

## 'The money machine: how a high-profile corruption investigation fell apart

After a revolution overthrew Ukraine's disgraced president, Theresa May promised to help the country's new leaders recover stolen assets. But the UK's first case collapsed within a year  
by Oliver Bullough

Main image: MoneyMachine WebBanner Photograph: Guardian Design Team

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**O**n 11 March 2014, a London branch of the French bank BNP Paribas received a request from a Ukrainian lawyer. He asked the bank to close accounts belonging to his client and transfer their balances to Cyprus.

The accounts contained a mere \$23m, and the transaction should have been routine. But although the amount was unremarkable by the standards of the City, the times were not. Ukraine had just overthrown its president, Viktor Yanukovich, and the world was on the lookout for money that Yanukovich and his associates had stashed abroad.

Yanukovich was a man whose corruption had to be seen to be believed. The colossal greed of the president and his cronies beggared the Ukrainian state and infuriated ordinary citizens. Tens of thousands of people protested in central Kiev throughout the winter of 2013-14, until Yanukovich fled Ukraine that February. After the revolution, protesters who broke into his private residence found vintage cars, ostriches, a drinking den shaped like a galleon. There were stacks of treasures in the garage; he had had no space left for them in his \$30m, six-storey, log-built palace.

The country's new government accused its predecessors of stealing \$100bn, and the west - perhaps embarrassed that so much of this money had ended up in its banks - promised to do what it could to help return it to Ukraine.

At the end of April 2014, London hosted a summit that would - in the words of then-home secretary Theresa May - "provide practical leadership and assistance to the Ukrainian government as they identify and recover assets looted under the Yanukovich regime ... It is the tangible manifestation of our shared determination to end the culture of impunity, and prevent our open societies and open economies from being abused by corrupt individuals to launder and hide stolen funds."

Dozens of countries sent representatives to the summit, from the United States and the United Kingdom down to the tiniest tax havens: Bermuda, Monaco, the Isle of Man. On the summit's final afternoon, Britain's then-attorney general, Dominic Grieve QC, made a dramatic

announcement: the UK had already joined the fight. A transfer had been flagged as suspicious, and British authorities had frozen the account and initiated a money-laundering investigation.

“This week the UK’s Serious Fraud Office (SFO) announced that it is investigating allegations of corruption linked to the Yanukovich regime and has obtained a court order to restrain assets valued at approximately \$23m,” Grieve told the assembled delegates. “There will be no effective deterrent for corruption whilst levels of detection of illicit financial flows and recovery of misappropriated assets remain small.”

If the frozen \$23m was indeed linked to corruption in Ukraine, it would still be only a fraction of what Yanukovich and his associates had been accused of embezzling. But the case was intended to send a message - about the west’s determination to make sure Ukraine could regain what had been stolen, and that its looters be punished. This pleasingly specific number, \$23m, dominated headlines from the summit, where it was held up as concrete proof that the rulers of the west were finally helping the rest of the world fight corruption.

“The message is clear,” May said. “We are making it harder than ever for corrupt regimes or individuals around the world to move, hide and profit from the proceeds of their crime.”

For decades, hundreds of billions of dollars have vanished from the world’s poorest countries, finding their way - via the tax and secrecy havens of Europe, south-east Asia and the Caribbean - into the banking system, real estate and luxury goods markets of the west. According to the World Bank, between \$20bn and \$40bn is stolen each year by public officials from developing countries. Rich countries returned only \$147.2m worth of these assets between 2010 and 2012 - far less than one cent out of every misappropriated dollar. And that may even understate the scale of the problem. Some lawyers involved in asset-recovery cases estimate the volume of money embezzled globally at around \$1tn a year, which makes the tiny amount of money recovered look even feeble.

As both a financial centre that launders an estimated £100bn a year and a prime real estate market for the investors of crooked cash, London has a special responsibility in the fight against corruption - one that it has rarely accepted. The 2014 summit - much like David Cameron’s highly publicised global Anti-Corruption Summit in 2016 - was intended to show Britain’s determination to live up to its responsibilities.

Instead, the case of the \$23m collapsed within a year - when a British judge ruled that the SFO had built its case on “conjecture and suspicion”, and ordered the money returned to its owner. This is the story of how a very high-profile corruption investigation fell apart - and what it means for Ukraine and the UK.

**Y**anukovich was not the first Ukrainian politician to engage in corruption, but he was certainly the best at it. In fact, the word corruption is a misleading one for Ukraine, since it implies a dishonest cancer afflicting an otherwise healthy organism, whereas in this case it was the other way round. Corruption was the system, and it metastasised into any parts of the state apparatus that remained healthy.

