 2013, Focus magazine estimated the Kliyev brother’s fortune at 618 million dollars. In 2011-2012, Korespondent magazine estimated both brothers’ fortune at 130-140 million dollars.

Andriy Kliuyev’s official salary as a public servant amounted to 395,892 UAH in 2012. According to his tax declaration, A. Kliuyev did not have any revenues or profits from abroad.

Serhiy Kliuyev’s official salary as a public servant totaled 189,561 UAH in 2011. That same year, he made a profit amounting to 946 UAH abroad.

Serhiy and Andriy Kliuyev reside on luxury estates near Kyiv.

In September 2013, Serhiy Kliuyev bought Tantalit LLC for 146.6 million UAH, which leases a luxurious residence in Mezhyhirya to Viktor Yanukovych, the President of Ukraine.

The Official Residence of a Business Empire in Austria

The Kliuyev family business empire is centered around Zavod Napivprovidnykiv PrJSC and Ukrapidshypnyk PrJSC, whose ownership was registered through two Austrian companies - ActivSolarGmbH and SlavHandelVertretungundBeteiligungAG (SlavAG). Both Activ Solar GmbH and Slav AG are listed at the Austrian bank UniCredit Bank Austria AG, 1010 Vienna, and both are registered at the same address – 35 Wipplingerstrasse, 1010 Vienna.

The Kliuyev brothers own more than 70 companies in Ukraine that are directly or indirectly related to the above-mentioned Austrian holding companies. These include large industrial plants, financial holding companies, banks and front companies that are used to optimize taxation, develop budget funds and inhibit the identity of the actual business owner. Moreover, their business empire includes dozens of offshore companies in Cyprus, the Netherlands, Luxembourg and many other countries in Europe and around the world. These companies operate thanks to important groups of professional international lawyers and experts in offshore business.

Slav AG was founded in 1994 and is completely owned by the Kliuyev brothers. Ms. Iryna Kliuyev, Serhiy Kliuyev’s wife, is a member of the board of directors. She is also registered at 12 Groissaustrasse, Tulbinger (an expensive suburban building owned by the Austrian company GBM Handels-und Vertretungs GmbH). The shareholders of GBM are composed of two legal entities – Bulinga Ventures LLC and Revaldo Holdings Ltd.

As of December 2013, Slav AG showed a turnover amounting to 108,990,000 euros. The company seems to be very successful and profitable. Through its subsidiaries, Slav Ag is engaged in renewable energy, financial services and business development. The company provides a wide range of services - loans, deposits, securities holding, gold trading, accounts for investment transactions and insurance services. In addition, the company sells various metal products and boilers. Slav AG runs operations in the CIS countries, Poland, the Czech Republic, Macedonia, Bulgaria, Israel, Denmark, Hungary, Romania, France, Turkey, Russia, Kazakhstan, Great Britain, India, the
Netherlands, Pakistan, Slovakia, Slovenia and Switzerland. Slav AG is the majority owner of the Gazometer Business Centre in Austria. Slav Handel shares were placed on the Austrian stock market by the end of 2009.

Activ Solar GmbH was registered in Austria on February 15, 2008 by Slav Beteiligung GmbH, which, in turn, was founded on December 7, 2005 and is owned by Slav AG. At the end of 2008, Kaveh Ertefai, Serhiy Kliuyev’s son-in-law, became the sole owner of Activ Solar GmbH. Kaveh Ertefai is also the director of a subsidiary of Activ Solar GmbH in Cyprus – AST ACTIV SOLAR TRADING LTD. Information and videos about Olha Kliuyev (Serhiy Kliuyev’s daughter) and Kaveh Ertefai’s expensive wedding in Liechtenstein Palace in Vienna can be easily found on the Internet.

Since July 2009, 100% of the shares of Activ Solar GmbH have been controlled by P&A Corporate Trust in Liechtenstein, which is managed by a lawyer called Reinhard Proksch. Andriy Kliuyev’s son, Bohdan, is the Business Development Manager of Aktiv Solar LLC, the Ukrainian subsidiary of Activ Solar GmbH.

Activ Solar GmbH is currently the largest producer of solar energy in Ukraine. In June 2013, in an interview with Bloomberg, Kaveh Ertefai stated that the company plans to extend its achievements in solar energy development in Ukraine to the Middle East, particularly to the United Arab Emirates, Qatar and Jordan. Moreover, the company also invested in energy projects in the U.S. in 2012, and plans to invest in Mexico.

How Activ Solar GmbH became the largest and most successful producer of solar energy in Ukraine...

On its website, Activ Solar GmbH reports that it is building eleven power plants in Ukraine, ten of which have been completed. These power plants are located in three regions of Ukraine, namely Odesa, Mykolayiv and Crimea. According to the Activ Solar website, the development of these power stations involves planning, searching for and structuring financing, as well as building and managing ready sites.

According to Mykhailo Cherevko, Director of Activ Solar LLC, the Ukrainian representative company of Activ Solar GmbH, the company invested 8.1 billion UAH in the Crimean power plant alone. Once again, according to Mr. Chernenko, these investments were basically loans from foreign banks; not a single penny was taken from budget funds for the construction of these stations.

However, there are reasonable grounds to believe that Activ Solar owes its success to the full support of the Ukrainian government and the assistance of the highest state authorities, particularly those where Andriy and Serhiy Kliuyev work and exercise a certain influence.

Who owns the power plants?

The eleven solar power plants, mentioned on Activ Solar GmbH’s website, are used by 28 Ukrainian companies, which are officially licensed to produce solar electricity. 25 of them are already using the green tariff rate, which was introduced in Ukraine in 2008, when several amendments were adopted to the Law of Ukraine “On electric power engineering”.

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The companies were registered between 2009 and 2012. They have similar names, similar official addresses and management, as well as an impressive network of offshore ownerships.
For example, the Perovo Power Plant, which has the largest industrial facilities in the world, is registered in the name of five companies: Delta Solar, Zeta Solar, Alpha Solar, Beta Solar and Gamma Solar. They were all registered on June 23-25, 2010 at 12/4 SERGEYeva-Tsenskoho/Turetska Street, Tsentralny District, Simferopol, 95011, Autonomous Republic of Crimea, and they both have a common executive director – Roman Viktorovych Kovalenko. The founder of the companies was either the Austrian company Activ Solar GmbH or its subsidiary company Activ Solar, the address of which is identical to Serhiy Kliuyev’s public reception office at 3 Reznitska Street in Kyiv.

Activ Solar GmbH invested 488.7 million UAH in Delta Solar, which it also controlled until 2013. Recently, this portion of Delta Solar’s authorized capital was purchased by another Austrian company – BlackSeaRenewableEnergiesGMBH, founded on March 25, 2011. The latter owns Aurnia Commercial Ltd in Cyprus, founded in February, 2011. The newly-formed Aurnia Commercial Ltd, with an authorized capital amounting to 1,000 euros, somehow managed to raise the necessary funds and “invest” about 900 million UAH in Ukrainian solar companies, purchasing a controlling stake in Zeta-, Alpha-, Beta- and Gamma- Solar. Moreover, these “investment transactions” took place outside of Ukraine, as the de jure Cyprus company was meant to buy an authorized portion of the Austrian company Activ Solar GmbH.

The Austrian company Black Sea Renewable Energies GMBH also “invested” about 40 million UAH in the Rodnikovoye Power Plant, which is registered in the name of Crimea Solar 1, Crimea Solar 2, Crimea Solar 3, Crimea Solar 4, and Crimea Solar 5.

The owner of the Black Sea Renewable Energies GMBH is another Austrian company CEE Clean Economic Energy AG, which belongs to CEE CLEAN ECONOMIC ENERGY HOLDINGS A.R.L., established in Luxemburg in 2012. The latter is, in turn, owned by CEE CLEAN ECONOMIC ENERGY HOLDINGs Limited in Jersey, the director of which is Michael George Jeffrey, a UK resident who works at the Carey Olsen Law Firm, which specializes in servicing offshore business companies. The end owner in Jersey is hidden.

