

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

v.

PAUL J. MANAFORT, JR.,

Defendant.

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CRIMINAL NO. 17-201-1 (ABJ)(S-5)

Violations: 18 U.S.C. § 371

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**SUPERSEDING CRIMINAL INFORMATION**

The Special Counsel informs the Court:

1. PAUL J. MANAFORT, JR. (MANAFORT) served for years as a political consultant and lobbyist. Between at least 2006 and 2015, MANAFORT conspired with Richard W. Gates (Gates), Konstantin Kilimnik (Kilimnik), and others to act, and acted, as unregistered agents of a foreign government and political party. Specifically, MANAFORT conspired to act and acted as an agent of the Government of Ukraine, the Party of Regions (a Ukrainian political party whose leader Victor Yanukovich was President from 2010 to 2014), President Yanukovich, and the Opposition Bloc (a successor to the Party of Regions that formed in 2014 when Yanukovich fled to Russia). MANAFORT generated more than 60 million dollars in income as a result of his Ukraine work. In order to hide Ukraine payments from United States authorities, from approximately 2006 through at least 2016, MANAFORT, with the assistance of Gates and Kilimnik, laundered the money through scores of United States and foreign corporations, partnerships, and bank accounts.
2. In furtherance of the scheme, MANAFORT funneled millions of dollars in payments into

foreign nominee companies and bank accounts, opened by him and his underlings in nominee names and in various foreign countries, including Cyprus, Saint Vincent & the Grenadines (Grenadines), and the United Kingdom. MANAFORT hid the existence of the foreign companies and bank accounts, falsely and repeatedly reporting to his tax preparers and to the United States that he had no foreign bank accounts.

3. In furtherance of the scheme, MANAFORT concealed from the United States his work as an agent of, and millions of dollars in payments from, Ukraine and its political parties and leaders. Because MANAFORT directed a campaign to lobby United States officials and the United States media on behalf of the Government of Ukraine, the President of Ukraine, and Ukrainian political parties, he was required by law to report to the United States his work and fees. MANAFORT did not do so, either for himself or any of his companies. Instead, when the Department of Justice sent inquiries to MANAFORT in 2016 about his activities, MANAFORT responded with a series of false and misleading statements.

4. In furtherance of the scheme, MANAFORT used his hidden overseas wealth to enjoy a lavish lifestyle in the United States, without paying taxes on that income. MANAFORT, without reporting the income to his bookkeeper or tax preparers or to the United States, spent millions of dollars on luxury goods and services for himself and his extended family through payments wired from offshore nominee accounts to United States vendors. MANAFORT also used these offshore accounts to purchase multi-million dollar properties in the United States. Manafort then borrowed millions of dollars in loans using these properties as collateral, thereby obtaining cash in the United States without reporting and paying taxes on the income. In order to increase the amount of money he could access in the United States, Manafort defrauded the institutions that loaned money on

these properties so that they would lend him more money at more favorable rates than he would otherwise be able to obtain.

5. Manafort laundered more than \$30 million to buy property, goods, and services in the United States, income that he concealed from the United States Treasury, the Department of Justice, and others. MANAFORT cheated the United States out of over \$15 million in taxes.

#### **Relevant Individuals And Entities**

6. MANAFORT was a United States citizen. He resided in homes in Virginia, Florida, and Long Island, New York.

7. In 2005, MANAFORT and another partner created Davis Manafort Partners, Inc. (DMP) to engage principally in political consulting. DMP had staff in the United States, Ukraine, and Russia. In 2011, MANAFORT created DMP International, LLC (DMI) to engage in work for foreign clients, in particular political consulting, lobbying, and public relations for the Government of Ukraine, the Party of Regions, and members of the Party of Regions. DMI was a partnership solely owned by MANAFORT and his spouse. Gates and Kilimnik worked for both DMP and DMI and served as close confidants of MANAFORT.

8. The Party of Regions was a pro-Russia political party in Ukraine. Beginning in approximately 2006, it retained MANAFORT, through DMP and then DMI, to advance its interests in Ukraine, including the election of its slate of candidates. In 2010, its candidate for President, Yanukovich, was elected President of Ukraine. In 2014, Yanukovich fled Ukraine for Russia in the wake of popular protests of widespread governmental corruption. Yanukovich, the Party of Regions, and the Government of Ukraine were Manafort, DMP, and DMI clients.

9. The European Centre for a Modern Ukraine (the Centre) was created in or about 2012 in

Belgium as a mouthpiece for Yanukovych and the Party of Regions. The Centre was used by MANAFORT and others in order to lobby and conduct a public relations campaign in the United States and Europe on behalf of the existing Ukraine regime. The Centre effectively ceased to operate upon the downfall of Yanukovych in 2014.

10. MANAFORT owned or controlled the following entities, which were used in the scheme (the MANAFORT entities):

Domestic Entities

<b>Entity Name</b>	<b>Date Created</b>	<b>Incorporation Location</b>
Daisy Manafort, LLC (PM)	August 2008	Virginia
	March 2011	Florida
Davis Manafort International LLC (PM)	March 2007	Delaware
DMP (PM)	March 2005	Virginia
	March 2011	Florida
Davis Manafort, Inc. (PM)	October 1999	Delaware
	November 1999	Virginia
DMI (PM)	June 2011	Delaware
	March 2012	Florida
Global Sites LLC (PM)	July 2008	Delaware
Jesand Investment Corporation (PM)	April 2002	Virginia
Jesand Investments Corporation (PM)	March 2011	Florida
John Hannah, LLC (PM)	April 2006	Virginia
	March 2011	Florida

<b>Entity Name</b>	<b>Date Created</b>	<b>Incorporation Location</b>
Lilred, LLC (PM)	December 2011	Florida
LOAV Ltd. (PM)	April 1992	Delaware
MC Brooklyn Holdings, LLC (PM)	November 2012	New York
MC Soho Holdings, LLC (PM)	January 2012	Florida
	April 2012	New York
Smythson LLC (also known as Symthson LLC) (PM)	July 2008	Delaware

Cypriot Entities

<b>Entity Name</b>	<b>Date Created</b>	<b>Incorporation Location</b>
Actinet Trading Limited	May 2009	Cyprus
Black Sea View Limited	August 2007	Cyprus
Bletilla Ventures Limited	October 2010	Cyprus
Cavenari Investments Limited	December 2007	Cyprus
Global Highway Limited	August 2007	Cyprus
Leviathan Advisors Limited	August 2007	Cyprus
LOAV Advisors Limited	August 2007	Cyprus
Lucicle Consultants Limited	December 2008	Cyprus
Marziola Holdings Limited	March 2012	Cyprus
Olivenia Trading Limited	March 2012	Cyprus
Peranova Holdings Limited	June 2007	Cyprus

<b>Entity Name</b>	<b>Date Created</b>	<b>Incorporation Location</b>
Serangon Holdings Limited	January 2008	Cyprus
Yiakora Ventures Limited	February 2008	Cyprus

Other Foreign Entities

<b>Entity Name</b>	<b>Date Created</b>	<b>Incorporation Location</b>
Global Endeavour Inc. (also known as Global Endeavor Inc.)	October 2012	Grenadines
Jeunet Ltd.	August 2011	Grenadines
Pompolo Limited	April 2013	United Kingdom

11. The Internal Revenue Service (IRS) was a bureau in the United States Department of the Treasury responsible for administering the tax laws of the United States and collecting taxes owed to the Treasury.

**The Scheme**

12. Between in or around 2006 and 2017, both dates being approximate and inclusive, in the District of Columbia and elsewhere, MANAFORT and others devised and intended to devise, and executed and attempted to execute, a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises from the United States, banks, and other financial institutions. As part of the scheme, MANAFORT repeatedly provided false information to financial bookkeepers, tax accountants, and legal counsel, among others.

MANAFORT's Wiring Of Money From Offshore Accounts Into The United States

13. In order to use the money in the offshore nominee accounts of the MANAFORT entities without paying taxes on it, MANAFORT caused millions of dollars in wire transfers from these accounts to be made for goods, services, and real estate. He did not report these transfers as income to DMP, DMI, or MANAFORT.

14. From 2008 to 2014, MANAFORT caused the following wires, totaling over \$12,000,000, to be sent to the vendors listed below for personal items. MANAFORT did not pay taxes on this income, which was used to make the purchases.

Payee	Transaction Date	Originating Account Holder	Country of Origination	Amount of Transaction
S.P.&C. Home Improvement Inc. (Home Improvement Company in the Hamptons, New York)	6/10/2008	LOAV Advisors Limited	Cyprus	\$107,000
	6/25/2008	LOAV Advisors Limited	Cyprus	\$23,500
	7/7/2008	LOAV Advisors Limited	Cyprus	\$20,000
	8/5/2008	Yiakora Ventures Limited	Cyprus	\$59,000
	9/2/2008	Yiakora Ventures Limited	Cyprus	\$272,000
	10/6/2008	Yiakora Ventures Limited	Cyprus	\$109,000
	10/24/2008	Yiakora Ventures Limited	Cyprus	\$107,800
	11/20/2008	Yiakora Ventures Limited	Cyprus	\$77,400
	12/22/2008	Yiakora Ventures Limited	Cyprus	\$100,000
	1/14/2009	Yiakora Ventures Limited	Cyprus	\$9,250
	1/29/2009	Yiakora Ventures Limited	Cyprus	\$97,670
	2/25/2009	Yiakora Ventures Limited	Cyprus	\$108,100
	4/16/2009	Yiakora Ventures Limited	Cyprus	\$94,394
	5/7/2009	Yiakora Ventures Limited	Cyprus	\$54,000
	5/12/2009	Yiakora Ventures Limited	Cyprus	\$9,550
	6/1/2009	Yiakora Ventures Limited	Cyprus	\$86,650
	6/18/2009	Yiakora Ventures Limited	Cyprus	\$34,400
	7/31/2009	Yiakora Ventures Limited	Cyprus	\$106,000
	8/28/2009	Yiakora Ventures Limited	Cyprus	\$37,000
	9/23/2009	Yiakora Ventures Limited	Cyprus	\$203,500
10/26/2009	Yiakora Ventures Limited	Cyprus	\$38,800	
11/18/2009	Global Highway Limited	Cyprus	\$130,906	

<b>Payee</b>	<b>Transaction Date</b>	<b>Originating Account Holder</b>	<b>Country of Origination</b>	<b>Amount of Transaction</b>
	3/8/2010	Global Highway Limited	Cyprus	\$124,000
	5/11/2010	Global Highway Limited	Cyprus	\$25,000
	7/8/2010	Global Highway Limited	Cyprus	\$28,000
	7/23/2010	Leviathan Advisors Limited	Cyprus	\$26,500
	8/12/2010	Leviathan Advisors Limited	Cyprus	\$138,900
	9/2/2010	Yiakora Ventures Limited	Cyprus	\$31,500
	10/6/2010	Global Highway Limited	Cyprus	\$67,600
	10/14/2010	Yiakora Ventures Limited	Cyprus	\$107,600
	10/18/2010	Leviathan Advisors Limited	Cyprus	\$31,500
	12/16/2010	Global Highway Limited	Cyprus	\$46,160
	2/7/2011	Global Highway Limited	Cyprus	\$36,500
	3/22/2011	Leviathan Advisors Limited	Cyprus	\$26,800
	4/4/2011	Leviathan Advisors Limited	Cyprus	\$195,000
	5/3/2011	Global Highway Limited	Cyprus	\$95,000
	5/16/2011	Leviathan Advisors Limited	Cyprus	\$6,500
	5/31/2011	Leviathan Advisors Limited	Cyprus	\$70,000
	6/27/2011	Leviathan Advisors Limited	Cyprus	\$39,900
	7/27/2011	Leviathan Advisors Limited	Cyprus	\$95,000
	10/24/2011	Global Highway Limited	Cyprus	\$22,000
	10/25/2011	Global Highway Limited	Cyprus	\$9,300
	11/15/2011	Global Highway Limited	Cyprus	\$74,000
	11/23/2011	Global Highway Limited	Cyprus	\$22,300
	11/29/2011	Global Highway Limited	Cyprus	\$6,100
	12/12/2011	Leviathan Advisors Limited	Cyprus	\$17,800
	1/17/2012	Global Highway Limited	Cyprus	\$29,800
	1/20/2012	Global Highway Limited	Cyprus	\$42,600
	2/9/2012	Global Highway Limited	Cyprus	\$22,300
	2/23/2012	Global Highway Limited	Cyprus	\$75,000
	2/28/2012	Global Highway Limited	Cyprus	\$22,300
	3/28/2012	Peranova Holdings Limited	Cyprus	\$37,500
	4/18/2012	Lucicle Consultants Limited	Cyprus	\$50,000
	5/15/2012	Lucicle Consultants Limited	Cyprus	\$79,000
	6/5/2012	Lucicle Consultants Limited	Cyprus	\$45,000
	6/19/2012	Lucicle Consultants Limited	Cyprus	\$11,860
	7/9/2012	Lucicle Consultants Limited	Cyprus	\$10,800
	7/18/2012	Lucicle Consultants Limited	Cyprus	\$88,000



<b>Payee</b>	<b>Transaction Date</b>	<b>Originating Account Holder</b>	<b>Country of Origination</b>	<b>Amount of Transaction</b>
	8/7/2012	Lucicle Consultants Limited	Cyprus	\$48,800
	9/27/2012	Lucicle Consultants Limited	Cyprus	\$100,000
	11/20/2012	Lucicle Consultants Limited	Cyprus	\$298,000
	12/20/2012	Lucicle Consultants Limited	Cyprus	\$55,000
	1/29/2013	Lucicle Consultants Limited	Cyprus	\$149,000
	3/12/2013	Lucicle Consultants Limited	Cyprus	\$375,000
	8/29/2013	Global Endeavour Inc.	Grenadines	\$200,000
	11/13/2013	Global Endeavour Inc.	Grenadines	\$75,000
	11/26/2013	Global Endeavour Inc.	Grenadines	\$80,000
	12/6/2013	Global Endeavour Inc.	Grenadines	\$130,000
	12/12/2013	Global Endeavour Inc.	Grenadines	\$90,000
	4/22/2014	Global Endeavour Inc.	Grenadines	\$56,293
	8/18/2014	Global Endeavour Inc.	Grenadines	\$34,660
<b>Total</b>				<b>\$5,434,793</b>
<b>Big Picture Solutions</b> (Home Automation, Lighting and Home Entertainment Company in Florida)	3/22/2011	Leviathan Advisors Limited	Cyprus	\$12,000
	3/28/2011	Leviathan Advisors Limited	Cyprus	\$25,000
	4/27/2011	Leviathan Advisors Limited	Cyprus	\$12,000
	5/16/2011	Leviathan Advisors Limited	Cyprus	\$25,000
	11/15/2011	Global Highway Limited	Cyprus	\$17,006
	11/23/2011	Global Highway Limited	Cyprus	\$11,000
	2/28/2012	Global Highway Limited	Cyprus	\$6,200
	10/31/2012	Lucicle Consultants Limited	Cyprus	\$290,000
	12/17/2012	Lucicle Consultants Limited	Cyprus	\$160,600
	1/15/2013	Lucicle Consultants Limited	Cyprus	\$194,000
	1/24/2013	Lucicle Consultants Limited	Cyprus	\$6,300
	2/12/2013	Lucicle Consultants Limited	Cyprus	\$51,600
	2/26/2013	Lucicle Consultants Limited	Cyprus	\$260,000
	7/15/2013	Pompolo Limited	United Kingdom	\$175,575
	8/28/2013	Global Endeavour Inc.	Grenadines	\$179,000
	10/31/2013	Global Endeavour Inc.	Grenadines	\$73,000
	5/23/2014	Global Endeavour Inc.	Grenadines	\$99,960
6/20/2014	Global Endeavour Inc.	Grenadines	\$62,960	
<b>Total</b>				<b>\$1,661,201</b>
<b>J&amp;J Oriental Rug Gallery</b>	10/7/2008	Yiakora Ventures Limited	Cyprus	\$15,750
	3/17/2009	Yiakora Ventures Limited	Cyprus	\$46,200

