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Welcome to Ukraine, the most corrupt nation in Europe

While the conflict with Russia heats up in the east, life for most Ukrainians is marred by corruption so endemic that even hospitals appear to be infected. Can anyone clean the country up?

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Fri 6 Feb 2015 08.43 GMT

Ukraine's National Cancer Institute occupies three smoke-grey, six-storey blocks in a residential district on the edge of Kiev. The external walls are tiled, with occasional scars where the bricks peep through. When Soviet workmen completed the facade, they built the date - "1968" - into it.

Since then, maintenance appears to have been erratic. Nonetheless, business at the institute has always been brisk, and is getting brisker.

Half of Ukraine's men, and a fifth of its women, smoke; the national diet is heavy with animal fat; the national drink is vodka. Radiation from the [Chernobyl disaster](#) spread thyroid cancers throughout the 1980s generation, increasing the incidence among children tenfold. There are few family doctors, which means that breast, prostate and bowel tumours often go undetected for months. Survival rates for these cancers are among the worst in Europe.

In 2008, Professor Igor Shchepotin, an experienced Ukrainian-born surgeon, predicted in a magazine interview that the number of new diagnoses of cancer would continue to rise from 165,000 annually to 200,000 by 2020. That year, President [Viktor Yushchenko](#) picked Shchepotin out as Ukraine's champion in a new war on cancer. Shchepotin took charge of the Cancer Institute, which is both the country's leading cancer hospital and its premier research institution, and was granted extensive powers to mend Ukraine's health, including a budget independent of the health ministry, so that he could buy his own medicines and equipment. In Britain, he would be known as the "cancer tsar"; in Ukraine, he is called the "chief oncologist". And he has been an effective one, according to the institute's own assessment.

"Under the leadership of Professor Shchepotin, new approaches, conceptions and technology have been introduced, new principles for treating cancer patients, a significant proportion of whom have been returned to a fully active life," the institute said in a summary of its work published in April.

The [Cancer](#) Institute, though no more modern inside than out, feels reassuring. Surgeons in white coats discuss cases as they walk to the operating theatres. Nurses bustle around, bearing armfuls of folders. In the corridors, patients sit on folding cinema-style seats talking on their phones, while their relatives try to catch the doctors' attention. Old women dressed in green scrubs mop floors with disinfectant, giving the building a chemical tang that clings to your clothes long after you leave.

It feels like a place where patients can come knowing that the goal is to get them well again. But three surgeons working here, a former health minister, patients and anti-corruption activists all claim that this is not the whole story. They claim that the hospital, like government bodies all over Ukraine, appears to have been infected by corruption. And despite widespread public anger at the nation's corruption problem, which has provoked two revolutions in a decade, no one appears able or willing to do anything about it.

“Presumably there is money,” said Konstantin Sidorenko, a consultant anaesthetist at the institute, when we first met in July. “But for some reason that money doesn’t reach the most important places, like intensive care. So it means we have to earn everything ourselves.”

The phrase “earn everything ourselves”, he explained, is a euphemism for taking bribes, though Sidorenko was quick to point out that this wasn’t something he wanted to do. He led the team of doctors running intensive care, so he was responsible for the institute’s most vulnerable patients. Clinically, he felt he had no choice but to take the money.

We were on the sixth floor, sitting in his office, which was about the size of a typical bathroom. Sidorenko, who had greying, wavy hair and a friendly, open face, reached into the pocket of his white coat and took out a small cubic box. It contained an oxygen sensor for a respirator, the machines that provide air for patients unable to breathe for themselves. Each sensor costs around 4,000 hryvnias (UAH), currently £164, and each of his 10 respirators needs a replacement sensor at least once a year: UAH 40,000 (£1,649) in total. And that is just a tiny part of the money he needs to keep his machines working, which exceeds UAH 700,000 (£28,850) annually. For the last two years, he claimed, the institute had not provided him with sufficient money for maintenance, despite his repeated requests at clinical meetings.

“I have equipment worth millions. I need to service it or it will break and patients will die. Where do I get the money?”

