



**TEMPORARY SPECIAL COMMISSION OF
THE VERKHOVNA RADA OF UKRAINE**
**on the protection of property and non-property rights of
internally displaced persons and other persons affected
by the armed aggression of the Russian Federation
against Ukraine**

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October 23, 2024

DECISION

On the status of implementation of the Commission's decision of April 10, 2024 "On the situation surrounding the purchase by the Lysychansk City Military Administration of the premises of the Druzhba children's camp (Kirovohrad region, Oleksandriya district, Voinivka village) to accommodate internally displaced persons"

The decision of the Temporary Special Commission of the Verkhovna Rada of Ukraine on the Protection of Property and Non-property Rights of Internally Displaced Persons and Other Persons Affected by the Armed Aggression of the Russian Federation against Ukraine (hereinafter – the Commission) of 10 April 2024 (attached), among others, established that the Prosecutor General of Ukraine should be requested to take personal control of the pre-trial investigation in criminal proceedings 12023121060001545 of 21 September 2023 under Part 4 of Article 191 of the Criminal Code of Ukraine on the embezzlement of buildings of the Lysychansk City Recreation Centre by officials of the buildings of Druzhba Children's Health and Recreation Centre LLC, the Head of the Kirovohrad Regional Prosecutor's Office was recommended, in accordance with the provisions of Articles 154, 155 of the Code of the Criminal Procedure of Ukraine (CPC), to initiate a motion to remove the Head of the Lysychansk City Military Administration from office, and the State Property Fund of Ukraine was proposed to review the evaluation reports of the relevant appraisers that became the basis for the purchase of the said object, and, if there are legal grounds, to cancel the certificates of the relevant appraisers.

On October 15, 2024, an off-site meeting of the Commission was held directly on the territory of the Druzhba children's camp (Kirovohrad region, Oleksandriya district, Voinivka village), which was purchased by the Lysychansk city military administration to meet the housing needs of residents of the Lysychansk city territorial community.

Members of the Ukrainian Parliament, members of the Commission, inspected these premises. It was noted that the repairs had indeed been carried out and some of the internally displaced persons were provided with temporary housing - beds. At the same time, Commission member Velmoznyi S.A. made comments on the need to maintain these facilities in proper condition, in particular, to immediately remove garbage from the dormitory building number 3, repair the roof, windows and preserve the dormitory

building 3 for the winter period. Attention was drawn to the need to urgently connect utilities that will provide heating to the facilities where people already live.

The Chairman of the Commission, Mr. Frolov, emphasized the need to reconstruct the road adjacent to the territory of the children's camp, given its current neglected state, which makes it virtually impossible to move vehicles.

In addition, the MPs and members of the Commission analyzed the ratio of the funds spent to the number of internally displaced persons living on the territory of the facility.

At the meeting, the People's Deputy of Ukraine, Chairman of the Commission's working group on ways to solve the problem of providing internally displaced persons with housing, Tkachenko M.M., informed all those present that the Commission had received a letter from the Luhansk Regional Military Administration (No. 1/01.01-09-4564 of 10.10.2024), which contains information that the total amount of funds spent on current and major repairs of the facility as of October 09, 2024 is UAH 18,698,115, including: design work - UAH 1,175,305, repair and construction work - UAH 8,476,511, technical and author's supervision work - UAH 69,770, building materials, equipment and equipment for current and major repairs, including a modular boiler room) - UAH 7,740,531, utilities - UAH 1,235,996.

M.M. Tkachenko also provided information (received by the Commission in a letter from the Luhansk Regional Military Administration dated March 23, 2024, No. 3/01.01-09-1489) that on July 17, 2023, the Head of the Luhansk Regional Military Administration approved the Regional Comprehensive Targeted Program for Support of Internally Displaced Persons for the period up to 2025. This program provides for the acquisition by the Lysychansk city military administration in 2023-2024 of a complex of buildings and structures in the village of Voinivtsi, Oleksandriya district, Kirovohrad region, for temporary residence of residents of the Lysychansk city territorial community to meet the needs of 70 to 100 IDPs.

At the same time, the sale and purchase agreement for the above-mentioned object was concluded before the approval of the said Regional Program, namely: by the order of the Head of the Lysychansk City Military Administration dated March 14, 2023 No. 119, the Property Department of the Lysychansk Military Civil Administration was instructed to conclude a direct real estate sale and purchase agreement dated March 23, 2023. The agreement was notarized, the ownership was registered, and UAH 34,559,850 was spent on the purchase of the property. Subsequently, up to UAH 20 million was spent on the establishment of the utility company SkhidnaNova, which is responsible for the day-to-day management of the facility, increasing the authorized capital of the company, preparing design and estimate documentation, etc.

