

Theft in the Armed Forces of Ukraine in 2004-2017

Report of the Investigative Commission

Source:

Report of the Temporary Investigative Commission of the Verkhovna Rada of Ukraine for the investigation of information regarding the facts of embezzlement in the Armed Forces of Ukraine and the undermining of the state's defense capabilities in the period from 2004 to 2017 (By Resolution of the Verkhovna Rada of Ukraine dated 06.12.2018 N 2647-VIII, the investigation period is determined from 1991 to 2018)

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Report

By Resolution 2455-VIII of the Verkhovna Rada of Ukraine dated June 7, 2018, a Temporary Investigative Commission of the Verkhovna Rada of Ukraine was established to investigate information regarding the facts of embezzlement in the Armed Forces of Ukraine and the undermining of the state's defense capabilities in the period from 2004 to 2017 (hereinafter referred to as the Temporary Investigative Commission and /or Commission).

People's deputy Ivan Vinnyk (deputy faction of the Bloc Petro Poroshenko Party) was elected as the head of the Temporary Investigative Commission, and people's deputy Dmytro Linka (deputy faction of Oleg Lyashko's Radical Party) was elected as the deputy head of the Temporary Investigative Commission. Quantitative composition of the commission - 12 people's deputies (Yuriy Bereza (Faction of the Political Party "People's Front"), Oleksandr Bryhynets (deputy faction of the Party "Petro Poroshenko Bloc"), Volodymyr Zubik (Group "Renaissance Party"), Pavlo Kishkar (non-factional), Ivan Krulko (Faction of the All-Ukrainian Union "Batkivshchyna" Political Party), Yuriy Miroshnychenko (Faction of the Political Party "Opposition Bloc"), Ihor Molotok (group "Will of the People"), Taras Pastukh (Faction of the Political Party "Unification "Samopomich" "), Tetyana Rychkova (deputy faction of the Petro Poroshenko Bloc Party),

The circumstance that became the basis for conducting an investigation into the facts of embezzlement in the Armed Forces of Ukraine (hereinafter referred to as the Armed Forces of Ukraine) and the undermining of the state's defense capabilities in the period from 2004 to 2017 is the temporary occupation by the Russian Federation of a part of the territory of Ukraine - the Autonomous Republic of Crimea and the city of Sevastopol, and as well as the resolution of the military aggression in the East of Ukraine, which revealed significant shortcomings in the use of the Armed Forces of Ukraine, other military formations formed in accordance with the laws of Ukraine, and law enforcement agencies in repelling the armed aggression of the Russian Federation, which began with undeclared and covert incursions into the territory of Ukraine by units of the armed forces forces and other law enforcement agencies of the Russian Federation, as well as by organizing and supporting terrorist activities.

On February 19, 2019, in the Verkhovna Rada of Ukraine, during a meeting in connection with the fifth anniversary of the beginning of the armed aggression of the Russian Federation against Ukraine, **the Deputy Chief of the General Staff of the Armed Forces of Ukraine, Lieutenant General Serhii Besarab**, described the state of the army at the beginning of the Russian occupation of Crimea and the armed invasion of Donbas - **"The Armed Forces of Ukraine had an unbalanced management system, an insufficient level of personnel and logistical support, a catastrophic state of weapons and military equipment"**, and also reported that **the number of combat-ready units was limited to only eight battalions, three aviation squadrons and eight ships, with a total number of about five thousand military personnel**.

And in view of the state of the Armed Forces of the model of 1991, which was considered one of the best armies in the world, the information that at the beginning of 2014 the combat capability of the Armed Forces was limited to only eight battalions, three aviation squadrons and eight ships, with a total number of about 5

thousand servicemen, indicates a catastrophic decline in the level of defense capability of Ukraine during the 23 years of its independence.

This state of affairs, primarily in the Armed Forces, other military formations and law enforcement agencies, did not allow Ukraine to warn (prevent) in a timely manner, as well as in the shortest possible time to eliminate the armed conflict at its initial stage by fully repelling armed aggression using the necessary forces and means, forms and methods of armed struggle, as well as to prevent the escalation and spread of aggression to other territories of Ukraine, to inflict losses on the aggressor, in order to force him to abandon the further use of military force with the full restoration of the territorial integrity and sovereignty of Ukraine.

On the other hand, the failure to timely prevent and neutralize the military aggression of the Russian Federation (hereinafter - the Russian Federation) against Ukraine led to the escalation of military aggression and hostilities during the last five years, during which the Ukrainian people lost 2,973 Ukrainian soldiers as of May 6, 2019. more than 7 thousand citizens of Ukraine who were killed during the undeclared war of the Russian Federation. In addition, during the armed aggression of the Russian Federation, more than 23 thousand citizens of Ukraine were injured and maimed, more than 1.8 million citizens received the status of "internally displaced persons", who were forced to save their lives from the areas of hostilities and temporarily occupied territories , which make up 7.2% of the territory of Ukraine. Economic consequences of Russian aggression against Ukraine (losses in infrastructure facilities, industrial facilities, other objects of state, communal ownership caused by Russian armed aggression) experts estimate in the amount of more than 100 billion US dollars. No less losses were experienced by private business entities, as well as citizens of Ukraine who lost their property in territories not controlled by Ukraine.

One of the main reasons for the significant decrease in the level of defense capability of Ukraine was the unsystematic reduction of the Armed Forces, which occurred with the simultaneous reduction of the available weapons below the need to ensure the necessary level of the state's defense capability, taking into account the level of real and potential threats in the military sphere.

Information that reduced weapons and other military property were the subject of sales at prices significantly lower than the prices on the world arms markets, the subject of leasing, voluntary relinquishment of property, and also the subject of illegal payments for energy carriers or items supplied by the Russian Federation free transfer to foreign states, only testified to the methods of embezzlement of military property, which led to the undermining of the state's defense capability.

The term "theft of military property" in this report means the loss, embezzlement, seizure of military property and/or its transfer to the benefit and in the interests of third parties under conditions that caused material losses to the state, as well as damage to the defense capability of Ukraine, i.e. the state's ability to defend in case of armed aggression or armed conflict.

It was the above-mentioned circumstances that became the basis for the investigation, because in accordance with the Resolution of the Verkhovna Rada of Ukraine dated 07.06. 2455-VIII of 2018, the main tasks of the Temporary Investigative Commission were defined as:

1. Verification of the legality and reasonableness of the transfer of military property, in particular equipment, weapons and ammunition, to the status of surplus military property during 2004-2017;
2. Verification of information on the reasonableness of the cost of alienation of military property, in particular equipment, weapons and ammunition, surplus military property and other objects of ownership of the Ministry of Defense of Ukraine and/or the Armed Forces of Ukraine during 2004-2017;
3. Verification of information regarding the reasonableness of the amount of compensation for the cost of land plots that were owned by the Ministry of Defense of Ukraine and/or the Armed Forces of Ukraine and were alienated and/or transferred for development as part of the implementation of investment projects and programs during 2004-2017;
4. Verification of the targeted use of funds aimed at financing the Ministry of Defense of Ukraine, the Armed Forces of Ukraine during the years 2004-2017, in particular in the implementation of programs to increase the state's defense capability and security and programs for the development of the Armed Forces of Ukraine;
5. Establishment and collection of information regarding the range of persons and/or enterprises, institutions, organizations and their officials involved in activities related to the range of

issues for the preparation and preliminary consideration of which the Temporary Investigative Commission was formed;

6. Initiating the issue of bringing guilty persons to justice, provided for by the legislation of Ukraine.

On December 6, 2018, at a meeting of the Verkhovna Rada of Ukraine, the preliminary report of this Temporary Investigative Commission was heard and discussed, as a result of which the Resolution of the Verkhovna Rada of Ukraine No. 2647-VIII dated December 6, 2018 was adopted, which extended the work of the Temporary Investigative Commission for six months in accordance with tasks assigned to it, **determining the period of the relevant investigation from 1991 to 2018** .

The temporary investigative commission held eleven meetings, namely on 17.09.2018, 04.10.2018, 20.11.2018, 05.12.2018, 04.02.2019, 20.02.2019, 13.03.2019, 14.03.2019, 28.03.2019, 13.05.2019, 04.06.2019 during which the issues referred to the powers of this Commission were investigated. Former ministers of defense and chiefs of the General Staff were invited to the Commission's meeting, who ignored the Commission's invitation to provide explanations on the investigation, in particular, A.S. Hrytsenko, Yu.I. Yekhanurova, V.V. Ivashchenko, I.Y. Svydu Kyrychenko S. O. and others.

During the period of the Commission's work and in accordance with its decisions, inquiries and appeals on issues investigated by the Commission were sent to state authorities, enterprises, institutions and organizations.

In response to the above-mentioned appeals, the Commission received from state authorities, enterprises, institutions, and organizations information on issues that are the subject of investigation and were raised before the respective addressees.

At the same time, during the processing of the requested information and copies of documents provided to the Temporary Investigative Commission, it was established that the information was not provided in full and in violation of the established deadlines for its provision, in particular, information was not provided in full by the Cabinet of Ministers of Ukraine, the Ministry of Defense of Ukraine, the General Staff Armed Forces

In addition, despite the fact that the Resolution of the Verkhovna Rada of Ukraine No. 2647-VIII of 06.12.2018 obliged the Cabinet of Ministers of Ukraine, the Ministry of Defense of Ukraine, the General Staff of the Armed Forces of Ukraine, the Accounting Chamber, the State Export Control Service of Ukraine, and other state authorities to promote activities of the Temporary Investigative Commission and to provide it with information, materials and documents related to the subject matter of the Temporary Investigative Commission, in compliance with the terms established by Article 19 of the Law of Ukraine "On the Status of People's Deputy of Ukraine", there were cases of failure to provide information and copies at the request of the Temporary Investigative Commission documents or submission in violation of the established terms.

Also, during the processing of the information provided to the Temporary Investigative Commission, it was established the presence of a large number of documents containing classified information on investigative issues. At the proposal of the Temporary Investigative Commission to state authorities in accordance with the procedure established by law to consider the issue of declassification of documents containing information related to the investigation, because its content will not harm the interests of the national security of Ukraine, none of the state bodies considered such a proposal and made decisions on this issue accepted Such a circumstance complicated the investigation of the facts, which is the subject of the Commission's activity, because the members of the Commission are People's Deputies of Ukraine, who by virtue of their status have the right to get acquainted with any confidential and secret information, having access to state secrets of all degrees of secrecy,

In order to resolve this issue, the Resolution of the Verkhovna Rada of Ukraine No. 2647-VIII of 06.12.2018 obliged the Cabinet of Ministers of Ukraine, the Ministry of Defense of Ukraine, the General Staff of the Armed Forces of Ukraine, the Accounting Chamber of Ukraine, the State Export Control Service of Ukraine, other state authorities, which are holders of information with limited access on the subject of the work of the Temporary Investigative Commission, as well as the Security Service of Ukraine as a specially authorized state body in the field of ensuring the protection of state secrets, in accordance with the procedure established by law, to consider and resolve the issue of declassification of material carriers of information that were classified and contain information about alienation of military property, in particular equipment, weapons and ammunition, surplus military property and other objects of state ownership, which are secured

by the rights of operational management under the Ministry of Defense of Ukraine and/or the Armed Forces of Ukraine, by making appropriate changes to the Compendium of information constituting a state secret.

However, the requirements of paragraph 3 of the Resolution of the Verkhovna Rada of Ukraine No. 2647-VIII dated 06.12.2018 were not implemented by any body.

The temporary investigative commission also notes the fact that a significant part of the documents containing information on the investigation and subject to processing, especially primary documents (contracts, acts, etc.) were destroyed and/or remained in the occupied territories and/or were transferred by their owners to the central or sectoral state archival institutions, which made it difficult to investigate in accordance with the assigned tasks.

Since during the activity of the Commission there were cases of untimely preparation of information investigated by the Temporary Investigative Commission, as well as failure to provide information in full, and therefore, the Commission considers it necessary to indicate in this report facts and circumstances that were not fully verified due to lack of information and copies of documents confirming and/or refuting such facts. At the same time, the Commission hopes that the work of the authorized bodies regarding the collection and preservation of information in accordance with the subject of the investigation should be continued with the aim of summarizing it at the next convocation of the Temporary Investigative Commission established by the Verkhovna Rada of Ukraine, which would, on the basis of the materials of the Temporary Investigative Commissions of the Verkhovna Rada of Ukraine II-VIII convocations, taking into account the information,

Therefore, during the investigation, there were facts and circumstances that were not verified (partially verified) due to the lack of information and copies of documents confirming or refuting the facts of abuses in the defense sector at the disposal of the Temporary Investigative Commission, in particular regarding:

1. that was included in the relevant lists and was implemented (the Commission, together with the Ministry of Defense, managed to summarize information only about the property that was transferred to the surplus property center since 2006, at the same time, information about many types of weapons, almost all types of ammunition, small arms, aviation bombs, rockets, etc. information was not provided); in general, this issue, although partially investigated by the Commission and outlined in this Report, allows us to draw conclusions in accordance with the defined tasks); rockets, etc. information was not provided); in general, this issue, although partially investigated by the Commission and outlined in this Report, allows us to draw conclusions in accordance with the defined tasks); rockets, etc. information was not provided); in general, this issue, although partially investigated by the Commission and outlined in this Report, allows us to draw conclusions in accordance with the defined tasks);
2. that failure to provide information on this issue is nothing more than concealment of illegal actions, which must be assessed by law enforcement agencies; in addition, the specified issue was the subject of inspections by many bodies, in particular the Accounting Chamber of Ukraine, but it was not disclosed in full in any document available to the Commission; such circumstances require conducting an inventory of defense lands from the source data of the state statistical report on the quantitative land accounting of 1993, the results of which will determine which objects were lost, which were transferred for the construction of housing for military personnel under investment agreements, or transferred to other bodies state authorities and local self-government bodies, as well as the share of square meters for the transferred land due to the state according to the concluded agreements will be clarified,
3. The state of the non-destructive stock of the Armed Forces of Ukraine (the issue was not investigated by the Commission due to the reasons for not providing information due to its limited access, but the movement and state of the non-destructive stock must be subject to inspection by the controlling and, if there are grounds, law enforcement agencies);
4. The state of the state mobilization reserve and the movement of material assets that were pledged to it and stored at state enterprises, especially production and especially valuable resources, such as equipment for the production of ammunition, weapons, as well as engineering equipment, non-ferrous and rare earth metals, etc. (separate issues were research by the Commission and set out in this Report, however, the clarification of the circumstances of abuses during the management of the material assets of the mobilization reserve should be subject to inspection by the controlling and law enforcement authorities, since significant damage has been caused to the state's defense capability, as well as particularly large losses);
5. The state of enterprises of the defense-industrial complex, which until 2011 were under the control of the Ministry of Defense, as well as state-owned enterprises, institutions, organizations that

ensured the livelihood of the Armed Forces of Ukraine (state farms, forestry farms, construction plants, plants of reinforced concrete structures, etc.), circumstances their bankruptcy, liquidation, privatization (indirectly this issue is disclosed in this Report, however, in view of the main tasks of the Commission, it was not investigated, including in view of the lack of complete information on this matter; at the same time, the Commission notes that this issue, and specifically the circumstances of the withdrawal of such enterprises from the state form of ownership (both fixed assets and actually entire enterprises), for example, the circumstances of the procedures of rehabilitation (liquidation) and/or privatization, in particular of such enterprises: State Aviation and Transport Company, Black Sea Shipbuilding Plant, Luhansk Machine Building Plant, Mayak Plant, others are extremely important and require detailed study by law enforcement and control bodies;

6. The movement of the main assets of the Railway Forces of the Armed Forces of the Ukrainian SSR (the second corps of the Railway Forces of the former USSR Armed Forces with headquarters in Kyiv), in particular, information on the decommissioning (exclusion from the combat force) of weapons, military equipment and special equipment, mainline and shunting heat and electric locomotives, special platforms, wagons of various modifications, pontoon parks, prefabricated engineering bridges and structures, etc., which ensured the combat capability of the Armed Forces (at the request of the Commission, information was provided, the content of which did not correspond to the requested one, while the transferred materials were with limited access in accordance with the Law "On State Secrets") ;

7. The movement of carriers of strategic weapons, in particular intercontinental ballistic missiles after their removal from combat duty (separate issues were investigated by the Commission and outlined in this Report, however, the Commission did not receive exhaustive information on the movement of the main types of weapons of the former 43rd Missile Army, which should be subject to verification by the controlling and , if there are grounds, law enforcement agencies);

8. The movement of aircraft (transport aircraft, helicopters), which were leased by the Ministry of Defense of Ukraine and the Air Force Command of the Armed Forces of Ukraine to private companies (separate issues were investigated by the Commission and outlined in this Report, however, the Commission was not provided with exhaustive information about all aircraft, and also about their return after being used by business entities for commercial purposes, which must be subject to inspection by supervisory and law enforcement agencies, since, contrary to the needs of the Armed Forces, aircraft from the combat fleet were leased to private enterprises, which then either did not return to the Armed Forces or surrendered them in unsatisfactory condition, while the state did not receive any compensation);

9. The movement of ships and vessels decommissioned from the Naval Forces of Ukraine, in particular information on their sale (the Commission investigated the issue of the movement of naval vessels of the Navy and presents information about this in this Report, however, for reasons of not providing information on the sale of decommissioned ships and vessels or their disposal for scrap metal, it is not possible to make full conclusions about abuses during the sale of decommissioned vessels and requires continued work);

10. Volumes of military equipment and property of the Ministry of Defense of the USSR, transferred free of charge to the educational organizations of the Society for the Promotion of the Defense of Ukraine, as well as other state property that was assigned to the Voluntary Society for the Promotion of the Army, Aviation and Navy (DTSAAF), as an all-Union public organization of the former Union of the SSR, which operated in each district center on the territory of Ukraine, however, the Commission does not have information on the use and accounting of such property, in particular, military equipment, motor vehicles, aircraft, other property that was used for the initial training of conscripts, as well as other categories of citizens for military affairs (The Commission notes in this Report certain circumstances on this issue, however, information on the movement of such property requires continued work by both the Ministry of Defense of Ukraine and the State Property Fund).

The Commission also informs the Verkhovna Rada of Ukraine that the work on compiling data on military property, which was transferred to surplus status between 1991 and 2018 and the volumes of its sale, loss or appropriation, has not been completed, including due to the incomplete inventory of property, which must be completed by June 30 of this year, which is stored at the enterprises of DK "Ukroboronprom" and was included in the lists of property for sale. This indicates the need to continue this work, which will provide an opportunity to draw full conclusions about the circumstances of abuses in the Armed Forces of Ukraine, which resulted in a significant loss of combat capability of the troops at the beginning of 2014.

The temporary investigative commission believes that the state authorities are obliged to stop the practice of destroying materials related to the movement of military property, as well as to continue the collection and preparation of information based on the stated facts and circumstances, as well as to carry out a set of control

measures in accordance with the recommendations set forth by the Commission (after the adoption by the Supreme the Council of Ukraine resolutions on the report of this Temporary Investigative Commission), the materials of which, taking into account the materials of the Temporary Investigative Commissions of the Verkhovna Rada of Ukraine II-VIII convocations, should be summarized by the Commission established by the Verkhovna Rada of Ukraine of the next convocation to complete the investigation in full.

At the same time, the information received and investigated by the Temporary Investigative Commission fully allows us to draw conclusions regarding the subject of the investigation in accordance with the defined tasks.

HISTORY OF REFORM START

At the same time, in order to find out the reasons and prerequisites for the practically uncontrolled process of selling off military equipment and property of the Armed Forces of Ukraine from its bases, warehouses and arsenals, as well as the seizure and sale of immovable property, which, according to many facts, testified to the fact of embezzlement of military property in especially large amounts, its appropriation and/or its loss in the interests of third parties, as well as the circumstances of the commission by high-ranking state officials, including by the leaders of the Ministry of Defense of Ukraine and the General Staff of the Armed Forces of Ukraine, actions that led to the undermining of the state's defense capability and a significant reduction in the combat capability of the Armed Forces, the Commission investigated individual stages of the organization and creation of the state defense system, construction and development of the Armed Forces of Ukraine since 1991 and notes the following.

At the end of 1991, after the collapse of the USSR, a strategic grouping of troops (forces) remained on the territory of Ukraine as part of three military districts (Prykarpattia, Kyiv and Odesa), as well as the Black Sea Fleet.

According to available information, 3 combined arms and 2 tank armies, an army corps, four air armies, a separate air defense army (9 air defense brigades), the 43rd missile army of the strategic nuclear forces of the USSR, the Black Sea Fleet with a fleet of over 850 ships (warships) were stationed on the territory of Ukraine, boats and support vessels, including the unique vessels "Akademik Serhiy Korolev" and the flagship of the space fleet "Cosmonaut Yuriy Gagarin"), two units of the missile attack warning system, other military formations. The total number of personnel was over 800,000; more than 9,000 units of tanks, more than 11,000 units of armored infantry and landing vehicles, about 3,000 aircraft, of which 1,090 are combat aircraft (fighters Su-27, MiG-29; bombers Su-24M, attack aircraft Su-25; strategic heavy bombers 25 units. Tu-95 MS and 19 units. Tu-160, as well as about 200 units. other bombers, in particular Tu-22 bombers of various modifications; reconnaissance Su-24MR, military transport aircraft, etc.), 900 helicopters (attack Mi-24, multi-purpose Mi-8, etc., of which 330 are combat), more than 850 ships and support vessels.

In addition, the Armed Forces of Ukraine were left with a huge amount of the most modern weapons and military equipment at the time, in particular: commander's armored vehicles (mobile reconnaissance and control points of tactical units, mobile command and observation points), reconnaissance armored vehicles, self-propelled artillery installations of various modifications, guns, multiple-launch rocket systems, tactical missile complexes, radar stations, air defense systems, engineering equipment, automotive equipment, special rear support equipment, various types of small arms, heavy infantry weapons (machine guns, automatic grenade launchers, anti-tank grenade launchers, anti-tank missile systems, jet flamethrowers, etc.), mortars, portable air defense systems, hundreds of thousands of tons of ammunition (artillery and small arms, aviation bombs, grenades, warheads and explosive components of guided (unguided) missiles and shells, land mines and explosives, sea mines, torpedoes, depth charges, explosives and gunpowder, capsules, detonators, explosive components and other accessories for ammunition), other types of weapons.

In addition, the storage bases and corresponding warehouses of non-perishable stocks stored a huge amount of goods and material values of the entire nomenclature of military property, which was pledged to the 10 million army.

In 1991, Ukraine was a nuclear power, having the third nuclear arsenal after the United States and the Russian Federation. It was based on six divisions of the 43rd Missile Army of the former USSR, which were located on the territory of Ukraine. At the same time, at the beginning of 1994, the 43rd Missile Army had 176 missile systems of the "OS" ("Separate Launch") type, armed with 130 missiles of the RS-18 "Stilet" (SS-19) class and 46 missiles class RS-22 "Scalpel" (SS-24). The first carried 6 nuclear warheads each (780 in

total), and the SS-24 - 10 each (460). A total of 1,240 warheads with strategic charges, a total of 1,272 nuclear warheads were in service.

Ukraine also had at least 2,883 tactical nuclear weapons. Ukrainian rocketry inherited from the USSR operational-tactical complexes R-300 with a range of up to 300 km and tactical complexes "Tochka" and "Tochka-U" with a firing range of 70 - 120 km. They could carry tactical nuclear warheads of low and medium power.

The Air Force had more than 240 strategic bombers in service, including 44 units of unique strategic heavy bombers (25 units of Tu-95MS and 19 units of Tu-160), which could carry nuclear weapons. For example, the Tu-160 is a supersonic strategic bomber - a carrier of cruise nuclear missiles, including up to 12 X-55s with 200-kilogram nuclear charges and a range of up to 3,000 kilometers, and given the combat radius of 6,000 km, it was a very powerful weapon unit of the Armed Forces.

The total value of military property as of 1991, according to the estimates of some experts, was approximately 89 billion US dollars, which is an extremely cautious estimate, because according to the available information of previous investigative commissions on the volume of arms sales from Ukraine, only by the end of 1994 Ukraine exported weapons and military equipment in the amount of 32.4 billion US dollars, and considering the amount of weapons and military equipment that was lost (including strategic aviation, strategic and tactical carriers of offensive weapons, the Black Sea Fleet, defense industrial enterprises, etc.) and/or exported during 1995-2014, the value of the above-mentioned military property at 1991 prices was at least more than 200 billion US dollars. This is not a fantastic estimate, and is even quite conservative, given the state of the military in 1991.

Currently, it is not considered possible to check the real total value of the military assets of the Armed Forces of Ukraine after the collapse of the USSR, but such an estimate, albeit an approximate one, is necessary to understand the scale of the disaster in the Armed Forces of Ukraine.

According to the assessment of the majority of military specialists, this potential was sufficient for the creation of a powerful national Armed Forces, solving social issues, including housing for military personnel. The sale of surplus property, weapons and military equipment should allow obtaining sufficient funds for reforming the Armed Forces and solving all problematic issues. However, as a result of the unsystematic reduction of the army in Ukraine, in particular, military units, personnel, available weapons and military equipment, which sometimes occurred without a justified need, led to a significant decrease in the combat capability of the Armed Forces, as well as a significant loss of the state's defense capability, as evidenced by the events of 2014.

It is impossible to provide conclusions about the circumstances and reasons for the significant loss of combat capability of the Armed Forces, as well as an assessment of negative manifestations in the army, without conducting a study of the circumstances of the reform and development of the Armed Forces of Ukraine, which took place in the period from 1991 to 2018. Therefore, the Commission summarized the available information on the progress of the construction and reform of the Armed Forces since the declaration of independence of Ukraine, the chronology of which can be conditionally divided into five stages.

The first stage of reform and development of the Armed Forces of Ukraine in the period from 1991 to 1996

Presidents of Ukraine - L.M. Kravchuk, L.D. Kuchma.
Ministers of Defense - K.P. Morozov, G.V. Radetsky, V.M. Shmarov, O.I. Kuzmuk.
Officers of the General (Main) Staff - G.V. Zhivytisia, V.T. Sobkov, A.V. Lopata, O.I. Zatyainko.

It is worth noting that during the specified period, the foundations for the creation of the independent Armed Forces of Ukraine were laid, as well as the Ministry of Defense of Ukraine, the General Staff of the Armed Forces of Ukraine, the types of the Armed Forces of Ukraine, the system of management, training and comprehensive support of troops (forces), etc. therefore, in the specified period, decisions and actions of the

highest military-political leadership of the state took place, which led to a significant decrease in the state's defense capability, losses of military property, as well as damage to the economic and political interests of Ukraine.

The specified period, in the opinion of the Commission, is no less tragic in the history of the construction of the Armed Forces of Ukraine, during the period of V.F. Yanukovich's rule, under the leadership of citizens of the Russian Federation, who probably worked to the detriment of the state's defense capability, given the consequences of their activities, in interests of the Russian Federation.

Thus, the Verkhovna Rada of Ukraine in the shortest possible time adopted laws and resolutions that established and defined the military organization of an independent state, in particular the following.

On August 24, 1991, the Verkhovna Rada of Ukraine adopted the resolution "On military formations in Ukraine", which initiated the formation of the Armed Forces of Ukraine with the subordination of all military formations stationed on the territory of Ukraine to the Verkhovna Rada of Ukraine and the formation of the Ministry of Defense of Ukraine. In fact, this resolution marked the beginning of the construction of the Armed Forces of Ukraine as an important institution of the state and an integral element of its military organization.

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On October 11, 1991, the Verkhovna Rada of Ukraine approved the Defense and Construction Concept of the Armed Forces of Ukraine. The adopted Concept assumed that Ukraine would gradually, taking into account all factors of national security, realize its intention to become a neutral, non-nuclear state in the future, which would not participate in military blocs, but instead would observe all treaties and agreements on the non-use of nuclear weapons.

The concept determined that the Armed Forces of Ukraine consist of three types: Ground Forces (Ground Defense Forces), Air Force and Air Defense Forces (Air Defense Forces), and Naval Forces. The Armed Forces of Ukraine are built according to the principle of reasonable sufficiency. Based on the financial and economic capabilities and the fact that the Armed Forces of Ukraine are fully financed from the state budget, the number of all troops was determined at the level of 0.8–0.9% of the country's population, i.e. 400–420 thousand people.

It was determined that legislative regulation in the field of defense, national security and military construction is carried out by the Verkhovna Rada of Ukraine, and the President of Ukraine (before the election of the President of Ukraine - the Chairman of the Verkhovna Rada of Ukraine) is the Commander-in-Chief of the Armed Forces of Ukraine. The concept provided for the creation of the Defense Council of Ukraine as the highest state body for the management of defense and security of the state, which develops the main directions of military policy and military construction. A place in the military administration bodies of the Minister of Defense of Ukraine and the General Staff of the Armed Forces was also determined.

On October 11, 1991, the Verkhovna Rada of Ukraine decided to create the Defense Council of Ukraine, approved the composition of officials who are part of the Defense Council of Ukraine, as well as the Regulations on the Defense Council of Ukraine.

06.12.1991 The Verkhovna Rada of Ukraine adopts the laws "On the Defense of Ukraine" and "On the Armed Forces of Ukraine".

