

## **Pavel I. Lazarenko / Northern California Criminal Case**

**Case ID:**

ARW-152

**Jurisdiction of Origin of Public Official or Entity Allegedly Involved:**

Ukraine

**Position of Public Official(s) (yrs in office):**

Member of Parliament (1998); Prime Minister (1996-1997); First Vice Prime Minister (1995-1996); various government and political positions, Dnepropetrovsk region (1992-1995)

**Jurisdiction of Asset Recovery:**

United States

**Jurisdiction of Asset Recovery ? Description:**

Undertaking Recovery Effort, Location of Recovery Effort, Asset Location / Alleged Asset Location

**Asset Recovery Start:**

1999

**Asset Recovery End:**

Ongoing

**UNCAC Offenses Implicated:**

Art.15

Art.17

Art.18

Art.20

Art.23

**Money laundering Implicated:**

Yes

**Legal Basis for Asset Recovery:**

Criminal Prosecution and Forfeiture; Criminal Fine

**Intl.Cooperation: MLAT/Letter of Request?:**

Unknown

**Basis for Intl Cooperation:**

Investigatory cooperation but exact mechanism unknown

**Contributing Factors in Asset Recovery:**

Close cooperation among investigators and prosecutors of Ukraine, Switzerland, United States and Antigua

**Status of Asset Recovery :**

Ongoing

**Assets Adjudicated, Not Yet Returned - Description:**

criminal fine (\$9 million), criminal forfeiture (\$20 million)

**Assets Returned (USD) - Description:**

Unspecified

**Agreement for Returned Assets:**

Ongoing

**Agreement for Returned Assets - Description:**

N/A

**Case Summary:**

In November 2009, Mr. Lazarenko was sentenced to 97 months in prison and ordered to pay a \$9 million fine and forfeit \$22,851,000 and various specified assets resulting from his money laundering convictions. (Source: Department of Justice Press Release, "Former Ukrainian Prime Minister Sentenced to 97 Months in Prison / Fined \$9 Million for Role in Laundering \$30 Million of Extortion Proceeds," November 19, 2009.) The Amended Judgment of February 4, 2010 had ordered Mr. Lazarenko to also pay restitution of \$19,473,309 to his co-conspirator/victim Peter Kiritchenko; this was later reversed by the Ninth Circuit which held that as a general rule, a participant in a crime cannot recover restitution. (Sources: U.S. v. Lazarenko, Case No. 3:00-cr-00284-CRB (N.D. Cal.), Amended Judgment of February 4, 2010, reversed appeal, U.S. (Plaintiff-Appellee), Kiritchenko (Intervenor) v. Lazarenko (Defendant-Appellant), Case No. 08-10185, (9th Cir.). The U.S. Government had opposed the payment of restitution to Mr. Kiritchenko.) Some of the forfeited assets included Mr. Lazarenko's assets held in the European Federal Credit Bank in Antigua. As the Ninth Circuit Court of Appeals noted, Mr. Lazarenko's "activities raised prosecutorial eyebrows in both the United States and Antigua. Antiguan officials ordered the liquidation of Eurofed', and the High Court of Antigua appointed several persons as 'Liquidators' of Eurofed to assist in the collection and distribution of Eurofed's assets to its rightful, law-abiding owners." The Liquidators asserted ownership specifically to the approximately \$2.5 million in funds and Ukrainian bonds on deposit with Bank of America, in a correspondent account of Eurofed. In January 2011, the Ninth Circuit Court reversed the lower court's ruling on grounds of *res judicata*, and remanded with instructions that the district court vacate the forfeiture order with regard to the funds and Ukrainian bonds held in Bank of America and to return those assets to the Liquidators. (Source: U.S. v. Liquidators of European Federal Credit Bank, U.S. and Liquidators of European Federal Credit Bank v. Lazarenko, and U.S. v. Lazarenko, Case Nos. 09-10116, 09-10161, 09-10183 (9th Cir.), January 4, 2011.) On April 4, 2011, the US District Court for the Northern District of California issued the order for return of those assets to the liquidators of EuroFed Bank. (Source: US v. Lazrenko, Case No. 3:00-cr-00284 (N.D. Cal.), Amended Final Order of Forfeiture on Remand filed April 4, 2011.)

