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Illicit deal targets assets looted from Ukraine

by Will Jordan
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"The girls will be here shortly," said the bodyguard with a heavy French accent as our cameraman set up for the interview. "Just joking!" He laughed. "Please wait. Mr Onyschenko is coming."

He walked out of the presidential suite of the five-star Barcelona hotel. Three hours later, one of Ukraine's most-wanted men walked in. Alexander Onyschenko cuts a remarkably relaxed figure, considering his fugitive status.

"I be not corrupt," he says with a strong accent and one qualification. "I just do instruction what President say. In my country, there is no other way."

The gas tycoon, former MP and friend-to-the-stars is accused of running a corruption scheme in [Ukraine](#) worth \$100m.

Separately and unrelated, Al Jazeera's Investigative Unit has obtained [an unsigned document](#) that puts Onyschenko and his Cyprus company, [Fastilo Limited](#), at the heart of a deal to buy one-tenth of about \$1.5bn in illicit assets, traced to cronies of former Ukrainian President Viktor Yanukovich.

"Unbelievable!" says Daria Kaleniuk, executive director of the Anti-Corruption Action Centre (ANTAC), when she sees the contract. "I think it's illegal to make such an agreement. It sounds like an agreement between criminal bosses, you know? You can sign it with your blood!"

Ukrainian authorities froze the assets in June 2014 across numerous companies in [Cyprus](#), the UK, Panama, [Belize](#) and the British Virgin Islands. The \$1.5bn total is a fraction of what Yanukovich is estimated to have stolen.

Quickpace Limited, a Cyprus company, held about \$85m in cash across various bank accounts at Ukrainian banks and about \$75m in bonds that would soon mature, all frozen by a Ukrainian judge. That's a total of about \$160m, which Onyschenko and another oligarch would buy for just \$30m, paying in cash and with a private jet.

"I think this is a really interesting discovery," says anti-corruption writer Oliver Bullough. "This is distressed debt, basically. It's like these companies in the city of London who, if someone's refusing to pay their debt, buy it for 20 pence on the pound, and then do their utmost to get it back and make a profit on it."

The difference is that it's illegal to tamper with frozen assets.

"The whole idea is I've frozen the asset because I think it's the proceeds of crime," says Jon Benton, former director of the International Corruption Unit at Britain's National Crime Agency.

"It's like trading in stolen goods that have been taken by the police. You're putting the cash in the getaway car, aren't you?"



Onyschenko is a gas tycoon, former MP and currently one of Ukraine's most-wanted men [Al Jazeera]

According to Article 4.4 of [the contract](#), the buyers will cooperate in "taking action to remove the arrest from the accounts" held by Quickpace Limited.

To do that, they would need to persuade a judge to issue an unfreezing order.

Kaleniuk is in little faith in the judiciary.

"The majority of judges which hear cases in Ukraine are still those appointed under Yanukovich. They are themselves engaged in corruption."

Pavel Fuchs

The second buyer named alongside Onyschenko is [Pavel Fuchs](#), a Ukrainian real estate tycoon who made his fortune in Moscow and has close relations with US President [Donald Trump](#) and his business.

Fuchs has negotiated several times, in 2004 and again between 2008 and 2010, with Trump and his son to build a Trump Hotel in Moscow.

He is named in the contract as the owner and controller of [Dorchester International Limited](#), a company registered in the Caribbean tax haven, St Kitts and Nevis.

"What's interesting about him is the extent to which he shows that the separation between Ukraine and Russia, though they are different countries, can be a bit skin-deep," says Bullough.

"The elites of both Ukraine and Russia; they went to school together, they served in the army together, they were in the KGB together. For them, it's basically the same country. The money flows backwards and forwards. The business deals go backwards and forwards. The criminal gangs go backwards and forwards."

Baby-faced gas king

Documents obtained by Al Jazeera, including emails and a \$160m loan agreement from 2013, suggest the assets are being sold by Serhiy Kurchenko.

Ukrainian investigators say he acts as Yanukovich's "family wallet", doling out money to the former president on demand.

The "baby-faced gas king of Ukraine", Kurchenko, emerged as a billionaire aged just 27, running large sections of the oil and gas industries in Ukraine.

After Ukraine's EuroMaidan revolution in February 2014, Kurchenko fled to exile in Moscow and remains sanctioned by the US and Europe.

Al Jazeera's Investigative Unit tracked him down to the 46th floor of a skyscraper in the Moscow City Complex, an elite business property development led by Fuchs' companies.

Anti-corruption efforts

Soon after the 2014 revolution, the new pro-Western government in Ukraine began a series of reforms that included the establishment of the National Anti-Corruption Bureau of Ukraine (NABU).

In June 2016, it accused Onyschenko, the gas tycoon and politician involved in the Quickpace deal, of short-changing the state to the tune of about \$100m while running his gas business.

Onyschenko was stripped of his seat in parliament and of the immunity from prosecution that all Ukrainian parliament members enjoy.

It is NABU's first major case.

"Resistance is very strong from the elites who are in power now and the more we investigate the more we face this resistance," said NABU director Artem Sytnyk.

He says the Onyschenko case has "further annoyed our opponents", declaring the rival prosecutor general's office, corrupt judges, parliament and the government itself as the agency's enemies.

"Parliament is taking steps to sideline the management of the Anti-Corruption Agency and take control," he said.

"We are faced with a serious attempt at sabotage from the judicial branches of the state. All of us involved in this process knew it was going to be difficult. We've chosen our cross to bear."

NABU obtained a copy of the document that outlines the Quickpace deal during a raid on one of Onyschenko's premises. Despite that, they have not listed it as part of their case against him.

Nazar Holodnitsky, Ukraine's special anti-corruption prosecutor, refused Al Jazeera's requests for information, saying: "Until this investigation is complete, any comments, assertions regarding the existence or absence of certain documents are premature."

Onyschenko takes the position that there's nothing wrong with buying a company holding frozen assets thought to be stolen by a world-famous kleptocrat.

"You can buy cheap and try to fix the problem to make money," he told Al Jazeera.

He confirmed Fuchs' and Kurchneko's role in the deal, but denied the deal went ahead.

"It was like normal business, but this has not happened. We didn't buy."

His claim that he and his partner did not buy Quickpace goes against the evidence.

Al Jazeera obtained a record of an initial payment of \$2m from Barclays Bank to a Russian-owned Latvian bank, Norvic Banka.

NABU and a Cypriot lawyer who worked on the deal also confirmed the sale.

The most compelling proof that the sale took place is that the registered owner of Quickpace was changed at the time the deal was drafted.

Today, Quickpace is owned by Evermore Property Holdings Limited, a company based in the British Virgin Islands, which is owned by Dorchester International Incorporated. Pavel Fuchs is its owner.

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