“I have equipment worth millions, and I need to service it or it will break and my patients will die. I need to service it, but where do I get the money?” In other words, he had a dilemma: be honest and a bad doctor, or take bribes and be a good doctor. It is humiliating, but there is only one answer. “My doctors understand, and the patients pay,” Sidorenko said.

Behind my chair was a tall settle, the kind found in former Soviet flats from Kiev to Kamchatka. The top half was a display cabinet full of medical books and files. Below that was a cupboard. Sidorenko squeezed past me to open the door and brought out a stack of envelopes so tall it required both hands to steady it. Some of them were half an inch thick, and all of them were full of banknotes.

He explained that almost all of his doctors collect the money from patients, then pass it on to him. He uses it to maintain the machines that keep his patients alive. These are the realities of being a doctor in Ukraine, he said. He was better qualified

than most to assess the situation, since he sat on the commission that chooses which equipment the institute should buy. He said he had seen how the hospital systematically overpays for the equipment it buys and alleged that the institute had once bought a respirator for €130,000 more than it was worth. That €130,000 would have supplied his respirators with sensors for 40 years. Sidorenko had only one explanation for why the hospital would overpay for equipment: some managers were engaged in secret deals with the suppliers to defraud the state budget, and then dividing up the extra money among themselves. Essentially, Sidorenko's patients, via their kickbacks, were making up the shortfall. Shchepotin, the head of the institute, refused to comment on the specific allegations made by Sidorenko that such practices were taking place at the institute.

Sidorenko had another reason to be frustrated. He had 23 years of experience, but earned only €300 a month, barely enough to feed his four young children, let alone to pay the numerous small bribes - to teachers, traffic police, plumbers, tax officers - that are part of everyday life in Ukraine.

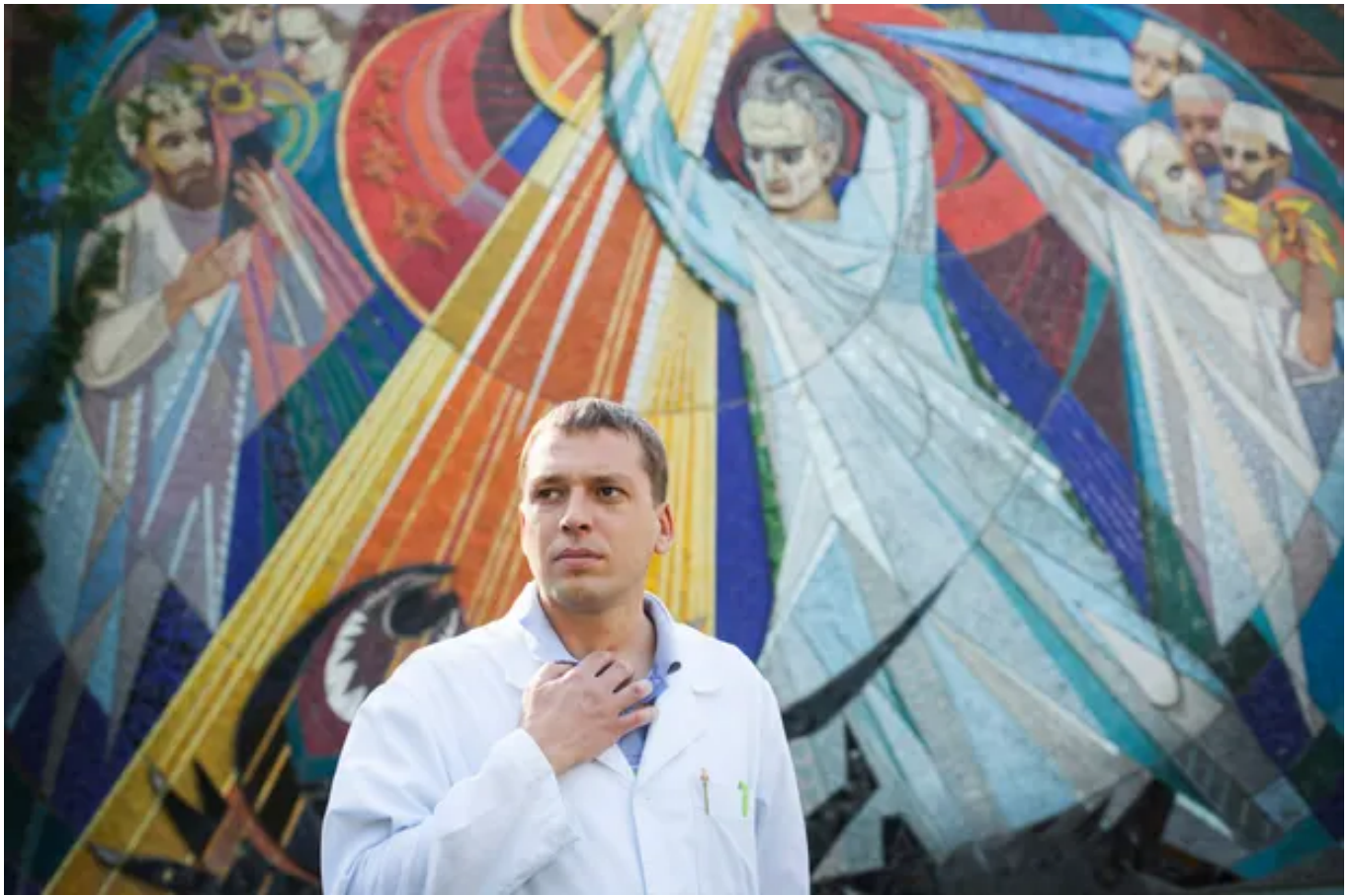
Kiev has a grand opera house, cathedrals, chain stores, sweeping central avenues, a metro, everything required to make a place look European. But it resembles a modern European capital city only in the way the Cancer Institute resembles a hospital. Transparency International's Corruption Perceptions Index - the most widely used indicator of corruption worldwide - rates Ukraine 142nd in the world, alongside Uganda. In the latest ranking, it fell behind Nigeria.

