

To the attention of the Prosecutor General of Ukraine,

Yarema V.H.

INTERNAL REPORT

On 27 March 2014, the Main Investigative Department of the Prosecutor General's Office of Ukraine initiated criminal proceedings No. 4201400000000181 against the former Minister of Environmental Protection of Ukraine, Zlochevsky M.V., regarding offences envisaged by part 2 of Art 356 and part 5 Art 191 of the Criminal Code of Ukraine ("CCU"), namely embezzlement of public funds in the amount of 49.380 mln UAH.

On 22 March 2014, at the same time, the competent authorities of the United Kingdom launched an investigation of money laundering committed by Zlochevsky M.V. in the amount of 35 mln USD. In this criminal case, British law enforcers blocked 23.5 mln USD on Zlochevsky's accounts.

Based on the mutual legal assistance request of the UK competent authorities in this criminal case, the Main Investigative Department of the Prosecutor General's Office of Ukraine launched criminal proceedings No 4201400000000805 concerning Zlochsvsky M.V. regarding offences envisaged by part 3 of Art 368-2 and part 3 of Art 209 of the CCU on 05 August 2014.

Later on 4 December 2014 the First Deputy Prosecutor General of Ukraine, Herasymiuk M.V., made a decision on changing the jurisdiction of criminal proceedings No. 4201400000000805 and No. 4201400000000181 to the pretrial investigative authorities of the Ministry of Internal Affairs of Ukraine. Then these criminal proceedings were transferred from the Main Investigative Department to the Main Department of Supervision in Criminal proceedings in order to determine the pretrial investigative authority and the appointment of supervisor in pretrial proceedings.

During the working meetings and in a letter dated 10 December 2014, the representatives of the British Embassy in Ukraine informed about the fact of appeal in London Court of the decisions on blocking the abovementioned assets of Zlochsvsky M.V. and the possible decision of a British court to unfreeze these assets due to the absence of the proactive investigative actions in these criminal proceedings in Ukraine, in particular lack of a notice of suspicion and a request for the arrest of these funds.

On this regard on 11 December 2014 the First Deputy Prosecutor General of Ukraine, Herasymiuk M.V., (Office of Procedural Supervision in the Criminal Proceedings of the Central Investigative Unit) and the Deputy Prosecutor General of Ukraine, Shokin V.M. (the Office of Procedural Supervision in the Criminal Proceedings) were assigned by you [General Prosecutor] to resolve the issue of appealing to the competent authorities of the UK regarding seizure of the asset of Zlochevsky M.V. before 25 December 2014 as well as to inform the Main Department of International Legal Cooperation by the set date.

Instead, as of 25 December 2014, the Main Department of International Legal Cooperation did not receive any international investigative requests in these criminal proceedings, including the ones regarding the seizure of assets of Zlochevsky M.V. as well as information about the result of execution of the above assignment.

Also, it was established that as of 25 December 2014 no written notice of suspicion to Zlochevsky M.V. had been drawn and declared in criminal proceedings No. 4201400000000805 and No. 4201400000000181.

Meanwhile, on 25 December 2014, the General Prosecutor's Office of Ukraine received a letter from the competent authorities of the United States of America stating lack of action in the pretrial investigations against Zlochevskiy M.V., particularly absence of the notice of suspicion and no seizure of his assets, consequently, there is a risk of adopting a decision to unfreeze Zlochevsky's assets by British court on 05 January 2015 in the UK.

Also, the American side stressed that the cancellation of seizure would obviously have negative consequences for Ukraine regarding further restrictive sanctions imposed against the former officials by the EU Council, Switzerland and Liechtenstein, and create conditions for their withdrawal.

Given the above, please consider assigning the following to the Office of Procedural Supervision in the Criminal Proceedings (Deputy Prosecutor General of Ukraine, Shokin V.M.):

- Ensure immediate provision of the international investigative requests in criminal proceedings No. 4201400000000805 and No 4201400000000181 aimed for the competent authorities of the UK to seize under Art170 Criminal Procedure Code of Ukraine Zlochevsky's assets blocked in this country to the Main Department of International Legal Cooperation;

- by 30 December 2014 provide materials requested in a letter to British and American parties.

Annexes: 32 pages

Deputy Prosecutor General,

[Signature]

Kasko V.

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