**Disposition of Criminal Case(s):**

According to the U.S. Department of Justice Press Release dated November 19, 2009, Mr. Lazarenko was sentenced to 97 months in prison, following his conviction on eight counts of money laundering. (Source: U.S. Department of Justice, "Former Ukrainian Prime Minister Sentenced to 97 Months in Prison," November 19, 2009.) According to BBC News, Mr. Lazarenko was convicted in Switzerland, in June 2000, on money laundering charges. (Sources: BBC News, "The case against Lazarenko," August 25, 2006. See also, Swiss court decisions: BGer 125 II 356 (excerpt, judgment of 25 June 1999) and BGer 125 II 238 (excerpt, judgment of 8 April 1999), both of Canton of Geneva, administrative law court).

**Jurisdiction of Origin: Investigative Agency:**

Prosecutor General

**Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):**

Prosecutor General

**Jurisdiction of Asset Recovery: Investigative Agency:**

Federal Bureau of Investigation, Federal Bureau of Investigation, Eurasian Organized Crime Squad (San Francisco); Internal Revenue Service, Criminal Investigations

**Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):**

U.S. Attorney's Office for the Northern District of California; U.S. Department of Justice, Criminal Division, Organized Crime & Racketeering Section

**Jurisdiction of Asset Recovery: Courts Involved:**

U.S. District Court for the Northern District of California, Ninth Circuit Court of Appeals, U.S.

Supreme Court, U.S. District Court for the District of Columbia

**Documents:**

Lazarenko\_US\_NDCAL\_Indictment\_May\_18\_2000.pdf

Lazarenko\_US\_NDCAL\_Amended\_Judgment\_Feb\_4\_2010.pdf

Lazarenko\_US\_NDCAL\_Catch\_Oligarch\_Oct\_4\_2004.pdf

Lazarenko\_US\_NDCAL\_Eurofed\_Liquidators\_Courthouse\_News\_Jan\_5\_2011.pdf

Lazarenko\_US\_NDCAL\_Eurofed\_Liquidators\_Jan\_4\_2011.pdf

Lazarenko\_US\_NDCAL\_Kiritchenko\_Restitution\_Order\_Vacate\_2010.pdf

Lazarenko\_US\_NDCAL\_Sentence\_DOJ\_PR\_Nov\_19\_2009.pdf

Lazarenko\_NDCAL\_Amended\_Judgment\_Forfeiture\_Apr\_4\_2011

**Documents:**

<b>Attachment</b>	<b>Size</b>
 Lazarenko_NDCAL_Amended_Judgment_Forfeiture_Apr_4_2011.pdf	105.76 KB

**Other Sources:**

U.S. v. Lazarenko, Case No. 3:00-cr-00284-CRB (N.D. Cal.), Indictment filed on May 18, 2000; Amended Judgment filed on February 4, 2010; and Amended Final Order of Forfeiture Filed on April 4, 2011. U.S. v. Lazarenko, 564 F. 3d 1026 (9th Cir. 2009); U.S. (Plaintiff-Appellee), Kiritchenko (Intervenor) v. Lazarenko (Defendant-Appellant), Case No. 08-10185, (9th Cir. 2010); Department of Justice Press Release, "Former Ukrainian Prime Minister Sentenced to 97 Months in Prison / Fined \$9 Million for Role in Laundering \$30 Million of Extortion Proceeds," November 19, 2009. Jason Felch, San Francisco Magazine, "To Catch an Oligarch" posted at website of the Center for Investigative Reporting at <http://www.centerforinvestigativereporting.org/articles/tocatchanologarch>. Eurofed Liquidators: U.S. v. Liquidators of European Federal Credit Bank, U.S. and Liquidators of European Federal Credit Bank v. Lazarenko, and U.S. v. Lazarenko, Case Nos. 09-10116, 09-10161, 09-10183 (9th Cir.), January 4, 2011; Jonny Bonner, "Feds Lose Claim to Assets of Ex-Ukrainian Minister," Courthouse News Service, January 5, 2011, accessed at <http://www.courthousenews.com/2011/01/05/33090.htm>.