Since 1991, officials, members of parliament and businessmen have created complex and highly lucrative schemes to plunder the state budget. The theft has crippled Ukraine. The economy was as large as Poland's at independence, now it is a third of the size. Ordinary Ukrainians have seen their living standards stagnate, while a handful of oligarchs have become billionaires.

Public fury has fuelled two revolutions. In 2004, street protests helped Viktor Yushchenko defeat an attempt by the then prime minister [Viktor Yanukovich](#) to rig the presidential election. During his five years in power, however, Yushchenko failed to dislodge the networks of patronage. Amid widespread disillusionment, he lost the 2010 election to Yanukovich, who was in turn driven out in February 2014, after corruption mutated into still more virulent forms.

Officials from the general prosecutor's office, who were interviewed by Reuters, claimed that between 2010 and 2014, officials were stealing a fifth of the country's national output every year. This behaviour has infected all sectors of Ukrainian

society. President Yanukovych lived in a vast palace on the edge of Kiev. After he fled, protesters found millions of dollars worth of paintings, icons, books and ceramics stacked in his garage. He'd had nowhere to display them.



📷 Andrei Semivolos stands outside the institute, in front of a Soviet mural depicting doctors fighting cancer. Photograph: Joel van Houdt for the Guardian

The protesters camping out on the Maidan in central Kiev last winter wanted to prevent a repeat of 2004, when the old networks of corruption simply absorbed the new officials. Among those protesters was Andrei Semivolos, a pale, slim, dark-haired surgeon from the Cancer Institute with a mauve birthmark on his right temple. He had volunteered as a medic during the protests on the Maidan, patching up protesters beaten by police. He had returned to the institute determined to help change his workplace as he had helped change the government.

One of President Yanukovych's last attempts to salvage his image had been a televised visit to the institute, when he had handed out gifts to sick children, their heads bald from chemotherapy. Shchepotin, the chief oncologist, stood by his side, beaming. The publicity stunt failed to rehabilitate Yanukovych's reputation, and a fortnight later, on 22 February 2014, he fled. Soon after, Shchepotin, who had previously been a loyal supporter of Yanukovych, announced that the institute would be raising money to support the new government's army - a move that surprised Semivolos. To him, it sounded like Shchepotin was trying to ingratiate himself with the new order.

