**EURASIA DAILY MONITOR**

**Volume 2, Issue 111 (June 08, 2005)**

# CRIMINAL CHARGES FILED AGAINST FORMER UKRAINIAN PEOPLE'S DEMOCRATIC PARTY

**By Taras Kuzio**

Criminal charges have been filed against the People's Democratic Party (NDP), led by former Ukrainian prime minister Valeriy Pustovoitenko. NDP's bank accounts have been frozen.

The Ukrainian Prosecutor-General's Office revealed that one million hryvni (approximately $200,000) was transferred from Ukrainian Railways to the NDP at the start of the 2004 presidential election. A similar amount was also illegally transferred to the Renaissance Party, led by then-transport minister Heorhiy Kirpa (Ukrayinska pravda, May 17). Kirpa committed suicide in December 2004 and has since been accused of channeling funds to presidential candidate (and then prime minister) Viktor Yanukovych.

The party released a statement reading, "We demand a meeting with President Viktor Yushchenko, and we want parliament to hold hearings by the Temporary Investigative Commission on Maintaining Political Rights and Liberties" (Ukrayinska pravda, May 23).

Pustovoitenko admitted that the NDP did take funds from Ukrainian Railways, but he insists that the transfer was legal. Although state-administrative resources were massively abused in the 2004 election, legislation forbids state enterprises from financing political parties.

At the start of the election, Pustovoitenko asked the Odessa, Southern, and Southwestern Ukrainian Railways branches to donate one million hryvni for NDP "party development." However, these funds were probably payment for Pustovoitenko's work in the Yanukovych campaign. The NDP accessed the funds between June 2004 and April 2005 (Channel 1 TV, May 29).

Four senior NDP officials have been arrested. As frequently happens with former Kuchma officials facing charges, Pustovoitenko became suddenly ill and signed himself into in hospital.

Pustovoitenko wants the NDP to independently contest the 2006 parliamentary elections. Like other members of the pro-Kuchma "For a United Ukraine" bloc in the 2002 election, Pustovoitenko complained that the NDP failed to gain anything from being part of this five-party election bloc.

Pustovoitenko has claimed that the NDP would make it through the 3% threshold in 2006, "and we will have a large representation in local organs of power" (Ukrayinska pravda, April 16). This is unlikely, as the NDP's ratings are very low and likely to fall further as the election nears.

The NDP's fortunes have declined, Pustovoitenko claims, because high-ranking members have been targeted for "political repression." In reality, criminal charges have been laid for election fraud and corruption (Ukrayinska pravda, March 26). In April deputy NDP head Serhiy Kunitsyn was forced to resign as Crimean prime minister over corruption charges and was replaced by Yulia Tymoshenko loyalist Anatoliy Matvienko.

Pustovoitenko now believes that it was a mistake to support Yanukovych's candidacy in the 2004 election. Instead, he says the NDP should have supported his own candidacy, conveniently overlooking his low ratings.

The NDP has seen its influence dwindle since the late 1990s. It was Kuchma's first attempt at creating a pro-presidential party of power after the 1998 parliamentary elections. Pustovoitenko himself served as prime minister from 1997 to 1999.

Although many newly elected deputies initially flocked to the NDP, it failed to become a serious party of power. After Kuchma was re-elected in November 1999, he replaced Pustovoitenko with Yushchenko, giving deputies even less incentive to join the NDP.

The NDP's collapse mirrors that of other former pro-Kuchma centrist parties that supported Yanukovych in the 2004 presidential election. The NDP parliamentary faction was dissolved on April 6, after its membership dropped to only 10 deputies, four short of the minimum to create a faction. The former pro-Kuchma Union faction was also disbanded in late May for having too few members.

The most conspicuous collapse has been that of Viktor Medvedchuk's Social Democratic Party-United (SDPUo), which had been all-powerful while Medvedchuk headed the presidential administration during Kuchma's last two years in office. The SDPUo faction has dropped by half from 39 to only a hard core of 20 deputies.

Trouble is brewing for the SDPUo that could reduce its numbers even further. A criminal case has been re-opened against high-profile SDPUo member Nestor Shufrych, who stands accused of winning a seat in 2002 by buying votes (Ukrayinska pravda, May 25). A second criminal case has been launched against Shufrych over a gas-exploration project that cost the state 56 million hryvni.

Another SDPUo parliamentary deputy, Oleksandr Hranovskyi, has been called in three times for questioning in Odessa relating to charges that more than 465 million hryvni ($93 million) of state funds have gone missing. A Medvedchuk relative, who was an adviser to the arrested former governor of Trans-Carpathia, is also being sought for questioning.

Two factions have gained from post-2004 election defections, including parliamentary speaker Volodymyr Lytvyn's People's Party of Ukraine ([NPU], formerly the Agrarian Party), which has more than doubled to 36 deputies. Prime Minister Tymoshenko's faction has also doubled to 34.

Overall, the pro-Kuchma parliamentary majority, which boasted over 240 deputies at its peak in 2002-2003, has collapsed to only 123. Meanwhile, the pro-Yushchenko camp already has 223 deputies drawn from six factions: Our Ukraine, the Ukrainian People's Party, the Tymoshenko bloc, the NPU, the Party of Industrialists and Entrepreneurs, and the Socialists.

The NPU has agreed to enter a three-party alliance with Yushchenko's People's Union and the Tymoshenko bloc in the 2006 election. They intend to create a parliamentary majority that, based on current polls and their strength in the current parliament, should give them close to two-thirds of the seats. The remainder will be held by the Socialists, Communists, and the remnants of the former pro-Kuchma centrists.