

Relaunch of the NEURC: who applied? The second competition

In pursuance to the Law "On the National Energy and Public Utilities Regulatory Commission", on February 27, a [second competition](#) for the selection of the NEURC members was launched. Two new members of the Regulator are anticipated to be selected within this competition. According to the announced schedule, the initial [interviews](#) took place on April 20 and 23 to assess general integrity and ethical profiles, as well as managerial competency of the candidates. The second substantial interviews are scheduled to May 7-8, where candidates will have to prove their professional knowledge. The maximum score which a candidate can attain upon the two interviews is 195 points: 75 points in the first assessment and 120 more in the second one. The Competition Commission will be able to announce the results after completion of the assessment, however, the final rating will take into account the results of the special verification to be carried out by the Presidential Administration¹. It should be noted that the Competition Commission on the Selection of the NEURC members recommends 2 candidates for each of 2 vacant positions, while President chooses from the proposed candidates and makes the appointments.

In total, 23 candidates have applied for the competition, including the current Chairman of the NEURC Mr. D.Vovk and the Director of the NEURC's Oil and Gas Regulation Department Mr. A. Hudachenko. However, the Competition Commission decided to reject both applications because of failing to meet the criterion of having at least 5 years of experience in the energy field and 2 years of experience on management positions². Another competitor, Mr. R. Kaidash, has withdrawn his application. Consequently, there are 20 participants in the competition, of which 11 have participated in the previous selection process, which represents 55% of all participants. Thus, **10 persons are competing for each of the vacant positions**.

To sustain the public attention to the process of candidates selection, DiXi Group experts have prepared their own assessment of the applying candidates' integrity. Assessment of candidates who applied to the first competition [is published](#) on the DiXi Group website.

The following criteria were taken into account during analysis:

- **Correlation between declared income and the expenditures, property and lifestyle of a candidate and his family members:** expenditures clearly exceed the declared income over the respective period of time.

At that, the basic assumption is that information provided in declarations is complete and fair. Whenever correlation between the property, expenditures and the income is impossible to be reliably verified (e.g. due to incomplete information or absence of data on the income during the previous years), a mark is added that some data require clarification.

- **Potential conflict of interest:** candidate and/or his/her family members have relations to the politics (membership, employment or other contractual relations with political parties) or business (membership of executive bodies³, direct or indirect ownership of enterprises or corporate rights⁴) within the NEURC regulatory scope.

The specified restrictions are stipulated by the Law on the NEURC⁵ to preclude respective persons from being appointed as the Regulator's Board members. Theoretically, this enables candidates to eliminate the conflict of interests (e.g., cancel the party membership, withdraw from company's executive bodies, sell shares and other corporate rights) prior to the appointment.

Along with that, we are aware that other formats of political involvement (e.g. membership in factions of political parties) or business activities in the energy and public utilities' industries (as a manager) in

¹ There are no final results of the first competition as of April 23, because the special verification is not completed yet.

² <https://www.youtube.com/watch?v=AInG1Ri0TT8>

³ According to the Law of Ukraine "On Joint Stock Companies", officials of a joint stock company are: the chairperson and members of the supervisory board, executive board, auditing committee, auditor, as well as the chairperson and members of another authority, provided its creation is envisaged by the articles of association (incl. the Manager/CEO as a person exercising the power of an executive body).

⁴ At that, the Law of Ukraine "On the NEURC" does not determine a participation threshold (number of shares) in the capital of a corresponding company, which is considered as a conflict of interests. That is ownership of even one share or a package of shares with miserable nominal value is already evidencing corresponding corporate rights.

⁵ [The Law of Ukraine "On the NEURC"](#), Article 7. Eligibility of the Regulator's member.

any way do not guarantee that a candidate would not be able to have a hidden conflict of interests considering his/her possible relations with politicians or owners (executives) of companies. It is similarly applicable to the current NEURC members, who provided their applications. For that, we separately pay attention to candidates' current positions and relationships.

- **Possible engagement in corruption and other abuses, including infringement of citizens' rights and liberties, decisions taken against the national interests:** proven data from journalistic investigations, including documents, registers, video records etc., which provide valid reasons to assume possible involvement of a candidate into the mentioned actions. We took into account the experience of the past evaluation of candidates, and we process information only if published in those media that we consider to be integral and highly professional.

The published sets of candidates' documents – application, CV and copies of diplomas – can be found on the [website](#) of the Verkhovna Rada Committee on Fuel and Energy Complex.