Semivolos wrote a long Facebook post on 20 March, in which he criticised the way Ukraine is run, Shchepotin, and what he called “past-it Soviet relics”. Facebook had played an important role in catalysing the protests that swelled into revolution over the winter. Ukrainians knew how such posts could go viral and quickly energise mass protests. Shchepotin moved fast to respond to Semivolos’s criticism by convening the Cancer Institute’s “collective”. Gathering the “collective” is a Soviet-era practice that nominally allows workers to hold managers to account. Managers control attendance, however, meaning they can keep a tight grip on proceedings.

“You get the impression that among us there is only one hero who won the revolution, and who’s now fighting for the truth,” Shchepotin told the assembled crowd. “But you are seriously mistaken, Dr Semivolos. Here are your colleagues and they are looking you in the eyes and saying what they think of you.” Shchepotin pointed out that Semivolos’s team of doctors had the worst performance record in the hospital, and speculated that Semivolos had posted the criticism to distract attention from his own incompetence. Those present voted unanimously to condemn Semivolos and to declare his opinion of Shchepotin false. For good measure, TV cameras came in to film tearful co-workers upbraiding Semivolos for injuring the institute’s reputation. Among a crowd of colleagues, he looked pale and alone.

In April, Semivolos responded by setting up a trade union with a dozen or so like-minded colleagues. He organised two protests outside the health ministry to demand an investigation into the hospital, to ask – among other questions – why no action had been taken after a 2009 probe suggested evidence of corruption there.

“We must remove corruption in Ukrainian healthcare like we would a malignant tumour,” he wrote on Facebook on April 14. But his chances of success looked slim. Semivolos and his friends were fighting a hardened bureaucracy that was reasserting itself. There might have been a revolution on the Maidan, but here in the institute, it seemed that everything would proceed as normal.

Semivolos, however, was not alone. He had gained an ally in a very high place.



fter Yanukovych fled last February, the new administration – headed by the speaker of parliament, who became acting president – gave control of most ministries to insiders and veteran politicians. This led to much muttering about how the old elite had clung on to power. Three new ministers, however, came from the Maidan protesters, and one of them was Oleg Musy. Slim and tanned, with a slight, grey beard, he looks like a 1970s musician – perhaps a member of the Police – on a comeback tour. Musy had headed the

Maidan's medical volunteers, organising treatment for hypothermia and gunshot wounds.

In February, he became the new health minister, and embarked on an ambitious reform programme. He wanted to transform Ukrainian healthcare along European lines, and to clean up the process whereby the state buys drugs and equipment. Traditionally, Ukrainian officials have had wide discretion over which companies to approve and which to exclude, which, it is claimed, gives them the chance to make insider deals, inflate prices and steal with impunity. Musy wanted to end this practice and to dismiss anyone found to be involved in these deals.

This was a dangerous undertaking. In 2009, Yushchenko had commissioned a security operative, who specialised in organised crime, to lead an internal report into healthcare corruption. The report exposed how businessmen use offshore shell companies to conspire with corrupt officials, rig state tenders and jack up prices. Within weeks of the report being completed, an assailant threw a grenade at the operative who had written it, as he got out of his car on Tatarska Street in central Kiev. Shrapnel shredded his car, and scarred the nearby buildings. The man survived but only after extensive surgery at a specialist unit in Israel. His report was never officially published - although it was leaked online - and the assailant was never found.

Musy was not deterred, however, and began work on his reforms as soon as he took up his position. When I met him in August, he was startlingly open about the problems he faced. For a health system to function, he said, it needs 6-7% of all the money a country earns. The Ukrainian government was allocating only 3.5%, yet mysteriously the system continued to limp along.

"The question is why hasn't it died altogether?" he said. "And the answer is that additional finances are found from somewhere. Today the state pays around UAH 52bn (£2.1bn) into the healthcare system. Naturally, around the same amount is coming from somewhere else."

