

UKRAINE: WHO IS WHO ON BANKOVA STREET?

UNBLURRING THE PRESIDENT'S ADMINISTRATION
TWO YEARS AFTER THE ELECTIONS



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Political Realignment and “New” Faces in Ukrainian Politics: Assessing the Office of the President of Ukraine

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Summary

Coming to power in April 2019, Volodymyr Zelensky won the support of numerous voters with his promises to radically change the Ukrainian political system by bringing new, non-corrupt faces and fighting back oligarchs. Even despite his widely discussed connection to Ukrainian oligarch Ihor Kolomoisky, Zelensky seemed to have convinced Ukrainians. In addition to getting the presidency, he led his party, the Servant of the People, to win a majority of seats in the Verkhovna Rada, namely, 254 out of a total 450. Remarkably, more than 75% of the new MPs have never been elected to the Ukrainian Parliament. Yet does such an impressive reboot mean brand-new politics for the country with the much-needed democratic transformations and political growth? Less than a year later, President Zelensky seems to have turned to the old-school politicians making a set of somewhat surprising appointments bringing back people from Yanukovich's Administration. Such a recent trend gives one even more reason to question the coherence of Zelensky's team's policies and the grounds and powers behind those.

The present report focuses on the Office of the President of Ukraine, formerly known as the "Administration of the President." This administrative body set up to assist the president has allegedly gone through a complete reboot since the times of Petro Poroshenko and, especially, Viktor Yanukovich. This study questions the role that the Office of the President plays in the current domestic and foreign policies of Ukraine, focusing on the key figure in President Zelensky's team whose influence seems to go beyond the corresponding official duties. This report reflects on the power struggles and the dynamic of appointments in the office, its communications with the cabinet, Verkhovna Rada, and the civil society organizations, and traces the relations the office has with Ukrainian oligarchs. Additional attention is paid to the major office-related scandals coming up in investigative journalists' and civil society organizations' reports on the transparency and accountability of Zelensky's team.

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Introduction. New president, new administration, new rules?

In April 2019, Ukrainian comedian Volodymyr Zelensky scored a landslide victory, becoming Ukraine's youngest post-Soviet president. Famous both in Ukraine and among the Russian-speaking audience in larger post-Soviet space, Zelensky starred in the comedy series "Servant of the People" not long before being elected as president. In a three-season show, his character, a history teacher, gets unexpectedly elected Ukraine's president and, by the series' finale transmitted on TV right before the second tour of the real presidential elections, puts an end to corruption, leading the country into prosperity. Running under a political party with the same name as Zelensky's TV show, the presidential campaign was built on his difference from the other candidates rather than on a specific program, and on the promises to radically change the situation in the country that, by 2019, was amidst a deep economic and political crisis.

With zero experience in politics, Zelensky avoided serious interviews and discussions about policy. Instead, his team won him popularity by designing light-hearted videos for social media, using populist slogans, and presenting Zelensky as ready to launch his anti-corruption crusade and loosen the grip of oligarchs on the country. Zelensky being a novice to the Ukrainian political system and his promises to bring a new team attracted millions of Ukrainians who were tired of poverty, a corrupt system, and the same faces in the parliament.

"I am not a politician," said Zelensky as he was opening the head-to-head televised debate with then-president Petro Poroshenko at Kyiv's Olympic stadium. "I am just a simple person who has come to break down this system."¹

Apparently, the presidential administration, a body established to provide administrative, advisory, analytical, and legal assistance to the president, was a part of the system Zelensky intended to break. Transforming it was one of Zelensky's election pledges. On repeated occasions, he claimed an urgent need to "clear up a mess" at the administration that was overstaffed and consumed too much of the budget.² Instead of the numerous conservative offices in the building in downtown Kyiv on Bankova street, where the administration was traditionally located, Zelensky and his aides promised to move to a transparent, open space area to symbolize the transparency and accountability of the new power.

In almost two years of Zelensky's presidency, this move has never taken place. It was justified by an unexpected challenge to find an office location of an appropriate size and infrastructure. Nevertheless, on June 20, 2020, President Volodymyr Zelensky signed decree number 417/2019 that

¹BBC. (2019). Ukraine presidential rivals trade barbs in stadium debate. April 19, 2019. <https://www.bbc.com/news/world-europe-47990267>

²See, for example, Zelensky's interview to RBC.UA in April 2019 (Volodymyr Zelensky: Nam vygidno rozpustyty Radu, ale budemo dumaty i vchynyaty za zakonom [Volodymyr Zelensky: It is not beneficial for us to dissolve the Rada but we shall think and act according to the law], RBC.UA, April 18, 2019. Available at <https://www.rbc.ua/ukr/news/vladimir-zelenskiy-nam-vygodno-raspustit-155546435.html>)

established the presidential office by reorganizing and reducing the staff of the Administration of the President of Ukraine.

Created in December 1991 by the first president of Ukraine, Leonid Kravchuk, the Administration of the President had been through other reorganization rounds before. In 2005, Ukraine's third president, Viktor Yushchenko, turned it into the Secretariat of the President dissolved by the first decree of President Viktor Yanukovich in 2010. Yanukovich, once again, established the administration.

According to the Decree, the Office of the President has the following structure (see also Appendix 1 for a detailed scheme with the names and brief description of the duties):

- Head of the Office and Deputy Heads (currently eight of them)
- Chief of Staff
- First Aide to the President of Ukraine
- Advisers to the President of Ukraine
- Press Secretary of the President of Ukraine, Commissioners, and Representatives of the President
- Cabinet of the President of Ukraine
- Office (Cabinet) of the Head of the Office of the President of Ukraine
- Services: State Protocol and Ceremonial Service and Risk monitoring and management service
- Directorates: Legal Policy Directorate, Directorate for Foreign Policy, Directorate of Justice and Law Enforcement, Directorate for Regional Policy, Directorate for Economic Policy, Directorate for Domestic and Humanitarian Policy, and Information Policy Directorate
- Departments: Department of Social Policy and Health, Department of National Security and Defense, Documentary Support Department, Department of Citizenship, Pardons, State Awards, Citizens' Appeals Department, Personnel Management Department, Department of Information Technologies, Department of Relations with the Verkhovna Rada of Ukraine and the Cabinet of Ministers of Ukraine, Department for Supporting Activities of Commissioners, Representatives, and Work of the Office of the President of Ukraine, and Regime-secret department.³

Compared to Poroshenko's administration, Zelensky decreased the number of departments replacing most of them with services and directorates. In addition to that, cutting the office staff was something that Zelensky's team referred to as one of the new government's achievements. Nevertheless, the staff numbers have been growing since the administration was reorganized, and in September 2020, the office had some 419 employees. Though the Head of the Office, Andriy Yermak,

³ Decree of the President of Ukraine on Maintaining the Work of the President of Ukraine, 417/2019, as of 05.11.2020 <https://zakon.rada.gov.ua/laws/show/417/2019#Text>

claimed that this was the lowest number in the last ten years (with the maximum of 579 persons in 2014⁴), one can hardly speak of radical transformations in the formal structure of the office and legal foundations of its activities. Rather, it is the scope of the actual work and influence that the presidential office has that makes a difference.

Another point of pride for those working in the office is their low salaries. For example, the Head of the Office's salary in 2020 after taxes was around EUR 1000,00⁵ (average wage in Ukraine in November 2020 was around EUR 400,00).⁶ Yet, the wages of the staff of Poroshenko's administration were even less attractive.⁷ Therefore, while the office's representatives rightfully comment that the expenses to maintain it are much lower than those for the parliament and the government, offering noncompetitive salaries to the public officials is hardly Zelensky's team invention. Besides, judging from the high competition for each position in the office, those aspiring to work there do not seem to be discouraged by low official pay. Formally, the work of the administration (and now of the Office of the President) is regulated by merely one document, a relatively short provision⁸ that vaguely defines the sphere of responsibility and influence of the body. Furthermore, the competence of the Head of the Administration, or the Office of the President, is described in even blurrier terms finishing with the words "and has other competencies according to the current legislation." De facto, the Head of the Office's authority and responsibilities are defined directly by the president.

At different times, the presidential administration had various roles in Ukrainian politics. The difference largely depended on the president's personality and that of the Head of the Administration. According to those close to the administration during ex-president Petro Poroshenko's times, the Administration of the President then was merely a secretariat responsible for technical support of the president's everyday work. Many interviewees confirmed that, as usual, various politicians aspired to gain more power within the administration to influence the cabinet of ministers and parliamentary factions. However, they hardly succeeded, as Poroshenko did not keep people seeking more political influence too close and preferred not to be limited in his political communications.

⁴ The precise information on the actual number of employees of the Office is impossible to get due to the fact that there are different kinds of employment contract and bureaucracy for various categories of employees. While the current Office claims they have the lowest number of the employees in 10 years, there is also information that they have exceeded maximum number of 416 persons that Poroshenko had working for him. In any case, at the present it is hardly possible to speak of substantial cut of expenses and staff as compared to previous periods.

⁵ Ukrainska Pravda (2020). U kerivnytstvi OP bilsh vsih zaroblyaye pryznacheny sche Poroshenko "fakhivets z reform" (In the OP management the "expert on reforms" appointed by Poroshenko has the highest salary). October 22, 2020. <https://www.pravda.com.ua/news/2020/10/22/7270814/>

⁶ Official data from the Ministry of Finances of Ukraine in November 2020, <https://index.minfin.com.ua/labour/salary/average/>

⁷ Official response from the Administration of the President [Poroshenko] in November 2015 reg. the salary of the Head of the Administration, <https://docs.rferl.org/uk-UA/2015/11/30/3c2ccc73-7846-4202-a862-ce279b2cc689.pdf>

⁸ Decree of the President of Ukraine on the Provision on the Office of the President № 436/2019, June 25, 2019. <https://zakon.rada.gov.ua/laws/show/436/2019#n8>

The situation seems to be different in Zelensky's office. Having admitted his lack of experience in politics, in his decision-making President Zelensky largely relies on the opinion of a close circle of people, including top figures in his office, aides, and advisors, counting, according to different sources, from a dozen to some fifty people. On the one hand, the participation of multiple actors, many of them much more experienced in politics than Zelensky, can be seen as a positive illustration of collective decision-making and governance. Nevertheless, as this report demonstrates further, the relevance of these people's competence, their past and current connections, and the interests they promote in the office and the Parliament are to be questioned. After a year of electoral triumph in 2019, 2020 became for Zelensky a year of numerous scandals around his team, office, and parliamentary faction. In December 2020, 40% of Ukrainians named President Zelensky "the disappointment of the year."⁹ Interested in this drastic change, this study questions the role that the office plays in the current domestic and foreign policies of Ukraine, focusing on the key figures in President Zelensky's team whose influence seems to go beyond the corresponding official duties. The report reflects on the power struggles and dynamic of appointments in the Office, its communications with the Cabinet, Verkhovna Rada, and the civil society organizations. It traces the office's relations with Ukrainian oligarchs while paying additional attention to the significant office-related scandals coming up in investigative journalists' and civil society organizations' reports on transparency and accountability of Zelensky's team.

The report is structured as follows. The first part discusses the Head of the Office of the President. It focuses first on the former head of Zelensky's office, Andriy Bohdan, and then spends more time discussing the work of the current Head of the Office, Andriy Yermak. The second part provides information on other key actors in the office close to Zelensky. The third part is dedicated to the Ukrainian oligarchs and their influence on the government and the parliament during Zelensky's presidency. This part also reflects on the role of the media, predominantly owned by the oligarchs, in shaping changing public opinions around the office. In conclusion, I summarize the reports' findings and hypothesize on the implications of those for the democratization of Ukraine.

Methodologically, for data collection, this report draws on primary and secondary sources in Ukrainian, Russian, and English, such as official reports, data available at the state portals, investigative journalism, shadow reports from NGOs, as well as interviews with MPs from both Zelensky's party and opposition, civil society activists, politicians, and representatives of international organizations. A more detailed note on methods is provided in Appendix 2.

⁹ Razumkov Center. (2020). *Ukraina 2020: nevypravdani ochikuvnnya, neochikuvani vyklyky. Pidsumky roku u dzerkali gromadskoyi dumky (gruden' 2020 r.)* (Ukraine 2020: unjustified expectations. Summary of the year in the mirror of public opinion (December 2020)). <https://razumkov.org.ua/napriamky/sotsiologichni-doslidzhennia/ukraina2020-nevypravdani-ochikuvannia-neochikuvani-vyklyky-pidsumky-roku-u-dzerkali-gromadskoi-dumky-gruden-2020r>

Part 1. From Bogdan to Yermak: power competition on Bankova Street

There were periods in the history of independent Ukraine when the Head of the Administration was among the country's most influential people. Dmytro Tabachnyk, the first Head of the Administration of Leonid Kuchma, the second president of Ukraine, was such an infamous (and even demonized) figure that a joke was born: "What does Leonid Kuchma do? He works as a president in Tabachnyk's Administration." Later, Viktor Medvedchuk also gained much political power as Kuchma's Head of the Administration in 2002-2005.

During the two years of Zelensky's presidency, his office has already had two heads with entirely different management styles. In both cases, however, experts and people close to the Office agree that it is difficult to overestimate the role of the Head of Zelensky's Office in Ukrainian politics. Most importantly, the Head of the Office directly appoints people for all the key positions. Furthermore, the second Head of the Office, Andriy Yermak, is also in charge of foreign politics and relationships with strategically important countries. The Head of the Office is also among those few who always have access to the president and regulate the access other people may have. Therefore, it seems imperative to start the analytical overview of Zelensky's Office with a closer examination of those in its head's chair.

Andriy Bohdan: "a simple guy from L'viv" who brought Zelensky to power and taught him Ukrainian

Andriy Bohdan, now former Head of the President's Office, is the person to whom, as Bohdan himself explicitly claimed in his recent interviews in April 2019, President Zelensky owed his victory (as well as immensely improved his knowledge of the Ukrainian language).¹⁰ An experienced lawyer, Bohdan has been active in Ukrainian politics since 2007. That year he stood among the candidates from Viktor Yushchenko's Our Ukraine - People's Self-Defense Bloc (*Blok Nasha Ukrayina-Narodna Samooborona*) but did not make it to the parliament. However, by Prime Minister Yuliya Tymoshenko's decree, Bohdan was appointed deputy minister of justice in December 2007. He worked in that position until March 2010, being in charge, among other things, of the state's anti-corruption policy.

