

MEMO

**on the activities of Ukraine's government bodies
in an effort to combat corruption**

Displays of corruption are more or less evident in every society. Unfortunately, this phenomenon is also present in Ukraine, which is undergoing harsh times of transition to market economy. Therefore, **combating the corruption has become one of the central subjects in the activity of Ukraine's executive bodies.**

In an effort to manage this negative phenomenon, the country's officials have resorted to a number of organizational, legislative and practical activities.

To coordinate efforts aimed at dealing with this problem, a **“Coordination Committee for combating the corruption and organized crime”** has been created under the auspices of the President of Ukraine, which is entrusted to coordinate mutual actions of national law-enforcement and control bodies for combating the corruption and organized crime.

Legislative support for law-enforcement activity and organized crime resistance is entrusted to the related committee of Ukraine's Verkhovna Rada.

In an effort to implement practical activities aimed at combating the corruption, special units have been formed in Ukraine's Ministry of Internal Affairs, Security Service, General Prosecutor's Office and State Tax Administration. The **President of Ukraine has issued a decree on creation of a National investigation office.** Last November, the bill on the National investigation office and related draft amendments to the effective legislation was placed by the President of Ukraine to Verkhovna Rada for consideration.

Great attention is paid to regulatory support for the activities by state and law-enforcement bodies aimed at combating the corruption in the country.

On the initiative of the President of Ukraine and Ukraine's Cabinet of Ministers, Verkhovna Rada of Ukraine have adopted the legislative acts “On combating the corruption”, “On civil service”, “On property”, “On commercial activity”, “On deposits”, “On economic partnership”, “On leasing the state-owned property”, “On bankruptcy”, “On foreign economic activity”, etc.

Special attention has been paid to coordination and practical support for implementation of standard documents on combating the corruption in the country.

To implement this, the President of Ukraine has issued a number of decrees, expanded sessions and briefings are taking place twice a year with participation of the heads of national, law-enforcement and control bodies, where the results of this activity are analyzed in detail and the related tasks are assigned. For the last two years alone,

the question of enhancing the resistance to corruption have three times been on the agenda of Ukraine's Cabinet of Ministers.

On the initiative of the President of Ukraine and the Cabinet of Ministers of Ukraine, a number of programs on implementing the coordinated organizational and practical activities of national, law-enforcement and control bodies aimed at more enhanced fighting against corruption in the country, have been developed and approved. **Being a logically relevant continuation of this activity, the National program together with the Concept of combating the corruption for 1998-2005 have been adopted in 1997 and in 1998 respectively.**

Among the measures taken, special attention is paid to preventing and revealing the cases of corruption in central and local executive and law-enforcement bodies, in the customs and tax departments, in the credit and banking sector, in the course of privatization, in the foreign economic activity, and in the fuel and energy complex. Special control is also established over preventing the cases of corruption in the civil service area. According to the Ukrainian legislative acts "On civil service" and "On combating the corruption" and to the scheduled actions of central and local executive bodies for 1998, civil servants annually declare their income and financial obligations, as well as their own and their families' property status. Attestation of civil servants have has been completed.

Therefore, it can be stated that lately, as a result of a number of legal, organizational and practical activities conducted by joint efforts of national executive and law-enforcement bodies, the actions aimed at resisting the cases of corruption in the state have been enhanced. The spectrum of positive tendencies in the arrangement of preventive measures against these negative phenomena has broadened, systematic elements have appeared in this activity, it has become better coordinated both on the local and on the nationwide level, as well as on the international one.

In the country, a solid organizational and legal foundation is formed for pursuing a single state policy in the field of combating the corruption, for introduction of an integral approach to enhancement of personal responsibility of staff when keeping to the main principles of civil service, intensification of resistance to various negative manifestations and abuses.

The measures taken have basically contributed to intensification of combating the corruption. **The activities of law-enforcement bodies directed to revealing and prevention of corruption cases have also become more intense.** Therefore, in 1998 the courts considered 6531 cases on corruption, which is 30,6 percent more than in 1997. The combat against one more type of corruption, bribe-taking, was more effective. The number of revealed crimes falling into this category have grown by more than 10 percent (22 16 in 1997, 2448 in 1998).

Therefore, if we look at the last year, such officials as former Deputy Head of Crimean Verkhovna Rada and former Deputy Minister of Economy of the Crimean Republic were sued for corruption.

In Zhitomir Oblast, the Head of Skalaty city council of people's deputies was accused of illegal spending of about 35 thousand hryvnias from the budget fund, due to abuse of authority.

In Zaporizhzhia Oblast, criminal proceedings have been initiated against the Head of Dniprorudny city council of people's deputies, who, due to abuse of authority, gave an instruction to transfer 105 thousand hryvnias, meant to be paid out as salaries to the city budget organizations staff, from a settlement account belonging to the city council to the account of a certain joint stock company. The losses have been reimbursed.

In Ternopil Oblast, criminal proceedings have been initiated against a civil servant from the Buchatsky local department of Ukraine's pension fund, who, due to abuse of authority, over the course of 1996-1997 by means of extortion for offering lower pension taxes and exemption from those, took bribes from local entrepreneurs. There have been 8 registered cases of bribe-taking amounting to some 950 hryvnias.