If Musy's sums are correct, every man, woman and child in Ukraine pays an average of UAH 1,000 (£41) in bribes each year to keep the healthcare system operational. Considering that so much of the health budget is said to be stolen rather than used productively - Musy put theft from the medicines budget alone at 30-40% - the total is likely to be far higher. Among many examples, he said that in 2013 the ministry had bought 1,412 new ambulances, with the price of every vehicle inflated by UAH 200,000 (£8,223) - almost 50% of their true cost. "This isn't business, it is earning money dishonestly," he said.



📷 Andrei Semivolos with a patient at the National Cancer Institute in Kiev, Ukraine. Photograph: Joel van Houdt for the Guardian

Musy said a key front in his campaign for reform was the Cancer Institute. On June 26, he announced the results of an investigation into the hospital, detailing 43 alleged violations of the law. Among them were claims that patients had been forced to buy expensive medicines, even though those medicines had already been paid for by the state, and that equipment costing around UAH 42 million, bought in 2011, was gathering dust in a store cupboard, never used, with the warranty expired.

“This is the personal responsibility of the director,” Musy claimed in interviews with reporters. He said the details had been passed to police, who would interview Shchepotin in his capacity as head of the institute. He believed that the suspicion alone was grounds to sack Shchepotin, although that could not happen just yet, because Shchepotin had gone on sick leave. Under Ukrainian law, that meant he could not be dismissed for four months, not until October.

In brief comments to the Guardian, Shchepotin stated that claims of criminality at the institute were “lies”. He refused to comment on further questions about widespread corruption at the institute. In a television documentary broadcast on 20 December, Sergei Kaplin, a populist member of Ukraine’s parliament, who presents a weekly investigative series called People’s Prosecutor, challenged Shchepotin over corruption allegations. In one scene, Kaplin burst into Shchepotin’s office with a

camera crew. Shchepotin repeatedly refused to talk to him, unless he produced a search warrant.

Most patients come to the Cancer Institute via regional hospitals, so relatives caring for them need to find accommodation in Kiev. A charity called **Zaporuka**, which helps children with cancer, provides rooms for six families, in a large, detached house on a winding suburban street not far from the institute. Zaporuka's budget is about €500,000 a year - most of this comes from European donors - and it pays the salaries of two psychologists and two physiotherapists who work at the Cancer Institute. Natalia Onipko, who heads Zaporuka, is slight, with her blonde hair in a bob that falls onto her shoulders.

/// The patients are scared. Any complaint would have them sent back to their regional hospital - a death sentence

"I often think about how much easier it would be for the doctors to work if they could just do what they are supposed to be doing," she told me. In a decade of working with parents, almost all of whom had paid bribes so their children could be treated, Onipko had never known anyone make an official complaint. "They're scared, of course they're scared," she explained. "Any scandal would end with them being sent back to their regional hospital. Do you understand what that would mean?"

Facilities are basic at the institute, but children coming there receive care from the country's top specialists, something they could not hope for in the provinces. Doctors have total discretion over which patients to admit or discharge, so it is not surprising that parents are anxious to keep them happy: giving them gifts, paying the amounts suggested, never speaking out. There are more cancer patients than there are beds - being sent back home would be a death sentence.



📷 Natalia Onipko, president of Zaporuka, outside her office in Kiev. Photograph: Joel van Houdt for the Guardian

We walked through to the kitchen, where six women sat around the table, chatting over tea as if they were old friends rather than strangers brought together by the awful coincidence of their children having cancer. At first, when I spoke to them, it seemed the mothers were reluctant to admit to breaking the law. It soon turned out they were simply struggling to understand what I was asking. Bribes were so ordinary that it seemed bizarre someone would have come all the way from Britain to ask questions about them. Eventually, however, one woman, who was from eastern Ukraine, explained how her doctor had extorted money: “He wrote 100 on a piece of paper, then pointed his fingers upwards. That meant dollars.”

That prompted another woman to recall an encounter with a different doctor: “I remember the first time I saw him, he was winking and nodding his head, and I thought he had a tic or something; that he was mentally unwell. But actually he was catching my attention. Then he held out two fingers.” Here she placed two fingers on her arm, as if she were playing charades. “That meant 200.”