Soon after Viktor Yanukovich won the presidential elections in March 2010, Bohdan again got a position, now in Mykola Azarov's government. As the Government Commissioner for Anti-corruption Policy, Bohdan worked until February 2011, when this position was eliminated due to the

¹⁰See, for example, an interview from September 9, 2020 to Dmytro Gordon ("Uvol'njaja menja, Zelenskij skazal: "Ty – kak neljubimaja zhenshhina." (When firing me, Zelensky said: You are like an unloved woman) Full text of Bohdan's interview to D.Gordon, Gordon.Ua, September 9, 2020, <https://gordonua.com/publications/uvolnjaja-menja-zelenskij-skazal-ty-kak-neljubimaja-zhenshhina-polnyj-tekst-intervju-Bohdana-gordonu-1517453.html>)

administrative reform. In July 2013, once the position was renewed, Bohdan returned to Azarov's government. He resigned voluntarily after the Revolution of Dignity (the so-called Euromaidan) in March 2014 to stand in fall 2014 as a candidate from the Petro Poroshenko party for parliamentary elections. 74th on the party list, Andriy Bohdan repeatedly failed to get a seat in the Verkhovna Rada. That same year, Bohdan became a legal advisor of a Ukrainian billionaire business oligarch and then Governor of Dnipropetrovsk Oblast Ihor Kolomoisky, then one of the three richest Ukrainians (currently he moved to the 8th position according to Forbes).¹¹ Allegedly because of this connection to Kolomoisky, Bohdan was removed from Poroshenko's party list in 2016 and could not join the parliament when there was a vacant position due to an administrative reshuffle. He tried to dispute this party decision in court in 2018 but did not succeed.

Bohdan's past with the Azarov government and his close engagement with Kolomoisky's affairs raised much concern around his appointment as the Head of the Presidential Administration (later the Presidential Office) on May 21, 2019. In particular, investigative media *Schemes* published details on the trip to Moscow Bohdan made with Azarov on the eve of Ukraine's withdrawal from the Association Agreement's negotiations with the EU in 2013.¹² Another *Schemes*' investigation revealed Bohdan's multiple trips to Tel Aviv, where Kolomoisky resided at the time, while the lawyer was *de facto* running Zelensky's election campaign in 2018.¹³ Bohdan did not refute those claims. He denied, however, any engagement in Yanukovych's affairs. Regarding his visits to Kolomoisky, Bohdan claimed that those were related solely to his work as the oligarch's legal adviser, which had nothing to do with Zelensky's political activities.

Several days after Bohdan's appointment, an electronic petition to President Zelensky was filed asking to fire Bohdan from this position. In just four days, the petition collected 25,000 electronic signatures necessary for Zelensky to review it.¹⁴ On May 25, 2019, a Ukrainian NGO Public Lustration Committee appealed to President Zelensky with the demand to cancel the decree on Bohdan's appointment. The NGO filed a lawsuit over it specifying that Bohdan "held the position of the Government Commissioner for Anticorruption Policy, which is subject to lustration, from

¹¹ Ponomarenko, I. (2020). After returning to Ukraine, Forbes unveils 100 richest Ukrainians list. Kyiv Post. June 2, 2020. <https://www.kyivpost.com/business/after-returning-to-ukraine-forbes-unveils-100-richest-ukrainians-list.html>

¹² Andrushko, S. (2019). Andriy Bohdan. "Nezasluzhene" zvanntia ta gramota vid Azarova v rozpal Evromaidanu (rozsliduvanniya) (Undeserved title and award from Azarov in the midst of Euromaidan (investigation). Radio Svoboda. September 26, 2019. <https://www.radiosvoboda.org/a/schemes/30184985.html>

¹³ Radio Svoboda (2019). Za dva roky Zelensky 13 raziv zlitav do Zhenevy ta Tel-Avivu, de meshkaie Kolomoisky (Schemy) (During two years Zelensky 13 times flew to Geneva and Tel Aviv where Kolomoisky lives). April 11, 2019. <https://www.radiosvoboda.org/a/news-schemes-zelenskyy-perelyoty/29875430.html>

¹⁴ Petition №22/053772-en to President Zelensky to fire A. Bogdan from the position of the Head of the Administration of the President as of 23.05.2019, <https://petition.president.gov.ua/petition/53772>

February 25, 2010, to February 22, 2014, as well as during the Revolution of Dignity and did not resign in the period from November 22, 2013, to February 22, 2014.”¹⁵

Zelensky and his team’s reaction to these moves and continuing criticisms and concerns regarding Bohdan’s figure were not very convincing. Zelensky’s official response to the electronic petition was that Bohdan was fired from the administration’s head position in June 2019. The reason for the dismissal was that the administration itself ceased to exist. It was transformed into the Office of the President, and Bohdan became its head. The Supreme Court rejected the appeal of the Public Lustration Committee regarding Bohdan’s appointment being illegal. In August 2020, Bohdan filed the lawsuit in the Shevchenko District Court in Kyiv against three journalists from *Schemes*, an investigative program of *Radio Free Europe/Radio Liberty*, and national broadcaster *Suspilne*.¹⁶ In summer 2019, then Head of the Presidential Office Andriy Bohdan was considered among the most influential people in the country who seemed to have significant influence over President Zelensky.

During the first six months as the Head of the Office, Bohdan was also one of the most notorious figures among Zelensky’s team. He seemed to follow the president everywhere, from official meetings to beach vacations or workouts at a gym. Bohdan made himself known for numerous scandals with the journalists. Among those, the fake announcement about his resignation in August 2019¹⁷ and the case when Bohdan justified his previous claim that Zelensky’s team did not communicate with journalists directly referring to the Ukrainian media as corrupt and manipulative.¹⁸ Bohdan’s name is related to the attempts to remove Vitaliy Klychko from the chair of the Head of Kyiv’s City Administration and to the leaked records from the office of the former director of Ukraine’s State Bureau of Investigations, Roman Truba. The records contain conversations of Truba supposedly with Bohdan concerning the criminal proceedings opened against Petro Poroshenko. Truba claimed that the recordings were a fake compilation used to discredit him.¹⁹

Though the whole “Bohdan era” of the Presidential Office was marked with continuous critique towards its head, journalists and experts agreed, both then and now, that Andriy Bohdan was one of the few professional politicians Zelensky’s team and the office had. Unlike many others, he had

¹⁵ Ukrinform (2019). Public Lustration Committee files lawsuit over Bohdan's appointment as head of presidential administration. May 25, 2019. <https://www.ukrinform.net/rubric-politics/2707995-public-lustration-committee-files-lawsuit-over-bohdans-appointment-as-head-of-presidential-administration.html>

¹⁶ Talant, B. (2019). Chief of Staff Bohdan sues investigative journalists. Kyiv Post. August 22, 2019. <https://www.kyivpost.com/ukraine-politics/chief-of-staff-bohdan-sues-investigative-journalists.html>

¹⁷ Carroll, O. (2019). Ukraine: Volodymyr Zelensky's influential chief of staff 'fakes' resignation. Independent, August 2, 2019. <https://www.independent.co.uk/news/world/europe/ukraine-volodymyr-zelensky-andriy-bohdan-resign-interfax-a9036876.html>

¹⁸ See Bohdan’s interview to BBC in September 2019 (Andriy Bohdan: U Sluzi Narodu ye bozhevilni, psyhichno hvori [Andriy Bohdan: there are crazy and mentally ill people in Servant of the People], BBC, September 16, 2019. <https://www.bbc.com/ukrainian/features-49694823>)

¹⁹ Ukrainskaya Pravda. (2019). Truba nazval slivy po nemu feikom, no ne otvetil, ego li golos na zapisi (Truba defined leaked information on him fake yet did not answer whether it was his voice on the recording). November 20, 2019. <https://www.pravda.com.ua/rus/news/2019/11/20/7232551/>

extensive experience in Ukrainian state institutions. Several MPs from opposition parties commented that Bohdan had a “rather particular communication style,” which included shouting at people, making sexist comments, using curses, and generally being rude. Nevertheless, he made the impression of a person open to dialogue. This openness included constant interactions with the MPs from the Servant of the People party and, although less regularly, communication with the opposition. The Servant of the People’s representatives mentioned that Bohdan kept himself up to date with what was going on within the faction. Not much was happening without his knowledge or approval. All major public appointments included Bohdan’s participation. Multiple sources refer to Bohdan being responsible for introducing Oleksiy Honcharuk, the future prime minister of Ukraine, to Zelensky’s team and for his further appointment.

By the end of the first year of the presidency, the relations between Zelensky and Kolomoisky worsened (see part 3 of this report). The media still referred to Bohdan as the closest person to President Zelensky. At the same time, it was repeatedly reported that the Head of the Office was not invited to some crucial meetings or events. Zelensky was more often seen in the company of Andriy Yermak, his old friend and a former film producer, appointed the Presidential Aide for Foreign Policy Issues. Still, for many, it was a surprise when on February 11, 2020, President Zelensky fired Bohdan, replacing him with Yermak. Some experts read this move as a defeat for Kolomoisky and a declaration of an open war between the oligarch and the president.

Bohdan’s resignation was met with enthusiasm by those concerned about his prior ties with Kolomoisky²⁰ and welcomed by those tired of Bohdan’s aggressive and undisciplined communication style.²¹ Yermak, in his turn, was praised for his skills displayed in negotiations with the Trump administration and the Kremlin. At the same time, there were speculations and rumors about his close relations with Putin and the supposedly pro-Russian position that will be addressed below.²²

Overall, Andriy Bohdan remains a controversial figure in Ukrainian politics for now. Almost a year after his dismissal, many current MPs from the Servant of the People and opposition parties characterize him as professional. They attest to his efficiency in the communications between the Office of the President and the factions in parliament. Despite his obvious connection to Kolomoisky, most of the interviewed MPs and experts relate his dismissal to internal conflicts within Zelensky’s team. Bohdan’s aggressive and pushy style was allegedly right for the turbo-regime of reforms during

²⁰ Olearchyk, R. (2020). Ukraine president Volodymyr Zelensky fires aide and brings in Russia adviser. Financial Times. February 11, 2020. <https://www.ft.com/content/e5f93374-4ccc-11ea-95a0-43d18ec715f5>

²¹ Dickinson, P. (2020). Bohdan out, Yermak in: What next for Ukraine? Atlantic Council. February 11, 2020. <https://www.atlanticcouncil.org/blogs/ukrainealert/bohdan-out-yermak-in-what-next-for-ukraine/>

²² See, among other, Obozrevatel (2020). Piontkovskiy: Yermak – agent Moskvyy, kotoryy realizuyet rossiyskiy plan (Piontkovsky: Ermak is an agent of Moscow who implements the Russian plan), December 14, 2020. <https://news.obozrevatel.com/politics/piontkovskij-ermak-agent-moskvyyi-kotoryij-realizuet-rossijskij-plan.htm>; Interview of Alexander Arestovich to Babel.ua as of 24.12.2020, <https://babel.ua/ru/texts/56728-za-vagnerovcami-odnoznachno-sledili-ukrainskie-specsluzhby-sovetnik-glavy-op-aleksey-arestovich-o-rabote-na-ermaka-maybahe-kolomoyskogo-i-bashnyah-kremlya>.

the first year to consolidate the power in the country. It proved less appropriate when the time came to start negotiations with the oligarchs and central political figures against the background of local elections. There are also speculations that Zelensky did not appreciate too much influence on the president attributed to Bohdan in media.²³

Before closing Andriy Bohdan's part of this report, it is worth mentioning a couple of words on what the former second most influential person in Ukraine is doing now. As Bohdan returned to work as a private lawyer in fall 2020, he gave multiple interviews discussing his work with Zelensky and commenting extensively on the government's work after his resignation. While not giving much more than his personal opinion on different persons and actors in Zelensky's team and Ukrainian politics, Bohdan still raised multiple concerns. For example, he claimed that he was aware of Ukrainian public officials' possible contacts with Russian authorities and some secret negotiations.²⁴ Besides, Bohdan commented extensively on the extreme lack of competence of Zelensky and the people in his office. Here is one of the quotes from Bohdan's 4-hour interview with a prominent Ukrainian journalist Dmitry Gordon, the first in the series of his further public appearances and statements:

“Vladimir Aleksandrovich [Zelensky] is a very good person. He is sincere and good. As a president, he is trying to do good things. I do not believe there is some serious... If he does something wrong, it is probably, because of “not knowing.” This is the problem: good intentions can be ruined if you do not understand how things are done if you do not understand the algorithm, consequences, structure. This is what is going on there now.” And later:

“Where are Vladimir Zelensky and his team going? Where are they going? Nobody knows. Even Vladimir Zelensky. There are some general phrases: We support all good and are against all bad guys.”²⁵

Bohdan made similar statements in the interview to Kseniya Sobchak, a Russian journalist and politician. For this interview, both had to fly to Istanbul, Turkey, to meet on the “neutral” territory. Allegedly trying to defend Zelensky, Bohdan portrayed him as a good but naïve person who relies

²³ See, for example, BBC.News (2020). Yermak vmesto Bogdana: chto stoit za smenoy glavy ofisa prezidenta Ukrainy Zelenskogo (Yermak instead of Bogdan: what is behind the change of the head of the office of the President of Ukraine Zelensky). February 11,2020. <https://www.bbc.com/russian/features-51464704>

²⁴ Some interviews had unpleasant consequences for Bohdan. For example, after his interview to Gordon, the State Bureau of Investigation summoned Bohdan for questioning because of his statement about Crimea, the exchange of prisoners, air communication with Russia and the presence of any agreements. It was later reported that Bohdan could not provide any official confirmation of his claims and that he allegedly based his claims on what he had read from media and other open sources. (See official statement of the State Bureau of Investigation as of 14.09.2020, <https://dbr.gov.ua/news/schododopitu-ekskerivnika-ofisu-prezidenta>)

²⁵ Full text of Bohdan's interview to D.Gordon, Gordon.Ua, September 9, 2020, <https://gordonua.com/publications/uvolnjaja-menja-zelenskij-skazal-ty-kak-neljubimaja-zhenshchina-polnyj-tekst-intervju-Bohdana-gordonu-1517453.html>

too much on incompetent people with their interests surrounding the President of Ukraine.²⁶ While this criticism might sound harsh and even seem an attempt at revenge, let us move further to see who those people replacing Bohdan are and whether the staff reshuffle in fall 2019 – winter 2020 resulted in increased Office effectiveness.

Andriy Yermak and his meteoric career rise on Bankova

“Now Office of the President Zelensky works for Yermak, not for Zelensky. But this change took place so gradually we barely understood how it happened.” (From an interview with an MP from Servant of the People, December 2020.)