In the three years after Yanukovich took office in 2010, Ukraine slipped from an already disastrous 134th on Transparency International’s corruption perceptions index down to 144th - putting it level with countries such as the Central African Republic and Nigeria, which are synonymous with shadiness and mismanagement. But the financial damage that Yanukovich and his predecessors

did to Ukraine is hard to measure in simple numbers. At the time of its independence in 1991, Ukraine's economy was almost as large as Poland's; now, it is a third of the size.

Yanukovich and his allies controlled the country's legal system, within which prosecutors have broad discretionary powers to initiate or block investigations - providing unlimited opportunities for extortion. They could deny export licenses, delay tax rebates, inflate medicine prices - and demand bribes in return. To outside observers, it seemed that the only opposition came from investigative journalists and activists who revealed the backroom deals that had carved up Ukraine's economy.

To frustrate any potential investigations, Ukraine's rulers became masters of the offshore world's network of tax havens. Once money was stolen, it was invested in European and American assets hidden at the end of intricate chains of shell companies, registered through tax havens in the Indian Ocean, Europe and the Caribbean. It is Cyprus, rather than Russia, Germany or America, that dominates the Ukrainian economy: an astonishing 92% of Ukraine's outward investment flowed into the Mediterranean tax haven in 2014.



Former president Viktor Yanukovich and his allies are accused of stealing vast wealth from the Ukrainian people. Photograph: Stanislav Krasilnikov/TASS

The secrecy of these offshore centres allowed the oligarchs around Yanukovich to keep the precise details of their deals hidden from the public - but ordinary Ukrainians knew enough to be angry. If Ukraine's 2014 revolution was about any one thing, it was about this corruption. Yanukovich and his allies had stolen as much as they could; more than they could ever need. And even the most apolitical citizens could see that infrastructure was rotting, medicines were scarce, schools were falling apart. The armed forces were so demoralised by the degeneration of the homeland they were supposed to defend that when Vladimir Putin invaded Crimea, a Ukrainian admiral defected as soon as Russia asked him to.

The UK government trumpeted the freezing of the \$23m for two reasons. First, it was meant to be the initial installment of many billions that would eventually help to rebuild Ukraine. If that sum could be confiscated and returned, perhaps so too could the hundreds of millions stashed in London, Latvia, Luxembourg, Liechtenstein and elsewhere. Second, the successful prosecution of a regime insider would send a message to the world's kleptocrats: your money isn't safe in London any more.

The \$23m was held in bank accounts at BNP Paribas belonging to two companies, which were in turn controlled by a Ukrainian politician named Mykola Zlochevsky. A large man with a shaved

**T**head, Zlochevsky wears boxy suits, dislikes fastening the top button of his shirt, and has been a fixture of Ukraine's public life for two decades. In 2013, according to the Ukrainian news weekly, Focus, which almost certainly understated his fortune, he was Ukraine's 86th richest man and worth \$146m.

In 2010, after Yanukovich won the election, Zlochevsky became natural resources minister. That position gave him oversight of all energy companies operating in Ukraine, including the country's largest independent gas company, Burisma. The potential for a conflict of interest should have been clear, because Zlochevsky himself controlled Burisma. But there was no public outcry about this, because almost no one in Ukraine knew about it. Zlochevsky owned his businesses via Cyprus, a favoured haven for assets unobtrusively controlled by high-ranking officials in the Yanukovich administration.

In response to my questions about the freezing of Zlochevsky's \$23m, his London law firm, Peters & Peters, insisted that their client never benefited personally from the decisions that he took while in office. "Mr Zlochevsky has followed the letter and spirit of the law in his role as civil servant and has, at all times, held himself to the highest moral and ethical standards in his business dealings and public functions," Peters & Peters said in a statement. "Our clients have fallen victim to an entrenched and a cynical programme of smear campaigns and misinformation."

"Mr Zlochevsky's wealth is not a result of corruption or criminal conduct," the law firm told me. "He made his wealth before entering office."

It is true that Zlochevsky was a wealthy man before 2010. Burisma's website makes clear that the periods when it has performed best have consistently coincided with the high points in its owner's political career. During a previous Yanukovich government, in 2003-5, Zlochevsky chaired the State Committee for Natural Resources, and companies under his control won licenses to explore for oil. Then Yanukovich fell from grace, and the new government tried to strip Zlochevsky's companies of their oil exploration rights - and he had to sue the government in order to keep them. Yanukovich won the presidency in 2010 and Zlochevsky became a minister. The good times returned: Burisma gained nine production licenses and its annual production rose sevenfold. After the revolution, Zlochevsky left the administration.

According to a court judgment from January 2015, the \$23m in the account that had been frozen in London was the proceeds of the sale of an oil storage facility, which Zlochevsky had owned via a shell company in the British Virgin Islands, a tax haven that does not reveal who controls the many thousands of companies based there. The \$23m arrived in London from Latvia, a minimally regulated Eastern European country, where banks are famously welcoming towards money from the former Soviet Union.

