

TEMPORARY SPECIAL COMMISSION
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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April 10, 2024

DECISION

On the situation surrounding the purchase by the Lysychansk City Military Administration of the premises of the children's camp "Druzhba" (Kirovohrad region, Oleksandriivskyi district, village of Voynivka) for the accommodation of internally displaced persons

By Article 24 of the Law of Ukraine "On Temporary Investigative Commissions and Temporary Special Commissions of the Verkhovna Rada of Ukraine," the special commission operates by the requirements of this Law and the Law of Ukraine "On Committees of the Verkhovna Rada of Ukraine."

Article 14 of the Law of Ukraine "On Committees of the Verkhovna Rada of Ukraine" establishes that the control function of the committees includes, in particular, control over the implementation of the State Budget of Ukraine in the part attributed to their competence, to ensure the feasibility, economy, and effectiveness of the use of state funds in the manner prescribed by law.

On December 22, 2023, 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) adopted the Work Plan of the Commission, according to the provisions of which the main tasks of the Commission include, in particular: analysis and evaluation of the effectiveness of budget execution of regions and settlements temporarily occupied or in the combat zone, state authorities and local self-government bodies relocated from these territories, in particular regarding the effectiveness and feasibility of expenditures aimed at meeting the needs of internally displaced persons.

It should be noted that information regarding possible abuses committed by officials of the Lysychansk City Military Administration during the purchase from the LLC "Children's Health and Recreation Institution Druzhba" for approximately 35 million UAH for the accommodation of internally displaced persons of the pioneer camp "Druzhba," located at Kirovohrad region, Oleksandriivskyi district, village of Voynivka, was received by the members of the Commission, members of the Verkhovna Rada of Ukraine.

In connection with this, the members of the Commission, Neklyudov V.M., Velmozhnyi S.A., Tkachenko M.M., Kozyr S.V., Arsenyuk O.O., Voytsekhivskiyi

V.O., and other members of the Verkhovna Rada of Ukraine, personally visited the aforementioned premises of the camp "Druzhba" and noted the emergency condition of the premises, the need for both current and capital repairs, requiring the allocation of a significant amount of additional funds from the budget for its reconstruction. The territorial location of the said object is remote from educational institutions, indicating the inconvenience of living for families with children. The purchased premises are not equipped with facilities that would allow persons with disabilities to reside in them.

Taking into account the above, to verify the effectiveness of the execution of budgets of regions and settlements temporarily occupied, including the efficiency and expediency of the spending by the Lysychansk City Military Administration of funds aimed at meeting the needs of internally displaced persons, the Commission addressed letters to the Luhansk Regional Military Administration, the General Prosecutor's Office of Ukraine, and the National Police.

The letter from the Luhansk Regional Military Administration dated March 29, 2024, No. 3/01.01-09-1489 contains the following information.

By the order of the head of the Lysychansk City Military Administration dated March 14, 2023, No. 119 "On the acquisition into municipal ownership of the Lysychansk City Territorial Community of immovable property," the Property Management Department of the Lysychansk City Military-Civil Administration concluded a direct purchase and sale agreement for immovable property, certified by Prykhodko O.M., a private notary of the Oleksandriivskyi notarial district of the Kirovohrad region, on March 23, 2023. By Article 182 of the Civil Code of Ukraine, registration of ownership rights to the aforementioned buildings in the State Register of Property Rights on Immovable Property was carried out, for which a statement from the State Register of Property Rights with identification number 326776419 dated March 23, 2023, was received.

By the purchase and sale agreement for immovable property, the seller (LLC "DZOVD Druzhba" identification code of the legal entity 05527108) transferred the buildings into the ownership of the buyer (Lysychansk City Territorial Community of Severodonetsk district of Luhansk region, in the person of the Lysychansk City Council of Luhansk region), for which an Acceptance-Transfer Act was drawn up, certified by private notary Prykhodko O.M., Oleksandriivskyi notarial district of the Kirovohrad region, on April 7, 2023.