The Okhotnikovo and Limanska Power Plants are registered to six Ukrainian clone companies – Omao Solar, Ospry Solar, Oriol Solar, Ouzil Solar, Limanska Energy 1, and Limanska Energy 2 – with a total authorized capital of 1 billion 270 million UAH, which are owned by HyperionNetherlandsB.V., established on April 2, 2013 with an authorized capital of one euro. Hyperion Netherlands B.V. is, in turn, owned by another Dutch company Larnaca B.V. with an authorized capital of 18,000 euros, the owner and executive director of which is Marcus Jacobus Maria Hollander.

The Starokozacha and Dunayska Power Plants are registered in the name of Dunayska SES-1, Dunayska SES-2, Franko Solar та Franko Piwi. All four companies with a total authorized capital are owned by Helios Netherlands B.V. with an authorized capital of one euro. In fact, this company was coincidentally established on April 2, 2013. Another Dutch company and three Luxembourg firms finally lead us to the end owner of Helios Netherlands B.V. – Fiduciaire Probitas S.a.r.l, the managing partner of which is a certified Dutch auditor, Stéphane Spedener.
The end owners of the Mitiayevo, Mykolayivka and Bolhrad Power Plants are five Cyprus nationals, who have a 100% equity stake as Cyprus “investors” (with an authorized capital of 1,000 euros). In total, these five persons invested one billion 650 million UAH in the Ukrainian companies Owl Solar, Orion Solar, Clarion Solar, Capella Solar and Bolhrad Solar through the following Cyprus companies – Krasolena Investment LTD, Koltreso Commercial LTD and KVALISTO HOLDINGS LTD. In fact, all these funds should end up on the accounts of the previous owner of the Ukrainian solar companies – Activ Solar GmbH of Austria.

The Pryozerna Power Plant is registered to Pryozerne 1 and Pryozerne 2, which belong to the Dutch company AbHolom B.V. with an authorized capital of 18,000 euros and the Cyprus company – Gunaldi Commercial Ltd. with an authorized capital of 1,000 euros. The owners of the Cyprus company are two Cypriots. The owner of the Dutch “investor” is not known, but the executive director is Zuidema Hendrikus.

Only the Voznesenska Power Plant is still directly owned by Solar Activ Solar GmbH through Neptune Solar; the former invested 239.8 million UAH. Based on the trends described above, we can expect to soon see the sale of this power station to different newly-formed offshore companies.

In summary, 28 Ukrainian companies belonging to a number of newly-formed offshore companies with an authorized capital ranging from one to 1,000 euros from Cyprus, the Netherlands and Luxembourg, have a license to produce solar electricity in Ukraine. These companies are allowed to sell solar electric power to the state at the highest Green Tariff rate in Europe until 2030. In 2013, the state paid 1.6 billion UAH for solar electric energy to companies from the Aktiv Solar Group. In subsequent years this amount will increase as only a few power plants have been put into operation and new ones are still being built.

These numerous facts and pieces of evidence indicate that Andriy and Serhiy Kliuyev are the actual beneficial owners of these 28 companies in Ukraine and of the aforementioned network of offshore companies.

**The Green Tariff**

The Green Tariff in Ukraine is a special rate, whereby electric power is purchased from producers of alternative energy sources. Solar energy in Ukraine is purchased by the state for 505.09 copecks, while nuclear power costs 21 kopecks per one kWh. This constitutes the highest Green Tariff rate in Europe. It will be effective until 2030. By that year, alternative energy will satisfy the needs of no more than 5% of the Ukrainian market.

In Ukraine, all electric power producers sell their product on the wholesale market, which is controlled by the state-owned company Ukrenergo. Ukrenergo, in turn, markets the production to Oblenergo, which provides electricity to end consumers – individuals and legal entities. In summary, all the residents of Ukraine end up paying the Green Tariff rate to solar power plants.

As of November, 2012, the rule on local content was added to the legislative regulation on solar energy; it stipulates that a 30% of the content of electric power...
facilities must be of Ukrainian origin in order to benefit from the Green Tariff rate. This prerequisite was extended to include facilities, which were built as of January 1, 2012 and which were put into operation before January 2013. Sites that are put into operation before January 1, 2014 should have 50% of local content. The rule on local content has been in force since 2008, but it was deferred as there was no approved order for specific calculations before October, 2012.

Experts and investors of the solar electric power market have made very critical comments on the provision concerning “local content” as no one in Ukraine actually manufactures machinery, equipment and materials for the solar power industry. Foreign manufacturers have not had time to prepare for such discriminatory rules. However, one foreign investor has been systematically working to produce local content for solar electricity since 2008. The name of this investor is Activ Solar GmbH, which has been operating Zavod Napivprovvidnykiv PrJSC since 2008.

Manufacturers of solar electricity may satisfy the rule on local content by using Ukrainian-produced polycrystalline silicon, as stipulated in Article 17-3 of the Law of Ukraine “On electric power engineering”:

b) for electric power facilities, including commissioned newly-built electric power plants (launched complexes), which produce electric energy generated by solar power:

<table>
<thead>
<tr>
<th>Local content elements</th>
<th>Operations, which should be implemented on the territory of Ukraine</th>
<th>Fixed share, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>polycrystalline silicon production</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Monocrystalline, multocrystalline or pseudo-monocrystalline solutions production</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Monocrystalline or multocrystalline plates production</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Photoelectric elements production</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Photoelectric modules assembly</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Construction work execution</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Polycrystalline silicon is produced by ActivSolarGmbH at the industrial facilities of Zavod Napivprovvidnykiv PrJSC.

**Zavod Napivprovvidnykiv PrJSC: gold polysilicon**

Zavod Napivprovvidnykiv PrJSC was established in 2002 after the reorganization of...
Zavod Napivprovodnykiv OJSC, which had been created during the Soviet era and was part of the Zaporizhya Titanium and Magnesium Plant.

By the second quarter of 2007, the plant was taken over by the state.

As of the third quarter of 2007, 75% of the property was transferred to Silicon LLC, which then transferred its share to SI-INVEST by the fourth quarter of 2007. As of the first quarter of 2008, SI-INVEST had a 99% equity stake in the plant, having bought out the government’s share. 75% of the share of the plant was transferred to Activ Solar in the fourth quarter of 2008. It should be noted that the plant was privatized when Viktor Yanukovych was Prime Minister of Ukraine and Andriy Kliuyev was Deputy Prime Minister.

In 2009 – early 2010, as Zavod Napivprovodnykiv PrJSC was not a profitable enterprise, several loan agreements totaling close to 458 million euros were signed with the state-owned Ukreximbank JSC.

The loans were allocated to finance an investment project for modern production of trichlorosilane, polysilicon and monosilicon. Assets and property rights to foreign trade contracts on supplying equipment, as well as future products were used as collateral for these loans. This means that a state-owned bank issued a huge loan secured by non-liquid assets (equipment) and illiquid future products to an unprofitable enterprise owned by an Austrian company. The decision to grant such an important amount of risky loans should be taken at the highest level of Ukreximbank JSC. However, the bank is monitored by a higher administrative body – the Special Oversight Council, whose members are appointed by the President, the Cabinet of Ministers and the Verkhovna Rada (Parliament) of Ukraine (five persons each).

In October 2010, the State Commission for the coordination of activities related to the implementation of investment projects approved the decision to provide financial assistance amounting to almost 200 million UAH to Zavod Napivprovodnykiv PrJSC. This assistance was provided “for the implementation of the innovative project “Creating a vertically integrated company producing photovoltaic products”. Zavod Napivprovodnykiv received compensation amounting to 200 million UAH for interest rates on loans, which the plant had obtained from the state-owned Ukreximbank a few months before. It was Andriy Kliuyev himself who was in charge of the State Commission.

Thanks to generous “investments” from the state budget and loans from a state-owned bank, Zavod Napivprovodnykiv PrJSC launched the first production of polysilicon. A full cycle of polysilicon production was launched in 2011.