<b>Payee</b>	<b>Transaction Date</b>	<b>Originating Account Holder</b>	<b>Country of Origination</b>	<b>Amount of Transaction</b>
(Antique Rug Store in Alexandria, Virginia)	4/16/2009	Yiakora Ventures Limited	Cyprus	\$7,400
	4/27/2009	Yiakora Ventures Limited	Cyprus	\$65,000
	5/7/2009	Yiakora Ventures Limited	Cyprus	\$210,000
	7/15/2009	Yiakora Ventures Limited	Cyprus	\$200,000
	3/31/2010	Yiakora Ventures Limited	Cyprus	\$140,000
	6/16/2010	Global Highway Limited	Cyprus	\$250,000
<b>Total</b>				<b>\$934,350</b>
<b>Vendor D</b> (Related to J&J Oriental Rug Gallery)	2/28/2012	Global Highway Limited	Cyprus	\$100,000
<b>Vendor D Total</b>				<b>\$100,000</b>
<b>Alan Couture</b> (Men's Clothing Store in New York)	11/7/2008	Yiakora Ventures Limited	Cyprus	\$32,000
	2/5/2009	Yiakora Ventures Limited	Cyprus	\$22,750
	4/27/2009	Yiakora Ventures Limited	Cyprus	\$13,500
	10/26/2009	Yiakora Ventures Limited	Cyprus	\$32,500
	3/30/2010	Yiakora Ventures Limited	Cyprus	\$15,000
	5/11/2010	Global Highway Limited	Cyprus	\$39,000
	6/28/2010	Leviathan Advisors Limited	Cyprus	\$5,000
	8/12/2010	Leviathan Advisors Limited	Cyprus	\$32,500
	11/17/2010	Global Highway Limited	Cyprus	\$11,500
	2/7/2011	Global Highway Limited	Cyprus	\$24,000
	3/22/2011	Leviathan Advisors Limited	Cyprus	\$43,600
	3/28/2011	Leviathan Advisors Limited	Cyprus	\$12,000
	4/27/2011	Leviathan Advisors Limited	Cyprus	\$3,000
	6/30/2011	Global Highway Limited	Cyprus	\$24,500
	9/26/2011	Leviathan Advisors Limited	Cyprus	\$12,000
	11/2/2011	Global Highway Limited	Cyprus	\$26,700
	12/12/2011	Leviathan Advisors Limited	Cyprus	\$46,000
	2/9/2012	Global Highway Limited	Cyprus	\$2,800
	2/28/2012	Global Highway Limited	Cyprus	\$16,000
	3/14/2012	Lucicle Consultants Limited	Cyprus	\$8,000
4/18/2012	Lucicle Consultants Limited	Cyprus	\$48,550	
5/15/2012	Lucicle Consultants Limited	Cyprus	\$7,000	
6/19/2012	Lucicle Consultants Limited	Cyprus	\$21,600	
8/7/2012	Lucicle Consultants Limited	Cyprus	\$15,500	

<b>Payee</b>	<b>Transaction Date</b>	<b>Originating Account Holder</b>	<b>Country of Origination</b>	<b>Amount of Transaction</b>
	11/20/2012	Lucicle Consultants Limited	Cyprus	\$10,900
	12/20/2012	Lucicle Consultants Limited	Cyprus	\$7,500
	1/15/2013	Lucicle Consultants Limited	Cyprus	\$37,000
	2/12/2013	Lucicle Consultants Limited	Cyprus	\$7,000
	2/26/2013	Lucicle Consultants Limited	Cyprus	\$39,000
	9/3/2013	Global Endeavour Inc.	Grenadines	\$81,500
	10/9/2013	Global Endeavour Inc.	Grenadines	\$53,000
	11/25/2013	Global Endeavour Inc.	Grenadines	\$13,200
	4/17/2014	Global Endeavour Inc.	Grenadines	\$26,680
	9/11/2014	Global Endeavour Inc.	Grenadines	\$58,435
<b>Total</b>				<b>\$849,215</b>
<b>Scott L. Wilson Landscaping</b> (Landscapeer in the Hamptons, New York)	4/27/2009	Yiakora Ventures Limited	Cyprus	\$34,000
	5/12/2009	Yiakora Ventures Limited	Cyprus	\$45,700
	6/1/2009	Yiakora Ventures Limited	Cyprus	\$21,500
	6/18/2009	Yiakora Ventures Limited	Cyprus	\$29,000
	9/21/2009	Yiakora Ventures Limited	Cyprus	\$21,800
	5/11/2010	Global Highway Limited	Cyprus	\$44,000
	6/28/2010	Leviathan Advisors Limited	Cyprus	\$50,000
	7/23/2010	Leviathan Advisors Limited	Cyprus	\$19,000
	9/2/2010	Yiakora Ventures Limited	Cyprus	\$21,000
	10/6/2010	Global Highway Limited	Cyprus	\$57,700
	10/18/2010	Leviathan Advisors Limited	Cyprus	\$26,000
	12/16/2010	Global Highway Limited	Cyprus	\$20,000
	3/22/2011	Leviathan Advisors Limited	Cyprus	\$50,000
	5/3/2011	Global Highway Limited	Cyprus	\$40,000
	6/1/2011	Leviathan Advisors Limited	Cyprus	\$44,000
	7/27/2011	Leviathan Advisors Limited	Cyprus	\$27,000
	8/16/2011	Leviathan Advisors Limited	Cyprus	\$13,450
	9/19/2011	Leviathan Advisors Limited	Cyprus	\$12,000
	10/24/2011	Global Highway Limited	Cyprus	\$42,000
11/2/2011	Global Highway Limited	Cyprus	\$37,350	
<b>Total</b>				<b>\$655,500</b>
<b>Vendor G</b> (Antique Dealer in New York)	9/2/2010	Yiakora Ventures Limited	Cyprus	\$165,000
	10/18/2010	Leviathan Advisors Limited	Cyprus	\$165,000
	2/28/2012	Global Highway Limited	Cyprus	\$190,600
	3/14/2012	Lucicle Consultants Limited	Cyprus	\$75,000

<b>Payee</b>	<b>Transaction Date</b>	<b>Originating Account Holder</b>	<b>Country of Origination</b>	<b>Amount of Transaction</b>
	2/26/2013	Lucicle Consultants Limited	Cyprus	\$28,310
<b>Vendor G Total</b>				<b>\$623,910</b>
<b>Fashion World, Inc. d/b/a/ Bijan</b> (Clothing Store in Beverly Hills, California)	6/25/2008	LOAV Advisors Limited	Cyprus	\$52,000
	12/16/2008	Yiakora Ventures Limited	Cyprus	\$49,000
	12/22/2008	Yiakora Ventures Limited	Cyprus	\$10,260
	8/12/2009	Yiakora Ventures Limited	Cyprus	\$76,400
	5/11/2010	Global Highway Limited	Cyprus	\$85,000
	11/17/2010	Global Highway Limited	Cyprus	\$128,280
	5/31/2011	Leviathan Advisors Limited	Cyprus	\$64,000
	11/15/2011	Global Highway Limited	Cyprus	\$48,000
	12/17/2012	Lucicle Consultants Limited	Cyprus	\$7,500
<b>Total</b>				<b>\$520,440</b>
<b>Aegis Holdings, LLC</b> (Investment Company)	9/3/2013	Global Endeavour Inc.	Grenadines	\$500,000
<b>Total</b>				<b>\$500,000</b>
<b>Paul Sabatello Construction</b> (Contractor in Florida)	11/15/2011	Global Highway Limited	Cyprus	\$8,000
	12/5/2011	Leviathan Advisors Limited	Cyprus	\$11,237
	12/21/2011	Black Sea View Limited	Cyprus	\$20,000
	2/9/2012	Global Highway Limited	Cyprus	\$51,000
	5/17/2012	Lucicle Consultants Limited	Cyprus	\$68,000
	6/19/2012	Lucicle Consultants Limited	Cyprus	\$60,000
	7/18/2012	Lucicle Consultants Limited	Cyprus	\$32,250
	9/19/2012	Lucicle Consultants Limited	Cyprus	\$112,000
	11/30/2012	Lucicle Consultants Limited	Cyprus	\$39,700
	1/9/2013	Lucicle Consultants Limited	Cyprus	\$25,600
	2/28/2013	Lucicle Consultants Limited	Cyprus	\$4,700
<b>Total</b>				<b>\$432,487</b>
<b>New Leaf Landscape Maintenance LLC</b>	12/5/2011	Leviathan Advisors Limited	Cyprus	\$4,115
	3/1/2012	Global Highway Limited	Cyprus	\$50,000
	6/6/2012	Lucicle Consultants Limited	Cyprus	\$47,800
	6/25/2012	Lucicle Consultants Limited	Cyprus	\$17,900
	6/27/2012	Lucicle Consultants Limited	Cyprus	\$18,900
	2/12/2013	Lucicle Consultants Limited	Cyprus	\$3,300

<b>Payee</b>	<b>Transaction Date</b>	<b>Originating Account Holder</b>	<b>Country of Origination</b>	<b>Amount of Transaction</b>
(Landscapeer in the Hamptons, New York)	7/15/2013	Pompolo Limited	United Kingdom	\$13,325
	11/25/2013	Global Endeavour Inc.	Grenadines	\$9,400
	4/15/2014	Global Endeavour Inc.	Grenadines	\$33,211
	5/13/2014	Global Endeavour Inc.	Grenadines	\$30,965
	9/11/2014	Global Endeavour Inc.	Grenadines	\$26,769
<b>Total</b>				<b>\$255,685</b>
<b>Don Beyer Motors, Inc.</b> (Payments Relating to three Range Rovers)	4/12/2012	Lucicle Consultants Limited	Cyprus	\$83,525
	5/2/2012	Lucicle Consultants Limited	Cyprus	\$12,525
	6/29/2012	Lucicle Consultants Limited	Cyprus	\$67,655
<b>Total</b>				<b>\$163,705</b>
<b>Federal Stone and Brick LLC</b> (Contractor in Virginia)	11/20/2012	Lucicle Consultants Limited	Cyprus	\$45,000
	12/7/2012	Lucicle Consultants Limited	Cyprus	\$21,000
	12/17/2012	Lucicle Consultants Limited	Cyprus	\$21,000
	1/17/2013	Lucicle Consultants Limited	Cyprus	\$18,750
	1/29/2013	Lucicle Consultants Limited	Cyprus	\$9,400
	2/12/2013	Lucicle Consultants Limited	Cyprus	\$10,500
<b>Total</b>				<b>\$125,650</b>
<b>Sensoryphile, Inc.</b> (Audio, Video, and Control System Home Integration and Installation Company in the Hamptons, New York)	1/29/2009	Yiakora Ventures Limited	Cyprus	\$10,000
	3/17/2009	Yiakora Ventures Limited	Cyprus	\$21,725
	4/16/2009	Yiakora Ventures Limited	Cyprus	\$24,650
	12/2/2009	Global Highway Limited	Cyprus	\$10,000
	3/8/2010	Global Highway Limited	Cyprus	\$20,300
	4/23/2010	Yiakora Ventures Limited	Cyprus	\$8,500
	7/29/2010	Leviathan Advisors Limited	Cyprus	\$17,650
<b>Total</b>				<b>\$112,825</b>

<b>Payee</b>	<b>Transaction Date</b>	<b>Originating Account Holder</b>	<b>Country of Origination</b>	<b>Amount of Transaction</b>
<b>American Service Center Associates of Alexiandria</b> (Purchase of Mercedes Benz)	10/5/2012	Lucicle Consultants Limited	Cyprus	\$62,750
<b>Total</b>				<b>\$62,750</b>
<b>Land Rover of Palm Beach</b> (Purchase of Range Rover)	12/30/2008	Yiakora Ventures Limited	Cyprus	\$47,000
<b>Total</b>				<b>\$47,000</b>
<b>Vendor Q</b> (Property Management Company in South Carolina)	9/2/2010	Yiakora Ventures Limited	Cyprus	\$10,000
	10/6/2010	Global Highway Limited	Cyprus	\$10,000
	10/18/2010	Leviathan Advisors Limited	Cyprus	\$10,000
	2/8/2011	Global Highway Limited	Cyprus	\$13,500
	2/9/2012	Global Highway Limited	Cyprus	\$2,500
<b>Vendor Q Total</b>				<b>\$46,000</b>
<b>Vendor R</b> (Art Gallery in Florida)	2/9/2011	Global Highway Limited	Cyprus	\$17,900
	2/14/2013	Lucicle Consultants Limited	Cyprus	\$14,000
<b>Vendor R Total</b>				<b>\$31,900</b>
<b>Vendor S</b> (Housekeeping in New York)	9/26/2011	Leviathan Advisors Limited	Cyprus	\$5,000
	9/19/2012	Lucicle Consultants Limited	Cyprus	\$5,000
	10/9/2013	Global Endeavour Inc.	Grenadines	\$10,000
<b>Vendor S Total</b>				<b>\$20,000</b>

15. In 2012, MANAFORT caused the following wires to be sent to the entities listed below to purchase the real estate also listed below. MANAFORT did not report the money used to make these purchases on his 2012 tax return.

Property Purchased	Payee	Date	Originating Account	Country of Origin	Amount
Howard Street Condominium (New York)	DMP International LLC	2/1/2012	Peranova Holdings Limited	Cyprus	\$1,500,000
Union Street Brownstone, (New York)	Attorney Account Of [Real Estate Attorney]	11/20/2012	Lucicle Consultants Limited	Cyprus	\$299,500
		11/29/2012	Actinet Trading Limited	Cyprus	\$1,800,000
		11/29/2012	Actinet Trading Limited	Cyprus	\$1,200,000
Arlington House (Virginia)	Real Estate Trust	8/31/2012	Lucicle Consultants Limited	Cyprus	\$1,900,000

16. MANAFORT also disguised, as purported “loans,” more than \$13 million from Cypriot entities, including the overseas MANAFORT entities, to domestic entities owned by MANAFORT. For example, a \$1.5 million wire from Peranova Holdings Limited (Peranova) to DMI that MANAFORT used to purchase real estate on Howard Street in Manhattan, New York, was recorded as a “loan” from Peranova to DMI, rather than as income. The following loans were shams designed to reduce fraudulently MANAFORT’s reported taxable income.

Year	Payor / Ostensible “Lender”	Payee / Ostensible “Borrower”	Country of Origination	Total Amount of “Loans”
2008	Yiakora Ventures Limited	Jesand Investment Corporation	Cyprus	\$8,120,000
2008	Yiakora Ventures Limited	DMP	Cyprus	\$500,000
2009	Yiakora Ventures Limited	DMP	Cyprus	\$694,000
2009	Yiakora Ventures Limited	Daisy Manafort, LLC	Cyprus	\$500,000
2012	Peranova	DMI	Cyprus	\$1,500,000
2014	Telmar Investments Ltd.	DMI	Cyprus	\$900,000
2015	Telmar Investments Ltd.	DMI	Cyprus	\$1,000,000
<b>Total</b>				<b>\$13,214,000</b>

MANAFORT's Hiding Of Ukraine Lobbying And Public Relations Work

17. MANAFORT knew it was illegal to lobby government officials and engage in public relations activities (hereinafter collectively referred to as lobbying) in the United States on behalf of a foreign government or political party, without registering with the United States Government under the Foreign Agents Registration Act. MANAFORT knew he was lobbying in the United States for the Government of Ukraine, President Viktor F. Yanukovich, the Party of Regions, and the Opposition Bloc (the latter two being political parties in Ukraine), and thus he was supposed to submit a written registration statement to the United States Department of Justice. MANAFORT knew that the filing was required to disclose the name of the foreign country, all the financial payments to the lobbyist, and the specific steps undertaken for the foreign country in the United States, among other information.

18. MANAFORT knew that Ukraine had a strong interest in the United States' taking economic and policy positions favorable to Ukraine, including not imposing sanctions on Ukraine. MANAFORT also knew that the trial and treatment of President Yanukovich's political rival, former Prime Minister Yulia Tymoshenko, was strongly condemned by leading United States executive and legislative branch officials, and was a major hurdle to improving United States and Ukraine relations.

19. From 2006 until 2015, MANAFORT led a multi-million dollar lobbying campaign in the United States at the direction of the Government of Ukraine, President Yanukovich, the Party of Regions, and the Opposition Bloc. MANAFORT intentionally did so without registering and providing the disclosures required by law.

20. As part of the lobbying scheme, MANAFORT hired numerous firms and people to assist in



his lobbying campaign in the United States. He hired Companies A, B, C, D, and E, and Law Firm A, among others, to participate in what he described to President Yanukovich in writing as a global “Engage Ukraine” lobbying campaign that he devised and led. These companies and law firm were paid the equivalent of over \$11 million for their Ukraine work.

21. MANAFORT viewed secrecy for himself and for the actions of his lobbyists as integral to the effectiveness of the lobbying offensive he orchestrated for Ukraine. Filing under the Foreign Agents Registration Act would have thwarted the secrecy MANAFORT sought in order to conduct an effective campaign for Ukraine to influence both American leaders and the American public.

22. MANAFORT took steps to avoid any of these firms and people disclosing their lobbying efforts under the Foreign Agents Registration Act. As one example, even though MANAFORT engaged Company E in 2007 to lobby in the United States for the Government of Ukraine, MANAFORT tried to dissuade Company E from filing under the Foreign Agents Registration Act. Only after MANAFORT ceased to use Company E in the fall of 2007 did Company E disclose its work for Ukraine, in a belated filing under the Act in 2008.

23. MANAFORT took other measures to keep the Ukraine lobbying as secret as possible. For example, MANAFORT, in written communications on or about May 16, 2013, directed his lobbyists (including Persons D1 and D2, who worked for Company D) to write and disseminate within the United States news stories that alleged that Tymoshenko had paid for the murder of a Ukrainian official. MANAFORT stated that it should be “push[ed]” “[w]ith no fingerprints.” “It is very important we have no connection.” MANAFORT stated that “[m]y goal is to plant some stink on Tymo.” Person D1 objected to the plan, but ultimately Persons D1 and D2 complied with MANAFORT’s direction. The Foreign Agents Registration Act required MANAFORT to disclose

such lobbying, as MANAFORT knew. He did not.