Andriy Yermak and Volodymyr Zelensky have been friends and associates for almost a decade. Yet, Yermak’s appointment to the position of the Head of the Presidential Office caused numerous questions of those less familiar with the inner kitchen at Bankova street. Though Yermak joined the team during Zelensky’s election campaign and was appointed as an aide by Zelensky in May 2020, Yermak was not a public figure for quite some time. However, his role in Ukrainian politics was far from insignificant. Responsible for Ukraine’s foreign policy, Andriy Yermak started his office from negotiations with the Trump administration and the Kremlin. For the first time, his name got wide media coverage related to the prisoner swap with Moscow in September 2019. As a result of lengthy bargaining, 35 Ukrainians, 11 political prisoners, and 24 sailors taken captive in November in the aftermath of a Kerch Strait incident came to Kyiv. Soon after, Yermak gave his first lengthy interview as a politician and a part of Zelensky’s Office. He repeatedly stressed the hard work Zelensky did negotiating with the Kremlin and the importance of each citizen’s life for the new government.²⁷ In this and the later interview he exclusively gave to TSN regarding the Trump-Ukraine scandal,²⁸ Yermak made an impression of a competent professional who carefully worded his opinion. In February 2020, as he replaced Bohdan, those unhappy with Bohdan’s aggressive style voiced hopes for smoother and more effective communications with the Office. They soon found out that this was one dream that would never come true.

While some journalists like to refer to Andriy Yermak as a film producer, he got involved with the movie industry only in 2016 when he founded Garnet International Media Group, a production, producer, and distribution company. In fact Yermak, a son of a former Soviet embassy employee in Afghanistan,²⁹ graduated from the Kyiv Institute of International Relations with a double-degree in

²⁶ Kseniya Sobchak (2020). Interview with Andriy Bohdan (video, in Russian).

<https://www.youtube.com/watch?v=bz6VKHSjdFI>

²⁷ Ukrains’ka Pravda. An interview with A. Yermak, September 9, 2019.

<https://www.pravda.com.ua/rus/articles/2019/09/9/7225706/>

²⁸ TSN. An interview with A. Yermak regarding the Trump-Ukraine scandal. September 29, 2019.

<https://www.youtube.com/watch?v=C4BtfZQn5os>

²⁹ Multiple rumors, though not confirmed, circulate about Yermak’s father who allegedly worked for either GRU (Military intelligence service/Glavnoye razvedyvatel’noe upravlenie) or KGB. Yermak repeatedly refuted these claims.

international law and foreign languages. Already two years after graduation, he founded his law firm specialized in intellectual property. His firm was among the first ones to provide legal services for media companies and TV channels. Some of their clients include Disney, Pixar, and Universal. Yermak took an active part in drafting the first Ukrainian laws on intellectual property and copyright. In other words, while having almost no experience in politics, Yermak seemed to have experience in international business and law.

With his calm and confident behavior, Yermak was met with enthusiasm as he replaced the notorious Bohdan. However, his first several months as the Head of the Office were marked by several significant scandals making Bohdan's opponents miss him. Among interviewed politicians both from Zelensky's and the opposition factions in parliament, in October through December 2020, even those very critical about Bohdan in the past were now mentioning him as emotional but open for dialogue and caring about reforms in Ukraine. Yermak, though polite and balanced in public, ignored not only the representatives of other parties but also those from the Servant of the People. And the more the stories around the Head of the Presidential Office evolved, the more supporters and allies of Zelensky seem to question the rightfulness and transparency of the methods used by the president and the head of his office. Below is a brief overview of the significant scandals around Yermak contributing to the illustration of the office under his leadership.

Prisoner Swap Debate

In December 2019, Western leaders and Russia welcomed a mass prisoner exchange between Kyiv and separatists fighting in eastern Ukraine and backed by Russia. The December exchange followed the Paris Summit in the Normandy format³⁰ of December 9, 2019. There, among others, the agreement to “release and exchange of detained persons associated with the conflict by the end of the year on an “all for all” basis, starting with “all identified for all identified”³¹ was reached. As a result, 76 captives were brought home to Ukraine, and 124 prisoners were sent Russian proxies in Donbas as part of the biggest prisoner swap between the two sides in two years and the most controversial one to date.

The issue with the “all for all” basis was that the list of the persons released to Russia included five former Berkut riot policemen charged with killing 48 and injuring 80 protesters in Kyiv on February 20, 2014. In other words, Ukrainian citizens who had nothing to do with the war in Donbas, not “captives” held by Ukraine but those on trial. In addition to that, three individuals were swapped

³⁰ Created on June 6, 2014, when France, Germany, Russia, and Ukraine leaders met on the margins of the 70th anniversary of the D-Day allied landings in Normandy, the format involve the representatives of these four countries working together with the aim to resolve the war in Donbass. It has been also known as the Normandy contact group.

³¹ President of Ukraine. Official Website (2019). Overall agreed conclusions of the Paris Summit in the Normandy format of December 9, 2019. <https://www.president.gov.ua/en/news/zagalni-uzgodzheni-visnovki-parizkogo-samitu-v-normandskomu-58797>

whom the Kharkiv district court found guilty of a terrorist act in Kharkiv on February 22, 2015, that claimed four lives (including minors.) Again, their cases had nothing to do with Donbas conflict.

The courts were used instrumentally in this political move, and judges' decisions not to release individuals mentioned above were disregarded by the government. Apart from the questionable legality, ex-Berkut police officers' release turned into a painful development for many Ukrainians. Some sources referred to the situation as the "symbolic defeat of Maidan values," i.e., of the values thousands of Ukrainians were fighting for in the winter of 2014. Families of activists murdered during the Euromaidan addressed President Zelensky pleading not to liberate the former Berkut policemen, and many Ukrainian civil society activists supported this request. However, the final decision remained unchanged and on December 29, 2019 five policemen were released to the occupied territories.

This move caused outrage among some groups of Ukrainian society. Some experts and analysts questioned the importance of Berkut officers for Russian proxies,³² with some suggesting it may amount to a confession of Moscow's involvement in the violent attempted suppression of Euromaidan protests. There were serious concerns of activists, lawyers, and family members of those killed that after the release of former Berkut officers, the massacre of protesters in Kyiv would go unpunished. Moreover, Boris Gryzlov, Russia's representative to the Minsk peace talks, said that Ukraine had pledged to stop criminal proceedings against people included in it on the exchange day.

President Zelensky, however, did not confirm that. He assured that the Euromaidan investigations would continue, even without the suspects in custody. He also commented:

*"I respect parents and relatives of those killed at the Maidan. Unfortunately, we cannot return those who passed away... But we could return those alive."*³³

Though President Zelensky was the one in the center of attention regarding the release of ex-Berkut officers, this case is discussed here as it was Andriy Yermak who has been responsible for the prisoners' exchange negotiations from the very beginning. As the Head of the Office of the President, he is also the one representing Ukraine in the Normandy format negotiations when those are not taking place on the heads of the states level. It has to be noted that though the decision to release people guilty of Euromaidan murders was harshly criticized by many, by February 2020, when he

³² On December 24, 2019, the lawyer of ex-Berkut policemen, Valentin Rybin, published the video claiming that Ukraine is trying to exclude these five from the list for the prisoner swap. He called these actions destructive and said that Russia would never agree on that. (video on Facebook – in Russian - <https://www.facebook.com/valadvocat/posts/2955327721164917>)

³³ Grytsenko, O. (2019) Zelensky defends exchange of Berkut suspects for Ukrainian captives. KyivPost December 30, 2019. <https://www.kyivpost.com/ukraine-politics/zelensky-explains-political-decision-of-exchanging-berkut-suspects-for-ukrainian-captives.html>

was appointed the Head of the Office, Yermak still enjoyed relatively positive media exposure and general praise for negotiating skills.³⁴

Bringing the separatists to the negotiation table

Early in March 2020, President Zelensky officially confirmed his decision to create a so-called “advisory council” that would include ten representatives from Ukraine and ten from the Russian proxy “republics” DPR and LPR, and one representative with an advisory vote from the OSCE, Russia, Germany, and France. The council’s decisions would be advisory.

The publication of the decision caused a wave of outrage from civil society activists and politicians, including those from the Servant of the People. Sixty MPs from Zelensky’s party signed a statement³⁵ on March 13, 2020, in which they stressed that any direct negotiations with the proxy ‘republics’ were unacceptable. They also said that they shared civic concern about other statements made by high-ranking officials regarding possible reinstatement of water supplies to occupied Crimea and the labeling of the war in Donbas “an internal conflict.” Regarding the agreement reached on March 11, the authors point to Ukraine’s Law on occupied territory in the Donetsk and Luhansk oblasts, identifying the Russian Federation as occupying the region. The statement points out though representatives of the so-called ‘republics’ were present at the Minsk negotiations, they did not have the right to vote. “Raising them to the status of autonomous players will make it possible for Russia and the international community to treat the armed conflict on Ukrainian territory as “an internal conflict,” and not the result of armed aggression by the Russian Federation against Ukraine.”³⁶

On March 14, 2020, at a talk show, Andriy Yermak argued³⁷ that the point of the advisory council was to avoid negotiations with representatives of terrorist organizations of the DPR and LPR. Instead, he wanted to bring “displaced persons forced to live not in the occupied territories.” To the MPs from Zelensky’s party, Yermak allegedly confirmed during a personal meeting that the red lines would not be crossed and that the Russian Federation was and remained a party to the negotiations. In contrast, no talks with the leaders of the separatists would take place. In the end, the issue was slowly forgotten.

³⁴ Another issue that did not get much attention in the media, though, was the suggestion of Yermak in December 2019, later restated in March 2020, to have representatives of the occupied territories within the Trilateral Contact Group (also see below Fokin’s case) and to create a Consultative council with them. This idea was met with indignation by many in Ukraine as “contradicting Ukrainian interests” and the idea was discarded in the end (the fact that was criticized by Russia). See, for example, Atlantic Council, Ukraine agrees to dialogue with Russian-led republics (<https://www.atlanticcouncil.org/blogs/ukrainealert/ukraine-agrees-to-dialogue-with-russian-led-republics/>)

³⁵ Full text of the statement (in Ukrainian)

<https://docs.google.com/document/d/1PyZ324RW1uFhuNjCIT9naQBGgcjf9PmsEco7dHnJspk/preview>

³⁶ Kharkiv Human Rights Protection Group (2020). Underhanded agreement for direct dialogue with Donbas militants is a red line Zelensky promised not to cross. <http://khpg.org/en/1584197811>

³⁷ DW (2020). Yermak: Minsk’ky format TKH za uchasti Rosiyi, Ukrayiny i OBSYE zalyshayet’sya nezminnym (Yermak: The Minsk format of the TCG with the participation of Russia, Ukraine and the OSCE remains unchanged). 14.03.2020. <https://p.dw.com/p/3ZQ82>

Those critical of Yermak's behavior in this situation point out that he made those explanations only after the scandal and criticisms from the MPs' side. At the same time, the documents that were published by the office a day before demonstrated that authorized representatives from both DPR and LPR were to participate in the negotiations and, thus, considered legitimate sides of the negotiation process authorized to represent their respective "republics." According to those voicing the opinion, such a step can either be the sign of lack of competence or Yermak not being completely honest and having some hidden agenda.³⁸

Geo Leros and the secret recordings

The next major scandal concerning Yermak came less than two months after he had assumed the Head of the Office position. On March 29, 2020, Geo Leros, an MP from Zelensky's Servant of the People majority faction in parliament and a former adviser to the president, published online video recordings. In the videos recorded secretly between August and September 2019, the younger brother of Andriy Yermak, Denys Yermak, was shown meeting individuals and discussing payment for his services. The services would consist of Denys Yermak's allegedly helping individuals obtain an appointment to some rewarding positions in the government or state-owned companies. However, the videos did not contain factual money-exchange images, and there was no evidence of any of those candidates securing the desired position.³⁹

During the next days, Andriy Yermak confirmed that it was his brother on the videos and called for the State Security Service and the State Bureau of Investigations to open the investigation against Leros for the unsanctioned recording of private conversations and libel against his family.⁴⁰ Denys Yermak, on his personal Facebook page, wrote a post confirming that the videos were real yet "taken out of the context." According to him, as a free citizen, he had the right to meet with anyone. Ultimately, the conversations on the videos were about projects potentially useful for the state and not about selling positions in the government.⁴¹

The further developments were rather hectic. First, the specialized anti-corruption office opened the case based on the videos published by Leros. Two weeks later, they declared that they did not find any case of corruption there and passed the case to the National Police, and a week later, the case

³⁸ Liga.net (2020). Put' k miru ili pridnestrovskiy stsenariy. Zachem Zelenskomu pryamyje peregovory s ORDLO. (The path to peace or the Transnistrian scenario. Why does Zelensky need direct negotiations with OTDLO). March 13, 2020. <https://www.liga.net/politics/articles/put-k-miru-ili-pridnestrovskiy-stsenariy-zachem-zelenskomu-pryamyje-peregovory-s-ordlo>

³⁹ The original post with video published by Geo Leros on his Facebook page was removed, but parts of the video are widely available on Youtube and in various media. See, for example, <https://www.pravda.com.ua/rus/news/2020/03/29/7245608/> (from March 29, 2020).

⁴⁰ Andriy Yermak's statement on his official Facebook page from March 29, 2020. https://www.facebook.com/permalink.php?story_fbid=2761850227202175&id=100001316744918

⁴¹ Denys Yermak's Facebook post from April 1, 2020. <https://www.facebook.com/Dennylegionet/posts/3260994470619752>

was given to the State Security Service. In the meantime, the State Bureau of Investigations opened the lawsuit against Leros, accusing him of divulging state secrets and abusing his authority.

In his interview to a national media *Ukrainska Pravda*, President Zelensky commented that he had full trust in Andriy Yermak and that the case with the recordings is an “empty case,” referred to Leros as a “speculator” brought to the team by Bohdan and who should not have been trusted.⁴² The situation with the investigation around the recordings seemed to slow down significantly. Geo Leros was giving numerous interviews during summer 2020. On August 28, he posted a video of his car burning on Facebook – the attack he saw related to his attempts to reveal the corrupt nature of the president’s office.⁴³ On September 1, 2020, Leros spoke in the parliament,⁴⁴ accusing Zelensky of breaking his promises and Yermak of abusing his position and collaborating with Russia. The same day the members of the Servant of the People faction in the Verkhovna Rada collected the signatures to expel Geo Leros from the faction. On September 2, Zelensky, in his public speech in Kharkiv oblast’ called Leros “corrupt and a traitor of the country.”⁴⁵

“Among the Servants’ [Zelensky’s party] MPs, there are people for whom the scandal with Leros has damaged the image of the office quite drastically. They are very disappointed in the reaction that the President demonstrated,” – commented one of the MPs from an opposition party (personal interview, 21.10.2020). *“At the same time, whether it’s true or not, nobody has doubts that Leros is a Bohdan’s man and that all this story is Bohdan’s game.”*

Trilateral Contact Group and Fokin’s appointment

Another major scandal was related to the appointment of the former prime minister of Ukraine, Vitold Fokin (he was the head of the government in 1990-1992), as one of the members of the so-called Trilateral Contact Group (TCG) on Ukraine. The TCG is a group of representatives from Ukraine, the Russian Federation, and the OSCE formed to facilitate a diplomatic resolution to the war in the Donbas region. In July 2020, Yermak proposed Fokin for the group’s deputy head position (the head of the group, Leonid Kravchuk, was the first president of Ukraine). According to Yermak, Fokin was a person with substantial political and managerial experience. In addition to that, he was born in that region and had good knowledge of the context. On August 18, 2020, President Zelensky officially appointed Fokin, a Ukrainian delegation member, to the TCG. In less than a month, Fokin made himself notoriously famous due to several public declarations he made concerning the military conflict with Russia.