Thus, the Activ Solar Group was ensured long-term access to polysilicon, which the company obviously uses to build solar power plants, through state funds. In addition, Zavod Napivprovodnykiv received a guaranteed market for their products – new manufacturers of solar electricity will be obliged to purchase polysilicon produced by the plant in order to ensure state requirements for local content.

**Tax Benefits**
A Green Tariff rate, multimillion loans from state-owned banks and direct financial assistance from the state – these are far from all the state privileges enjoyed by the Activ Solar Group. In accordance with paragraph 16, Article 197 of the Tax Code of Ukraine and item16, paragraph 1, Article 282 of the Customs Code of Ukraine, the following are exempt from VAT and customs duty – machinery, equipment, components and materials used for the production of solar electricity.

In addition, according to paragraphs 1,2, Article 158 of the Tax Code of Ukraine, enterprises implementing energy-efficient projects are exempt from paying a profit tax by 50%. Companies, which sell equipment, materials and raw materials used to produce electricity from alternative sources, must pay an 80% profit tax on such transactions. It is evident that the fore-mentioned rule is most beneficial to Zavod Napivprovidnykiv PrJSC, which produces polysilicon.

**Land**

Solar electric power plants, created by Activ Solar GmbH in Ukraine, are built on land that the government has distributed generously to groups of related newly-formed companies through preferential long-term lease agreements. In January 2012, the Council of Ministers of Crimea allocated a 49-year lease for a 336-hectare land plot to eight companies for the construction of solar power plants. In particular, Bora Solar and Calypso Solar LLC received 50 hectares each in the Kirov Region of Crimea, and Canary Solar, Clarion Solar and Lyennet Solar received 40 hectares each. Moreover, 40 hectares were allocated to Orion Solar and Jupiter Solar, and 36 hectares to Capella Solar for the construction of power plants near Mykolayivka. Incidentally, the last power plant has been completed and incorporated into Activ Solar GmbH’s projects.

In addition, in April 2012, the Council of Ministers of Crimea allocated 540 hectares of land to 17 companies for the construction of facilities producing solar electricity. The names of all 17 companies are related as they contain the word “Solar” or “Piwi” paired with additional letters of the Greek alphabet, or the names of planets. Information from the Unified State Register confirm the supposition that these firms are included in the Activ Solar Group as they often have the same registration address, the same executive director, and the same founding companies, among which we can find Activ Solar Gbmh and/or Activ Solar LLC.

The allocation of land was changed from agricultural land to power engineering land. In April, 2012, the Council of Ministers of Crimea issued an immediate decision on the allocation of 23 land plots totaling 646 hectares to 20 companies with a required discussion period of 2-5 minutes.

**Using budget funds to connect to the national grid**

The state ensures the connection of solar energy facilities to the national grid. Hundreds of millions of hryvnias (UAH) from the state budget have been assigned to the “state target programme for energy efficiency and the development of energy production from renewable energy sources and alternative fuels” for 2010-2015.

In 2011, the Ministry of Energy and Coal Mining held a tender for 69.69 million UAH...
for the construction of a 110-kV, 1.72-km power transmission line SES (from Sonyachna to Artsyz) and a nearby unit with video surveillance to protect perimeters. The Dunayska Power Plant belonging to Activ Solar GmbH operates in the Artsyz District of the Odesa Region. The tender was won by Zvyazotekhservice LLC, the co-founder of which happens to be De Sanctis-Invest. The latter was, in turn, established by the Austrian company De Sanctis Holding GmbH, which is controlled by Reinhard Proksch.

In general, from 2011 to early 2013, Zvyazotekhservice LLC won state tenders amounting to 382.32 million UAH to connect solar energy sites of the Activ Solar Group to the national grid.

We remind you that Reinhard Proksch also controls P&A Corporate Services Trust, which is the full 100% owner of Activ Solar GmbH.

The President lobbies the Kliuyev brothers’ solar business interests in China

Despite a serious political crisis in the country and protests voiced by hundreds of thousands of people, the President of Ukraine Viktor Yanukovych made a working visit to China on December 3, 2013. A framework agreement on alternative power engineering was concluded between the Ukrainian company Greentech Energy LLC and the Chinese National Building Materials Group of Corporations and the Chinese Export and Credit Insurance Corporation (SINOSURE). The agreement “defined the basic principles and preconditions for attracting direct investments and project financing from China to the construction and development of different projects in the field of renewable energy in Ukraine with an installed capacity of over one GW.” It is expected that Greentech Energy LLC will receive several hundred million euros in investments.

Investigations by the magazine Insider revealed a link between this company and several companies of the Activ Solar Group. In particular, the history of Greentech Energy’s ownership structure is connected with a company based on the British Virgin Islands (BVI) – namely Merandal Investments, which once owned a Cyprus offshore company – Krasolina Investment. The latter is the co-owner of several companies of the Active Solar Group, including Activ Solar’s Mitiayevo Power Plant. From the founding of Greentech Energy to December, 2011, the CEO of the company was Serhiy Kolobov, who also managed the following companies – Crimea Solar 1, Crimea Solar 2, Crimea Solar 3, Crimea Solar 4 and Crimea Solar 5, all of which control the Rodnykovo Power Plant. The magazine cites other evidence pointing to links between Greentech Energy and the Activ Solar Group.

Conclusion: Activ Solar GmbH’s formula for success

If we make a brief summary of the above-mentioned facts, Activ Solar GmbH’s formula for success, the actual owners of which happen to be Serhiy and Andriy Kliuyev, will look as follows:

1. Privatize a state factory.
2. Get a loan from a state-owned bank in order to organize the production of polysilicon
(458 million euros).
3. Pay interest on the loan thanks to assistance from the state budget (200 million UAH).
4. Exempt the plant from paying profit tax from polysilicon sales.
5. Register some five dozen clone companies in Ukraine, which will buy the polysilicon from the company for the construction of power plants.
6. Import equipment for the construction of solar power plants that is exempt from customs duties and VAT.
7. Obtain a preferential leasing agreement from the state for several hundred hectares, making prior changes to their intended purpose.
8. Register already built power plants in the name of about three dozen clone companies, which obtain a license to sell solar energy, and are accordingly eligible for the Green Tariff rate until 2030.
9. At the state’s expense, build a power transmission line, which will connect all the solar power plants of Activ Solar GmbH to the national grid. Win all state tenders to carry out this work.
10. Completely monopolize the Ukrainian market for the next 27 years by requiring all new power plants to use locally produced materials, machinery and equipment for solar power engineering.
11. Make the “foreign investments” visible: register all clone companies, which receive at least 1.5 billion UAH from the state every year, in the name of an entire network of unknown front companies in Austria, the Netherlands, Luxembourg and Cyprus and in the name of a few professional foreign lawyers acting as intermediaries.
12. Use the profits stripped from Ukraine and taken out of the country to implement new investment solar engineering projects in the U.S., Mexico, the United Arab Emirates and other countries.
13. Instruct the President of Ukraine to actively lobby for new business projects and new “investments” for Activ Solar during his working visits abroad.

Finally: if the citizens of Ukraine are not happy with the formula for success of an Austrian investment company with Ukrainian roots and hundreds of thousands of people come out to protest in the streets, then proceed to disperse them by force, discredit and intimidate them, and beat up a few journalists.

What should be done...

This is only a part of the “business scheme” instigated by the Kliuyev brothers.

All the information has been collected from open sources and publicly available information. Obviously, if law enforcement officers began investigating such schemes and had access to classified information (bank transactions, accounting source documents, etc.), they could formally prove the criminal nature of such a business scheme and qualify it as money laundering and abuse of office. They could at least check the information published in the media on companies of the Activ Solar Group being extended a loan totaling 2.6 billion UAH from the state-owned Oshchadbank in order to build power plants.

Ukrainian law enforcement officers will not do this because they are completely controlled by the president and the executive vertical branch of the government. In addition, they are now terribly busy preparing provocation against investigating
journalists and peaceful demonstrators in Ukraine.

However, we believe that the law enforcement authorities in Austria, Cyprus, the Netherlands, Luxembourg and the United States have sufficient grounds to institute criminal proceedings on money laundering charges.