The proposal regarding the value of the object was considered taking into account the available reports of independent expert assessment of immovable property. As of November 20, 2022, the market value of buildings with a total area of 5316.9 m² was 44,702,794.00 UAH (expert Tkachov Ihor Leonidovych - income and comparative method were used). As of the moment of conclusion of the purchase and sale agreement, February 27, 2023 (expert Kurylets Ihor Volodymyrovych - comparative method was used), the market value of buildings with a total area of 5316.9 m² was 60,660,510.00 UAH.

By order of the head of the Lysychansk City Military Administration No. 283 dated June 5, 2023, the Communal Enterprise "Shidna NOVA" of the Lysychansk City Council was established, the founder of which is the Lysychansk city territorial

community of Severodonetsk district of Luhansk region. By order of the head of the Lysychansk City Military Administration No. 292 dated June 12, 2023, "On the transfer to the balance sheet and allocation to the right of economic management of immovable property," the acquired immovable property was transferred to the newly established enterprise.

By order of the head of the Lysychansk City Military Administration No. 299 dated June 13, 2023, the charter capital of the said enterprise was formed for 5,000,000 UAH by allocating from the budget of the Lysychansk territorial community.

By order No. 657 dated December 6, 2023, funds were allocated for the replenishment of the charter capital for 3,065,467.00 UAH.

By order No. 61 dated February 7, 2024, funds were allocated for the replenishment of the charter capital for 7,435,015.00 UAH.

As of March 27, 2024, the number of employees in the enterprise is 13 persons. As of March 27, 2024, the number of internally displaced persons residing on the premises is 30 persons.

Regarding the scope and cost estimates of repair works, the letter states that the Communal Enterprise "Eastern NOVA" spent 4,370,580.84 UAH on repair works, services, etc.

Thus, the total amount spent by the Lysychansk City Military Administration already reached about 50 million UAH. These funds could have been spent on purchasing over 80 apartments in the city of Oleksandriya and resettling about 250 internally displaced persons within a year. At the same time, the number of internally displaced persons residing in the specified object - 30 persons - is disproportionate to the funds spent and suggests conclusions regarding improper spending of funds by the employees of the Lysychansk City Military Administration and possible abuse of official powers by the respective employees of the administration.

In addition, by letter dated April 2, 2024, No. 09/1-2447VYKH-24, the Kirovohrad Regional Prosecutor's Office informed that the pre-trial investigation section of the Oleksandriivskyi District Police Department of the National Police in the Kirovohrad region is conducting a pre-trial investigation in **criminal proceedings No. 12023121060001545 of September 21, 2023, under Part 4 of Article 191 of the Criminal Code of Ukraine**, regarding the misappropriation of budget funds by officials of the Lysychansk City Military Administration of Severodonetsk district of Luhansk region during the acquisition of real estate - buildings of the LLC "Children's Health and Recreation Institution Druzhba" at the address: Kirovohrad region, Oleksandriivskyi district, village of Voynivka, Lysova Street, 1.

According to the National Police (letter dated December 13, 2023, No. SED-16510/01-2023), in connection with the fact of improper response and consideration by the employees of the Oleksandriivskyi district police department of the statement of Ryzhkov A. of the National Police of the Kirovohrad region, the initiation of an official investigation has been initiated, and as a result, appropriate response measures will be taken. After all, criminal proceedings were initiated only by the decision of the Leninsky District Court of Kirovohrad on September 15, 2023.