On 14 April 2014, the money was frozen at a special court hearing in London requested by the Serious Fraud Office. As described in the later court judgment, the SFO argued that "there were reasonable grounds to believe that the defendant [Zlochevsky] had engaged in criminal conduct in Ukraine and the funds in the BNP account were believed to be the proceeds of such criminal conduct".

The SFO investigator Richard Gould claimed in the April 2014 court hearing that Zlochevsky's dual position in Ukraine as both a politician and a businessman gave "rise to a clear inference of a

wilful and dishonest exploitation of a direct conflict of interest by a man holding an important public office such as to amount to an abuse of the public's trust in him".

The SFO further argued that "the complicated pattern of offshore holding companies established when he was still a serving minister was effectively to conceal his beneficial ownership of Burisma", which it deemed inherently suspicious.

By 20 May 2014, Gould had obtained 6,170 electronic documents from BNP Paribas related to Zlochevsky's money, and assembled a special team to examine them. He also wanted evidence from Ukraine, so he wrote to the head of the international department of the general prosecutors' office, Vitaly Kasko, in Kiev.

A lean man with a sharp chin and luxuriant head of black hair, Kasko had been invited into the prosecutor's office after the revolution, and made responsible for negotiations with all the western countries that had promised to help at the London summit. He had previously served as a prosecutor, but quit when Yanukovich came to power in 2010 - this ensured that Kasko was personally untainted by corruption. He was also popular with activists, since he provided legal support for protesters dragged before Yanukovich's courts during the revolution.

Ukraine was at the time in a state of turmoil. Russia had annexed the peninsula of Crimea, and was aiding pro-Russian rebels in Ukraine's eastern provinces. Kiev had lost control of Donetsk and Luhansk, two of the country's most important cities, and protesters' barricades still dominated the centre of the capital. The country needed a new president and, that May, elected a magnate named Petro Poroshenko. Although he had served as a minister under Yanukovich and was himself a billionaire, Poroshenko pledged to sell his confectionery business, to govern only in the interests of the people, to prosecute the corrupt former insiders and to bring an end to the old way of doing things, including in the prosecutors' office. For too long, prosecutors had been acting essentially as gangsters in uniform, rather than investigating crimes.

Considering how central prosecutors had been to Yanukovich's corrupt regime, there were significant doubts over both the honesty, and competence of Ukraine's lawmen, but Kasko was hopeful that his colleagues would see the importance of regaining the \$23m and thus do all they could to help the SFO. He told me that he translated the British request, sent it to his boss, and awaited results.

"The investigation began but, no matter how much we pushed the investigators, it was not effective," Kasko told me. Even when Zlochevsky's lawyers announced they would contest the freezing of the \$23m in a London court, the Ukrainian prosecutors still failed to send the SFO the evidence it needed to maintain the freezing order. "First the British wrote to me, then the Americans, with questions about what was happening with the investigation," Kasko remembered.

It was hardly the mutual trust and cooperation supposedly created by the London summit. US and British diplomats were begging Ukraine to investigate a case, which, if it were successful, would benefit Ukraine, and yet nothing appeared to be happening. Eventually, six months after Gould first wrote to him, Kasko stepped decisively outside his area of responsibility, and wrote to his boss in the prosecutor's office to demand action.

"I said I wanted this to be investigated properly, that the Brits be told about it, and they get what they wanted," recalled Kasko. "He said, 'If you want, get on with it.'" It was hardly the most

enthusiastic of endorsements, but it was enough for Kasko. He forced investigators to work evenings, and weekends. They put together a dossier of evidence that Kasko felt supported the SFO's argument "that the defendant's assets were the product of criminal wrongdoing when he held public office", sent it to the SFO, and announced officially that Zlochevsky was suspected of a criminal offence in Ukraine.

It was only thanks to Kasko that the SFO had received any useful documents from Ukraine at all. "I asked the Brits, 'What else do we need to do?'" Kasko remembered. "And they said: 'That's fine, that's more than enough to defend the freezing order in court'."

**T**heir confidence was misplaced. In January 2015, Mr Justice Nicholas Blake, sitting in the Old Bailey, rejected the SFO's argument. "The case remains a matter of conjecture and suspicion," he wrote in his judgment. To confiscate assets, prosecutors have to prove that the frozen money related to a specific crime and, he ruled, the SFO had totally failed to do so.

It was a humiliating reverse for British law enforcement, and for Gould, the lead investigator, who then moved to another agency. (Gould told me in July 2015 that he was "personally disappointed", but declined to comment further.) The judge unfroze the \$23m and handed it back to Zlochevsky.

The British government had made a big announcement of the original decision to seize the funds, but did not publicise this reversal. It is not hard to understand why. It was, after all, an embarrassing setback for the UK, which had held up this particular case as a sign of its commitment to confiscate money belonging to Yanukovich's allies and return it to the people of Ukraine.

