

TRADING WITH THE ENEMY

Amid rampant corruption in Kiev and as US troops gather at the Ukrainian border, does the Biden administration have an endgame to the conflict?



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President Biden with Ukrainian President Volodymyr Zelensky, Wednesday, December 21, 2022, in the Oval Office. / Official White House photo.

The Ukraine government, headed by Volodymyr Zelensky, has been using American taxpayers' funds to pay dearly for the vitally needed diesel fuel that is keeping the Ukrainian army on the move in its war with Russia. It is unknown how much the Zelensky government is paying per gallon for the fuel, but the Pentagon was paying as much as \$400 per gallon to transport gasoline from a port in Pakistan, via truck or parachute, into Afghanistan during the decades-long American war there.

What also is unknown is that Zelensky has been buying the fuel from Russia, the country with which it, and Washington, are at war, and the Ukrainian president and many in his entourage have been skimming untold millions from the American dollars earmarked for diesel fuel payments. One estimate by analysts from the Central Intelligence Agency put the embezzled funds at \$400 million last year, at least; another expert compared the level of corruption in Kiev as approaching that of the Afghan war, “although there will be no professional audit reports emerging from the Ukraine.”

“Zelensky’s been buying discount diesel from the Russians,” one knowledgeable American intelligence official told me. “And who’s paying for the gas and oil? We are. Putin and his oligarchs are making millions” on it.

Many government ministries in Kiev have been literally “competing,” I was told, to set up front companies for export contracts for weapons and ammunition with private arms dealers around the world, all of which provide kickbacks. Many of those companies are in Poland and Czechia, but others are thought to exist in the Persian Gulf and Israel. “I wouldn’t be surprised to learn that there are others in places like the Cayman Islands and Panama, and there are lots of Americans involved,” an American expert on international trade told me.

The issue of corruption was directly raised with Zelensky in a meeting last January in Kiev with CIA Director William Burns. His message to the Ukrainian president, I was told by an intelligence official with direct knowledge of the meeting, was out of a 1950s mob movie. The senior generals and government officials in Kiev were angry at what they saw as Zelensky’s greed, so Burns told the Ukrainian president, because “he was taking a larger share of the skim money than was going to the generals.”

Burns also presented Zelensky with a list of thirty-five generals and senior officials whose corruption was known to the CIA and others in the American government. Zelensky responded to the American pressure ten days later by publicly dismissing ten of the most ostentatious officials on the list and doing little else. “The ten he got rid of were brazenly bragging about the money they had—driving around Kiev in their new Mercedes,” the intelligence official told me.

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