The Hapsburg Group and Company D

24. As part of the lobbying scheme, starting in 2011, MANAFORT secretly retained Company D and a group of four former European heads of state and senior officials (including a former Austrian Chancellor, Italian Prime Minister, and Polish President) to lobby in the United States and Europe on behalf of Ukraine. The former politicians, called the Hapsburg Group by MANAFORT, appeared to be providing solely their independent assessments of Government of Ukraine policies, when in fact they were paid by Ukraine. MANAFORT explained in an “EYES ONLY” memorandum in or about June 2012 that his purpose was to “assemble a small group of high-level European influential [sic] champions and politically credible friends who can act informally and without any visible relationship with the Government of Ukraine.”

25. Through MANAFORT, the Government of Ukraine retained an additional group of lobbyists (Company D and Persons D1 and D2). In addition to lobbying itself, Company D secretly served as intermediaries between the Hapsburg Group and MANAFORT and the Government of Ukraine. In or about 2012 through 2013, MANAFORT directed more than the equivalent of 700,000 euros to be wired from at least three of his offshore accounts to the benefit of Company D to pay secretly for its services.

26. All four Hapsburg Group members, at the direction, and with the direct assistance, of MANAFORT, advocated positions favorable to Ukraine in meetings with United States lawmakers, interviews with United States journalists, and ghost written op-eds in American publications. In or about 2012 through 2014, MANAFORT directed more than 2 million euros to be wired from at least four of his offshore accounts to pay secretly the Hapsburg Group. To avoid

European taxation, the contract with the Hapsburg Group falsely stated that none of its work would take place in Europe.

27. One of the Hapsburg Group members, a former Polish President, was also a representative of the European Parliament with oversight responsibility for Ukraine. MANAFORT solicited that official to provide MANAFORT inside information about the European Parliament's views and actions toward Ukraine and to take actions favorable to Ukraine. MANAFORT also used this Hapsburg Group member's current European Parliament position to Ukraine's advantage in his lobbying efforts in the United States. In the fall of 2012, the United States Senate was considering and ultimately passed a resolution critical of President Yanukovich's treatment of former Prime Minister Tymoshenko. MANAFORT engaged in an all-out campaign to try to kill or delay the passage of this resolution. Among the steps he took was having the Hapsburg Group members reach out to United States Senators, as well as directing Companies A and B to have private conversations with Senators to lobby them to place a "hold" on the resolution. MANAFORT told his lobbyists to stress to the Senators that the former Polish President who was advocating against the resolution was currently a designated representative of the President of the European Parliament, to give extra clout to his supposedly independent judgment against the Senate resolution. MANAFORT never revealed to the Senators or to the American public that any of these lobbyists or Hapsburg Group members were paid by Ukraine.

28. In another example, on May 16, 2013, another member of the Hapsburg Group lobbied in the United States for Ukraine. The Hapsburg Group member accompanied his country's prime minister to the Oval Office and met with the President and Vice President of the United States, as well as senior United States officials in the executive and legislative branches. In written

communications sent to MANAFORT, Person D1 reported that the Hapsburg Group member delivered the message of not letting “Russians Steal Ukraine from the West.” The Foreign Agents Registration Act required MANAFORT to disclose such lobbying, as MANAFORT knew. He did not.

Law Firm Report and Tymoshenko

29. As another part of the lobbying scheme, in 2012, on behalf of President Yanukovich and the Government of Ukraine’s Ministry of Justice, MANAFORT solicited a United States law firm to write a report evaluating the trial of Yanukovich’s political opponent Yulia Tymoshenko. MANAFORT caused Ukraine to hire the law firm so that its report could be used in the United States and elsewhere to defend the Tymoshenko criminal trial and argue that President Yanukovich and Ukraine had not engaged in selective prosecution.

30. MANAFORT retained a public relations firm (Company C) to prepare a media roll-out plan for the law firm report. MANAFORT used one of his offshore accounts to pay Company C the equivalent of more than \$1 million for its services.

31. MANAFORT worked closely with Company C to develop a detailed written lobbying plan in connection with what MANAFORT termed the “selling” of the report. This campaign included getting the law firm’s report “seeded” to the press in the United States—that is, to leak the report ahead of its official release to a prominent United States newspaper and then use that initial article to influence reporting globally. As part of the roll-out plan, on the report’s issuance on December 13, 2012, MANAFORT arranged to have the law firm disseminate hard copies of the report to numerous government officials, including senior United States executive and legislative branch officials.

32. MANAFORT reported on the law firm's work on the report and Company C's lobbying plan to President Yanukovich and other representatives of the Government of Ukraine. For example, in a July 27, 2012 memorandum to President Yanukovich's Chief of Staff, MANAFORT reported on "the global rollout strategy for the [law firm's] legal report, and provide[d] a detailed plan of action[]" which included step-by-step lobbying outreach in the United States.

33. MANAFORT directed lobbyists to tout the report as showing that President Yanukovich had not selectively prosecuted Tymoshenko. But in November 2012 MANAFORT had been told privately in writing by the law firm that the evidence of Tymoshenko's criminal intent "is virtually non-existent" and that it was unclear even among legal experts that Tymoshenko lacked power to engage in the conduct central to the Ukraine criminal case. These facts, known by MANAFORT, were not disclosed to the public.

34. Manafort knew that the report also did not disclose that the law firm, in addition to being retained to write the report, was retained to represent Ukraine itself, including in connection with the Tymoshenko case and to provide training to the trial team prosecuting Tymoshenko.

35. MANAFORT also knew that the Government of Ukraine did not want to disclose how much the report cost. More than \$4.6 million was paid to the law firm for its work. MANAFORT used one of his offshore accounts to funnel \$4 million to pay the law firm, a fact that MANAFORT did not disclose to the public. Instead, the Government of Ukraine reported falsely that the report cost just \$12,000.

36. MANAFORT and others knew that the actual cost of the report and the scope of the law firm's work would undermine the report's being perceived as an independent assessment and thus being an effective lobbying tool for MANAFORT to use to support the incarceration of President

Yanukovych's political opponent.

37. In addition to the law firm report, MANAFORT took other steps on behalf of the Government of Ukraine to tarnish Tymoshenko in the United States. In addition to disseminating stories about her soliciting murder, noted above, in October 2012, MANAFORT orchestrated a scheme to have, as he wrote in a contemporaneous communication, "[O]bama jews" put pressure on the Administration to disavow Tymoshenko and support Yanukovych. MANAFORT sought to undermine United States support for Tymoshenko by spreading stories in the United States that a senior Cabinet official (who had been a prominent critic of Yanukovych's treatment of Tymoshenko) was supporting anti-Semitism because the official supported Tymoshenko, who in turn had formed a political alliance with a Ukraine party that espoused anti-Semitic views. MANAFORT coordinated privately with a senior Israeli government official to issue a written statement publicizing this story. MANAFORT then, with secret advance knowledge of that Israeli statement, worked to disseminate this story in the United States, writing to Person D1 "I have someone pushing it on the NY Post. Bada bing bada boom." MANAFORT sought to have the Administration understand that "the Jewish community will take this out on Obama on election day if he does nothing." MANAFORT then told his United States lobbyist to inform the Administration that Ukraine had worked to prevent the Administration's presidential opponent from including damaging language in the Israeli statement, so as not to harm the Administration, and thus further ingratiate Yanukovych with the Administration.

Company A and Company B

38. As a third part of the lobbying scheme, in February 2012, MANAFORT solicited two Washington, D.C. lobbying firms (Company A and Company B) to lobby in the United States on

behalf of President Yanukovich, the Party of Regions and the Government of Ukraine. For instance, in early 2012 at the inception of the relationship, Company B wrote in an email to its team about a “potential representation for the Ukraine,” having been contacted “at the suggestion of Paul Manafort who has been working on the current PM elections.”

39. MANAFORT arranged to pay Companies A and B over \$2 million from his offshore accounts for their United States lobbying work for Ukraine.

40. MANAFORT provided direction to Companies A and B in their lobbying efforts, including providing support for numerous United States visits by numerous senior Ukrainian officials. Companies A and B, at MANAFORT’s direction, engaged in extensive United States lobbying. Among other things, they lobbied dozens of Members of Congress, their staff, and White House and State Department officials about Ukraine sanctions, the validity of Ukraine elections, and the propriety of President Yanukovich’s imprisoning Tymoshenko, his presidential rival.

41. In addition, with the assistance of Company A, MANAFORT also personally lobbied in the United States. He drafted and edited numerous ghost-written op-eds for publication in United States newspapers. He also personally met in March 2013 in Washington, D.C., with a Member of Congress who was on a subcommittee that had Ukraine within its purview. After the meeting, MANAFORT prepared a report for President Yanukovich that the meeting “went well” and reported a series of positive developments for Ukraine from the meeting.

42. Indeed, MANAFORT repeatedly communicated in person and in writing with President Yanukovich and his staff about the lobbying activities of Companies A and B and he tasked the companies to prepare assessments of their work so he, in turn, could brief President Yanukovich. For instance, MANAFORT wrote President Yanukovich a memorandum dated April 8, 2012, in

which he provided an update on the lobbying firms' activities "since the inception of the project a few weeks ago. It is my intention to provide you with a weekly update moving forward." In November 2012, Gates wrote to Companies A and B that the firms needed to prepare an assessment of their past and prospective lobbying efforts so the "President" could be briefed by "Paul" "on what Ukraine has done well and what it can do better as we move into 2013." The resulting memorandum from Companies A and B, with input from Gates, noted among other things that the "client" had not been as successful as hoped given that it had an Embassy in Washington.

43. To distance their United States lobbying work from the Government of Ukraine, and to avoid having to register as agents of Ukraine under the Foreign Agents Registration Act, MANAFORT with others arranged for Companies A and B to be engaged by a newly-formed Brussels entity called the European Centre for the Modern Ukraine (the Centre), instead of directly by the Government of Ukraine.

44. MANAFORT described the Centre as "the Brussels NGO that we have formed" to coordinate lobbying for Ukraine. The Centre was founded by a Ukraine Party of Regions member and Ukraine First Vice-Prime Minister. The head of its Board was another member of the Party of Regions, who became the Ukraine Foreign Minister.

45. In spite of these ties to Ukraine, MANAFORT and others arranged for the Centre to represent falsely that it was not "directly or indirectly supervised, directed, [or] controlled" in whole or in major part by the Government of Ukraine or the Party of Regions. MANAFORT knew that the false and misleading representations would lead Companies A and B not to register their activities pursuant to the Foreign Agents Registration Act.

46. Despite the Centre being the ostensible client of Companies A and B, MANAFORT knew



that the Centre did not direct or oversee their work. The firms received direction from MANAFORT and his subordinate Gates, on behalf of the Government of Ukraine.

47. Various employees of Companies A and B understood that they were receiving direction from MANAFORT and President Yanukovich, not the Centre, which was not even operational when Companies A and B began lobbying for Ukraine. MANAFORT, Gates, and employees of both Companies A and B referred to the client in ways that made clear they knew it was Ukraine, for instance noting that the “client” had an Embassy in Washington D.C. The head of Company B told his team to think the President of Ukraine “is the client.” As a Company A employee noted to another company employee: the lobbying for the Centre was “in name only. [Y]ou’ve gotta see through the nonsense of that[.]” “It’s like Alice in Wonderland.” An employee of Company B described the Centre as a fig leaf, and the Centre’s written certification that it was not related to the Party of Regions as “a fig leaf on a fig leaf,” referring to the Centre in an email as the “European hot dog stand for a Modern Ukraine.”

Conspiring to Obstruct Justice: False and Misleading Submissions to the Department of Justice

48. In September 2016, after numerous press reports concerning MANAFORT had appeared in August, the Department of Justice National Security Division informed MANAFORT, Gates, and DMI in writing that it sought to determine whether they had acted as agents of a foreign principal under the Foreign Agents Registration Act, without registering. In November 2016 and February 2017, MANAFORT and Gates conspired to knowingly and intentionally cause false and misleading letters to be submitted to the Department of Justice, through his unwitting legal counsel. The letters, both of which were approved by MANAFORT before they were submitted by his counsel, represented falsely, among other things, that:

a. DMI’s “efforts on behalf of the Party of Regions” “did not include meetings or outreach within the U.S.”;

b. MANAFORT did not “recall meeting with or conducting outreach to U.S. government officials or U.S. media outlets on behalf of the [Centre], nor do they recall being party to, arranging, or facilitating any such communications. Rather, it is the recollection and understanding of Messrs. Gates and Manafort that such communications would have been facilitated and conducted by the [Centre’s] U.S. consultants, as directed by the [Centre]. . . .”;

c. MANAFORT had merely served as a means of introduction of Company A and Company B to the Centre and provided the Centre with a list of “potential U.S.-based consultants—including [Company A] and [Company B]—for the [Centre’s] reference and further consideration”; and

d. DMI “does not retain communications beyond thirty days” and as a result of this policy, a “search has returned no responsive documents.” The November 2016 letter attached a one-page, undated document that purported to be a DMI “Email Retention Policy.”

49. In fact, MANAFORT had: selected Companies A and B; engaged in weekly scheduled calls and frequent emails with Companies A and B to provide them directions as to specific lobbying steps that should be taken; sought and received detailed oral and written reports from these firms on the lobbying work they had performed; communicated with Yanukovich to brief him on their lobbying efforts; both congratulated and reprimanded Companies A and B on their lobbying work; communicated directly with United States officials in connection with this work; and paid the

lobbying firms over \$2.5 million from offshore accounts he controlled, among other things.

50. Although MANAFORT had represented to the Department of Justice in November 2016 and February 2017 that he had no relevant documents, in fact MANAFORT had numerous incriminating documents in his possession, as he knew at the time. The Federal Bureau of Investigation conducted a court-authorized search of MANAFORT'S home in Virginia in the summer of 2017. The documents attached hereto as Government Exhibits 503, 504, 517, 532, 594, 604, 606, 616, 691, 692, 697, 706 and 708, among numerous others, were all documents that MANAFORT had in his possession, custody or control (and were found in the search) and all predated the November 2016 letter.

Money Laundering Conspiracy

51. In or around and between 2006 and 2016, MANAFORT, together with others, did knowingly and intentionally conspire (a) to conduct financial transactions, affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activity, to wit, felony violations of FARA in violation of Title 22, United States Code, Sections 612 and 618, knowing that the property involved in the financial transactions represented proceeds of some form of unlawful activity, with intent to engage in conduct constituting a violation of sections 7201 and 7206 of the Internal Revenue Code of 1986; and (b) to transport, transmit, and transfer monetary instruments and funds from places outside the United States to and through places in the United States and from places in the United States to and through places outside the United States, with the intent to promote the carrying on of specified unlawful activity, to wit: a felony violation of FARA, in violation of Title 22, United States Code, Sections 612 and 618, contrary to Title 18, United States Code, Section 1956(a)(1)(A)(ii) and (a)(2)(A).

52. MANAFORT caused the following transfers to be made, knowing that they were being made to entities to carry on activities that were required to be timely reported under the Foreign Agents Registration Act, but were not:

Payee	Date	Payer	Originating Bank Account	Country of...		Amount (USD)
				Origin	Destination	
Company A	8/2/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$270,000.00
	10/10/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$90,000.00
	11/16/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$120,000.00
	11/20/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$182,968.07
	12/21/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$25,000.00
	3/15/2013	Bletilla Ventures Ltd.	Hellenic Bank Account -2501	Cyprus	US	\$90,000.00
	9/18/2013	Global Endeavour Inc.	Loyal Bank Limited Account -1840	SVG*	US	\$135,937.37
	10/31/2013	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$167,689.40
	3/28/2014	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$135,639.65
	4/3/2014	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$82,979.93
<b>Total Company A Transfers</b>						<b>\$1,300,214.42</b>
Company B	5/30/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$130,000.00
	8/2/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$195,000.00
	10/10/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$130,000.00
	11/16/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$50,000.00

Payee	Date	Payer	Originating Bank Account	Country of...		Amount (USD)
				Origin	Destination	
	12/21/2012	Bletilla Ventures Ltd.	Bank of Cyprus Account -0480	Cyprus	US	\$54,649.51
	3/15/2013	Bletilla Ventures Ltd.	Hellenic Bank Account -2501	Cyprus	US	\$150,000.00
	9/3/2013	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$175,857.51
	10/31/2013	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$195,857.51
	3/12/2014	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$26,891.78
	3/21/2014	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$138,026.00
	4/15/2014	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$4,728.81
	4/25/2014	Jeunet Ltd.	Loyal Bank Limited Account -4978	SVG*	US	\$4,739.23
<b>Total Company B Transfers</b>						<b>\$1,255,750.35</b>
Law Firm A	4/19/2012	Black Sea View Limited	Bank of Cyprus Account -7412	Cyprus	US	\$2,000,000.00
	5/30/2012	Black Sea View Limited	Bank of Cyprus Account -7412	Cyprus	US	\$1,000,000.00
	7/13/2012	Black Sea View Limited	Bank of Cyprus Account -7412	Cyprus	US	\$1,000,000.00
<b>Total Law Firm A Transfers</b>						<b>\$4,000,000.00</b>
<b>TOTAL TRANSFERS</b>						<b>\$6,555,964.77</b>

\* SVG refers to St. Vincent and the Grenadines.