Currently, a complex of investigative (search) actions is being carried out in the criminal proceedings:

- On January 25, 2024, a judicial assessment and construction expertise was appointed in the criminal proceedings, the conduct of which was entrusted to experts of the Kropyvnytskyi branch of the Kyiv Scientific Research Institute of Forensic Expertise, to determine the value of the real estate object, its compliance with state construction, sanitary, fire, and other norms, as well as the requirements established for a certain type and type of object, including those specified in the Comprehensive Target Program for the resettlement of evacuated residents of the Lysychansk city territorial community;
- 2 inspections of the above-mentioned real estate object were conducted, including with the participation of a court expert within the framework of judicial construction-appraisal expertise;
- 5 members of the commission for the acquisition of real estate objects at the expense of the community budget were questioned;
- 17 witnesses residing in the buildings at the address: Kirovohrad region, Oleksandriivskyi district, village of Voynivka, Lysova Street, 1, were interrogated;
- Relevant information and copies of documents regarding the allocation of budget funds and their utilization, as well as inventory records, were requested and included in the materials of the criminal proceedings.

It is also noted that the course of the pre-trial investigation has been taken under the personal control of the Head of the Kirovohrad Regional Prosecutor's Office, Mr. Strel'yuk.

Based on the consideration of the above-mentioned issue, ***the Commission has decided:***

1. To appeal to the Prosecutor General of Ukraine with a proposal to personally oversee the pre-trial investigation in criminal case No. 12023121060001545 of September 21, 2023, under Part 4 of Article 191 of the Criminal Code of Ukraine, regarding the misappropriation of budget funds by officials of the Lysychansk City Military Administration of Severodonetsk district of Luhansk region during the acquisition of real estate - buildings of the LLC "Children's Health and Recreation Institution Druzhba" at the address: Kirovohrad region, Oleksandriivskyi district, village of Voynivka, Lysova Street, 1.
2. To recommend to the Head of the Kirovohrad Regional Prosecutor's Office, in accordance with the provisions of Articles 154 and 155 of the Criminal Procedure Code of Ukraine, to initiate a motion for the suspension of the Head of the Lysychansk City Military Administration from office.
3. To inform the Head of the National Police of Ukraine about the results of the official investigation initiated by the National Police in the Kirovohrad region

regarding the improper response and consideration by the employees of the Oleksandriivskyi district police department of the statement of Mr. Ryzhkov A.

4. To suggest to the Head of the Luhansk Regional Military Administration to conduct an official investigation into the actions of the Head and other officials of the Lysychansk City Military Administration, including the appropriateness of spending budget funds on the purchase, reconstruction, and modernization of the premises of the "Druzhba" children's camp (Kirovohrad region, Oleksandriivskyi district, village of Voynivka), as well as the creation of the Communal Enterprise "Shidna NOVA," with the inclusion of monetary funds in the enterprise's charter capital and, if there are grounds, to take response measures, including submitting a proposal for the dismissal of the Head of the Lysychansk City Military Administration from the occupied position.
5. To appeal to the State Property Fund of Ukraine with a proposal, in accordance with the powers defined by the Law of Ukraine "On the Assessment of Property, Property Rights, and Professional Assessment Activity in Ukraine," to review the reports of assessment (assessment acts):
 - No. ZHMMKHTB460963 (conducted by - individual entrepreneur Tkachov Ihor Leonidovych, certificate of the subject of appraisal activity from the State Property Fund of Ukraine No. 623/20 dated July 17, 2020);
 - No. VMYUZKHR993411 (conducted by - individual entrepreneur Kurilets I.V., certificate of the subject of appraisal activity from the State Property Fund of Ukraine No. 422/2022 dated August 17, 2022),and, if there are legal grounds, to revoke the certificates of the respective subjects of appraisal activity.

Inform the Commission of the results.

6. To request the Kyiv Scientific Research Institute of Forensic Expertise to expedite the completion of the judicial assessment and construction expertise in criminal case No. 12023121060001545.
7. To send the aforementioned decision of the Commission for proper execution to the Office of the Prosecutor General, the National Police of Ukraine, the State Property Fund of Ukraine, the Luhansk Regional Military Administration, and the Kyiv Scientific Research Institute of Forensic Expertise

Chairman of the Commission

P. Frolov

Secretary of the Commission

S. Velmozhnyi