

NABU detained deputy Minister of Defence. He is put under house arrest

13.10.2017

On October 11, 2017, NABU detectives under the procedural oversight of SAPO prosecutors conducted a series of searches, in the course of which two persons were arrested: Deputy Minister of Defence of Ukraine Igor Pavlovskiy and Director of the Department for Procurement and Supply of Material Resources of the Ministry Volodymyr Hulyevych. They are suspected in embezzlement of 149 million UAH of state funds.

While commenting on this case, the President of Ukraine promised “to cut off the hands” of those who rob the army. But was the President sincere?

On October 12, 2017 Solomyanskyi court of Kyiv was selecting preventive measures for both suspects. During the hearings, Pavlovskiy’s attorneys informed that First Deputy Secretary of the National Security and Defence Council of Ukraine Oleh Hladkovskiy was ready to issue personal guarantees for their client and arrive to the hearings “in an hour”. Hladkovskiy (his then surname was Slynarchuk) was Poroshenko’s business partner since mid-1990s. In 1997 he was appointed as Deputy Director General for the “Ukrprominvest” group, where key Poroshenko’s assets (Roshen, International Investment Bank etc) have been concentrated. Moreover, acting MP Igor Kononenko also served as Vice-President of the same financial group.

Solomyanskyi court decided to put both suspects under house arrest for 2 months.

Background information about the embezzlement scheme:

According to the investigation, in early 2016, Ministry’s Committee for Procurement organized an open tender for the purchase of liquid fuels. As a result of trades on April 26, 2016, the Committee approved 14 lots from one of the bidders (“Trade Commodity” company) as the most economically beneficial. On May 13 and 18, 2016, between the Ministry of Defense and the winner of the bidding process, there were signed 14 contracts for the supply of fuel for special purpose machinery at the expense of the State Budget of Ukraine. Total amount of the contracts exceeded 1 billion UAH.

According to the pre-trial investigation, in June-August 2016, without any legal grounds for amending the contracts, the customer and the supplier concluded a number of additional agreements, according to which the price per each unit unjustifiably increased in around 16%. As a result 149 million 339 thousand UAH of budget funds were lost.

The investigation believes that Ministry’s officials, at preliminary agreement with the representatives of the company, committed a crime, stipulated in Part 5 of Article 191 of the Criminal Code of Ukraine (“Assignment, embezzlement or misappropriation of property by abusing official position”).

In addition, on October 12, the Ministry of Interior informed that abovementioned company “Trade

Commodity” tried to use the same scheme to win National Police’s 380 million UAH bid for purchase of petroleum products. However, their offer was rejected.