### MANAFORT's Hiding Of Foreign Bank Accounts And False Tax Filings

53. United States citizens who have authority over certain foreign bank accounts—whether or not the accounts are set up in the names of nominees who act for their principals—have reporting

obligations to the United States.

54. First, the Bank Secrecy Act and its implementing regulations require United States citizens to report to the United States Treasury any financial interest in, or signatory authority over, any bank account or other financial account held in foreign countries, for every calendar year in which the aggregate balance of all such foreign accounts exceeds \$10,000 at any point during the year. This is commonly known as a foreign bank account report or “FBAR.” The Bank Secrecy Act requires these reports because they have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The United States Treasury’s Financial Crimes Enforcement Network (FinCEN) is the custodian for FBAR filings, and FinCEN provides access to its FBAR database to law enforcement entities, including the Federal Bureau of Investigation. The reports filed by individuals and businesses are used by law enforcement to identify, detect, and deter money laundering that furthers criminal enterprise activity, tax evasion, and other unlawful activities.

55. Second, United States citizens also are obligated to report information to the IRS regarding foreign bank accounts. For instance, in 2010 Form 1040, Schedule B had a “Yes” or “No” box to record an answer to the question: “At any time during [the calendar year], did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?” If the answer was “Yes,” then the form required the taxpayer to enter the name of the foreign country in which the financial account was located.

56. For each year in or about and between 2007 through at least 2014, MANAFORT had authority over foreign accounts that required an FBAR report. Specifically, MANAFORT was

required to report to the United States Treasury each foreign bank account held by the foreign MANAFORT entities noted above in paragraph 10. No FBAR reports were made by MANAFORT for these accounts.

57. Furthermore, in each of MANAFORT's tax filings for 2007 through 2014, Manafort represented falsely that he did not have authority over any foreign bank accounts. MANAFORT had repeatedly and falsely represented in writing to MANAFORT's tax preparer that MANAFORT had no authority over foreign bank accounts, knowing that such false representations would result in false MANAFORT tax filings. For instance, on October 4, 2011, MANAFORT's tax preparer asked MANAFORT in writing: "At any time during 2010, did you [or your wife or children] have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account or other financial account?" On the same day, MANAFORT falsely responded "NO." MANAFORT responded the same way as recently as October 3, 2016, when MANAFORT's tax preparer again emailed the question in connection with the preparation of MANAFORT's tax returns: "Foreign bank accounts etc.?" MANAFORT responded on or about the same day: "NONE."

#### MANAFORT's Fraud To Increase Access To Offshore Money

58. After MANAFORT used his offshore accounts to purchase real estate in the United States, he took out mortgages on the properties thereby allowing MANAFORT to have the benefits of liquid income without paying taxes on it. Further, MANAFORT defrauded the banks that loaned him the money so that he could withdraw more money at a cheaper rate than he otherwise would have been permitted.

59. In 2012, MANAFORT, through a corporate vehicle called "MC Soho Holdings, LLC"

owned by him and his family, bought a condominium on Howard Street in the Soho neighborhood in Manhattan, New York. He paid approximately \$2,850,000. All the money used to purchase the condominium came from MANAFORT entities in Cyprus. MANAFORT used the property from at least January 2015 through 2016 as an income-generating rental property, charging thousands of dollars a week on Airbnb, among other places. In his tax returns, MANAFORT took advantage of the beneficial tax consequences of owning this rental property.

60. Also in 2012, MANAFORT -- through a corporate vehicle called "MC Brooklyn Holdings, LLC" similarly owned by him and his family -- bought a brownstone on Union Street in the Carroll Gardens section of Brooklyn, New York. He paid approximately \$3,000,000 in cash for the property. All of that money came from a MANAFORT entity in Cyprus.

### **COUNT ONE**

#### **Conspiracy Against The United States**

61. Paragraphs 1 through 60 are incorporated here.

62. From in or about and between 2006 and 2017, both dates being approximate and inclusive, in the District of Columbia and elsewhere, the defendant PAUL J. MANAFORT, JR., together with others, including Gates and Kilimnik, knowingly and intentionally conspired to defraud the United States by impeding, impairing, obstructing, and defeating the lawful governmental functions of a government agency, namely the Department of Justice and the Department of the Treasury, and to commit offenses against the United States, to wit, (a) money laundering (in violation of 18 U.S.C. § 1956); (b) tax fraud (in violation of 26 U.S.C. § 7206(1)); (c) failing to file Foreign Bank Account Reports (in violation of 31 U.S.C. §§ 5312 and 5322(b)); (d) violating the Foreign Agents Registration Act (in violation of 22 U.S.C. §§ 612, 618(a)(1), and 618(a)(2));



and (e) lying and misrepresenting to the Department of Justice (in violation of 18 U.S.C. § 1001(a) and 22 U.S.C. §§ 612 and 618(a)(2)).

63. In furtherance of the conspiracy and to effect its illegal object, MANAFORT, together with others, committed the overt acts, in the District of Columbia and elsewhere, as set forth in the paragraphs above, which are incorporated herein.

(18 U.S.C. §§ 371 and 3551 et seq.)

## **COUNT TWO**

### **Conspiracy to Obstruct Justice (Witness Tampering)**

64. Paragraphs 1 through 60 are incorporated here.

65. From in or about and between February 23, 2018 and April 2018, both dates being approximate and inclusive, within the District of Columbia and elsewhere, the defendant PAUL J. MANAFORT, JR., together with others, including Konstantin Kilimnik, knowingly and intentionally conspired to corruptly persuade another person, to wit: Persons D1 and D2, with intent to influence, delay and prevent the testimony of any person in an official proceeding, in violation of 18 U.S.C. § 1512(b)(1).

66. On February 22, 2018, MANAFORT was charged in the District of Columbia in a Superseding Indictment that for the first time included allegations about the Hapsburg Group and MANAFORT's use of that group to lobby illegally in the United States in violation of the Foreign Agent Registration Act. MANAFORT knew that the Act prescribed only United States lobbying. Immediately after February 22, 2018, MANAFORT began reaching out directly and indirectly to Persons D1 and D2 to induce them to say falsely that they did not work in the United States as part

of the lobbying campaign, even though MANAFORT then and there well knew that they did lobby in the United States.

67. MANAFORT committed the following overt acts directly and through his conspirators.

<b>Date/Time*</b>	<b>Sender</b>	<b>Receiver</b>	<b>Event</b>
<i>MANAFORT contacted Person D1 by phone and a messaging application:</i>			
2/24/2018; 15:51 (UTC)	MANAFORT	Person D1	Phone call (attempted): No duration.
2/24/2018; 15:51 (UTC)	MANAFORT	Person D1	Phone call: 1 min, 24 second call.
2/24/2018; 15:53 (UTC)	MANAFORT	Person D1	Text: "This is paul"
2/25/2018; 18:41 (UTC)	MANAFORT	Person D1	Phone call (attempted): No duration.
2/26/2018; 23:56 (UTC)	MANAFORT	Person D1	Text: "http://www.businessinsider.com/former-european-leaders-manafort-hapsburg-group-2018-2?r=UK&IR=T"
2/26/2018; 23:57 (UTC)	MANAFORT	Person D1	Text: "We should talk. I have made clear that they worked in Europe."
2/27/2018; 11:03 (UTC)	MANAFORT	Person D1	Phone call (attempted): No duration.
2/27/2018; 11:31 (UTC)	MANAFORT	Person D1	Phone call (attempted): No duration.
<i>Kilimnik contacted Person D2 a messaging application, sending four messages:</i>			
2/28/2018; 01:49 (CEST)	Kilimnik	Person D2	"[Person D2], hi! How are you? Hope you are doing fine. ;))"
2/28/2018; 01:51 (CEST)	Kilimnik	Person D2	"My friend P is trying to reach [Person D1] to brief him on what's going on."
2/28/2018; 01:51 (CEST)	Kilimnik	Person D2	"If you have a chance to mention this to [Person D1] - would be great"

<b>Date/Time*</b>	<b>Sender</b>	<b>Receiver</b>	<b>Event</b>
2/28/2018; 01:53 (CEST)	Kilimnik	Person D2	“Basically P wants to give him a quick summary that he says to everybody (which is true) that our friends never lobbied in the US, and the purpose of the program was EU”
<i>Kilimnik contacted Person D2 using a different messaging application, sending five messages:</i>			
2/28/2018; 06:01 (CEST)	Kilimnik	Person D2	“Hey, how are you? This is K.”
2/28/2018; 06:01(CEST)	Kilimnik	Person D2	“Hope you are doing fine.”
2/28/2018; 06:01 (CEST)	Kilimnik	Person D2	“My friend P is trying to reach [Person D1] to brief him on what's going on”
2/28/2018; 06:02 (CEST)	Kilimnik	Person D2	“Basically P wants to give him a quick summary that he says to everybody (which is true) that our friends never lobbied in the US, and the purpose of the program was EU”
2/28/2018; 06:03 (CEST)	Kilimnik	Person D2	“If you have a chance to mention this to [First Initial of Person D1’s Name]. - it would be great. It would be good to get them connected to discuss in person. P is his friend.”
<i>Kilimnik contacted Person D2 using two different applications, sending three messages:</i>			
4/4/2018; 08:53 (CEST)	Kilimnik	Person D2	“Hey. This is Konstantin. My friend P asked me again to help connect him with [Person D1]. Can you help?”
4/4/2018; 08:54 (CEST)	Kilimnik	Person D2	“Hey. My friend P has asked me again if there is any way to help connect him through [Person D1]”
4/4/2018; 08:54 (CEST)	Kilimnik	Person D2	“I tried him on all numbers.”
<i>Kilimnik contacted Person D1 using a messaging application:</i>			
4/4/2018; 13:00 (UTC)	Kilimnik	Person D1	“Hi. This is K. My friend P is looking for ways to connect to you to pass you several messages. Can we arrange that.”

\*UTC and CEST refer to Coordinated Universal Time and Central European Summer Time, respectively.

(18 U.S.C. §§ 371 and 3551 et seq.)

**FORFEITURE ALLEGATIONS**

68. Upon conviction of the offense charged in Count One, the defendant PAUL J. MANAFORT, JR., shall forfeit to the United States any property, real or personal, involved in such offense, and any property traceable to such property, and any property, real or personal, which constitutes or is derived from proceeds traceable to the offense, pursuant to Title 18, United States Code, Sections 981(a)(1)(A), 981(a)(1)(C), and 982(a)(1), and Title 28, United States Code, Section 2461(c). The United States will also seek a judgment against the defendant for a sum of money representing the property described in this paragraph (to be offset by the forfeiture of any specific property).

69. The property subject to forfeiture by PAUL J. MANAFORT, JR., includes, but is not limited to, the following listed assets:

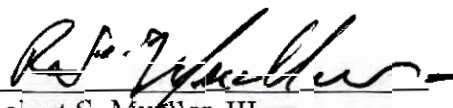
- a. The real property and premises commonly known as 377 Union Street, Brooklyn, New York 11231 (Block 429, Lot 65), including all appurtenances, improvements, and attachments thereon, and any property traceable thereto;
- b. The real property and premises commonly known as 29 Howard Street, #4D, New York, New York 10013 (Block 209, Lot 1104), including all appurtenances, improvements, and attachments thereon, and any property traceable thereto;
- c. The real property and premises commonly known as 174 Jobs Lane, Water Mill, New York 11976, including all appurtenances, improvements, and attachments thereon, and any property traceable thereto;

- d. All funds held in account number XXXXXX0969 at The Federal Savings Bank, and any property traceable thereto;
- e. All funds seized from account number XXXXXX1388 at Capital One N.A., and any property traceable thereto; and
- f. All funds seized from account number XXXXXX9952 at The Federal Savings Bank, and any property traceable thereto;
- g. Northwestern Mutual Universal Life Insurance Policy 18268327, and any property traceable thereto;
- h. All funds held in account number XXXX7988 at Charles A. Schwab & Co. Inc., and any property traceable thereto; and
- i. The real property and premises commonly known as 1046 N. Edgewood Street, Arlington, Virginia 22201, including all appurtenances, improvements, and attachments thereon, and any property traceable thereto.

**Substitute Assets**

70. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant
- a. cannot be located upon the exercise of due diligence;
  - b. has been transferred or sold to, or deposited with, a third party;
  - c. has been placed beyond the jurisdiction of the court;
  - d. has been substantially diminished in value; or
  - e. has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States of America, pursuant to Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853, to seek forfeiture of any other property of said defendant.

By:   
Robert S. Mueller, III  
Special Counsel  
Department of Justice

To: RG, KK, Alan Friedman  
From: PJM  
Re: Going on Offense – Ukraine Action Plan for Europe and US  
Date: June 25, 2012

It is time to go from defense to offense on what Ukraine is doing to build a "rule of law" democracy.

In the past we have focused on responding to criticism. Our responses have been limited and transitory. We need to change direction and build a comprehensive program that promotes not just the responses to the criticisms but the constant actions taken by the Govt of Ukraine to comply with western demands.

#### **THE PLAN**

We need to construct a plan to aggressively promote Ukraine's compliance with the demands and make the case that Ukraine is committed to building a democratic society.

We need to define Ukraine's actions on demands of PACE and EPP to show that significant actions have been taken to build the framework for a rule of law society. (I have attached a detailed analysis of the demands set out in the resolutions of the EPP and PACE. This is a starting point for the collection of our materials that will be the substance of our program.)

Additionally our tactics should emphasize the outreach by Ukraine to western institutions like GRECO, Venice Commission etc for advise and counsel.

Finally, we should call for more assistance in implementing the new reforms. We should make the case that if the West is serious about helping to build a rule of law society, it should stop attacking Ukraine and begin to work with the government to train and assist in the implementation of the new laws. Those specific areas where help should be provided immediately should be detailed. For example, the new CPC requires assistance in training a professional judiciary.

Our plan should include written materials that clearly set out the details of the reform program of Ukraine, the changes made to comply with the EU Association Agreement and DCFTA, and the actions taken to comply with the demands of the EP. We should assume that little is known about the details of what has been done in any of the reform areas. Through comprehensive materials that lay out the changes and their expected impacts we will begin to create educated impressions that will be supportive of our actions.

#### **TIMETABLE**

We need to complete this plan in July, before the West goes on vacations. Then, we need to build a road show plan for September when the MFA, DPM Khoroskofsky and others travel Europe and Washington making the case again.



### **COMPONENTS OF THE PLAN**

In building the plan, we need the following actions:

1. FBC to work with MFA to build plan to confirm facts in attached document laying out compliance and to build other supportive documents. There are several areas where we need to provide more detail. We list the legislation in the attached document but need to provide brief summaries in the chart. Also, we should include an addendum to this chart with more detailed information on each of the legislative acts cited.
  - a. An additional document that should be created is one that lays out the new Election law and the key components that provide for a fair and transparent election. This election document should note the deadlines for implementation and the status of the CEC in meeting these deadlines. It should also highlight the components of the new election law that directly respond to the criticisms of the 2010 local elections. The document should show the criticisms of OSCE, how the election law addressed these criticisms and the implementation by the CEC of the new requirements. Since this is a new document, FBC and KK should work with both the DMP El team and the CEC to craft the document.
2. This document becomes the handout to the media, NGOs and western governments. The information should also be the basis for opeds in all European capitals and international papers. We should also consider interviews on major talk shows in London, Paris, Berlin, Brussels and Rome to promote the complicate. Shows like HardTalk and its equivalents in the other capitals should be targeted. Finally, the plan should include a digital strategy using friendly websites, blogs and important bloggers.
3. A collaborative plan from FBC, FH and BM and Mercury Communications should build the PR and GR plan under the direction of RG.
4. Working with Rob and Ina Kirsch, we need to construct a targeted program for Martin Schultz and the SI.

### **DEADLINES**

I would like a draft of this plan to review by July 10. It should be a comprehensive and detailed program. It should lay out documents to circulate, sample oped articles, detailed targets in the media, NGOs and governments.

Additionally, I would like a draft to the materials and revised charts responding to PACE and EPP by July 10.

Based on the plan and the materials, a meeting can be organized to finalize the plan and adopt a calendar for actions.



CONFIDENTIAL: EYES ONLY

**CREATION OF A SUPER VIP GROUP OF FORMER EUROPEAN HEADS OF GOVERNMENTS AND VIP OFFICIALS TO ENGAGE IN PROMOTION OF VR ELECTION RESULTS AND UKRAINE INTEGRATION INTO EUROPE**

**1. Purpose**

To assemble a small group of high-level European highly influential champions and politically credible friends who can act informally and without any visible relationship with the Government of Ukraine.

The engagement of this group will be in two stages. The first stage is 2012 and will be informal in nature. The work in 2012 will primarily focus on the promotion of the importance of Ukraine to Europe, to push for the acceleration of integration of Ukraine and to engage in the process to ensure the recognition of the results of the 2012 VR elections.