⁴² Zelensky’s interview to *Ukrainska Pravda*, June 11, 2020, <https://www.pravda.com.ua/articles/2020/06/11/7255137/>

⁴³ Video of the car burning from Leros’ Facebook page <https://www.pravda.com.ua/rus/news/2020/08/28/7264553/>

⁴⁴ Video of Leros’ speech on September 1, 2020, <https://www.facebook.com/geo.ya.1/videos/3245469545490152/>

⁴⁵ On Zelensky’s visit to Kharkiv oblast, September 2, 2020, *Ukrainska Pravda*, <https://www.pravda.com.ua/rus/news/2020/09/2/7264995/>

In his interview with the internet news portal, Strana.ua, Fokin called for a general amnesty announcement in the Donbas region and special status for the whole territories of Donetsk and Luhansk oblasts.⁴⁶ Soon after this, his granddaughter, local celebrity singer Masha Fokina, commented in a TV interview that it was her idea to include her grandfather in the TCG as she introduced him to Andriy Yermak, her “old friend.”⁴⁷ As a culmination of this story, on September 29, 2020, Fokin was invited to explain his contradictory statements at the meeting of the Verkhovna Rada. At the meeting, he claimed that he did not see any confirmation of a war between Russia and Ukraine in the Donbas region and that he would never become Russia’s enemy.⁴⁸ The same day Yermak reacted on his official Facebook page with a related post. He accused the previous government of not ending the war in seven years and losing Crimea without a battle, reminded that it is only with Zelensky’s team the TCG managed to keep the truce with Russia for two months, and finished this long text by saying:

“All this does not excuse today’s words of Mr. Fokin. My personal opinion – Mr. Fokin must leave the TCG.”⁴⁹ The next day Zelensky signed the decree dismissing Fokin from the position in the TCG. In the later interviews, Yermak commented that Fokin was chosen due to his substantial experience in politics. Had he made similar comments supporting Russia before the appointment, he would have never been allowed to take the position.⁵⁰

Wagner Case

Another prominent case from summer 2020 was related to the arrest of 33 Russian mercenaries from the Wagner private military company in Belarus by the secret service. Ukraine requested the extradition of 28 of the 33 detainees for their suspected participation in the fighting in Donbas against the Ukrainian army. However, Belarus ignored the request and did not bring any charges against the detainees releasing 32 of them to return to Russia two weeks later (one remained in Belarus as he was a Belarusian citizen).

On August 18, 2019, several Ukrainian online news outlets published information about a special operation that SBU (or, according to some of the sources, the Chief Directorate of Intelligence of the Ministry of Defense of Ukraine) had been preparing for two years “regarding the search and detention of 28 terrorists, living in the [Russian Federation], intending to assist justice and fill the

⁴⁶ See full text of the interview at Strana.ua from August 29, 2020. <https://strana.ua/articles/interview/286835-intervju-s-vitoldom-fokinym-pro-donbass.html>

⁴⁷ Video interview with the singer, September 12, 2020. <https://youtu.be/fkQZLuNaViI>

⁴⁸ Facebook video of Fokin’s speech in The Verkhovna Rada, September 29, 2020. <https://www.facebook.com/solomiia.bobrovska/videos/3137118933067668>

⁴⁹ Facebook page of A. Yermak, September 29, 2020.

https://www.facebook.com/permalink.php?story_fbid=3257709324282927&id=100001316744918

⁵⁰ Yermak’s interview to Ukraina 24, October 3, 2020. <https://ukraina24.segodnya.ua/ua/vlast-news/4831-fokin-v-tkg-ermak-rasskazal-kto-i-pochemu-ego-priglasil>

‘exchange fund’ for conducting prisoner exchanges which Russia blocks.”⁵¹ According to the journalists who wrote about the case, the mercenaries were supposed to fly from Minsk to Istanbul. On the flight, one of the passengers was to imitate urgent health issues requiring an immediate landing in Kyiv for emergency medical aid. The plane would have been boarded by special operations group “Alfa,” who would detain all the Russian mercenaries. According to the same sources, Vladimir Zelensky and Andriy Yermak were informed about the operation being prepared and demanded to cancel it. As this allegedly was impossible, the operation was postponed for several days. During this time, several Ukrainian journalists’ accusations follow, the information was leaked to Russian and Belorussian security services. Overall, several journalists, including Yuriy Butusov and Yanina Sokolova⁵² and an MP from European Solidarity (Poroshenko’s party) Vladimir Aryev, officially called Yermak responsible for the failure of the special operation and called for the Verkhovna Rada to create a special investigation committee to investigate the issue.⁵³

The Office’s official reaction was the rejection of the same fact that such an operation had ever existed. In his official statement, Yermak said it looked like “a well thought out and planned disinformation campaign” aimed at destroying the ceasefire in Donbas. The SBU published an official statement that notes that the operation allegedly conducted with their involvement is a Russian fake. Not a single SBU official had any connection to conversations with the mercenaries or their recruitment.⁵⁴ By January 2021, there have been no new reliable proofs of the office being involved in the special operation and causing its failure, which does not allow one to make informed conclusions about the case.

Oleh Tatarov

One of the recent scandals around Andriy Yermak is related to Oleh Tatarov, who was appointed as Yermak’s deputy on August 5, 2020. Tatarov is in charge of forming state law enforcement policies and expert and analytical support in the president’s office. He is also responsible for ensuring state security in law enforcement, fighting corruption, and promoting human rights. Unofficially, however, there is a common opinion that one of Tatarov’s key tasks was to gas up the case against ex-president Poroshenko.

⁵¹ Detailed story account can be found here – Hromadske International, August 25, 2020, Government Coup, Failed Operation, or Russian Fake? What We Know About “Wagner” And Ukraine’s Role, <https://en.hromadske.ua/posts/government-coup-failed-operation-or-russian-fake-what-we-know-about-wagner-and-ukraines-role>

⁵² The journalists also posted video recordings where recruiting of the mercenaries was shown. However, there is no information there to prove that the Office was aware of the operation. Neither the details of the operation can be known based on these recordings only. The video is available at Sokolova’s youtube channel: <https://www.facebook.com/yanina.sokolova/posts/3602565806421493>

⁵³ Delo.Ua. (2020). Sorvannaya Yermakom spetsoperatsiya po zaderzhaniyu "vagnerovtsev": pravda ili rossiyskiy feyk? (The special operation to arrest the "Wagnerites" thwarted by Yermak: true or Russian fake?). August 19, 2020. <https://delo.ua/economyandpoliticsinukraine/andrej-ermak-i-vagnerovcy-chto-budet-glave-ofisa-371892/>

⁵⁴ Official statement of the SBU, <https://www.facebook.com/SecurSerUkraine/posts/2785226235040697>

This appointment was met with harsh criticism from the side of multiple politicians and human rights defenders. In 2013-2014, Tatarov acted as one of the key spokespersons on behalf of the Ministry of Internal Affairs of Ukraine. He repeatedly justified the state security services that used force against peaceful protesters and refuted police shooting the protesters after several dozen people were shot to death or wounded in February 2014. Fired from the Ministry of Internal Affairs in 2014, Tatarov unsuccessfully tried to return to politics, and in 2015 he received a lawyer's certificate and joined a law firm, "CREDESCENCE" (in the past – TFG [Tatarov Farinnik Galovko] Partners) as a partner. Among Tatarov's significant clients was Andriy Portnov, a former deputy head in the administration of ex-president Viktor Yanukovich.

In March 2020, there was an attempt to appoint Tatarov as a deputy to Iryna Venedictova, the newly appointed prosecutor general of Ukraine. Yet, the information about this leaked to the media. Multiple articles about Tatarov's activities during Euromaidan and work with Portnov appeared, and the appointment never happened. On August 6, 2020, a group of representatives of human rights and other civil society organizations published an official public appeal to the president. They called for the dismissal of Oleh Tatarov from the Office.⁵⁵ However, this appeal was ignored by the president and his team. When directly asked about Tatarov in several interviews, Yermak responded that he did not find anything in Tatarov's past that would have made him question this appointment.⁵⁶ President Zelensky, in his interview for a BBC's program HARDtalk on October 12, 2020, commented that Tatarov was not involved in the state security forces' operations against the peaceful protesters during Euromaidan.⁵⁷

In December 2020, Tatarov's name again made it to national media concerning a corruption case opened against the largest national building company, "Ukrbud," where Tatarov worked as the legal department head from 2014 to 2017. On November 28, 2020, there was the first attempt by the Specialized Anti-corruption Office (SAP) to sign suspicion in this case. Yet, it was dismissed due to the interference of Venediktova, the prosecutor general.

On December 2, 2020, the National Anti-Corruption Bureau of Ukraine (NABU) announced that there was deliberate pressure on the investigation put by the Prosecutor General's office to disrupt the case against Tatarov. Neither Zelensky nor Venediktova reacted to this announcement. The Office of the President refuted information published by some media sources about the closed meeting in

⁵⁵ Motion regarding the appointment to the Office of the President of one of the top-officials from the Yanukovich times. Full text signed by more than 40 CSOs, August 6, 2020. <https://zmina.ua/statements/zayava-shhodo-pryznachennya-v-ofis-prezydenta-kerivnyka-mvs-chasiv-yanukovycha/>

⁵⁶ Interview of Andriy Yermak to Babel (Internet media), October 27, 2020. <https://babel.ua/texts/53430-andriy-yermak-drugiy-golova-ofisu-prezydenta-yakogo-mayzhe-nihto-ne-lyubit-mi-proveli-z-nim-den-i-pogovorili-pro-vse-po-punktah-chastina-persha>

⁵⁷ BBC HARDtalk, Volodymyr Zelensky, October 12, 2020, <https://www.bbc.co.uk/programmes/w3cszc2g>

the office during which a decision allegedly had been made to protect Tatarov.⁵⁸ Tatarov himself commented that the case was nothing, but rumors aimed to disrupt his work and vengeance for NABU's negative assessment.⁵⁹ On December 18, 2020, however, the SAP signed the suspicion against Tatarov. On December 21, Tatarov wrote a notice of temporary termination of his duties according to the official declaration of Mykhaylo Podolyak. The move aimed not to allow any "conflict of the interests" and "pressure on law enforcement organs."⁶⁰

Opinions from inside the Servant of the People and other factions

Three cases described in this section (and broadly discussed by Ukrainian media and political analysts during 2020) leave a contradictory impression about Andriy Yermak for an external observer. However, for many MPs in the Servant of the People's faction in the Verkhovna Rada, the situation is confusing and disappointing. The quote below serves as a good illustration of the general opinion I heard from people inside and beyond the ruling faction:

"During Bohdan's times, we had regular meetings with the president or somebody from the office. All the bills we were expected to vote for were explained to us and even discussed. In other words, there was communication, even though we thought we needed more [communication], that it was not enough. With Yermak, communication ceased to exist. Take the case with the Constitutional Court. The president came to the faction, pronounced his crazy speech telling us how we had to vote, and left without any explanation. He did not seem to care." (Interview with one of the MPs from the Servant of the People, December 2020).

Remarkably, less than a month after the dismissal of Bohdan, Zelensky fired his cabinet of ministers. In the speech he delivered to the Verkhovna Rada before the voting, he suggested that they had become overly solicitous of Western nations that financially support Ukraine by appointing foreigners to state companies' boards.⁶¹ Though the parliament voted in favor of the cabinet's dismissal with 335 votes of 450, the following forming the government and its reshuffles contributed largely to worsened communication between Yermak's office and the Servant of the People's faction.

⁵⁸ Interfax Ukraine. (2020). Zelensky i Ofis presidenta nikak ne vliayut na deyatel'nost NABU i drugih pravoohranitel'nykh organov. (Zelensky and the Office of the President do not influence the work of the NABU and other law enforcement bodies). December 2, 2020. <https://interfax.com.ua/news/general/707360.html?fbclid=IwAR1zBwf7oFPXwYCRERi9v9sIfcwnzVoExmXT6LxSykcFj9rfyeSfs-thDNA>

⁵⁹ On November 28, 2020, Tatarov gave a commentary to Zakon and business calling the director of the NABU Sytnik "the root of the problems in the state anti-corruption policy" and the NABU "a not-Ukrainian thing." Later Zelensky had to ensure G7's ambassadors that the NABU's and its director's legitimacy are not something to be questioned (see report from the meeting with G7 at the President's page <https://www.president.gov.ua/news/prezident-obgovoriv-z-poslami-krayin-g7-shlyahi-vihodu-z-kon-65149>)

⁶⁰ Commentary of M.Podolyak to Liga.net regarding the temporary resignation of Tatarov as of 21.12.2019, <https://news.liga.net/politics/news/tatarov-poprosil-priostanovit-ego-slujebnye-obyazannosti-posle-podozreniya-ot-nabu>

⁶¹ NY Times. (2020). Ukraine's Zelensky Fires His Cabinet. March 4, 2020.

<https://www.nytimes.com/2020/03/04/world/europe/ukraine-zelensky-cabinet.html?auth=login-facebook>

In retrospect, Bohdan was appreciated more not only by the Servant of the People faction but also by many MPs from the opposition. Several MPs from the opposition commented that Bohdan's and Yermak's approaches to appointing people to key public positions differed substantially. According to them, while Bohdan considered the candidates' political loyalty, people were selected based on their professional experience and qualification. Yermak, according to the interviewees, only imitates a fair competition by presenting notably weaker alternatives to the "right" candidate, and often this strategy works to ensure needed appointments. The Shmyhal's government, created with Yermak's interference, is considered much weaker than Honcharuk's. MPs from other factions commented that against this background, the government's communication with other factions improved. They are often seen as an ultimate resort not to allow some initiatives to be passed.