The Law of Ukraine "On the Defense of Ukraine" was based on the fact that Ukraine strives for peaceful coexistence with all states, regardless of their socio-political and economic orientation. Based on the principle of defense sufficiency, the Law defined general provisions on the defense of Ukraine, the legal basis for the activities of state authorities and management in ensuring the defense of Ukraine, as well as provisions relating to the state of war, wartime, mobilization, territorial defense. A special section of the Law was devoted to the Armed Forces of Ukraine.

By appointment, the Armed Forces of Ukraine were defined as a military state structure, the main function of which was the armed defense of the independence, territorial integrity and inviolability of Ukraine. The Armed Forces of Ukraine were created and carried out their activities on the basis of the rule of law, accountability to the constitutional bodies of the legislative and executive authorities; unity of leadership and collegial decision-making; general military duty of citizens of Ukraine; voluntary entry into personnel military service; observance of military discipline; transparency in the activities of the Armed Forces of Ukraine and preservation of state and military secrets; non-partisanship; guaranteed social and legal protection of servicemen.

Strictly speaking, the outlined foundations determined the socio-political and organizational principles of the construction and functioning of the Armed Forces. They reflected their social nature and character as the army of a legal democratic state.

On 11/20/1991, Resolution No. 321 of the Cabinet of Ministers of Ukraine approved the Temporary Regulations on the Ministry of Defense of Ukraine, according to which the number of the central apparatus of the Ministry of Defense was approved at 248 people (216 are military personnel). It was allowed to have 5 deputy Ministers of Defense, including the first two, as well as the Ministry's collegium consisting of 11 people.

On January 3, 1992, the process of bringing troops stationed on Ukrainian territory to a voluntary oath of allegiance to the people of Ukraine began. It was planned to be completed by January 20, but then the deadline was extended to January 31, and in fact the process of taking the oath lasted even longer.

Decree of the President of Ukraine dated 04/05/1992 No. 209 on the base of the Black Sea Fleet was an attempt to form the governing bodies of the Ukrainian Naval Forces, on 04/10/1992 the effect of this provision was suspended until the distribution of the fleet between the Russian Federation and Ukraine.

On June 25-26, 1992, a meeting of the collegium of the Ministry of Defense of Ukraine was held with the agenda "On the progress of the creation of the Armed Forces of Ukraine and the task of qualitative formation of units and units at the first stage of military reform." The collegium more clearly defined the task, clarified the plan for reforming the military formations until 1995 inclusive.

In mid-June 1992, the Verkhovna Rada of Ukraine ratified the Treaty on Conventional Armed Forces in Europe, which determined the maximum levels of armaments and military equipment for Ukraine, and accordingly required a reduction in the number of tanks by 5,300 units, armored combat vehicles by 2,400 units, combat aircraft by 477 units.

The Military Doctrine of Ukraine dated October 19, 1993 (No. 3529-XI) was approved by the resolution of the Verkhovna Rada of Ukraine. According to the provisions of the Military Doctrine, the following was envisaged:

- Ukraine proceeds from the fact that it is not a potential adversary of any state;
- Ukraine opposes the placement of foreign troops on its territory;
- Ukraine adheres to non-aligned status;
- Ukraine participates in the reduction of troops and conventional weapons on the basis of relevant international agreements, and also intends to become a nuclear-free state in the future;
- Ukraine advocates the creation of comprehensive systems of universal and pan-European security and considers participation in them an important component of its national security.

According to the Decree of the President of Ukraine dated January 28, 1993, the formation of a single type of the Armed Forces of Ukraine - the Air Defense Forces - began on the basis of the Air Force of Ukraine and the Air Defense Forces of Ukraine.

On April 20, 1995, by the decree of the President of Ukraine, the Air Defense Forces were restored as part of the Armed Forces of Ukraine.

On January 26, 1996, the National Security and Defense Council reviewed the draft Concept of Reforming the Armed Forces of Ukraine. The concept provided for a further significant reduction of troops, the liquidation of military districts and the transition to an operational-territorial system of construction of the Armed Forces, the principles of regional staffing, etc.

According to the Decree of the President of Ukraine dated 05/23/1996, the command of the Ground Forces is being formed within the Armed Forces, which is subordinated to the management bodies and troops of the military districts.

Along with this, the specified period is characterized by:

1) a significant **reduction** in the number of the Armed Forces of Ukraine due to the disbanding of units (to 455,000 people in 1993, that is, more than 300,000 people were reduced; and by the end of **1995 to 400,000 people**; this reduction required additional financial resources for the payment of severance pay, provision of housing, but it corresponded to the adopted Concept of defense and construction of the Armed Forces, which determined that the number of troops (forces) should be 0.8 - 0.9 percent of the population);

2) interstate transfer of military personnel (from 1991 to 1994, about 12,000 officers and warrant officers were transferred from Ukraine to other states, over 33,000 returned to the Motherland, including 27,982 officers);

3) the lack of a systematic approach and a consistent plan for solving the problems of military restructuring, and the main problem for the Armed Forces was the need to solve social tasks, the number of which was constantly growing; in addition, a deep reduction of the Armed Forces with an orientation to the absence of real military threats, while not taking into account the trends in the development of the military and political situation, which began to emerge in the first half of the 90s (territorial claims of the Russian Federation regarding Sevastopol and Crimea), as well as along with the reduction of obsolete weapons, defense expenditures increased and rearmament took place on the latest models of military equipment, as a result of which the combat potential of the armies of foreign countries was constantly growing;

4) **the lack of a well-founded program for the reform of the Armed Forces**, the uncertainty of clear tasks for the development of the Armed Forces, the inconsistency of their structure, numbers, nature of training, and deployment to new geopolitical realities and internal socio-political and economic conditions;

5) decision-making and implementation of **nuclear disarmament measures**, in particular the abandonment of strategic and tactical nuclear weapons;

6) as a result of joining the Treaty on Conventional Armed Forces in Europe, **an uncontrolled process of selling off military equipment and property of the Armed Forces of Ukraine** from bases, warehouses and arsenals, selling equipment outside of Ukraine, as well as seizing, leasing and selling real estate began. The former Ministry of Defense of the USSR, which in turn created the conditions for a gradual systematic decrease in the level of combat capability of the Armed Forces of Ukraine;

6) **significant underfunding of defense needs**, deterioration of the state of social security of the personnel of the Armed Forces (at one time, this led even to the granting of permission to **military personnel serving voluntarily and under contract to engage in entrepreneurship in their off-duty hours**, and as evidenced by the received information and materials investigation, some successfully "combined" the interests of the service with entrepreneurial activity - **not infrequently, generals and senior officers directly and openly conducted negotiations on the sale of military property**, conducting barter operations according to the scheme: the seller Ukraine - weapons (tanks, planes), and the buyers - laurel leaves, pepper, etc., the main thing is to strengthen the defense capability);

7) **the adoption by the top military-political leadership of the state, on grounds whose legality was not established by the Temporary Investigative Commission, of a decision to divide the former Black Sea Fleet of the USSR between Ukraine and the Russian Federation on 50/50 terms**, with the subsequent adoption of a decision to transfer to the Russian Federation the share of the fleet belonging to Ukraine (50%) to repay the debt to the Russian Federation (mainly for the supply of natural gas), as a result of the loss of control over the Black Sea Fleet, as well as the actual **loss of the most combat-ready part of the fleet**;

8) the adoption by the highest military-political leadership of the state, on the basis of the legality of which the Temporary Investigative Commission has not established, decisions on the **separation of military equipment and property of military units from the Russian Federation**;

9) a significant decrease in the execution of defense orders, as well as a significant limitation of funding for the creation of new types of weapons and military equipment;

10) the deployment of a broad defense industry conversion program, the **repurposing of part of the military-industrial potential for the needs of economic and social development**, which, as history has shown, led to the actual loss of the majority of such enterprises by the state.

The members of the Commission came to the conclusion that during the specified period, the young state was faced with the complex issues of building and reforming the Armed Forces, which, given the military aggression of the Russian Federation against Ukraine, which began in 2014 and was not immediately repulsed due to a significant reduction in the combat capability of the Armed Forces, were not successful resolved in the specified period, as well as in subsequent periods of development and reform of the Armed Forces.

Thus, at the beginning of 1992, **a significant number of generals and officers who commanded military districts, armies and units remained supporters of the restoration of the USSR and believed in the return of the Soviet Union or tried to return to their homeland in other republics of the USSR**. Ukrainian patriots served in the territories of other republics of the former USSR and returned to Ukraine until the mid-1990s.

The **Ministry of Defense and the General Staff of the Armed Forces of the USSR came under the authority of the Russian Federation and immediately began the withdrawal (export) of new equipment and material and technical means of the former Armed Forces of the USSR from the territories of the post-Soviet republics, and Ukraine did not miss these events**.

Yes, there are **well-known examples of the uncontrolled and illegal transfer of military equipment** and property of the Armed Forces of the Russian Federation to the Russian Federation:

1) without the consent of the Verkhovna Rada of Ukraine, before the determination of the procedure for the export of nuclear weapons for their destruction, as well as the determination of the conditions and amount of compensation for the transferred nuclear materials, the export of 2,883 tactical nuclear charges by the Russian Federation from the territory of Ukraine until 05/06/1992, that is, exported from the grounds, the legality of which was not established by the Temporary Investigative Commission;

2) The Black Sea Fleet of the former USSR - the search and rescue ship "Yamal" (displacement 7,230 tons) went on a raid to the Baltic Fleet (RF) in 1992, but did not return to its home port and was not taken into account during the distribution of the ship's crew. as well as other vessels of the Black Sea Fleet; the same situation occurred with the large submarine BS-555; similarly, 4 Mi-8MT helicopters and 4 Mi-14PL helicopters were transferred to Anapa and were not taken into account during distribution; about 40 units of Yak-38 carrier aircraft, which were decommissioned in 1991, were disassembled, loaded on a barge, who disappeared in an unknown direction; 17 units of all-wheel drive floating transporter vehicles were relocated to Moscow and other units of the Russian Federation; 5 units of automotive radar combat equipment were removed from non-perishable stocks for their transfer to Novorossiysk and were not taken into account during the distribution of the fleet; as well as the facts of the removal to Novorossiysk of the property of the Black Sea Fleet, which was stored in warehouses and bases (radio-technical recognition equipment, communication encryption equipment, the nomenclature of the property of the rear services, etc.); implementation and release to the commander of the Black Sea Fleet of fuel in the total amount of 35,000 tons at the expense of barter operations for housing construction in Novorossiysk (RF); there are also known cases of illegal alienation by the commander of the Black Sea Fleet of fixed assets of the fleet, including land plots, especially in coastal strips of AR Crimea (for example,

3) the illegal transfer to the territory of the Russian Federation of 6 Su-24 units (supersonic tactical front-line bombers with variable wing geometry), which took place on February 13, 1992 during planned training flights (according to the information received, the officers who committed this crime and betrayed the military oath, successfully served in the Russian Federation and were not prosecuted, while the Russian Federation did not return the stolen planes, which can only be explained by the absence of legal demands from the top military-political leadership of Ukraine for the return of military property, extradition of criminals for prosecution);

4) without the consent of the Verkhovna Rada of Ukraine and contrary to the adopted Laws, the transfer to the Russian Federation of at least 50% of military equipment and property, airplanes, helicopters, etc. of the former 98th Airborne Division of the USSR Armed Forces, which was stationed in the city of Bolgrad, Odesa Region, was agreed by the top management of the military department, which was loaded and taken out (twenty-seven full-fledged railway echelons) in the city of Ivanovo (Russian Federation), in addition to this, 50% of the aircraft on which military equipment and property were loaded, as a result of which Ukraine lost military property, as well as the loss of combat capability of the division, which in 2003, it was completely disbanded, leaving the southwestern region without combat-ready units; with, according to information, in 2014, the 98th Guards Airborne Division of the Russian Armed Forces took part in military incursions into the territory of Ukraine using equipment that Ukraine once transferred to the Russian Federation; as well as other cases of the transfer of military equipment and property to the Russian Federation.

The commission notes that the process of interstate transfer of military personnel in the early 1990s was completely understandable and was an objective process, but the military personnel who returned to Ukraine from the territories of the former USSR to continue their service in the Armed Forces moved in a civilized (civil status and without equipment) manner: not on military ships that were built at Ukrainian shipbuilding enterprises, and not on tanks that were built in Ukraine and transferred to units of the USSR Armed Forces outside of Ukraine, and not on planes created at aircraft construction enterprises of Ukraine. At the same time, the transfer of military personnel to the service of the Russian Federation was accompanied by numerous facts of appropriation of military equipment and property, ships and vessels, aircraft, etc., while the higher military and political leadership developed "friendly" relations with the Russian Federation within the framework of the Commonwealth, ignoring all cases of misappropriation and banal theft of military property. It is likely that the higher military and political leadership of Ukraine ignored national interests, because this is evidenced by the policy of that time, aimed at satisfying the interests of the Russian Federation, which step by step took everything it could from the former republics, and most importantly, on the terms that determined the Russian Federation, and not the republics of the former USSR. Clear examples of this are the process of nuclear disarmament, the decision to divide the Black Sea Fleet, the 98th Airborne Division of the USSR Armed Forces, as well as the free transfer of valuable military property specified in this Report. which step by step pulled everything it could from the former republics, and most importantly on the terms that defined the Russian Federation, not the republics of the former USSR. Clear examples of this are the process of nuclear disarmament, the decision to divide the Black Sea Fleet, the 98th Airborne Division of the USSR Armed Forces, as well as the free transfer of valuable military property specified in this Report. which step by step pulled everything it could from the former republics, and most importantly on the terms that defined the Russian Federation, not the republics of the former USSR. Clear examples of this are the process of nuclear disarmament, the decision to divide the Black Sea Fleet, the 98th Airborne Division of the USSR Armed Forces, as well as the free transfer of valuable military property specified in this Report.

It is obvious that the main task of the top military-political leadership of the Ukrainian state in 1991-1992 was to replace the pro-Soviet and pro-Russian military leadership, to take control of the management of the groups of troops (forces) stationed on the territory of Ukraine, to form the main bodies of military management in the shortest possible time, to preserve the existing weapons and military equipment that remained on the territory of Ukraine and to start the creation of the national Armed Forces of Ukraine.

At the same time, the attempts of the top military and political leadership of the state to organize the management of the troops (forces) that remained on the territory of Ukraine after the collapse of the USSR were not always successful, despite the timely adoption by the Verkhovna Rada of Ukraine of legal acts establishing and defining the military organization of an independent state.

An example of this is the loss by the top military-political leadership of the state of control over the former Black Sea Fleet of the USSR, as a result of the actual loss of the fleet, the deployment of a foreign military formation on the territory of independent Ukraine, which became the basis for conducting subversive activities against Ukraine, and, as evidenced by the events of 2014, this led to the temporary occupation of the Autonomous Republic of Crimea by the Russian Federation, as well as armed aggression on the territories of Donetsk and Luhansk regions.

During the study of the facts indicating the embezzlement of the property of the fleet, the Commission paid attention in general to the issue of the distribution of the Black Sea Fleet, in particular to the legality of the grounds for its implementation, which proved that the so-called distribution between Ukraine and the Russian Federation of the Black Sea Fleet is nothing more than a fact of loss Ukraine of its fleet, as well as laying the foundations for subversive activities against Ukraine and the development of the separatist movement in 2014. That is why the Commission considers it necessary to note the circumstances and events established during the investigation that led to both the loss of control over the former Black Sea Fleet of the USSR and

its actual loss to the Russian Federation. Information about the circumstances of Ukraine's loss of control over the Black Sea Fleet of the former USSR, the circumstances of its division between Ukraine and the Russian Federation, information about established facts,

During processing of the information and copies of documents provided to the Commission, including materials of the Temporary Investigative Commissions, which investigated the facts of illegal trade in weapons and military property, in particular those formed by resolutions of the VRU dated 18.02.1997 No. 78/97-BP, dated 15.12.1998 No. 315-XIV, dated 11.07.2002 No. 87-IV (hereinafter - previous investigative commissions), facts were also established that may indicate that the top military-political leadership of Ukraine made decisions, took actions, including the conclusion of contracts with the Russian Federation in the specified period, the terms of which contradicted the national interests of Ukraine, and the fact of the conclusion and implementation of the concluded contracts, in addition to the fact that they contradicted the Laws of Ukraine, led to the assignment of particularly large losses to Ukraine. So, for example:

1) making decisions, the content of which may indicate the transfer to the Russian Federation of tactical and strategic nuclear charges, intercontinental ballistic missiles RS-18 under conditions that did not correspond to the national interests of Ukraine (information is provided in appendix 3 to this Report; also in the corresponding appendix information on the estimated cost of the destroyed infrastructure of the 43rd Missile Army);

2) the conclusion of an agreement between the Government of Ukraine and the Government of the Russian Federation on cooperation in the field of shipbuilding and ship repair dated January 15, 1993, under the terms of which the Ukrainian Party undertakes to carry out, at the expense of the Russian Federation, the completion of the ships, vessels and floating technical equipment specified in the agreement at shipbuilding and ship repair enterprises, after which transfer them without receiving any cost compensation to the Navy of the Russian Federation (information is provided in Appendix 1 to this Report);

3) making decisions and taking actions regarding the alienation of expeditionary and research vessels to ensure the interaction of ground flight control points with the crews of spacecraft and stations, as well as with the functions of autonomous control of space vehicles, in particular the ship "Cosmonaut Yuriy Gagarin" and the ship "Akademik Serhiy Korolyov" (information is provided in Appendix 1 to this Report), etc.

It is worth noting that, according to the materials of the previous investigative commissions, it can be seen that the process of arms trade became uncontrolled from the beginning of 1992, because literally everyone who showed such a desire was involved in this activity.

Thus, the sale of weapons actually began with the issuance of the Decree of the President of Ukraine dated 31.12.1991 No. 28 "On the procedure for the sale of materials, equipment, weapons and real estate by the Armed Forces on the territory of Ukraine", which created the infamous Commercial Center under the Ministry of Defense of Ukraine for conducting commercial transactions with movable and immovable property and funds received from the sale of equipment and property released as a result of the reduction of troops and armaments. At the same time, the provisions of this Decree determined that commanders of troops of military districts, commanders of the Black Sea Fleet, associations, commanders of formations, units,

That is, at the beginning of 1992, the exclusive prerogative to determine what was going to be sold belonged to the district commanders, as well as the commanders of military units, who not infrequently directly concluded agreements on the sale of military property, which testified to a completely uncontrolled process of selling weapons and military equipment.

This state of affairs is confirmed by the Presidential Decree itself, the preamble of which describes the processes of the completely uncontrolled sale of weapons, in particular the following is stated:

"... today there are facts of mass removal of material resources, weapons and equipment from bases, warehouses and arsenals, sale of equipment outside of Ukraine, seizure, lease and sale of real estate of the former Ministry of Defense of the USSR. In order to prevent the export of food, military-technical property, weapons, military equipment, including everything that is subject to write-off or sale for the needs of the national economy, from the territory of Ukraine, to prevent cases of seizure, transfer of movable and immovable property and other illegal agreements between representatives military units and citizens and organizations, as well as control over the deduction of funds to the account of the Ministry of Defense of Ukraine for their further use for the social needs of servicemen in the troops stationed on the territory of Ukraine,

Subsequently, in view of the established facts of losses, embezzlement, embezzlement and other serious violations in the financial and economic activities of this institution, the Commercial Center was liquidated in June 1993, and the materials were handed over to the military prosecutor's office of the Central Region for the investigation of crimes committed by officials persons of this center, however, the results of this investigation and the bringing of the guilty to the established responsibility are still unknown.

In view of the huge amount of property that was offered for sale after the creation of the Commercial Center of the Ministry of Education and Culture and the limited possibilities of its documentation, at the request of Prime Minister V. Fokin by Decree of the President of Ukraine dated January 20, 1992 No. 45 marked "Not for press" an additional subject of arms sales was created - the foreign economic company "Ukrainian House", which was granted extraordinary and, at the same time, illegal powers to carry out license-free sales to foreign countries and private companies of excess stocks of goods and material values, as well as to carry out export sales operations arms and military equipment abroad according to the nomenclature agreed with the Ministry of Defense of Ukraine. There is no information on the amount of property sold by this company during the year,

Even non-governmental organizations, which, according to the Law and their statutes, did not have the right to trade not only weapons, but also pencils, began to trade in weapons, military and special equipment. One of such well-known public organizations was the International Public Fund "Business Diaspora of Ukraine", whose president was Volodymyr Hrynyov, who held the position of Deputy Chairman of the Verkhovna Rada of Ukraine, and the members of the fund were the Minister of Machine Building, Military-Industrial Complex and Conversion of Ukraine Viktor Antonov, Deputy Secretary National Security and Defense Council Oleksandr Razumkov, Chairman of the Interbank Currency Exchange Vadym Getman, Deputy Minister of Information Oleh Bai, Chairman of the People's Democratic Party Anatoly Matvienko, Oleksandr Zadorozhnyi and others. As can be seen from the investigation materials of the previous commissions, submitted on 02.28. In 1992, the seal of the Secretariat of the Verkhovna Rada of the Ukrainian Soviet Socialist Republic was used by the management of the foundation for the Ministry of Justice's registration documents. There is no information on the amount of property that was sold by this public organization, however, it can be seen from the investigation materials that the President of this International Foundation in a letter dated September 19, 1994 No. 3 in the name of the Vice-Prime Minister of Ukraine V. Shmarov, concerns the granting of the right to conduct foreign economic operations for the sale of weapons, military products, as well as the repair of military equipment, which may also testify to the implementation by this public organization of the declared in this letter of activity. however, it can be seen from the investigation materials that the President of this International Fund in a letter dated September 19, 1994 No. 3 in the name of the Vice-Prime Minister of Ukraine V. Shmarov, concerns the granting of the right to conduct foreign economic operations for the sale of weapons, military products, as well as the repair of military equipment, which may also testify to the implementation by this public organization of the declared in this letter of activity. however, it can be seen from the investigation materials that the President of this International Fund in a letter dated September 19, 1994 No. 3 in the name of the Vice-Prime Minister of Ukraine V. Shmarov, concerns the granting of the right to conduct foreign economic operations for the sale of weapons, military products, as well as the repair of military equipment, which may also testify to the implementation by this public organization of the declared in this letter of activity.

Also, from the materials of the investigation, it can be seen that in April 1993, the Deputy Minister of Defense, General Ivan Bizhan, without the knowledge of the Financial Department of the Ministry of Defense, signed an Agreement with the director of the "New Generation" fund, Vyacheslav Shmelev, to whom he gave unlimited powers in the field of arms trade, military and special equipment and property. Also, this fund was authorized to represent the interests of the Ministry of Defense during international negotiations on the implementation of investment projects and other issues. As noted in the report of the temporary investigative commission dated March 24, 1998, the financial director of this fund was the head of the Institute for the Transformation of Society O.I. Soskin, who was connected to the well-known arms smuggler Dmytro Streshinsky (in the mass media, who was convicted by the Turin court for the illegal supply of weapons from Ukraine to Croatia during the Balkan conflict), who, with the help of the Deputy Minister of Defense, General Ivan Oliynyk, managed to resell more than a thousand tons of Ukrainian weapons and equipment using forged documents. Also, the temporary investigative commission established that General Ivan Oliynyk, who held the position of Deputy Minister of Defense, simultaneously worked for the "New Generation" fund and received a salary.

The report of the investigative commission of the Verkhovna Rada of Ukraine, which conducted the investigation in 1998, gives examples and established facts of illegal trade in weapons, which caused particularly large losses to the state. Also, the commission, based on the study of military property sales operations, came to the conclusion that, in fact, state organizations engaged in the arms trade carried out no

more than 20% of the operations for the supply of military goods from Ukraine to international markets, the rest of the operations for the supply of weapons and of military equipment (in the amount of 80% of their total volume) was carried out by shadow structures that operated under cover (for example, the report provides information from the Security Service of Ukraine regarding the exposure of individual attempts to illegally move military goods across the state border, in particular, information on the termination of contracts for the supply of explosives by the enterprises of the Ministry of Industry and Trade of Ukraine to foreign companies, under the cover of which the international terrorist organization "Liberation Tigers of Tamil Eelam" operated). The report also provides information on the visit to the territory of Ukraine by underground arms dealers known to Interpol, Schultz and Schalk-Holodkovsky, who, according to the commission, organized deliveries from Ukraine of anti-aircraft missile systems, various types of missiles, small arms and ammunition.

At the same time, the Commission noted the high secrecy of data on the number and names of organizations that received the right to trade in arms, however, it was noted that in 1996 the total number of such subjects was 114 different firms and companies, and the volume of arms sales was carried out for the total amount more than 30 billion dollars The USA, of which, as noted above, according to the information of this commission, no more than 20% took place in accordance with concluded agreements, and accordingly, one can only imagine the amount of embezzlement of military property. In its report, the Commission provides information that law enforcement agencies are investigating the facts recorded in the report, but the Commission is not aware of their results.

The above-mentioned information indicates the origin in 1991 and approval during 1992-1995 of the process of uncontrolled sale of weapons and military equipment, in which persons who held the highest management positions in the state were involved. According to the Commission, this was facilitated by the lack of proper regulatory and legal support, which allowed almost anyone who wanted to trade in weapons who had access to persons who granted such a right. The process of chaotic arms trade was stopped only in the period 1997-2004, when exclusive state-owned economic entities (special exporters) were identified, which were granted exclusive rights to engage in relevant activities, and such activities were regulated by regulatory legal acts. Of course, abuses occurred during the activities of these special exporters, but in the period 1997-2004.

Thus, the uncertainty of the clear objectives of the development of the Armed Forces of Ukraine in the specified period, the absence of a well-founded program for reforming the army, led to the adoption of decisions and the implementation of measures aimed at a significant reduction in the personnel of the Armed Forces of Ukraine, as well as disarmament, which in turn led to an uncontrolled sale process and the loss of military equipment and property of the Armed Forces of Ukraine, which was accompanied by massive abuses, as well as ignoring the national interests of Ukraine in the military, political and economic spheres, which significantly reduced the level of combat capability of the Armed Forces of Ukraine.

The second stage of the reform and development of the Armed Forces of Ukraine in the period from 1997 to 2004

President of Ukraine - L.D. Kuchma

Ministers of Defense of Ukraine - Kuzmuk O.I., Shkidchenko V.P., Marchuk S.K.

Chiefs of the General Staff: O.I. Zatyanaiko, V.P. Shkidchenko, P.I. Shulyak, S.I. Kyrychenko.

It is worth noting that the specified period is characterized by the improvement of the regulatory and legal framework in the sphere of ensuring national security, in particular in the military sphere, the formation of a new structure of the Armed Forces of Ukraine and efforts to create an effective defense management system of Ukraine. At the same time, during the specified period, the process of chaotic and uncontrolled sale of weapons was stopped, but there were other problems related to the biased assessment of such property, etc.

At the same time, during the specified period, the real threats to the security of Ukraine in the military sphere are not objectively determined (the presence of territorial claims of the Russian Federation at least in relation to the city of Sevastopol, the incompleteness of the border demarcation process with the Russian Federation, inadequate requirements regarding the division of the fleet, aggressive policy towards military sailors, who swore allegiance to Ukraine, others), the implementation of measures to reduce the number of the Armed

Forces continues and the process of systematically reducing the level of combat capability of the Armed Forces of Ukraine is intensifying.

Thus, in January 1997, the President of Ukraine approved the State Program for the Construction and Development of the Armed Forces of Ukraine for the period until 2005, which provided for the implementation of measures to optimize the structure and number of the Armed Forces, in particular, the reorganization of military districts and the Northern Operational Territorial Command into operational commands, restructuring systems of management, operational, rear and medical support of troops (forces), etc. Its main goal was to create, according to the principles of defense sufficiency of the modern model of the Armed Forces - optimal in terms of numbers, mobile, well-armed, comprehensively equipped and trained troops (forces), capable of fulfilling the tasks assigned to them and at the same time not too burdensome for the state.

At the same time, it is worth noting that from the contents of the Decree of the President of Ukraine dated 11/15/2000 No. 1237/2000 "On the decision of the National Security and Defense Council of Ukraine dated 10/31/2000 "On the progress of implementation in 1997-2000 of the State program for the construction and development of the Armed Forces for the period until 2005 of the year" it can be seen that due to its incomplete implementation during 1997 and the first half of 2000, primarily due to financial and economic problems, the program of reforming the Armed Forces was adjusted, and measures aimed at its implementation were taken, in particular, the Government was entrusted with the duty to ensure target financing in the minimum amount of measures provided for by the State Program, as well as for financing state and target programs in the field of defense. In addition, since 2001, the CMU has been entrusted with the duty to ensure the direction of procurement, maintenance, operation, repair, maintenance of weapons and military equipment and research and development works 50 percent of the funds received from the sale of weapons, equipment and other property provided for the needs of the Ministry of Defense of Ukraine in addition to the general fund expenditures for national defense. That is, it follows from this that the higher military-political leadership of the state during this period carried out a policy regarding the maintenance of the Armed Forces, their reduction and attempts to solve the issue of their development at the expense of the reduction of military units and formations, and accordingly, the accumulation of surplus property that was subject to realization, the funds from which will be allocated for armaments (50%), the other part for the maintenance of the Armed Forces.

On January 21, 1997, the Decree of the President of Ukraine approved the Regulations "On the Ministry of Defense of Ukraine" and "On the General Staff of the Armed Forces of Ukraine", which demarcated the functions and powers of these bodies of management and military support.