In this assessment, experience of the Civil Movement “Chesno” assessing the MPs' ethical eligibility has been used, as well as approaches to the analysis of public data concerning the candidates applying for the position of the Head of the National Agency on Corruption Prevention, which was performed by the TOM 14 NGO in partnership with the Transparency International Ukraine and the Reanimation Package of Reforms coalition. Also, the analytical system YouControl has been used for completing this analysis, as well as the register of academic certificates, the register of electronic declarations (“Declarations” project), and other open sources. All information used for the assessment has been taken from the open sources, in particular from Internet, as well as from explanations provided by the candidates themselves.

The analysis reflects nothing more than the agreed collective subjective assessment of the DIXI GROUP NGO team, which is based on information received from open sources, including published electronic declarations of candidates. DIXI GROUP NGO does not make any allegations concerning reliability of the facts of misconduct or guilt of these persons in committing offenses subject to legal responsibility, with the exception of references to official court decisions came into force. Our assessment might not coincide with official decisions and conclusions.

CANDIDATES:

Name	Information assessment conclusions	Explanations and comments
Borysenko, Andrii Volodymyrovych	There are no comments to the information provided	<p>The declared total income of the candidate and his spouse in 2017 was almost UAH 961,000, including UAH 505,000 at the principal place of work and part-time jobs. Moreover, the declaration includes funds deposited in bank accounts and savings in cash.</p> <p>A. Borysenko works as Deputy Director General for Advanced Development and Energy Saving Technologies of Ukrenergoconsulting LLC, which the mass-media (1, 2, 3) link to the brothers Ihor and Hryhoriy Surkis. Also, the candidate stated in the autobiography that during 2017-2018 he used to be a member of the Supervisory Board of Zaporizhiaoblenergo PJSC (membership was discontinued).</p> <p>He also holds a position of part-time professor at the NTUU Kyiv Polytechnic Institute and is the member of a dedicated academic council “Energy Systems and Complexes” at the Institute of Common Energy Industry of the National Academy of Sciences of Ukraine.</p>

Horkutsenko, Kostiantyn Oleksandrovych	<p>The data on the company owned by the candidate needs clarification, as its activities are subject to the NEURC regulation</p>	<p>The candidate is a co-owner of the company TPK "SVAROG", the main activity of which is defined as "wholesale fuel trading", with "electricity generation" (subject to the NEURC regulation) also being within its statutory activities. It should be noted that the above company is not included in the register of economic entities conducting their economic activity in the energy and utilities field.</p> <p>The candidate is employed in FIRMA TEKHNOVA LLC. The electronic declaration also indicated a part-time job salary received from Cherkassy Khimvolokno PJSC, Euro-Reconstruction LLC and Sumytoploloenergo LLC. Moreover, the applicant declared a money gift from his father in the amount of UAH 1 mln, along with which his income in 2017 amounted to UAH 1.5 mln.</p>
Koribut, Yaroslav Olehovch	<p>There are no comments to the information provided</p>	<p>The candidate is employed in the position of manager within the Directorate on development and regulatory issues of Kyivenergo (majority of shares belong to R. Akhmetov's DTEK). The declared property corresponds to family income and savings.</p>
Kostiushko, Oleh Petrovych	<p>Civil society activists pointed out that this candidate had been distributing goods and material aid packages during elections</p>	<p>As the candidate himself stated in the submitted materials, he is a deputy of the Kyiv City Council (Solidarity faction, not a party member), elected in the electoral district No. 103. However, during the 2015 elections, "OPORA" civic network observers paid attention to the candidate's distribution of material aid to the voters.</p> <p>In part of professional engagement, he noted that since 2013 he has been employed as the CEO of the Ukrainian Environmental Alliance association. Meanwhile, since 2003, he has been working at KRAMAR RECYCLING LLC, where, according to the candidate's e-declaration, he received a salary for a part-time job. KRAMAR RECYCLING LLC operates in municipal waste removal and had been winning tenders of "Kyivpastrans".</p> <p>The candidate declared family income of almost UAH 8.1 million for 2017. He also indicated the savings deposited on bank accounts and in cash, in total of UAH 436,000, USD 122,000 and EUR 20,000.</p>
Lazorenko, Vitaliy Mykolayovych	<p>There are no comments to the information provided</p>	<p>The candidate has been working at Kremenchuk CHP since 1996, and currently holds position of a Deputy Director for Labor Protection and Capital Construction. The station is in a long-term lease to Poltavaoblenergo (shares belong to a number of companies which the media link to I. Kolomoyskyi and K. Hryhoryshyn). The declared property corresponds to family income and savings.</p>