When I contacted the SFO in May 2015, a spokeswoman told me: "We are disappointed we were not provided with the evidence by authorities in the Ukraine necessary to keep this restraint order in place", but declined to comment further because she said the investigation was ongoing. In January of this year, I contacted Dominic Grieve, who had made the dramatic announcement of the asset freezing. He is still an MP, but no longer in the government. He told me he had no recollection of the case.

Zlochevsky's lawyers at Peters & Peters told me that the judge had "ruled unequivocally that there was not reasonable grounds to allege that our client had benefited from any criminal conduct". Burisma's lawyers have since repeatedly referred to the ruling as evidence of their client's vindication, which calls into question the decision of the UK government to use this particular case as an example of its determination to recover assets and return them to Ukraine, when it had been unable to prove that there were sufficient grounds to keep the \$23m frozen.

When Kasko read the judge's ruling, he had questions, but of a rather different nature. At the hearing, the tycoon's lawyers had not just attacked the case against their client, but also produced evidence of his innocence, evidence that came from the unlikeliest of sources. Justice Blake's 21-page judgment made reference half a dozen times to a letter, dated 2 December 2014, signed by someone in the Ukrainian prosecutor's office, which stated baldly that Zlochevsky was not suspected of any crime.



Anti-government protests in Kiev, on 25 January 2014. Photograph: Arturas Morozovas/AP

Kasko felt this was bizarre. Everyone in a senior position at the prosecutor's office must have known he was leading a frenzied investigation into Zlochevsky at that precise time, so how could anyone have signed off on a letter saying that no investigation was going on? The letter appeared to be crucial to the judge's ruling, which stated that Zlochevsky "was never named as a suspect for embezzlement or indeed any other offence, let alone one related to the exercise of improper influence in the grant of exploration and production licenses".

As Kasko saw it, his colleagues had failed to help him when he begged them to investigate Zlochevsky. But when it came to writing a letter to help the tycoon, he believed they had happily done so.

According to Kasko, there were really only three possible reasons for why a senior Ukrainian prosecutor would have written a letter for Zlochevsky rather than assisting Kasko. He was either incompetent, corrupt or both. Peters & Peters did not respond to specific questions about the letter ("the allegations implied by your questions ... are untrue and entirely without foundation").

Whatever the explanation for this mysterious letter, the case highlighted a crucial flaw in countries' efforts to cooperate across borders. Even in the rare cases when the UK does freeze a foreign official's property, it is dependent for evidence from colleagues abroad who usually have fewer resources, less training and a decades-long tradition of institutionalised corruption. That means that any misconduct or incompetence by the Ukrainian prosecutors can undermine a case in the UK as surely as if the same actions were committed by the SFO.

**Z**lochevsky is not the only former Ukrainian official to have assets frozen abroad. As part of western assistance to the new Ukrainian government, European countries have blocked the assets of Yanukovich and a couple of dozen others. The asset freeze was intended to give Ukrainian prosecutors time to investigate and prosecute, and thus prevent the individuals involved burying assets in their favourite tax havens. The totals involved - around £220m in cash and property - would buy a lot of medicine and build a lot of roads.

The man in Ukraine responsible for gathering the evidence against many of the individuals whose assets have been frozen abroad is Sergei Gorbatyuk, head of the prosecutors' special investigations department. When we met in April last year, he looked tired and crumpled in a baggy grey suit; it was late in the evening, the only time he had free after a long day. Unusually for

a high-ranking official in the prosecutors' office, he has a reputation for honesty, which is why several anti-corruption activists recommended that I talk to him.

“Our main problem is that these high-ranking officials' assets are all registered abroad, in Monaco, or Cyprus, or Belize, or the British Virgin Islands, and so on, and we write requests to them, we wait for three or four years, or there's no response at all. And that's that, and it all falls apart,” he said. “The asset has been re-registered five times just while we're waiting for an answer.”

Even when foreign officials did reply to his letters, Gorbatyuk explained, he then had to find a way to understand what they had written. The authorities in Monaco for example had forwarded him 4,000 pages of documentation relating to one oligarch in French, Arabic and English, which he had received eight months previously but was yet to read. The official translators had waited for four months to tell him they were too busy to do the job, then an outside contractor proved incapable of managing it, and, he says, his bosses kept blocking the other suggestions he brought them. “This is the insanity of our whole system, this is everywhere. I get the impression no one wants anything to happen,” he said.

And if previous cases are any guide, progress will continue to be slow. In one of the few examples of a Ukrainian corruption-related charge that has gone to court, ex-Prime Minister Pavlo Lazarenko was found guilty in California in 2004 of money laundering, and sentenced to 97 months in prison. Lazarenko had fled Ukraine back in 1999, when he fell out of favour with the then-president. He tried to claim asylum in the United States but instead became the first foreign leader convicted of laundering money through the American financial system.