In particular, the provision "On the General Staff of the Armed Forces of Ukraine" significantly expanded the powers of the General Staff to implement state defense planning and operational management of all military formations of Ukraine; also, the General Staff of the Armed Forces of Ukraine received the right to control the execution of tasks related to the organization of state defense by all military formations. At the same time, the provision "On the Ministry of Defense" clarified the agency's powers. That is, the said Regulations provided for mechanisms to prevent uncoordinated actions of the top management of the Armed Forces, provided for the personal responsibility of the Minister of Defense to the President of Ukraine, the National Security Council and the KМУ, and the Chief of the General Staff of the Armed Forces of Ukraine - before the National Security and Defense Council of Ukraine and the Minister of Defense; on the joint issuance by the Minister of Defense and the Chief of the General Staff of the Armed Forces of Ukraine of orders and directives on the most important issues of the construction and development of the Armed Forces, their combat and mobilization readiness, training, etc.

In 1997, for the first time, the cycle of strategic planning of the defense of Ukraine and the approval of the Strategic Decision on the use of the Armed Forces by the President of Ukraine was held.

Since 1998, a new system of military-administrative division of the territory of Ukraine has been introduced - instead of military districts, operational commands were formed. Functionally, they became permanent operational-strategic associations, designed to perform both peacetime and wartime operational, mobilization and territorial defense tasks within the limits established for them, as well as technical, rear, medical and other types of support for troops (forces) located on their territories, regardless of departmental subordination.

In 1998, new functional components of the Armed Forces of Ukraine were created - deterrence forces, mobile forces (quick reaction forces) and military units covering the state border.

At the request of the President of Ukraine L. Kuchma, the Verkhovna Rada of Ukraine adopted a resolution dated December 22, 1998, which approved the following limit of the number of armed forces:

- as of December 31, 1998 - 420 thousand (320 thousand military personnel and 100 thousand workers);
- as of 12/31/1999 - 400,000 (310,000 soldiers and 90,000 workers).

In addition, during the specified period, other laws were adopted that reduced the army every year, and in 2005 the maximum number was set at 245,000 people, including 180,000 military personnel.

In March 1999, the Verkhovna Rada of Ukraine adopted laws approving the Statute of the Internal Service of the Armed Forces of Ukraine, the Statute of the Guard and Garrison Service of the Armed Forces of Ukraine, the Disciplinary and Formation Statutes, which defined the provisions and rules of military service that are mandatory for all servicemen of the Armed Forces of Ukraine, on the basis of which everyday life takes place life, education, training, combat activity of troops; they defined the rights of servicemen, the typical duties of commanders and chiefs, and other issues of the organization and operation of the army.

In 2001, by the Decree of the President of Ukraine L. Kuchma, the provisions on military service by the relevant categories of servicemen were approved, which regulated the issue of military training by cadets of higher military institutions, military service by officers, ensigns, midshipmen, as well as conscript soldiers and/or contract services.

In 2001, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On Intelligence Bodies of Ukraine", which defined the legal foundations of the organization and activities of bodies that carry out intelligence activities for the purpose of protecting Ukraine's national interests from external threats, which are extremely important for state security, the procedure for control and supervision of their activities.

In 2002, the laws "On military law enforcement service of the Armed Forces of Ukraine" were adopted, which was called to organize the service in order to prevent and stop abuses in the military sphere.

Also, in 2002, the Decree of the President of Ukraine was issued "On the State program of the transition of the Armed Forces of Ukraine to the staffing of servicemen undergoing military service under contract", which initiated the transfer of the Armed Forces to the staffing of troops on a contract basis and the organization of the procedure for completing military service under contract.

During 2003, the Verkhovna Rada of Ukraine adopted important normative legal acts, in particular the Law of Ukraine "On the Basics of National Security of Ukraine", as well as the Law of Ukraine "On Democratic Civilian Control over the Military Organization and Law Enforcement Bodies of the State".

In 2004, normative acts important for defense were also adopted, in particular:

- The Law of Ukraine "On Amendments to Article 3 of the Law of Ukraine "On the Armed Forces of Ukraine", which defined the three-type structure of the army;
- The Law of Ukraine "On the Organization of Defense Planning", which defined the organizational and legal principles of defense planning of Ukraine;
- The decree of the President of Ukraine "On the Military Doctrine of Ukraine", which more clearly and realistically defined the threats to the national security of Ukraine in the military sphere and the corresponding tasks of the armed forces and other military formations.

At the same time, it should be noted that an important difference in the Military Doctrine of 2004 was the provision on Ukraine's implementation of the Euro-Atlantic integration policy, the ultimate goal of which was to join NATO, however, a month later, L. Kuchma made changes in his Decree No. 800/2004 of 07.15.2004 to the Military Doctrine, namely in the part of changing the course of Ukraine's Euro-Atlantic integration policy, the ultimate goal of which was to join NATO with a different formulation of the goal: deepening cooperation with NATO.

The provisions of the Military Doctrine of 2004 defined the following: Ukraine aims to strengthen external guarantees of national security, counteract the emergence of new threats to stability in Central and Eastern Europe; in the conditions of the modern military and political situation, the national security interests of

Ukraine require a significant deepening of relations with NATO and the EU as guarantors of security and stability in Europe; activation of Euro-Atlantic integration of Ukraine, including through deep reform of the state's defense sphere in accordance with European standards, belongs to the most important priorities of both foreign and domestic policy; Ukraine, as a member state of the UN and OSCE, a special partner of NATO and a member of the Euro-Atlantic Partnership Council and the Partnership for Peace program, realizing its responsibility in maintaining international peace and security, takes an active part in the actions and measures of multinational forces created by the decision of the UN Security Council to prevent conflicts and resolve them; etc.

At the same time, the provisions of the Military Doctrine determined that the purpose of the defense of Ukraine is the preparation of the state for armed defense, as well as its protection in the event of armed aggression or armed conflict, while it was determined that in the near future the possibility of large-scale use of military force against Ukraine is unlikely, although such a possibility was not ruled out.

It should be noted separately that in 2004 the Ministry of Defense conducted a training review of the Armed Forces of Ukraine, as a result of which one of the main defense planning documents was approved - the Strategic Defense Bulletin of Ukraine, on the basis of which the President of Ukraine L. Kuchma approved the State Program for the Development of the Armed Forces of Ukraine for 2006-2011, which was designed to solve problematic issues of military development.

Thus, in the specified period, as a result of the implementation of the State program of reform and development of the Armed Forces of Ukraine during 2001–2005, as well as the adoption of important laws and other acts on defense organization and ensuring national interests in the military sphere, significant changes took place in the structure of the Armed Forces and their management system. In particular, the process of implementation of defense planning has begun, the functional principle of their construction and application was introduced into the process of reforming the Armed Forces; the distribution of functions and powers between the Ministry of Defense of Ukraine and the General Staff of the Armed Forces of Ukraine was carried out; the United Rapid Response Forces, the main defense forces and the Strategic Reserves became the functional structures of the Armed Forces; priority in formation was given to the Joint Rapid Response Force.

Along with this, the specified period is characterized by:

- the continuation of a significant reduction in the number of the Armed Forces of Ukraine (from 455,000 people in 1997 to 245,000 people (including 180,000 military personnel) in 2005, that is, a reduction of 210,000 people);
- the mass transfer of military property to the sphere of management of other bodies, as well as private economic entities, as well as its loss is noted (land plots are transferred for investment construction, samples of military equipment are leased to private economic entities, mass liberation of military towns and transfer their funds to other state authorities and local self-government bodies, which in the future not infrequently became objects of abuse);
- the distribution of the former Black Sea Fleet of the USSR between Ukraine and the Russian Federation on grounds whose legality has not been established by the Temporary Investigative Commission is completed, and the transfer to the Russian Federation of virtually the entire share of the fleet belonging to Ukraine to repay the debt for the supplied energy carriers (information and circumstances of this are set out in appendices 1, 2 to this Report);
- a mass write-off of ships and vessels obtained by Ukraine as a result of the distribution of the former Black Sea Fleet of the USSR between Ukraine and the Russian Federation, which indicates the acceptance into the Navy at the time of distribution of vessels unsuitable for further use (information and circumstances of this are set out in appendices 1, 2 to this Report);
- a large amount of military property, including ships and vessels, aircraft, weapons and military equipment, spare parts for them is included in the lists of surplus property to be sold, based on the principles of existing demand for it, and it is also sold at residual value with further sale by new owners at market prices;
- there are rare cases of illegal use of military property, including its transfer during settlements with the Russian Federation for granted loans and supplied energy carriers;
- in the defense-industrial complex of Ukraine, the problems caused, in particular, by the underfunding of the Armed Forces are intensifying; defense orders are practically not placed at these enterprises.

It should also be noted that during the specified period, the objects of the infrastructure of the Armed Forces of Ukraine, which ensured their activity, were alienated or transferred to other state bodies and local self-government bodies, and/or their loss. So, for example, the order of the Cabinet of Ministers of Ukraine dated 11.08.2000 No. 321-r "On the transfer of the property of the airfield and technical complex "Uzyn Air Base" accepted the proposal of the National Coordination Center and the Ministry of Defense (agreed with the Ministry of Economy, Ministry of Finance, State Property Fund and Derzhkomstat) on the transfer of the buildings, structures and property of the airfield and military towns No. 1, 3 of the airfield and technical complex "Uzyn Air Base", released from the Armed Forces, from the sphere of management of the Ministry of Defense to the operational management of the National Coordination Center, which was entrusted with the duty, together with the Ministry of Economy and the Ministry of Defense, to implement the necessary measures to ensure the functioning of the airfield and technical complex "Uzyn Air Base" as intended. At the same time, as was established by the audit of the Accounting Chamber of Ukraine, the National Coordination Center did not ensure the fulfillment of the tasks assigned to it, because instead of creating a cargo airport, the complex was actually destroyed, as well as high-alert barracks No. 177, 178, 179 were dismantled, the premises of the headquarters of the 2nd of the aviation regiment and the park of the aviation maintenance battalion.

The analysis of the events of the specified period, as well as the provisions of the Military Doctrines of Ukraine, showed that the red line in the governing documents was the conclusion that there were no real threats to the national security of Ukraine in the military sphere, which did not correspond to the real military-political (military-strategic) situation in Ukraine and around it, especially in Crimea, and therefore the real level of threats to the security of Ukraine, as a result of the policy aimed at reducing the army and its armaments.

During the processing of the information and copies of documents provided to the Commission, facts were also established that testify to the decision-making and actions taken by the top military-political leadership of Ukraine, including the conclusion of contracts with the Russian Federation during the specified period, the terms of which contradicted the national interests of Ukraine, some of which corresponded to the economic and political interests of the Russian Federation, and the fact of concluding and implementing the concluded contracts, in addition to being contrary to the Laws of Ukraine, led to the assignment of damages to Ukraine, the assessment of which is still was not provided. So, for example:

1) the conclusion of the agreement on the division of the Black Sea Fleet, in particular on the Basic Agreement between Ukraine and the Russian Federation on the parameters of the division of the Black Sea Fleet dated 05.28.1997, Ukraine ceded to the Russian Federation 32% of the best part of the fleet from the 50% share illegally assigned to it, leaving itself 18% of the ship's crew and 50% of the weapons and military equipment of the Black Sea Fleet (circumstances of the division of the fleet in favor of the Russian Federation, other information on the division of the fleet, as well as information indicating the facts of theft of military property of the fleet are given in appendices 1, 2 to this Report);

2) regarding the transfer of heavy bombers Tu-160 (8 units), Tu-95MS (3 units), long-range air-launched cruise missiles (X-55 (575 units) .)) and equipment for them (engines, spare parts, equipment for maintenance, which was placed in 126 railway cars) to account for payments on the debt of NJSC "Naftogaz of Ukraine" to OJSC "Gazprom" in the amount of 275 million dollars. USA, which was not nearly commensurate with the value of the transferred property (information is provided in Appendix 4 to this Report);

3) regarding the sale for 20 million dollars. USA cruiser project 1143, code "Krechet", head No. 106 aircraft carrier cruiser "Varyag", the cost of construction of which in the prices of the 90s amounted to more than 2 billion dollars. the United States (the degree of readiness of the ship is 89% without taking into account the cost of design and construction work), as well as the probable free transfer of its design and construction documentation to new buyers, which enabled China to independently build heavy aircraft carrier cruisers; currently the cruiser sold for nothing is the flagship of the Navy of the Chinese People's Army, and according to this project, China built and entered into the Navy another such ship, and continues to build ships of this class according to the allegedly illegally transferred documentation (information about this is given in Appendix 1 hereto report);

4) regarding the withdrawal from the combat staff of the Armed Forces and the transfer of military equipment to business entities that returned such property with a fully exhausted resource and/or lost military property or did not return it at all, but the Armed Forces suffered losses that no one has yet compensated, for example:

- transfer to the Russian transport company "Atruvera" for lease of five (5 units) Il-76MD No. 0063466981, 0053464934, 0043451530, 0053463908, 0043452546 (27.08.2010 the General Prosecutor's Office of Ukraine filed a petition before the General Prosecutor's Office of the Russian Federation about returning these aircraft to the rightful owner, however, according to the available information, they have not yet been returned or lost (No. 0043452546 was lost in a plane crash in 2010), which may indicate that the state has been charged with damages in the amount of more than 100 million US dollars);
- transfer to Naukovo production company "Hoseba" Il-76MD No. 0023440161, according to available information was arrested by Chkaliv Customs of the Russian Federation in 1995 and according to information, the plane was not returned, nor was the state compensated for its cost, which also caused particularly large losses to the state ;
- transfer of CJSC Aviacompaniya "ATI" Il-76 MD No. 00634700962, which, according to available information, was lost in a plane crash in 1998, however, the Ministry of Defense paid \$3,500 as compensation. USA, when the cost of the plane is more than 20 million dollars. USA, there is no information regarding the recovery of the difference between the amount of damages and the three thousand dollars paid;
- the transfer of two Mi-8MTV helicopters to the State Aviation Transport Company, which the Ministry of Defense returned to the Air Force of the Armed Forces through the courts, but such helicopters were dismantled and unusable without major repairs (the amount of damage exceeded UAH 33 million, which no one compensated); in addition, in 2005 this company will be awarded by the Ministry of Defense with an additional contribution to the authorized capital in the form of two Mi-26 helicopters (the largest transport helicopters in the world, which implement technologies that are still unique today), and later, in 2016 these helicopters will be included in the rehabilitation plan, put up for auction and sold at an unreasonably low price;
- according to the received information, in 2002 there were attempts to transfer two Il-76 military transport aircraft with their engines to SE "Ukravialeasing" in order to fulfill the mandate regarding the endowment of the property of the business entity with a state ownership form, at the same time, information about the fact of the transfer of such The Commission does not own the aircraft due to the reasons for not providing such information, but there is information that according to the order of the Ministry of Industrial Policy dated 04.02.2008 No. 64, the activity of the SE "Ukravialeasing" was terminated by its liquidation, which may indicate the loss of the aircraft, if they were the subject of the transfer (for the purpose of confirmation or refutation of such facts, the information is subject to verification by the controlling and law enforcement agencies, because the information was not received during the investigation).

Thus, as a result of the continuation of unjustified reductions in the number of the Armed Forces, as well as various types of weapons, which in the future did not always legally become the subjects of international transfers of military goods, the process of systematically reducing the level of combat capability of the Armed Forces of Ukraine intensified.

The third stage of reform and development of the Armed Forces of Ukraine in the period from 2005 to 2009

President of Ukraine - V. A. Yushchenko
Ministers of Defense of Ukraine - Kuzmuk O.I., Hrytsenko A.S., Yekhanurov Yu.I.
Chiefs of the General Staff: S. I. Kyrychenko, I. Yu. Svida.

This stage of the reform and development of the Armed Forces of Ukraine is characterized by the efforts of the top military-political leadership of the state to improve the regulatory and legal framework, while the process of systematically reducing the level of combat capability of the Armed Forces of Ukraine has significantly deepened as a result of the continuation of the policy of de facto systematic reduction of the personnel of the Armed Forces of Ukraine, the amount of available weapons and military equipment against the background of chronic underfunding of the needs of the Armed Forces.

In April 2005, President V. A. Yushchenko by his decree made changes to the Military Doctrine of Ukraine regarding the strategic goal of Ukraine, in particular it was determined that Ukraine's goal is full membership in NATO and the European Union, and it was also determined: "Based on the fact that NATO and the EU are guarantors of security and stability in Europe, Ukraine is preparing for full membership in these organizations."

In addition, as in the previous version of the Military Doctrine, the task of "deep reform of the state's defense sphere in accordance with European standards" was defined as "one of the most important priorities of domestic and foreign policy." In addition, the doctrine clearly and objectively defined military-political risks or challenges that increase the level of the threat of using military force against Ukraine. At the same time, despite the obvious threats that were defined in the doctrine, as well as the available information from the intelligence agencies about the plans of the Russian Federation, in this important document, as in previous periods, it was determined that Ukraine believes that armed aggression, as a result of which a local or regional war against it may arise, in the medium term it is unlikely,

Also, on March 17, 2005, the Law of Ukraine "On the Number of the Armed Forces of Ukraine for 2005" was adopted, which stipulated the maximum number of the Armed Forces at the level of 245,000 people, including 180,000 military personnel. In the specified period, the implementation of the State Program for the Development of the Armed Forces of Ukraine for 2006-2011 began, which was designed to solve the issue of reforming the management system of the Armed Forces of Ukraine (based on the adoption of a new organizational and staffing structure of three types), the problem of modernization and procurement of new types of weapons and military equipment, as well as problems of social protection of servicemen and their families.

In accordance with the approved State Program for the Development of the Armed Forces of Ukraine for 2006-2011, the transition of the Armed Forces from a four-species to a three-species structure is being carried out by creating a single type of Armed Forces on the basis of the Air Force and Air Defense Forces - the Air Force as part of three air commands ("West", "South", "Center") and tactical group "Crimea".

The main type commands of the Armed Forces of Ukraine were reformed into type commands with a corresponding change in their structure and number. Of the three operational commands, two remained (Western and Southern), and the Northern Operational Command was reformed into the Territorial Administration "North".

The status of commands was lowered from the level of an operational-strategic association to the level of an operational association.

In order to centralize the system of operational (combat) and logistical support, the Support Forces Command was formed. It includes more than 50 parts and subdivisions.

It was planned to spend about 73.4 billion on the implementation of the program (it was planned to spend 60.5% on the maintenance of the Armed Forces, about 11.9% on training, 20.8% on the development of military defense and infrastructure, and about 6.8% on reform in hryvnias), however, such a program was financed in the amount of 55.5 billion hryvnias, which was 75.6% of the planned needs and led to a reduction in expenditures on combat training and updating military equipment.

Underfunding of the program significantly affected the results of its implementation. In practice, it turned out that during the implementation of the program, the qualitative indicators of the Armed Forces increasingly lagged behind the changes in the field of defense of the world's leading countries, due to the rapid development of collective security systems and information technologies, and it also turned out that the forecasts of the military leadership did not correspond to the real economic indicators of the state.

The total number of personnel of the Armed Forces of Ukraine as of the end of 2005 was 245 thousand people (0.52% of the population), including 180,000 military personnel. The ratio between the types of Armed Forces was: Ground forces - up to 40%; Air Force - up to 24%; Naval Forces - up to 8%; military administration bodies, military educational institutions, institutions - up to 28%.

However, it is necessary to pay attention to the attempt to reduce the number of troops below the reasonable need to ensure national security and defense during this period.

Thus, the draft Law of Ukraine "On the Number of the Armed Forces of Ukraine for 2007-2011", introduced by the Ministry of Defense of Ukraine through the Government of Ukraine headed by V. Yanukovich, in August 2006 proposed reducing the army to 143,000 people, of which 116,000 servicemen, which was explained by the need to reduce the number of 78,000 people over five years in order to optimize the organizational and personnel structure of the Armed Forces. The Verkhovna Rada of Ukraine did not support such an initiative, however, compared to 2005, it **reduced the number of the Armed Forces to the level of 200,000 people.**

However, it should be noted that the number of military personnel of the Armed Forces proposed by the draft law should have been 0.27% of the population, while the Ministry of Defense proposed, contrary to the reasonable indicators of the number of troops to the number of the population, to reduce the number of the Armed Forces, the number of which did not meet the needs of defense. Thus, NATO member states maintain the ratio of the number of troops to the population at the level of 0.50% (for example, Germany (0.46%)), because they are united by a common system of collective security, and some NATO member states maintain armed forces at higher rates (for example, Turkey (0.81%), France (0.55%)), at a time when Ukraine essentially had a non-aligned status, as well as a number of threats in the military sphere, according to the proposal of the Ministry of Defense, the number of military personnel should be 0.27 % of the population of Ukraine.

This circumstance, as well as other information about the reduction of military units, weapons and military equipment, despite good words about the creation of a modern and efficient Armed Forces, may indicate the actions of the heads of the governing bodies of the Armed Forces, which are aimed at harming the state's defense capability and reducing the combat capability of the Armed Forces of Ukraine ;:.

At the same time, it is important to recall the attempts of the President of Ukraine Viktor Yushchenko, especially against the background of military aggression against Georgia in August 2008, taking into account the available information about threats to the national security of Ukraine, as well as considering the state of the Armed Forces and the state of the state's defense capabilities in 2008, which testified about the insufficient level of combat capability of the Armed Forces of Ukraine, equipping them with the latest weapons and military equipment, which is associated with their inadequate funding, which is the lowest among European states and does not provide a solution to the existing problems of the Armed Forces of Ukraine, to organize the implementation of measures to increase the defense capability of Ukraine .

In confirmation of this, the Commission considers it necessary to remind that the **Decree of the President of Ukraine dated January 10, 2009 No. 2/2009, which implemented the decision of the National Security and Defense Council of Ukraine dated September 26, 2008 "On urgent tasks to increase the defense capability of Ukraine", was defined and provided for the implementation of the following measures:**

1) one of the priorities of the activity of the Cabinet of Ministers of Ukraine, the central executive bodies, is to strengthen the defense capability and take practical measures to implement the defense policy;

2) the attention of the Cabinet of Ministers of Ukraine was drawn to the unsatisfactory state of the implementation of the powers provided for by the Law of Ukraine "On the Defense of Ukraine" and the fulfillment of tasks provided for by acts of the President of Ukraine, regarding the implementation of state programs for the development of the Armed Forces of Ukraine, other military formations, the development of weapons and military equipment , other defense programs (plans);

3) it was decided to take measures regarding:

- the temporary cessation of the reduction in the number of the Armed Forces of Ukraine and the transition to the staffing of the troops (forces) by servicemen exclusively under contract, leaving the staffing of the Armed Forces of Ukraine both under contract and by conscription;
- determination of the number of the Armed Forces of Ukraine by 2011 in the number of up to 162,000 servicemen and up to 50,000 employees to ensure the activity and functioning of the Armed Forces of Ukraine;
- making changes to the State Program for the Development of the Armed Forces of Ukraine for 2006-2011 regarding the strength of the Armed Forces of Ukraine by 2011.

4) the Cabinet of Ministers of Ukraine is obliged to submit, in accordance with the established procedure, draft Laws of Ukraine "On Amendments to the Law of Ukraine "On the Number of the Armed Forces of

Ukraine in 2008" and "On the Number of the Armed Forces of Ukraine in 2009", to approve the state target program for the creation of the aerobatic group "Ukrainian Falcons", the program for ensuring the positive image of the Armed Forces of Ukraine and the attractiveness of military service in society, as well as the implementation of other measures;

5) The Ministry of Defense of Ukraine is obliged to:

- resolve by the end of 2008 the issue of strengthening the organizational structure of the management of the technical support system of the Armed Forces of Ukraine, in particular, carrying out work on the repair of (capital, medium) weapons, military and special equipment, as well as expanding the possibility of their repair and restoration directly in the compounds and military units;
- to submit, within a two-month period, in accordance with the established procedure, proposals for amendments to the State program for the transition of the Armed Forces of Ukraine to
- 2015 of the period of transition to staffing the Armed Forces of Ukraine exclusively with servicemen undergoing military service under contract .

When voting for this decision, all members of the National Security and Defense Council demonstrated their support for the initiatives of the President of Ukraine aimed at increasing the state's defense capability (Y.V. Tymoshenko, who held the post of Prime Minister of Ukraine until March 2010, abstained during the vote).

However, the Commission did not find an explanation for the fact that the decision of the NSDC dated September 26, 2008 was put into effect by the Presidential Decree only on January 10, 2009, but this may indicate the untimeliness of solving urgent issues in the field of defense, and also made it difficult to implement the relevant Decree. Also, it is worth noting that from the analysis of the implementation of the measures provided for in the said Decree, the provisions of this act remained declarative, since in 2009 and the following years the responsible officials practically did not implement the provided measures to increase Ukraine's defense capability.

At the same time, the specified period is characterized by:

- continued reduction of the personnel of the Armed Forces (from 245,000 people on 31.12.2005, the maximum number of the Armed Forces for 2010 is 200,000 people, i.e. a reduction of 45,000 people; at the same time, the registered number of the Armed Forces on 01.01.2009 was 186,000 people , including 131,500 servicemen, while the shortage was 17,000 servicemen, which indicated personnel problems and the premature decision to completely cancel the draft and switch to a contract basis);
- revision of the amounts of monetary support for various categories of servicemen and the payment of an increased level of monetary support;
- during 2005-2006, a slight increase in the level of training of the Armed Forces, an increase in the implementation of plans, driving programs, firing, flight training of units and military units from the Joint Rapid Reaction Forces, however, in view of the limited funding of these activities (for training and reforming was expected at the level of 9.9-15%) this did not lead to significant changes in the issues of training of the Armed Forces, but at least the training of conscripts at training (checking) meetings is being resumed, separate measures of international military cooperation are being held; experimental command and staff exercises are conducted with military administration bodies and troops (forces), as well as multinational exercises are conducted, while this trend has gone down since 2007, because by 2009 practically nothing was planned for the preparation of the Armed Forces,
- the restoration of weapons and military equipment is noted, however, given the limited funding of these measures (for the development of weapons and military equipment at the level of 10%), they did not lead to significant changes in the issues of providing the Armed Forces with updated equipment and weapons;
- the transition of the Armed Forces to staffing on a contract basis, attempts to ensure proper conditions for military service, but already at the beginning of 2009 it became clear that such a decision was premature, since the proper conditions for its implementation were not created;
- the formation and placement of state defense orders for new types of weapons, military equipment, and ships for the needs of the Navy at defense enterprises is noted; in particular, during the specified period, there were attempts to restore Ukraine's missile shield by developing operational-tactical missiles (the "Sapsan" project, the technical developments of which are currently

used in the "Thunder" project); also attempts to create high-precision weapons (the project under the code "Kvitnyk", ATGM "Stugna"), adoption of the main battle tank "Oplot"; the design of a multi-purpose warship of the corvette type pr.58250 and its laying in 2008 (corvette "Vladimir the Great"), which is still in a dismantled state on the territory of the enterprise, which was bought out and is currently in private ownership, while practically no measures are taken to its additions; other projects,

□ the adoption of management decisions is noted, on the basis of which the Ministry of Defense suffered particularly large losses, in particular, during the determination of the order of settlement of military property for the provision of services (military property at residual value was transferred as settlements, while the new owners sold it at prices that were at least ten times higher);

□ the mass transfer of defense lands to private business entities for investment construction under conditions that did not meet the interests of the state and also caused particularly large losses is noted (information is provided in this report in the corresponding block of the issue investigated by the Commission);

□ the mass liberation of military towns and the transfer of their funds to other state authorities and local self-government bodies, which in the future were not infrequently the objects of abuse;

□ the massive inclusion of weapons and military equipment in the lists of surplus military property proposed for sale, including according to the criteria of the existing demand for relevant samples of weapons and military equipment, as well as its sale at residual prices to intermediaries with further sale of such property by new owners on international arms markets at fully market prices; many nomenclature of property, which was realized during the specified period, currently belongs to the list of critical nomenclature of military property to ensure the combat capability of the Armed Forces;

□ it is noted that certain samples of weapons and military equipment were removed from the combat team for reasons whose legality was not established by the Commission, which later became the subject of international transfers of goods for military purposes; including there are well-known examples of de-arming the T-72, de-commissioning of some air defense equipment of Ukraine, in particular anti-aircraft missile systems (Buk, S300PS air defense systems), which were later removed from state ownership by sale at reduced prices on the domestic market (for example, the S300PS air defense system for approximately \$1.6 million) to intermediaries, who later sold them on foreign markets at market prices (the same S300PS air defense system for \$23.6 million), which were at least ten times higher than the price implementation of the Ministry of Defense, even taking into account the costs of their preparation for sale and delivery, etc.

Thus, despite the well-defined normative and legal regulation of issues of ensuring the security and defense of Ukraine, taking measures to reform and build the Armed Forces, in the specified period, the process of systematically reducing the level of combat capability of the Armed Forces of Ukraine significantly deepened as a result of a large-scale and unsystematic, and sometimes groundless, reduction in the number existing weapons and military equipment, their sale at prices significantly lower than similar property on the world arms markets, as well as abuses during the management of defense lands.

The analysis of the events of this period, as well as the provisions of the Military Doctrine of Ukraine, other documents in the field of national security and defense, proved that the governing documents concluded that there were no real threats to the national security of Ukraine in the military sphere, which did not correspond to the real military-political (military-strategic) situation that developed in and around Ukraine, especially after the events in Georgia (2008), as well as on the territory of the Republic of Crimea, in particular after the conflict on Tuzla (2003), incomplete demarcation of the border with the Russian Federation, other circumstances that indicated the presence of real threats to Ukraine's national security in the military sphere.