Liudmyrskyi, Valerii Markovych	<p>The information in the declarations of the couple is inconsistent.</p> <p>There are journalist investigations as for the transparency of electricity supply to Ukrzaliznytsia</p>	<p>The candidate is the Director of the Electricity Supply Department at Ukrzaliznytsia (state-owned company).</p> <p>I.V. Rozhanska, the applicant's wife, also applied for the competition for the NEURC member position. At the same time, in her declaration Mrs. Rozhanska indicated that her husband owns a garage worth UAH 47,141, which Mr. Liudmyrskyi did not indicate. Moreover, in both declarations there is an inaccuracy regarding the date of the acquisition of the right to one of the apartments.</p> <p>The candidate is participating in the competition to job positions (four in total) of independent supervisory board members of PJSC Khmelnytskoblenergo.</p> <p>The media widely covered the situation with his kidnapping. He was rescued during the Ministry of Internal Affairs units operation in March 2017 after been held captive by the kidnappers with the intent to receive ransom. The journalist materials and investigations focused on the activities of companies that supplied electricity to Ukrzaliznytsia.</p>
Magda, Oleksiy Ivanovych	<p>There are no comments to the information provided</p>	<p>The candidate is employed by Ukrenergo (state-owned company) as the manager for projects and programs in the non-material production sphere. He is also combining duties as the member of a strategic council of the civic association “Kyiv Institute of International Investigations”. The declared property and cash savings correspond to the income.</p>
Maistrenko, Oleksandr Volodymyrovych	<p>The income-related information needs clarification, considering the property acquired in 2017</p>	<p>The candidate is employed as a Deputy Director of the Advertising and Marketing Information Center Energobusiness LLC and is a co-founder of the company, as indicated in his autobiography and e-declaration.</p> <p>The e-declaration indicated that the income for 2017 at the main place of work amounted to UAH 38,000. At the same time, there is no mention of the wife's income, interest on deposits, dividends, etc. Moreover, he did not indicate any savings.</p> <p>The family owns two apartments in Kyiv priced at UAH 85,000 and UAH 782,000 while purchased in 2000 and 2015, respectively. He also declared a land plot (1500 sq. m.) in Kyiv oblast and a private house of almost 128 sq.m, acquired in 2010 and 2017 respectively, both objects without the price indication.</p>
Mashlyakivskyi, Ruslan Leonidovych	<p>There are no comments to the information provided</p>	<p>The candidate is a NEURC member since 2014. The declared property corresponds to family income and savings. At the same time, he indicated that he had received the dividends of UAH 15,600 from the company Kamyanka ALLC (engaged in agricultural activity). According to e-declarations for previous years, he has been receiving minor dividends from the company since at least 2015.</p>

Nemchynov, Maksym Oleksandrovych	<p>There are no comments to the information provided</p>	<p>Since recently, the candidate is employed as the commercial director at the private company VKF Almaks, before that he was employed on different positions at the Ministry of Energy and Coal Industry of Ukraine. He has applied for the position of the State Secretary at the Ministry of Energy and Coal Industry of Ukraine, however his appointment has been appealed and a stand-by candidate has been appointed as acting State Secretary. According to the last court decision in the case No.826/20294/16, it has been approved to lift a ban for appointing this candidate to the State Secretary position at the Ministry of Energy and Coal Industry of Ukraine.</p> <p>He has declared funds on bank accounts and in cash (UAH 2.5 mln and USD 34,700), and together with his wife he is in possession of 2 luxury cars and an apartment for the total amount of UAH 4 mln. There is also information concerning savings on bank accounts and in cash (plus money lent to third parties): in total, for the amount exceeding UAH 2.5 mln, USD 77,000 and EUR 845. According to information provided by the candidate, these assets have been earned in the period of 2000-2010, when the candidate was employed as a commercial director of the private company VKF Almaks.</p> <p>The candidate is also a shareholder of the ALTRADE LLC, which is involved in the coal trade, according to the mass-media. At that, the candidate has not declared incomes obtained from business of the mentioned company. As clarified by the candidate, the company is economically inactive since 2008, and his attempts to unregister the enterprise failed due to absence of title documents, as well as due to other reasons.</p>
Olefir, Dmytro Oleksandrovych	<p>There are no comments to the information provided</p>	<p>Deputy manager of the NEC Ukrenergo (the state-owned company) Directorate of Operational Dispatch. The declared property corresponds to the declared income. At that, the total savings on bank accounts and in cash amount to UAH 180,000, USD 61,000 and EUR 7,000.</p>
Pastukhov, Ivan Anatoliyovych	<p>There are no comments to the information provided</p>	<p>The candidate holds the position of acting Deputy Director of the Department of Housing and Communal Infrastructure of the Kyiv City State Administration. The declared property corresponds to the specified family income.</p>
Petrenko, Tetyana Viktorivna	<p>There are no comments to the information provided</p>	<p>The candidate works as the head of the production and technical department of the Kremenchuk CHP. The station is in a long-term lease to Poltavaoblenergo (shares belong to a number of companies linked by the media to I. Kolomoyskyi and K. Hryhoryshyn). Family income is declared, however, the cost of the car (Volkswagen Golf, manufactured in 2012), purchased in 2017, is not indicated.</p>