First, Western law enforcement authorities could check from where newly-formed companies from Austria, Cyprus, Luxembourg and the Netherlands, with an authorized capital of one to 1,000 euros, received hundreds of millions of euros for the purchase of a controlling stake in companies belonging to the Activ Solar Group in Ukraine. All they need to do is gain access to the initial financial documents of all the offshore companies within the ownership structure of the Activ Solar Group.

Second, Western law enforcement authorities could check transactions between Activ Solar GmbH and its subsidiaries and the offshore companies mentioned above.

Third, Western law enforcement authorities could approach Mr. Stéphane Spedener from Luxembourg, Marcus Jacobus Maria Hollander from the Netherlands, Michael George Jeffrey from Great Britain and Cypriot citizens ΑΡΙΑΔΝΗ ΝΕΟΚΛΕΟΥΣ, ΔΕΣΠΩ ΣΩΚΡΑΤΟΥΣ, ΕΛΈΝΗ ΠΑΠΑΧΡΙΣΤΟΔΟΎΛΟΥ ΨΙΝΤΡΟΥ, ΖΩΗ ΘΩΑΝΝΟΤ and ΠΑΝΑΓΘΩΣΑ ΥΡΘΣΟΦΗ, and of course Reinhard Proksch from Liechtenstein. These “shareholders”, lawyers and auditors should be asked why they do not perform their duty and identify their client, as well as verify the source of his wealth.

And finally, who is the actual owner of the above-mentioned companies? Who are the real directors and/or owners that are officially represented by these individuals?

To be continued...

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Dr. Reinhard Proksch
Tuesday, December 24th, 2013

DEAR DR. REINHARD PROKSCH!

WE PROMISE TO RESPOND TO ANY QUESTIONS OR CORRECTIONS YOU MIGHT HAVE, SHALL YOU PROVIDE US WITH SUFFICIENT EVIDENCE REGARDING INCORRECTNESS OF ANY INFORMATION BELOW.

“YANUKOVICH.INFO” TEAM

The information below aims to show that money is being laundered by the ruling elite of Ukraine not in offshore havens, but in many countries of the European Union, in particular in Austria, Switzerland, Liechtenstein and the United Kingdom; we have
all the required legislative instruments to identify and prosecute the would-be potentates of Ukraine and their assistants in EU countries for money laundering, should there be political will.

We sincerely hope that after the publication of this article, both law enforcement agencies and financial monitoring authorities in the appropriate countries will collaborate in order to begin filing criminal charges of money laundering in their jurisdictions.

In addition, we hope to show that in Ukraine there is a close relationship between the ruling elite, many of whom are engaged in systematic and coordinated grand political corruption and money laundering abroad.

This article was written with the assistance of information published in the following websites: Ukrayinska Pravda and Nashi Groshi.

There is only one expert who has succeeded in optimizing taxes and normalizing the «money laundering» system for President Viktor Yanukovych, Prime Minister Mykola Azarov, the Secretary of the National Security Council Mr. Andriy Kliuyev and his brother Deputy Chairman of the Party of Regions Serhiy Kliuyev, namely Dr. Reinhard Proksch who until recently attended to all their interests. Dr. Reinhard Proksch, who was born in Liechtenstein, is an Austrian citizen, claims that he has been an accredited attorney in New York for over twenty years, and likely a resident of the United States, as well as the owner of COMPASERVE SE — an incubator of shelf-companies in Switzerland, Germany, Austria Lichtenstein, Great Britain, the USA, and other countries.

COMPASERVE SE team is spread around the world, and nominally consists of eleven persons, including Reinhard Proksch and two of his family members Bridgit and Richard Proksch, who are based in Vienna. COMPASERVE SE has an office in Austria — COMPASERVE HOLDING GmbH, Vienna Parking 12 Tower, Vienna, Lichtenstein — P&A Corporate Services Trust, Vaduz, Stocklerweg 1, and also in Britain COMPASERVE (EUROPE) LIMITED, 29 Harley Street, London, besides it has two offices in the United States — 44 Wall Street 12th Floor New York, NY and 60 SW 13th Street 48th Floor #4806 Miami, Florida. COMPASERVE SE offers
creation and registration of shelf companies, including Societas Europea, according to the EU Council Regulation 2157/2001. In seven to ten working days COMPASERVE SE opens a shelf company and guarantees team support and relocation of business just for 10,000 Euro, (registration fee is paid separately and usually does not exceed 5,000 Euro).

Below we will demonstrate how in breach of legislation, which explicitly prohibits money laundering by Politically Exposed Persons, Mr. Reinhard Proksch has been assisting the political elite of Ukraine to launder proceeds of corruption and hide their ownership of luxurious assets and/or companies in Ukraine.

**Client Mr. Aleksey Azarov**

In 2008 Reinhard Proksch registered a company L.A.D. A. Holding Anstalt, at the address of COMPASERVE SE office in Lichtenstein, i.e. Stoklerweg 1, Vaduz. Mr. Proksch is listed as Director of L.A.D. A. Holding Anstalt. In 2010 this company purchased on behalf of son of Prime Minister of Ukraine Aleksey Azarov a lovely house in a prestigious part of Vienna Potzleinsdorfer Strasse, 152–156, where Mr. Aleksey Azarov currently resides. This property neither Mr. Aleksey Azarov nor his father Prime Minister of Ukraine include it in their Income Declarations.

**Client President Viktor Yanukovych**

Dr. Reinhard Proksch also provides services to President of Ukraine, Viktor Yanukovych. Until September 2013 Proksch’s company Blythe (Europe) Ltd, registered under the address of London office of COMPAREVE SE owned Mezhyhirya estate — a luxurious residence of President Viktor Yanukovych.

It is common knowledge that since 2003 the President of Ukraine has been living in a former state residence called Mezhyhirya, which was privatized by MedInvestTrade LLC in 2007 and then sold to Tantalit LLC within two months. Tantalit LLC was founded by Pavlo Lytochenko, a resident of Donetsk; he owns 0.03% (44,000 UAH, approximately 4,000 Euro) of the statutory capital. He is also the founder of Dom Lesnika LLC, which privatized the hunting grounds in Sukholuchya. The second founder of Tantalit LLC is an Austrian company — Euro East Beteiligungs GmbH, which contributed more than 146 million UAH (approximately 13,27 million Euro), accounting for 99.97% of the statutory fund. The Director of Euro East Beteiligungs GmbH is Johan Wanovits was convicted in April 2013 for manipulating shares of Telekom Austria in order to increase the value of bonuses for former telecom managers.

The Austrian Register of Companies shows that the founders of Euro East Beteiligungs GmbH included Blythe Associate Inc (BVI), which transferred its shares to Blythe (Europe) Ltd (UK), and Euro Invest Bank (Austria). It is interesting to note that the principal shareholder of the Euro Invest Bank is Ms. Gabriela Wanovits and the Chairman of the Board of Directors is Frank Wanovits.

In 2008, Euro East Beteiligungs GmbH changed the composition of the company’s founders and only Euro Invest Bank and Blythe (Europe) Ltd were left on the list. Subsequently, Blythe (Europe) Ltd, bought Euro Invest Bank’s...
share and became the sole owner with 99.97% of the statutory capital of Tantalit LLC that privatized Mezhygirya.

It is interesting to note that at the time of purchase of Euro East Beteiligungs GmbH by Blythe (Europe) Ltd, the company had enormous debts, which were 600 times higher than its authorized capital and amounted to 30.5 million euros. Allegedly, this amount of money was Euro East Beteiligungs GmbH investment via Tantalit LLC in Mezhygirya. However, this did not dissuade Dr. Reinhard Proksch from acquiring the company.

Blythe (Europe) Ltd is registered in London UK; the company has two employees: Director Dr. Reinhard Proksch and a company secretary. According to the British Register of Companies — Company House, Blythe (Europe) Limited was founded by P&A Corporate Services Trust, Lichtenstein office of COMPASERVE SE.