Both MPs from the Servant of the People and other factions commented on Yermak's office allowing corruption schemes in the Parliament:

"I remember that when Bohdan was the Head of the Office, we [Zelensky's team] were criticized a lot because of the connection to Kolomoisky. But the truth is that when Bohdan was there, for those several months, we had an "anti-corruption consensus," an agreement, "nobody is stealing anything here." And people seemed to stick to it. Everybody knew that it was Bohdan who brought people to the team. It was Bohdan and not Kolomoisky who made Zelensky the president of Ukraine. And for Bohdan, everyone had to keep their promises [no to corruption]. If something happened, Bohdan was bringing responsible parties to the table" (Interview with an MPs from the Servant of the People, Dec. 2020).

To summarize, a year that Andriy Yermak spent in the chair of the Head of the Office of the President brought quite a few concerns regarding scandals and investigations around the office and some questionable decisions taken on Bankova in 2020. One major issue is the office's close relation to Ukrainian oligarchs (except Kolomoisky, with whom there is a current confrontation) who influence key appointments and push for specific laws. Many experts refer to the government formed with the help of Yermak as the government of technocrats related to oligarchs. They mention premier minister Denys Shmyhal who used to work for Rinat Akhmetov, minister of economics and previously an employee of Oleg Bakhmatyuk, the owner of the largest Ukrainian agricultural holding Ukrlandfarming (Bakhmatyuk is under the investigation of NABU) and acting minister of energy (dismissed in November 2020) Olha Buslavets seen by many as Akhmetov's person among those.

Secondly, there is an ongoing public discussion about Yermak's position regarding Donbas' conflict and the interests he defends in negotiations with Russia. While some interviewees go as far as claiming that there are Russian links involved (without providing further details), most agree that this can be related to the fact that both Yermak and the office lack experience and strategic vision to

manage the situation. Thus, some reactions and steps may seem logical to them in the present circumstances yet backfire in the long run. This quote can serve as a good illustration:

“Unlike Poroshenko, Zelensky and Yermak have the post-Soviet mentality. They do not see Russia as an enemy. Therefore, they see what they want to see. They think that Russia wants peace with us and that their suggestions regarding Donbas are sincere. Thus, some decisions that for us, the new generation of politicians, seem unreasonable or even shameful [regarding the situation with Foking and TCG].” (personal interview with an MP, October 2020).

There is a general agreement that, on the one hand, the office has accumulated significant power over many serious national and international issues while failing to communicate with the faction and other stakeholders and media transparently, thus, raising fair worries regarding the accountability of their actions.

Part 2. “Ze” Team: Who is Who⁶²

The Head of the Office of the President considered one of the most influential people due to their almost 24/7 direct access to Zelensky, regularly ends up in the center of Ukrainian and foreign media attention whether he wants it or not. According to various sources, the team of those less visible yet close to the president and influencing his everyday decision-making on issues from working routines to key public appointments and national politics is counting, according to various sources, some twenty to fifty figures. The interviewees from the office and the faction roughly divide such people into three groups. First, people formally related to the office in a different status, such as Andriy Yermak and his numerous aides and advisors. Second, key members of the “Ze Team” who do not work in the office but are in close interaction with it – for example, prime minister Denys Shmyhal or the Head of the Servant of the People’s faction in the parliament. Finally, there is a whole group of advisors close to Zelensky, some of them unsalaried or working unofficially.

It is worth mentioning that there are currently nine official aides to the head of the office and 20-30 advisors, of whom four are considered advisors to the president and the rest to the head of the office.

The official position expressed by Mykhailo Podolyak, the spokesperson of the Office, is that the president’s advisor is a too important position to have many of those. Unofficial opinions are that after the scandal with Geo Leros, who used to be Zelensky’s advisor, the decision was made not to take more risks and appoint everyone advisors to Yermak.

⁶² “Ze” (first two letters from Zelensky with the reference to “the” as in the English language article) was invented during the election campaign as a catchy prefix (Ze Komanda (Ukrainian) – Ze Team – The Team). See, for example, <https://www.zeteam.info/>

Insiders describe the work of the office as a series of thematic meetings (or “strategic sessions” as they are referred to by the office). The meetings are often messy, and one leads to another, and a person who came to a meeting dedicated to one topic can also participate in a completely different discussion. Getting access to these sessions, according to some interviewees, largely depends on Andriy Yermak or on Zelensky’s PA, Mariya Levchenko, who has been working for him since his time as a TV producer. Sometimes, as one interviewee told me, the president calls people from his “past life” whom he trusts and asks for their opinion or even invites them to the office. Nevertheless, it seems to happen less and less often. In other words, while collegiality in decision-making in the Office lacking people with political and overall relevant experience for running the country sounds like a good idea, it is crucial to see who those people, regularly shaping the agenda of the strategic sessions, are. The present section focuses on the most remarkable figures named by my interviewees, experts, and the press. It also mentions some of the people who had to leave the office and discusses possible underlying reasons behind their dismissal.

Serhii Shefir

As Zelensky’s presidential campaign’s most appealing promise was “no to nepotism,” once the first appointments to the key positions in the Administration of the President caused some questions regarding the transparency of candidates’ selection and their competence and fitness for the new jobs. While some of Volodymyr Zelensky’s friends from the showbusiness times ended up dismissed during the first year of his presidency, this section will mention those still occupying the most important offices at Bankova street. Among those, Serhii Shefir, Zelensky’s best friend and one of the most influential people in Ukraine in 2020.

Brothers Serhii and Borys Shefir helped start Zelensky’s comedian career in the mid-1990s when all three lived in Kryvyi Rih. Since then, they moved to Moscow and later to Kyiv and founded the media company Studio Kvartal 95 that evolved into a successful business project. The younger brother, Serhii, became one of the leaders of Zelensky’s election office in 2018 and, with his brother, officially invested around EUR 100,000 into the election campaign. When Zelensky won, there were rumors that he would become the Head of the Administration. However, as we know, the position went to Bohdan and later to Yermak. At the same time, Shefir became the first aide to the president, the position for which he is not being paid – according to his own words, he is “volunteering” for the office. Shefir’s name is usually not mentioned on the office’s webpage. He mostly stays in the shadows apart from several extensive interviews he gave to Ukrainian media upon their requests.

By Shefir’s definition, his duties involve “solving the tasks that the president puts in front of me.” His work is “to examine the situation, understand what kind of problem it is, if any, analyze

various points of views, experts' opinions, and offer possible solutions.”⁶³ According to the sources from the Servant of the People's faction and some experts, Shefir is responsible for the dialogue with Ukrainian oligarchs and financial groups. Investigative media reported several of Shefir's visits to the offices of Ukrainian oligarchs Kolomoisky and Akhmetov, and various sources confirmed that Shefir overviews energy politics in Ukraine and influenced several political appointments after the local elections in fall 2020. Both Shefir and the Office of the President reject the connections with the oligarchs and their possible influence on politics. However, as the next section will demonstrate, there are solid reasons to question the accountability of Zelensky's team and independence of their decision-making from the major financial groups in the country.

Serhii Trofimov

Now an unofficial advisor to President Zelensky, former Deputy Head of the Office of the President, Serhii Trofimov is yet another person from Zelensky's past in showbusiness. Before joining the office as the First Deputy Head in April 2019, Serhii Trofimov was executive producer of Zelensky's *Studio Kvartal 95* and a family friend. In the office, Trofimov was assigned responsibility for “regional politics.” Working with Bohdan, Trofimov remained a low-profile figure. In his few interviews, he showed extreme loyalty to Zelensky.⁶⁴ According to the MPs from Zelensky's faction, Trofimov was seen as on the president's side, genuinely caring about the party's and Zelensky's interests in the regions. However, he did not have the necessary skills to maintain a productive dialogue with the governors and mayors of the key cities. Although both sides tried to reject this, Trofimov did not manage to establish good relations with Andriy Yermak once Yermak became his chief. Several facts could have contributed to the coolness in their relations, such as leaked personal correspondence of Trofimov where he was jokingly discussing seizing power in the Office of the President or as Trofimov's comments on Leros' recordings as affecting Zelensky's reputation.⁶⁵ The rumors about dismissing Trofimov had been circulating for about a month before he was, indeed, fired on November 4, 2020, after the Servant of the People showed disappointing results at local elections, gaining only 20% of mandates in regional councils across the country.⁶⁶ The position of

⁶³ Bobritskiy, D. (2020). Kak Sergey Shefir stal klyuchevum zakulisnym politikom (How Serhii Shefir became the main shadow politician). NV.ua, December 7, 2020. <https://nv.ua/ukraine/politics/kak-sergey-shefir-stal-klyuchevym-zakulisnym-politikom-strany-novosti-ukrainy-50128528.html>

⁶⁴ See one of the few early interviews to Ukrainska Pravda, June 4, 2019. <https://www.pravda.com.ua/rus/articles/2019/06/4/7217025/>

⁶⁵ See Trofimov's interview to Dmitry Gordon titled “If the President offers me to become the Head of the Office, I will accept”, May 25, 2020. <https://gordonua.com/publications/zamglavy-ofisa-prezidenta-trofimov-esli-prezident-predlozhit-mne-stat-glavoy-ofisa-soglashus-1499925.html>

⁶⁶ The Servant of the People won the elections formally, as other parties got even less votes (Poroshenko's European Solidarity gained 16%, pro-Russian Opposition block – 13%, Yuliya Tymoshenko's *Batkivschyna* got 10%). However, most experts agree that compared to 43% the party got at parliamentary elections just a year before, such results look poor.

the Deputy Head of the Office was also eliminated, and the relations with the regions were given to Kyrylo Tymoshenko (see below.)The same day, though, Zelensky signed the decree appointing Trofimov his advisor.

The office's official position expressed by Podolyak is that Trofimov proved too soft-hearted to moderate "extreme public aggression of some local political actors."⁶⁷ However, insiders comment that Trofimov was not allowed to intervene in the local elections and realize his strategy since Spring 2020. They comment on selling appointments in the party lists in the regions to which Trofimov did not have access. Once the elections failed, Trofimov became a scapegoat guilty of the disappointing outcomes he could not influence. Multiple sources from the MPs and experts seem to agree that the position of Trofimov in the office had been unstable for quite some time due to his tense relations with Yermak. The disappointing results at the local elections were just a good justification to get rid of him.

Trofimov is still close to Zelensky and is seen regularly in the office though nobody could answer what his duties currently include.

Andriy Smyrnov

Yet another contradictory, though rather a low-public figure in the office, Andriy Smyrnov joined the team with Andriy Bohdan. Smyrnov entered politics working with the Ukrainian far-right party "Praviy Sector" and its Head Dmytro Yarosh in 2013-2014. Soon, however, he started representing top-figures from Viktor Yanukovich's Party of Regions in the courts. Since 2017 when he founded Smyrnov Law Office, he made himself a name successfully defending numerous corruption and office abuse cases opened against former MPs from the Party of Regions and people close to Yanukovich's circles. Like Oleh Tatarov, Smyrnov seems to be close to Andriy Portnov, former Deputy Head of Yanukovich's Administration. When Smyrnov joined Zelensky's office, to the journalists' questions about his past connections and proximity to Portnov, in particular, the office's spokespersons answered that Smyrnov's skills and understanding of the system were the most important.

In the Office of the President, Smyrnov is expected to oversee judicial reform. However, multiple sources comment that Smyrnov is putting much effort into slowing the reform down. Among the most recent examples, after several months of appeals, the president has reacted to the electronic petitions signed by more than 25k citizens and promised to push forward the case for dissolving the

⁶⁷ The Presidential Office's commentary reg. dismissal of Serhii Trofimov to Liga.net, November 4, 2020. <https://news.liga.net/politics/news/slishkom-myagkiy-sovetnik-ermaka-obyasnil-uvolnenie-trofimova-iz-ofisa-prezidenta>

Kyiv District Administrative Court judges due to the regular abuse of office.⁶⁸ Smyrnov, however, was reported to defend the court and prevent its dissolution. There were also multiple accusations in Smyrnov's being related to the Constitutional Court of Ukraine's attempts to consider the system of anti-corruption bodies⁶⁹ built-in Ukraine under international organizations' supervision and Western partners unconstitutional. In the lengthy interviews, Andriy Smyrnov is critical towards both the Constitutional Court and the Kyiv District Administrative Court, supporting Western partners and transparent governance.

Kyrylo Tymoshenko

Among the youngest people on the team, Tymoshenko was responsible for the president's media strategy until the dismissal of Trofimov. Now Tymoshenko is responsible for establishing the connections and improving the power situation in the regions. At the same time, unofficial advisor Podolyak (see below) almost fully took upon himself the PR part of the work.

Compared to his colleagues, Tymoshenko got some praise from several experts and MPs for his communications skills. Brought to the office by Bohdan, he managed to keep his position and even gained more responsibilities with Yermak. Tymoshenko currently works a lot with the regional representatives of the Servant of the People and local authorities (mayors and governors) across Ukraine. It is clear that in many oblasts, local mayors are very reluctant to share their power with Bankova and allow the office to impose their conditions. Nevertheless, people close to Tymoshenko assure that he managed to improve the situation during the last two months visibly. Another opinion voiced is that Tymoshenko has no competence to be dealing with regional politics and is merely used to create an image of busywork.

Other deputy heads and advisors

There are some other names worth mentioning at least briefly associated with the office, either as deputies to Yermak or as his advisors with often vaguely defined duties. Notorious Oleh Tatarov, whose case is discussed in the previous section, is still listed on the Office's official webpage. Several

⁶⁸ See corresponding petition signed by CSOs at Transparency International's site (<https://ti-ukraine.org/en/news/kyiv-administrative-court-must-be-dissolved-csos/>) as well as the Notice of suspicion by the NABU (<https://nabu.gov.ua/en/novyny/abuse-office-kyiv-district-administrative-court-judges-updated>), both July 2020.

⁶⁹ The situation with the Constitutional Court arose at the end of October 2020. Then the court actually canceled the electronic declaration system, threatening the anti-corruption reform. This caused a political scandal: due to such a decision, the judges of Ukraine predicted serious problems with international partners, the end of cooperation with the IMF and the abolition of visa-free travel with the EU. President Zelensky tried to dissolve the Constitutional Court through the Verkhovna Rada, but the MPs did not support his bill. In turn, the Constitutional Court insisted that it acted exclusively in accordance with the Constitution and upheld the independence of the judicial branch of government. Ultimately, the Verkhovna Rada in December 2020 reinstated a watered-down version of the asset declaration system. But to unfreeze western loans and a \$5bn IMF program, it needs to strengthen the legislation by reintroducing prison sentences for officials who lie in their declarations

deputies get overall positive references from experts and even MPs from the parties like “Voice” (Golos) and “European solidarity” (Poroshenko’s party.) Among them, Ihor Zhovkva, an experienced politician now responsible for international relations (though he has little say regarding all the major issues overseen by Yermak); and Roman Mashovets, responsible for the national security strategy (both he and Zhovkva keep a rather low profile).