Although the conviction was successful, the asset recovery process remains blocked. A total of \$271m of Lazarenko's money is frozen in Guernsey, Antigua, Switzerland, Liechtenstein and Lithuania, but Washington has been unable to recover it for a decade. And this is not an unusual case. The World Bank has an asset recovery database, which shows that cases have dragged on in western courts for more than 10 years in connection to money from Liberia, El Salvador, Kenya, Democratic Republic of the Congo, the Philippines, Zambia and elsewhere.

In evidence submitted to a parliamentary committee last year, the Serious Fraud Office said the obstacles put in its path by offshore jurisdictions were a key cause of these delays. “Top tier defendants are highly sophisticated and operate internationally. They are likely to be acutely aware of those jurisdictions with an environment that is favourable to them, and from which it is very difficult (and in some cases impossible) to either trace benefit or recover assets,” the SFO said. “Such defendants are also likely to be astute in their use of financial products and other devices which they use to disguise their economic benefit from any crime.”

**O**n 8 March 2015, David Sakvarelidze, then Ukraine's first deputy general prosecutor, appeared on a Ukrainian news programme and made a dramatic accusation - that Ukrainian prosecutors had taken a bribe to help Zlochevsky.

The source for Sakvarelidze's claim was an unnamed foreign consultant working within Ukrainian law enforcement. “A high-ranking official in the prosecutors' office told him [the consultant] he suspected that one official had taken a bribe of \$7m,” Sakvarelidze alleged in his television appearance. “It's shameful of course. People like that should not represent this country.” (Sakvarelidze did not respond to interview requests. The allegation has not been proven, but it is the subject of an investigation by the newly established National Anti-Corruption Bureau of Ukraine.)



Sakvarelidze, an ethnic Georgian, had been hired just weeks earlier to help clean up the law enforcement system and he set to work. Progress was slow, however. In fact, it was so slow that the US ambassador to Ukraine, Geoffrey Pyatt, decided to make an astonishingly forthright interjection. In September 2015, speaking in the southern Ukrainian city of Odessa, Pyatt stated that prosecutors “were asked by the UK to send documents supporting the seizure” of the \$23m, but “instead sent letters to Zlochevsky’s attorneys attesting there was no case against him”. “Those responsible for subverting the case by authorising those letters should - at a minimum - be summarily terminated,” he said.

The allegation was part of a long and damning speech, in which he laid out just how little Ukraine had reformed its law enforcement bodies, something that makes recovering the millions stashed overseas unlikely if not impossible.

Ukraine’s national finances are currently dependent on the International Monetary Fund, where the dominant voice belongs to the United States. Pyatt was not just any ambassador therefore, but the local representative of the government’s paymaster. He was putting Ukraine on notice - sort out the prosecutor’s office, because America is getting annoyed. But it didn’t work. Rival prosecutors opened criminal cases against two of Kasko’s investigators, and their allies in other institutions. “Sadly, the protection racket we uncovered ... turned out to be just the tip of the iceberg,” Sakvarelidze wrote on Facebook in October 2015.

Change could only be won when international lenders forced President Poroshenko to act. It was tough talk from the west that obliged Ukraine’s parliament - long referred to sarcastically as the biggest business club in Europe - to create the anti-corruption bureau and a dedicated anti-corruption prosecution service. And it was only the bluntest of language from US officials that forced the Ukrainian government to fire crooked prosecutors. According to a valedictory interview by the former vice president Joe Biden in the Atlantic, Poroshenko only sacked the lawman blocking Kasko’s reforms because Biden made a direct threat. “Petro, you’re not getting your billion dollars,” Biden said he had told Ukraine’s president. “You can keep the [prosecutor] general. Just understand, we’re not paying if you do.”

Biden was Washington’s point man on Ukraine throughout the Obama administration, and consistently encouraged reformers and chided their opponents. In a speech in Ukraine’s parliament in December 2015, he said the country could not hope to reform itself on European lines or regain its money, if it did not do something about its entrenched corruption. “You cannot name me a single democracy in the world where the cancer of corruption is prevalent,” he told parliament. “It’s not enough to set up a new anti-corruption bureau and establish a special prosecutor fighting corruption. The Office of the General Prosecutor desperately needs reform.”

By then, however, almost two years had passed since the revolution and many Ukrainians had become disillusioned. The credibility of the United States was not helped by the news that since May 2014, Biden’s son Hunter had been on the board of directors of Burisma, Zlochevsky’s company.

The White House insisted the position was a private matter for Hunter Biden, and unrelated to his father’s job, but that is not how anyone I spoke to in Ukraine interpreted it. Hunter Biden is an undistinguished corporate lawyer, with no previous Ukraine experience. Why would a Ukrainian tycoon hire him?