In September 2013, Tantalit LLC was purchased by Serhiy Kliuyev for 146.6 million UAH (approximately 13.32 million Euro)— the cost of the authorized capital of Tantalit LLC. Once again, according to the words of Serhiy Kliuyev, he acquired both Tantalit LLC and its enormous debts. According to Sergiy Kluyev, he had to take a loan from PJSC Ukrpidshypnyk.

Dr. Reinhard Proksch is also directly tied to the privatization of hunting grounds in Sukholuchya (more than 30,000 hectares) used by President Viktor Yanukovych.

Dom Lesnika LLC privatized this domain; this company was founded by a British company — Astute Partners Ltd, whose directors, according to constituent documents, Reinhard Proksch and the registration address coincides with the COMPASERVICE SE office in London.

Finally, Dr. Reinhard Proksch has also been implicated in the luxury helicopters and aircraft, which are leased through «Tsentravia» LLC for President Yanukovych, and paid with the Ukrainian taxpayer’s money.

The principal founder of Tsentravia LLC is Blythe Associates Inc., which owns over 99.9% of the shares of the aviation company. This company is registered offshore, in the British Virgin Islands. Blythe Associates Inc. from the British Virgin Islands, which currently owns Yanukovych’s helicopter, was listed in 2008 as the founder of the Austrian company — Euro East Beteiligungs GmbH — which already owned Mezhýhírya at that time. In 2008, the composition of shareholders of the Viennese company — Euro East Beteiligungs GmbH — was changed. Instead of Blythe Associates Inc., Blythe (Europe) Ltd. started gaining more and more importance as a shareholder.

In both cases, the tender was held in breach of competitive procurement process with only one participant. Tsentravia LLC won the bidding allegedly due to technical problems in bidding applications of two other competitions. The lack of competitive and transparent bidding process made it possible to pay for air transfer of President of Ukraine twice the price quoted by Executive Craft, a UK-based company, which leases similar helicopters and jets.
Clients Andrey and Sergey Kluyevs

Dr. Reinhard Proksch has quite close business relations with Kluyev brothers, and not only through Blythe (Europe) Ltd, but also through P&A Corporate Services Trust, Lichtenstein office of COMPASERVICE SE. In 2009, P&A Corporate Services Trust bought Activ Solar GmbH, a company where the Kluyev brothers are the beneficial owners. To better explain the relationship between the Kluyev brothers and Activ Solar we should go back in time. In 1994, Sergey and Andrey Kluyevs founded SLAV Handel Vertretung und Beteiligung AG, which in 2005 founded Slav Beteiligung GmbH, which subsequently founded Activ Solar GmbH. Besides, Slav Handel Vertretung und Beteiligung AG bought PJCS «Ukrpidshypnyk» a huge international consortium, which includes more than 20 enterprises active in different sectors, such as color metallurgy, agriculture, development, insurance, finance, etc.


According to data compiled from audit reports of the PJSC Semi-Conductor Plant, in period from 2009 through 2011 PJSC Semi-Conductor Plant received a number of loans, totaling at 200 million Euro, from the state bank Eksimbank. PJSC Semi-Conductor Plant was highly unprofitable during the above period. Besides, PJSC Semi-Conductor Plant lent money from Activ Solar GmbH and from its subsidiary in Ukraine Activ Solar LLC. In 2010, Andriy Kluyev’s Commission issued to PJSC Semiconduct Plant almost 18 million euros (200,842,000 million UAH) to pay off the interest on the loans.

Together, Andriy and Serhiy Kluyevs managed to make Activ Solar GmbH in its five year existance, the leading manufacturer of solar electricity, which monopolized the market by the state support, such as:

- According to the 2010 Tax Code, sales of solar energy are exempt from payment of profits tax;
- According to the Tax Code, the import of equipment and materials for the production of renewable energy is exempt from payment of VAT;
- In July 2011, the Parliament of Ukraine adopted a law on land allocation for producers of renewable electricity, thus ratifying a 75% discount for the rental of such land;
- 50% of revenues from measures aimed at increasing the volume of production of renewable energy producers are exempt from payment of VAT if they are registered with the National Agency of Ukraine for Efficient Use of Energy Resources;
- According to the Law of 2009, whereby the highest green tariffs for solar energy manufacturers were approved in Ukraine (5.06 UAH per kW), the National Commission on Development of Energy ratified Ordinance for the regulation of electrical energy in favour of Activ Solar in Crimea; by serendipity the Head of the National Commission on Development of Energy is Sergiy Titenko, who worked as Deputy CEO at PJSC Ukripidshypnyk in 2000, while it belonged to SLAV Handel, Vertretung, Beteiligungs AG, Kluyevs’ business;
In 2011, the European Commission suspended direct budgetary support for the alleged misspending of costs for energy conservation on connection of Activ Solar LLC (Ukraine) to the national power lines.

The Ukrainian office of Activ Solar is located at Serhiy Kliuyev’s public reception bureau at 3 Reznitska Street in Kyiv.

We would also like to bring to your attention one of the illustrative examples of using Proksch’ self-companies to obtain a Ukrainian state budgetary support for Kluvey’s business in Ukraine. In 2011 the Ministry of Energy and Coal allocated 69.69 million UAH (more than 6.3 million Euro) to connect solar electric power plants of Activ Solar LLC to the national electricity lines of Ukraine. Public procurement tender was won by «Zvyazoktechservice» LLC, whose origin leads to Comaserve Holding GmbH, Vienna office of COMPASERVE SE and Dr. Reinhard Proksch as Director.

«Zvyazoktechservice» started to win public procurement bids in 2011 and up to the end of 2013 received 382.32 million UAH (approximately 34 million Euro). All tenders were for connecting Activ Solar LLC to the national power lines.

Thus, due to the proper coverage provided by Dr. Reinhard Proksch’s shelf-companies, Kluvey brothers, who are in the position to make crucial decisions on spending public money, allegedly abuse their office to support their private business. The above public procurement contract caused the termination of the direct budgetary support from the European Commission, which was mentioned above.

Dr. Reinhard Proksch who sells European shelf-companies got very lucky, because he got reliable clients — the political elite of Ukraine. The latter got used to develop their private businesses by using money of Ukrainian tax-payers. This could be a reason Dr. Reinhard Proksch’s clients are so willing to close down «Ukrainian Maidan» movement and intimidate the population of Ukraine, which got tired of the lack of rule of law and grand political corruption in Ukraine.

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Oleksandr Yanukovych
Thursday, December 5th, 2013

Oleksandr Yankovych, a dentist by training, was born in Donetsk in 1973 and, is currently one of the wealthiest businessmen in Ukraine and the second richest person in Donetsk after Rinat Akhmetov. As of November 2013 Oleksandr Yanykovych’s assets are estimated by Forbes to total $510 million.

The exponential rise of Oleksandr Yanukovych’s business empire occurred in 2010–2013, when his father held the post of President of Ukraine. Prior to 2010, Mr. Oleksandr Yanukovych owned only the Management Assets Corporation, LLC
(MAK, LLC) with a statutory capital of 55 million UAH (less than $7 million).

The business interests of Oleksandr Yanukovych are concentrated in the **Closed Joint Stock Company Ukrainian Bank of Development** and the **Closed Joint Stock Company Mako Holding**.

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1. **Ukrainian Bank of Development (UBD)**

**CJSC Ukrainian Bank of Development** was founded on April 23, 2009 by **Donsnabtara LLC**, with a statutory capital of 80 million UAH. **Donsnabtara LLC**, which was founded in 1995, was at the time headed by Mrs. Valentyna Arbuzova, mother of the incumbent Vice Prime Minister of Ukraine.

Since January 27, 2011 Oleksandr Yanukovych has acquired 100% ownership over the statutory capital of **UBD**. This happened fewer than two months after Serhey Arbuzov, a close friend of Mr. Oleksand Yanukovych, was appointed head of the National Bank of Ukraine. The mother of Mr. Serhey Arbuzov, Mrs. Valentyna Arbuzova has served as Head of the Executive Board of **UBD** since its creation.