Two figures are responsible for the public relations of Zelensky and the Head of his Office - Yuriy Kostyuk and Mykhailo Podolyak. Kostyuk is one more person from Zelensky’s past whom Zelensky repeatedly listed as one of the Office’s most trusted persons.⁷⁰ One of the former scriptwriters of the series “Servant of the People” that helped Zelensky become president, Yuriy Kostyuk, is responsible for drafting most of the president’s public speeches. **Mykhailo Podolyak**, an unofficial advisor to Yermak who joined the office as the advisor right after the scandal with Leros’ recordings (he claims it was a pure coincidence), is a famous political strategist. He is known for his work with Serhii Lyovochkin, former Head of the Administration of Viktor Yanukovich, now an MP from a pro-Russian party “Opposition Block: For Life.” My interviewees from the Servant of the People attribute to Podolyak more power than a mere advisor on media strategy would be expected to have. Since his appointment and especially during the last several months, Podolyak is the office’s main spokesperson responsible for shaping its image for the outsiders.

To sum up, at present, the power in the office seems to be concentrated in the hands of three people – President Zelensky, Andriy Yermak, and Serhii Shefir, with quite some pressure placed on each of them. In particular, the figure of Yermak raises some concerns. Not only is he the one responsible for the main direction of the foreign policy, instead of the Foreign Affairs minister and the vice-premier on European integration, but also, he is reported to interfere in national politics and fully control the office. The rumor was when Yermak just became the Head of the Office that he wanted to dismiss all his deputies and be the only intermediary between the president and the office departments. While the rumor did not prove true, he seems to have succeeded in getting rid of those too close to the president who disagreed with him on key issues replacing them with his candidates in the office. The appointment of persons like Oleh Tatarov or Andriy Smyrnov to the key positions and reluctance to take measures regarding their attempts to sabotage reforms raises questions regarding whose interests the Head of the Office protects. Reshuffled in the spring 2020 office raises even more questions regarding its connections to Ukrainian oligarchs. The third part of this report will discuss this in more detail.

⁷⁰ See, for example, Zelensky’s interview to Ukrainska Pravda as of June 11, 2020. <https://www.pravda.com.ua/rus/articles/2020/06/11/7255137/>

Part 3. Zelensky and Financial Groups: Battling for Influence

In his most recent interview for *The New York Times*, President Zelensky commented that he is only fine with the presence of oligarchs in Ukraine if they “have no influence on politics or the media” and “pay taxes and provide jobs.” Otherwise, “the state must fight them.”⁷¹ The question about the oligarchs from the American news outlet was not asked out of the blue. Not only have oligarchs always played a significant role in the political life of independent Ukraine, but also the presidency of Zelensky has from the very beginning been associated with notorious Ukrainian oligarch Ihor Kolomoisky, who was widely seen as Ukraine’s most powerful figure outside government. Even though both Zelensky and Kolomoisky repeatedly refuted any influence⁷²⁷³ the latter may have had on the outcomes of the election campaign, the appointment of Andriy Bohdan, one Kolomoisky’s leading lawyers, the Head of the Office, hardly left any doubts. American and EU officials and experts referred to Kolomoisky’s influence as one of the biggest problems facing Mr. Zelensky’s new administration.⁷⁴

The last 12 months have demonstrated that whatever agreement there might have been between the two, Kolomoisky’s power over the office is much less than the oligarch counted on in 2019 (I will discuss this further in more detail.) At the end of the presidential campaign, the famous joke said that Pinchuk gained power in President Kuchma’s times; Akhmetov ruled during Yanukovych’s and Poroshenko’s presidency, so now it was time for Kolomoisky.⁷⁵ As Kolomoisky’s time seems to have run out pretty soon, unfortunately, this hardly means a more accountable and oligarch-free government for Ukrainians. This part of the report provides an overview of the major oligarchic figures in the 2020’s Ukraine and evaluates their influence on the presidential office and Ukrainian politics.

Ihor Kolomoisky: The End of the Honeymoon

One of the wealthiest Ukrainian businessmen, Ihor Kolomoisky, had to flee from Ukraine to Switzerland and Israel after Petro Poroshenko’s government nationalized Privatbank accusing the

⁷¹ Official website of the President of Ukraine. Interview of Volodymyr Zelenskyy for The New York Times. December 19, 2020. <https://www.president.gov.ua/en/news/intervyu-volodimira-zelenskogo-new-york-times-65705>

⁷² Atlantic Council (2019). The craft of Kolomoisky. August 12, 2019. <https://www.atlanticcouncil.org/blogs/ukrainealert/the-craft-of-kolomoisky/>

⁷³ See, for example, Kolomoisky’s interview to RBK TV channel, August 6, 2019. <https://www.rbc.ru/politics/06/08/2019/5d42dbad9a7947887624fff0>

⁷⁴ NY Times, A Ukrainian Billionaire Fought Russia. Now He’s Ready to Embrace It. November 13, 2019. <https://www.nytimes.com/2019/11/13/world/europe/ukraine-ihor-kolomoisky-russia.html>

⁷⁵ AntAc.(2019). Four wars of Kolomoisky. How the oligarch returns his influence. December 4, 2019. <https://antac.org.ua/en/news/four-wars-of-kolomoisky-how-the-oligarch-returns-his-influence/>

oligarch of large-scale fraud in 2017.⁷⁶ Even staying outside of the country, he remained among the most influential people in Ukraine. When Zelensky started his election campaign, the investigative media widely discussed the role Kolomoisky played in it, mentioning, among others, visits of Zelensky to Geneva and Tel Aviv.

Furthermore, even before Zelensky gained the elections, in April 2019, before the second round of presidential elections in Ukraine, Kyiv's District Administrative Court issued a ruling that declared the nationalization of Privatbank illegal. Simultaneously, between the first and the second election rounds, the 1+1 TV channel owned by Kolomoisky showed the third season of the "Servant of the People" series where Zelensky plays a naïve yet honest president Holoborodko who leads Ukraine into prosperity. As in May 2019, Zelensky triumphantly won the elections in the second round, and Kolomoisky returned to Ukraine eagerly giving interviews to the media. In those, though rejecting participation in the election campaign, he seemed quite confident in restoring his position soon.⁷⁷ Once Zelensky declared oligarch's former lawyer, Andriy Bohdan, his Head of the Administration, it was seen by many as proof of the possible influence that Kolomoisky had over the newly elected government. During the first year of Zelensky's rule, their concerns seemed to be justified.

Though both Zelensky and Bohdan were publicly declaring that Kolomoisky could not influence the office or the government's decisions, the speculations around Privatbank's status and the oligarch's hand in the government continued. In October 2019, the first significant resignation took place in Zelensky's team: Oleksandr Danyliuk left his Secretary of the National Security Council position. Danyliuk, like Bohdan, was among the few members of Zelensky's team with extensive experience in business and politics, and his appointment to the role was much welcomed. It also seemed like a positive surprise to those critical of the Kolomoisky factor as Danyliuk was involved in Privatbank's nationalization process. Therefore, his resignation raised much concern. In his interviews, Danyliuk commented that the decision was related to the scandals around the disputed status of Privatbank. The case of nationalization went to the appeal court, and there were reported threats to NBU. Danyliuk also commented that Bohdan should not occupy his position due to the conflict of interests and his connection to Kolomoisky and called the Head of the presidential office to resign.⁷⁸

⁷⁶ In 2016, part-owned by Kolomoisky Ukraine's biggest commercial bank, Privatbank, was nationalized as the National Bank of Ukraine (NBU) declared it insolvent. The Petro Poroshenko's government backed the nationalization and justified it by the need to preserve financial stability in the country. Kolomoisky was further accused of stealing from the bank billions of dollars. The oligarch denied the charges yet hurried to move to Israel where he also has a citizenship.

⁷⁷ See, for example, Kolomoisky's interview to *Ukrainska Pravda* as of May 23, 2020.

<https://www.pravda.com.ua/rus/articles/2019/05/23/7215942/>

⁷⁸ BBC News. (2019). *Ukraine: pervaya gromkaya otstavka v komande Zelenskogo. Eto pobeda Kolomoiskogo? (Ukraine: first major resignation in the team of Zelensky. Is this Kolomoisky's victory?)*. October 3, 2019. <https://www.bbc.com/russian/features-49921917>

In October 2019, the case of Kolomoisky trying to get back Privatbank shares was frozen by the court decision. The International Monetary Fund (IMF) considered a \$5.5bn assistance package for Ukraine yet with specific conditions. One of the demands included measures to recover assets that disappeared from PrivatBank and hold accountable those responsible for its financial problems. Considering the circumstances, the president gave several commentaries confirming that the bank would not end up in Kolomoisky's hands.

Finally, in Spring 2020, the Ukrainian Parliament approved the so-called "anti-Kolomoisky" bill on its first reading on March 30, with 267 MPs voting in its favor. The bill's nickname stems from its intended purpose of forbidding Kolomoisky from reasserting control of the nationalized PrivatBank after a \$5.5 billion hole was found on its balance sheet. The bill was one of two conditions set by the IMF for their continued cooperation with Ukraine and the presentation of a new tranche of funds. Between the second and the first votes, there were attempts of filibustering, as lawmakers – most notably seven people – submitted over 16,000 amendments to the bill. Nevertheless, Parliament passed the law on May 13, 2020. Zelensky's presence in Verkhovna Rada and his call to the MPs to support the bill⁷⁹ were considered by the experts as crucial for such an outcome and confirming Zelensky's intentions to decrease the oligarchs' role in the country.

Commenting on the developments that did not go the way that Kolomoisky allegedly expected, the experts comment that this way Zelensky was trying to rebalance the oligarchy by promoting people linked to Rinat Akhmetov, Kolomoisky's rival. Many Ukrainian presidents used such an approach before him (see the next subsection.) Kolomoisky, however, did not seem to give up. On May 20, 2020, Kolomoisky's TV channel 1+1 transmitted the news about creating a new political party, "For Future" (*Za Maybutnye*). The party financed by Kolomoisky was founded in 2008 as "Ukraine for the Future." Yet, it was renamed and taken over by the parliamentary group "For the Future," with 23 initial members, established in the Verkhovna Rada in August 2019. In May 2020, a lawmaker Ihor Palytsia was elected chairman of the party and announced its foundation within the parliament.

Apart from 23 members of the party funded by Kolomoisky, he is also reportedly controlling 20 to 40 MPs from the Servant of People's party. Some MPs from the Servant of the People commented that the oligarch is continually trying to increase this number and allegedly blackmails Zelensky, threatening to destroy his majority in the Parliament by pulling his people from the faction. Since November, there are also opinions voiced on yet another impending dissolution of the cabinet and head of Kolomoisky's party, Ihor Palytsia, preparing to take the chair of prime minister. Nevertheless, until now, this remains at the level of speculations.

⁷⁹ See the text of Zelesnky's call to the MPs (in Russian) as of May 13, 2020. <https://www.pravda.com.ua/rus/news/2020/05/13/7251459/>

COVID-19 Crisis and Oligarchic Renaissance

As the relations between Zelensky and Kolomoisky were cooling down, Rinat Akhmetov,⁸⁰ Ukraine's "richest and most camera-shy" oligarch (according to the FT), hurried up to reduce Kolomoisky's influence and establish a positive relationship with the new country's leader.⁸¹ On the Akhmetov-owned Ukraine TV channel and Ukraine 24, a CNN-styled broadcast, Zelensky has received quite favorable coverage.

On March 4, 2020, the Ukrainian Verkhovna Rada dismissed Prime Minister Oleksiy Honcharuk and appointed Denys Shmyhal instead, with 291 votes. One of the concerns voiced regarding Shmyhal in the media was that he was, possibly, allied with the richest oligarch in Ukraine, Rinat Akhmetov. Shmyhal has been a part of the oligarch's business empire since 2017. First, he held the position of deputy head of DTEK Zahidenergo, Akhmetov's energy company. In 2018, he became the director of the largest energy producer in the region, Burshtynska Power Plant in Ivano-Frankivsk oblast. Shmyhal denied having a connection to the oligarch, saying that he does not know Akhmetov personally and simply worked in the company.⁸² Zelensky, in his commentary to Bloomberg, commented that oligarchs did not influence his government:

"They own 70%-80% of assets in this country. Every manager in Ukraine worked for one of them or is somehow linked to one of them. And they hire the best -- we should understand that."⁸³

On March 16, 2020, Zelensky invited his office, several of the country's wealthiest businessmen and oligarchs, asking them to contribute to fighting COVID-19 and preventing the spread of the disease.⁸⁴ Many of those who attended the meeting confirmed that they would contribute to the cause, either through the fund started by the president's office or independently. Roughly after this meeting, as interviewed experts commented, the period of transactional interaction between the office and the oligarchs started. The oligarchs turned into situational allies on whom Zelensky could count to get necessary votes in the Verkhovna Rada to pass needed laws, have reliable managers on key public positions, and ensure favorable media coverage of the office's work.

Already the next day, on March 17, 2020, one of the attendees of the meeting, Ihor Petrashko, was appointed the minister of economy, commerce, and agriculture – the chair he occupies until

⁸⁰ For a brief yet comprehensive overview of Ahmetov's business and political activities in Ukraine, see Eurasia.net report by Maximilian Hess, as of January 29, 2020. <https://eurasianet.org/ukraines-donbas-don-who-is-rinat-akhmetov>

⁸¹ Financial Times (2020). Ukraine's oligarchs jostle for influence with President Zelensky, February 19, 2020. <https://www.ft.com/content/1821b882-4366-11ea-abea-0c7a29cd66fe>

⁸² Euromaidan Press. (2020). Meet Denys Shmyhal, Ukraine's new prime minister. March 4, 2020. <http://euromaidanpress.com/2020/03/04/meet-denys-shmyhal-ukraines-new-prime-minister/>

⁸³ Bloomberg. (2020). Ukrainian Leader Backs Calamitous Reshuffle to Deliver Results. March 7, 2020. <https://www.bloombergquint.com/business/ukrainian-leader-backs-calamitous-reshuffle-to-deliver-results>

⁸⁴ Corresponding statement of the Office's official webpage as of March 16, 2020. <https://president.gov.ua/news/prezident-ukrayini-proviv-zustrich-z-velikim-biznesom-dlya-d-60185>

today. Petrashko was the deputy director of UkrLandFarming, an agricultural company that belongs to Oleh Bakhmatyuk, a fugitive Ukrainian businessman accused of misusing UAH 1.2 billion (\$44.7 million) of refinancing from the Central Bank.