At the same time, taking into account the policy of this period, which was reduced to the reduction of personnel, the mass assignment of military equipment and property of the Armed Forces to the lists of surplus property, it can be seen that the higher military and political leadership of the state did not objectively assess the military and political situation and its probable development in the eastern and southeastern directions and in the Crimea, or evaluated objectively, but did not take sufficient measures to strengthen the combat capability of the Armed Forces, because according to the information received, from the intelligence agencies of Ukraine on a permanent basis in the form of current, reference and information-analytical information about the main trends and events that determined the development of the military-political (military-strategic) situation in the world and around Ukraine, including changes in the situation in the areas bordering Ukraine, in particular, regarding the assessment of the condition and activity of the Black Sea Fleet of the Russian

Federation, the Southern Military District of the Armed Forces of the Russian Federation, etc., the highest officials of the state received the necessary information.

Thus, according to the received information, the highest officials of the states received information in writing and on an ongoing basis from the leadership of the intelligence agencies of Ukraine about the actions of the Russian Federation, especially in the ARC and in the city of Sevastopol, in particular about:

- the preparation and possible intervention of Cossack formations of Russia in the internal affairs of Ukraine;
- review by the leadership of the Russian Federation of plans for the use of the Russian Armed Forces to achieve foreign policy goals in the territories of the former republics of the USSR, including in relation to Ukraine;
- official positions of senior officials of the Russian Federation on threats to Russia's military security due to the Euro-Atlantic course of Ukraine, in connection with which Ukraine is considered an unfriendly state, as well as other information that testified about the plans of the Russian Federation in relation to Ukraine.

Also, according to available information, senior state officials were informed that based on the analysis of the content, orientation and features of Russia's modern military policy, there is a threat of using armed force against Ukraine to return Ukraine to the sphere of its predominant influence, and also warned about possible development options military conflict, namely: the resolution of a full-scale aggression by Russia against Ukraine with the conduct of a complex military operation to seize Crimea and the eastern regions of Ukraine, while in order to achieve its goal, Russia directed its efforts to the general destabilization of the socio-political and socio-economic situation in Ukraine, aggravation of political struggle, provoking skirmishes on a religious and ethnic basis.

The reports of the intelligence agencies of this content were received by the President of Ukraine, the Minister of Defense of Ukraine, the Chief of the General Staff of Ukraine, and other officials of the security and defense sector, which required them, in view of the validity of the information, to take early and adequate measures to respond to the increase in threats from the side of the Russian Federation in the military sphere.

Instead, on the one hand, as if measures aimed at reforming, training and maintaining the combat capability of the Armed Forces at an appropriate level were being taken, but on the other hand, ignoring real and potential threats, information was publicly disseminated about cooperation with partner states, especially in the Black Sea region, about the absence of any - any threats in the military sphere, etc., and also took measures that clearly did not contribute to increasing the combat capability of the Armed Forces, in particular:

- the extraterritorial principle of staffing of the Armed Forces was practically not applied after the transfer of the Armed Forces to a contractual basis of staffing, because, especially in the zone of real threats - AR Crimea, Donetsk and Luhansk regions, staffing of the Armed Forces was carried out according to the territorial principle;
- the mass reduction of the personnel of the Armed Forces continued, as well as the reduction of the available weapons and military equipment, which was uncontrollably included in the lists of surplus property with further actions regarding its sale at residual value (on the basis of contracts of the commission for the domestic market);
- under the guise of reforming, the army reduced the system of rear support and military education (in a short time, the number of higher military educational institutions and military educational units of higher educational institutions was halved - from 60 to 31), and other measures were taken, as a result of which the specific weight of combatants from units and military units was reduced to only 47%, while headquarters, management bodies, military units and logistics units, military educational institutions, administrative institutions and organizations were up to 53%.
- mass destruction of infrastructure objects of strategic importance for the defense of the state:

a) the destruction of a powerful military airfield in the city of Stryi, in the Lviv region, unique in that it can receive aircraft of all existing types up to and including the An-225 "Mriya" (in the 1980s, the runway was modernized for use as reserve landing site of the Buran spaceship), however, since 2009, work on the dismantling of premises, warehouses, garages and other property of the airfield began; as of 2018, the network of taxiways, protected aircraft parking lots, covered arched reinforced

concrete shelters, as well as the airfield, combat, engineering and logistical support infrastructure were completely dismantled and destroyed;

b) the destruction of the powerful military airfield in Chortkov, in the Ternopil region (in 2005, the Minister of Defense decided that such an object was not needed by the Armed Forces, and accordingly decided to disband part A-3-92, which, according to available information, led to the actual destruction of project - the runway was dismantled, the planes that could still be operated (Su-24, Su-25) were cut to metal, the remains of the equipment were looted, etc.

The specified information requires investigative verification during the pre-trial investigation into the circumstances of the loss of combat capability by the Armed Forces of Ukraine, which is covered by the subject of the pre-trial investigation in criminal proceedings No. 4201400000000322, which was initiated due to the official negligence of the leadership of the Ministry of Defense of Ukraine and the General Staff of the Armed Forces of Ukraine during the period of 2000-2014 years of administrative decisions and the implementation of organizational measures regarding the reform of the Armed Forces of Ukraine, which led to a significant decrease in the level of the state's defense capability, based on the signs of criminal offenses provided for in Part 2 of Art. 367, Part 2 of Art. 364, Part 1 of Art. 111, Part 2 of Art. 425 of the Criminal Code of Ukraine, which, according to the information received, was transferred to the State Bureau of Investigation for investigation, and, in case of confirmation of the information presented,

The fourth stage of the reform and development of the Armed Forces of Ukraine in the period from 2010 to February 18, 2014

President of Ukraine - Yanukovych V.F.

Ministers of Defense of Ukraine - Yezhel M.B., Salamatin D.A., Lebedev P.V.

Chiefs of the General Staff - H.M. Pedchenko, V.M. Zamana.

This is a tragic and difficult stage of the functioning of the Armed Forces of Ukraine, which is characterized by the disregard by the leadership of the state, as well as the Ministry of Defense of Ukraine, the command of the General Staff of the Armed Forces of Ukraine, of the basic provisions and principles of ensuring the national security of the state, as well as the commission of deliberate actions aimed at destroying and demoralizing the troops, as well as a deliberate reduction of its combat capability, as well as the state's defense capability in general.

Thus, with the coming to power of V. Yanukovych (he was elected President of Ukraine on February 14, 2010), as well as the formation on March 11, 2010 in the Verkhovna Rada of Ukraine of a coalition of deputy factions led by the Party of Regions (Communist Party of Ukraine, Block "V. Lytvyn" ", several deputies from the Bloc "Yulia Tymoshenko" and Our Ukraine - People's Self-Defense, some non-factional deputies), who formed a new Government headed by M. Azarov, which at various times included, in particular, Ministers of Defense of Ukraine - Yezhel M. B., Salamatin D.A., Lebedev P.V., who, according to the Commission, together with the chiefs of the General Staff of the Armed Forces, made efforts aimed at the practical loss of combat capability of the Armed Forces, which is confirmed by their condition at the beginning of 2014.

Of course, the content of management decisions and actions, the circumstances of their adoption, which led to a significant reduction in the combat capability of the troops (forces), should be the subject of criminal proceedings, however, the Commission, taking into account the events of this period, the acts that were adopted, as well as the consequences, reached conclusions about the fact that in the specified period, as a result of the deliberate actions of the top military-political leadership of the state, the combat capability of the Armed Forces was catastrophically reduced, while state enterprises, defense lands, as well as other military property, in particular, weapons and military equipment became the subject of abuses, losses and embezzlement. V. Yanukovych and the Government controlled by him headed by M. Azarov, contrary to the requirements of the Constitution of Ukraine, began their activities by taking measures aimed at harming the economic, political and military interests of Ukraine, including in the military sphere.

Thus, one of the key first decisions to the detriment of Ukraine was the issue of extending the stay of the Black Sea Fleet of the Russian Federation for 25 years, while the members of the coalition of parliamentary

factions of the Verkhovna Rada of Ukraine ratified the agreement concluded by V. Yanukovich, which finally established the presence of the Russian Armed Forces on the territory of Ukraine, at the same time, At that time, the Russian Federation did not give up its territorial claims, it systematically violated the conditions of stay of the Black Sea Fleet, and the command of the Black Sea Fleet, individual officials of the Russian Federation actively continued to implement pro-Russian policy on the territory of the Autonomous Republic of Crimea.

Thus, on April 21, 2010, in Kharkiv, President of Ukraine Viktor Yanukovich and President of Russia Dmitry Medvedev signed an Agreement between Ukraine and the Russian Federation on the issue of the presence of the Black Sea Fleet of the Russian Federation on the territory of Ukraine. According to the provisions of the concluded agreement, the term of stay of the Black Sea Fleet of the Russian Federation in Sevastopol has been extended from 2017 to 2042, with an automatic extension of 5 years, unless either party expresses an objection, and the rental fee has been established. At the same time, the rent did not change, and the Russians were also charged 97 million dollars. the United States at the expense of the national debt of Ukraine for the supplied energy carriers, which did not correspond to the economic interests of Ukraine, because the rent for the infrastructure used by the Black Sea Fleet under the 1997 contract should be at least ten times higher (the information is given in Appendix 1, while, according to the available information, according to the calculations made by representatives of Ukraine in 1996-1997, the rent should be 2,435.8 million USD per year). The only novelty of this agreement is a discount on gas, which would be calculated according to mythical formulas and could reach up to 100 dollars

According to the Commission, the second key decision of the top military-political leadership of the state to the detriment of Ukraine was the preparation, submission to the Verkhovna Rada of Ukraine and ensuring the adoption of laws of Ukraine, which changed the previously achieved results of reforming the Armed Forces, as well as laid the foundations that led to a significant reduction their combat capabilities.

Thus, V. Yanukovich introduced, and the new coalition in the Verkhovna Rada of Ukraine supported the initiative of its leader and adopted on 01.07.2010 the Law of Ukraine "On the Basics of Domestic and Foreign Policy", which determined that the main principle of foreign policy is Ukraine's adherence to the policy of non-alignment, which means Ukraine's non-participation in military-political alliances, the priority of participation in the improvement and development of the European system of collective security, the continuation of constructive cooperation with NATO and other military-political blocs on all issues of mutual interest." Also, the adopted law provided for the introduction of amendments to the Law of Ukraine "On the Basics of National Security" in terms of determining the priorities of national interests, in particular, the norm regarding Ukraine's integration into the Euro-Atlantic security space was excluded. Beside this,

since the non-aligned status required the concentration of troops to solve crisis situations on their own; the "North" territorial administration was disbanded and new inter-species military command bodies were created - the "South" and "West" operational commands; there were also changes in the organizational and personnel structure of the Navy - the Naval Operations Center was disbanded; highly mobile landing forces were removed from the command of the Ground Forces and included in the composition of the forces directly subordinated to the General Staff; other measures that led to a violation of the military management system and a decrease in the combat capability of the Armed Forces of Ukraine.

In addition, the Commission notes that during the specified period the Decree of the President of Ukraine put into effect the decision of the National Security Council dated June 8, 2012 "On the new edition of the Military Doctrine of Ukraine", which, contrary to existing threats, determined that, taking into account the trends and conditions of the development of the military-political situation in the world, Ukraine believes that armed aggression, which may result in a local or regional war against it, is unlikely in the medium term; at the same time, it is also indicated that Ukraine adheres to the policy of non-alignment, considers it an important factor in reducing the tension of the military and political situation in the region.

Also, on 06/08/2012, the Decree of the President of Ukraine put into effect the decision of the NSDC "On the New Edition of the National Security Strategy of Ukraine" (No. 389/2012 dated 06/08/2012), which once again emphasized Ukraine's adherence to the non-alignment policy; the key task was also indicated - the formation of small in number, effective, professional armed forces capable of performing the tasks of state defense in the conditions of non-alignment policy.

That is, the specified defense planning documents formed a state policy directed, contrary to scientific justification and threats to national security, to the reduction of personnel, weapons and military equipment,

at the same time, the provision on the formation of effective and professional armed forces was declarative, taking into account the actual actions of the higher military and political leadership of the state.

It is important to note that on 29.12.2012 the Decree of the President of Ukraine approved the Strategic Defense Bulletin of Ukraine, which, in addition to being adopted with considerable delay, because it was to be based on the provisions of the military doctrine and national security strategy, and not the other way around, it also contained it is foreseen that, taking into account the trends and conditions of the development of the military and political situation in the world, it is seen that armed aggression, which could lead to the emergence of a local or regional war against Ukraine, is unlikely in the medium term; the strategic goals of the state policy in the spheres of national security and defense of Ukraine in the medium term are, in particular, the creation of favorable external and internal conditions to ensure Ukraine's unwavering adherence to the non-alignment policy.

By decree of the President of Ukraine V.F. Yanukovich dated September 2, 2013 No. 479/2013 approved and put into effect the decision of the NSDC of Ukraine dated September 2, 2013 "On the State Comprehensive Program of Reform and Development of the Armed Forces of Ukraine for the period until 2017", which provided for a significant reduction in the number of the Armed Forces and the implementation of a number of organizational measures, aimed at the destruction of the army, namely:

- within 5 years, the armed forces were planned to be reduced by more than two times, with a simultaneous reduction of all types of weapons and military equipment with the appropriate proportion;
- by 2017, it was proposed to completely abolish conscription and switch to staffing the Armed Forces with personnel under contract, at the same time, the level of funding for defense needs did not allow staffing the Armed Forces with servicemen serving under a contract, which should have entailed a full personnel crisis;
- the program provided for the radical rearmament of the Armed Forces of Ukraine starting in 2014, while as part of the rearmament new combat aircraft, helicopters, missiles and ammunition, anti-aircraft missile systems and other types of weapons were to be purchased, however, the level of systemic underfunding testified to the declarative nature of this provision, as well as on the creation of additional grounds for the removal of existing weapons from the combat staff of the Armed Forces for their further implementation;
- in the field of reforming military management systems, a transition to an interspecies basis was envisaged; in the structure of the Armed Forces of Ukraine, there were to remain two operational commands "South", "North", and the command of the Navy of Ukraine; these commands were to be built according to the inter-species principle and endowed with the functions of planning and management of inter-species groups of troops, while direct subordination to the commanders of operational commands and the commander of the Navy of the military units of the Armed Forces of Ukraine, which were located in the territory of the operational commands and the Navy Command, was already foreseen;
- the headquarters of the types of the Armed Forces were to be integrated into the General Staff of the Armed Forces;
- reduction of the Air Force and Air Defence Forces was supposed to be carried out by reducing the air commands "Center", "West", "South" and the command of the Air Forces Air Defence Forces, as military management bodies and transferring their functions of aviation control and air defense to the operational commands "South" and "North";
- the level of state defense spending was planned at 1.4% of GDP, which is an extremely low indicator, considering that this indicator was supposed to ensure the maintenance and development of other military formations in addition to the Armed Forces.

The specified period is characterized by:

1) the continuation of the unjustified reduction in the number of the Armed Forces of Ukraine (2010 - 200,000 people, including 159,000 servicemen, 2011 - 192,000 people, including 144,000 servicemen, 2012 - 184,000 people, including 139,000 servicemen), but in the period from 2013-2014, the number of the Armed Forces of Ukraine was determined not by the Verkhovna Rada of Ukraine, but by the directives of the Chief of the General Staff of Ukraine, who determined the number of the Armed Forces of Ukraine at the level of 125,482 servicemen, i.e., the combat composition of the Armed Forces of Ukraine is being reduced, contrary to the requirements of the Constitution and Laws of Ukraine above the maximum number of troops established by the Verkhovna Rada of Ukraine;

3) at the initiative of the former President of Ukraine, the Supreme Commander-in-Chief of the Armed Forces of Ukraine V.F. Yanukovich, pro-Russian persons who did not comply with the requirements of the current legislation of Ukraine regarding the protection of sovereignty and territorial integrity of the state, its defense and security, while deliberately committing actions aimed at harming the state's defense capability; The Ministry of Defense of Ukraine is headed by citizens of the Russian Federation, whose actions are aimed at destroying the structure of the army and deliberately undermining the country's defense capabilities; the agency network of the Russian Federation is actively developing in the command units of the Armed Forces of Ukraine; mode of access to information constituting a state secret labeled "top secret" and "secret",

4) a broad campaign to reduce a large number of the most combat-capable military units, including units of the Ground Forces, reconnaissance units, communication units, engineering support, repair and restoration, as well as mass reduction of aviation military units, disbanding anti-aircraft missile divisions armed with S-300 missile systems; in the specified period, military units of the Air Force of the Armed Forces of Ukraine were transferred to the command of the Naval Forces, etc., which as a result, at the beginning of 2014, effectively deprived Ukraine of properly organized air defense;

5) the adoption by the General Staff of the Armed Forces of Ukraine of management decisions aimed at destroying the system of recruitment for military service and training of servicemen under contract, by liquidating territorial recruitment centers and training centers, colleges of the Armed Forces of Ukraine (subject to disbanding 169 National Center of the Ground Forces (Desna), 179 National Center of (Poltava), the sergeant training center (Poltava and Kharkiv, others) was liquidated; the reduction of the state order for the training of military specialists, etc., which was justified by the absence at that time of real threats of the use of military force against Ukraine, and, accordingly, the absence of the need to maintain such infrastructure; however, this did not stop the high pace of the reduction process; the consequence of such decisions is known - at the beginning of 2014, a large number of district (city) military commissariats with a staff of one person (military commissar) were completely unable to perform their assigned tasks - accounting and organization of notification of mobilization resources on the territory of the district (several districts) or city; preparation of the mobilization deployment base; preparation of the administration and documentation of notification stations (headquarters), meeting points of village councils; preparation of pre-collection points for conscripts and equipment, etc.;

6) non-implementation by the leaders of the state and the Ministry of Defense, despite their awareness, of any measures to maintain troops (forces) in constant combat and mobilization readiness (during the specified period, the vast majority of military equipment, missiles, of ammunition exhausted their technical resource and needed modernization, major repairs and routine maintenance, while, according to the information received, the provision of the troops with serviceable samples of weapons and military equipment testified to the critical state of the troops, in particular, the main types of weapons and military equipment (OMT) were: combat airplanes - at the level of 20%, anti-aircraft missile defense systems - about 40%, combat helicopters - about 30%, warships and boats about 15%; in addition, during this period, the level of providing the troops with material means of the rear, in particular non-perishable stocks, which according to the main nomenclatures made up from 10 to 20% of the need, decreased critically)

7) along with these processes, the mass sale of surplus property at significantly reduced prices does not stop, at the same time, all the best are sold, while defective and morally outdated equipment in need of repair remained in the composition of the Armed Forces as a quantitative characteristic of the equipment of the army, which was not entirely satisfactory and not real need, and not high-quality equipment of the Armed Forces (for example, the government of M.Ya. Azarov, based on the submissions of the Ministers of Defense Yezhel M., Salamatin D., approved the proposed lists of property for sale (Order of the CMU No. 1022 dated August 14, 2013, as well as Order No. 687-r), which approved the lists of military property that can be alienated, with a total residual value of UAH 7.43 billion and UAH 0.55 billion, respectively; most of the included property consisted of critical items of weapons and military equipment military equipment, at the same time, the majority of such property was sold at residual prices, which caused significant damage to the state's defense capability and the combat capability of the Armed Forces);

8) facts of theft, losses and shortages are noted as widespread and massive, as a result of which significant losses were caused to the state; it is also the result of the improper work of the state leaders in the organization of state financial control over the circulation of funds, which should ensure the defense needs of the state, as well as the heads of law enforcement agencies, who, according to the law, were supposed to supervise the observance of laws in the military sphere during the sale of military property (The commission is not aware of the facts of the response to the results of the control measures carried out during this period aimed at checking the trade in arms and military equipment);

9) formation of the Ukroboronprom Concern (December 2010), which includes enterprises (plants) that were under the control of the Ministry of Defense and provided capital repairs of weapons and military equipment for the needs of the Armed Forces; at the same time, the issue regarding the huge amount of property that was stored at these enterprises and was registered with the Ministry of Defense was not resolved, nor was control over such property carried out, i.e. conditions were created for the Ministry of Defense of Ukraine to lose control over military property; the result is catastrophic - theft and loss of a significant amount of military property, including weapons and military equipment (the inventory of property stored at Ukroboronprom enterprises was started in 2018 and as of the date of this report has not been completed, as according to the plan it will last until June 30, 2019, however, the intermediate results are known to the Commission - the loss and theft of property in excess of UAH 100 million. at residual value prices);

10) critical underfunding of the needs of the Armed Forces (expenditure for defense needs was less than 1% of GDP, which does not even allow to maintain the army), the consequence of which is a decrease in its combat readiness and combat capacity; implementation of measures related to technical re-equipment with relevant modern models of weapons and military equipment, repair of existing weapons, training of personnel has practically stopped; allocated funds were practically used for the maintenance of the Armed Forces, not for development, including funds received from the sale of surplus property; implementation of the State Program for the Development of Weapons and Military Equipment of the Armed Forces of the Armed Forces, the State Targeted Defense Program for the Creation of a Multifunctional Missile Complex for the Needs of the Armed Forces as a Part of the Reconnaissance and Strike System by the State Defense Order for 2011-2015 has practically stopped,

During the specified period, there is a sale of weapons and military equipment, which currently belongs to the list of critical nomenclature of military property to ensure the combat capability of the Armed Forces. It is also seen that the lists of surplus military property proposed for sale included strategic air defense equipment that provided anti-missile defense of Ukraine, while such complexes are not developed and manufactured in Ukraine, which indicates the conscious intention of the top military-political leadership to reduce the potential of Ukraine's defense capability in case of aggression by an army that has missile weapons, in particular the Russian Federation.

Thus, the Commission believes that the work of the highest military and political leadership of the state in the specified period was aimed at deliberately reducing the Ukrainian army, disbanding or reducing the number of combat-ready units, changing the command structure of the Armed Forces, which subsequently made it easier for the Russian Federation to occupy part of the territory of Ukraine and develop to carry out military aggression on the territory of Luhansk and Donetsk regions.

It was during the specified period that the level of combat capability of the Armed Forces of Ukraine reached a critical level, the Armed Forces of Ukraine were brought to a state in which they were unable to perform their assigned tasks, the personnel was demoralized, the general situation was catastrophic, which became possible due to the complete failure to comply with the requirements of the current legislation of Ukraine, as well as deliberate ignoring by the top military-political leaders of the state of threats in the military sphere from the Russian Federation, which, according to the information they received, were known to them from the intelligence agencies of Ukraine, which created conditions for the Russian Federation to violate the sovereignty and territorial integrity of Ukraine, and also led to the temporary occupation and annexation of the ARC and the city of Sevastopol, the outbreak of war in the east of Ukraine, the onset of grave consequences in the form of the death of a significant number of servicemen and citizens of Ukraine, the loss of weapons and military equipment, causing significant economic damage to the state, called into question the existence of Ukraine as a sovereign, independent, democratic, social and legal state.

The fifth stage of the reform and development of the Armed Forces of Ukraine in the period from February 19, 2014 to

Acting President of Ukraine (Chairman of the Verkhovna Rada) - Turchynov O.V. (February 19, 2014 to June 7, 2014);
President of Ukraine - Poroshenko P.O. (from 08.06.2014 to 20.05.2019).

Ministers of Defense of Ukraine:

- Tenyukh I.Y. (27.02.2014-25.03.2014);
- Koval M.V. (25.03.2014-03.07.2014);
- Geletei V.V. (07/03/2014 - 10/14/2014);
- Poltorak S.T. (from 14.10.2014 to and including).

Chiefs of the General Staff of the Armed Forces of Ukraine:

- Ilyin V. (February 19, 2014-February 28, 2014);
- Kutsyn M. (28.02.2014-03.07.2014);
- V. Muzhenko (July 3, 2014 to May 21, 2019).

The commission notes that this period is the most difficult stage both in the recent history of independent Ukraine and the most difficult stage of the functioning of the Armed Forces of Ukraine, which is characterized by the preparation of the state for defense at the same time as the conduct of hostilities against the regular troops of the Russian Federation and armed formations not provided for by law, with the simultaneous carrying out urgent reforms in the military sphere, aimed primarily at increasing the combat capability of the Armed Forces of Ukraine, rapid restructuring of the management of the troops, mobilization of available resources for defense needs, etc.

The commission believes that in view of the desire of individuals to pass off the military aggression of the Russian Federation against Ukraine, which began at the end of February 2014 and continues to the present, as a civil conflict in the east of Ukraine, and the temporary occupation and annexation of the Republic of Crimea as the will of the Crimean people, it is important to emphasize that the Russian Federation has been reasonably recognized by the Verkhovna Rada of Ukraine as an aggressor who has not declared war, but has unleashed and will launch hostilities against Ukraine, uses hybrid methods and methods of modern warfare, organizes and supports illegal military formations, temporarily occupying part of the territory of Ukraine.

causing significant economic damage; more than 1.8 million people became forced migrants who lost their homes, jobs, and generally temporarily lost their small Motherland.

The commission notes that, considering the sacrifices and efforts of the Ukrainian people, it was possible to stop the military aggression of the Russian Federation against Ukraine in the eastern direction in certain territories of the Donetsk and Luhansk regions, because according to the petition of the former President of Ukraine V. Yanukovych to the President of the Russian Federation V. Putin about the use of military the Russian Federation on the territory of Ukraine, the plans of the Russian Federation itself, which is confirmed by the information of intelligence agencies, Ukraine was considered as an object of military aggression on much wider territories (at least the occupation of the Kharkiv, Kherson, Zaporizhzhya, Mykolaiv, Odesa regions was planned), which in general would call into question the existence of Ukraine as a sovereign, independent, democratic, social and legal state.

The commission also came to the conclusion that the actions and management decisions during the reform and development of the Armed Forces of Ukraine until 2014 led to a critical decrease in the combat readiness and combat capacity of the Armed Forces of Ukraine, primarily due to the improper assessment of the military-political and military-strategic the situation around Ukraine, contrary to the obvious events and available intelligence information, created the conditions for the military occupation of the Autonomous Republic of Crimea and the launch of an aggressive war in the East of Ukraine, and are also in a cause-and-effect relationship with the onset of grave consequences - the temporary occupation of the Crimean Autonomous Republic by the Russian Federation in 2014; contributed to the military occupation of part of the territories of the Donetsk and Luhansk regions of Ukraine, as well as the losses caused to the Ukrainian people.

The specified period is characterized by:

1) the efforts of the state leadership, in particular the Ministry of Defense of Ukraine and the command of the General Staff of the Armed Forces of Ukraine, to urgently organize the preparation of the state for defense

simultaneously with the conduct of hostilities against the regular troops of the Russian Federation and armed formations not provided for by law;

2) increasing the number of combat troops, resuming conscription for conscription in Ukraine (2013 - the maximum number of servicemen was set at 125,482, but significantly fewer servicemen served; since 2015, the maximum number of the Armed Forces has been set at 250,000, including 204,000 servicemen; at the same time, during the special period, the number of the Armed Forces of Ukraine increases by the number of personnel called up for military service to fulfill the decrees of the President of Ukraine on mobilization, approved by the laws of Ukraine; at the same time, with the beginning of the special period, the number of troops significantly strengthened by six waves of mobilization (three in 2014, as well as three waves in 2015, during which more than 200,000 conscripts were called up), which made it possible to prevent the reduction of the staffing of the Armed Forces to a critical level and systematically carry out rotation in the east of Ukraine;

3) the formation of new combat units and formations (in 2014, 4 new brigades and 29 territorial defense battalions were formed, which were later re-formed into separate motorized infantry battalions; in general, during this period, 15 brigades, one regiment, 5 battalions were formed, as well as one brigade, 6 regiments and 11 operational (combat), rear and technical support battalions);

4) organization of combat support of the troops (reconnaissance, security, camouflage, radio countermeasures, anti-aircraft defense and radiation, chemical and biological protection, etc.) and organization of rear support of the Armed Forces (support of combat operations, as well as measures aimed at satisfying material, transport, household and other needs of troops (forces) in order to maintain them in combat readiness for conducting hostilities or solving everyday tasks,

5) taking measures aimed at urgent staffing and restoration of the capabilities of district, city, and regional military commanders, as well as the additional formation of 137 district (city) military commanders in district-type administrative-territorial units, where they were reduced in previous years (during the fourth stage (2010-2013)) for the complete and timely solution of assigned tasks and the implementation of measures to supply the troops with mobilization resources in the conditions of a special period characterized by an increase in mobilization tasks regarding the recruitment of human, transport and other mobilization resources (as of the beginning of 2014, the staff system of military mothers was about 2,000 people, currently about 18,000 people, including 12,000 military personnel, which allows to carry out mobilization tasks as intended - full and timely supply of mobilization resources to the troops);

6) increasing the capabilities of the domestic defense-industrial complex in terms of modernization, repair, as well as the creation of the maximum possible, based on the economic capabilities of the state, samples of weapons, special and military equipment, as well as the placement and execution of state defense orders at military defense enterprises in order to increase the combat capability of the Armed Forces by ensuring the required level of equipment of the army with weapons and military equipment (modernization, repairs, creation of new models);

7) making decisions and taking actions regarding the return of surplus military property, which was planned for implementation, for the needs of the Armed Forces (during 2014-2018, 18,862 pieces of weapons and military equipment were returned to the Armed Forces);

8) cessation of the practice of groundless decommissioning and reduction of weapons and other military property that ensures the combat capability of the Armed Forces (usually during this period, lists of surplus property that were planned for sale were approved, but such lists mainly consisted of military property that was morally obsolete, in connection with the loss of tactical and technical characteristics and the impracticality of carrying out repairs was written off, for other specified reasons, however, the total reduction of weapons and military equipment in the specified period was stopped);

9) the cancellation of Ukraine's non-aligned status and the restoration of the political course for integration into the Euro-Atlantic security space and the acquisition of membership in the North Atlantic Treaty Organization (NATO);

10) improvement of the legal framework for national security and defense issues (laws of Ukraine "On National Security" are adopted, amendments are made to other acts of legislation in the field of defense, intelligence activities, social and legal protection of military personnel, etc.; revised and adopted in new defense planning documents, including the Military Doctrine, the National Security Strategy of Ukraine, the

Military Security Strategy of Ukraine, the Strategy for the Development of the Defense-Industrial Complex of Ukraine, the Strategic Defense Bulletin of Ukraine, the National Intelligence Program, etc.) reforms in Ukraine, which were accompanied by a difficult military-political, operational-strategic and economic situation, that has developed as a result of the armed aggression of the Russian Federation against Ukraine, as well as to review the assessment of the state of the state's military security and approaches to ensuring it;

11) **improving and increasing the level of military training**; improvement of methods and forms of humanitarian training, moral education of servicemen based on modern examples of the heroism of Ukrainian soldiers, as well as the **introduction of military-patriotic work**, the main directions of which today are the perpetuation of the memory of hero servicemen who died defending the independence and territorial integrity of the Ukrainian state, and education of the population of Ukraine based on the heroic examples of the defenders of our Motherland (the defense of Donetsk (242 days) and Luhansk (146 days) airports, the defense of Ilovaisk, Debaltsevo and Mariupol became a symbol of courage and heroism of the personnel of the Armed Forces, other military formations and volunteer battalions).