Last June, criminal proceedings have been initiated in connection with the facts of large-scale stealing from the budget funds in the Rivne local state administration. In the course of investigating the criminal case, it has been determined that numerous facts of stealing the budget funds have taken place at the administration, by means of fabricating forged documents on provision of financial assistance to lone persons and to those with very low salaries. In particular, those were forged applications as if on behalf of local citizens, statements on inspections of their living conditions, as well as extra cash accounts, according to which, the local state administration officials would receive and misappropriate the funds. The Head of local state administration secretariat and former Deputy Head of the local council have been arrested.

Criminal proceedings for bribe-taking have been initiated against five officials of the Ministry of Agroindustrial Complex, including the Deputy Heads of Main Departments G.S. Kramarenko and V.G.Polishtshuk.

Zaliznychnyi District Court of the City of Simferopol have considered a criminal case against a member of a criminal grouping, Deputy of the Verkhovna Rada of the Autonomous Republic of Crimea, Head of the Permanent Commission of the Verkhovna Rada of Crimea on economic and budget-financial policy V.A.Shpilkin who, when abusing his position, has stolen budget money amounting to an especially great sum (USD 89,000), and property worth 990 hryvnias belonging to the Ministry of Defense. He was sentenced to 5 years of prison.

A case of corruption has been revealed in Poltava Oblast where the Head of the Dikanka District State Administration S.M.Kolotiy, when abusing his position, ordered to allot 3,550 hryvnias from the reserve fund of the district state administration,

being meantime aware that such expenses were not foreseen by the district budget, i.e. he changed the budget incomes and outlays against the order, established by the law. Besides, it was established that S.M.Kolotiy, on breaking Ukraine's Law "On the budget system of Ukraine", also has ordered to give an interest-free credit to the Dikanka Integrated Enterprise of Public Catering. The caused losses constitute 10,150 hryvnias.

A criminal grouping to which belonged, in particular, some officials from the Dubrovitsia district, has been revealed in the Rivne Oblast. The grouping occupied with stealing money amounting to especially great sums from the Chomobyl fund, as well as with taking bribes for promoting the resettlement of citizens from the Chomobyl zone and for the first-turn payment of reimbursements for housing, left in the zone. Larceny of money of the Chomobyl Fund amounting to the sum of more than 150,000 hryvnias was established and legally defined. Bribe-taking by the officials amounting to USD 30,000 has been revealed.

The Public Prosecutor's Office of Rivne Oblast instituted seven criminal cases against a number of officials; in particular, S.A.Yurko, head of Dubrovitsy district state administration, who was accused of ten bribe-taking cases totaling over 20,000 hryvnias, has been arrested.

On the whole, in the past year the courts made answerable for corruptible actions 1584 state officials, 290 heads of local councils of people's deputies, 199 workers of the state tax office, 121 workers of internal affairs departments, 5 workers of the Public Prosecutors Office and 86 workers of other law-enforcement authorities.

Unfortunately, there are cases when light-fingered persons penetrate the representative bodies not to represent the interest of their electors but to get the inviolability of a deputy. Therefore, **on the initiative of the President of Ukraine, to combat this disgraceful phenomenon in 1998, the inviolability of the deputies of local councils was abolished at the legislative level.** It made possible to reveal and make answerable 12 deputies of local councils and to reduce the quantity of manifestations of the unlawful actions by the stated category of the persons. At present, **the President of Ukraine initiates the introduction of amendments to the legislation in force which would limit the inviolability of the deputies of the Verkhovna Rada of Ukraine in case they commit a crime.**

At the same time, the practice of combating the corruption in the state has revealed quite a few essential shortcomings in its legislative support. Thus, the legislation in force has no clear determination of the term "corruptible action". The legal relations in banking, credit-financial and foreign economic sectors are insufficiently regulated. A lot of misunderstanding and legal collisions appear in realization of commercial activities.

To get rid of these shortcomings, on the instruction of the President of Ukraine, the relevant amendments to the legislation in force were developed and the drafts of new criminal, criminal and practice, and civil codes of Ukraine were introduced for consideration by the Verkhovna Rada of Ukraine, the drafts of the additions to the laws of Ukraine “On combating corruption”, “On state service”, “On combating the laundering of proceeds from crime”, “On responsibility for untimely return of currency values which illegally stay outside Ukraine”, “On property” have been developed and prepared to be introduced for consideration by the Verkhovna Rada of Ukraine, and the whole number of draft laws and additions to the legislations in force which regulate economic relations in the state and commercial activities.

Understanding that manifestations of corruption objectively have the background stipulated by the economic situation in the country, the President and the Cabinet of Ministers of Ukraine make every effort aimed at achievement of positive changes in this sphere of social life.

To provide for interaction in combating corruption at the interstate level, Ukraine has concluded a number of bilateral treaties on rendering assistance in criminal and civil cases , as well as accessed to the relevant multilateral European conventions. On January 27, 1999, in particular, the Criminal Convention on Combating Corruption was signed. In this connection, Ukraine’s leadership expresses hopes. for active cooperation with the world community over the issues of combating the corruption and would be grateful for rendering consultative, methodical and technical assistance in this regard.

The President and the Cabinet of Ministers of Ukraine are resolved to continue uncompromising struggle against manifestations of corruption and other unlawful actions at all levels of the state power.

Ministry of Foreign Affairs
of Ukraine