Since its establishment in April 2009, **UBD** has increased its capital 10 times over. In 2013, **UBD** doubled its capital over the previous year. Interestingly, on December 24, 2012, Mr. Serhey Arbuzov, a son of head of **UBD** Mrs. Arbuzova, became the First Vice Prime-Minister of Ukraine.

The chronology of **UBD's** capital growth:
- April 2009 — capital totaling 80 million UAH
- December 2010 — capital totaling 111.7 million UAH
- December 2011 — capital totaling 332.2 million UAH
- December 2012 — capital totaling 409.3 million UAH
- September 2013 — capital totaling 799,032 million UAH

UBD’s capital was increased through the issuance of additional stock, which was all bought with cash by Oleksandr Yanukovych. Specifically, in May 2013 UBD issued additional stock worth 412 million UAH. Mr. Oleksandr Yanukovych bought the stock with his personal funds.

Meanwhile, in 2011 UBD’s increased net profit increased 17 times over 2010.

It is unclear what the origin is of the hundreds millions of cash invested by Oleksandr Yanukovych into his bank over the last three years. It could perhaps be from activities of Mako Holding, which are described below.

The closeness of Mr. Oleksander Yanukovych to the President of Ukraine allowed UBD to get an array of extremely profitable contracts in 2010-2013 to serve and credit state institutions.
1. In February 2012, all employees of the central department of the Tax Service of Ukraine stopped receiving their salaries via the state-owned Ukreximbank and began receiving them via the relatively new UBD. The head of the Tax Service of Ukraine, Mr. Klymenko, is known to be a good friend of Mr. Oleksandr Yanukovych and Mr. Arbuzov, the latter who at that time was head of the National Bank of Ukraine. Each of the more than one thousand employees of the Tax Service received a «salary card» and a «deposit card» at the UBD. Each employee receiving their salary on a «salary card», had a fixed amount of their salary transferred to deposit card. The employee had no choice about the transfer of the funds to the deposit card. In 2013 UBD became one of several banks receiving a large portion of the «salary projects» for government employees, including those at the Ministry of the Interior and, court administrations in Kyiv and Donetsk. According to the Head of the Association of Ukrainian Banks, civil servants are forced to use the services of UBD by imposition.
2. In 2013 **UBD** won a series of public procurement contracts to provide credit to state-owned railway enterprises **totaling 978 million UAH**. In particular, on November 14, 2013, the state-owned **Odesa Railway** signed a contract with **UBD** to receive a line of credit in U.S. dollars of 55,61 mln UAH with a 10.5% interest rate. On November 8, 2013 the **Donetsk railway** signed a similar contract with UBD to receive a credit line for 55,64 million UAH.

**UBD** serves **Mako Holding** company and its subsidiaries, which are either controlled or belong to Mr. Oleksandr Yanukovych.

**UBD** uses the following **intermediary banks** for transfers in USD and Euros:

1. **Deutsche Bank Trust Company Americas**, New York, USA
2. **PJSC Commercial Bank KHRESCHATYK**
3. **Deutsche Bank AG**, Frankfurt am Main, Germany

2. **Closed Joint Stock Company Mako Holding**

**Mako Holding** is the parent company of about 20 spectacularly successful companies in Ukraine, the Netherlands and Switzerland, most of which significantly expanded in 2010–2013, during the presidency of Mr. Viktor Yanukovych.

1. Oleksandr Yanukovych is the sole owner of **Mako Holding CJSC**, which was established on February 25, 2011 with statutory capital of 55 million UAH. The
company is the successor of the now defunct MAK LLC. MAK LLC was registered on June 7, 2006 and was wholly owned by Oleksandr Yanukovych.

2. Once established in 2011 Mako Holding had a negative profit on its balance sheet. In a year the company showed an official net profit totaling 197 million UAH.

3. On November 22, 2011 Mako Holding issued an additional 450,000 shares with a total value of 225 million UAH. In January 2012 Mr. Oleksandr Yanukovych officially purchased all of this stock with cash.

4. In September 2013 Oleksandr Yanukovych issued an interest-free loan to Mako Holding worth 150 million UAH.

Mako Holding is the parent company of a series of energy, coal and development companies, which significantly expanded in 2011–2013, specifically:

1. CJSC Edelveis was registered on January 20, 2010 in Donetsk by MAK LLC. In 2012 Mako Holding invested 1,56 million UAH in CJSC Edelveis, receiving a 99% share of Edelveis. During 2010 — 2012 the company was not profitable. In 2011 Edelveis received 15,02% of Artemivsk Winery CJSC, which appeared to be quite profitable; Artemivsk Winery reported net profits of 13,2 million UAH, 17,7 million UAH, and 13,1 million UAH in 2010, 2011 and 2012, respectively. In June 2013 Edelveis transferred its stock in Artemivsk Winery to the Netherlands’ based company ARTVIN Holding BV.

   Edelveis since 2011 has 25% shares of Corporation Management Assets Company.

2. Architecture-Engineering Company Constructiv LLC was registered in 2010. Mako Holding owns 70% shares of the company; in 2012 Mako Holding invested 248,200 UAH in the company.

3. Mako Invest LLC was registered on November 24, 2011. Its statutory capital is 5 million UAH divided between Mako Holding (51%) and Oleksandr Yanukovych (49%); in 2012 «Mako Holding» invested an additional 4,04 million UAH in Mako Invest LLC.

4. Mako Trading LLC was registered on December 7, 2011. Its statutory capital is 5 million UAH divided between Oleksandr Yanukovych (49%) and Mako Holding (51%); in 2012 Mako Holding invested 43,2 million UAH in Mako Trading LLC. During the first quarter of 2013 Mako Trading exported 370 thousand tons of energy coal with a price of 835 UAH per 1 ton (totaling 308,95 million UAH). The key beneficiary of the exported coal became Swiss MAKO Trading SA, which is controlled by Mako Holding as well. Additionally, in 2013 Mako Trading exported coal to Italian Energy Coal SPA, Croatian Nasice cement DD and Portuguese Carbol LDA. In 2012 Mako Trading exported 200,000 tons of coal, which was received from state-owned enterprises Shakhterskantratsyt, Snezhnoyantratsyt and Torezantratsyt.

5. Mako Activ LLC was registered on March 14, 2012. Its statutory capital is 180 million UAH and is 99% controlled by Mako Holding; in 2012 Mako Holding invested 20 million UAH in Mako Activ LLC.

6. Management Assets Company Corporation was registered on March 31, 2009. Its statutory capital is 4 million UAH, which is equally shared by Mako Holding, Edelveis LLC, Capital Building Corporation CSJC, and Ryatuvalnyk LLC.

7. Ryatuvalnyk LLC shares are 99% controlled by Capital Building Corporation.

8. Eastern Business Centre, LLC was established on August 13, 2010. In 2012 Mako Holding invested 127,3 million UAH in the company; on April 25th, 2013 Mako Activ
LLC became the successor of Eastern Business Centre.
9. Capital Building Corporation, CJSC was established on December 9, 2005. Since 2010 the company had been controlled by MAK LLC; in 2012 Mako Holding invested 45.7 million UAH in Capital Building Corporation receiving 96.8% of its shares. In August 2013 Mako Holding issued an interest free loan totaling 20 million UAH to the Capital Building Corporation.

10. MAKO Holding B.V. was established on October 27, 2011 in the Netherlands by LiFe Holding AG, which was its sole shareholder until December 23, 2011, when Mako Holding bought all shares of the company. The statutory capital of Mako Holding B.V. is currently 10 million Euro. In 2012 Mako Holding invested 105.3 million UAH in MAKO Holding B.V., which as of December 31, 2012 didn’t have any employees in the Netherlands, or abroad. Mako Holding B.V. is the sole shareholder of ARTVIN Holding BV, which owns 19% of Artemivsk Winery. Mako Holding B.V. is the sole shareholder of the Switzerland based MAKO Trading SA.