The commission came to the conclusion that in the specified period, **thanks to the support of the Ukrainian people, despite the virtually destroyed system of mobilization, rear and combat support of the Armed Forces, the catastrophic technical condition of the available weapons and military equipment, and other critical issues of ensuring the functioning of the Armed Forces, volunteer formations are quickly formed or self-organized for protection of the independence, sovereignty and territorial integrity of Ukraine, which at the beginning of the military aggression of the Russian Federation de facto in many cases assumed the role of defense of Ukraine. Also, thanks to the Ukrainian people,** the number of troops is being successfully increased by persons called up for military service by mobilization, the defense capabilities of the state are being increased in the conditions of a special period, additional resources are being mobilized,

At the same time, the Temporary Investigative Commission is obliged to note that during the specified period there were actions aimed at the appropriation and embezzlement of military property, money, defense lands, abuse during the construction of housing for servicemen, placement and execution of state defense orders on enterprises "Ukroboronprom", other facts known to law enforcement officers.

At the same time, according to the information provided by the Prosecutor General of Ukraine Yu. Lutsenko, Deputy Prosecutor General - Head of the Specialized Anti-Corruption Prosecutor's Office N. Kholodnytskyi, Director of the Anti-Corruption Bureau of Ukraine A. Sytnyk, Director of the State Bureau of Investigation Truba R. and other representatives of law enforcement agencies, **crimes committed in the military sphere, including during the execution of state defense orders at the Ukroboronprom enterprises, during the construction of housing and other facts of crimes known to the whole society, are the subjects of criminal proceedings.**

The commission, without interfering in any way in the process of pre-trial investigations, only emphasizes that crimes in the military sphere must be fully and objectively disclosed, in the shortest possible time, and the guilty persons must be brought to the legal responsibility, because too high a price was achieved to revive combat capability of the Armed Forces of Ukraine and defense capability of the state.

In addition, the information about the circumstances of the reduction of the combat capability of the Armed Forces of Ukraine and the defense capability of the state in general, which, in particular, is set out in this Report and must be verified by investigation, according to the information received, is already the subject of criminal proceedings No. 4201400000000322, initiated by the Chief Military Prosecutor's Office of the General Prosecutor's Office of Ukraine in 2014 on the facts of official negligence of the leadership of the Ministry of Defense of Ukraine and the General Staff of the Armed Forces of Ukraine during the adoption of management decisions and the implementation of organizational measures to reform the Armed Forces of Ukraine during the years 2000-2014, which led to a significant decrease in the level of the state's defense capability, based on criminal offenses provided for in Part 2 of Art. 367, Part 2 of Art. 364, Part 1 of Art. 111, Part 2 of Art. 425 of the Criminal Code of Ukraine, which

PART 2

Thus, on the basis of the above information, the Commission came to the conclusion that the higher military and political leadership of the state during 1991-2013 in the defense planning documents did not sufficiently objectively determine the threats to the national security of Ukraine, especially in the military sphere, despite the obvious facts, which indicated the presence of threats.)

The assertion of the position that there are no real threats to the national security of Ukraine in the military sphere, with certain conclusions that in the near future the possibility of large-scale use of military force against Ukraine is unlikely, became decisive for the direction of the reform of the Armed Forces of Ukraine, which was reduced to optimization, and in fact reduction in the number of the Armed Forces.)

This approach had extremely negative consequences. This is confirmed by a significant decrease in the level of combat capability of the troops (forces), in particular, at the beginning of 2014 (the beginning of the temporary occupation of the Autonomous Republic of Crimea and the resolution of the armed conflict of the Russian Federation in the East of Ukraine.)

In view of the above, it can be asserted that the conduct of such organizational measures in the Armed Forces of Ukraine, in particular regarding the disbandment and re-formation of parts of the combat staff of the Armed Forces, caused significant damage to the level of combat capability of the troops (forces), reduced the ability of the Armed Forces to fulfill the constitutional tasks of the defense of Ukraine, the protection of its sovereignty, territorial integrity and inviolability.)

At the same time, the property of the Armed Forces of Ukraine, which was released as a result of the reduction of the army, became the subject of abuse during its implementation, as surplus. It was for the purpose of confirming or refuting the facts about the theft of property of the Armed Forces of Ukraine that the Temporary Investigative Commission was created, which during its work generally investigated the information in accordance with the defined tasks and reached the following conclusions.)

I. During the verification of the legality and reasonableness of the transfer of military property, in particular equipment, weapons and ammunition, to the status of surplus military property, the Commission notes the following.

The legal regime of property assigned to military units, establishments, institutions and organizations of the Armed Forces of Ukraine, and the powers of military administration bodies and officials regarding the management of this property, in particular the accounting, write-off, alienation and disposal of military property, is determined by the Basic Law of Ukraine "On the Legal Regime of property in the Armed Forces of Ukraine", other Laws of Ukraine, as well as many subordinate normative acts (resolutions of the Cabinet of Ministers of Ukraine, orders of the Minister of Defense of Ukraine, the State Property Fund, etc.), which regulate the procedures during the management of military property.

Therefore, military property is state property assigned to military units, establishments, institutions and organizations of the Armed Forces of Ukraine, which includes houses, buildings, transmission devices, all types of weapons, combat and other equipment, ammunition, fuel and lubricants, food , technical, airfield, skippering, material, cultural and educational, medical, veterinary, household, chemical, engineering property, communication property, etc. That is, military property includes any property from the moment of its receipt by the Armed Forces of Ukraine and its attachment to the military part of the Armed Forces of Ukraine.

At the same time, surplus military property is military property stored in warehouses, bases and arsenals, and in which there is no need for equipping military units in accordance with approved norms both in peacetime and in a special period, military property that is on accounting in military units in excess of the established security norms, as well as obsolete military property (with an exhausted resource or with an exceeded storage period) that is subject to write-off. Therefore, from the analysis of the course of reforming and building up the army in Ukraine, the Commission came to the conclusion that from the beginning of 1992 to 2014, the state policy in the military sphere was mainly reduced to the actual unsystematic reduction of military units and units of the Armed Forces of Ukraine, personnel, and the amount of available weapons and military equipment, existing infrastructure of the Armed Forces of Ukraine,

That is, state policy in the military sphere, contrary to real and potential threats to Ukraine, was reduced to the actual reduction of the army, which, given its condition at the beginning of 2014, was unable to organize

the defense of Ukraine due to its systematic disarmament, disorganization, demoralization and destruction of infrastructure .

Thus, the reduction of the army was accompanied by the same non-systematic revision of the norms of providing the Armed Forces of Ukraine with military property, in particular all types of weapons, combat and other equipment, ammunition, other military property stored in warehouses, bases and arsenals, and which is not needed for staffing of military units in accordance with approved norms both in peacetime and in a special period.

These processes were determined by the provisions of the defense planning documents, the content of which was reduced to an objective definition of real and potential threats (it was determined that the occurrence of a local or regional war against Ukraine in the medium term is unlikely, and the Armed Forces must be ready to contain and eliminate the armed conflict on the state border) and obviously, given the state of the army in 2014, the combat composition, combat potential and level of combat capability of the Armed Forces of Ukraine, their distribution into military formations with a high degree of manning and equipment were unreasonably determined.

The consequence of such a policy and the non-objective assessment of the military-political situation was the accumulation of a large amount of weapons, military equipment and other property, which were withdrawn from the combat composition of the troops (forces) and transferred to the list of surplus property, with its subsequent sale and realization.

When resolving the issue of legality and justification of the transfer of military property, in particular equipment, weapons and ammunition, to the status of surplus military property, the Commission notes that formally these processes corresponded to the current regulatory and legal acts, since such decisions were properly formalized in their form (submission of the Minister of Defense, the decision of the Government, the contract of the commission with authorized enterprises, the sale of property, reporting, etc.), however, the content of individual decisions regarding the classification of property as surplus according to the criteria of the existing demand for military property on foreign markets and its sale on the domestic market with subsequent export by the new owner of such property, as well as the assessment and realization of property at residual value, which in many cases did not correspond to the economic interests of the state, in many cases raise questions, and are also subject to criminal law assessment.

The commission came to the conclusion that many names of military property are really outdated (with an exhausted resource or with an exceeded storage period), were subject to write-off and sale, which is an absolutely normal process. In addition, the limitation under the Treaty on Conventional Armed Forces in Europe also provided for the reduction of available samples of weapons and military equipment, which fully corresponded to the relevant decisions of the military-political leadership of the state. However, no less than various names of military property, in particular equipment, weapons and ammunition, became the subject of abuse, as a result of which the state suffered losses, as well as the combat potential of the Armed Forces was reduced due to the sale of apparently surplus weapons and military equipment of the Armed Forces.

The content of individual management decisions, as well as the expediency of assigning the best part of military property, in particular equipment, weapons and ammunition, to the lists of surplus property proposed for sale, as well as the further sale of such property, should be subject to a thorough inspection by law enforcement agencies, the Commission only draws attention on such

The Commission, together with the Ministry of Defense, summarized summary information on military property, which during 2006-2018 was included in the lists of surplus property subject to sale, which is attached to this Report (Appendix 5) in order to inform the public about the number and names of property that in different periods were considered redundant.

At the same time, according to the information of the Ministry of Defense, today a significant part of the property specified in this appendix, which was recognized as surplus in previous years, are critical nomenclatures of the main types of weapons and military equipment needed by the Armed Forces.

It would be fair to note that among all the names of surplus property, a significant part of it (names) is reasonably included in the relevant lists of property proposed for sale (morally and physically obsolete, decommissioned, etc.), however, the conclusions of the Commission regarding the legality and reasonableness of the transfer of military property to the status of surplus military property are primarily based on the information of the Ministry of Defense about the security of the troops in today's conditions, which

indicates that a large amount of property needed by the Armed Forces was included in the relevant lists in previous periods and was implemented.

In addition, the Commission's conclusions about the unreasonableness (impracticability) of transferring military property, in particular equipment, weapons and ammunition, to the status of surplus military property until 2014, are based on information from the Ministry of Defense about the amount of surplus property that was not realized and was returned to the Armed Forces of Ukraine.

Thus, during 2014-2018, the Ministry of Defense of Ukraine returned to the combat staff and needs of the Armed Forces of Ukraine military property, which in previous periods was included in the lists of property subject to sale, namely 18,862 units of weapons and military equipment (OMT), in particular:

- automobile service – 1,332 units of equipment;
- armored service – 2,567 units;
- missile and artillery service - 10,143 units;
- Navy of Ukraine – 15 units;
- air force (planes, helicopters) – 131 units;
- aviation weapons - 77 items;
- aviation technical service – 75 units;
- anti-aircraft missile and radio engineering service – 223 units;
- airport engineering service – 4 units;
- electric gas service - 85 units;
- food service - 2,041 units;
- RHCBS – 452 units;
- communication services – 56 units;
- military communication services – 11 units;
- medical service – 196 units;
- services of fuel and lubricants – 132 units;
- radio electronic warfare services – 4 units;
- engineering service - 1395 units.

Thus, it can be seen that 18,862 units of weapons and military equipment, which until 2014 were classified as surplus property that was planned for sale, but for various reasons were not sold, turned out to be completely necessary for the Armed Forces of Ukraine to perform their assigned tasks, as well as suitable for use to meet defense needs, which indicates that such property was illegally and unjustifiably included in the lists of military property that was planned to be sold, because during a special period such property was needed and returned to the Armed Forces of Ukraine.

It also follows from this that until 2014 the lists of military property included, in addition to decommissioned and morally obsolete samples of weapons and military equipment, and those samples of anti-aircraft weapons, which are currently lacking in the Armed Forces, however, such weapons are for unclear reasons, but probably due to commercial and /or other interest (the Commission does not exclude the interest of special services that acted to the detriment of the state's defense capability) was removed from the combat team, included in the lists of military property for sale, as they were sold at significantly reduced prices. This is confirmed by the state and needs of the Armed Forces in 2014, as well as today's acute need for many items of military property (more than 450 types of military equipment), which were implemented in previous years.

The Ministry of Defense provided the Commission with information on the correct names of weapons and military equipment, which today constitute the most critical nomenclature of the main types of weapons and military equipment to meet the needs of the Armed Forces (more than 450 names of various ammunition, military and special equipment, including aircraft , as well as aggregates to them, which in previous periods were sold for nothing, and currently the state is faced with the issue of purchasing such property, but already at market prices).

At the same time, the Commission decided not to publish the full list of such names in order not to disclose information that constitutes official information, which the Commission believes will be of interest to law enforcement agencies during criminal proceedings.

Thus, taking into account the above, the Commission believes that a significant part of military property in the period from 1991 to 2014 was included in the lists of surplus property for the purpose of its further sale, unreasonably, contrary to the real need of the Armed Forces, which significantly reduced their combat capability.

That is why the Commission emphasizes that the purpose and circumstances of assigning certain samples of weapons and military equipment to the lists of surplus property, especially those samples that today constitute the critical nomenclature of military property to meet the needs of the Armed Forces, as well as the facts of its sale at residual prices, which according to of real and objective need is necessary for the armed forces to ensure the performance of assigned tasks, should be the subject of criminal proceedings.

The established mass facts of unjustified transfer of military property to the category of surplus, and accordingly its implementation, raises the question of the legality of such actions not in form, but in their content. And therefore, the circumstances that caused the determination of such a level of standards for the provision of the Armed Forces according to the prepared defense planning documents, which did not take into account the real need to ensure the combat capability of the troops (forces), but caused the accumulation of a huge amount of military property, in particular weapons and military equipment, should be verified by investigation equipment that was included in the lists of surplus and was the subject of implementation.

II. During the verification of information regarding the reasonableness of the cost of alienation of military property, in particular equipment, weapons and ammunition, surplus military property and other objects of ownership of the Ministry of Defense of Ukraine and/or the Armed Forces of Ukraine, the Commission established the following.

It is important to divide surplus property conditionally into two categories: the first is property that was included in the lists, because there is a demand for it on international arms markets and corresponding requests to special exporters, intermediaries or directly to the Ministry of Defense; and the second category of property is that property which is reasonably included in the lists of surplus and the fact of its sale testified to the benefit of the state, even at residual prices. However, in this section, the Commission notes the most typical names of military property, which conditionally belongs to the first category, that is, for which there is a high demand, the price has become fixed on the international arms markets, but as a result of very simple schemes, such property was sold at residual value, and then it was an object transfers to its new owner at market prices, while the state received losses in the form of unearned profits,

Armaments and military equipment were the object of various abuses, despite the regime of control over international transfers of military products introduced by the state, which does not provide for issues of control over the prices and methods of sale of weapons and military equipment.

At the same time, state institutions did not ensure the sale of weapons and military equipment on economically favorable terms for Ukraine, price analysis on international arms markets is obviously not carried out, because there is no effective control over the pricing of military goods.

Thus, according to the report of the State Secretary of the Ministry of Defense of Ukraine Dublyan O.V. during the period from 2012 to the beginning of the special period (March 2014), the Ministry of Defense of Ukraine, through organizations authorized by the Cabinet of Ministers of Ukraine, sold 1 million 183 thousand 178 units of critical basic types of weapons and military equipment at a residual value of 2 billion 863 million hryvnias.

At the same time, this Report below provides information on the results of the Commission's verification of information on the reasonableness of the cost of the alienation of military property, which testified that military property, which is in high demand on the arms markets, was sold at prices that were approximately ten times lower than the prices of its implementation by intermediaries on foreign markets. That is, the state, represented by the Ministry of Defense, received approximately ten times less than the real value of the property on the international arms markets (the multiplicity is revealed and can be traced by the constant trends in arms and military equipment, which has a high demand on the arms markets due to the difference in the sale price of military property on the domestic market and the price of its further sale on foreign markets).

The reason for this is the biased evaluation of military property (the tendency of the evaluation carried out by professional appraisers to the residual value of mana can be traced).

The Commission has at its disposal reports and conclusions on the valuation of military property, which testify to such a trend (for example, the Conclusion on the value of T-72 tanks, drawn up by expert V. Ishchenko, director of the Private Enterprise "Promexport", which acted on the basis of the Certificate of the Subject of Evaluation Activity of the State Property Fund of Ukraine No. 3203/05 dated April 11, 2005, which carried out an independent evaluation on behalf of the State Enterprise "Lviv Armored Plant" on the basis of the contract No. 10-17 dated April 1, 2005, contains a conclusion on the independent evaluation of tanks, in particular:

1.	T-72-A	tank	(order	No.	B12BT3746);
2.	T-72-A	tank	(order	No.	B01BT2000);
3.	T-72-A	tank	(order	No.	V11VT9643);
4.	T-72-A	tank	(order	No.	B10BT3208);
5.	T-72-A	tank	(order	No.	B04BT3998);
6.	T-72-A	tank	(order	No.	B11VT8177);
7.	T-72-A	tank	(order	No.	B12VT1503);
8.	T-72-A	tank	(order	No.	B12BT3754);
9.	T-72-A	tank	(order	No.	B03BT1672);
10.	T-72-A	tank	(order	No.	B11BT9685);
11.	T-72-A	tank	(order	No.	B04BT3976);
12.	T-72-A	tank	(order	No.	B11VT8220);
13.	T-72-A	tank	(order	No.	V12VT1681);
14.	T-72-A	tank	(order	No.	G08VT3994);
15.	T-72-A tank (order No. G06VT1625).				

A total of 15 T-72A tanks, built in 1977-1979, were evaluated in the professional appraiser's opinion, and it was determined that the total market value of all tanks is UAH 2,920,410 (about USD 550,000 for all 15 tanks). which roughly amounts to UAH 194,000. for the T-72A tank, and this appraisal price approximately corresponded to the residual value of this property determined by the Ministry of Defense (according to the specification of the property, which was transferred to the Ministry of Defense to the company under contract USE-26/2-209-DK dated 10.06.2005, concluded with the DK "Ukrspecexport » the residual value of these tanks was determined at the level of UAH 3,018,555 (approximately USD 569,000), which were sold at such prices on the domestic market.

By the way, the conclusion of the professional evaluator was the subject of a review by the reviewer, who fully confirmed this assessment.

At the same time, according to the data of the State Export Control, since number records of individual military goods are not kept, information was provided about the cost of selling similar T-72A tanks in the specified period, namely, such a unit of military equipment was sold at prices ranging from 300 to 376 thousand USD US per unit, respectively, all the listed tanks were sold for approximately 4.5 million dollars. USA, while the Ministry sold these tanks to the domestic market for 570,000 dollars in accordance with the concluded contract. USA., i.e., for the 15 sold tanks, the state did not receive about 4 million dollars. USA.

At the same time, only in 2006, 1,000 T-72 tanks of various modifications were included in the lists of surplus property for their further implementation, and before that such a tank was withdrawn from service with the Armed Forces of Ukraine, since there were no repair enterprises in Ukraine that could service such a tank tank. However, the T-72 is currently in service with the Armed Forces, a significant part of which was not implemented in time has been returned to combat stock, and since 2014 such a tank has been perfectly serviced and modernized at the enterprises of the Ukroboronprom DC.

Another example is the determination of unreasonably low prices, according to which the property was removed from the state form of ownership, in particular on the terms of barter.

Thus, the Resolution of the Cabinet of Ministers of Ukraine dated October 14, 2009 No. 1135 "Some issues of restoration and repair of armaments and military equipment of the Armed Forces" approved the Procedure for conducting settlements by the Ministry of Defense with executors of works on the restoration and repair of armaments and military equipment of the Armed Forces, which determined the mechanism for conducting settlements by the Ministry of Defense and its authorized bodies with executors of works on the restoration

and repair of armaments and military equipment of the Armed Forces by transferring surplus movable military property to them at the expense of payment for the specified works.

In the investigation materials, there are copies of documents confirming the transfer of military property to executors as payment for the work performed on the restoration and repair of weapons and military equipment of the Armed Forces, in particular, orders (form 200) on 124 sheets. on the transfer of military property to the SE "Lutskyi Remontnyi Zavod "Motor" for the payment of equipment repair work, which certifies the transfer of combat aircraft and aircraft engines, and other valuable property, in particular:

- MiG-29 aircraft, serial number 2960512101, 1984;
- MiG-29 aircraft, serial number 2960518760, 1986;
- MiG-29UB aircraft, serial number 80003001048, 1986;
- MiG-29UB aircraft, serial number 50903010194, 1988;
- L-39 aircraft, serial number 433019, 1984;
- L-39 aircraft, serial number 834518, 1988;
- L-39 aircraft, serial number 433113, 1988;
- RD-33 aircraft engine, factory number 870881761133, 1987;
- RD-33 aircraft engine, factory number 870881872203, 1988;
- RD-33 aircraft engine, factory number 870883772253, 1988;
- RD-33 aircraft engine, factory number 870883772281, 1987;
- RD-33 aircraft engine, factory number 870881872091, 1988;
- RD-33 aircraft engine, serial number 870881761099, 1987;
- RD-33 aircraft engine, factory number 870882972208, 1989;
- RD-33 aircraft engine, factory number 870884772298, 1988;
- RD-33 aircraft engine, factory number 870881761181, 1987;
- RD-33 aircraft engine, factory number 870883661203, 1986;
- RD-33-2S aircraft engine, factory number 870884772198, 1987;
- RD-33-2S aircraft engine, factory number 870881072061; born in 1987;
- RD-33-2S aircraft engine, factory number 870881872147, 1988;
- RD-33-2S aircraft engine, factory number 870884361074, 1983;
- RD-33-2S aircraft engine, factory number 870883461093, 1985;
- RD-33-2S aircraft engine, factory number 870882661078, 1986;
- RD-33-2S aircraft engine, factory number 870884661220, 1986;
- RD-33-2S aircraft engine, serial number 870884661272, built in 1986;
- RD-33-2S aircraft engine, serial number 870881561019, 1985;
- aviation engine AL-21F-3T, factory number 540892758362t, 1987;
- aircraft engine AL-25TL, factory number 9052522900175;
- aircraft engine R-95Sh, factory number 5301957050;
- AI-25TL aircraft engines, other engines and property according to the order (table 10 in font on 30 sheets - more than 3000 names of property, various engines and spare parts).

At the same time, according to the specified list of military property, which was transferred as payments for services rendered, and the company sold it to foreign markets through intermediaries, there is a question only about the valuation of the transferred property, which was determined at the level of its residual value. For example, the MiG-29 aircraft (without engines) was transferred under orders at the level of 1.6 - 2 million hryvnias. (200-240 thousand USD), and turbojet engines at the level of 250 thousand UAH. (US\$ 30,000).

We will give some examples of the further sale of this property according to the information of the State Export Control. So, aircraft and engines from this list were sold in the following order of prices:

- aircraft MiG-29 UB (training and combat), serial number 80003001048, 1986 with two aircraft engines RD-33 was sold through intermediaries for \$ 2,795,000. USA, and the Ministry of Defense alienated it at a price of about 312,000 dollars. USA, which is 9 times less than the price of its next sale to foreign markets;
- the MiG-29 aircraft, factory number 2960710839, with two RD-33 aircraft engines was sold through intermediaries for \$9.2 million. USA, 30 times the price of its appraised value;
- L-39 aircraft, serial number 433019, 1984 with an AI-25TL engine was sold through intermediaries for \$750,000. USA, and the Ministry of Defense estimated it at about 26 thousand dollars. the USA (approximately UAH 150,000 for the airframe and UAH 50,000 for the engine), which is 28 times less than its next sale to foreign markets;
- the RD-33 aircraft engine, serial number 870881761133, built in 1987, was sold through intermediaries for \$1,581 million. USA, while the Ministry of Defense estimated it at UAH 254,000. (\$32,000), because it is defined as a Category IV engine, 49 times less than the price of its next sale on foreign markets;
- aircraft engine RD-33-2S, serial number 870884772198, 1987 was sold through intermediaries for USD 950,000. the United States, while the Ministry of Defense estimated the IV category engine at UAH 254,000. (\$32,000), which is 29 times less than the price of its subsequent sale to foreign markets;
- RD-33 aircraft engine, factory number 870882972208, year of manufacture, 1989, was sold through intermediaries for 950,000 dollars. USA, while the Ministry of Defense estimated it at UAH 254,000. (\$32,000), which is 29 times less than the price of its subsequent sale to foreign markets;
- aircraft engine AI-25TL, factory number 9052522900175, was sold through intermediaries for 135 thousand dollars. USA, while the Ministry of Defense estimated it at UAH 40,000. (\$5 thousand), which is 27 times less than the price of its next sale on foreign markets;
- the R-95Sh aircraft engine, factory number 5301957050, was sold through intermediaries for \$742,000. USA, while the Ministry of Defense transferred it to the new owner at a price of UAH 131.9 thousand. (US\$16,000), because it is defined as a category IV engine, which is 46 times less than the price of its subsequent sale to foreign markets.

This is the order of prices for other property, which was in demand on foreign markets, and which, as a result of its unjustified assessment, was the subject of alienation, at a residual value that is at least tenfold, because, for example, an engine, which the Ministry of Defense assigned to the fourth category (with a low residual value resource) and estimated at USD 30,000. The USA for some reason becomes the object of sale by the new owner at a price of 1.5 million dollars. USA.

Another example that became known during the investigation of the facts of embezzlement at the enterprises of DK "Ukroboronprom". Thus, on November 4, 2016, SE "Kyiv Armored Plant" sold to LLC "Optimumspetsdetal" product 1G42 (tank sight) in the amount of 3 pcs. for the total amount of UAH 2,670,000.01. with VAT (741,666.67 UAH. with VAT per unit), while on 17.11.2016 "Optimumspetsdedal" LLC supplies these sights to SE "Kharkiv Armored Plant" at a price of 1,583,333.34 UAH. with VAT per product.

That is, after the start of the military aggression, the state is forced to modernize and repair military equipment, which at the beginning of 2014 was in a technically unsatisfactory condition, spending billions of hryvnias on it, and at one time the best samples of military equipment were sold for next to nothing. Just consider such a trifle - the state was forced to buy three tank sights in 2016 for 4.5 million hryvnias. (over 170,000 US dollars), while not so long ago the state sold whole tanks with sights installed at a price of 30-40 thousand dollars. USA, and today the sights alone cost the state more than 60,000 dollars. US per unit.

The most typical model of sale of military property was carried out through an intermediary:

- 1) MOU concludes a commission agreement with a special exporter and transfers the property, which is estimated at a price that is higher than the residual value of this property by approximately 10-15%, which ultimately covered the costs associated with the sale of this property, as well as the commission fee);
- 2) the special exporter sells such property on the domestic market at prices that are significantly lower than the prices for such property on foreign markets and/or sells it to an intermediary on the foreign market;

3) the new owner (buyer), independently or under the agreement of the commission through the same or another special exporter, sells such property on foreign markets at market prices, which, as evidenced by the established trend, are ten or more times higher than the sale price of the Ministry of Defense on the domestic market or an intermediary.

That is, the state in the person of the Ministry of Defense essentially selling thousands of different types of military property at residual prices received for such property essentially a tenth of its real value, and intermediaries extra profit.

The table below provides information on the mediated value of certain samples of weapons and military equipment (OMT) on the international arms market in the period from 1998 to 2017 (MRO) and information on the residual value of surplus military property that could be sold in the above period.