Rinat Akhmetov contributed UAH 300 million (\$11 million) to fight COVID-19 but spent this money independently. Reportedly, however, he gave to Zelensky's fund 300,000 coronavirus antibody tests.⁸⁵ Since summer, however, Akhmetov has allegedly spent much more money on the president's office and the parliament's faction. According to several MPs I interviewed, including those from the Servant of the People party, monthly spending of USD 2.0-2.5 million is coming to ensure that Akhmetov maintains and expands his energy monopolies in the country.⁸⁶ His energy company DTEK receives energy preferences from the new government, which decreed the prioritization of coal-based energy over nuclear or gas.⁸⁷

“I am, honestly, impressed by what I can see at the Committee on Energy in the Verkhovna Rada. Because like 90% of the votes there are literally purchased votes. And it only depends on who manages to buy more votes. And when representatives of the alleged opposition party – say, Batkivschyna [Yuliya Tymoshenko's party] come and say, ‘oh, what is actually the position of the Ministry in this regard? I think we really should listen to them. They are real experts.’ And we know that Ministry is now working full-time for Akhmetov” (personal interview, an MP from one of the opposition parties, November 2020)

The office, the government, and SCM (Akhmetov's holding) reject any influence the oligarch may have on the politics. To justify Denys Shmyhal's appointment to the post of the prime minister, the Servant of the People party announced that the new government had canceled a corrupt formula for calculating electricity prices, known as Rotterdam+. De facto, the formula stopped working in May 2019, as the previous parliament created the new energy market model, implemented by the former prime minister Volodymyr Groysman. Hence, it is not correct to state that the Zelenskyy government canceled it. The National Anti-Corruption Bureau (NABU) investigated the approximately \$723 million loss, and a separate case was started against the top management of Akhmetov's DTEK company. Yet, in August 2020, the case was partially closed because experts couldn't estimate the arrangement's damage and hence couldn't prove the guilt of the six suspects involved in the case. The National Anti-Corruption Bureau of Ukraine, or NABU, disagrees and

⁸⁵ Kyivpost. (2020). Zelensky's office hiding how it spends oligarchs' donations to fight COVID-19. June 30, 2020, <https://www.kyivpost.com/ukraine-politics/zelenskys-office-hiding-how-it-spends-oligarchs-donations-to-fight-covid-19.html>

⁸⁶The number of USD 10 000 to 20 000 as a monthly payment to the MPs in Zelensky's faction ready to cooperate with the oligarch was voiced in several interviews. Similar information has been leaked to the media and can be found online. It is hardly possible so far, however, to confirm such data officially.

⁸⁷ Savytskyi, O. (2020). What is in store for Ukraine: decarbonization or monopolization? Heinrich Boell Stiftung, Ukraine. May 5, 2020. <https://ua.boell.org/en/2020/05/05/what-store-ukraine-decarbonization-or-monopolization>

wants to appeal.⁸⁸ The press service of Akhetov’s SCM holding claims that he has been focusing on charity and his Donetsk Shakhtar football club only since 2012. Though there is no way to learn the content of discussions Rinat Akhmetov held with the Office, and there are no formal proofs of monthly payments to the office and MPs, the last statement on Akhmetov maintaining political neutrality is far from being credible. One of the interviewees commented in this regard:

“There seems to be almost no party where there would not be at least some MPs who accept payments and vote the way they are asked to. Servant of the People, European Solidarity, Batkivshyna...I was never offered money. Still, I can tell you that I have been several times seriously pressured into voting this or that way. Akhmetov definitely is the one who feels the most comfortable there, but he is not the only oligarch defining decision-making in our politics, that’s for sure. Kolomoisky increased his power using Palytsia in the Parliament...” (an interview with an MP, November 2020).

Turning back to the COVID-19 crisis, many business people proved responsive and cooperative with Zelensky. Some even openly announced the information on the size of funds allocated to the president’s fund. The largest contributions came from Victor Pinchuk, the second richest person in the country, with a \$1.3-billion net worth, who transferred UAH 55 million (\$2 million) to one of the fund’s accounts in addition to his separate \$10 million donations for fighting COVID-19. According to Forbes, the fund received the same amount from Kosyuk, the fourth richest person in the country with a \$1.1 billion fortune. Another major contributor, Andrey Stavnitser, an Odesa-based businessman and co-owner of the largest private cargo port in Ukraine, donated UAH 46.6 million (\$1.7 million) to the fund. Finally, three businessmen from Dnipro — Gennadiy Butkevich, Viktor Karachun, and Yevhen Yermakov — donated UAH 10 million (\$370,000) from a charity belonging to ATB, a chain of supermarkets they own.⁸⁹

At one glance, the picture could not look more idyllic – the richest men of Ukraine unite to help their country in crisis. However, all the experts and interviewees close to the government are unanimous in expressing the opinion that all the assistance and further favors were provided in exchange for concessions, appointments, and favorable legal incentives.

⁸⁸ The infamous “Rotterdam+” formula was introduced in 2016 by Ukraine’s energy regulator and ran until July 2019. After the coal-rich Donbas became a conflict zone, Ukraine looked to import. The formula set energy prices based on a coal index in European hubs “plus” the cost of its delivery to Ukraine. Except most coal didn’t come from European hubs. According to NABU, paying for nonexistent delivery drained Hr 39 billion (today, \$1.4 billion) from Ukrainian energy consumers — money they shouldn’t have had to pay. NABU found evidence that DTEK Group, which controls 70% of the country’s coal energy, created the formula and illegally colluded with the regulator to make it law. This allowed the company to improve its cash flow and its securities soared in value. People with inside knowledge made billions on these securities. The top benefactors were allegedly former president Petro Poroshenko and DTEK’s owner Rinat Akhmetov. Both deny any wrongdoing. In detail about the case on the page of National Anti-Corruption Bureau: <https://nabu.gov.ua/en/novyny/why-authorities-are-trying-kill-key-rotterdam-investigation-article-kyivpost>

⁸⁹ The data on numbers comes from KyivPost who received the information from businessmen’s spokespersons. As of June 20, 2020, <https://www.kyivpost.com/ukraine-politics/zelenskys-office-hiding-how-it-spends-oligarchs-donations-to-fight-covid-19.html>

“Partnership with Akhmetov is one of the major mistakes Zelensky has made. The money that comes in envelopes [see footnote above] to the MPs from his faction are all from Akhmetov. Many ask, what Akhmetov gains from that? Well, there is closed Rotterdam+ case, where Ukraine bears major losses...How many times Venediktova [Prosecutor General] refused SBU to reopen the case...Since recently MPs actually receive much more than they used to, according to my calculations every month like USD 3.5 mln to only to Servant of the People faction.” (phone conversation with an MP, December 2020).

Many also point out that in the conditions of the president’s rating falling drastically, he needs some of the oligarchs more than ever – as they own all the major media shaping public opinion in the country and beyond its borders. As one of the interviewees commented:

“Chasing high ratings, Zelensky ended up caught in a trap of the oligarchs who have in their hands almost all the media. He depends on them. Check most of the big TV channels, there is no criticism of the Office, Yermak or Zelensky. Here is the famous oligarchic consensus for you.” (phone conversation with an MP, December 2020)

Oligarchs, Ukrainian media, and the danger of pro-Russian propaganda

Independent media or, to be more precise, the lack of such has been among the main obstacles for democratization and de-oligarchization of Ukraine. One of Zelensky’s promises in October 2020 was to “de-oligarchize” media and not allow the owners of the major TV channels to influence politics. However, several months later, he seemed to have changed his opinion, desperately needing positive media coverage. To complement this section, I provide a brief overview of the media ownership distribution to give an idea of the extent of oligarchic influence over the minds of Ukrainians.

Table 1. Owners of top-Ukrainian TV channels

Owner	TV channels	Share of TV viewers
Rinat Akhmetov	UKRAYINA, UKRAYINA 24	11,94%
Dmytro Firtash, Serhiy Lyovochkin	INTER, NTN	13,39%
Ihor Kolomoysky	1+1, TET	17,22 %
Taras Kozak (Viktor Medvedchuk)	112 Ukraine, ZIK, NEWSONE	1,49%
Viktor Pinchuk	STB, ICTV, NOVIY KANAL	26,04%
Petro Poroshenko	5 CHANNEL, PRIAMIY (not confirmed)	0,94%

Source: Television Industry Committee, 2020, <http://tampanel.com.ua/uk/rubrics/canals/>; Business Censor 2019, https://biz.censor.net/resonance/3133637/yak_olgarhi_rozdlili_teleefr_ukrani.

In 2020, TV remained the most trusted medium - 56 percent of Ukrainians trust regional TV channels, and 61 percent trust national TV channels. 66 percent of the population, respectively, uses it as the primary source of information.⁹⁰ All top TV channels in the country (see the illustration above) belong to different oligarchs: Ihor Kolomoisky controls 1+1, Rinat Akhmetov owns Ukrayina (Ukraine), while STB, ICTV, and Novyi Kanal (New Channel) belong to Victor Pinchuk, son-in-law of former Ukraine's President Leonid Kuchma. Inter TV channel is a part of Inter Media Group, which belongs to Dmytro Firtash and Serhiy Liovochkin. Ukrainian politician Viktor Medvedchuk, who is intricately linked to Russia's President Vladimir Putin (his daughter's godfather, more on this below), allegedly controls 112 and NewsOne TV channels, the most popular news channels in Ukraine.⁹¹ Investigative online media *Schemy* reported last summer that Medvedchuk also owns a share in 1+1 TV channel.⁹² Here are some numbers to illustrate the situation:

Based on the data from the Television industry committee in Ukraine⁹³, oligarchs control 71% of the TV audience in Ukraine with the following distribution:

1. Starlight Media, includes three of the five most popular TV channels, STB, ICTV, and Noviy Kanal (Viktor Pinchuk) – 26,04%
2. 1 + 1 Media (Ihor Kolomoisky and Viktor Medvedchuk) – 17,22%
3. InterMedia Group (Dmytro Firtash and Serhiy Liovochkin) – 13,39%
4. Media Group Ukraine (Rinat Akhmetov) – 11,94%
5. Media holding Novosti (Viktor Medvedchuk) – 1,49%
6. Petro Poroshenko – 0,94%

According to an NGO Institute of Mass Information, all major mass media remains a political tool in the oligarchs' hands. From the news feeds of their sites, one can determine precisely what political sympathy any oligarch has, which politicians he promotes even though all the oligarchs and politicians refute such a relation. Last year's studies of the Institute show, for instance, that oligarchs such as Akhmetov and Pinchuk demonstrated their sympathy towards the president and the prime minister.⁹⁴ Instead, the site of the Pryamy TV channel related to Poroshenko was very critical of

⁹⁰ USAID-Internews 2019 study of media consumption in Ukraine, Medialandscapes: Ukraine, <https://medialandscapes.org/country/ukraine>

⁹¹ Ukraine World (2019). The Fourth Estate, Oligarch Style: Key Facts About Ukrainian Media. May 22, 2019. <https://ukraineworld.org/articles/ukraine-explained/fourth-estate-oligarch-style-key-facts-about-ukrainian-media>

⁹² Confirmation of the ownership of 8.22% of the 1+1 channel by the wife of Viktor Medvedchuk at the official web-page of Medvedchuk's party. https://zagittya.com.ua/news/novosti/komentarij__otnositelno_vladienija_oksanoj_marchenko__doljami_v_telekanala_h_11_i_tet_.html

⁹³ Television Industry Committee, 2020, <http://tampanel.com.ua/uk/rubrics/canals/>

⁹⁴ According to this study, Kolomoisky's channel early in 2020 was quite friendly towards Zelensky, too, yet as it was before anti-Kolomoisky laws and further developments, it could be interesting to monitor the 1+1 during the following period.

Zelensky. And it provided the ground for arty fellows of Poroshenko and related experts. The same can be said about the site “Obozrevatel” of Mykhaylo Brodsky to a lesser extent. The pro-Russian channels 112 Medvedchuk TV and “Podrobnosti” of Firtash’s Inter channel actively covered the Opposition Platform - For Life party’s statements and position. They also provided information support to related politicians and experts. Instead, the site “Strana,” while playing in this field, paid more attention to the negative stories about Petro Poroshenko and the activities of SBI.⁹⁵

A couple of words should be said on Moscow’s efforts to build a Ukrainian media empire. Ukrainian oligarch, the leader of Opposition Platform-For Life Viktor Medvedchuk, widely recognized as Putin’s unofficial representative in Ukraine, since 2013 has been the leading pro-Russian figure in Ukraine and has acquired an extensive media portfolio to deliver Ukrainians Kremlin messaging. The recent discovery of his share in one of the most popular channels, the 1+1, is worrying, especially if seen with the current pro-Russian rhetoric of Kolomoisky. Medvedchuk uses the media to build his political presence. Before the local elections, his channels extensively covered his visit to Russia to seek sanctions relief for Ukraine and access to Russia’s coronavirus vaccine. His efforts seem to bear fruit: in fall 2020, his Opposition Platform-For Life won elections in 6 oblasts and made it to the top-three in 5 more. Though the numbers are not high enough to have the majority in local councils, the results signal revival of Ukraine’s pro-Kremlin political forces. The reluctance of Zelensky to react to those can cost him too much.