11. Marinaservice CJSC, was registered on May 26, 2010 by LLC MB Service with an initial statutory capital of 55 million UAH. The initial statutory capital of Marinaservice CJSC was increased to 64 million UAH in November 2012. Since the third quarter of 2011, Oleksandr Yanukovych became the sole owner of the company. In 2010 Marinaservice bought four historical buildings in Balaklava Bay and received from the Ministry of Transportation an open-ended lease of hydro-technical facilities. In 2011 the company bought floating pantones, wave-breakers, administrative buildings and two apartment buildings. In total, all of the buildings in Balaklava Bay cost Marinaservice 54.6 million of UAH. In 2010 the Ministry of Defence of Ukraine allowed the privatization of 8.4 hectares of land belonging to ship yard Metalist near Balaklava Bay and 1.8 hectare of Cape Aya, which were leased by Marinaservice. In 2011 Marinaservice leased 1.8 hectares of Balaklava Bay. On July 16, 2013 the Sevastopol city administration gave 1.32 hectares of Balaklava bay land to Marinaservice. Thus in total, Marinaservice acquired more than 10 hectares of precious access to the water near Sevastopol.

3. Donbass Rozrahunkovo Finansovyi Centr, DRFC

While UBD, Mako Holding and Mako Holding’s subsidiaries officially belong to the business empire of Mr. Oleksandr Yanukovych, there remain a number of corporate structures with no direct legal ownership links to the son of Viktor Yanukovych. However, dozens of journalistic investigations provide evidence that Oleksandr Yanukovych is their beneficiary owner. Thus, allegedly Mr. Yanukovych is a beneficiary owner of highly profitable DRFC LLC, which is one of the leading businesses in the coal and energy sector in Ukraine.

The Association Donbass Rozrakhunkovo-Finansovyi Centre (DFRC) was established in 1997 and until 2010 was controlled by Eduard Prutnik, an MP from the Party of Regions and close friend of Mr. Viktor Yanukovych.

In June 2012 the Association was reorganized into the Public Joint Stock Company Central Enrichment Factory Comsomolska, the ownership of which is divided between 3 companies:

- **DRFC LLC**, which invested 200.1 million UAH giving it 74.18% shares
- **Eastern Transport Company LLC**, which invested 0.02 million UAH giving it 0.01%
Regional Department of State Property Fund (State), which invested 69.6 million UAH giving it 25.81% of shares

Since November 26, 2013 DRFC LLC has bought all the shares which previously belonged to the other parties.

In turn, DRFC LLC officially belongs to Sarone Holdings Limited, a company registered in BVI, where the beneficial owner is hidden.

According to a number of journalistic investigations Mr. Oleksandr Yanukovych has controlled the company since 2010.

In 2011 DRFC LLC won state tenders totaling to 949.3 millions UAH. In summer 2012 DFRC privatized five state-owned factories that enrich coal, specifically Uzlovskaya, Chervona Zirka, Komsomolskaya, Ukraine and Russia.

The factories provide services to dozens of state-owned coal mining companies and win multimillion UAH tenders.

Enrichment of excavated coal improves its quality and often coal-mines work with enrichment factories, each of which enriches an average of 2–2.5 million tons of coal per year.

In November 2012 the Ministry of Energy and Coal Mining contested the privatizations, claiming that it was illegal to issue more than 50% of state-owned factories’ shares to a private company DFRC. The commercial court in Donetsk, however, issued a decision in favor of DFRC, relying on changes in legislation adopted in March 2012, a few months before the privatization by legislative initiative of the President Viktor Yanukovych.

DFRC has been actively buying coal from so-called «little mines» or «coal pits». According to the data of the Ministry of Energy and Coal, at least 9 mln tons of coal are produced at coal pits, which neither have safe working conditions nor provide social benefits to miners. The coal from pits is cheaper and can be purchased for 300–400 UAH per ton, versus what the regular coal mines sell for 800–1000 UAH per ton. Taking into consideration that DFRC sells its coal to the electric stations for 925 UAH per ton, the difference in is a pure profit for DFRC, which when combined with heavy state subsidies enables DFRC to be one of the leading companies in the coal business in Ukraine.

According to journalistic investigations conducted since April 2012 Mako Trading is acting as a guarantor of export operations conducted by the Chervona Zirka coal enrichment factory, which belongs to DRFC. During the first quarter of 2013 Chervona Zirka exported about 4300 tons of coal to Poland and the Czech Republic at a price of 820 UAH per ton.

Finally, there is one more company called LE MARE, LLC, which could be included in the list of the Yanukovychs’ business structures. Olena Yanukovych, the wife of Oleksandr Yanukovych, is owner of the company with 20 mln UAH of statutory capital. The company allegedly owns a luxurious fitness centre in Donetsk called LE-MAREE.
Victor Yanukovych
Thursday, December 5th, 2013

Mr. Viktor Yanukovych was born in 1950 in Yenakievo, Donetsk oblast. As a minor he was convicted in 1967 for robbery, and later in 1969 for assault. These convictions and court papers miraculously disappeared and his political career successfully took off. Yanukovych served as the Governor of Donetsk Oblast from 1997 to 2002. Subsequently he was Prime Minister of Ukraine from November 21, 2002, to 31 December 2004, under President Leonid Kuchma, and he was an unsuccessful candidate in the 2004 presidential election, ultimately losing to Viktor Yushchenko. Yanukovych continued to lead his party, the Party of Regions, after the 2004 election, and he served as Prime Minister for a second time from August 4, 2006, to December 18, 2007 under President Yushchenko. On March 3, 2010, Yanukovych transferred leadership of the party to Mykola Azarov. Yanukovych won most votes in the first round of the January 2010 presidential election, and faced Yulia Tymoshenko in the second round of the election. Yanukovych won the second round of the election by 3% over Yulia Tymoshenko’s party.

1. As Prime Minister of Ukraine, Mr. Yanukovych officially lived in a penthouse apartment (384 sq m) in a modern building in Kyiv, located at 10 Sichnevogo Povstannya Street, apartment 8. Then he sold that apartment to Mr. Sergey Kluyev (MP form the ruling party, head of the Parliamentary Committee on Banking Regulations and member of the Supervisory Board of the National Bank of Ukraine). The apartment was sold for the unusually high price of $7 mln USD (the former ex Prime Minister of Ukraine, Mr. Lazarenko, who was convicted in the US for money laundering, bought his sprawling 20-room home with a swimming pool, tennis court and a significant land in the city of Novato, California, US for $6.75 mln USD in 1998). The price for Yanukovych’s penthouse was ridiculously high. Though information on this phenomenal real estate deal was publicly available, the Prosecutor General Office did not find it suspicious.

2. Since 2003 Mr Yanukovych has resided in the former state residence — a 343.4 acre estate — Mezhygirrya. This estate was privatized in a chain of murky transactions, which were unsuccessfully disputed in court. The President of Ukraine claims that he owns a 620 sq m house and 4.2 acres of land at Mezhygirrya, and that the rest of the land belongs to the Charity Foundation “Vidrodzhennya Ukrainy” and the Tantalit LLC company, which bought it in 2007. Tantalit LLC was founded by a UK-based firm Blythe Europe, Ltd and run by Mr. Reinhard Proksch. Interestingly, Mr. Sergey Kluev sold his prosperous business Activ Solar in July 2009 also to Mr. Reinhard Proksch, at whose home address P&A Corporate Trust — the current official owner of Activ Solar - is registered. Incidentally, Activ Solar is a successful monopoly in producing solar energy in Ukraine with more than 20 solar energy plants. Since Sergey’s brother Andriy Kluyev — a co-owner of Activ Solar — held the office of the Vice Prime Minister of Ukraine, Active Solar has enjoyed generous state bank interests-free credits, tax
exemptions, unprecedented low prices on land leases (3% of the value per year), duty free import of equipment, and the highest green tariff in Europe, enabling **Active Solar** to become a monopoly in the solar energy sector in Ukraine. Moreover, even the European Union’s direct budgetary support funds were spent on connecting **Activ Solar** plants with electricity system in 2011 instead of the energy-saving work demanded by the EU. The EU did not approve of such support for **Activ Solar** using its funds and as a result halted its direct budget support to Ukraine. In 2008 **Tantalit** signed a 49-year at the lowest price possible, i.e. $10 USD per 0.25 acre per year, and started to develop Mezhigirya, turning it into a world-class luxury estate. In just three years, the two former old state dachas and shabby service quarters located in Mezhigirya’s pristine forest were turned into an estate which encompasses one huge super-luxurious 5-story palace, two 3-story guest houses, a golf course, a yacht club, a helicopter pad and hangars, a racetrack with horse stables, tennis courts, etc. The interior of the Mezhigiryra Palace is exceptionally posh; for example, it holds a several crystal lamps running $97,000 each, gilded toilet bowls and mahogany wall panels.