The names of the main OVTs	Average residual value, USD	Mediated value on International Arms Markets (IMM), USD
Armored weapons and equipment		
T-55	10,788	209,000
T-62	12,942	175,400
T-72	59,038	46,000
T-80	74 231	2,314,000
BMP-1	10,635	464,000
BTR-80	9,288	200,000
BTR-70	8,538	200,000
BTR-60	5,923	186,000
Anti-aircraft missile systems (complexes, installations)		
S-300PMU (division)	6,923,077	150,000,000
Buk M1 (division)	2453846	12,000,000
ZU-23-2	8,392	112,500
ZKR 9M38M1 (rocket for Buk M1)	81 154	208,300
Aircraft		
Mi-8	62 115	3,300,000
Mi-24	110385	8,300,000
MiG-29	423,077	1,450,000
An-32	119,808	3,780,000
IL-78	645,000	14,900,000
Su-25	103,077	5,500,000
Self-propelled artillery installations		
2C19 MSTA-S	236,956	3,300,000

Note:

The "Name of OVT" column shows the generalized name of the OVT sample without detailing the modifications, in turn, the "Residual value" and "Cost per MRO" columns show indirect price data for all modifications of the sample.

To facilitate the perception of information and comparison, the US dollar was chosen as the base currency, as it is the most common currency when concluding international contracts for the supply of OVT.

Regarding the given information, it is worth noting the following. Price data from MRO are obtained from open sources of information and correspond to products that were in use and sold from the Armed Forces with pre-sale preparation, repairs (if necessary).

The values of the residual value correspond to the products sold from the Armed Forces warehouse or storage.

The results of the analysis of information on international contracts for the supply of OVT indicate that the price formation is significantly influenced by the need to take into account state and international policy, a specific region of the world in a certain period of time, the amount of costs that must be incurred for the supply (banking, insurance, transport, marketing and other). Also, the volumes, terms and conditions of delivery, the possibility of further development of cooperation, maintenance, current and major repairs, personnel training, etc., must also be taken into account. Taking into account the above as a reference value, the indirect values of the realization of individual samples of OVT are given on the MRO.

The Commission's materials also include proposals from the Ministry of Defense for the supply of ammunition, such as a proposal for the Afghan National Army in the amount of 1.95 million dollars. USA at 2003 prices, including:

- 7.62 mm cartridges – 5,611,296 pcs.
- 7.62 mm rifle cartridges - 119,520 pcs.
- 14.5 mm cartridges - 275,000 pcs.
- 40 mm rounds of PG-7V to RPG-7 – 2,106 pcs.
- 73 mm rounds of PG-9V to SG-9 – 360 pcs.
- 82 mm rounds for BM-37 – 10,800 pcs.
- 115 mm rounds to the T-62 - 1,100 pcs.
- 122 shots to the D-30 - 28,000 pcs.

However, the price of the proposed ammunition is grossly understated, because the cost of such ammunition at the MRO at mediated prices is at least five times higher. The Commission does not know about the fact of the supply of the specified ammunition to a specific buyer, but according to the documents available in the investigation materials, the Ministry of Defense was ready to supply such ammunition at the specified price, and therefore the Commission assumes that hundreds of millions of similar ammunition sold during 1991-2018 were sold as well as low-priced small arms, hundreds of thousands of which (of various types and names) were sold at significantly low prices.

The materials of the investigation contain numerous examples of the sale of military property on terms that did not correspond to the economic interests of the state, and also caused particularly large losses.

The commission did not carry out a general assessment of losses due to such processes, but reasonably assumes that as a result of the sale of weapons and military equipment, which is in high demand on the world arms markets, through intermediaries and at residual prices, losses of tens of billions have been caused to the state. The commission believes that this information should be the subject of criminal proceedings, because the damage caused to the state should be established exclusively through investigation.

III. During the verification of information on the reasonableness of the amount of compensation for the value of land plots that belonged to the state and were in permanent use by military units, institutions, organizations that are part of the Ministry of Defense of Ukraine, and were alienated and/or transferred for development as part of the implementation of investment projects , the Commission established the following.

According to the information received, according to the accounting data of the Ministry of Defense of Ukraine, the following number of military towns and defense lands were assigned to the agency, in particular:

- as of 01.01.1992, there were 3,082 military towns (complexes of buildings and structures located on one plot of land, used for quartering military units), more than 55,000 real estate objects, and more than 666,000 hectares of defense land;

- as of 01.01.2001, there were 2,474 military towns, which contained 51,353 military buildings and structures, i.e., 608 military towns were transferred to other users and/or alienated over ten years;
- as of 01.01.2005, there were about two thousand military towns on which 45,528 buildings and structures were located;
- as of 01.01.2017, there were 1,491 military towns on the register, on the territory of which there are 33,431 buildings, of which there are 41 military towns (659 buildings) in the Donetsk and Luhansk regions, and also 2,235 land plots with a total area of 494 are in use, 05,000 hectares (excluding 39,73,000 hectares located in the temporarily occupied territory of the Autonomous Republic of Crimea), at the same time, title deeds were issued for land plots with a total area of 375,99,000 hectares (76.1% of the total area).

Thus, during the 26 years of Ukraine's independence, 1,591 military towns with over 21,000 buildings and structures were removed from the sphere of administration of the Ministry of Defense, as well as more than 172,000 hectares of defense land, including . 39.7 thousand hectares in the occupied territory of the ARC (at the same time, today there is a question of providing appropriate funds in the new points of permanent deployment of the military units of the Armed Forces formed during 2014-2018, which cannot be placed on the funds of the Ministry of Defense; only during 2014-2016 was formed 105 military units (units), for which points of permanent deployment (76) and temporary places of placement on funds that do not belong to the sphere of management of the Ministry of Defense (29) and for this purpose were returned released in previous years and restored 39 military towns (776 structures),

At the same time, the Commission notes that the majority of military towns were located in the central areas of the capital of Ukraine - Kyiv, Lviv, Kharkiv, Odesa, Donetsk, Luhansk, other cities of regional importance, as well as cities of district importance.

The initiated process of mass reduction of the army caused, in addition to a large-scale reduction of weapons and military equipment, the mass release of military towns, and, given their location and investment attractiveness, a huge number of such objects became objects of abuse.

The Commission notes that based on the results of the analysis of the information provided by the State Property Fund regarding 12,890 real estate objects (buildings and structures) that were on the balance sheet of state-owned enterprises, institutions and organizations of the Ministry of Defense in the period 2004-2014, in respect of which management decisions were made, in particular, alienated, written off, transferred to communal ownership, transferred to the sphere of management of another state authority, other (realized from the sphere of management) according to the data of the State Register, i.e. for 10 years, it can be seen that the majority of objects (approximately 4/5) were transferred free of charge to communal ownership or transferred to the sphere of management of other state authorities.

In general, the transfer of such objects was carried out on the basis and in the manner determined by the legislation. Another issue is that some of the transferred objects were later used in quite successful commercial projects, and objects that were located in attractive places (in the central parts of cities, especially of regional importance) were the object of investment projects, while new owners received significant dividends in the form of square meters; for example, in the central part of Lviv or Donetsk or any other regional center, entire military towns are handed over to local self-government bodies, because the Ministry of Defense could not implement them or conclude investment agreements, but for some reason such towns are successfully built up, while the city or state body receives square meters according to the concluded agreement, and the Ministry of Defense nothing; whether a sports complex in some regional center, for example in the city of Vinnytsia, is transferred as such that is not needed by the Ministry of Defense, however, the local government is holding an investment competition in a month, and at the same time, in addition to the well-being of the city's residents, it will provide significant income to the local budget.

The commission, after reviewing the information provided, established that hundreds of attractive objects of the Ministry of Defense, especially since the beginning of the 2000s, became the objects of abuse, expressed in the refusal to use them in favor of third parties, buying and selling at prices that were significantly lower than the market, mines and/or objects of transfers to private developers during investment activities in the construction of housing for military personnel on terms that did not correspond to the interests of the state, while during such activities the state suffered particularly large losses.

The commission considers it necessary to cite several examples, because the schemes below are typical and reveal the destructive processes that were disguised as investment activities during the construction of housing for military personnel during 1991-2018.

Regarding military towns No. 23 (Kyiv, 1 Sichnevoy Povstannia St.), No. 24 (Kyiv, 38, 40 Sichnevoy Povstannia St.).

It should be noted that the release of institutions located on the foundations of military towns No. 23, 24 was not foreseen by the organizational measures to reform the Armed Forces of Ukraine in 2004, as well as their redeployment, which indicates exclusively that the issue of releasing the most attractive sites was carried out on a commercial basis.

Thus, according to the available information, in 2003 part of the territory of military town No. 23 (this town, where the former military commandant's office, the state branch archive of the Ministry of Defense, the song and dance ensemble of the Armed Forces of Ukraine (the city of Arsenalna) was located, and the buildings and structures were architectural frameworks, in particular "Mykolaiv Gate", which were part of the Kyiv fortifications) with the consent of the Ministry of Defense, was withdrawn free of charge in favor of "Inves" LLC (0.6 ha), however, the area of the residential complex on St. Hrushevsky 9 (two houses for several tens of thousands of meters; the price of one meter of this property is more than 4,000 USD) indicates that the developer was actually given a larger plot. At the same time, according to available information, the Ministry of Defense received nothing for the transfer of this part of the territory, but an elite complex was built on the plot of land with access to the Mariinsky Park and views of the Dnipro, where real estate was acquired, in particular by those persons who held high government positions or who were connected with them, but in any case, the military department in these buildings nothing was received. The specified information needs to be verified by investigation, because documentary confirmation of the Ministry of Defense was not provided, moreover, according to the information provided by the Ministry of Defense, the entire territory of military town No. 23 as of 2019 is considered to be owned by the state.

Then, in 2004, the Ministry of Defense, in the person of the head of the Property and Land Resources Department - the deputy director of the Department of Volynsky V.O. under the power of attorney of the Minister of Defense of Ukraine E.K. Marchuk dated August 17, 2004, contracts were concluded for the exchange of immovable military property for housing for military personnel:

- dated 06.09.2004 No. 2682 from "Khreshchatyk Investbud" LLC, on behalf of the property complex belonging to the Ministry of Defense at the address: Kyiv, str. 1 Sichnevoi Povstannia, (Military Town No. 23) with an expert value of 18 million 656 thousand UAH, for a residential building with 196 apartments with a total area of 12,157.1 square meters owned by LLC "Khreshchatyk Investbud". m, with an expert value of 18 million 656 thousand UAH. at the address: Kharkiv, st. P. Svinarenka, 18;
- dated 09/22/2004 under No. 3604 from "Region Invest" LLC, in exchange for property complexes belonging to the Ministry of Defense with a total area of 13,115 square meters. m. at the address: Kyiv, st. January Uprising 38.40 (military town No. 24) with an expert value of 19 million 980.9 thousand UAH. for a residential building owned by "Region Invest" LLC. "A-10" for 197 apartments with a total area of 12,617 square meters. m, worth 19 million 379.7 thousand UAH. at the address: Kharkiv, st. P. Svinarenka, 20.

Since the organizational measures for the reform of the Armed Forces for 2004 did not provide for the relocation of institutions located on the funds of military towns No. 23, 24 and their release, the specified mine contracts were concluded by the Department (represented by the deputy director V.O. Volynskiy) in violation of the requirements of the Cabinet of Ministers resolution of Ukraine dated 28.12.2000 No. 1919 and the order of the Minister of Defense of Ukraine dated 12.12.2002 No. 407 "On the organization of the work of the military administration bodies of the Armed Forces of Ukraine on the alienation of military property", which provides for the alienation of immovable property released during the implementation of the State Program of Reform and development of the Armed Forces of Ukraine.

On the basis of acts of acceptance and transfer dated 10.09.2004 and 24.09.2004, approved by the director of the Department Velizhansky S.K., the Ministry of Defense represented by the head of the Department of Property and Land Resources - deputy director of the Department Volynskiy V.O. transferred to LLC "Khreshchatyk Investbud" and LLC "Region Invest", respectively, property complexes located at the address: Kyiv, street of the January Uprising, 1, 38, 40, at the same time receiving according to acts of acceptance and transfer:

- from LLC "Khreshchatyk Investbud" - a residential building with 196 apartments at the address: Kharkiv, str. P. Svinarenka, 18;
- from "Region Invest" LLC - a residential building with 197 apartments at the address: Kharkiv, str. P. Svinarenka, 20.

At the time of inspection of apartments in residential buildings at the address: Kharkiv, st. P. Svinarenka, 18, 20 owned by the Ministry of Defense have not been registered and are not occupied by military personnel.

As established by the inspection, part of the housing at the address: Kharkiv, st. P. Svinarenka, 18, 20, received by the Ministry of Defense from LLC "Khreshchatyk Investbud" and LLC "Region Invest", actually belonged to other legal entities.

Thus, 36 apartments (30 apartments in the building on P. Svinarenko Street, 18 and 6 apartments in the building on P. Svinarenko Street, 20) were financed and belonged to individuals.

The Department of Capital Construction of the Kharkiv Regional State Administration in 2004 for the construction of 119 apartments in a residential building on the street. P. Svinarenko, 20, in Kharkiv, JSC "Agroservice-Ukraine" (construction customer) transferred 11.3 million hryvnias. According to the act dated November 8, 2004, JSC "Agroservice-Ukraine" handed over 119 apartments to the UKB of the Kharkiv Regional State Administration.

The main command of the Air Force of the Armed Forces of Ukraine concluded with JSC "Agroservice-Ukraine" the contract dated 08.12.2003 No. 17/D/03/9 for the construction, in the order of joint participation, of a 197-apartment residential building on the street. P. Svinarenko, 18, in the city of Kharkiv, for 8 million 423.6 thousand hryvnias, for the execution of which 3.4 million hryvnias were transferred to JSC "Agroservice-Ukraine".

That is, the Department, at the expense of the real estate transferred to the commercial structure, received housing financed by legal entities and individuals, including the Ministry of Defense of Ukraine itself.

At the same time, the Commission considers the conditions of such an exchange extremely unfavorable - more than 14 hectares in the very center of the capital with real estate objects suitable for use, for apartments on the outskirts of Kharkiv, which were partially financed by the Ministry of Defense itself, as well as other structures at the expense of the state budget and funds of local communities.

According to expert estimates, due to this arrangement, the Ministry of Defense received at least one thousand one- and two-room apartments (in an equal ratio) in the sleeping areas of such cities as Kharkiv, Lviv, Odesa, which, in particular, could significantly solve the problem of providing housing for officers in the garrisons of each of these regional centers, however, this did not happen, the state suffered losses, and the guilty persons have not yet been brought to justice.

Regarding the military town No. 2 on the street Prof. 4 Pidvysotskogo St., Kyiv

It should be noted that the liberation of this town was also not foreseen by the organizational measures for the reform of the Armed Forces of Ukraine, which confirms the criteria for the liberation of plots - in respect of which there is a commercial interest (this is a town where the elite multi-apartment complex "Novopecherski Lypyka" is currently built), the circumstances of the construction of which were extremely unprofitable for the state, and also testified about the commission of criminal offenses, which are still not investigated despite the assignment of particularly large damages, because the state did not receive at least 13 thousand square meters of living space, and additionally lost almost 10 hectares of land in the Pechersk hills.

Thus, between the Ministry of Defense, represented by the head of the Central Specialized Construction Department (State Accounting) of the Ministry of Defense of Ukraine, Dmytro Valeriyovych Isaenko, and Pivdenzahidtransbud Trust OJSC, dated 12.31.2003 No. 7/38-03 on the construction, acquisition and provision of servicemen of the Armed Forces was concluded of Ukraine and their family members with housing through share participation in the construction of a complex of housing facilities on the land plot of the military town #2 on the street. Pidvysotskogo, 4 in the city of Kyiv (hereinafter referred to as the General Agreement), according to which the share of the Ministry of Defense is apartments, the total living area of which is 25% of the area of apartments in residential buildings determined by the project documentation,

which were to be built on the specified land plot, approximately 2005 was 85,000 square meters of living space.

During 2004-2005, a number of additional agreements were concluded to the concluded General Agreement, which, in particular, changed the definition of Investor in the text to Shareholder and determined that starting in 2004, at the request of the Customer (Ministry of Defense), the Shareholder provides 5% of apartments in other districts of Kyiv and in settlements within the Kyiv Garrison, and 20% of apartments in other regions of Ukraine (from the total area of apartments in the "Complex of Objects"). Additional contract No. 2 dated 30.01.04 included a new participant in the contract, LLC Budspetssservice, as a third party - a shareholder, and according to additional contract No. 3 dated 25.07.04, OJSC Trust "Southwest Transbud" voluntarily refused to fulfill the terms of the contract and unilaterally terminated contractual relations. Budspetssservice LLC took over his obligations.

At first glance, changing the name of the parties in the contract is a normal thing, but in the context of the further implementation of this contract, it can be seen that the change of the name of the party to "shareholder" was aimed at changing the economic and legal relations that have developed between the parties - the Customer and the Investor.

On December 23, 2004, as can be seen from the decision of the Kyiv City Council, the land plot of the military town with a total area of 19.55 hectares was transferred to Budspetssservice LLC.

Given the fact that the land plot with a total area of 19.55 hectares belonged to the defense lands and was in state ownership, it is obvious that the officials of the Central Specialized Construction Department of the Ministry of Defense of Ukraine committed actions aimed at illegal, illegal refusal of the land plot, that in 2005 appropriate changes were made to the concluded General Agreement after the fact or that response measures aimed at challenging the relevant decision of the Kyiv City Council were not taken illegally.

According to the Law of Ukraine "On the Use of Defense Lands", the Kyiv City Council had no right to dispose of the land plot of military town No. 2, since it is a state-owned land plot on which real estate objects, equipment, etc. were located. Isaenko, the head of the Central Specialized Construction Department of the Ministry of Defense of Ukraine, also had no right to dispose of this plot of land, who was obliged to appeal the relevant decision of the Kyiv City Council.

Thus, the agreement on settlement of relations No. 227/UPB-74Д-05 dated 04.07.05, concluded by the Ministry of Defense, in the person of the acting director of the Department of Construction, Housing Acquisition and Alienation of Defense Ministry Danilovich S.M. and "Budspetssservice" LLC, the size of the land plot was unjustifiably increased by 1 hectare without changing the share of the Ministry of Defense under the General Agreement (in this agreement, the land plot is defined with a total area of 18.46 hectares, on which military town No. 2 is located at Professora Pidvysotskyi Street, 4 in the city of Kyiv), and it was also determined that the exact size of the land plot and its boundaries are determined by the land management documentation, which had to be developed in the prescribed manner. At the same time, the Ministry of Defense undertook to give up the right to the land plot, as well as to write off real estate objects.

Also, this contract determined that the share of the Ministry of Defense remained unchanged - 25% of the apartment area determined by the design documentation - and its exact area will be adjusted based on the results of the approved design and estimate documentation and the received corresponding opinion of the "Kyivderzhkspertiza" service for the entire building complex.

In view of the fact that, according to the illegal decision of the Kyiv City Council, the land plot of the military town was transferred to LLC "Budspecsservice" in December 2004, while on this plot there were real estate objects that belonged to the state, the fact of concluding an agreement on the settlement of relations in April 2005 shows signs of fictitiousness.

In addition, under this contract, "Budspecsservice" LLC undertook to compensate the Ministry of Defense for the costs of energy carriers consumed in previous years and to pay compensation for the residual value of real estate that was subject to demolition on the territory of the military town.

04/08/2005, the day after the conclusion of the Agreement on Settlement of Relations dated 04/07/05, S.M. Danylovich. entered into an additional agreement to this contract, according to which the share of the Ministry of Defense in the complex of objects was sold.

Thus, the provisions of this additional agreement stipulated that "Budspetservice" LLC buys, and the Ministry sells the appropriate share (25% of the planned volume of the total residential area of the Complex of objects).

At the same time, the parties unjustifiably determined the price of the Ministry's share in the amount of UAH 180,983,821.00, which is approximately 85,000 square meters of the total housing area or 25% of the planned volume of the total housing area. The value of the share was calculated considering the fact that as of March 1, 2005, the company had transferred 10,878 square meters to the Ministry of Defense of living space (4,313 sq.m. within the Kyiv garrison and 6,564 sq.m. in other regions of Ukraine), for the amount of UAH 18,394,374, respectively, the share price was calculated based on the price of one square meter of the properties that were purchased and as if transferred to the Ministry of Defense, that is, the amount was divided by the number of square meters and the value came out to be UAH 1,690/sq.m. - this despite the fact that the cost of one square meter in the center of the capital cost at least ten times more.

Also, in the additional agreement dated April 8, 2005, the parties agreed that since the company fulfilled its obligations in terms of transferring property rights to the Ministry of Defense for 10,878 sq.m. of living space for the total amount of UAH 18,394,374, and the reserve fund in the amount of UAH 27,147,573 remains with the company until the facility complex is put into operation, Budspetservice LLC had to transfer UAH 135,441,874 to the Ministry of Defense.

Further, on September 2, 2005, the Ministry of Defense, represented by D.V. Isaenko, the head of the Central Specialized Construction Department, and Budspetservice LLC concluded Additional Agreement No. b/n to the Agreement on Settlement of Relations, which arose as a result of the implementation of the General Agreement dated April 7, 2005, according to which the parties agreed that the Company, at the expense of fulfilling its financial obligations for housing financing under the agreement on the settlement of relations dated 04.07.2005, has the right to transfer property rights to housing to the Ministry.

On October 25, 2005, the Ministry of Defense (represented by D.V. Isayanka) and Budspets Service LLC concluded another Additional Agreement to the Agreement on Settlement of Relations dated April 7, 2005, which reduced the Ministry of Defense's share by 30%.

In particular, the agreement determined that in view of the fact that according to the notification of the Subsidiary enterprise "Kyivgenplan Institute" of JSC "Kyivproekt" dated 13.10.2005, the total area of housing that can be built on the land plot is determined to be 204,400 m², and not 340,340 m², which the parties expected to receive on the basis of a preliminary calculation when signing the Agreement on the Settlement of Relations and the General Agreement. In this regard, changes were made to this contract, according to which the total area of the apartments to be transferred to the Ministry of Defense decreased from 85,000 sq.m. up to 51,100 sq.m.

The content of the concluded agreement also contradicts the interests of the state, since the provisions of the General Agreement determined that the change in the estimated total square footage can take place in accordance with the approved design and estimate documentation and the receipt of the relevant opinion of the "Kyivderzhkspertiza" service. It is important to emphasize that "Budspets Service" LLC did not fulfill its obligations under the General Agreement and the additional agreements concluded for its implementation - the design and estimate documentation was not drawn up and approved by the parties.

In addition, according to available information, a complex of buildings and structures whose area significantly exceeds the declared area in the specified additional agreement - 204,340 square meters - was built and put into operation on the land plot that was transferred to the Ministry of Defense as part of the concluded General Agreement. About this the data of the comprehensive state examination of the project for the construction of a residential quarter as of 2010, as well as the fact that in the period from 2010 to 2015, construction was carried out on the specified land plot. It can be seen from the foregoing that the representatives of the parties to the contract, in violation of the requirements of previous agreements and the requirements of the law, made changes to the contract in terms of reducing the share of the Ministry of Defense on the basis of a certificate with dubious content in order to reduce the amount of the company's financial obligations to the state under the General Agreement.

10/27/2005 LLC "Budspetservice" and the Ministry of Defense represented by the director of the Department of Construction and Expropriation of Funds Fomin O.Yu., the head of the Central Specialized Construction Department D.V. Isaenko, the director of the Department of Economic and Economic Activities Pavlyuk V.I. the Protocol on the state of fulfillment of the contractual obligations by the parties was signed, by which

the parties certified the full fulfillment of the obligations under the contract - for the total amount of UAH 153,816,874.36, however, the Department of Finance of the Ministry of Defense of Ukraine confirmed receipts in the amount of UAH 123,650,000, but regardless of this, officials of the Ministry of Defense signed a protocol of fulfillment of contractual obligations.

In addition, on October 20, 2005, the Minutes of the meeting regarding the state of settlement under contract No. 227/UPB-74D-05 dated April 7, 2005 indicated that Budspetservice LLC fulfilled its obligations under the contract, in this regard it is suggested to consider the issue of exclusion from the Agreement dated 04/07/2005 of clauses 1.7 and 3.8 regarding final settlements with the Ministry and changes to the terms of this agreement regarding the fulfillment of obligations to the Ministry of Defense regarding the amount of payment for construction and the purchase of housing for military personnel, which is obviously contrary to the interests of the state.

At the same time, on March 17, 2006, the Director of the Department of Construction and Expropriation of Funds, D.V. Isaenko, abusing his official position, acting contrary to the interests of the state, entered into an additional agreement with LLC "Budspets Service" that terminated the contractual obligations between the Ministry of Defense and LLC " Budspetsservis" in connection with the full fulfillment of the terms of the General Agreement, and since such an agreement was not actually fulfilled, by such actions expressed in the signing of documents that confirmed the company's full fulfillment of its obligations, caused losses in the amount corresponding to the indicator of severe consequences

In addition, according to the Protocols on the state of fulfillment of obligations by the parties to fulfill the terms of the General Agreement, a fictitious transfer of real estate objects and/or property rights to real estate objects is considered.

Thus, according to one of the protocols of the Ministry of Defense, property rights for 30 apartments with a total area of 1,513.40 square meters are transferred. in the village Reshetylivka of the Poltava region with a total cost of UAH 1,984,067.40, which, according to the Department of Legal Support of the Ministry of Defense of Ukraine, as of July 2015, has not actually been received. The situation is similar with other objects that were allegedly transferred within the framework of the implementation of the General Agreement - twenty-one apartments in the city of Berdychiv (Spartakivska St., 45), property rights to which were transferred to the Ministry of Defense, are not occupied due to their non-compliance with sanitary and epidemiological standards, that is, the premises are in an emergency condition.

The Department of Finance of the Ministry of Defense of Ukraine has documents that confirm the actual receipt of only 24 apartments in the village. Kotsyubynske, however, according to the protocols, the transfer of 28 apartments was counted, which may indicate a fictitious transfer of 4 apartments and/or property rights to the apartments.

There are also known facts about the fictitious registration of other apartments by the Ministry of Defense, the transfer of which is not confirmed by documents that testify to their actual registration by the apartment management authorities for the implementation of the General Agreement No. Stalingrad, 101 in the city of Mykolaiv, one apartment in the village of Verbka, etc.).

Also, according to the conclusions of the comprehensive state examination of the project "construction of a residential quarter with objects of social and public purpose and underground parking on the street. Professor Pidvysotskyi (on the territory of the military town #2) in the Pechersk district of Kyiv" from 02.07.2007 and from 10.06.2010, the total area of the apartments that were built on the territory of the military town can be seen, and considering the difference between the actually built square meters and meters, which were the basis for the illegal termination of contractual obligations, "Budspetsservice" LLC did not fulfill its obligations under the General Agreement dated December 31, 2003, namely, did not transfer to the Ministry of Defense of Ukraine at least 13,416.77 sq.m. housing That is, even under the notoriously unprofitable agreements, the state did not receive at least 13,000 square meters. With,

Separately, it should be noted that according to the available documents (plans, maps and diagrams of the military town), the territory of the military town was 28.66 hectares, which was partially built by the contractor (more than 19 hectares). As for the other part, the construction site was prepared and the construction of the next row of houses started. At the same time, according to the General Agreement, the Ministry of Defense was supposed to transfer 18.66 hectares, but in fact the entire area that was allocated for the military town was transferred, as evidenced by the write-off of all real estate objects on the territory of the military town, which were located on 28 ,66 Ha.

That is, the officials writing off the buildings and structures on the territory of the military town actually transferred this plot of land to the developer, while the Ministry of Defense simply gave 10 ha to a private developer.

Regarding the write-off of the buildings and structures of the military town, it should be emphasized that according to the agreements concluded between the Ministry of Defense and "Budspecial Service" LLC, the company had to compensate the value of military real estate at the prices determined by the Ministry of Defense. In order to fulfill these provisions of the contract, real estate on the territory of the military town was written off as falling under the stain of development. At the same time, the write-off of the property was carried out at the residual book value, and it was this amount that was subject to compensation from the counterparty. But this was not done and such an order contradicts the requirements of the legislation on the sale of military property.

Thus, the Regulation on the procedure for the alienation and sale of military property of the Armed Forces of Ukraine, approved by the Resolution of the Cabinet of Ministers of Ukraine dated 28.12.2000 No. 1919, determines that the sale of military property can be carried out on a paid or compensatory basis, while the value of the property is determined based on its quality (technical) condition and market prices for property. In fact, real estate objects were written off and their compensatory value was determined at prices that did not correspond to market prices, and military property that did not fall under the stain of construction was unjustifiably written off, which indicates the waste of military property by officials of the Central Specialized Construction Department. In addition, according to the protocol dated 10/27/2005 on the state of fulfillment by the parties of their obligations under the General Agreement, that "Budspecservice" LLC transferred to the account of the Ministry of Defense the amount as compensation for the cost of materials and structures obtained as a result of the dismantling of real estate objects in the amount of UAH 1,799,850, which was credited to the fulfillment of the total amount of the company's obligations under the General Agreement, since the company carried out preparatory work on the construction site, which was calculated in the equivalent of 857 sq.m. of living space. That is, the state not only did not receive money for the sold real estate objects, but also did not receive the living area in the amount of 857 square meters. since the company carried out preparatory work on the construction site, which was calculated in the equivalent of 857 sq.m. of living space. That is, the state not only did not receive money for the sold real estate objects, but also did not receive the living area in the amount of 857 square meters. since the company carried out preparatory work on the construction site, which was calculated in the equivalent of 857 sq.m. of living space. That is, the state not only did not receive money for the sold real estate objects, but also did not receive the living area in the amount of 857 square meters.