Hunter Biden failed to reply to questions I sent him, but he told the Wall Street Journal in December 2015 that he had joined Burisma “to strengthen corporate governance and transparency at a company working to advance energy security”. That was not an explanation that many people found reassuring. The Washington Post was particularly damning: “The appointment of the vice president’s son to a Ukrainian oil board looks nepotistic at best, nefarious at worst,” it wrote, shortly after Hunter Biden’s appointment. “You have to wonder how big the salary has to be to put US soft power at risk like this. Pretty big, we’d imagine.”

**I**n September last year, a court in Kiev cancelled the arrest warrant against Zlochevsky, ruling that prosecutors had failed to make any progress in their investigation. That same month, the Latvian media reported that Ukraine had not helped a police investigation into money laundering, so 50m frozen euros had passed into the Latvian state budget instead of being returned to Ukraine.

“I get the impression our foreign partners are disappointed by our failure to make progress tackling corruption, and that’s why they are paying us less attention,” said Kasko, who is now back in private practice, as he was during the Yanukovich years. Meanwhile, President Poroshenko’s approval rating is stuck in the low teens. He has failed to fulfil his promise to sell off his business empire, and was revealed in the Panama Papers leaks to be still engaged in structuring his assets offshore. His London law firm has recently been sending out threatening letters to journalists tempted to repeat accusations of corruption levelled at him by a former insider who has fled to the UK.



Theresa May and US attorney general Eric Holder (left) at the Ukraine Forum on Asset Recovery in 2014. Photograph: Getty Images

Kasko resigned on 15 February last year, accusing the prosecutor’s office of being a “hotbed of corruption”. Sakvarelidze was sacked a month later and charged with a “gross violation of the rules of prosecutorial ethics”. The whole reforming team came and went, without jailing anyone or recovering a single oligarch’s foreign fortune. Kasko told me he had resigned because he saw no point in waiting around impotently while his superiors undermined his cases. “I didn’t want to stay there like the Queen of England and watch,” he said. “The biggest problem in the prosecutor’s office is corruption. Sakvarelidze and I went in to fight against it, and they threw us out.”

Last year, Kasko’s successor formally apologised to the SFO on behalf of the Ukrainian prosecutor’s office for its role in the failure of the case of the \$23m.

All in all, the UK chose an unfortunate way to demonstrate “a strong commitment to the people of Ukraine”, as Theresa May stated in April 2014. But this unseemly episode highlights many of the reasons why so little of the cash stolen from poor countries is ever returned to them. Money can flow unhindered between countries, but police officers cannot, so it is always more difficult to prosecute a crime than to commit one.

At the start of each year, Ukraine budgets for the money it plans to reclaim from its deposed rulers, and at the end of the year activists from the Anti-Corruption Action Centre (an NGO that oversees recruitment of Ukraine’s new anti-corruption detectives) calculate how much of that money prosecutors actually found.

In the first nine months of 2016, the government intended to confiscate £250m. They actually retrieved just £4,500 - 0.0018% of the planned total.

They are not alone in struggling to get a grip on fraud. In its report to parliament last year, the SFO said it was failing to retain key investigators in the face of competition from banks, private investigators and other well-resourced City companies, something that complicates already tricky cases. If even the SFO considers itself under-resourced and out-gunned in the battle against the kleptocrats and their offshore empires, then the problem is still more severe in Ukraine. Things are likely to get worse as the window of opportunity provided by enthusiastic foreign assistance is closing fast. Joe Biden is gone now from the White House (although Hunter remains on the Burisma board), and Pyatt has left Kiev for a new ambassadorial posting.

With Donald Trump in power, the tiresome American pressure for reform in Ukraine may well be a thing of the past. Among European allies, France and Germany have elections this year and thus other things to worry about, as of course does post-Brexit Britain. When I sought comments on what the government was now doing to help Ukraine regain its assets, I was batted back and forth between the Home Office and the Foreign Office for a few days, before they eventually provided a joint statement sourced to a “government spokesperson”, confirming that Britain was committed to everything it has always been committed to.

“The UK is a strong supporter of the Ukrainian government’s reform process, and in particular the fight against corruption, which needs to proceed quickly,” they said, by email. That is undoubtedly true, but sadly the global situation is looking ever less favourable.

Ukrainian politicians have consistently failed to keep their resolutions without foreign governments stiffening their resolve and, with that pressure fading away, there will now be little to stop them returning to their old ways. The old oligarchs appear to be feeling as secure as they have done for a while, and Ukrainians who have long been on the defensive are reaching out for new friends.

On 19 January, the day before Trump’s inauguration, Zlochevsky’s gas company announced it was becoming a funder of the Atlantic Council, a prominent Washington thinktank. The Atlantic Council declined to say exactly how much money the tycoon had offered, only that his donation had been between \$100,000 and \$249,000. A month later, Burisma hired a new director. Joseph Cofer Black does not appear to have any more experience of Ukraine than his colleague Hunter Biden but - as an ex-ambassador and a former director of the CIA’s counterterrorism centre under George W Bush - he is likely to have lots of useful contacts in Washington.

