

Biden Faces Conflict of Interest Questions That Are Being Promoted by Trump and Allies

By **Kenneth P. Vogel** and **Iuliia Mendel**

May 1, 2019

WASHINGTON — It was a foreign policy role Joseph R. Biden Jr. enthusiastically embraced during his vice presidency: browbeating Ukraine’s notoriously corrupt government to clean up its act. And one of his most memorable performances came on a trip to Kiev in December 2015, when he threatened to withhold \$1 billion in United States loan guarantees if Ukraine’s leaders did not dismiss the country’s top prosecutor, who had been accused of turning a blind eye to corruption in his own office and among the political elite.

The pressure campaign eventually worked. The prosecutor general, long a target of criticism from other Western nations and international lenders, was voted out months later by the Ukrainian Parliament.

Among those who had a stake in the outcome was Hunter Biden, Mr. Biden’s younger son, who at the time was on the board of an energy company owned by a Ukrainian oligarch who had been in the sights of the fired prosecutor general.

Hunter Biden was a Yale-educated lawyer who had served on the boards of Amtrak and a number of nonprofit organizations and think tanks, but lacked any experience in Ukraine and just months earlier had been discharged from the Navy Reserve after testing positive for cocaine. He would be paid as much as \$50,000 per month in some months for his work for the company, Burisma Holdings.



Hunter Biden, Mr. Biden's son, served on the board of Burisma Holdings, a Ukrainian energy company under investigation. Teresa Kroeger/Getty Images for World Food Program

The broad outlines of how the Bidens' roles intersected in Ukraine have been known for some time. The former vice president's campaign said that he had always acted to carry out United States policy without regard to any activities of his son, that he had never discussed the matter with Hunter Biden and that he learned of his son's role with the Ukrainian energy company from news reports.

You have 4 free articles remaining.
Subscribe to The Times

But new details about Hunter Biden's involvement, and a decision this year by the current Ukrainian prosecutor general to reverse himself and reopen an investigation into Burisma, have pushed the issue back into the spotlight just as the senior Mr. Biden is beginning his 2020 presidential campaign.

They show how Hunter Biden and his American business partners were part of a broad effort by Burisma to bring in well-connected Democrats during a period when the company was facing investigations backed not just by domestic Ukrainian forces but by officials in the Obama administration. Hunter Biden's work for Burisma prompted concerns among State Department officials at the time that the connection could complicate Vice President Biden's diplomacy in Ukraine, former officials said.

"I have had no role whatsoever in relation to any investigation of Burisma, or any of its officers," Hunter Biden said Wednesday in a statement. "I explicitly limited my role to focus on corporate governance best practices to facilitate Burisma's desire to expand globally."

Hunter Biden, who left Burisma's board last month, was one of many politically prominent Americans of both major parties who made money in Ukraine over the last decade. In several cases — most notably that of Paul Manafort, President Trump's former campaign chairman — that business came under criminal investigation that exposed a seedy side of the lucrative Western consulting industry in Ukraine.

Hunter Biden

Served on the board of Burisma Holdings

Mr. Biden, the son of former Vice President Joseph R. Biden Jr., started on the board of Burisma Holdings, an energy company owned by a Ukrainian oligarch, in the spring of 2014.

He was paid about \$50,000 per month through accounts linked to Burisma. He stepped down last month when his term expired.

Mykola Zlochevsky

Owner of Burisma Holdings

Mr. Zlochevsky had served in the government of the former Ukrainian president Viktor F. Yanukovich.

He fled the country not long after the collapse of Mr. Yanukovich's government in 2014, and the Ukrainian prosecutor general's office opened multiple investigations into him and his businesses.

Viktor Shokin

Former prosecutor general of Ukraine

Mr. Shokin's office had oversight of investigations into Mr. Zlochevsky and his businesses, including Burisma.

Some in the Obama administration supported the investigations, but worried Mr. Shokin was not pursuing them. He was accused of turning a blind eye to corruption in his office and among the political elite.

Joseph R. Biden Jr.

Then-Vice President

In December 2015, Mr. Biden issued an ultimatum to Ukraine's Parliament to dismiss Mr. Shokin, or the United States would withhold \$1 billion in loan guarantees. Mr. Shokin was voted out by Parliament.

No evidence has surfaced that the former vice president intentionally tried to benefit his son.

Yuriy Lutsenko

Subsequent prosecutor general of Ukraine

Mr. Lutsenko initially continued investigating Mr. Zlochevsky and Burisma, but cleared him of all charges within 10 months of taking office.

The prosecutor general reversed himself and reopened an investigation into Burisma this year. Some see his decision as an effort to curry favor with the Trump administration.

Rudolph W. Giuliani

President Trump's personal lawyer

Mr. Giuliani has spearheaded the effort among conservatives to publicize and encourage the new investigation in Ukraine.