“Hundred?” a third woman asked, “you mean thousand.” They all laughed.

As we walked out, Onipko explained that one of her most important jobs was to keep these parents’ spirits up. They were not only struggling to support their children through a terrible illness, but also trying to navigate a health system apparently determined to exploit their desperation for financial gain. “I try not to

criticise the doctors in front of the parents, because they have to trust their doctors,” she said.

I heard the same stories throughout the institute: there was little money for maintenance, medicine or salaries, little interest in the patients, or in the medics doing the work of keeping people alive. One morning, I visited one of the institute’s laboratories. Apart from some microscopes – given by donors eight years ago – the equipment in the department had not changed for two decades, according to one person who worked there.

From the facilities you would never have guessed this was one of the institute’s most important departments. Patients’ biopsies were stored on their original slides, between cardboard dividers, and kept in an index, like in an old library. These slides are crucial for diagnosing cancer. Doctors look at them through microscopes to determine the type and virulence of a patient’s condition. Examples have to be stored in case the patient suffers a relapse. To prepare the biopsies, the lab workers drip purple dye onto slides suspended over an enamelled basin, which was once white but, after decades of use, is now dark purple.

Months passed before I next saw Oleg Musy, in a canteen in central Kiev, in one of the battered and dirty buildings that had been used as a headquarters for the revolutionaries. It was November and he wore a black leather jacket against the cold. He looked paler, and tired. The previous month, on 1 October, Prime Minister **Arseniy Yatsenyuk** had suspended Musy from his duties. Musy had, he said, failed to buy the medicines the country needed. It was a tough time, with the Ukrainian army at war with Russian-backed separatists in the east, the economy contracting, the currency plunging. The government needed competent officials, not revolutionaries engaged in quixotic ideological crusades.

Over the previous few months, many of Musy’s supporters had turned against him. **Patients of Ukraine**, a charity that campaigns vigorously against corruption, accused Musy of conducting his battles at the price of sacrificing sick Ukrainians. It was urgent that the ministry buy drugs, they said, even at the cost of making deals with the businessmen who got rich from corrupt deals with the old government. That was not a point of view Musy shared.



📹 While he was health minister Oleg Musy embarked on an ambitious reform programme.

“I will tell the truth,” he said. “The prime minister sent people from his own team to watch what was happening in the health ministry. I did not agree with their schemes, specifically with them maintaining the old ... schemes during the health ministry tenders.”

After Musy was suspended from his position, the old networks had re-established themselves, he said, as if nothing had happened. Musy claimed that some of the officials who ran procurement under Yanukovich were back, because the new government had failed to find anyone else with the expertise to navigate the ocean of paperwork required to buy medicine. Musy said this left the system open to the same kind of abuse the revolutionaries had promised to end. “It’s right that the west doesn’t want to give us money, that they say we’re not fighting against corruption. There isn’t a fight against corruption,” he said.

And what about the Cancer Institute? On 2 October, the day after Musy’s suspension, Shchepotin returned to work. Had Musy kept his powers for three more days, he claims he could have sacked Shchepotin, whose four months of sick leave

was almost spent. “He was ill for four months, and had only three more days in which to be ill. But I was suspended, and he came back to work.”

The next evening, I visited Semivolos in his 13th-floor apartment on the edge of town to find out how his battle with Shchepotin was going. Semivolos made us tea and we sat in the kitchen. His wife kept us company and his son came in occasionally to give them both hugs. It was a cosy scene, the fridge covered in colourful magnets from foreign cities, cakes on the table, but he was gloomy.

He began our conversation with a 20-minute overview of the last millennium of Ukraine’s history. The basic message was one of survival against catastrophic odds. “How many revolutions did the French have? Four? And only then did they get their republic,” he said. “We have total corruption – it couldn’t be more total. Cleaners don’t clean if you don’t give them money; ministers won’t govern if you don’t give them money.”

The personal clash between Semivolos and Shchepotin is now playing out in court. Shchepotin has sued Semivolos for defamation for his Facebook posts, claiming that “the negative information causes me great moral suffering and concern over my honour, my dignity, and my good name. People have lost their trust in me as a doctor, and now are unwilling to come to me for help.” The hearings are ongoing.