Zlochevsky's last public appearance was in June 2016 at a Burisma-organised alternative energy forum, co-hosted in Monaco by Prince Albert II, who made the keynote speech. Photographs of the event showed Hunter Biden posing with various comfortably retired ex-politicians, wearing a blue suit twinned with highly-polished brown shoes. Zlochevsky was tanned and healthy in an open-necked shirt, while a more formally dressed Prince Albert placed a solicitous hand on his back.

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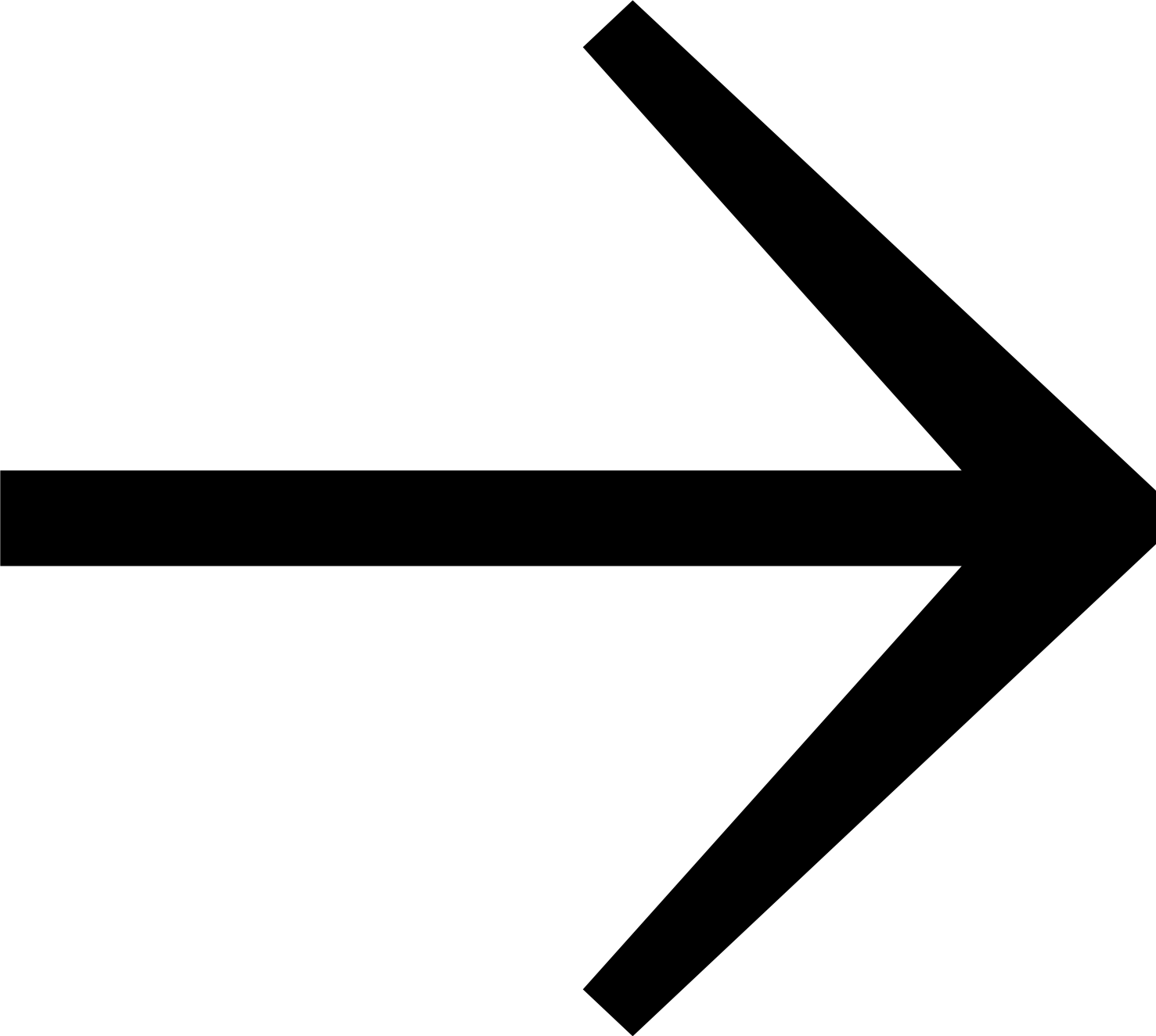
Rampant disinformation, partisan news sources and social media's tsunami of fake news is no basis on which to inform the American public in 2020. The need for a robust, independent press has never been greater, and with your help we can continue to provide fact-based reporting that offers public scrutiny and oversight. We are also committed to keeping our journalism open and accessible to everyone and with your help we can keep it that way.