Mr. Giuliani said he got involved because he was seeking to counter the Mueller investigation with evidence that Democrats had conspired with sympathetic Ukrainians to help initiate what became the special counsel's inquiry.

By The New York Times

But the renewed scrutiny of Hunter Biden's experience in Ukraine has also been fanned by allies of Mr. Trump. They have been eager to publicize and even encourage the investigation, as well as other Ukrainian inquiries that serve Mr. Trump's political ends, underscoring the Trump campaign's concern about the electoral threat from the former vice president's presidential campaign.

The Trump team's efforts to draw attention to the Bidens' work in Ukraine, which is already yielding coverage in conservative media, has been led partly by Rudolph W. Giuliani, who served as a lawyer for Mr. Trump in the investigation by the special counsel, Robert S. Mueller III. Mr. Giuliani's involvement raises questions about whether Mr. Trump is endorsing an effort to push a foreign government to proceed with a case that could hurt a political opponent at home.

Mr. Giuliani has discussed the Burisma investigation, and its intersection with the Bidens, with the ousted Ukrainian prosecutor general and the current prosecutor. He met with the current prosecutor multiple times in New York this year. The current prosecutor general later told associates that, during one of the meetings, Mr. Giuliani called Mr. Trump excitedly to brief him on his findings, according to people familiar with the conversations.

Mr. Giuliani declined to comment on any such phone call with Mr. Trump, but acknowledged that he has discussed the matter with the president on multiple occasions. Mr. Trump, in turn, recently suggested he would like Attorney General William P. Barr to look into the material gathered by the Ukrainian prosecutors — echoing repeated calls from Mr. Giuliani for the Justice Department to investigate the Bidens' Ukrainian work and other connections between Ukraine and the United States.

Mr. Giuliani said he got involved because he was seeking to counter the Mueller investigation with evidence that Democrats conspired with sympathetic Ukrainians to help initiate what became the special counsel's inquiry.

"I can assure you this all started with an allegation about possible Ukrainian involvement in the investigation of Russian meddling, and not Biden," Mr. Giuliani said. "The Biden piece is collateral to the bigger story, but must still be investigated, but without the prejudgments that infected the collusion story."

The decision to reopen the investigation into Burisma was made in March by the current Ukrainian prosecutor general, who had cleared Hunter Biden's employer more than two years ago. The announcement came in the midst of Ukraine's contentious presidential election, and was seen in some quarters as an effort by the prosecutor general, Yuriy Lutsenko, to curry favor from the Trump administration for his boss and ally, the incumbent president, Petro O. Poroshenko.

Mr. Poroshenko lost his re-election bid in a landslide last month. While the incoming president, Volodymyr Zelensky, has said he will replace Mr. Lutsenko as prosecutor general, Mr. Zelensky has not said whether the prosecutors he appoints will be asked to continue the investigation.

Kostiantyn H. Kulyk, a deputy for Mr. Lutsenko who was handling the cases before being reassigned last month, told The New York Times that he was scrutinizing millions of dollars of payments from Burisma to the firm that paid Hunter Biden.

No evidence has surfaced that the former vice president intentionally tried to help his son by pressing for the prosecutor general's dismissal. Some of his former associates, moreover, said Mr. Biden never did anything to deter other Obama administration officials who were pushing for the United States to support criminal investigations by Ukrainian and British authorities — and potentially to start its own investigation — into Burisma and its owner, Mykola Zlochevsky, for possible money laundering and abuse of office.

The Biden campaign cast the revival of the Ukrainian investigation as politically motivated and pointed to the involvement of Mr. Giuliani to question the motives behind the new scrutiny.

Kate Bedingfield, a Biden campaign spokeswoman, said the former vice president's push to oust the former prosecutor general, Viktor Shokin, was undertaken "without any regard for how it would or would not impact any business interests of his son, a private citizen."

The effort, she added, was consistent with "the United States' foreign policy to root out corruption in Ukraine" and was backed by the United States government, allies and multilateral institutions, including the International Monetary Fund and the World Bank.

The younger Mr. Biden said in the statement, "At no time have I discussed with my father the company's business, or my board service, including my initial decision to join the board."

Mr. Lutsenko denied any political motivation in reopening the case.

Hunter Biden, 49, is the middle of three children his father had with his first wife, Neilia Biden. She and the youngest child died in an automobile crash in 1972. Hunter and his older brother, Beau, survived the crash, and Beau Biden went on to a career in public service. Beau Biden died from brain cancer in 2015 at age 46.

After graduating from Yale Law School, Hunter Biden took on a number of roles that intersected with his father's political career, including working with a Delaware-based credit card issuer, working at the Commerce Department under President Bill Clinton and working as a lobbyist on behalf of various universities, associations and companies.

When his father was selected as Barack Obama's running mate in 2008, Hunter Biden terminated his lobbying registrations, which at the time included a company that had lobbied the staff of the Senate Judiciary Committee, on which his father had served, about online gambling issues.

