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UKRAINE: Zelensky's Ukraine, where the Pandora Papers hit hardest

Zelensky's Ukraine, Where The Pandora Papers Hit Hardest

The global probe of offshore accounts around the world strike at the heart of Kiev's current government and power structure of a ruling class that rose to power on the promise of fighting corruption, including the television-star-turned-President Volodymyr Zelensky.

By Iryna Lysohor

World Crunch (05.10.2021) – <https://bit.ly/3Flg9cp> – Nowhere could the the revelations from the Pandora Papers investigation hit harder than in Ukraine. The discovery of offshore accounts strike at the heart of the current government and power structure of a ruling class that rose to power on the promise of fighting corruption, including the television-star-turned-President Volodymyr Zelensky.

The worldwide probe, prompted by a massive leak to the International Consortium of Investigative Journalists (ICIJ), has included work by journalists from the Ukrainian media [Slidstvo.Info](#), which connected the shady financial dealings of Zelensky's television production company Studio Kvartal 95 to the Ukrainian oligarch Igor Kolomoisky. Slidstvo found that the laundered money passed through the Cyprus branch of Kolomoisky-owned [Privatbank](#), according to law enforcement officers.

More than 600 journalists from all over the world worked on the [Pandora Papers](#) project for the past year. Among the millions of documents of offshore registrars are the names of some of the most powerful figures in Ukraine. Ivan Bakanov, the head of the Security Service of Ukraine, Serhii Shafir, the chief aide to the president, and the President Zelensky himself are all there.

Igor Kolomoisky, the billionaire behind the President

But, first let's rewind the tape: For this is a story about the actor and head of Studio Kvartal 95, who played the president in the series and won in real life. [Volodymyr Zelensky's successful show business career](#) was created in Ukraine through a hidden financial network of offshore companies.

Nine years ago, the popular Kvartal 95 goes to TV channel 1+1. Their shows and programs are hits on the channel owned by Igor Kolomoisky, who will later support Zelensky and the team not only as entertainers but also as politicians. Today, Kolomoisky is a person of interest in investigations in Ukraine, Britain, and the United States.

According to the Pandora Papers, millions from Kolomoisky went not only to the accounts of Ukrainian companies [close to Zelensky](#) and his associates. The money also went where there was warm weather and lower taxes. That year, when Kvartal began to cooperate with the oligarch, key people of the company registered several companies on distant islands. The network was assisted by the offshore registrar Fidelity and Ukrainian lawyer Yurii Azarov, whose signature is on all key documents.

Maltex Multicapital is revealed

At the heart of the network is the previously unknown company Maltex Multicapital, reveals Slidstvo. It is equally divided

between the companies of Volodymyr Zelensky, brothers Serhii and Borys Shefirs and Andrii Yakovlev. The trust declaration was signed by the current head of the Security Service of Ukraine Ivan Bakanov. His company was the nominal owner of Maltex. The names of the real owners were safely hidden in the vault.

If we take a closer look at how the Kvartal business is structured, we will see that the products are created and shown mainly in Ukraine. At the same time, transactions are made through foreign companies. Accordingly, taxes on these transactions do not go to the Ukrainian budget.

A little later, the co-owner of Kvartal 95, Serhii Shafir, stated that Zelensky had left the business. On March 13, 2019, amid the presidential race, a lawyer working for the firms of [Zelensky and his partners](#), Yurii Azarov, signed the document. It is a transfer of shares to Maltex, which is equally divided between the offshore leaders of Kvartal 95. The firm of Serhii Shafir, the future chief aide to the president, received a quarter of Maltex's ownership free of charge from Zelensky's firm in Belize. The day after the inauguration, Zelensky appointed Serhii Shafir as chief aide to the president of Ukraine.

On April 25, 2019, a few weeks after the transfer of Zelensky's share to Serhii Shafir, the same lawyer Yurii Azarov signed another document stating that Maltex intends to pay dividends to Zelensky's offshore. Surprisingly, his offshore company no longer owned a stake in this firm.

Cases involving high-ranking civil servants are being investigated by the National Anti-Corruption Bureau. NABU detectives are also investigating crimes related to money laundering. The investigation believes that the former owners, in particular Igor Kolomoisky and Hennadii Boholyubov, could have caused [billions in losses to the state](#). But the Security Service of Ukraine was unable to calculate the amount of damage and the case got stuck. The current General Prosecutor refused to answer journalists' questions about the Privatbank case.

Risk of U.S. jail time

What destiny awaits Zelensky? And Kolomoisky? For the latter, this week Kolomoisky is in the United States, where his fate risks being the same as former Ukrainian Prime Minister [Pavlo Lazarenko](#): to wind up in an American prison.

For Zelensky, nobody wants to talk about the secret network of offshore companies. Only Borys Shafir, the co-founder of Kvartal 95, [responded to a few of our questions](#). He, unlike his partners, did not go into politics, and now is the owner of a significant part of the offshore business of Kvartal.

"Bakanov was our financial director, he arranged the financial schemes of our company. And honestly, I'm not ready to answer you now," said Borys Shafir. "Maybe I'm the owner."

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