Semivolos laughed it off, but the issue is serious – Ukraine’s courts can be unpredictable.

During my time in the institute, I only saw Shchepotin once. He was at the end of a corridor, walking away from me, and was gone before I could get close. He agreed to talk by telephone, but refused to answer any questions about the specific allegations made against the institute and him. He insisted that he really had been ill and rejected any suggestion that the health ministry investigation had uncovered anything serious.

“There are a few facts, but they are not cause for an investigation, a probe, or anything,” he said. When I asked him about the defamation case he had brought against Semivolos, he said I was an “unserious person”, and “interested in gossip, rumours and the rest. These are the kind of things you find in the tabloids, and I don’t give interviews to the tabloids.” Then he put the phone down.

I sent a list of further questions via his secretary, but she returned it with the words “no comment” scrawled on it above his initials and the date – 27 November. I sent

further requests for comment, detailing the allegations in this article, but they went unanswered.

That same day, 27 November, Ukraine's new members of parliament took their seats, including Oleg Musy, who had been elected to represent a constituency in western Ukraine's Lviv region. I watched the proceedings on a television in a small Kiev cafe called Mon Ami. It is near the administrative quarter, and I was due to meet a source who has worked as a senior official in various ministries since the days of Yushchenko.

He was late, bustling in and excusing himself with a wave in the direction of the television, where a succession of deputies were giving interviews and explaining how important it was to combat corruption. My source looked exhausted, and started explaining the situation before he had even removed his coat.

▲▲ We are fighting real guys, you know. They look fine, they look respectable, but behind the curtain there is blood

"It's really difficult to beat these people. They control everything. It is like a hydra. They have secret service officers, prosecutors," he said. "We are fighting real guys, you know. I would make a parallel with Colombia and the drugs cartels. They look fine, they look respectable, but behind the curtain there is blood."

He ordered a filled croissant, and I had mushroom soup. We sat watching the deputies on television milling about: many of them in uniform, others in the embroidered shirts that are a nationalist symbol. Yatsenyuk and President [Petro Poroshenko](#) appeared together in a show of unity. There was a brief glimpse of Musy on screen, his handsome face turned towards one of his fellow members of parliament, listening patiently.

"It's a real problem," my lunch partner said, nodding towards the dethroned health minister. "Who do you want? A patriot but a disastrous manager, or an effective manager with questions hanging over him?"

I ate my soup and we discussed how businessmen who had got rich under Yanukovych, had quietly returned to Kiev in recent months. "We took away Yanukovych and his guys but it's another matter replacing all their schemes," he said. "Everyone is ready to carry out reforms, to make everything open, except for things that affect themselves."

On 2 December, parliament approved a new health minister – Ukraine’s third in the year. He was Alexander Kvitashvili, a Georgian given Ukrainian citizenship especially for the job. Officials hoped that the fact he was foreign, and unconnected to any existing power structures meant he would be able to shake up the country’s hospitals in the way no Ukrainian could manage. Georgia is one of the few countries in the old Soviet Union that has managed to restrict corruption, if only at lower levels of officialdom.

The day after his appointment, the Kiev Post reported that Kvitashvili was confident he would be able to carry out genuine reform to Ukraine’s healthcare system. On 21 January, he confirmed that although the current health care funding system will remain the same in 2015, he would also begin introducing new funding mechanisms for hospital treatment. On 3 February, the latest stage in Kvitashvili’s reforms was announced: the health ministry stated that it will not renew Shchepotin’s contract when it runs out on 11 February.

Commenting on allegations of corruption within the healthcare system in a statement to Patients of Ukraine, Kvitashvili said: “Sadly, owing to imperfections in Ukrainian legislation, dishonest managers can’t be dismissed even for abuse of power.”

He continued by stating that the health ministry would conduct an “open and honest competition” to find a new director for the institute. “I really hope the police will finish their work and,” he added, “if any employees of the institute are found guilty, they will be held responsible for profiting from human misery.”

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