EBRD denied a loan to the Ukrainian billionaire Yuriy Kosiuk because of ties with an odious fraudster.

«Mironovsky Khliboprodukt» (MHP), a major poultry market operator in Ukraine, has got into trouble because of direct ties with people who were messed in high-profile criminal investigations. European Bank for Reconstruction and Development (EBRD) puts on hold the credit line for the Ukrainian company owned by billionaire Yuriy Kosiuk, as reported by Kurier, an Austrian media outlet.
loophole in the EU Association Agreement, which allowed it to export larger quantities of poultry than it was allowed by quotas.

MHP states that they will get the credit somewhat later. They actually may be right. Europe has given Kosiuk some extra time to fix the case. EU gave that time not only for Yuriy Kosiuk to ditch the scheme but also to regain the reputational losses associated with reported criminal ties.

According to Kurier, during the compliance test the EBRD bank stumbled upon the connections between Yuriy Kosiuk and Alexey Omelyanenko, the former co-owner of now-nationalized «Ukrgasbank». Alexey Omelyanenko is a subject of many criminal cases and investigations. He is accused in money-laundering of several hundred millions hryvnias of «Ukrgasbank» while serving as deputy CEO and later as a member of the supervisory board.

Alexey Omelyanenko is under suspicion of grand larceny, criminal conspiracy, leading a criminal group and abuse of authority. It turned out that back in 2008-2009 Alexey Omelyanenko set up the scheme to flush the state funds out of the bank. He fictionally rented the commercial real estate the bank has no intention to use. «Ukrgasbank» lost 39 million hryvnias.

It is not the single criminal proceeding, which Omelyanenko has messed in. He was summoned to court and accused in misappropriation of state-issued 100 million of hryvnias. While being investigated Omelyanenko was arrested twice (in April 2018 and February 2019). He spent several months behind the bars.

However, how MHP, the highly successful agricultural venue, is connected to Omelyanenko? The auditing of Yuriy Kosiuk property shows that until the year 2014 Omelyanenko was his business partner and has co-owned five companies in the MHP holding. He was a direct co-owner in four of them – OOO «Niva» (Niva Ltd.), OOO «Lemishevskoe» (Lemishevskoe Ltd.), OOO «Baryshevskoe» (Baryshevskoe Ltd.) and OOO «Urozhay» (Urozhay Ltd.). Kosiuk ownership was implemented by his share in OOO «Zernovoy Kray» (Zernovoy Kray Ltd.). Yuriy Melnik, a longtime CEO of MHP, Kosiuk’s main venture, represents his interests in the fifth company – OOO «Agro-S» (Agro-S Ltd.)
It shed the light on how Omelyanenko who seems to be on the nickel and was unable even to pay a bail while being under arrest can still afford a luxurious life.

It all changed in 2014 when the banker was ousted from his usual feeding through. Omelyanenko's patrons fled the country. Under such circumstances, open partnership with the criminal financier posed a danger for the MHP reputation both in Ukraine and in Europe. Omelyanenko decided to hide his share in plain sight. His name is no longer visible in registration data after the property reshuffle.

An analysis of personal and behavioral patterns of A. Omelyanenko shows that one of his traits is a total distrust even to the closest of his partners. This trait is not completely unfounded: he extorted the shares and property from his own unsuspecting partners on multiple occasions.

One of his partners who shared this fate is Vasily Gorbal, Omelyanenko's co-owner in «Ukrasbank». He was deceitfully dispossessed of «Ukrkart», a lucrative venue of emitting the payment cards. Gorbal still has been seeking for justice in Ukrainian courts and has been struggling to fight his company back from his former partner.

It is the main cause why Omelyanenko has not hidden the shares too deep. He has simply passed the assets to the family members. Nevertheless, we can't fully exclude the other explanation. Such a naive scheme of covering his presence in the MHP holding serves as a backstop against Kosiuk...
As a result, EBRD auditors had no hard time to dig out the following figure:

It was revealed that the respectful billionaire and criminal financial fraudster (with a little help of his family) are still partners in the business and are co-owning several agrarian companies. At least two of them were mentioned in the final report made for the EBRD management. It was the report that the management had read before taking the blocking decision on the fate of MHP credit.

Exactly those companies were OOO Agrokryazh (Agrokryazh Ltd.) and OOO Agro-S (Agro-S Ltd.) Owners of the first one, which was the product of merging of four other companies from the figure 1 are AO «Yukon» («Yukon» closed non-diversified venture corporate investment fund) and PAO MHP (PJSC MHP) of Yuriy Kosiuk. Omelyanenko is the final beneficiary of AO «Yukon». It is even simpler with Agro-S. Personal share of Omelyanenko is presented by AO «Yukon». Yuriy Fedorovich Melnik is presented in person.

It happens that the structure of the ownership of the potential credit taker is tightly bound with primitive criminals. It is obvious that that Omelyanenko has used not the modest banker salary to fund the companies with his billionaire partner, Yuriy Kosiuk. It is quite business as usual for the Ukrainian landscape. It is not the case however for the European financial community.
for both the shareholders and international business community.
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