

OIL REPORT

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## What Hunter Biden did on the board of Ukrainian energy company Burisma

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KIEV, Oct 18 (Reuters) - During his time on the board of one of Ukraine's largest natural gas companies, Hunter Biden, the son of former U.S. Vice President Joe Biden, is regarded as a helpful non-executive director with a powerful name, according to people familiar with Biden's role at the company.

Biden's role at Burisma Holdings Ltd has come under intense scrutiny following unsupported accusations by U.S. President Donald Trump that Joe Biden helped his son's business interests in Ukraine.

Interviews with more than a dozen people, including executives and former prosecutors in Ukraine, paint a picture of a director who provided advice on corporate finance and strategy during a five-year term on the board, which ended in April of this year.

Biden never visited Ukraine for company business during that time, according to three of the people.

They also said that his presence on the board didn't protect the company from its most serious challenge: a series of criminal investigations launched by Ukrainian authorities against its owner, Mykola Zlochevsky, a multimillionaire former minister of ecology and natural resources. The allegations concern tax evasion, money laundering and licences given to Burisma during the period where Zlochevsky was a minister.

Revelations in a whistleblower complaint that Trump and his personal lawyer, Rudy Giuliani, pressed the Ukrainians to pursue investigations into Burisma and Hunter Biden have sparked an impeachment inquiry by Democrats in the House of Representatives. Trump faces allegations that he withheld U.S. military aid to Ukraine to place pressure on Kiev to investigate his potential Democratic rival in next year's U.S. presidential election.

Giuliani has alleged, without providing evidence, that Joe Biden pushed for the firing of Ukraine's top prosecutor to end an investigation into Burisma and Hunter Biden in order to protect his son.

Hunter Biden, 49 years old, has denied wrongdoing. In a public statement on Oct 13, his lawyer George Mesires said: "Despite extensive scrutiny, at no point did Hunter Biden engage in wrongdoing at any point during his five-year term."

In an interview with ABC News aired Tuesday, Hunter Biden said in retrospect it may have been poor judgment to join Burisma's board while his father was president but added: "Did I make a mistake based upon some ethical lapse? Absolutely not."

Biden, in the interview added that he didn't discuss his business dealings in Ukraine with his father, other than one brief exchange in which his father said: "I know what you're doing."

A lawyer for Hunter Biden didn't respond to requests for comment.

Joe Biden has also denied any wrongdoing, saying he called for the removal of then-chief prosecutor Viktor Shokin in 2016 because of his ineffective handling of corruption in Ukraine.

A spokesman for Joe Biden's presidential campaign, Andrew Bates, said: "Donald Trump is so terrified of running against Joe Biden that he sent his own people to try to blackmail Ukraine into intervening in our elections with universally-debunked lies."

Burisma and Zlochevsky didn't respond to requests for comment.

In an interview with Reuters in September, former Ukraine prosecutor Yuriy Lutsenko said Hunter Biden's position on the board when his father was red flags. "From the point of view of Ukrainian law, (Hunter Biden) didn't violate anything," Lutsenko said.

Ukraine's new general prosecutor Ruslan Ryaboshapka, who took over in August, said he was not aware of any wrongdoing by Hunter Biden. His office said that it was reviewing 15 previous investigations related to Zlochevsky but no decision had been taken on how to proceed against him or people related to him.

The White House declined to comment.

## "CEREMONIAL FIGURE"

Zlochevsky, who founded Burisma in 2002, served as a minister under Ukraine's then-President Viktor Yanukovich from 2010 to 2012. Burisma then added several high-profile names to its board, including Biden and a business associate of his called Devon Archer, in April 2014.

The company has said it had wanted to strengthen corporate governance. According to two sources close to the company, Burisma was also looking for investment as well as expand overseas.

Oleksandr Onyshchenko, a businessman and former member of the Ukrainian parliament who knows the Burisma founder, said it had been Zlochevsky's idea to appoint Biden as a director. "It was to protect (the company)" at a time when it was facing investigations, said Onyshchenko, who left the country in 2016. In Biden's appointment, a popular uprising led to the removal of the Russian-backed Yanukovich in February 2014.

Biden, a trained lawyer, had served on the board of a U.S. company and had also formed an investment firm with fellow Yale graduates Archer and Clifford Stepson of former U.S. Senator John Kerry.

According to four sources close to the company, Biden regularly attended Burisma's twice annual board meetings – all of which were held outside of Ukraine.

A source close to the company said Biden took part in strategic conversations and shared his opinions and experience. In between board meetings, "I had a dialogue, sharing of advice, consideration of different options," the source said. "Expansion to other markets was also discussed," the source added.

Another source close to Burisma said Biden assisted with analysis of oil and gas assets the company was considering buying abroad, though a deal did not materialize. The company was considering possible acquisitions in Europe, Kazakhstan and the United States, the source and another person close to Burisma said.

Both sources said that around the time Biden was appointed, Burisma was also looking to secure a financing deal with foreign investment funds, including in the United States.

Biden helped to find lawyers to work on this process, before it broke down due to the start of the war in east Ukraine, one of those two sources said. "He was a ceremonial figure," that person added.

## BURISMA PAYMENTS

How much Biden earned at Burisma has also become a central issue. Trump has portrayed Hunter Biden as having earned vast sums of money while in office, and the president has suggested that was an indication of potential wrongdoing.

In an October 6 post on his usual Twitter account, Trump said Hunter Biden "was handed \$100,000 a month (Plus, Plus) from a Ukrainian based company who had no experience in energy." He added, in the Twitter message, that it couldn't have been legitimate and as president he has "an OBLIGATION to let the people know probably CORRUPTION."

According to payment records reviewed by Reuters that two former Ukrainian law enforcement officials say are Burisma's, the company paid about \$1 million that was controlled by Archer called Rosemont Seneca Bohai LLC between April 2014 and November 2015.

Specifically, the records show 18 months in which two payments of \$83,333 per month were paid to Rosemont Seneca Bohai for “consulting services that one of those monthly payments was intended for Biden and one for Archer. Reuters was not able to independently verify the authenticity of the money Hunter Biden received.

One of the sources said prosecutors obtained the payment records in the course of one of their investigations into Burisma related to activities at the Archer and Biden’s appointments to the board. A Ukrainian lawmaker released copies of the records at a conference for news media last week.

A lawyer for Archer didn’t respond to a request for comment.

## INVESTIGATIONS

Lutsenko, who succeeded Shokin as Ukraine’s prosecutor general in 2016, took over a tax investigation into Burisma before closing the case ten months after the company had paid a settlement in relation to the tax investigation.

The former prosecutor said that any issues Burisma did have were not related to Biden. In addition to the closed tax investigation, Ukraine authorities are conducting an investigation into licenses awarded to Burisma and a separate money-laundering probe into founder Zlochevsky. Both of these have been re-opened in 2019, but neither relate to the period after Biden joined the board.

Burisma and Zlochevsky haven’t commented publicly on the re-opened probes. (Additional reporting by Kateryna Malofieieva and Natalia Zinets in London, Warsaw, Anton Zverev in Moscow and Steve Holland, Karen Freifeld and Trevor Hunnicutt in Washington, DC Editing by Cassell Bryan-Low)

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