"America is at a tipping point, finely balanced between truth and lies, hope and hate, civility and nastiness. Many vital aspects of American public life are in play - the Supreme Court, abortion rights, climate policy, wealth inequality, Big Tech and much more. The stakes could hardly be higher. As that choice nears, the Guardian, as it has done for 200 years, and with your continued support, will continue to argue for the values we hold dear - facts, science, diversity, equality and fairness." - US editor, John Mulholland

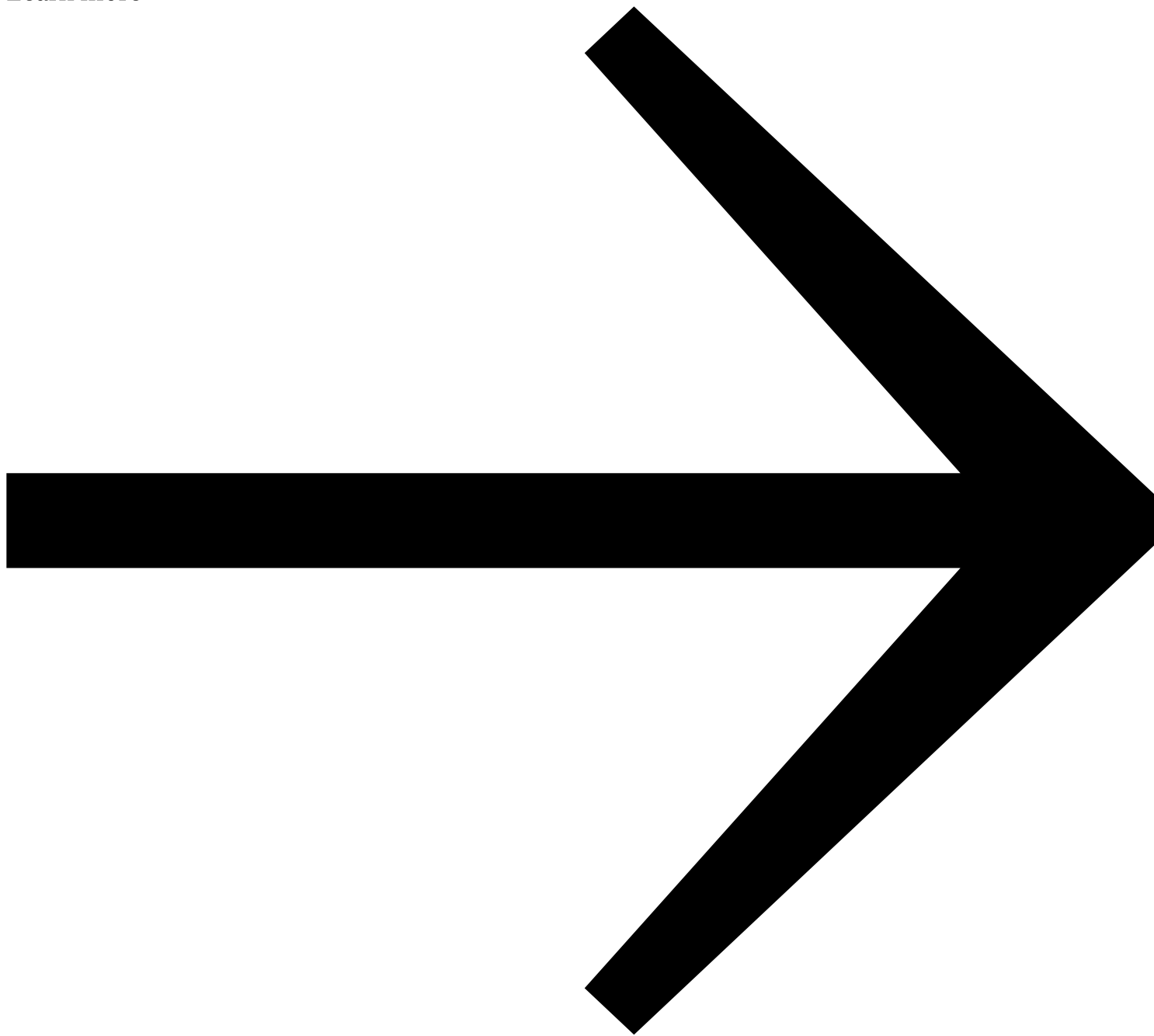
On the occasion of its 100th birthday in 1921 the editor of the Guardian said, "Perhaps the chief virtue of a newspaper is its independence. It should have a soul of its own." That is more true than ever. Freed from the influence of an owner or shareholders the Guardian's robust independence is our unique driving force and guiding principle.

We also want to say a huge thank you to everyone who has supported the Guardian in 2019. You provide us with the motivation and financial support to keep doing what we do. We hope to surpass our goal by early January. Every contribution, big or small, will help us reach it. **Make a year-end gift from as little as \$1. Thank you.**

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