That is, the approximate amount of funds spent as of the date of the Commission's meeting is about UAH 72 million.

Regarding the number of internally displaced persons living at the facility, the Luhansk Regional Military Administration informed that between September 2023 and October 2024, SkhidnaNova provided accommodation and free shelter to 69 IDPs: 17 children, 22 adults, 30 pensioners. As of October 1, 2024, the booking log shows 80 people wishing to stay in the facility.

A simple calculation of the average cost of accommodating one IDP according to the decisions of the Lysychansk Military Civil Administration, which is significantly higher than the cost of accommodating IDPs by purchasing and/or renting apartments in the city of Oleksandriya, together with the use of a non-competitive method of determining the areas of spending budget funds for these purposes, indicates at least the possible existence of abuse by the relevant officials who made the decision to purchase the Druzhba children's camp.

The Commission found that the chairman of the relevant commission, which recommended the decision to purchase the Druzhba children's camp for the appropriate price, was the first deputy of the Lysychansk city military administration, R.M. Sadovsky. At the Commission meeting, he noted that the order of the head of the Kirovohrad regional military administration No. 1222-r of October 27, 2023, included the facility in the list of places of temporary residence for internally displaced persons (designed for 80 beds). Additionally, a letter was sent to the Oleksandriya District Military Administration No. 82 dated July 11, 2024, to determine the capacity of the beds. In this regard, an inspection of these facilities was carried out, an act was drawn up and, as a result, it was recommended to increase the number of beds to 108.

Regarding the repairs carried out, R.M. Sadovsky informed the Commission members that the repair work in the premises of the dormitory building No. 1 was completed in the spring of 2021, the building is in operation. The current repair of the premises of the dormitory building number 2 is at the stage of completion (full completion is planned for October 31, 2024). Regarding dormitory building No. 3, it was noted that as of the day of the meeting, no work had begun, and no decisions had been made on further operation. Separately, work is underway to reconstruct the heating networks with the placement of a 500-kilowatt modular boiler house - the estimated completion date is November 15, 2024.

In the context of this issue, it is worth paying attention to the information received by the Commission from law enforcement agencies.

Thus, the National Police of Ukraine informed the Commission (letter of August 05, 2024, No. 107058/01-2024) that, according to the Investigation Department of the Main Department of the National Police in Kirovohrad region, as a result of investigative (search) actions in criminal proceedings No. 12023121060001545 of September 21, 2023 under Part 4 of Art. 191 of the Criminal Code of Ukraine, evidence was obtained confirming the involvement of officials of the Lysychansk City Military Administration of the Sievierodonetsk District of the Luhansk Region in the commission of the said criminal offense, and the amount of damage caused was established to be two thousand times or more than the subsistence level for able-bodied persons established by law at the time of the criminal offense.

In accordance with part five of Article 216 of the CPC of Ukraine, detectives of the National Anti-Corruption Bureau of Ukraine conduct pre-trial investigation of criminal offenses under, among other articles, Article 191 of the Criminal Code of Ukraine, if the amount of damage caused is two thousand times or more than the subsistence minimum for able-bodied persons established by law at the time of the criminal offense and the criminal offense was committed by an official of a state body.

The letter of the National Anti-Corruption Bureau of Ukraine dated August 07, 2024 No. 2024543-002/22424, sent to the Commission, states that the decision on determining jurisdiction in criminal proceedings dated May 06, 2024 of the Prosecutor of the Oleksandriya District Prosecutor's Office of Kirovohrad Region O. Kryvoruchko assigned jurisdiction in criminal proceedings No. 12023121060001545 dated September 21, 2023 under Part 4 of Article 191 of the Criminal Code of Ukraine to the National Anti-Corruption Bureau of Ukraine.

Criminal proceeding No. 12023121060001545 was received by the National Anti-Corruption Bureau of Ukraine from the Specialized Anti-Corruption Prosecutor's Office on July 10, 2024.

The pre-trial investigation of this criminal proceeding is ongoing.

The Commission also noted that the Presidential Decree of September 5, 2024, No. 97/2024-rp, dismissed Valeriy Shybik from the position of the Head of the Lysychansk City Military Administration of the Sievierodonetsk District of Luhansk Region.