Thus, in view of the above information, it can be seen that the officials of the Ministry of Defense implemented a fraudulent scheme in 2005, the purpose of which was to acquire a plot of land of state ownership by signing various documents, including fictitious in their content, which established fictitious obligations of the counterparty, and also changed both the method of their fulfillment and the obligation itself contrary to the interests of the state. In addition, the embezzlement of military property in particularly large amounts and other illegal actions are seen.

According to available information, the market value of 1 hectare of land in the Pechersk district of Kyiv in 2005 was at least 50,000 dollars. USD per hectare, which is equivalent to UAH 250,000, respectively, 1 hectare - UAH 25,000,000, and 28 hectares - UAH 700,000,000, despite the fact that the share of the Ministry of Defense in this "project" was determined in the amount of UAH 153 million ., which was not even transmitted in full.

Thus, the expert assessment of the volume of housing, which could be built only by selling land plots at commercial value, is about 400,000 square meters of housing in sleeping areas of regional centers or in settlements of regional significance, and this is about 9,000 apartments for military personnel in garrisons in which officers cannot get housing for tens of years.

In view of the above, it can be seen that the authorized officials of the Ministry of Defense, during the implementation of the General Agreement, entered into agreements, the content of which did not correspond to the legislation and the interests of the Ministry of Defense, and by such actions caused material losses, expressed in the failure to receive particularly large sums of money, failure to receive objects of real estate, loss of military property, and an agreement concluded on 17.03.2006 on the termination of contractual obligations in connection with the proper performance of the contract, as well as the signing of fictitious Protocols and acts of acceptance and transfer of apartments, which confirmed the enrollment of the corresponding sums and the transfer apartments to the Ministry of Defense of Ukraine, testifies to the commission of acts by such persons, which contain signs of crimes provided for by part five of Article 191

(appropriation, embezzlement of property or possession of it by abuse of official position, committed in particularly large amounts), Article 364 (abuse of power or official position) and, probably, Article 366 (official forgery) of the Criminal Code of Ukraine.

The Commission also draws attention to the fact that under the contract signed by the Ministry of Defense of Ukraine with Budspetservice LLC, part of the territory of the military town with an area of 18.46 hectares was transferred, while officials of the Ministry of Defense of Ukraine unjustifiably wrote off buildings and structures on the territory of the military town, which was not subject to transfer under the concluded contracts, with a total area of 10.22 hectares, and the plot itself was to be accounted for by the Ministry of Defense of Ukraine (according to the plan-scheme of the military town, which is available in the investigation materials, as well as aerial photographs of the territory, the area of the military town with the located it consisted of more than 28 hectares of precious land as objects).

At the same time, in 2015, people's deputies informed the Ministry of Defense that part of the territory of military town No. 2 on the street Pidvysotskogo 4, in the city of Kyiv, was not developed and was in the illegal possession of third parties, since their actions were aimed at preparing this plot for development, which created obstacles for the state to realize its property rights. The leadership of the Ministry of Defense of Ukraine, as well as law enforcement agencies, were informed about this state of affairs, but no effective response measures were taken, since as of today, the specified part of the military town is being actively developed.

The Commission also notes that, according to available information, relevant information was entered into the Unified Register of Pretrial Investigations regarding this offense on February 6, 2014, but no investigative actions were taken within the scope of this criminal proceeding. In fact, the investigation of this offense has been completed at the stage of entering information into the Unified Register of Pretrial Investigations, because the investigators have completed the legal qualification according to Part 2 of Art. 423 of the Criminal Code of Ukraine of 2001, which was excluded from the Criminal Code of Ukraine on the basis of Law No. 746-VII dated 21.02.2014.

However, Article 423 of the Criminal Code was a special norm (by subject), and Article 364 of the Criminal Code is general. In accordance with the rules for overcoming competition of general and special criminal law norms, a rule that provides for a special rule of conduct must be applied, that is, the rule - Art. 423 of the Criminal Code, however, the committed act does not lose the features defined by the general norm (Article 364 of the Criminal Code), but is only supplemented by additional characteristics (in particular, the subject of the crime). Therefore, although the law has entered into force, which abolished criminal responsibility for the act provided for in Art. 423 of the Criminal Code, criminal liability may be imposed for the act provided for in Art. 364 of the Criminal Code. In this regard, there are no grounds for closing the criminal proceedings regarding the misuse of their official position by relevant officials of the Ministry of Defense.

Regarding the military town No. 50 on the street M. Hrushevsky, 30

In 2000, the Ministry of Defense, in the person of the former head of troop quartering and capital construction, Colonel-General D.O. Rudkovskii, the former head of the Central Command, Major-General V.V. Lytvynenko, and "Klasyk" LLC signed an agreement dated 15.06.2000 b/n, about joint participation in the construction of housing for military personnel on a plot of land on the street Hrushevskyyi, 30 with a total area of 1.22 ha, with a determined share of the Ministry of Defense at the level of 25% of the total area of apartments (10,000 square meters), i.e., the share of the Ministry of Defense should be 2,500 square meters. m. housing.

The total area of the apartments was increased to 12,490 square meters by additional agreement dated 17.06.2000 No. 1. m, and the share of the Ministry of Defense is reduced to 20%.

According to the additional agreement dated December 28, 2004 No. 2, "Klasyk" LLC undertook to transfer to the Ministry of Defense apartments in Kyiv, at other addresses, with a total area of 1,795.2 square meters. m until April 2, 2005; however, a few days before the date of fulfillment of its obligations, another additional agreement dated March 28, 2005 No. 3 was concluded, which determined the final agreed settlement, according to which the Ministry of Defense receives 2,493.9 square meters. m of housing in Kyiv worth UAH 6 million. and additionally monetary compensation of UAH 1 million.

At the same time, as it was established during the audit by the Accounting Chamber, funds in the amount of 1 million hryvnias. were transferred to "Klasyk" LLC to the bank account of GolovKEU, and then according

to the decision of the Deputy Minister of Defense of Ukraine V.A. Kredisov from 04.11.2005 transferred JSC "Boryspilsilbud" for payment of some works.

It was also established that the Ministry of Defense received 24 apartments with a total area of 2,493.9 sq.m. meters (based on the average cost of 2.3 thousand UAH for 1 square meter of housing in Kyiv and as of 01.01.2005 it amounted to 5.7 million UAH, which was approximately 1 million USD, with in 2005, according to available information, the value of a hectare of land in this area of Kyiv was approximately 100-150 thousand US dollars, and accordingly, the average value of such a plot was at least more than 10 million US dollars, which is equivalent to 600 one- and two-room apartments in the ratio 50/50 in the sleeping areas of regional centers and cities of regional importance, but not 24 apartments in the sleeping areas of the city of Kyiv).

Regarding the military town No. 62 on L. Ukrainka Boulevard, 23, 25

According to the contract No. 31 dated 02.10.2000, concluded by GolovKEU with CJSC "Poznyaki-Zhil-Bud" on a plot of land with an area of 0.6 ha in the city of Kyiv, on Blvd. L. Ukrainka, 23, the construction of a residential complex was planned. According to the terms of the contract, after the completion of the construction, within a month after the signing of the act of the acceptance commission, the Head Office was to receive apartments in the new buildings of the city of Kyiv with a total area of 1,000 square meters. m and two four-room apartments in a residential complex, the construction of which is the subject of the contract.

An additional agreement dated 12.26.2002 to the agreement approved by the former head of troop quartering and capital construction of the Armed Forces of Ukraine - Meshcheryakov O.M. the terms of the contract were changed, namely, the Ministry of Defense received 2 three-room apartments instead of 2 four-room apartments, and by an additional agreement b/n and undated - the total area of apartments in new buildings in the city was unjustifiably reduced to 901 square meters. meter (roughly, the share of the Ministry of Defense according to the actual construction data did not exceed 5%).

At the same time, it was established that Poznyaki-Zhyl-Bud CJSC built a larger plot of land, because in addition to the house at 23 L. Ukrainy Boulevard, building 23-b was built, and accordingly, the building area was about one hectare instead of the specified 0.6 Ha (this is a former kindergarten).

According to the information received, the building area of the land plot, which according to the documents was 0.6 ha, was illegally increased at the expense of the territory of the sports grounds of the Kyiv Military Lyceum, because it was during the construction that the fence was moved and the boundary of the territory of the Military Lyceum was changed, which was probably done independently and illegally, in violation of the agreement, while this built-up part of the territory was not taken into account when determining the state's share.

At the same time, in order to fulfill the terms of the contract of the Ministry of Defense according to the acts of acceptance and transfer of apartments, signed by the head of the department, Colonel Voloshyn O.V. received 9 apartments with a total area of 901.12 square meters in new buildings. m, including six apartments with a total area of 517.22 square meters. m along the street Sribnokilska, 14-b, section "A" and "B" and 2 three-room apartments at the address: Kyiv, blvd. L. Ukrainy, 23 (based on the average cost of 1 square meter of housing in Kyiv (2,300 hryvnias), it was approximately 2 million hryvnias, or about 370,000 USD).

According to the act of acceptance into operation of the completed facility dated 04/21/2003, at the address: Kyiv, blvd. 23, L. Ukrainki, a 25-story residential building (I section) with 100 apartments with a total area of 12,627 square meters was put into operation. meters

In addition, along Blvd. L. Ukrainka, 23-b, a high-rise building of the II section was also built (at the expense of the territory of the Kyiv Military Lyceum), which was not covered by the contract, but the building with an approximate area of 12 thousand square meters. meters was erected and the II section was not taken into account by the Ministry of Defense when determining the state's share in the construction of housing for military personnel, however, the decision to change the boundaries of the military town No. 62 on the street L. Ukrainka, 25, in Kyiv was accepted at the level of the leadership of the Ministry of Defense, which testifies to their awareness that the building area is larger than specified in the Agreement.

Thus, the Ministry of Defense, failing to ensure the fulfillment of the requirements of the Decree of the President of Ukraine dated 01.07.93 No. 240, which stipulates that the investor's share may be up to 50

percent, when concluding the contract dated 02.10.2000 No. 31, the Ministry of Defense actually lost approximately 11 thousand square meters of elite housing (in the center of Kyiv), the market value of which amounted to more than 120 million hryvnias (22 million US dollars), which, according to expert estimates, is equivalent to approximately 1,500 apartments in the sleeping areas of regional centers or cities of regional significance at that time.

Separately, the Commission notes that according to the available information, according to the contract No. 26/11-04p dated 26.11.2004 concluded by the Ministry of Defense with "Sonyachny Gai" LLC, according to which on the territory of the military town No. 62, on the street L. Ukrainky, 25, in the city of Kyiv (this is the territory of the Kyiv Military Lyceum named after Ivan Bohun (former Kyiv Suworov School), which is located in a historical building that was built back in the tsarist period, it was planned to build residential buildings on 8.5 hectares of land with an estimated cost of UAH 48.5 million (USD 8.7 million), the share of housing for the Ministry of Defense was expected to be 21% of the estimated housing area of 12,000 square meters. and parents of lyceum students, construction was not started and currently this well-known institution continues to graduate young men,

Similar situations with the implementation of the Ministry of Defense joint development of military towns:

- military town No. 9 on St. Shchorsa 44 (2.6 hectares, Pechersk, on the basis of former medical warehouses of the Kyiv Military District);
- military town No. 27 on Peremogy Avenue, 55 (1.86 hectares);
- other buildings in the city of Kyiv and the Kyiv region, as well as in the historical center of Odessa, Lviv, Simferopol, Sudak, Partenit, etc.

Thus, by concluding agreements on the transfer as investments for the construction of housing for military personnel in military towns located in the central parts of the city of Kyiv and settlements in other regions of Ukraine, the Ministry of Defense of Ukraine actually receives housing not in full, in a timely manner, somewhere on the outskirts of cities and behind beyond its borders, giving the opportunity to commercial structures to receive excess profits at the expense of worsening the living conditions of the families of military personnel, who have been waiting for decades for the square meters that belong to them.

There were also facts of voluntary refusal of the Ministry of Defense from attractive defense lands, for example at the address Degtyarivska 28 in Kyiv, and the information about the release of the funds of the former printing house "Varta" on the street is also strange. Lavrska, used by private entities, and many other examples of waste of state property.

No less surprising are the facts of alienation of land plots in recreational zones.

Yes, the fact that the Ministry of Defense lost a plot of land in Koncha-Zaspa is known.

From the decision of the Hosiivsky District Court of Kyiv dated March 26, 2007 in case No. 2-2132/6 2007 p. and from the available information, it can be seen that until 2005, a military unit of the Armed Forces of Ukraine A3020 (electronic warfare battalion) was located on the territory of military town No. 247 of the Armed Forces of Ukraine, and the military property was on the balance sheet of the Vasylykivsk Housing and Operational Unit of the Ministry of Defense of Ukraine.

By order of the Council of Ministers of the Ukrainian SSR No. 1808 of May 15, 1957, a land plot with an area of 24 hectares within the boundaries of the Koncha-Zaspiv Forestry was granted to the MOU for permanent use.

At the same time, on December 10, 2004, the Ministry of Defense represented by the former commander of the Air Force of the Armed Forces of Ukraine, Lieutenant General Toropchich A.Ya. and LLC "Osta Plus" in the person of the director O.M. Sorochnytskyi. contract No. 9704/z was concluded regarding the construction of a residential complex on the specified plot of land, according to which the Ministry of Defense established a share of 10% of the total area of apartments of the construction object (which was not specified in the contract) to provide housing for military personnel.

According to the Order of the Minister of Defense of Ukraine Hrytsenko A.S. dated 30.06.2005 No. 365 "On the additional allocation of basic funds of the Institution "28 Office of the Chief of Works" (AR Crimea,

Yevpatoria city) from the balance sheet of Vasylkivska apartment-occupancy part of the district, the property complex of the military town No. 247 of the Armed Forces of Ukraine was withdrawn and transferred " 28 to the Department of the Chief of Works" (AR Crimea), and the latter accepted a part of the real estate of the military town No. 247 (Kyiv city) as an endowment of capital funds. Pursuant to the same Order, the specified property was secured by the 28th Office under the right of economic trust.

On April 8, 2006, the Ministry of Defense of Ukraine, represented by the Minister of Defense of Ukraine A. Hrytsenko, allowed (permit No. 220/171/d) the "28 Department of the Chief of Works" Institution to sell (alienate) the specified real estate of the military town. In the court's decision, it was noted that there was a protocol of the meeting of the permanent working group regarding the determination of the best offer for the purchase of real estate No. 01 dated 18.05.2006, according to which the materials and the price offer of LLC "Osta Plus" for the purchase of the complex of buildings of the military town No. 247 were recognized as the best and the Company was granted the right to purchase a complex of buildings in township No. 247, and the real estate was valued at UAH 6.54 million.

According to the information received, it can be seen that on 05/23/2006 the Ministry of Defense represented by D.V. Isaenko, acting on the basis of the power of attorney of the Minister of Defense dated 05/11/2006 No. 4664/z, and "Osta Plus" LLC concluded an additional agreement to the contract No. 9704/z regarding the construction of a residential complex on the specified land plot dated 10.12.2004, which provided for the company to fulfill its obligations by transferring UAH 10 million. at the expense of the Ministry of Defense.

05/24/2006 between the Institution "28 Department of the Chief of Works" in the person of the chief Oleisker I.V. and LLC "Osta Plus" concluded a contract for the purchase and sale of real estate located on the specified site, namely 11 buildings and structures with a total area of 2,091.10 square meters. m. at a price of UAH 10,011,800.

Thus, on May 24, 2006, the new owner of the real estate objects of military town No. 247 became the company "Osta Plus" LLC (YEDRPPO 32845513; 01133, Kyiv, Shchorsa Street, 44, which also once belonged to the Ministry of Defense), which according to the available information, transferred UAH 10 million to the MOU account, as well as UAH 10,011 million to the account of the "28 Department of the Chief of Works".

At the time of the acquisition of Osta Plus LLC, the founders of the company were Dmytro Derzhak and Artem Morozov. At the same time, Dmytro Derzhak is connected by joint participation in "Credo-Invest" LLC with Dmytro Tolstykh, who was an assistant to People's Deputy of Ukraine Oleksandr Buryak. As of 2017, the ultimate beneficial owner of Osta Plus LLC is Maryna Leontiivna Buryak (01010, Kyiv, Pecherskyi district, Suvorova Street, building 19 A, apartment 28), the amount of the contribution to the statutory fund is UAH 905,000,000.00.

Together with the real estate of military town No. 247, the right to lease the land plot under it, namely 24.26 hectares, of which a third was occupied by military property, and the rest by forest, was transferred to LLC "Osta Plus". According to the provided information, the normative monetary assessment of the site for 2006 was UAH 68.08 million.

On June 6, 2006, the former Minister of Defense of Ukraine A. Hrytsenko, contrary to the procedure established by law, signed letter No. 220/2270 addressed to Kyiv Mayor L. Chernovetskyi about the refusal of the right to use the land plot of military town No. 247, on the basis of which the Kyiv City on 24.05.2007, the council transferred the specified plot to "Osta Plus" LLC for a 10-year lease for the operation and maintenance of buildings and structures.

It should be noted that the territory of the military town was supposed to become part of the Holosiivskyi National Nature Park (the draft decree was approved in the late 1990s, but President Viktor Yushchenko signed the decree only in August 2007, while part of the land was to go to part of the national park with the consent of the land users, but neither the Ministry of Defense of Ukraine, which at that time had the right to use the land, nor LLC "Osta Plus" gave such consent, accordingly, part of the forest was never included in the national park).

Therefore, the Kyiv City Council, chaired by L. Chernovetsky, by its decision No. 658/1319 dated May 24, 2007, decided:

1) to make changes to the Program of the green zone of the city of Kyiv until 2010 and the concept of the formation of green areas in the central part of the city, approved by the decision of the Kyiv City Council dated 19.07.2005 No. 806/3381, excluding from the list of green areas for public use of the city of Kyiv that correspond to typological signs and planning requirements, a land plot with an area of 24.26 hectares on the Stolychnoi Shosse (27th km) in the Holosiivskyi district of Kyiv;

2) to approve the land management project regarding the allocation of a plot of land to the limited liability company "Osta-Plus" for the operation and maintenance of buildings and structures on the Stolichny highway (27th km) in the Holosiivskyi district of Kyiv;

3) assign a part of the forest lands with an area of 24.26 hectares in quarter No. 49 of allotments 2, 5, 13, 17 and in quarter No. 53 of allotments 5, 6, 7, 8, 14, 21 of the Dacha forestry of the communal enterprise "Forestry Management "Koncha- Zaspа" to the lands of the reserve for residential and public development, excluding them from the category of lands of the forest fund;

4) to transfer to the limited liability company "Osta-Plus", subject to the fulfillment of paragraph 5 of this decision, a land plot with an area of 24.26 hectares for the operation and maintenance of buildings and structures on the Stolichny highway (27th km) for a long-term lease for 10 years in the Holosiyiv district of Kyiv at the expense of land stock for residential and public development.

That is, the Kyiv City Council approved the lease of the land plot and changed the purpose of the land: it excluded the plot from the list of green areas for public use and from the forest fund land category, including it among the lands reserved for residential and public development.

Further, in 2010, the Kyiv City Council allowed Osta-Plus LLC to sell land between private individuals, freeing the company from the obligation to pay rent - during one plenary session, Kyiv City Council deputies agreed to 214 land acquisitions, and Osta-Plus LLC was left with a lease about 3 hectares, the rest of the land was transferred free of charge in allotments of 10 acres to individuals, usually fake and/or who were connected to the business structures of the Buryak brothers.

As can be seen from the decision of the Kyiv City Council dated December 16, 2010 No. 377/5189, the deputy prosecutor of the city of Kyiv filed a protest dated April 13, 2010 No. 07/4-154 of 10 against the decision of the Kyiv City Council dated May 24, 2007 No. 658/1319 "On Transfer to the limited liability company "Osta-Plus" of a plot of land for the operation and maintenance of buildings and structures on the Stolichny highway (27th km) in the Holosiivskyi district of Kyiv", which was rejected by the deputies of the Kyiv City Council headed by L. Chernovetskyi.

According to the information published in the mass media, after the land plot of military town No. 247 was unsold, during 2010-2014, the owners of allotments sold the received land plots exclusively to three business entities - LLC "OGS" (81 plots of 7.9 hectares); LLC "Zelena Dibrova" (63 plots, 6.24 ha); "Royal House" LLC (65 plots, 6.37 hectares), which are associated with, respectively, Serhiy and Oleksandr Buryak, Vitaly Khomutynnik and Oksana Kaletnik's business partner.

At the same time, the decision of the Holosiivsky District Court of Kyiv dated March 26, 2007 in case No. 2-2132/6-2007 p. according to a lawsuit against the Institution "28 Office of the Head of Works", LLC "Osta Plus" regarding invalidation of the purchase and sale agreement dated 05.24.2006 of a complex of buildings with an area of 2091.10 square meters, which were located on a plot of land with an area of more than 24 hectares, the claim was refused, and the same court decision provided an assessment of the fact of the sale of military property.

On the other hand, taking into account the argumentation of the lawsuit, as well as the content of the court decision itself, it can be seen that the lawsuit was filed with the known goal of losing and obtaining a positive assessment of the legal relationship that arose in connection with the disposal of an integral property complex from state ownership, and there are all the reasons to consider the court's decision to be notoriously unjust because it was passed contrary to the requirements of the legislation regulating the relevant legal relations in this area.

However, the groundless realization of the immovable state property of the Armed Forces of Ukraine - the integral property complex of the military camp No. 247 of the ZSU, which is an object of state ownership and was under the economic control of the Ministry of Education and Culture, was carried out.

However, since the Cabinet of Ministers of Ukraine, in accordance with the requirements of the Law of Ukraine "On the Legal Regime of Military Property in the Armed Forces of Ukraine", which was in effect at the time of the existence of the described legal relationship, did not make decisions on the alienation of the indicated integral property complex, the corresponding actions that led to the sale of objects of the integral property complex of military town No. 247 of the ZSU are illegal.

In addition, the received information, taking into account the chronology of events, as well as the lack of information in open sources regarding the competition for the sale of the specified property, gives grounds to believe that a fictitious competition was held to determine the best price offer. Such circumstances are subject to verification as part of a pre-trial investigation.

That is, the above information indicates that, implementing a fraudulent scheme, without legal grounds, senior officials of the Ministry of Internal Affairs alienated an integral property complex of military town No. 247, which was intended to ensure the defense capability of the state and could be successfully used in the interests of the state, instead in this case, damages were caused to the state, and the guilty persons have not yet been brought to justice, while the court decision, with which some are trying to build their defense position, should not interfere with a fair decision, because the actions of those involved in the withdrawal of this land plot do not correspond in any way to the law, which gives a clear answer - integral property complexes can be eliminated by a decision of the government, which has not yet been adopted.

Separately, it should be noted that in many cases, hectares of defense land were lost as a result of illegal decisions by officials of the Ministry of Defense, which were made contrary to the laws of Ukraine.

So, for example, the recreational area with a total area of 4.6 hectares, which was assigned to the Main Department of Military and Capital Construction of the Ministry of Defense by the decision of the head of the department, Colonel-General D. Rudkovskiy, was removed from the state ownership and included in the reserve lands of the Buzivska Village Council of Kyiv-Sviatoshynskiy district, which, according to available information, was later transferred to private ownership, and currently a cottage town is located there in a forest massif near Kyiv, while the state did not receive anything.

Also, the investigation materials contain copies of letters from the Minister of Defense of Ukraine dated 02/09/2006 about the refusal of land plots for similar to the above examples, in particular:

- military town 16 with an area of 1.5 ha (Fontanska Doroha St., 6, Odesa), in connection with the provision of 56 apartments to "Hanber" LLC, the location of which neither the Commission nor the Ministry of Defense can currently establish;
- military town No. 271 with an area of 9.0 hectares (on the shores of the Black Sea, in the village of Kryzhanivka, Kominternivsky District, Odesa Oblast), in connection with the provision of 82 apartments by "Budmarin" LLC, the location of which neither the Commission nor the Ministry of Defense is currently able to set;
- military town No. 217 with an area of 0.48 (Proletarsky Lane, Odesa), in connection with the provision of 20 apartments to "Olympic Trans" LLC, the location of which cannot be established by either the Commission or the Ministry of Defense;
- as well as many other military towns, which actually fell out of state ownership under extremely unfavorable conditions for the state, are currently built up by private economic entities, are counted as part of the Ministry of Defense, and this indicates the need for a comprehensive inventory and a more in-depth examination of the state of use as defense lands, as well as real estate objects located on them.

Acts of control bodies established many similar violations committed by the Ministry of Defense during the construction of housing for military personnel, as well as about the inefficient use of funds for this purpose, such reports are public and known to law enforcement agencies, but the Commission is not aware of measures to respond to established violations in this area (available information on entering information on individual episodes into the Unified Register of Pre-Trial Investigations and the initiation of investigations into criminal proceedings, but their investigation drags on for years, in particular, according to the above information about waste and abuse of defense lands, no person who made those management decisions that led to the losses of the state, and also deepened the problem of providing servicemen with housing). In view of this, the Commission considers that set out in this Report,

So, for example, only in 2015, the Accounting Chamber conducted an audit of the effectiveness of the use of state budget funds for the construction (purchase) of housing for military personnel, as a result of which Report No. 10-1 dated 06/09/2015 was approved, which was sent to the Prosecutor General of Ukraine, to the Main of the military prosecutor's office, to the Director of the National Anti-Corruption Bureau of Ukraine, however, to date, persons who committed abuses in the use of budget funds for the construction (purchase) of housing have not been prosecuted, and there is no information on the status of investigations, if any have been initiated.

Also, during 2018, the Accounting Chamber conducted an audit of the Ministry of Defense on these issues, as a result of which the Act No. 02-10/9 dated 05/18/2018 was approved, which was also sent to the Prosecutor General of Ukraine, as well as to the Chief Military Prosecutor's Office for taking measures responses, the use of which is still unknown to the Commission.

So, summing up the mentioned question, the following should be noted.

Practically all current investment contracts for joint participation in the construction of housing for military personnel, which were concluded by the Ministry of Defense during 1993-2018, do not determine the value of the land plots transferred for the construction of housing, taking into account their attractiveness and location. In most investment contracts, the term of their implementation is agreed for more than five years, and sometimes until the full fulfillment of the obligations, the term of which is not specified, and the share of housing belonging to the Ministry of Defense is set from 5 to 25 percent of the total number of built housing at the object, which, as a rule, is underestimated, because the facts of the development of land plots of a larger area, as well as the development of a larger number of square meters, are not unique. Such terms of the contracts allowed such investors to not fulfill their obligations to the Ministry of Defense for decades.

As for the criteria for determining the share of the Ministry of Defense in such contracts, the Commission did not establish any economic justification for investment contracts that would determine the amount of housing that the state should receive as a result of the so-called investment activity. When determining the share of housing belonging to the Ministry of Defense when concluding contracts, officials are guided by the principles of freedom of contract, but such freedom did not ensure compliance with the interests of the state. In addition, all the concluded contracts did not meet the requirements of the legislation, in particular the Presidential Decree dated 01.07.1993 240/93 "On investment in the construction and purchase of housing for servicemen of the Armed Forces of Ukraine and their family members", which established the requirement when concluding contracts with investors, provides the investor's share in the amount of no more than 50% of the building area.

Also, the Commission came to the conclusion that the Ministry of Defense introduced an opaque procedure for determining developers (investors) of residential complexes - by receiving commercial offers from potential developers who are invited to negotiations in an unclear manner, which indicated the share of housing that was offered to the Ministry of Defense at the expense of land plots, from of the built-up total area of residential complexes. The specified share of housing was offered by commercial structures at their own discretion, without any economic justification (the Ministry of Defense did not put forward any criteria regarding the amount of housing that was to be built for the needs of the Armed Forces), in the absence of any development plan. That is, in fact, at the stage of the so-called competition, it was not clear how many dwellings should be built on the specified land plot.

The Commission also notes that the widespread position of the Ministry of Defense, which the department uses to justify such a state of affairs, is the statement that the Departments of Capital Construction concluded contracts for the construction of housing at the expense of their own economic activity, not on land plots belonging to defense lands, but on those lands that are in their business. However, such an explanation does not have any justification, since the Ministry awarded these Directorates with land plots that belong to the category of defense lands and these subjects were awarded such plots to solve housing construction issues precisely in the interests of defense. In fact, such explanations are not consistent with the interests of the state, but are actually carried out in agreement with private structures.

The existing procedure and state of record keeping of land plots at all management levels in the Ministry of Defense today (in most cases in the absence of documents confirming the right to use, as well as the boundaries and sizes of land plots) does not provide guaranteed confirmation of actual data about their existence and belonging to accounting data, which cannot be checked with the data of state registers, does not provide an opportunity to control the state of use of land plots (including those allocated in previous years for housing construction) due to the lack of reliable (documentally confirmed) information about their transfer

to operational management of units of the Armed Forces, including state enterprises of the Ministry of Defense, removing them from the composition of defense lands, especially in previous years.

Therefore, military towns are subject to inventory and complete and objective information regarding their use must be established.

The Commission is forced to state that, having read the audit reports of control measures carried out by both the Accounting Chamber of Ukraine and the State Audit Service of Ukraine, which on hundreds of sheets record only the facts of abuses by officials of the Ministry of Defense during the management of state-owned objects, and in addition to information about the damage caused to the state losses in particularly large amounts during the sale, mining and implementation of investment projects related to the development of defense lands, there was not a single case when officials during the performance of their activities related to the management of military property and defense lands objectively and fairly ensured state interests.