Neither **Tantalit’s** revenue documents nor **Blythe Europe’s** tax reports ever provided a clue to the origin of money invested in the development of Mezhigirya. In 2010 the Austrian firm **Euro East Beteiligungs GmbH** decided to buy the property of **Charity Foundation “Vidrodzhennya Ukrajiny”** (honka, sauna and SPA centre) for 1,2 bln UAH (approximately $150 mln USD). This price does not include the golf club, zoo, horse club, yacht club, landing platform, guest houses, dormitory, electric stations, or administrative building, etc.

3. In September 2013, Mr. Reinhard Proksch suddenly decided to sell Mezhigirya to Mr. Sergey Kluyev, who became an honorable host of the head of his political party Mr. Yanukovich. Interestingly, Mezhigirya is surrounded by a 5–6 meter fence and has no public access. It is guarded by the special police force BERKUT, and nobody except Mr. Viktor Yanukovych and his family is allowed to enter. Thus far, the only person with control over access to Mezhigirya is Mr. Viktor Yanukovych. He is the beneficial owner of a luxurious estate located in pristine forest on the bank of the Dnipro River.

4. Mr. Viktor Yanukovych is a big fan of hunting and in order to satisfy his passion to hunt, he gained exclusive access to more than 74 131.6 acres of Sucholuchchya forest located in the Dnipro-Teteriv forestry. During Viktor Yuschenko’s presidency, with the support of then Head of Kyiv Oblast Administration Mrs. Vira Yluanchenko, Sucholuchchya forest, which had two state residences - “Ostriv” and “Akaciya” was privatized. At first it was transferred from the Cabinet of Ministers to the State Forestry Committee, however the 42 acres were then bought by **Dim Lisnyka LLC**, allegedly to develop green tourism in Ukraine. As soon as **Dim Lisnyka LLC** received all the papers, it put a fence around entire Sucholuchchya forest property and the special BERKUT police troops (which were used to beat up peaceful demonstrators on Bloody Saturday, November 30, 2013 in Kyiv) began protecting it. Only people with special permits can get access to the Sucholuchchya forest. The founders of **Dim Lisnyka LLC are Ivan Tokhtamych** and **Astile Partners Ltd**, with Mr. Reinhard Proksch serving as Director. Ivan Tokhtamych is also of the Director of **the Society of Hunters and Fishermen “Kedr”**, which is located at the Mezhigirya estate. This Society was founded by the ex-minister of energy Mr. Yuriy Boyko. Astute Partners Ltd is affiliated with **Euro East Beteiligungs GmbH**, which built the yachting and horse facilities at Mezhigirya. Sucholuchchya was leased for 49 years based on the decision of the Vyshgorod Local Council for slightly more than $3,000 USD per year. In 2011 **Dim**
Lisnika LLC and the Suholuchchya hunting forest were bought by MAKO Holding, which belongs to Oleksander Yanukovych. As a result, President Viktor Yanukovych has an exclusive access to the 74 131.6 acre of pristine forest, which he uses for hunting.

5. To satisfy Mr. Viktor Yanukovych’s passion to be above everybody else, the company Centravia LLC leased an Augusta 139 helicopter and a Falcona 900 plane to the state aviacompany “Ukraine” for 7.5 mln UAH ($937,500 USD) and 8 mln UAH ($1 mln USD) respectively, paying with the tax-payers money. As of 2011 Centravia LLC had two founders, Mt. Pavlo Kovaliov from Donetsk and Aero Holdings Ltd B.V.I. When Centravia LLC was founded in 2007, its founders were Ukryivresurs and Volodymyr Lytvchenko, who also had a minor share in Tantalit LLC.

6. Mr. Yanukovych also writes books and judging from his Income Declaration he is probably the most successful writer in Ukraine and in Europe. In 2011 and 2012 the Donetsk printing house Novyi Mir paid him approximately $4.56 mln USD. Though Mr. Yanukovych’s five books were published in different publishing houses such as Folio, Valrus-design, Printing House of Dmitriy Burago and Mandelbaum Verlag (where Mr. Yanukovych actually paid for his publications), all honoraria were paid by the Donetsk base printing house, which does not in fact publish books. What is more, Mr. Yanukovych’s book “Opportunity Ukraine” was plagiarized and was never put on the market. This success story of book-writing evokes more the money laundering schemes of Meyer Lanski than successful business management practices.

7. The southern coast of the Crimea hosts four government villas — «Muholatka» № 9 and «Dawn» № 1, № 3, and № 6, which have been renovated at public expense over the last three years. The interiors were upgraded and furnished with gold Italian furniture, English porcelain and other luxuries, such as a heated marble massage table which cost 600,000 UAH. Near two of the government villas, helipads were installed. There are two other private estates also in Crimea, which, after ownership over them was transferred to Yanukovych, were renovated by LLC Nord 2007. As a result of this investment, their value increased, which then gave Yanukovych the right to buy them for himself. However, the estates were not enough and Viktor Yanukovych decided to privatize Cape Aya, — formerly the resort of Ukravtodor (State Road Service) which approximately equals in area the Kingdom of Monaco and includes beautiful wild beaches and vast forests, and lies at the foot of the mountain Aya. All-together, the area of the estates is 8.6 acres. In the summer of 2007 the 8.6 acre property (including the park) was privatized for 6.36 million UAH. Officially, the Simferopol based company Arktyr-Krym LLC assumed ownership. The main founder of the company, according to the tax authorities at the time, was Ukrkyivresurs LLC which contributed almost 7 million UAH (less than $900,000 USD) to the joint capital, which was used to purchase the property. Ukrkyivresurs also founded of Kyiv Universal Service LLC, which serves Mezhyhirya, providing gardeners, janitors, cooks and groomsmen. Ukrkyivresurs LLC was also the founder of SPS-group LLC, an entity which purchases decorations and furniture for the club house on Mezhyhirya property, including palatial chandeliers and carved mahogany wall panels. Ukrkyivresurs has the same address as Dim Lisnyka LLC, which privatized Suholychchya, and was later bought out by Oleksandr Yanukovych. Subsequently, Ukrkyivresurs LLC sold the Cape Aya estate to Nord 2007 LLC, which also privatized the state landmark, a historic villa Tea House in Massandra, and privatized the two other historical villas Cameo and Miro Mare in Simeis. Also, in 2008, Yanukovych expanded his ownership on Cape Aya.

In accordance with Sevastopol City Council ruling #4355 on 20.05.08, in connection
with a voluntary refusal, the right was suspended to regular use of the state rehabilitation Center for the Liquidators of the Chernobyl Plant, a parcel totaling 10.2 acres located in the Batiliman tract in the Sevastopol area SCC 33. It was then leased to Nord-2007 LLC for 25 years. Today, Nord 2007 LLC belongs to an unknown Cypriot company Leolita Trading Ltd. But all of the construction work is being done under the supervision of Mr. Olexander Yanukovych and no one except the family of the President has access to the Cape Aya estate according to reports. On the site of the Cape Aya estate they are now building an incredibly luxurious palace which is even more audacious than Mezhyhir’ya.

All the above would not be possible if Ukraine were a member of the EU. Mr. Yanukovych would certainly feel more comfortable in the company of Mr. Putin (13 years in power), Mr. Lukashenko (19 years in power) or Mr. Nazarbayev, (19 years) all of whom also often confuse the wealth of their nations with their own.