The second stage in 2013 would channel this group into an independent NGO whose mission would be to work with the EU, European governments, NGOs and the government of Ukraine to hasten the integration of Ukraine into Europe.

The uniqueness of this group is in its composition of members who have the ability to engage at the highest levels and speak with authority in the media.

**2. Mission**

The principal mission of this group in 2012 will be to serve as a bridge between the main international election observer groups, OSCE and PACE, and the government of Ukraine. They would engage as ad hoc observers of the VR election process and could perform pre-election oversight of Ukraine compliance with the main conditions demanded by the European Groups to ensure a free and fair election. They can perform this work in a manner similar to the audit performed by Skadden, Arps.

Additionally, the members of the group, at our quiet direction, will provide commentary in the European media. write and publish occasional op-eds and appear at select conferences we will stage in Rome, Berlin, Paris, London or Brussels before and after the election.

**3. Key Participants**

The intention is to begin with a group of about 5 senior members. They would be approached by Chancellor Gusenbauer and would work informally at his direction, in co-ordination with me, during the remaining 6 months of 2012. The list of potential members include:

- AUSTRIA Chancellor **Alfred Gusenbauer** (Social Democrat, former Chancellor of Austria). He will be the co-ordinator.
- ITALY Former Prime Minister **Romano Prodi**, or former Trade Minister Adolfo Urso of Italy.
- BELGIUM Judge **Jean-Paul Moerman**, veteran and respected center-right member of the Constitutional Court of Belgium, soon to be named its head. A legal expert who has served previously on a human rights international panel in Azerbaijan, we think we could engage him on a spot basis.



- GERMANY **Bodo Hombach** Former European troubleshooter, SPD minister to Gerhard Schroeder, Head of the Federal Chancellory, supervisor of the Balkans stability pact and now influential publishing and media boss.(see links below)
- SPAIN **Javier Solana**. Former NATO head, and EU Foreign Affairs Spokesman and respected man for all seasons in Europe. Friend of Gusenbauer.
- FRANCE The Chancellor will select someone from France but precisely who will be determined by who does not become a part of the Hollande Administration.
- not that the Government is being organized.
- Although his appointment as European Parliament official to monitor the Tymo trial would prevent Aleksander Kwasniewski from any formal activity, Chancellor Gusenbauer will meet him June 29th and will discuss with him the idea of Kwasniewski joining a more formal Advisory Panel in 2013. He is confident that this is very likely and believes that some informal and covert interaction is possible in 2012.

#### 4. Structure and Fees

Led by former Chancellor Alfred Gusenbauer of Austria, the other former leaders from Belgium, Germany, Spain, Italy and/or France would act as an informal, independent group in 2012 and would form or associate with an existing NGO in 2013. The creation of this entity in 2013 would publicly be connected to the informal work that they did in 2012.

The informal and ultimately formal project will be managed by Chancellor Gusenbauer in co-ordination with me.

The budget for the 6 months of 2012 would be E1,500,000. This would include travel expenses, administrative overhead, and retainer fees to all of the key individuals, speakers fees to VIPs who will appear at the conferences and election observer fees.

The budget for conferences will be created based on the purpose and logistics of the events. It is anticipated that we would do at least 2-3 such conferences in 2012 to promote the objectives of integration and election recognition. It is anticipated that a typical budget for a conference will be in the range of Euro20,000.

#### 5. Next Steps

Chancellor Gusenhauer is speaking with former President K on Sunday at the Euro 2012 football game in Warsaw. They will agree on their plan of action.

Upon approval of the project by Ukraine, they will commence work this week. This work will result in the outreach to the officials listed above and others. Once the group is organized, the specifics of a work plan will be created by the Chancellor and us.

**ACTION:** Approve and fund project by July 1.

## Observer Group Strategy Team

We need to organize our strategy regarding the various big delegations coming to Ukraine for the elections.

Initially, we should build the team from the consultants. The legal and outreach in Ukraine will be done by the PoR and domestic lawyers.

To start I recommend a fluid structure as follows:

Overall	PJM/AK/Kozhara
Europe	Ina/Rob/ FH/BM/FBC
US -	RG/Podesta/Weber
Ukr	KK/EL/OV
Legal	EL, YM, CEC lawyer, others?

### Scope of Activity

1. List of all observers groups, - MFA to provide – DEADLINE Oct 12
  - a. European
  - b. US
  - c. Ukrainian
  - d. CIS
  - e. Other
2. Build a plan for each major groups – /EL -Ukr/ Ina -Eur/ RG - US/  
Draft 1 Deadline – Oct 18
  - a. Id leaders of delegation
  - b. Friends on delegation
  - c. enemies on delegation
  - d. Collect the Reports, if any, of the above groups
  - e. key points to communicate to deal with the issues they have raised in Interim reports
  - f. mobilization of advocates and resources
  - g. identification of Oblasts they are visiting
  - h. Official briefings – agenda- spokesmen
  - i. arrival dates in Ukraine
3. Need to respond in writing to specious claims contained in the Interim Reports.
  - a. Create a legal team (see memo)
  - b. Analyze the legal allegations
  - c. Present formal response



PRIVATE & VERY CONFIDENTIAL

To: President Victor Yanukovich  
From: Paul J. Manafort  
Re: Launch of Public Affairs Plan  
Date: February 20, 2010

The purpose of this memorandum is to lay out a plan to manage the strategy, public relations and international affairs for President Yanukovich.

**BACKGROUND**

Over the course of the last year, and specifically since June of 2009, I have been managing a Public and Government Relations program on your behalf that I created and paid for myself.

I created this structure because I knew that it was important for us to develop advocates within the diplomatic and political communities of Europe and the United States. I also felt that it was necessary to begin to disseminate on a regular and consistent basis information to the government, media and key elite professionals who were important and engage in Ukraine.

The focus of the program was to provide a steady stream of information on the campaign. The information dealt not only with the positive news being generated by the Yanukovich for President campaign, but also the Tymoshenko disinformation that was flooding Europe and the US through her paid agents in the capitals of many western countries.

I understood early on that I would not be able to win the war of Public Affairs but I wanted to establish a foundation from which I could build after the First Round and more importantly after the Second Round. My intention was to remove any possibility of Tymoshenko having credibility if she chose to challenge the results of the election.

I believe that the acceptance by both the international media/elites and important western governments of the election results of the First Round and Second Round, even with the challenges by Tymoshenko, were directly related to the successful undertakings of these efforts.

Our ability to access the international observers prior to their arrivals in Kyiv, giving them timely information that answered many of their questions with legal and logical analysis, were all connected to the advance work that we did through my network of lobbyists.

In organizing this group, I relied on a mixture of important political people and some well connected Public Affairs consulting firms.



### **PUBLIC AFFAIRS PLAN**

The reason I explained the background of what I organized last year is because I felt that it was important for you to know of the active international media and lobbying operation that has been working on your behalf. What you saw in Kyiv was the tip of what was working in Europe and the US. This is why the response occurred as quickly as it did.

It is also important that you understand that this is what Tymoshenko has been doing on a much more massive scale for the last 5 years, (and Yushchenko too). Between paid lobbyists and the Ukrainian Diaspora, she had a very effective program in both Europe and the United States.

The good news is that we can build a similar system now that you are the President. I have specific ideas on how to do this and that is what I will set out in this Memorandum.

#### ***1. Goal of Representation***

The purpose of the Public Affairs and Government Relations program is to promote your image and policies to the targeted audiences in Europe and the United States. We need to manage their understanding of what you are doing in Kyiv and how they can assist and interact with your Administration. These programs are common place in the western world and firms exist that specialize in a range of services.

The key is to manage this program in the context of your political and reform agenda as well as your governing agenda.

The program will consist of several aspects.

*The first is the government relations aspects.* We will build a multi faceted plan to communicate your programs to key officials and institutions in Washington, Brussels, the IMF, EBRD, EC. We will identify needs that we require from these institutions to complement your reform programs and economic programs. Then, using the resources of these firms we will develop the strategy and tactics to pursue our objectives. Utilizing their networks of relationships, we will build a group of professionals who will become the active lobbyists for your Administration.

*Second, we will target the international media and academic elites.* These groups have been totally misled by Tymoshenko and are just now beginning to understand her lies. They still do not have a feel for who Victor Yanukovich is. Their impressions have been developed by the Orange over the last 5 years. Just as we did in our early campaign strategy, we need to break these stereotypes of images in order to build a credible foundation for President Yanukovich to deal in the West. Thus, the second goal will be to work with identified media and to develop specific milestones on educating them in non-political environments. This will include both the print and electronic media and important Think Tanks. Like the campaign, this work must start early in order to be effective later.

Publically, they will be explaining the process to the media, elites and government officials in their respective countries. In reality, they will also be promoting your political agenda and developing support based on correct understanding on what you are doing in Ukraine. If we only rely on local media and the Ambassadorial corps in Kyiv we are at risk to their interpretations and prejudices. At a minimum we will be communicating your position to the important audiences in Europe and the US, and at a maximum we will be winning their support based on the message presentation.

### ***3. My Role***

I will be the manager of this process. In addition to continuing in the role I have been playing for you over the last 5 years, I would add this management function to my list of responsibilities. In fact, I have been doing this for you over the years. Now, we need to formalize it and have the government pay for the services that I have been personally paying for over the last 5 years.

I would have a separate contract which would be with a private company. As we did in the early days with SCM being my technical client while I, in fact, focused on your program, we would find another client (preferably not SCM since they have had this burden already), who would pay for my services under a multi-year contract. That contract would incorporate my services and infrastructure both in Kyiv and Washington for this work and the political, strategic and consulting work that I will do for you over the course of the next 5 years. The only work not incorporated in this contract would be campaign consulting for the Parliamentary and local elections. The political campaign work would be managed under a separate contract for those specific election and party building services.

Publically, I would not appear as a lobbyist for your Government. Those roles would be the firms that I bring in as your Government and Public Affairs consultants. In fact, I would be the point for all of these services.

### ***4. Next Steps***

We should begin to move on this process immediately. The timeline should be to finalize all of the details in the next 2 weeks and to bring the firms on board asap.

This is important because of all of the important activity that will be happening quickly after the Presidential Inauguration. The early agenda of work is massive, including developing papers and briefings on such activity as the new coalition, the reform initiatives, the identification of the Tymoshenko financial issues discovered upon taking office, the development of strategies to assist in the seeking of financial assistance from the West, and dealing with the Tymoshenko anti Yanukovich technologies that she will be promoting through her Western network of operatives.

These firms need to be working by mid March. It will take some time for them to be educated on events and they must be preparing for trips by President Yanukovich to Europe and the US.

The next steps are as follows:

- a. For You
  - i. Approval by you of the concept
  - ii. Designation by you of the person in Presidential Administration to be the coordinator of this project (SL did it in the campaign)
  - iii. Identification and Arrangement of Source (private company) to pay for PJM services
- b. For me once you approve concept
  - i. Development of scope of work with coordinator
  - ii. Identification of firms to consider
  - iii. Development of proposal from these firms we agree on
  - iv. Development of Budget
  - v. Finalization of contract for me with Ukrainian Company
  - vi. Negotiation of contracts by me with the Consulting Firms
  - vii. Arrangement for Briefing sessions with key people and new consultants

### **CONCLUSION**

In the next several weeks, you will be besieged with proposals for technical services and contracts to advise you on your priorities as President (like the McKinsey project). It is important that those contracts be managed separately from what I am talking about here.

**This is your personal program.** The McKinsey type projects are the government management contracts. Some people will try to claim that they are one and the same. They are not.

We will use the Government as the foundation for us to build a worldwide program to educate and promote what you are doing as President. This will ensure that you never have to deal with a 2004 scenario again. Additionally, it will remove a major asset from Tymosenko as you will be able to claim equal if not superior support from the West as you build your reform program.

Like everything else, time is of the essence on this matter. However, unlike everything else, once you deal with the 3 issues listed in the previous section, I can take the work load off of you and get the job done without any major demands of your time.

To: VFY  
From: PJM  
Re: Our Current Washington Strategy and Post Elections Plan  
Date: September 24, 12

I know there are questions based on Sen. Durbin's resolution of what our strategy is in Washington and how this could happen.

The purpose of this Memo is to give you a brief overview of our current strategy, what is happening and why.

### **The Players in Washington**

The main players in Washington regarding Ukraine are the White House, the State Dept. several US Senators and the Disapora. There are individual House Members and key think tank groups but they only react when prompted.

The White House is sympathetic to the VY Administration. They do disagree with the Tymoshenko conviction and a number of policy actions of the Ukraine Government and want us to move in a more "democratic direction". However, they balance their concerns with what they see positively happening, including the support that the Yanukovich Government has provided to the priorities of the Obama Government. Their policy is one of "engagement" not isolation towards the Yanukovich Administration.

The Bureau of European Affairs is managed by bureaucrats who place human rights as the foundation of US policy and are still swept up in the romance of the Orange Revolution. They are constrained by the WH to some degree but take every opportunity to press their priorities.

The activists in the US Senate, and the few in the US House of Representatives, are individuals who have large Ukrainian constituencies. The Ukrainian leadership of these constituencies are Diaspora who are tied directly to Tymoshenko. On behalf of all Ukrainians these Diaspora figures have co-opted liberal Democrats to promote Tymoshenko's rhetoric and provide campaign contributions to the Senators and Congressmen in return.

Most other members of the US Congress have not engaged in Ukrainian policy and are hesitant to do so until after the elections .

### **Current Situation**

The White House is working closely with us. Last April, we persuaded them that the most important upcoming events were the VR elections and the Skadden Report.

The most important event from the WH standpoint was to ensure a free and fair election. If the election is certified by OSCE and other independent observer groups, the Obama WH indicated they would be prepared to restore momentum to both bilateral relations and pressure Europe to move towards engagement, not isolation.





They indicated that if the Skadden Report showed that the trial was conducted fairly and the conviction was based on the facts of the case and not politically motivated it would have a mitigating impact. This is not to say that they have changed their position on releasing Tymoshenko, but it would allow the issue to be de-emphasized to some degree.

Furthermore, they explained that it was best to minimize conflicts that forced public actions that could complicate flexibility in November. In the same context, the WH agreed to keep the State Dept. from making active pronouncements in Washington. This did not mean that Tefft would be any less an advocate for the positions he is taking but it would be limited to Embassy activity.

The Congress is not within the control of the WH. It was made clear to us that the WH would not pressure the Congress – either in favor or against – Ukraine but that it would clarify US policy if mis-signals on policy were sent by Congress.

This understanding was to minimize public conflict so that both the US and VR elections would not be impacted by political grandstanding.

#### **The Washington Strategy**

Based on this tacit understanding, we have quietly engaged in Washington.

We have kept important USG officials briefed on the elections, the Skadden Report, Russian pressure on Ukraine, the reforms being pursued by VY Administration, business opportunities that US companies are accessing (Chevron) and general issues that will be important in November.

Our focus has been on future allies of ours like those WH figures who will be staying in office should Obama be re-elected, Gov. Romney's foreign policy advisors on Europe, Republican Speaker of the House John Boehner who will be in charge of the House again in January, and targeted members of Congress who are open-minded and will be helpful to us in 2013, based on successful VR elections.

In short, the strategy was to educate but not complicate. Avoid confrontation but provide knowledge that would be important in the post election period when the policy reviews will occur.

#### **Sense of the Senate Resolution**

The Tymo Washington lobby became frustrated by their inability to engage the WH to confront the Yanukovich government prior to the elections. They decided that they needed to force events by pressing for the Inhofe/Durbin resolution. Once they accepted that they could not get the USG to issue a statement threatening sanctions or negative actions, their only option became to pass a non-binding, sense of senate resolution. They understood that even though there was no policy implication, the PR benefit at least allowed some value.

This plan was complicated because there was not a lot of time to do the traditional Senate resolution approach. Thus, Durbin decided to use rule that did prohibited debate but allowed for expedited treatment. The risk of this approach was a few Senators could block the resolution and put it off until November.

The most important person in the Senate Foreign Affairs Committee that we felt we could get to put on "hold" on the resolution in Committee was Sen. Lugar. He agreed to do so as we helped him during his trip to Ukraine in the summer. Lugar is an honorable person and his prestige was such that we felt he could stop the bill and minimize attention. He continued to quietly tell us he would put a hold on it up until last Thursday, the day of the Committee vote. When he told us that for humanitarian reasons (Durbin told Lugar that Tymosha will die in jail if the Senate did not get aggressive) he felt he had to let the vote occur, we were forced to deal with the full Senate.

In the full Senate we lined up several Senators who did put holds on the bill. Durbin used his position as floor leader of the Senate to have his resolution delayed until all but 2 or 3 Senators remained. We still were confident because we had confirmed at least one Senators "hold" was still in place. Durbin violated the rules and spirit of the Senate and announced the resolution and then adjourned the Senate at 4:00am.

The bad news is the resolution passed. However, the way it was done, with no Senators present, with no debate and in under questionable circumstances, discredits the claim that the resolution represents a sense of the Senate.

#### **Aftermath**

I recognize that the PR impact is what they will promote.

