CLEANING HOUSE IN UKRAINE’S SUPREME COURT
On May 15th, the head of Ukraine’s Supreme Court, Vsevolod Knyazev, was placed under arrest on charges of bribery and corruption on a grand scale. Ukraine's National Anti-Corruption Bureau (NABU) and the country's Specialized Anti-Corruption Prosecutor's Office (SAP) detailed that they “have uncovered a massive corruption (scheme) in the Supreme Court, specifically regarding the leadership of the court acquiring illicit income.” Knyazev, who had been in his position as Head of the Supreme Court since December 2021, and had been with the court as a judge and secretary since 2017, stands accused of accepting a $2.7 million bribe. (The New Voice of Ukraine, May 15, 2023; Current Time, May 16, 2023)

HOW ANTI-CORRUPTION AIDS UKRAINE’S MILITARY
Ukraine's anti-corruption efforts are proving to be a boon to the country's armed forces amid the ongoing struggle against Russia. The country's assorted anti-corruption agencies have been providing funds obtained from the settlement of corruption cases to the Ukrainian military's crowdfunding platform, with more than $46 million delivered to date (and more than $17 million provided so far in 2023). Ukraine's military, in turn, has reportedly used the funds to help pay for the purchase of much-needed equipment, such as drones and infantry fighting vehicles.

Ukrainian authorities have been quick to highlight the connection between the current conflict and the country’s internal fight for good governance. “The war not only did not stop the fight against top corruption, but added motivation to our work,” Oleksandr Klymenko, the head of the Ukrainian Specialized Anti-Corruption Prosecutor's Office, has detailed (U.S. News and World Report, May 18, 2023)

NABU FOCUSES ON CRYPTO
Ukraine's National Anti-Corruption Bureau (NABU) has launched an initiative investigating money laundering and corruption taking place in the country's burgeoning cryptocurrency sector. Cryptocurrency, law enforcement officials say, currently represents a "panacea" for criminals and illicit activities, due to its poorly regulated nature. NABU’s initiative, which is poised to receive support from the U.S. Department of State, reportedly includes over “250 detectives and analysts” looking into crypto assets, and a nine-month training program that would entail lessons on "cryptocurrency technologies" and "methods of investigating crimes using cryptoassets." The nine-month course “is the largest training course in the history of the bureau,” NABU has said. (Cryptonews, May 22, 2023)

CHINA POISED TO EXPAND STAKE IN UKRAINE’S TELECOM SECTOR
Ukraine’s largest telecom operator, Kyivstar, has lost a little under 10% of its total infrastructure as a result of Russian attacks. As a result, the company is turning to Chinese tech giants Huawei and ZTE Corp. to help rebuild it. The cost for the reconstruction, as well as for general upgrades and digital services, is estimated to be about $600 million over the next three years, according to Kyivstar CEO Oleksandr Komarov. The move has the potential to significantly expand China's stake in Ukraine, which Huawei and ZTE already control more than 50% of.

That state of affairs, in turn, has the potential to cause serious friction for Kyiv with both Washington and European capitals, because Western states are increasingly wary of China's economic and political influence – and throwing up barriers to prevent such penetration. In mid-June, for instance, the European Commission announced that it would be labeling Huawei and ZTE as "high risk," urged member states to crack down on the two entities, and banned them from official systems, for security reasons.

Ukraine, however, appears wedded to Chinese systems – at least for the moment. According to Komarov, a compete switch away from Chinese providers toward Western ones would be “impossible.” However, he noted that a "mid-term program" is in place to turn to Swedish and Finnish providers for core components if the government mandates a change in policy. This change, however, would require "some financial support" be given to the Ukrainian operators, Komarov maintains. (Bloomberg, June 21, 2023)
THE IMF PRESSES FOR DISCLOSURES
As part of the International Monetary Fund's requirements for a $15.6 billion assistance package to Ukraine, the international lender is requiring that Kyiv reinstate a policy of government officials publicly declaring their assets. The disclosure requirement was first implemented in 2016 as an anti-corruption measure, so that citizens could view what holdings their government officials possessed — and so that watchdogs could scrutinize any suspect finances, cars, properties, or other assets. However, the policy was made optional — ostensibly for security purposes — when Russia commenced its full-scale invasion in February 2022. Last September, lawmakers floated a measure to bring back the requirement, but the law has been stalled since, leading critics to assume some at least some do not want their assets to be scrutinized. The IMF, however, clearly does, and is seeking major progress from Kyiv on reinstating the policy by the end of the summer. (Reuters, June 30, 2023)