

The detention of Hennadiy Korban – a fight against corruption, or against political opponents?

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On 31 October in Dnipropetrovsk, officers of the Security Service of Ukraine (SBU) and the Prosecutor General of Ukraine detained Hennadiy Korban, leader of the *UKROP* party and a close associate of the oligarch Ihor Kolomoyskiy, who is in conflict with President Petro Poroshenko. He was detained under three articles of the Criminal Code, covering the creation and direction of activities of a criminal group, stealing property and kidnapping. It seems to be just a matter of time before Korban is formally charged. For years, he has been widely known for taking illegal actions in order to acquire assets. Korban's detention is the first case since the Maidan of the government using the organs of law enforcement to fight a political opponent; meanwhile the joint action by the SBU and the Prosecutor's Office, which was attended by over 500 officials, looks like an attempt to intimidate other participants in Ukrainian politics. Most of the political parties stated that Korban's detention was an act of repression. In a television interview on 1 November, President Petro Poroshenko announced that "the Korban case will not be the last one", and that soon "more names of those to be held accountable will be announced." A day later, the Interior Ministry and the prosecutor's office investigators attempted to present warrants for questioning to three members of parliament from the Opposition Bloc.

Despite assurances by President Poroshenko of the need to fight corruption, and Kolomoyskiy's conciliatory reaction, Korban's detention should be considered as another element of the presidential camp's battle with the oligarch, the aim of which is to reduce the latter's political and business influence. It does not seem that this conflict, Ukraine's most serious since the Maidan, will take on the form of an open confrontation. However, Korban's arrest has extended the camp of opponents to President Poroshenko's policies, which could contribute to the destabilisation of the political situation in Ukraine, and thus hamper the implementation of reforms. Nor should the actions of the SBU and the Prosecutor's Office be seen as the beginning of a systemic fight against corruption, but rather as a political action calculated to weaken the President's opponents and to have a good propaganda effect among the public.

Poroshenko versus Kolomoyskiy: the fight for a place in the system

After Hennadiy Korban's detention, representatives of the SBU clarified that the case in hand concerned the theft of around 40 million hryvnia (about US\$ 1.72 million) from the State Defence Fund, which Kolomoyskiy's people established in order to collect money for the

Army. The kidnappings, on the other hand (Serhiy Rudyk, the head of the State Agency for Land, in August 2014; and Oleksandr Velychkiy, a director in the Dnipropetrovsk municipal office, in February 2015) did take place while Korban was deputy governor of Dnipropetrovsk.

Although the SBU and the Prosecutor's Office stated that their action had nothing to do with current politics, the *de facto* arrest of Hennadiy Korban is a political action. Korban is actually one of the oligarch's closest associates, the leader of the *UKROP* party, formed a few months ago, and he has been extremely critical of the President. There is no doubt that the decision to detain him was made with the consent of the President, who controls both the prosecution and the SBU. The conflict between Poroshenko and Kolomoyskiy was revealed in March this year, when the oligarch was dismissed from his post as governor of Dnipropetrovsk oblast. This conflict is deep-rooted, and is being played out on several fields in parallel, the most important of which is the current struggle for political influence. Kolomoyskiy is the main sponsor of the *UKROP* party, and is also regarded as the patron of Oleh Lyashko's Radical Party (which left the ruling coalition in September), the nationalist *Svoboda* party, as well as the *Vidrodzhennya* (Rebirth) group, which is made up of the 'leftovers' of the Party of Regions. All of these parties were quite successful in the local elections held on 25 October, and so the government may well be right to worry that, under the auspices of Kolomoyskiy and with the support of the media he owns, these parties will gain in popularity and may create a consolidated radical right-wing group.

Other fields of conflict between Kyiv and Kolomoyskiy are the economy and the media. The government has been seeking to reduce the oligarch's business influence, and have demanded he repay debts to the state budget, taxes and dividends, among others – a total of around 10 billion hryvnia (around US\$430 million) – deriving from his effective long-term control over state companies in the oil sector. Kolomoyskiy also owns the 1 + 1 holding, which includes popular television stations, a news agency, and a number of newspapers which criticise the government. Korban's detention should therefore be seen as an attempt to compel Kolomoyskiy to 'play by the rules' as drawn up by the authorities. The oligarch's first public reaction to the arrest of Korban was relatively restrained, which may indicate that he is counting on coming to an agreement with the presidential camp.

The fight against corruption?

In the government's rhetoric, Korban's detention is intended to serve as a signal to society that the fight against corruption in Ukraine will be carried out consistently and without exception. Tolerating corruption is one of the main complaints against the authorities, and the reason for the president and the government's falling support. The aim of Korban's detention is therefore to improve the poll ratings of president's party, especially in the face of the oncoming winter and rising electricity and heating bills. The attempt on 2 November to serve warrants in the parliament building for the questioning of three Opposition Bloc politicians, Vadym Novynskiy, Natalia Korolevska and Oleksandr Vilkul, was intended as a political demonstration, and may signal the imminent detention of more well-known politicians. On 3 November the SBU launched an investigation into the illegal financial operations of the *Brusnichka* supermarket chain, owned by the oligarch Rinat Akhmetov. Nevertheless, all indications are that the government's fight corruption is not a

root-and-branch attack, but will remain a purely political procedure, calculated to weaken opponents and have a favourable propaganda effect among the public. A year and a half after the change of power in Ukraine, no senior official or politician, including those associated with the Party of Regions, has been convicted, while the creation of state institutions responsible for fighting corruption has been significantly delayed.

Consequences

Korban's detention is the first case in Ukraine since the Maidan where the institutions of force have been used in a political struggle. The parliamentary parties which make up the coalition, *Samopomich* and *Batkivshchyna*, have condemned the arrest of Korban and have deemed it an act of political repression. The operation was also criticised by the Radical Party, *UKROP* and *Vidrodzhennya*, as well as by some civil rights groups, who allege that Poroshenko has made instrumental use of the institutions of force, and is operating in a manner reminiscent of the regime of Viktor Yanukovich.

The critical reaction from most political parties has once again revealed the growing conflict within the parliamentary coalition and the increase in ranks of President Poroshenko's opponents. We may expect the internal political dispute in Ukraine to deepen, which will continue to destabilise the country and adversely affect the efficiency of the ruling camp, and therefore of the reform process. It is possible that other groups in the political and business elite will start to work against the presidential camp in fear for their security, which could lead to early parliamentary elections.