In addition, according to the letter of the State Property Fund dated 22.04.2024 No. 10-58-10765, since the reports on the valuation of the real estate object - the buildings of Druzhba Children's Health and Recreation Center LLC, drawn up by Ihor Leonidovych Tkachev and Ihor Volodymyrovych Kurilets, respectively, which were the basis for the decision of the Lysychansk City Military Administration to purchase the said object, were not electronically signed by the appraisers and appraisers who directly conducted the valuation, such reports are invalid and not subject to review. The State Property Fund initiated administrative proceedings against Ihor Kurilets for non-compliance with the requirements of regulatory legal acts on property valuation, which will result in the revocation of the relevant certificate of the appraiser.

Based on the results of the consideration of the issue, **the Commission decided:**

1. The head of the Luhansk regional military administration:

1) to take personal control over the implementation of the provisions of the Regional Comprehensive Targeted Program for Support of Internally Displaced Persons, approved by the order of July 17, 2023, to address the housing problem of internally displaced persons, as well as the expenditure of budget funds of regional, district and city military administrations for these purposes;

2) to review the provisions of the Regional Comprehensive Targeted Programme for Support of Internally Displaced Persons, approved by the order of 17 July 2023, in terms of spending state, regional and local budgets to address the problem of providing internally displaced persons with housing, providing for a comparative analysis of the average cost of accommodating an internally displaced person under this programme and the average market cost of buying and rent of equivalent housing in the respective localities to ensure that budget funds are not wasted and that as many internally displaced persons as possible are assisted in solving their housing problems;

3) to instruct the Head of Lysychansk City Military Administration to inform the Commission on a monthly basis about the total amount of budgetary funds spent on the purchase, reconstruction, modernization and maintenance of the premises of the former

Druzhba children's camp (Kirovohrad region, Oleksandriya district, Voinivka village), now SkhidnaNOVA, the number of internally displaced persons accommodated in this facility, and the average cost of accommodation for one IDP, together with data on the average cost of buying and renting equivalent housing in the city of Oleksandriya, Kirovohrad region.

2. In order to prevent inefficient and (or) inappropriate spending of budget funds to solve the problem of providing internally displaced persons with housing, to address the Prime Minister of Ukraine with a proposal to instruct the heads of regional military administrations to take measures to review and make the necessary changes to regional programmes of support for internally displaced persons in terms of strengthening control over the effectiveness of budget expenditures and to prevent non-competitive and questionable spending of budget funds, when the average cost of accommodation of one internally displaced person under these programmes significantly exceeds the average cost of equivalent housing on the primary and/or secondary market in the respective localities.

3. Taking into account the information of the National Police of Ukraine, set out in the letter dated 05 August 2024, No. 107058/01-2024, regarding the receipt of evidence based on the results of investigative (search) actions in the relevant criminal proceedings (on the fact of embezzlement of budget funds during the acquisition of real estate - buildings of LLC 'Children's Health and Recreation Institution "Druzhba" - under part 4 of Article 191 of the Criminal Code of Ukraine) confirming the involvement of officials of the Lysychansk City Military Administration of the Severodonetsk District in the commission of the said criminal offence, to draw the attention of the Director of the National Anti-Corruption Bureau and the Head of the Specialised Anti-Corruption Prosecutor's Office to the huge public outcry over these circumstances, which affect the rights of millions of internally displaced persons, and therefore the need to conduct an objective and impartial pre-trial investigation in full compliance with the general principles of criminal proceedings established by Article 7 of the Criminal Procedure Code of Ukraine, completion of the investigation within a reasonable time and fulfilment of the tasks of criminal proceedings set out in Article 2 of the CPC of Ukraine to protect individuals, society and the state from criminal offences, protect the rights, freedoms and legitimate interests of participants in criminal proceedings, as well as ensure a prompt, complete and impartial investigation and trial.

4. To address the head of the Kirovohrad Regional Military Administration with a proposal to consider allocating funds for the repair and proper arrangement of the Oleksandriya-Voinivka road.

5. To hold a separate meeting of the Commission with the participation of the Chairmen and representatives of the Verkhovna Rada Committee on Anti-Corruption Policy and the Verkhovna Rada Committee on Law Enforcement to hear the status of the pre-trial investigation of the relevant criminal proceedings.

6. To send this decision of the Commission to the Prime Minister of Ukraine, the Director of the National Anti-Corruption Bureau, the Head of the Specialized Anti-Corruption Prosecutor's Office, and the Head of the Luhansk Regional Military Administration for proper response and consideration.

Chairman of the Commission

P. Frolov

Secretary of the Commission

S. Velmozny