I take responsibility for this resolution passing. I believed that I had it stopped several times and was working within the strategic parameters of the plan with the WH. I never thought Durbin would just ignore the rules. I have never seen this done in 30 years in Washington.

I do want to stress an important consequence of this process which does provide real benefit to us post election.

The announcement of the USG policy towards Ukraine by A/S Gordon last week is much more meaningful than the Sense of the Senate resolution. The fact that the WH was willing to announce the policy in order to send the signal that the resolution was not US policy indicates that they continue to be supportive of the VY Administration and committed to the post election plan if Ukraine holds fair elections.

I was told again today to keep our focus on ensuring a fair election – both in the pre election day period and on election day. This is key to US policy.

To achieve this result, it is vital that we stop all of the distractions like a libel bill being presented in the VR during the election or our local leaders denying

permits for meetings to the opposition. These acts are much more dangerous to us than the Senate resolution because they play into the claims of the opposition that the elections are not free and fair.

The reports by OSCE, PACE and other observer groups must accept the election results as fair. If we achieve this end, we will be in position to get the support from the Obama Administration that we want.

We do have a solid Washington team organized. It is working closely with the WH. Once we have the election assessment we will have the case we need to make. Then, working with a supportive WH, we will be able to re-establish the relationship into a more productive one.

## MEMORANDUM

**To:** President VFY  
**From:** PJM  
**Subject:** US Government Activity  
**Date:** February 4<sup>th</sup>, 2013

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Over the course of the last several weeks there has been significant activity by the US Government and Congress, as President Obama was sworn in for a second term, and a new Congress appointed. This memo summarizes the key activities that relate to Ukraine by the USG and the actions taken by our AC team in support of Ukraine priorities.

### Obama Administration

The most significant and positive change for Ukraine is the confirmation of Senator John Kerry as the new Secretary of State. I have already had preliminary meetings with some of his key advisers and Secretary Kerry will focus largely on policy issues related to energy and the environment. The Secretary has always been a proponent of these issues. This is a positive development for us and will be a dramatic change from former Secretary Clinton.

Overall the State Department will maintain a position of opposing sanctions of any kind as an instrument to deal with foreign governments. This policy is consistent with State Department actions directly applied to Ukraine over the last several years. However, given the policy interests of Secretary Kerry, we now have a great opportunity to take a proactive and positive approach with the State Department. Focusing on the recent shale gas contracts with Exxon and Chevron will be important and welcome to the USG. In addition, the HEU issues will allow us to expand our relationship not only with the State Department, but more importantly, directly with the Obama Administration.

At this time the rest of the key personnel at State Department is fluid. Secretary Kerry will take two of his top staffers from his Senate office. But the rest of the key appointments will be made by the White House. At this time the only confirmed appointee affecting us is that DAS Dan Russell will remain at this post. AS Phil Gordon is likely to be moved to another post.

In addition to the appointment of Secretary Kerry, President Obama made several key appointments to his executive office which are good for Ukraine.

- Denis McDonough has been appointed WH Chief of Staff. Previously Mr. McDonough served as Deputy National Security Adviser.
- Tony Blinken has been appointed as Deputy National Security Adviser and Assistant to the President. Previously, Mr. Blinken served as VP Biden's national security adviser.

These two appointments are critical for the GoU. Both are pragmatic, sensible and will want to see Ukraine align with the West. Their focus will be on geo-political relations specifically watching Russia and other former Soviet countries, and their actions. The emphasis of the President's national security team will not be so much on human rights.

## US Congress

Although the US Congress was largely unchanged following the November 2012 election in terms of control of the House and Senate, there have been several significant changes to the committee structures that will benefit Ukraine.

### House

The Republicans were able to maintain their control of the US House of Representatives. The House leadership will remain in place. Speaker John Boehner and Majority Leader Eric Cantor will lead the Republicans. Nancy Pelosi will remain as the Minority Leader. The majority of the first six months of the new Congress will be consumed by budgetary issues. This will help to take negative attention away from the GoU. However, we already have evidence that YT's forces

The significant changes at the House level relate to key committee structures. There is a guiding rule in the House that Chairs of all committees are changed every two years, and are appointed at the discretion of the leadership – seniority no longer takes precedent.

The House Committee of Foreign Affairs will now be chaired by Congressman Ed Royce (a Republican from California). I have known Congressman Royce for many years and this will be a helpful appointment for Ukraine.

The key subcommittee for Ukraine is the House Foreign Affairs Subcommittee on Europe, Eurasia and Emerging Threats. The new chairman is Congressman Dana Rohrabacher (a Republican from California). Again, the new chairman is a good appointment for Ukraine and will be open minded about key policy issues. [I have attached a document that provides more background on the Committees and the Chairs].

Prior to the appointments there was an attempt by Congressman Chris Smith (Republican from New Jersey) to be selected as the Committee Chair. Congressman Smith did not have the support of the Republican leadership. However, he was given the Chairmanship of the Subcommittee on Africa, Global Health, Global Human Rights and International Organizations. It is highly likely that Smith uses this subcommittee as a vehicle to hold hearings on YT's situation and possibly promote legislation. Our AC team is close to his staff and as of this memo, Smith intends to take no action at this time. However, he was disappointed in the latest charges levied against YT.

Last week the House Foreign Affairs Committee completed its "Oversight Plan". This document governs much of the work by the committee throughout the Congressional Session. This document is not public yet but highlights several key sections that pertain to Ukraine. [Full HFA Oversight Plan is attached].

q. **Russia:** The Committee will address the impact of Russia's foreign policy on U.S. political, economic, and other interests in key countries and regions, with a focus on identifying significant areas of competition and potential cooperation. Of note is the Administration's announced intention to negotiate new agreements with Russia on limiting strategic forces and ballistic missile defense, including the U.S. system scheduled for deployment in Europe. Russia's adherence to the rules of the World Trade Organization and the impact on U.S. exports will be addressed. The Committee will also review how Russia's domestic policies impact the U.S., and will consider the country's respect for human rights, democratic governance, and rule of law

r. **Europe/Eurasia:** The Committee will review U.S. relations with European countries, with an emphasis on the European Union and NATO, including potential membership of the Western Balkan nations in those institutions. Key issues will include removal of barriers to trade, including a potential Trans-Atlantic Free Trade Area, the deployment of a regional ballistic missile defense system, the impact of the European financial crisis, diversification of energy sources, and Turkey's new foreign policy orientation and its domestic political evolution, among others. The Committee will also conduct oversight of U.S. policy in Central Asia, including as it relates to the 2014 transition in Afghanistan.

t. **Human Rights and Democracy:** The Committee will examine U.S. activities to promote democracy and protect human rights around the world. The Committee will critically assess U.S. involvement with multilateral human rights mechanisms, to ensure that U.S. diplomacy serves to promote fundamental human rights and freedoms.

### Senate

Due to the confirmation of Secretary Kerry the relevant committee in the US Senate for Ukraine, the Senate Foreign Relations Committee has undergone few changes thus far. The Republicans have made its appointments and it is expected that the Senate leadership will make the final Democratic appointments during the week of February 4<sup>th</sup>.

However, we do know that Senator Dick Durbin (D-IL) will no longer serve on the Committee. Nor will Senator Jim Inhofe (R-OK). These two Senators were the lead sponsors on Senate Resolution 466 that was passed last year.

The SFRC structure (at this time) is listed below:

#### Democrats

TBD, *Chairman* (but likely Menendez from NJ)  
Barbara Boxer, California  
Robert Menendez, New Jersey  
Benjamin L. Cardin, Maryland  
Robert P. Casey Jr, Pennsylvania  
Jeanne Shaheen, New Hampshire  
Christopher Coons, Delaware  
Tom Udall, New Mexico  
Chris Murphy, Connecticut  
Tim Kaine, Virginia

#### Republicans

Bob Corker, Ranking Member, Tenn  
James Risch, Idaho  
Marco Rubio, Florida  
Ron Johnson, Wisconsin  
Jeff Flake, Arizona  
John McCain, Arizona  
John Barrasso, Wyoming  
Rand Paul, Kentucky

At this time the structure of subcommittees have not been decided.

### Resolutions and Legislation

At the time of this memo, there are only two resolutions that have been introduced related to Ukraine. On January 14, Rep. Marcy Kaptur (D-OH-9) introduced two resolutions regarding Ukraine. Both Resolutions were referred to the House Committee on Foreign Affairs and have gained no additional sponsors as of January 31.

- \* [H.Res. 27](#) - Supporting the establishment and full funding of a staff exchange program between the House of Representatives and the Parliament of Ukraine, the Verkhovna Rada, as soon as possible.
- \* [H.Res. 28](#) - Condemning the persecution of political opposition leader Yulia Tymoshenko as well as other political prisoners, among them former internal affairs minister Yuri Lutsenko.

H.Res 28 is a resolution that the Congresswoman introduces every year but it never receives attention. Our AC team has already contacted Chairman Royce on this matter and the resolution will not gain approval from the committee, and will not be brought up for debate.

There is some renewed calling for additional actions to be taken against Ukraine. Thus far this rhetoric has only come from Ukraine's opposition and former US Ambassador to Ukraine Steven Pifer last week during an interview with Voice of America. Pifer indicated that the US Congress is concerned about the situation in Ukraine, and could use sanctions to pressure the GoU into freeing what it calls political prisoners.

Some critics are saying the focus will return to a bill that was passed by the US Congress at the end of last year called the "Russia and Moldova Jackson-Vanik Repeal and Sergei Magnitsky Rule of Law Accountability Act of 2012" otherwise known as the Magnitsky Act. The bill was signed into law by President Obama on December 14<sup>th</sup>, 2012.

Some critics of Ukraine suggest expanding the scope of this legislation to include Ukraine and place travel sanctions on certain Ukrainian Government officials. Our AC team is monitoring this bill closely and no action has been taken by any Congressional member.

### **White House Petition**

There is one other attempt of deploying sanctions against Ukraine. A petition is being circulated that calls for sanctions to be introduced against Ukrainian officials involved in the falsification of the criminal case against businessman Dmytro Pavlychenko and his son Serhiy Pavlychenko, who were convicted of killing a judge of a district court in Kyiv.

A relevant petition was registered on the Web site of the White House on January 26, 2013. The petition has to collect at least 100,000 signatures by February 25, 2013 to be considered by the White House. Thus far only 3,847 signatures have been collected.

The petition proposes to put a ban on entry to the United States for former Interior Minister of Ukraine Anatoliy Mohylov, Head of the Public Security Department of the Interior Ministry of Ukraine Oleksiy Krykun, Head of the Investigatory Department of the Interior Ministry of Ukraine Vasyl Farynnyk, investigators and other people involved in the falsification of the criminal case, torture, and the violation of human rights and freedoms.

## MEMORANDUM

**To:** President VFY  
**From:** PJM  
**Subject:** Hapsburg - Update  
**Date:** February 21, 2013-02-20

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### Executive Summary

Over the past 8-months the Hapsburg team has been critically active in a number of events that have been staged to drive specific and positive messaging for the GoU. In addition to the public events, the Hapsburg team has provided valuable back-channelling and timely information on relevant issues between European Commissioners and other high-ranking EU personnel.

The primary strategy of the Hapsburg team following the October 28th elections was to intensify relations with relevant EU institutions, EU leaders and several key member states including France, Germany and Italy. The objective was to change the tone and rhetoric coming out of the EU regarding its relations with Ukraine.

The first post-election event staged by the Hapsburg team was in Paris, where members of the team spoke positively about the election outcome, and used that analysis to encourage Europe to seize the opportunity of deepening ties with Ukraine and signing the AA. The event was impactful and focused the debate on relevant and positive issues regarding Ukraine, which was the intended outcome. Each time we change the rhetoric away from YT, we are making progress and focusing the West on positive changes that are occurring in Ukraine. This strategy proved effective in Europe, where the dialogue has changed to "engagement" with Ukraine, and the belief of the EU that the AA will be executed this year.

The Hapsburg efforts have been broadened to cover other key European countries, and as a result their success, they will also include the US where they can add important credibility to the dialogue that is occurring in the US Government.

### Hapsburg Activity (November 2012 - February 2013)

- 1. Back-channel diplomacy** - In the past 90 days the Hapsburg team has been especially active in engaging key European leaders behind-the-scenes to discuss issues on behalf of Ukraine.
  - The Hapsburg team have communicated privately with top officials such as Barroso, Ashton, and others in Brussels, and continue to speak with them in order to coordinate ways to help the GoU finalize the AA agreement. The involvement of the Hapsburg team with respect to these efforts has been successful with many important messages being exchanged between the two sides.
  - The Hapsburg members have also spoken to EU officials and senior IMF officials about the importance of IMF cooperation and financial support for Ukraine.
  - Several of the team members have carried many messages for the GoU back and forth from Martin Schulz and other EP leaders, and is working hard to dilute many of the negative motions that have been suggested against Ukraine. We have also learned





about what YT is saying privately to EU leaders due to the success of the Habsburg network.

- Through contacts of the Habsburg team in Italy, work is being done with senior Government officials close to Prime Minister Monti to create closer relations in the trade and investment sectors, building a Ukraine-Italy Business Council and demonstrating the importance of Ukraine to Italy.
- The team is also having private talks with top advisers to President Hollande as well as French Foreign Minister Laurent Fabius to help improve relations, influence French policy, and gain support for the AA, and to argue Ukraine's case.
- The team will also continue to work behind the scenes inside PACE and the EP and to prevent negative statements and try and improve treatment of Ukraine.
- The team is fully engaged in working through the issue of selective prosecution with the goal of getting President Shultz to understand the broader picture and to focus on more policy oriented policy issues.
- In March, members of the team will be meeting with high-level USG officials to promote a positive "engage Ukraine" program for the US.
- New members are being brought on to the Habsburg team. These new members will be of the same calibre as the original members.

- 2. Post-Election Event in Paris and Media Campaign.** In the wake of the parliamentary elections, the Habsburg team organised a conference in Paris in November to help convey positive messaging regarding the election. It provided an opportunity to discuss the country's European integration perspectives post-election, France-Ukraine relations and the advantages of the Association Agreement. Attended by key members of the team, the conference further examined perspectives for defence cooperation between NATO and Ukraine – with Kyiv playing the strategic role of bridge between the EU and Russia – and called for a more pragmatic approach to Ukraine-EU relations.

Extensive media coverage was conducted around the conference by the Habsburg team, including the influential TV news channel *France 24*, the weekly magazine *Marianne*; and the country's most popular newspaper *Le Monde*.

In addition, a lead story was published entitled, "*Leading European Statesmen Call for Steps to Improve Relations between Europe and Ukraine*". The news story was printed by 340 editorial publications.

**3. Next Steps (Paris, Rome, Washington):**

- All members of the Habsburg team are committed to continuing with the project and working with key EU leaders in the major European cities including Brussels, Berlin, Paris, and Rome.
- The Habsburg team will provide messaging and media engagement following the February 25<sup>th</sup> EU-Ukraine Summit. The team will also be speaking with key EU leaders throughout the summit driving critical messages to senior EU officials.
- Members of the team have been invited by Fabius to meet in Paris in early March to review French foreign policy toward Ukraine.
- All Habsburg members have agreed to participate in a series of at least six pro-Ukraine conferences plus multiple interviews, op/eds and roundtables during 2013.

- The first of the key conferences will take place for 2013 is on March 6<sup>th</sup> in Rome at the Library of the Parliament, with the high level participation of the team members. The Hapsburg team will engineer major positive media in Italy as a result of this event.
- The Hapsburg team will also do a series of events between March and May in Washington DC designed to change the public rhetoric directed at Ukraine, but to also influence key members of the US Government through private meetings held at the highest levels. This will include major speeches, participation in key events, and private meetings with senior US officials including Secretary of State John Kerry, and other members of the Administration.
- The Hapsburg team is also in the process of recruiting one or two new team members and position them in front of the media to support the leadership vision of the GoU. This will be relevant as we focus on the geopolitical value of Ukraine to the EU.
- The Hapsburg team also have a group of more than 15 potential MPs, who can become our advocates in the EP (including EPP members) and who can be integrated into the Hapsburg project so we can create more positive messaging and media directly in Strasbourg and Brussels for Ukraine.

### **Conclusions**

The Hapsburg team has demonstrated many successes over the last several months. The elements of the Hapsburg project have proven very effective in dealing with the EU. The key to these successes is that the participants are significant European leaders who are viewed as objective regarding Ukraine. This has allowed them to make their points without any apparent self-interest, thus giving their comments more weight and impact.

The new year is already providing many more opportunities for Hapsburg to engage and provide substantial value to the Ukraine efforts.

By expanding the presence of the Hapsburg team to the US this year, several important objectives will be achieved much faster as a result of the direct involvement of the team.

It is critical that we use the Hapsburg team to coordinate key messages publicly, but to also leverage the team's experience, expertise, and network of high profile EU and US officials behind the scenes as much as possible.

The group will play a prominent role in the lead-up to Vilnius. They are fully engaged and briefed.

The EU rhetoric has changed dramatically over the last three months and is now truly engaging Ukraine on important issues. The Hapsburg team efforts will continue to ensure this happens.