Petrykovets, Kostiantyn Yakovlevych	<p>Potential conflict of interests exists as the candidate owns a minor amount of shares, but promises to sell them if appointed</p>	<p>According to the candidate's e-declaration his family owns a small amount of shares of Tsentrenergo, Zakhidenergo, Kharkivoblenergo, Dniprooblenergo, with a total nominal value slightly exceeding UAH 7,800. According to the additional information from the candidate, some of these shares have been received in exchange for the privatization vouchers (his and his wife's), others were purchased in order to ensure the exercise of functions of the member of supervisory boards of energy companies, to which the candidate was elected while working at the Ministry of Fuel and Energy and NJSC "Energy Company of Ukraine" as a representative of the government. "If I am appointed as the NEURC member, I will sell the shares", Mr. Petrykovets added.</p> <p>Currently he is employed at Energoatom (State Company) as Deputy Director of the New Market Model Implementation Center. He declared two land plots with a total space of 3,612 sq.m, a garage with the space of 41.3 sq.m. and two cars: Rexton Ssang Yong manufactured in 2012 and Nissan Juke manufactured in 2012. As the candidate has informed, one of the land plots was a gift to his wife from her family. Regarding another land plot and two vehicles, he added that the payment documents were lost, and the property has not been evaluated lately.</p>
Pysmenna, Ulyana Yehveniyivna	<p>There are no comments to the information provided</p>	<p>The Competition Commission initially did not admit the candidate to the competition, however, she provided copies of documents confirming her experience in the field of energy and in managerial positions gained at the Ministry of Fuel and Energy. Currently she is working as a senior lecturer at the NTUU "KPI" Department of Economics and Entrepreneurship. The declared property corresponds to the specified family income.</p>
Polishchuk, Viktor Petrovych	<p>There are no comments to the information provided</p>	<p>Updated on May 4 in accordance to the additional information from the candidate.</p> <p>The candidate has almost 11 years of experience in the field of housing and utility services on various positions, in particular in the management of housing and utility services of the Solomyansky District Council in Kyiv (7 years) and in the Ministry of Regional Development (2 years). Currently he holds the position of the Head of the Department of Organization of Medical, Social and Household Support of the Office of the Affairs of the Verkhovna Rada of Ukraine. The candidate has clarified that his current duties include management of the state enterprise "Upravlinnia zhytlovyh budynkamy" ("Residential buildings management") dealing with 18 residential buildings of the Verkhovna Rada of Ukraine.</p> <p>The candidate has declared his income. He also included the apartment (114 sq. m) that is not owned, though used, in Svyatopetrivske village, near Kyiv, where the family resides since 2012 at no cost.</p>
Rashchupkin, Oleksandr Anatoliiovych	<p>Existence of the potential conflict of interest (owns a minor set of shares)</p>	<p>The candidate declared owning an insignificant package of shares of Zakarpattiaoblenergo (2 pcs.), Cherkasyoblenergo (5 pcs.) and Tsentrenergo (1 pc.), with a total value of UAH 3. He is employed as the Head of the Economic and Financial Department of State Enterprise Energorynok. The declared property corresponds to the specified family income.</p>

Rozhanska, Iryna Vyacheslavivna	<p>The information in the declarations of the couple is inconsistent</p>	<p>The candidate works as the First Deputy Director of the municipally-owned enterprise "Kyiv City Veterinary Medicine Hospital". It should be noted that for more than 14 years she has worked at various positions in the NEURC (formerly NERC and the National Utilities Commission).</p> <p>At the same time, her husband V.M. Liudmyrskyi has also applied to the competition for the NEURC member vacancy. In her declaration Mrs. Rozhanskaya has indicated that her husband owns a garage worth UAH 47,141, while Mr. Liudmyrskyi did not specify this.</p>
Saramaha, Roman Kostiantynovych	<p>There are no comments to the information provided</p>	<p>The candidate is currently unemployed, and previously worked as the Deputy Chairman of the CBM Oil PLC company and, in addition, as a business development advisor for Cadogan Petroleum. His declared property corresponds to income and savings in cash.</p>
Tsaplin, Valerii Ivanovych	<p>There are no comments to the information provided</p>	<p>According to the e-declaration of the candidate, he owns a minor batch of shares of Poltavaoblenergo for a total value of UAH 750. However, the candidate specified that in view of the potential conflict of interest he has sold shares through the Art Capital investment company and provided the corresponding copies of the documents to the members of the Competition Commission.</p> <p>He is currently employed as Director of the Strategic Development and Planning Department of the NEURC. The declared property corresponds to the income. Moreover, he indicated deposits on bank accounts and savings in cash.</p>