Unfortunately, the Commission also came to the conclusion about the inefficient management of state-owned objects by officials of the Ministry of Defense, because having at one time entire factories of building materials in each region, special construction equipment, personnel, and most importantly - defense lands, such officials could not decide the issue of providing housing for military personnel, while some provided themselves and their family members with more than one apartment (in the acts of the Accounting Chamber of Ukraine, both the names of such high-ranking officials and the objects with which they provided themselves are indicated).

At the same time, such officials caused losses to the state due to the appropriation of property, its waste, loss, etc. However, the Commission does not know the facts about bringing them to legal responsibility, but apparently such facts are known to persons who for decades supervised the observance of laws in the military sphere and were provided with housing in the military department, and for which other officials were probably responsible Ministry of Defense

Such a state of affairs with the provision of housing for servicemen, in addition to material losses, led, among other things, to the demoralization of the army, a decrease in the prestige of military service, which caused a significant outflow of military personnel, in particular those who at one time graduated from higher military institutions after 1991 with honors, but having excellent knowledge, strength and desire to undergo military service and serve the Ukrainian people, most of such persons were forced to look for another destiny in the private sector of the economy.

The commission also draws attention to the fact that the representatives of the Ministry of Defense provided information that all the military towns listed in this Report are registered with the Ministry of Defense, but such towns were built and actually fell out of the state ownership. This indicates the need to conduct an inventory of both defense lands and real estate objects, because the Commission came to the conclusion that the accounting of this state property is not properly organized and is conducted with gross errors and inaccuracies.

In addition, the information confirming the fact of obtaining apartments during investment activities is subject to verification, since according to the Ministry of Defense, such documents are destroyed, but the presence of information about the fictitious transfer of many square meters exclusively on paper requires a deeper study and analysis of this information based on the results of a full investigation inventories, checking their data with state registers (all rights of the state to real estate objects were subject to registration), as well as conducting pre-trial investigations during which it is necessary to establish the circumstances of the commission of the above-mentioned crimes.

IV. During the verification of the targeted use of funds aimed at financing the Ministry of Defense of Ukraine, the Armed Forces of Ukraine, in particular, in the implementation of programs to increase the defense capability and security of the state and programs for the development of the Armed Forces of Ukraine, the Commission established the following.

Despite the fact that the Laws "On the Armed Forces of Ukraine" and "On the Defense of Ukraine" provided that the financing of the Armed Forces of Ukraine should be carried out in the amounts necessary for the effective performance of the tasks and functions assigned to them, and the defense needs of the state are carried out exclusively at the expense of of the State Budget of Ukraine in amounts determined annually by the Laws of Ukraine "On the State Budget of Ukraine", which were supposed to ensure the proper fulfillment of defense tasks, but not less than three percent of the planned volume of gross domestic product, the state

of financing of the Armed Forces of Ukraine during 1991-2014. was carried out at an extremely low level. The situation is somewhat better during 2014-2018, but even this does not fully meet the needs of the military.

The commission came to the conclusion that the level of financing of the Armed Forces of Ukraine in the period from 1991 to 2014 did not meet the need significantly, and this led to the impossibility of military units performing their assigned tasks in 2014. In addition, as a result of chronic underfunding of the Armed Forces, the level of their combat readiness decreased, the restoration of weapons and military equipment was not carried out properly, and their condition worsened every year. The level of funding made it possible to maintain the minimum permissible needs of the Armed Forces of Ukraine, as a result of which there was a significant loss of combat capability in 2014.

Undoubtedly, the state of military financing directly depends on the economic capabilities of the state, and therefore the Commission is forced to state that this issue is beyond the scope of the investigation, but it is worth noting that the mess that was allowed during the "construction and reform" of the Armed Forces of Ukraine occurred in all branches of the economy of Ukraine, which actually led to such economic opportunities in terms of financing defense needs, which significantly reduced the state's defense capability.

At the same time, the Presidents of Ukraine, the Governments, as well as the parliament were the entities that were actually involved in the approval of such a level of funding that did not allow building a high-quality Armed Forces of Ukraine, and also led to a critical state of mobilization readiness of the national economy to fulfill mobilization tasks (orders) to meet the needs of the Armed Forces in a special period. In general, this indicates the improper work of the country's leaders in the organization of ensuring the state's defense needs, including during the organization of the budget process and control over its implementation.

Thus, according to the information of the Ministry of Finance regarding the indicators of the budget requests of the Ministry of Defense of Ukraine and the corresponding amounts of approved budget allocations in 2004-2017, a constant trend of underfunding of the Armed Forces can be seen, in particular, this is observed in terms of the submitted budget requests of the Ministry of Defense (the need submitted to the draft law on state budget) and actually approved by the Verkhovna Rada of Ukraine budget indicators of the defense department, in particular:

Роки	Бюджетний запит Мінборони	Закон про Державний бюджет України (на початок року)		
		Всього	у тому числі	
			загальний фонд	спеціальний фонд
2004	6 857,1	4 924,9	4 137,4	787,5
2005	7 051,7	5 528,8	5 255,3	273,5
2006	9 888,9	6 954,9	6 115,8	839,1
2007	13 409,7	8 457,5	6 945,3	1 512,2
2008	15 747,1	9 903,5	8 903,7	999,9
2009	31 976,7	11 650,1	7 428,5	4 221,6
2010	19 853,4	13 470,9	8 806,9	4 664,0
2011	14 289,8	13 584,9	11 375,3	2 209,6
2012	17 416,5	16 387,5	14 171,0	2 216,5
2013	23 836,6	15 315,1	14 334,0	981,1
2014	25 550,1	15 632,2	14 158,7	1 473,6
2015	48 245,6	40 231,1	39 411,5	819,5
2016	86 951,9	55 500,0	50 980,0	4 520,0
2017	109 946,2	64 466,8	62 139,4	2 327,4

The above-mentioned information from the Ministry of Finance of Ukraine testifies to the critically low level of financing of the needs of the Armed Forces, which led to the fact that in 2014 the vast majority of military equipment, missiles, and ammunition had exhausted their technical resources and required modernization, major repairs, and scheduled maintenance; provision of the Armed Forces with serviceable samples of weapons and military equipment (combat aircraft, helicopters, anti-aircraft defense systems) at the level of 20%; critically low level of provision of troops (forces) with rear material means; critically low level of non-perishable stocks; and, accordingly, the Armed Forces were limited in their readiness to perform tasks as assigned.

Underfunding of defense needs, in particular of the Armed Forces of Ukraine, also led to a decrease in the volume of state defense orders, which in turn inhibited the development of the domestic defense-industrial complex, and underfunding of mobilization training measures led to insufficient military training of mobilization human resources, and this in 2014, among other reasons, led to unnecessary combat losses that could not have happened.

In Appendix 6 to this Report, the Commission provides detailed information on the state of financing of the Armed Forces and the directions of the use of funds, which illustrates that almost 90% of the funds, which were allocated in much smaller volumes than needed, were actually used for the maintenance of personnel, the rest of the funds were dispersed in general, it did not solve any acute issue facing the Armed Forces in the process of their construction and reform (this is the issue of technical re-equipment, repairs, modernization of weapons and military equipment, training of personnel, social protection of servicemen, in particular housing provision, etc.) and in general it led to a gradual decrease in the state of combat readiness and combat capability of the Armed Forces of Ukraine. Also, the programs for increasing the state's defense capability and security and the state programs for the development and reform of the Ukrainian army were not significantly resolved, which led to a significant loss of combat capability of the Armed Forces.

The Commission is forced to state that, having read the information on the number of control measures carried out by both the Accounting Chamber of Ukraine and the State Audit Service of Ukraine regarding the targeted use of budget funds in the Armed Forces of Ukraine, in particular aimed at their development and training, as well as the results of these measures, which established hundreds of facts of abuse and violations during the use of funds aimed at financing the Ministry of Defense of Ukraine, as well as their inefficient use, high-quality implementation of programs for increasing the defense capability and security of the state and programs for the development of the Armed Forces of Ukraine were not carried out, and the funds were used inefficiently. Acts of inspections, reports of control bodies were sent in accordance with the requirements of the law to law enforcement agencies, however, the Commission is not aware of the adoption of response measures,

The Commission is forced to note that a particularly critical level of financing of the Ukrainian security and defense sector was carried out during 2010-2013, because expenditures decreased to the level of less than 1% of GDP (per 1 serviceman became 3 times less than in the Russian Federation and ten times lower than in NATO member countries). This level of funding took place under the President of Ukraine, Supreme Commander-in-Chief of the Armed Forces of Ukraine V.F. Yanukovych, Prime Minister M.Ya. Azarov, members of the Government of Ukraine - Ministers of Defense Yezhel M.B., Salamatin D.A., Lebedev P. .V., other high-ranking officials of the state, who knowingly, disregarding the Constitution and Laws of Ukraine, allowed extremely limited financing of the needs of the Armed Forces.

At the same time, the above-mentioned persons were well informed about the real state of combat capability of the army, as well as the facts of critically low funding of the needs of the Armed Forces, as a result of which is a decrease in their combat readiness and combat capability, but no measures were taken to improve the situation.

For example, according to the information received on March 19, 2013, the Main Inspection of the Ministry of Defense informed Minister P.V. Lebedev in his letter "On the reduction of the combat readiness of the Armed Forces of Ukraine". that according to the results of the inspection of the Highly Mobile Landing Forces of the Armed Forces of Ukraine, it was established that the Command of the Forces is unable and unwilling to fully implement deployment planning and personnel management; the management system has not been created, there is no decision regarding the role and place of command of the troops in the general management system of the Armed Forces; stationary, mobile and auxiliary control points have not been created; the premises allocated for the deployment of the command post of these Troops are not equipped with means of communication, there is no communication unit in the command; there are no corresponding decisions of the command on the above issues. Reactions of the minister none, as well as of other persons,

In another letter dated May 24, 2013, "On restoration of the technical condition of weapons, military equipment, missiles and ammunition in the Armed Forces", the Main Inspection of the Ministry of Defense informs Minister Lebedev P.V. on the continuation of a steady trend towards a decrease in the combat readiness of the Armed Forces. The letter, in particular, stated that the current state of weapons, military equipment, missiles and ammunition is characterized by the end of the guaranteed service life, and it was also reported that all high-precision means of impression have exhausted the established service life; about the fact that certain types of weapons and military equipment cannot be extended due to exceeding the maximum service life of their components. At the same time, the minister is informed that the general problem of the state of armaments and military equipment for all types of the Armed Forces of Ukraine is that that 95% of the equipment since 1993 has not undergone maintenance. In addition, the same letter informs the minister about the state of air defense, which is characterized by the fact that more than half of the anti-aircraft missile systems and their missiles have reached the end of their service life. In addition, the letter informs that radio equipment has reached a critical limit - only 8 units are in working order, which is 2% of all samples of radio equipment; at the beginning of 2013, none of the 6 multi-purpose and 2 missile ships meets the criteria defined by their tactical and technical data. (due to malfunction of hydroacoustic stations, no minesweeper is able to search for and destroy sea mines); out of 8 launchers of coastal missile complexes, none are operational; all multi-purpose ships and coastal missile systems were left without shock weapons. The letter also contains relevant proposals, which also remained unimplemented.

Taking into account the above, it is concluded that the systematic underfunding of defense needs, in particular the Armed Forces of Ukraine, among other reasons, led to the fact that during 1991-2014 the Ministry of Defense, the General Staff of the Armed Forces of Ukraine were unable to build a qualitatively new Armed Forces of Ukraine - optimal in terms of numbers, well-equipped with modern weapons and military equipment, professional and well-trained, capable of performing the assigned tasks of prevention, neutralization (liquidation) of potential objectively determined threats to the national interests of Ukraine, because almost 90% of the funds allocated in much smaller volumes than needed, were actually used to

maintain personnel, which led to a decrease in the state of combat readiness and combat capability of the Armed Forces.

At the same time, during the use of state budget funds aimed at the preparation of the Armed Forces, the development of weapons and military equipment, numerous facts of their inefficient use have been established.

V. During the establishment and collection of information regarding the circle of persons and/or enterprises, institutions, organizations and their officials, involved in the implementation of activities aimed at the sale of military equipment and property of the Armed Forces of Ukraine from its bases, warehouses and arsenals, as well as confiscation and sale of real estate, which by many signs indicates the theft of military property in particularly large quantities, its appropriation and/or its loss, which led to the undermining of the state's defense capability and a significant reduction in the combat capability of the Armed Forces of Ukraine, the Commission notes the following.

The commission came to the conclusion that from the beginning of 1991 to 2014, the state policy in the military sphere, in particular in matters of construction and development of the Armed Forces of Ukraine, was mainly reduced to the actual unsystematic reduction of military units and units of the Armed Forces of Ukraine, personnel, and the amount of available weapons and military equipment, the existing infrastructure of the Armed Forces of Ukraine, the liquidation or transfer from the Ministry of Defense of Ukraine of enterprises, institutions, organizations that ensured the vital activities of the army, as well as the reduction of commodity and material values of non-perishable stocks, property of the state mobilization reserve, etc.

That is, the state policy in the military sphere until 2014 was reduced to the actual reduction of the army, which, given its condition at the beginning of 2014, was not fully ready to perform its assigned tasks due to its systematic disarmament, demoralization and destruction of its infrastructure.

At the same time, such state policy, which was formed and implemented in the field of defense during 1991-2013 by the Presidents of Ukraine, the Governments of Ukraine, in particular the Ministry of Defense of Ukraine, and the General Staff of the Armed Forces of Ukraine, created conditions for the initiation and implementation of large-scale trade processes to the detriment of the state's defense capabilities military equipment and weapons, the sale of infrastructure facilities, which was contrary to the needs to ensure the necessary level of defense capability of Ukraine.

The commission notes that such a policy, given the lack of effective control in accordance with the law by state institutions, which could and were obliged to prevent the process of reduction of troops, sale of weapons and military equipment and property of the Armed Forces of Ukraine, organized to the detriment of Ukraine's defense capability, of other state property for defense needs on terms that did not correspond to state interests, led to a significant decrease in the level of combat capability of the Armed Forces of Ukraine.

It is worth noting that the process of trading in weapons and military equipment, real estate and other military property is preceded by a complex process of releasing such property in the process of reforming the Armed Forces and/or granting such property the status of surplus, which is conventionally carried out according to the following stages (stages):

1) implementation by the subjects of defense planning of revision of prospective and current plans for the development of the Armed Forces of Ukraine, which are based on the principles of state policy in the field of defense and an objective assessment of real and potential threats in the military field (for example, ignoring the territorial claims of the Russian Federation, which in particular declared in 1996 by the State Duma of the Russian Federation during the adoption of the law on the status of the city of Sevastopol, during the conflict around Tuzla Island in 2003, etc.), were reduced to the reduction of troops;

2) according to the adopted defense planning documents, the personnel needs for the Armed Forces and state resources necessary for the fulfillment of the tasks assigned to the Armed Forces are determined (including the need for weapons and military equipment, other material assets, including funds, land and water areas, communications, defense products necessary for the proper performance of tasks by the Armed Forces) and the approval of the standards for providing troops both in peacetime and in a special period;

3) making decisions regarding the reduction of personnel, military units and units, during the disbanding of which a large amount of military property is released, in particular military towns, other immovable and movable military property that is not planned for use as intended, as well as accumulated military property,

in particular, weapons and military equipment, in which there is no need for equipping military units in accordance with approved norms, both in peacetime and in a special period;

4) making decisions regarding the sale and alienation of property, which:

- not intended for intended use;
- in which there is no need for equipping military units in accordance with approved norms both in peacetime and in a special period;
- which is registered in excess of the established security norms;
- obsolete military property (with an exhausted resource or with an exceeded storage period) that is subject to write-off.

The Commission investigated the examples indicated in this Report, which show that in many cases the criterion by which military property was in practice included in the lists of surplus property, which subsequently created grounds for its alienation, was a request for such property from third parties (given their commercial and/or interest for the purpose of carrying out subversive activities to the detriment of Ukraine).

As evidenced by the investigative materials, as a result of the unsystematic reduction of the Armed Forces, a large amount of property was accumulated, which is suitable for further use, but does not find use in the daily activities of the troops, excess property, which, based on the acts of the Cabinet of Ministers of Ukraine on the submissions of the Ministry of Defense of Ukraine, which were drawn up based on the results of joint work with the General Staff of the Armed Forces of Ukraine, a decision was made to implement it.

So, on the basis of the decisions of the Cabinet of Ministers of Ukraine (for some time the lists of surplus property were approved by the Government Committee on Legal Policy and Defense) on the alienation of military property that is suitable for further use, but does not find use in the daily activities of the troops, the process began its implementation, which was carried out in several stages (we are talking about property that was in high demand on international arms markets, because there was a lot of property that was included in the lists legitimately, despite even its sale at residual prices):

1) The Ministry of Defense of Ukraine and the state-owned enterprises designated by the Cabinet of Ministers of Ukraine, which have been granted permission to carry out activities related to international transfers of military goods, concluded a commission agreement on the sale of surplus military property, and as can be seen from the documents, as a rule, a commission agreement was concluded on the sale of property on the domestic market;

2) an assessment of such property was carried out, which was not carried out objectively, as evidenced by the above examples;

3) such property was sold on the domestic market at prices that were at least ten times lower than the prices for similar military products on international arms markets;

4) the property was further sold by the new owners to foreign markets, but already at market prices (this was done on the basis of a commission contract through a special exporter or independently in compliance with export procedures, or (perhaps) illegal movement of military property across the state border of Ukraine was carried out, but these methods further implementation should be the subject of research by law enforcement agencies).

Thus, taking into account the regulatory and legal regulation of issues of organization and implementation of trade in weapons and military equipment, other military property, which was in effect during one or another period of development and reform of the Armed Forces of Ukraine, the Commission, taking into account the systematic nature, scales, methods and methods of implementing military of property, especially weapons and military equipment, spare parts for them, which are in high demand on international arms markets, contrary to the interests of the state, believes that in many cases such activities were aimed at seizing state property, as well as at causing damage to defense capability, economic security and conducting subversive activities against Ukraine.

In fact, according to the form, the sale of the property was carried out with formal observance of the established procedure, however, given the content of the transaction, which amounted to the transfer of

ownership of such property to intermediaries at significantly lower than market prices with the aim of its further sale to the end consumer at market prices, as well as the implementation sale of military property in other forms (through intermediaries, whose commissions are not commensurate with their size under normal conditions), however, during such activities, the financial situation of such subjects improves directly at the expense of military property, while the state suffered losses as a result of under-received funds.

Given the scale of the sale of military property on conditions that did not correspond to the interests of the state, such a wide and comprehensive activity (defense lands, real estate objects, weapons and military equipment, etc.) could not be carried out by one or several persons, but could be carried out by criminal groups or persistent criminal organizations in well-planned organized schemes that were planned and implemented at various levels of government.

Analysis of illegal activities in the field of defense indicates a comprehensive and deep infiltration of representatives of such organizations into state administration bodies that form and implement state policy in the field of defense, as well as carry out defense planning.

Also, taking into account the level of penetration of representatives of such organizations into the state administration, the focus of their activities in the defense sphere (personal enrichment and/or carrying out subversive activities against Ukraine to the detriment of the state's defense capabilities), the actions of such persons may indicate that they have committed crimes against property, and against the foundations of national security.

The commission believes that the personnel of criminal organizations that carried out, and possibly continue to carry out their activities in the defense sphere, their leaders and supervisors, the roles and tasks of members, possibly other criminal groups coordinated by them or other persons involved in the commission of crimes, have establish law enforcement agencies, as well as provide their actions with a criminal-legal assessment, including an assessment based on the information presented in this report.

During the work of the Temporary Investigative Commission, it became known that in 2014, the Chief Military Prosecutor's Office of the General Prosecutor's Office of Ukraine initiated a pre-trial investigation in criminal proceedings No. 4201400000000322, which was initiated due to the official negligence of the leadership of the Ministry of Defense of Ukraine and the General Staff of the Armed Forces of Ukraine during the adoption of From 2000 to 2014, management decisions and the implementation of organizational measures regarding the reform of the Armed Forces of Ukraine, which led to a significant decrease in the level of the state's defense capability, based on the signs of criminal offenses provided for in Part 2 of Art. 367, Part 2 of Art. 364, Part 1 of Art. 111, Part 2 of Art. 425 of the Criminal Code of Ukraine, which, according to the information received, was transferred to the State Bureau of Investigation for investigation.

However, in view of the information about the voluminous and systematic activity of criminal organizations in the defense sphere, whose activities, without exception, were aimed at harming the defense capability of the state, as well as the need to identify all persons who were, or may be, members of such groups and continue their activity, requires investigators and operatives of the Security Service of Ukraine, as well as other law enforcement agencies, to join investigations of such actions. At the same time, given the fact that the current Criminal Procedure Code does not provide for the possibility of creating an interdepartmental investigative and operational group from among employees of various law enforcement agencies, the Commission believes that the General Prosecutor's Office of Ukraine could coordinate investigations of crimes against the foundations of national security, which is carried out by various bodies of pre-trial investigation.

The commission draws the attention of law enforcement agencies to a public request to establish all the circumstances of the commission of crimes in the defense sphere, which led to a decrease in the defense capability of Ukraine and the combat capability of the Armed Forces of Ukraine, which resulted in the temporary occupation of part of the territory of Ukraine and the resolution of hostilities by the Russian Federation in the territories of Luhansk and Donetsk regions, as a result of which Ukraine suffered colossal losses - more than 10,000 citizens were killed, more than 23,000 were wounded and maimed, and the state suffered material losses of more than 100 billion dollars. the USA, significant losses to privately owned businesses and citizens of Ukraine.

Thus, the establishment of all the persons involved in this, as well as bringing them to the responsibility established by law, is a request of society for justice, and therefore the Commission emphasizes that the investigation in the specified criminal proceedings should be conducted by a group of investigators, and not by one person, quickly, comprehensively and objectively, despite its complexity.

Separately, the Commission notes that during the work, information was received that may indicate the decision-making and actions regarding the material assets of the mobilization reserve, which contradicted the national interests of Ukraine and likely caused damage to the state, which is listed in Appendix 7 to this Report, as well as information regarding the possible facts of the illegal appropriation of military equipment and property of the Ministry of Defense of the USSR, transferred free of charge to the educational organizations of the Society for the Promotion of the Defense of Ukraine, as well as other state property that was assigned to the Voluntary Society for the Promotion of the Army, Aviation and Navy (DTSAAF), which is specified in Appendix 8 to of this Report. The given information should be the subject of a separate review, because the Commission noted in the relevant annexes only separate information on these issues that became known to it during the investigation.

Thus, taking into account the above, the Commission believes that what was called "the construction and development of the Armed Forces of Ukraine" mainly amounted to the actual unsystematic reduction of the personnel of the Armed Forces of Ukraine, the amount of available weapons and military equipment, that is, to the actual disarmament and systematic and gradual decrease in the level of combat capability of the Armed Forces and defense capability of Ukraine.

In the period of 2010-2013, as a result of management decisions of the highest military and political leaders of the state, the level of combat capability of the Armed Forces of Ukraine reached a critical level, the Armed Forces were brought to a state where they were unable to fully perform their assigned tasks, the personnel was demoralized, the general situation in the army is catastrophic. This became possible as a result of the complete non-fulfillment of the requirements of the current legislation of Ukraine in the field of ensuring national security and defense, as well as the deliberate ignoring by the highest military and political leaders of the state of threats in the military sphere from the Russian Federation, which they should have known from the intelligence agencies of Ukraine, which created favorable conditions for the violation of the sovereignty and territorial integrity of Ukraine by the Russian Federation, and also led to the temporary occupation and annexation of the ARC and the city of Sevastopol,

The Commission believes that such managerial decisions and actions of the highest military and political leaders of the state, committed by them to the detriment of the defense capability of Ukraine, are definitely in a cause-and-effect relationship with the onset of grave consequences — the temporary occupation by the Russian Federation of the Autonomous Republic of Crimea, contributed to the military occupation of part of the territories of Ukraine, as well as the losses caused to the Ukrainian people, and therefore all the circumstances of their acceptance must be established by investigation, as well as verified other information presented in this Report.

Taking into account the above, we consider it necessary:

1) at a meeting of the Verkhovna Rada of Ukraine, listen to and discuss the Report of the Temporary Investigative Commission of the Verkhovna Rada of Ukraine for the investigation of information regarding the facts of embezzlement in the Armed Forces of Ukraine and the undermining of the state's defense capabilities in the period from 1991 to 2018, which should be noted;

2) Cabinet of Ministers of Ukraine:

by July 31, 2019, to create an interdepartmental commission from representatives of the Ministry of Defense of Ukraine, the Ministry of Agricultural Policy and Food of Ukraine, the State Property Fund, the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, and to ensure the creation of subcommittees in the administrative and territorial units of the regional value and in the city of Kyiv from among the representatives of the specified central executive authorities, for conducting an inventory of defense lands based on the initial data of the state statistical reporting on the quantitative accounting of lands in 1993; during the inventory, check the actual use of defense lands by the department, the quality of land plots, their boundaries, size, location, and their movement;

based on the results of the inventory of defense lands, ensure that, by March 31, 2020, information on all land plots belonging to defense lands, their quantitative and qualitative characteristics, as well as to compile a register of land plots that have been removed from the state form, are entered into the State Land Cadastre property, including built-up, but considered by the Ministry of Defense of Ukraine, indicating the grounds for termination of the right of use;

carry out an inspection of Ukraine's receipt of heat-releasing assemblies for nuclear power plant reactors from the Russian Federation as compensation for the transferred strategic nuclear

warheads (total number, their weight, cost, and other characteristics), the amount of electricity produced from them, its cost, and the receipt of funds from the State Budget of Ukraine realization of the specified electricity, as well as regarding the implementation of the provisions of the Presidential Decree No. 64/94 dated 23.02.94 "On urgent measures for the development of nuclear energy and the formation of the nuclear fuel cycle in Ukraine", the National Energy Program of Ukraine until 2010, approved by the Resolution of the Supreme of the Council of Ukraine dated 15.05.96 No. 191/96-VR, other acts on the issue of creating a full nuclear cycle, in particular, in the part of filling the Nuclear Fuel Cycle Fund and the use of funds to achieve the goal of its creation, and to inform the Committee of the Verkhovna Rada of Ukraine on National Security and Defense of the results of this inspection by 07/31/2019;

3) To the Ministry of Defense of Ukraine:

- to take measures aimed at extending the terms of storage of documents confirming the movement of all movable and immovable military property;
- organize and, by March 31, 2020, ensure the inventory of all movable and immovable military property based on the initial data of the 2005 inventory, including inventory of military property stored at the enterprises of DK "Ukroboronprom", as well as military equipment and property of the former Ministry of Defense of the USSR, transferred free of charge to educational organizations of the Society for the Promotion of the Defense of Ukraine, as well as other state property that was assigned to the Voluntary Society for the Promotion of the Army, Aviation and Navy, as an all-Union public organization of the former Union of the SSR, based on the initial data of 1991;
- ensure, by December 31, 2019, the summarization and compilation of a complete list of military property, including weapons and military equipment, which was not transferred for operational accounting to the Main Property Administration (Surplus Property Accounting Center), which in the period from 1991 to 2018 was identified as surplus and/or was realized in the specified period (its name, quantity, cost and other characteristics);

4) To the Accounting Chamber of Ukraine until March 31, 2020:

- organize and conduct an audit of the effectiveness of the management of material assets of the state mobilization reserve;
- to organize and conduct an audit of the effectiveness of management of material assets of the indestructible stock of the Armed Forces of Ukraine;
- to organize and conduct an audit of the effectiveness of the use of budget funds allocated to the Ministry of Defense of Ukraine for the construction (purchase) of housing for servicemen of the Armed Forces of Ukraine, as well as the effectiveness of the implementation of investment activities during the period 1991-2019 during the construction of housing for servicemen on defense lands;

5) to recommend the State Bureau of Investigation to form an investigative team for the purpose of a quick, comprehensive and objective investigation in criminal proceedings No. 4201400000000322, which was initiated in 2014 due to the official negligence of the leadership of the Ministry of Defense of Ukraine and the General Staff of the Armed Forces of Ukraine during the adoption in 2000 - 2014 management decisions and the implementation of organizational measures regarding the reform of the Armed Forces of Ukraine, which led to a significant decrease in the level of the state's defense capability;

6) recommend to the Verkhovna Rada of Ukraine of the next convocation to create a Temporary Investigative Commission to complete the investigation in full, taking into account the information that must be prepared by state bodies to implement the recommendations of the Temporary Investigative Commission, as well as taking into account the materials of the Temporary Investigative Commissions of the Verkhovna Rada of Ukraine of II-VIII convocations ;

7) send the report of the Temporary Investigative Commission together with all its annexes to the President of Ukraine, the Cabinet of Ministers of Ukraine, the National Security and Defense Council of Ukraine, the Ministry of Defense of Ukraine, the Ministry of Foreign Affairs of Ukraine, the Ministry of Economic Development and Trade of Ukraine for consideration and consideration in further work, as well as to the General Prosecutor's Office of Ukraine, the Security Service of Ukraine, the State Bureau of Investigation,

the National Anti-Corruption Bureau of Ukraine for the purpose of verifying the information contained therein and, if there are grounds, taking measures provided for by law;

8) publish the report of the Temporary Investigative Commission together with all attachments on the official website of the Verkhovna Rada of Ukraine.