## MEMORANDUM

**To:** President VFY  
**From:** PJM  
**Subject:** US Consultants – Quarterly Report  
**Date:** April 22, 2013

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Over the last three months the Government of Ukraine has gained considerable ground in enhancing its relationship with the USG. This is largely a result of building a comprehensive strategy that adopted issues of importance to the USG, and focusing on key and positive messages to better inform key members of the USG about Ukraine's objectives which are in alignment with the West.

### Strategy

Substantial effort was spent in 2012 to defend against proponents of YT and views that she was selectively prosecuted. At that time it was the priority of the USG to attempt to influence the process of her release. We learned quickly that we needed to do a comprehensive outreach that relayed important progress that Ukraine was making on multiple fronts. The strategy for the first quarter of 2013 was to heavily engage with the UGS and US Congress, using a strategy I built called "Engage Ukraine" which focused the dialogue on positive key issues, and away from YT.

These key messages include:

- Ukraine's integration with the EU
- Energy Security
- Russia attempting to have Ukraine align with the Customs Union
- Nuclear Proliferation

### Impact

At the outset of 2013, the prospects for Congress imposing sanctions against Ukraine for perceived selective prosecution and regression in carrying out democratic reforms was high. Members of Congress, Executive Branch officials and opinion leaders criticized Ukraine on many fronts. Most importantly, these stakeholders hammered away at Ukraine for the imprisonment of YT. The challenges for changing the nature of the discussion were significant. The mood toward Ukraine was negative.

Following the holidays in December and early January it was widely expected that several members would be taking proactive and aggressive positions against Ukraine. However, one of the most critical goals that we have achieved during this quarter is to prevent the application of any sanctions against the GoU or its officials. We have been able to accomplish this by implementing key messages from the "Engage Ukraine" strategy, many of which resonate with key US officials.

Ub Q1m we have made progress in softening the perception of Ukraine in the US. Based on a sustained and aggressive implementation of our strategy, it is far less likely that Congress will impose sanctions against Ukraine. We have drawn out the White house, Dept of State and key Members of Congress on this issue and gotten them to endorse an "engage Ukraine" policy.



## Messaging

Our “Engage Ukraine” messaging to policy makers focuses on two central themes.

1. We have and continue to emphasize the positive aspects of the US-Ukraine relationship. We highlight:

- **Defense and Security:** Ukraine has a proven track record of actively contributing to several NATO and international peacekeeping missions
- **Criminal Policy Reform:** This is one of the single best achievements that has been achieved by the GoU. This has shifted the debate significantly, and has resulted in reengaging expert European bodies to continue with more reforms.
- **Energy Cooperation:** The selection of Chevron and ExxonMobil to explore and develop shale gas and gas fields reflects a commitment by Ukraine to deepen its energy relationship with the U.S.
- **Combatting Maritime Piracy:** To combat piracy, Ukraine has taken a lead role and is an active partner in NATO’s anti -piracy operations in the Indian Ocean

These are just some of the substantive issues that we use with policy makers that are changing perceptions of Ukraine.

We have aggressively made the case to Congress and the Executive Branch that if sanctions are imposed against Ukraine it will undercut the European initiative to bring Ukraine into the European sphere. There is growing understanding that this would undermine both European and U.S. national security interests. This argument is resonating with policymakers in both political parties in Congress.

Who “lost Ukraine” will be a burden that Congress will shoulder should it pass legislation that mandates sanctions. We have been persistent on that point with key policy makers, and it is one of the single most effective arguments that turns the discussion away from YT and her imprisonment.

## Outreach

We have carried our message to a wide audience. We have engaged dozens of Congressional offices including the leadership and every member of the Senate Foreign Relations Committee and House Foreign Affairs Committee. We have also worked with the Helsinki Commission and have educated members of the Senate and House Armed Services Committees on security questions.

Our engagement with senior officials of the Department of State is bearing fruit. While the U.S. policy continues to support Tymoshenko’s release, senior officials now agree with us that imposing sanctions could push Ukraine toward Russia. Thus, the State Department is now making that case to Congress, and continues to believe that engagement with Ukraine is the best course of foreign policy.

We have organized and leveraged the visits of the former Polish President Aleksander Kwasniewski and former Italian Prime Minister Roman Prodi to make critical in-roads in how policymakers view Ukraine. Toward that end, the Chairman of the House Foreign Affairs Committee, Rep. Ed Royce (R-CA) told Mr. Prodi that “we must continue to encourage pro-western forces in Ukraine”.

Speeches, roundtables and programming at major think-tanks such as the Carnegie Endowment for International Peace have also helped the broader Washington community understand the importance of the US for Ukraine to further its relationships with the West.

The pardon of Yuriy Lutsenko and five other prisoners is also a positive development that we have used effectively to argue against sanctions and to make the argument that the European Union should sign the Association Agreement with Ukraine. This step has also allowed us to leverage the progress in the US and have its support for the AA signing in the Fall.

### **Media**

Since the beginning of 2013, we have been working across traditional and social media platforms to build a positive narrative for Ukraine in the US. The underlying theme for this narrative is the following: **Ukraine is an important global strategic partner to the United States and West that is committed to the necessary reforms for EU accession.**

We have delivered more specific messages that are representative of this theme, such as: **Ukraine is a global leader in energy production, is a significant contributor to the global economy, recognizes the rule of law as shown by the recent release of six prisoners, and Ukraine has been an active participant in combating maritime piracy.**

Our media outreach and strategy has included:

- placement of an op-ed by former Polish President Alexander Kwasniewski in a significant publication in Washington, DC that is delivered to every congressional office, the White House, and all U.S. federal agencies;
- placement of an op-ed by former Italian Prime Minister Romano in the Christian Science Monitor, a universal publication that has a high readership in many key foreign policy communities and among key policymakers in the US;
- pitching our narrative and messaging to key reporters and editors at the Washington Post, the Wall Street Journal, and New York Times; and extensive online outreach to relevant bloggers.

In the next few weeks we will be capitalizing on the upcoming visit of Foreign Minister Kozhara and Sergei Klyuiev by placing an op-ed (authored by Kozhara) for publication in an influential newspaper during or around the time of their visit.

After their visit, we will place an op-ed that highlights Ukraine's track record in working with Western fleets to combat maritime piracy. We have secured a retired US Navy Admiral – who is an expert in maritime piracy issues and who has experience working with Ukraine in this area – to author this op-ed.

Our ongoing efforts will include pitching bi-weekly press releases/news articles that highlight new, updated achievements and progress that Ukraine is making in its pursuit of the Association Agreement with the EU; identifying additional credible authors for op-eds that we will draft and have strategically placed; and developing and executing new digital strategies to increase the profile and narrative of Ukraine online and across multiple social media platforms.

### **Emerging Problem Areas**

Given the changes in perceptions towards Ukraine, it is important to note the emergence of a broader issue agenda.

There are several issues that are growing in importance and will need to be addressed in the next 3 months.

1. IMF. There is a growing impression that Ukraine is unwilling to make the fiscal and monetary changes necessary to finalize a new loan facility. The new economic team led by DPM Arbuzov is viewed as competent and more organized than the previous team. However, there is a consensus hardening that the Govt of Ukr is not addressing the problems. While the gas tariff issue is a deal stopper, if a new strategy can frame a credible program that addresses the issues raised by the IMF Mission teams, some pressure can be applied with the new supporters in Washington. More than any other bilateral issue, the IMF matter is viewed as the litmus test of the seriousness of the Govt to fix its core problems.
2. WTO. RICK FILL IN THE ISSUE HERE AND SOME OF THE THINGS WE CAN AND WILL DO
3. IPR RICK FILL IN THE ISSUE HERE AND SOME OF THE THINGS WE CAN AND WILL DO
4. OTHER ISSUES/ RICK ID

### **Way Forward**

The US consultants team will seek to leverage the hard work and important actions taken by the GoU taken in the first quarter to continue with the strong progress that has been made and further advance the "Engage Ukraine" agenda for the second quarter.

The USG strategy looks to leverage the reforms being promoted in compliance with EU conditions for signing the AA and DCFTA. Because there is less direct awareness in Washington, we will bring European leaders to Washington to educate USG officials of the important changes occurring in Ukraine and the progress being achieved in the reform and modernization programs.

Two of the critical reform areas are in the implementation of the CPC and the electoral changes made based on OSCE recommendations from the VR elections. Using visits by Ukr officials and European leaders, we will educate targeted officials in the USG.

The goal is to lay the foundation and protect the work that has been done to ensure that the AA is signed this Fall in Vilnius.

We will continue to identify, educate, recruit and mobilize third-party validators for Ukraine's west-ward focus, and goal of EU membership through our "Engage Ukraine" outreach campaign. Our primary goal is to ensure signing of the AA and to prevent the passage of sanctions against Ukraine. This will take a sustained effort in Congress and in the executive branch to ensure that the progress we have made is not reversed. We will also continue to establish representation in Congress on behalf of the GoU during any relevant Congressional briefings and hearings.

Our team will directly work to advance our existing relationships, or construct them where they are preliminary, with Members of Congress that will be in a direct position to influence policy regarding Ukraine. We have made much progress in the beginning of 2013 and the

**To:** SL  
**From:** PJM  
**RE:** Hapsburg Activities Update and URGENT ACTION REQUEST  
**Date:** February 24<sup>th</sup>, 2013

- Right after the EU-Ukraine Summit, i propose to reinforce the key geopolitical messaging of how "Europe and the U.S. should not risk losing Ukraine to Russia" through an intensive 60 day Hapsburg activity phase. The plan would be to build on current schedules of the Principals as well as self generated opportunities.
- The immediate plan begins with AK's DC visit next week (Feb 28/March1), followed by RP in mid-March (march 13/14) and then AG (April 2/4) in early April. The aim is to help influence the new power base in Washington to steer away from sanctions and resolutions, and understand the bottom line in geopolitical terms, alongside energy security, trade and business opportunities.
- Separately, we are organising an important conference in Rome on March 6<sup>th</sup> with three Hapsburg members participating. I need to secure one major Ukrainian to participate with my preference being Irina Akimova. We are organising media.
- I have conducted several calls with AK and AG over the weekend to discuss importance of clear messaging and availability for bilaterals or media during AK's DC trip this week. He is prepared to aggressively promote the importance of an "Engage Ukraine" theme during this visit to Washington. Additionally, I am editing an advance copy of AK's speech at John Hopkins.
- The DC VISIT OF AK. He arrives in DC on the 27<sup>th</sup> at night. He has meetings most of the 28<sup>th</sup>, with the lecture at John Hopkins taking place from 12:30 to 2pm. He will do all additional meetings we schedule including meeting with Congress, Administration officials and important media on February 28th and on March 1<sup>st</sup>.
- RP will meet Secretary Kerry at a dinner in Rome on Feb. 28<sup>th</sup>. RP will mention that he'll be in DC in mid-March and that it would like to meet Kerry to brief him on a number of important initiatives in which he is engaged. This will presumably elicit Kerry's invite. The bilateral should be fixed for March 13 afternoon or March 14 morning.
- Additionally, we will schedule RP from afternoon March 13 to afternoon March 14 with media and USG officials in the Congress and Obama Administration.
- We are in the process of drafting a RP op/ed in the lead up to his DC visit, further stressing the geopolitical message, and the strategic importance of Ukraine to EU and energy security and shale gas opportunities for U.S. corporations.



- AG has confirmed a U.S. visit April 2-4. During this visit we will organize a similar schedule for him in NY and Washington.

***ACTION:***

***I am being pressed by Hapsburg for fulfilment of the obligation that was due on Jan 2, 2013. I am attaching the relevant document.***

***I really need to get this IN FULL this week before AK goes to Washington and before RP meets with Secretary Kerry on Feb. 28.***



## MEMORANDUM

**To:** SL  
**From:** PJM  
**Subject:** Portnov – US Visit  
**Date:** February 26, 2013

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### Summary

Andriy had a very good visit to the US last week based on the conversations I had with several of the people he met, and meetings he attended. I provided an earlier memo on his visit with Congressman Keating's staff at the beginning of the week. I want to focus this memo on the Carnegie event he did on Friday, and the substantial progress that was made on several key issues.

The event included Andriy, Deputy MFA Andrii Olefirov, and DAS Thomas Melia and was a "roundtable conversation". Opening comments by each participant were limited which provided a significant amount of time for questions and responses.

The significance of the event from my perspective is the tone and tenor of the dialogue toward Ukraine. It was genuinely positive, open-minded, constructive, and did not focus on YT. There were 11 members from the US State Department and five members from the US Department of Justice. Over 98% of the conversations focused on judicial reform, what has been completed, what more can be done, OSCE, Ukraine's role of chair, what Ukraine can do for the OSCE, what the OSCE can do for Ukraine, and some focus on freedom of media.

Key comments and opinions came from members of State and Justice in regards to justice reform and the OSCE chairmanship. In particular, I want to highlight two comments. The first statement was made by John Engstrom (US Justice), who has worked with Andriy for the last two and a half years on the criminal justice reform and the CPC. He stated that true progress had been made in Ukraine, and the country was on the right path. They should be complemented for progress and he looked forward to continued efforts. He was the first official to indicate that the DoJ would very much be a partner with Ukraine on continued judicial reforms.

The second statement came from DAS Melia. He has been critical of Ukraine in the past, but during this event he was effusive about the partnership between the US and Ukraine, and the progress that has been made on key reforms. Melia stated that it was in the "best interests of the US for Ukraine to be a successful country." He finished by saying that as diplomats sometimes people say something and do not mean it. And other times they say what they mean. In this case, Melia firmly believes that the US and Ukraine are and will remain friends, and have a positive future together. This was further reflected in the statement issued by State which positively assessed the working group that met after the Carnegie event.

### Next Steps and Key Actions

The dialogue, the attitude and the openness displayed at the Carnegie event represent an opportunity for the GoU to change the rhetoric in Washington, DC. It could not come at a better



moment. We must seize upon this opportunity and make sure that we fill the space with dialogue about important and relevant issues.

From the event we learned that the key issues we should focus include:

1. Continued judicial reform. While much praise was given to Ukraine there were comments that other work needs to be done. Specifically, on the code that provides powers and responsibilities to the Prosecutor General's Office. Andriy did a good job of describing the job that had been done so far, and indicated fully that the GoU would make further enhancements with the help of EU and US experts on prosecutorial code.
2. Ukraine's role as the OSCE Chair
3. Other key reforms including less regulation for business, and efforts to improve the business and investment climate.
4. Energy security

I want to provide a few notes from comments by Ambassador Jim Collins, who is a major sponsor of Carnegie. He commented that the rhetoric in Washington was shifting toward Ukraine in a positive way. Especially within the Administration there is a growing collective opinion that Ukraine is important to the US and the US wants Ukraine to succeed. There is less focus on the YT issues despite it being a major issue in the overall context of US relations with Ukraine. But what has changed is the idea that the US will engage Ukraine only when YT is released. Just as has occurred in the EU, the US Administration is beginning to move toward the importance of the Ukraine's relationship with US solely based on strategic issues. This is a break through in his words and we must capitalize on this momentum. In addition, he commented that the Magnitsky Act was a major US policy blunder, but it also showed that any foreign government needs to deal with the Admin as well as Congress. He stated that State is firmly grounded in the policy of no sanctions should be applied against any country. It is not the way to develop relations, and is not effective.

#### *Key Actions*

- The success of Andriy's visit is important and timely. It shows that a continued presence by key Ukraine leaders coming to the US is effective, and can change the rhetoric. We need to have Andriy come back to the US on a semi-annual or quarterly basis.
- We need to increase the frequency of key members from the GoU coming to the US. We have several key issues to focus on as mentioned above. We need to find key people that can represent Ukraine on these issues. This is important as we change the dialogue and create the positive stories that will change the focus of the Admin and members of Congress toward Ukraine.
- By having members of the GoU come to the US we shift the focus to these individuals. Their events, their meetings and dialogue all move the focus toward these individuals and away from YT. We must continue to do this. Especially over the next 4-6 months leading up to the AA signing.

**MEMORANDUM**

**To:** SL  
**From:** PJM  
**Subject:** US Consultants Activity – Weekly Update  
**Date:** April 21, 2013

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There are a number of key events in the last two weeks, largely focused on the EU's preparations to sign the AA in the Fall. Our efforts in the last week have focused on a number of themes that have played well in the US and in Europe.

**Congressional Meetings**

Last week the US consultants continued meeting with members of Congress providing them with updates on the Lutsenko release, progress on EU integration efforts, and criminal justice reform. The Lutsenko case continues to be a sign of significant progress in the minds of the USG although many continue to call for the release of YT.

Our team worked with the WH (NSC) to release a statement that was very favorable and did not mention the situation of YT at all. This was an important acknowledgement and recognition by the USG as typically the State Department would issue such a release. In addition, the progress that has been made by Ukraine in terms of its efforts toward EU integration has been noticed as well. We are providing members of the USG with a weekly report on the legislation that has been passed by the Rada as part of the EU action plan.