On February 2, 2021, President Zelensky, by his decree, confirmed the decision of the National Security Council to introduce sanctions toward legal entities and persons who present a threat to national security. Those include TV channels 112, ZIK, and NewsOne that belong to an MP from the Opposition Platform-For Life, Taras Kozak (*de facto* related to Viktor Medvedchuk). The same night, all three channels were turned off. The TV channels faced sanctions that will be active for five years and that further broadcasting is impossible. According to the president’s press-secretary Yuliya Mendel, “These TV channels have long forgotten what journalistic standards, fact-checking or coverage of at least two points of view mean. Instead, they have become a propaganda tool used in the interests of the state-aggressor. Funding for these channels from Russia has already been confirmed.”⁹⁶

The decision came as a surprise and seemed to be prepared in secret. According to some sources, it was influenced by the new administration of U.S. President Joe Biden, whose Secretary of State Antony Blinken allegedly had a call with Ukraine’s foreign affairs minister Dmytro Kuleba. In

⁹⁵ Study by the Institute of Mass Information. (2020) Oligarchs’ Best Friends. Whom of Politicians Do Money Bags' Media Support? March 2020. <https://imi.org.ua/en/monitorings/oligarchs-best-friends-whom-of-politicians-money-bags-mass-media-do-support-i32040>

⁹⁶ BBC News Ukraine (2021). Blokada Kanaliv Medvedchuka: zahyst Ukrainy chy nastup na Svobodu slova (Blocking Medvedchuk’s channels: defending Ukraine or attacking the freedom of speech?). February 3, 2021 <https://www.bbc.com/ukrainian/news-55922369>

Kyiv, U.S. Embassy expressed its official support to Ukraine’s efforts “to counter Russia’s malign influence, in line with Ukrainian law, in defense of its sovereignty and territorial integrity.”⁹⁷ Many Ukrainian political forces also welcomed this move by the president. In contrast, the EU and international organizations questioned the decision as coming at the expense of media freedom. The ban was also criticized by the National Union of Journalists of Ukraine (NUJU) and by the European Federation of Journalists.⁹⁸ Yet, according to the Financial Times, President Zelensky’s adviser said the president’s office looked forward to the US and EU taking similar action to “make sure that these channels are off YouTube and other platforms.”⁹⁹

In November 2020, Volodymyr Zelensky spoke of “a public manifestation of a conspiracy of some of the old elites and oligarchs, against the president and the country” concerning the Constitutional Court issue.¹⁰⁰ Indeed, there is no doubt that his potential to govern in a country as Ukraine is restricted by oligarchs and elites fiercely competing for power and resources. At the same time, however, oligarchs have turned for Zelensky into an indispensable source of political, economic, and even human resources critical for his remaining in power. Whether, despite his profound lack of knowledge and governance expertise, the current President of Ukraine manages to regain control – the time will show.

⁹⁷ Official Facebook account of the US Embassy in Kyiv, February 3, 2021, <https://www.facebook.com/usdos.ukraine/posts/10158723530276936>

⁹⁸ European Federation of Journalists. (2021). Ukraine: President bans three television channels. February 3, 2021. <https://europeanjournalists.org/blog/2021/02/03/ukraine-president-bans-three-television-channels/>

⁹⁹ Financial Times. (2021). Ukraine shuts TV channels it accuses of spreading ‘Russian disinformation’. February 3, 2021. <https://www.ft.com/content/176c0332-b927-465d-9eac-3b2d7eb9706a>

¹⁰⁰ Post of Zelensky’s official Facebook page, November 1, 2020. <https://www.facebook.com/zelenskiy95/posts/2674107122839647>

Conclusion: Quo Vadis, Ukraine?

In April 2019, Volodymyr Zelensky promised his voters a new, better government, transparent and accountable, in which weighted decisions would be made based on simple people's needs. He also promised a series of arrests and dismissals that would hold accountable oligarchs, corrupt politicians, and those abusing their power. The Servant of the People filled the Parliament with new faces, and there was much hope in the air: 67% of Ukrainians trusted in the president in December 2019. However, the year 2020 brought many changes resulting in growing disappointment among the wider population, civil society activists, Western partners of Ukraine, and even numerous Zelensky's MPs in the Verkhovna Rada. Drawing on primary and secondary sources, in Ukrainian, Russian, and English, such as official reports, data available at the state portals, investigative journalism, and shadow reports from NGOs, as well as interviews with the experts, MPs from both - Zelensky's party and opposition, civil society activists, politicians, and representatives of international organizations, this report tried to bring together sometimes contradicting or debatable data and opinions and, whenever possible, offer plausible explanations to the recent events taking place in the country. The views expressed in this report and, in particular, direct quotes from the interviews do not necessarily represent my own opinion. The purpose of this concluding part is to summarize the most concerning points of the report and to discuss their possible implications for the democratization of Ukraine.

The lack of transparency in the work of the Office and limited communications with highly restricted access to the president is among the main issues raised by all the interviewees and experts who contributed to the production of this study. It is a common understanding of the situation, as of December 2020, that the Office has accumulated too much power that is focused in the hands of three persons: Zelensky, Yermak, and Shefir. While some may call this exaggeration pointing out that numerous people are participating in the office's strategic discussions regularly, nobody refutes the crucial role Shefir and Yermak have on decision-making in the office. The latter includes all the strategic appointments and some legal proposals and initiatives. The approach of imposing the decisions to the faction rather than having open communications and discussions led to the loss by the office of faction's general support as many MPs from Zelensky's party started seeing the office as a threat. As a result, the parliamentary majority is now split into various groups of those almost openly selling their votes to the oligarchs and those few trying if not to push for promised reforms, then at least to prevent initiatives like Zelensky's proposal to dismiss the judges of the Constitutional Court from happening.

At the same time, starting from the second half of 2020, the office seems to be much more in control of their communications and the image. The key officials' interviews to the media are much

better prepared as, for example, the journalists' visit to Yermak's parents' home.¹⁰¹ Mykhailo Podolyak, who replaced Kyrylo Tymoshenko and is now in charge of the office's public relations, is much harsher and sharper in his commentaries, reacting fast. According to several interviews, no public statements from the people in the office or close to it comes unsanctioned by Yermak and Podolyak.

The figure of Yermak, the Head of the Office since February 2020, is among the most contradictory in this story. Praised by many for his negotiator's skills and confident manners initially, Yermak surrounded himself by people with quite a questionable past, such as Oleh Tatarov, Andriy Smyrnov, Mykhailo Podolyak, and some other advisors with vaguely defined functions. Multiple sources, such as shadow reports of NGOs and journalists' investigations, offer evidence of close relations several key persons in the office have with the oligarchs or politicians with corrupt past; Tatarov is even under several investigations. Such people in the office are justified by their alleged competencies and skills necessary for their positions. The people close to Zelensky who seemed to influence him and could not find common ground with Yermak, such as Serhii Trofimov, Andriy Bohdan, and Ruslan Ryaboshapka,¹⁰² were made to leave. The scandals accompanying Yermak's career in the office made my interviewees speculate on his motivation. Some saw his actions, such as appointing Vitold Fokin, a member of the TCG's delegation, a destructive work in favor of the Kremlin. However, a more common opinion is on Yermak's serving numerous interests of local power figures, which are not always easy to combine. He lacks a strategic vision regarding the country's future development. This absence of long-term strategy, together with the aspiration to take numerous matters on himself and restrict access to the president, whose almost complete trust Yermak enjoys, is rather dangerous.

The third person in the office, Serhii Shefir, remains in the shadows. Yet, no one questions his influence on the president and his role in the oligarchic renaissance in Ukraine. The recent scandals with the anti-corruption institutions, leaked from several sources information on the support that Rinat Akhmetov gives to the office and the faction, stories around Ukrainian strategic enterprises, closed corruption cases against oligarchs or their employees – there is a long list proving that during 2020, the Office of the President got much closer with the oligarchs than the year before. The recent major scandal with the Constitutional Court of Ukraine was among the last drops, leaving little doubt even for the Ze Team's most devoted supporters.

¹⁰¹ The Babel. (2020). «YA lyudyna viyny, ale shche ni z kym ne pochynav voyuvaty». Odyn den' z Andriyem Yermakom — chastyna druha ("I'm a man of war, but I haven't started a war with anyone yet." One day with Andriy Yermak is part two"). October 28, 2020. <https://babel.ua/texts/53490-ya-lyudina-viyni-ale-shche-ni-z-kim-ne-pochinav-voyuvati-odin-den-z-andriyem-yermakom-chastina-druha>

¹⁰² Former Prosecutor General Ruslan Riaboshapka tried to push for prosecution reform, although it turned out to be a failure. His successor, Veneditkova, promoted to her position with the help of Yermak, became famous for slowing down anti-corruption cases and making questionable decisions.

One of the questions on which my interviewees' answers divided what President Zelensky's role is in all this. There is a share of those who still believe that Volodymyr Zelensky is largely unaware of the things taking place in the office and that his closest aides, Shefir and Yermak, have created a so-called "warm bathtub" for the president, carefully filtering and interpreting the information that he receives. According to the former prime-minister Oleksiy Honcharuk, Zelensky is a good guy who came to power with good intentions and belief in reforms. Still, an informational cloud created around him pushed him towards making wrong decisions.¹⁰³ However, more and more people conclude that Zelensky understands what is going on quite well yet deliberately chooses not to interfere. Some interviewees from his party suggested that ignoring most of the accusations, blaming COVID-crisis and Poroshenko and other predecessors have been selected as a smart strategy. In this way, Zelensky will always look innocent and ignorant.

At the same time, geopolitics is still among the key problems. With slowly cooking military conflict with Russia, pro-Russian groups still maintain their positions in several regions and keep their seats in the Parliament. Praised for their negotiations with Russia in 2019, now the office does not look confident. As many interviewees commented, if there is a foreign policy strategy, the office and the government seem to hide it very well.

How is Ukraine entering 2021? Against the backdrop of the global pandemic and long-lasting military conflict with Russia, the ongoing talks about another reshuffle of the cabinet and numerous corruption scandals do not inspire optimism. Western media outlets and international partners openly criticize bold corruption schemes in Kyiv and regions. Judicial reform is under a threat of being turned into a farce, and the pro-Russian coalition in the parliament generously sponsored by Medvedchuk and Kolomoisky is accumulating forces. What solutions can Ukrainians count on?

First, of course, there is the civil society, which remains vibrant and dynamic and presents one of the main forces in raising awareness and informing both the local population and foreign partners on corruption cases at different levels. However, one can hardly count on CSOs to mobilize masses exhausted by economic and political crises. Unfortunately, the level of trust towards CSOs working with foreign donors' funding is also not too high due to the popular discourse on Western influence, "Soros agents," sucking foreign grants, and similar.

Second, an important role plays investigative journalism and independent media, which takes a small share of the market compared to the TV channels and outlets controlled by the oligarchs yet is slowly growing.

The generation of young politicians who came to politics after work in human rights organizations, received education abroad, and came back to work in the public or non-profit sector,

¹⁰³ See recent interview with Oleksiy Honcharuk from Washington D.C., where he works for Atlantic Council, as of 28.11.2020. <https://nv.ua/ukr/ukraine/politics/ssha-pogano-rozumiyut-ukrajinu-zelenskogo-goncharuk-novini-ukrajini-50126519.html>

or grew to politics from Euromaidan activism is another source of hope. However, there was not enough time and no efficient political force to bring them together before the 2019's elections. A small group of MPs from The Voice party and a group of impartial MPs in the Servant of the People do not have enough influence against larger factions.

Therefore, for now, the support and control of Western partners of democratization initiatives in Ukraine are of the utmost importance. The visa-free regime, Association Agreement, and the possibility of NATO membership and IMF funding are probably the only impetus for Ukrainian politicians not only because they are important for pulling the country out of the economic crisis. For millions of Ukrainians, they signal the ongoing pro-European choice of Ukraine as the only alternative to potential Russian domination. The worrisome trend of the current government, though, to create Potyomkin villages rather than indeed follow the international partners' suggestions and introduce much-needed reforms has to be considered.

Appendix 1. Structure of the Office of the President of Ukraine

Source: Official page of the Office (<https://www.president.gov.ua/administration/office-structure>) and Project Liga.Radnyky (<https://radnyky.liga.net/>) – last accessed on 28.02.2021

Deputy Heads:

Head of the Office – Andriy Yermak

KOSTYUK Yuri (education, humanitarian issues)

MASHOVETS Roman (security and defense)

SMYRNOV Andriy (legal reform)

SVYRYDENKO Yuliya (economic policy)

SOKOLOVSKA Yuliya (social policy)

TATAROV Oleh (*on temporary leave*) (law enforcement)

TYMOSHENKO Kyrylo (relations with the regions)

ZHOVKVA Ihor (foreign policy)

Chief of Staff – DNIPROV Oleksii

Advisors (non-staff, some unsalaried, as of December 2020):

The scope of responsibilities is mentioned tentatively based on official comments and interviews

Appendix 2. Note on methods

The present report draws on multiple sources. It starts with the official documents issued by the Office of the President of Ukraine, sociological surveys, reports of international organizations and institutions. The next step was to collect such data as transcripts or video recordings of interviews of the people this report focuses on, such as Andriy Bohdan and Andriy Yermak, President Zelensky, his aides, and Yermak's deputies. I further went through other secondary data sources, such as media articles, analytical reports by Ukrainian and foreign experts, and shadow reports from Ukraine-based NGOs. After all this, I proceeded to in-depth, semi-structured one-on-one interviews.

Altogether, I conducted 19 interviews with a duration from 30 to 75 minutes throughout October – December 2020. Most of the interviewees were in Kyiv. All the communication had to be arranged over various types of messengers, like Zoom or WhatsApp due to restricted travel opportunities during COVID-19. All the interviewees were informed about the purpose of the interview and the nature and the purpose of this report. They all gave me their informed consent to use the information that is quoted or paraphrased in this report. If the information was given to me off-record, and I could not receive the same information/data from other interviewees or triangulate it from a reliable source, I did not include it in the report. When the information was received only from the oral interviews, and when I did not find formal confirmation of the fact, I make it clear in the text (as, for example, with the practice of paying monthly “allowance” to MPs by some Ukrainian oligarchs).

Among the interviewees, there were five MPs presenting different parties of the opposition, two MPs from the Servant of the People's faction, two politicians who did not make it to the Verkhovna Rada in 2019 but were MPs for the previous convocation, two public officials close to the office and the government, four representatives of the civil society organizations working with anti-corruption measures and freedom of media, and four experts (political scientist and sociologists.) Only two persons interviewed agreed to have their names mentioned in this report: Geo Leros, an MP and a former advisor to Zelensky, excluded from the faction after the scandal with recordings showing the brother of Andriy Yermak, and Nazar Pryhodko, media analyst and political activist. The rest of the informants asked not to disclose their identities and not to be quoted in a way that would allow them to be recognized.

This reluctance to be named is a good illustration of the current level of transparency and perceived freedom in Ukrainian political life. It is worth mentioning that most of the people interviewed (apart from several cases) did not mention anything that had not been already written or said by investigative journalists, anti-corruption NGOs, or foreign and Ukrainian policy analysts. Clearly, such cases as the burned house of Vitaliy Shabunin, the head of the Anti-Corruption Action Centre's executive board, in

July 2020 or as set of fire cars of Geo Leros and Andriy Bohdan make many people much more careful in expressing their opinions regarding the current government and power structures. I would also like to mention several interviews being cancelled after the scandal around the Constitutional Court of Ukraine had started. People were refusing to talk to me once hearing that the conversation will be about the Office of the President. Finally, some people were okay with talking privately to journalists but not to a researcher writing a report for “Brussels” – due to ethical considerations, as mentioned above, I had to receive informed consent of all the interviewees before starting to make questions.

In other words, the present short note on methods has its separate value-added as another indicator of the level of accountability and transparency of public institutions of Ukraine, which leaves much to be desired.