Key members of the USG and their staff that were briefed directly include:

**Congressmen**

Ed Royce	Chairman, House Foreign Relations Committee
Dana Rohrbacher	Chairman, Subcommittee on Europe and Eurasia
Eric Cantor	Majority Leader
John Shimkus	IL Congressman with large Ukrainian constituency
Bill Keating	Ranking Member, HFRC
Marcy Kaptur	Chairwoman, US-Ukraine Congressional Caucus
House Foreign Relations Committee Staff	

**Senators**

Bob Menendez	Chairman, SFRC
Bob Corker	Ranking Member, SFRC
John McCain	SFRC Member
Chris Murphy	Chairman, SFRC Subcommittee on Europe
Dick Durbin	Deputy Majority Leader
Senate Foreign Relations Committee Staff	

**State Department**

Dan Russell – DAS for Europe
Bill Danvers – Deputy Chief of Staff
Liz Sherwood-Randall

**WH and NSC**

### **French Minister of Foreign Affairs – Meeting**

Important meeting that AG had with the French Minister of Foreign Affairs, Laurent Fabius, in Paris the week of April 11<sup>th</sup>, resulted in the statement below being released by French Ambassador Alain Remy. This statement is a direct result of AG asking Fabius to have this issue raised in the EU.

**European ambassadors expect Rada to work effectively for early signing of Association Agreement**  
Kyiv, April 11 (Interfax-Ukraine) – French Ambassador to Ukraine Alain Remy has expressed concern over the situation in the Ukrainian parliament. "We're watching with concern the situation in parliament that has developed over the past months," the ambassador said at a round table meeting, entitled "The Association Agreement. Terra Incognita?" in Kyiv on Thursday. He said the EU expects the Ukrainian parliament to play an active role in preparing for the signing of the EU-Ukraine Association Agreement, and that it will also play a role in raising public awareness about the benefits of this document. Slovakia's Ambassador to Ukraine Pavol Hamzik said he agreed with Remy about the blocking of the Verkhovna Rada of Ukraine. "Blocking of the parliament for four to five months is not quite up to European standards," he said. According to the diplomat, the actions of the Ukrainian opposition were understandable from the political point of view, but not clear from the point of view of Ukraine's movement towards the signing of the Association Agreement. "We need to sit down and work hard to find common ground," Hamzik said.

### **Intellectual Property Rights Issue and Strategy**

We have been following the Intellectual Policy Rights (IPR) issue once we were alerted that Ukraine would likely be listed as a "Foreign Priority Country" by the United States Trade Representative (USTR). This is a poor designation and basically asserts that Ukraine has regressed with respect to protecting IP. A list of countries is sent to the US Congress in a report submitted at the end of April. Congress takes no action other than acknowledging the report. The USTR would likely make a statement following the release of the report.

We have developed a comprehensive communications plan to make sure that the GoU properly addresses this issue when it is raised at the end of the month or first week of April. We need to make sure that demonstrate that the GoU is serious about this issue and will work with the USG to implemented needed changes.

### **Ukraine MFA**

The consultants team have been working in preparation for the visit by MFA Kozhara on May 7-9<sup>th</sup> in Washington. A meeting with Secretary of State John Kerry is scheduled for May 8<sup>th</sup>. We will also be preparing some meetings with key members of Congress and the business community. The Minister will be meeting with Congressman Ed Royce – Chairman of the House Foreign Affairs Committee, and Senator Bob Menendez – Chairman of the Senate Foreign Relations Committee.

### **News Articles**

This week we directed the efforts of a number of positive news articles that appeared in several prominent publications and in the digital media space. These articles were done in tandem with key efforts we have been focusing on to emphasize the positive progress Ukraine has made on several key issues.

Below is the title of the article and which media outlets published the stories. The links to the full article's are also below for reference.

***"Extension of European Parliament's Ukraine Mission: A Triumph of Dialogue Over Isolation" – April 19<sup>th</sup>***

Story on the EP's approval to extend the Cox-Kwasniewski mission in Ukraine

Major Publications: Wall Street Journal, Bloomberg, Boston Globe, and Business Journal.

[http://online.wsj.com/article/PR-CO-20130419-903441.html?mod=googlenews\\_wsj](http://online.wsj.com/article/PR-CO-20130419-903441.html?mod=googlenews_wsj)

***"Europe Makes the Wise Choice to Engaging Ukraine" – April 18<sup>th</sup>***

Blog on the importance of continued EU engagement of Ukraine supported by renewing the Cox-Kwasniewski mission.

Publication: Center for the Study of Former Soviet Socialist Republics (CXSSR)

<http://cxssr.org/2013/04/europe-makes-the-wise-choice-to-continue-engaging-ukraine/>

***"Ukraine Opposition Parties Urged to Support Bill Vital for EU Integration" – April 17<sup>th</sup>***

Article that focuses criticism by EU officials on making sure that the opposition forces do not prevent necessary work in order to sign the AA.

Major Publications: Wall Street Journal, Bloomberg, Reuters, Boston Globe, and Business Journal

[http://investing.businessweek.com/research/markets/news/article.asp?docKey=600-201304170420PR\\_NEWS\\_EURO\\_ND\\_enUK201304170079\\_Publ-1](http://investing.businessweek.com/research/markets/news/article.asp?docKey=600-201304170420PR_NEWS_EURO_ND_enUK201304170079_Publ-1)

***"Will Ukraine Seize Its EU Chance?" – April 13<sup>th</sup>***

Oped by Matthew Rojansky at the Carnegie Endowment for International Peace

<http://carnegieendowment.org/2013/04/12/will-ukraine-seize-its-eu-chance/fzhf>

## MEMORANDUM

**To:** SL  
**From:** PJM  
**Subject:** AG Trip Report  
**Date:** June 9, 2013

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Last week we brought AG to Washington, DC to meet with officials in the USG, the US Congress and strategic think tanks in an effort to continue the successful messaging of the “Engage Ukraine” strategy. We have found that the USG and the US Congress are receptive to a number of our goals, but we need to continue to constantly outreach to these members.

The goals of AG’s trip were to focus on key issues of importance and relevant as it relates to Ukraine’s bid to join the EU. The primary goals included the following:

***GOAL: To support the position of EU enlargement thereby encouraging EU integration with Ukraine.***

***GOAL: To help decision makers in the USG understand that Ukraine is of strategic importance to the US and the EU, and that if Ukraine is not guided toward EU integration then it will fall to Russia.***

***GOAL: To communicate with members of the USG about the numerous areas where Ukraine has made progress in aligning with the West.***

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This report provides the salient points of the discussions AG had with various members of the USG, Congress and other third parties related to the “Engage Ukraine” strategy.

### **Meeting with Congressman Chris Smith Co-Chairman of the Helsinki Commission**

AG met with Rep. Chris Smith and his staff today for about an hour and a half. The atmosphere was positive and cordial and they had a productive exchange of views.

After a discussion of human rights in China and human trafficking issues AG focused his comments on Ukraine and the importance of engaging the country and promoting its integration into the European Union.

AG made the following key points:

- Ukraine will be achieve democratic reforms by being centered in the west
- Ukraine being too reliant on Russia would not be good for the region or Europe
- Russia is leaning on Ukraine and Ukraine is leaning on the West. “We don’t want Ukraine reliant on Russia”
- There is a strong consensus across the political spectrum in Ukraine to sign the Association Agreement with the EU. Tymoshenko supports the AA. It would be a different matter if the opposition opposed the AA



- France is changing its attitude toward Ukraine in a positive way. Germany has a privileged relationship with Russia but Merkel has a special relationship with Tymoshenko
- The EU Parliament has appointed officials to monitor the Tymoshenko case and we hope the issue is resolved. They are hoping that Tymoshenko will receive a humanitarian parole and get medical treatment in Germany
- We are concerned that Putin is trying to reconstitute the Soviet Union in a different circumstance. Ukraine is crucial to this effort
- Signing the AA would allow us to promote democratic and judicial reform
- The US is not involved in the AA but Europe is sensitive to American concerns
- The US should promote engagement not isolation of Ukraine

Smith made the following key points

- Ukraine needs to get the Tymoshenko piece behind them. It would help Yanukovich focus on other key reforms and get those done. Smith indicated that he is prepared to work with President Yanukovich in this regard.
- I have been receiving a lot of information this year from the Ukraine Govt and am pleased with the progress that appears to be occurring there.
- I have tried to get OSCE chairpersons to focus human trafficking and I am pleased that the Ukraine FM is focusing on this topic now.
- I support engagement as a way to promote human rights but I believe there are tools that you have to use to get there
- He is going to the human trafficking conference in Ukraine next week and agreed on the spot to have lunch with the foreign minister

The meeting ended on a positive note and they agreed to stay in touch.

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### **Lunch with Congressman Ed Royce** **Chairman of the House Foreign Affairs Committee**

AG and Chairman Royce had a 20-minute conversation on Wednesday. The conversation was very productive and we believe we have continued to make significant progress with the Chairman.

AG pressed his concern that if the AA agreement was not signed, Ukraine would be far too reliant on Russia, which could potentially destabilize the region. He also stressed that many in the EU are concerned that Putin is working to put the Soviet Union back together and his Customs Union provides a platform for this to occur. While recognizing the Ukraine likely needs to play a role in the Customs Union for their own economic benefit, it is far more important to have Ukraine join the European Union and sign the AA agreement right away. He also said the United States needs to continue to be supportive of Ukraine's engagement with the European Union and that the EU will undoubtedly look to America to see how we view the relationship.

Chairman Royce agreed with AG's points and stressed that Ukraine needs to continue on its path towards European ascension. The Chairman was very knowledgeable on the topic and our "take-away" from the meeting is that he is very sympathetic to our views and possibly willing to help.

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### **Meeting with Will Pomeranz,**

**Director, Kennan Institute, Woodrow Wilson Center**

AG and Mr. Pomeranz met for about 45 minutes on Wednesday

They shared a lengthy discussion regarding Putin, the current political state of Russia, and the future in terms of Putin's attempt to enlarge his sphere of influence. The conversation was cordial and very matter-of-fact, in which they both shared views on why the European Union is the best choice for Ukraine both politically and economically, and both agreed that the Tymoshenko issue was taking too much attention away from substantive matters that need more focus. Mr. Pomeranz asked AG to stay in touch and Mr. Pomeranz has also since contacted our team to see if we would be able to sit down in the very near future and discuss Ukraine further.

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**Meeting with Congressman Bill Keating (D-MA)  
Ranking Member, HFA Subcommittee on Europe**

AG met with Rep. William Keating (D-Mass). Keating is the ranking Democrat on the House Foreign Affairs Subcommittee on Europe. Naz Durakoglu, the Staff director of the Subcommittee participated in the meeting as well.

The meeting was cordial and friendly. In addition to their conversation about Ukraine they discussed US transatlantic trade negotiations with Europe and their shared affinity for baseball and the Boston Red Sox.

AG made the following key points:

- Russia is pressuring Ukraine to join the Customs Union.
- Ukraine is being squeezed by Russia with higher gas prices.
- The political class does not want to yield to Russian pressure and would rather turn to the West.
- Tymoshenko and the opposition favor signing the AA with the EU.
- Ukraine has a better chance of achieving democratic and judicial reforms by being situated in the West.
- Ukraine has launched and continues to implement major judicial reforms to change a system that is from the old Soviet Union.
- The EU is sensitive to US concerns about Ukraine and it is important that the US send positive signals.

Keating asked if Tymoshenko will be released. Gusnebauer responded that the European Parliament is trying resolve the issue.

Keating concluded the meeting by saying that he wanted to engage Ukraine in a positive way.

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**Meeting with Congressman Tom Marino (R-PA)  
HFA Subcommittee on Europe, Eurasia, and Emerging Threats**



Discussed Ukraine status with EU, Russia and Dr. Guesnbauer made key points:

- The status of Tymoshenko and the possibility of a compromise allowing travel to her doctors in Germany
- The friendship of Angela Merkel and Tymoshenko
- The Opposition and Tymoshenko are supporting Ukraine Association Agreement
- Russia's heavy hand on Ukraine energy supply
- Pulling Ukraine west and to the EU is a strategic
- Russia is attempting to reconstitute the old regime geography
- Ukraine's shale gas reserves

Rep. Marino comments:

- Marino spoke about the importance of using the shale gas as a way to foil Putin ambitions
- The Congressman is a member of the NATO PA and sees natural gas supply as a strategic necessity for the EU
- He discussed the Marcellus and that is district sits on it
- He is fully supportive of Ukraine and the Association Agreement
- Marino mentioned he studied in Vienna and enjoyed Austria
- He had been briefed by Romano Prodi in an earlier meeting on several key issues related to Ukraine's integration into the EU

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### **Meeting with Congressman Bob Aderholt (R-AL) US Helsinki Commission (OSCE)**

AG met Rep. Aderholt who is a Member of the Commission on Security and Cooperation in Europe (commonly referred to as the Helsinki Commission). He is also a senior Member of the House Appropriations Committee

Rep. Aderholt was delayed briefly because of votes but AG spent significant time discussing Ukraine and other regional issues with the Congressman's CoS Brian Rell and Foreign Policy staffers.

With Congressman Aderholt AG made points on:

- Off the record Tymoshenko issue may be a compromise letting her go to Germany for treatment
- EU Association Agreement is progressing and important to western strategic balance
- Merkel and Tymoshenko are friendly
- Tymoshenko and the opposition party have come out in favor of the EU Ukraine Association Agreement without conditions on her release
- EU is applying various pressures for her release but careful not to drive Ukraine toward

Congressman Aderholt comments:

- He was minimally interested in Tymoshenko but understood the Russia problem
  - Mentioned the Commission meeting coming up in Istanbul
  - Agreed with the strategic value of Ukraine being western leaning versus Russia
  - Very concerned about Russian tactics on natural gas supply
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**Baxter Hunt**  
**US State Department**  
**Director for Ukraine, Moldova and Belarus Affairs**

AG met with Baxter Hunt, Director, Ukraine for Moldova and Belarus Affairs at the Department of State.

The meeting was cordial and productive. AG made the following points:

- The consensus in Europe is that the Tymoshenko issue must be resolved.
- The EU is advocating for her release.
- Russia is pressuring Ukraine.
- Putin wants to reestablish the former Soviet Union.
- Ukraine pays Russia higher gas prices than any other country in Europe.
- We don't want to push Ukraine into the arms of the Russians.
- Signing the Association Agreement (AA) is good symbolically and practically for Ukraine.
- Even if AA is signed every state must ratify it so there is still an opportunity to ensure Ukraine meets conditions.
- Tymoshenko may be granted a humanitarian release and get sent to Germany for medical treatment.
- If Tymoshenko stays in jail it will be a problem for German Chancellor Merkel.

Baxter Hunt asked what other Capitals are saying about Tymoshenko. AG responded that Sweden wants the Baltic States to sign an AA and will most likely not oppose Ukraine. France is softening its tone. If Germany sees support for the AA it is not likely to veto the signing.

Hunt made the following points:

- He does not see the EU signing the AA if Tymoshenko is charged with murder.
- President Yanakovich still sees Tymoshenko as a dangerous rival, which is why he may not release her before the 2015 Presidential election.
- Tymoshenko is more popular outside Ukraine than inside Ukraine.
- Even if Tymoshenko is released for medical reasons it would be a big step.
- We welcome Lutsenko's release but Tymoshenko must be released.
- Ukraine needs to get past Tymoshenko. She is a litmus test for where Ukraine is headed.
- State Department does not support sanctions. NGO's may support it, but Hunt is doubtful Congress does. Sen. Durbin (D-IL) is likely to introduce a resolution calling for Tymoshenko's release, but we don't think it will mandate sanctions.

AG responded with the following points:

- Tymoshenko strongly supports the AA and so does the opposition.
- If Tymoshenko ran it would split the opposition and President Yanukovich would win reelection.

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## **Conclusions**

The trip was very successful. AG had several important key meetings and the feedback we have received from him further validates that the majority of the USG and Congress want to see

Ukraine as a part of the EU. Also, we continue to see the discourse changing away from YT's release (although the issue needs to be resolved) to one of engagement of Ukraine by the USG.

**MEMORANDUM**

**To:** SL  
**From:** PJM  
**Subject:** Hapsburg and US  
**Date:** July 10, 2013

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It is important that we engage the Hapsburg team in regards to the work we are doing with the most recent Durbin Resolution. As you are aware, the recent visits by several members of the Hapsburg team were extremely successful in communicating key messages with credibility and had a significant impact on our work. As result of these efforts the most recent resolution is a weak and water downed version of the previous resolution and has no mention of sanctions.

We are attempting to delay the current Durbin resolution and have it not interfere with the current work relating to the Association Agreement. In order to do so, part of our strategy is to deploy some of the Hapsburg team to make calls to specific members in the US Congress based on their relationships. The Hapsburg team is reluctant to continue moving forward with my requests until the contractual issues are resolved.

I cannot impress upon you the importance of using the Hapsburg team as a resource. We are at an extremely critical time in both the US and the EU, and we cannot afford to lose the ground that we have gained over the last several months. Please let me know what we need to do to get this issue resolved ASAP.

The US Congress is expected to move on all action items before the end of July when the Congress will recess for the summer. I need to have this issue resolved by next week or it will have consequences. Please let me know what you need from me, if anything, to finalize this issue.