Months after his father became vice president, Mr. Biden joined with Christopher Heinz, the stepson of John Kerry, then a senator, and Devon Archer, a Kerry family friend, to create a network of investment and consulting firms with variations of the name Rosemont Seneca. Mr. Kerry would go on to become secretary of state.

Mr. Biden and Mr. Archer pursued business with international entities that had a stake in American foreign policy decisions, sometimes in countries where connections implied political influence and protection.

Among the companies they did work for was Burisma, a natural gas company owned by Mr. Zlochevsky. Mr. Zlochevsky had served nearly four years in the government of the former Ukrainian president Viktor F. Yanukovich, who stepped down in early 2014 and fled amid mass street protests.

In the months after the collapse of Mr. Yanukovich's government, Mr. Zlochevsky also fled the country as Ukrainian prosecutors opened multiple investigations into him and his businesses. Britain's Serious Fraud Office froze London accounts linked to Mr. Zlochevsky containing \$23 million, declaring it was connected to money laundering and Yanukovich-era corruption. (The British prosecution later collapsed because of what American officials said was a lack of cooperation from the office of the Ukrainian prosecutor general who preceded Mr. Shokin.)

When Mr. Shokin became prosecutor general in February 2015, he inherited several investigations into the company and Mr. Zlochevsky, including for suspicion of tax evasion and money laundering. Mr. Shokin also opened an investigation into the granting of lucrative gas licenses to companies owned by Mr. Zlochevsky when he was the head of the Ukrainian Ministry of Ecology and Natural Resources. Mr. Zlochevsky and Burisma have always vigorously disputed the accusations against them.

Views about the role of the Bidens in the matter depend to some degree on questions about Mr. Shokin's motives. Among both Ukrainian and American officials, there is considerable debate about whether Mr. Shokin was intent on pursuing a legitimate inquiry into Burisma or whether he was merely using the threat of prosecution to solicit a bribe, as Mr. Zlochevsky's defenders assert.

Concerns about Mr. Shokin notwithstanding, the cases against Burisma had high-level support from the Obama administration. In April 2014, it sent top officials to a forum on Ukrainian asset recovery, co-sponsored by the United States government, in London, where Mr. Zlochevsky's case was highlighted.

Early that year, Mr. Archer, the Kerry family friend, and Hunter Biden were part of a wave of Americans who would come from across the Atlantic to help Burisma both with its substantive legal issues and its image. Their support allowed Burisma to create the perception that it was backed by powerful Americans at a time when Ukraine was especially dependent on aid and strategic backing from the United States and its allies, according to people who worked in Ukraine at the time.

First, Mr. Archer joined Burisma's board. Around the same time, the company started paying the New York law firm Boies Schiller Flexner, where Hunter Biden was working.

The firm, which Mr. Biden left at the end of 2017, declined to describe the nature of Boies Schiller's work for Burisma. But previously unreported financial data from the Ukrainian prosecutor general's office show the company paid \$283,000 to Boies Schiller for legal services in 2014.

Soon after Mr. Archer joined Burisma's board, Hunter Biden followed, despite being warned by associates who had experience in Ukraine to stay away from Mr. Zlochevsky, according to a person familiar with the conversations.

A news release from the company said Hunter Biden would "be in charge of the holdings' legal unit and will provide support for the company among international organizations." Mr. Biden said the news release mischaracterized his role with Burisma. "At no time was I in charge of the company's legal affairs," he said.

Among the Americans brought in by Hunter Biden's American business partners to help fend off the investigations was Blue Star Strategies, a consulting firm run by Clinton administration veterans that had done substantial work in Ukraine.

A team from Blue Star, and an American lawyer Blue Star hired, John D. Buretta, who had served as a senior official in the Obama Justice Department, held two previously unreported meetings in Kiev, Ukraine's capital, with Mr. Lutsenko, who took office in May 2016 after Mr. Shokin's dismissal, according to people with direct knowledge of the meetings. Mr. Lutsenko denied attending the meeting.

Mr. Lutsenko initially took a hard line against Burisma. But within 10 months after he took office, Burisma announced that Mr. Lutsenko and the courts had "fully closed" all "legal proceedings and pending criminal allegations" against Mr. Zlochevsky and his companies, and that the oligarch had been removed by a Ukrainian court from "the wanted list." Mr. Zlochevsky returned to the

country.

Hunter Biden's work in Ukraine appears to have been well compensated. Burisma paid \$3.4 million to a company called Rosemont Seneca Bohai LLC from mid-April 2014, when Hunter Biden and Mr. Archer joined the board, to late 2015, according to the financial data provided by the Ukrainian deputy prosecutor. The payments continued after that, according to people familiar with the arrangement.

Rosemont Seneca Bohai was controlled by Mr. Archer, who left Burisma's board after he was charged in connection with a scheme to defraud pension funds and an Indian tribe of tens of millions of dollars. Bank records submitted in that case — which resulted in a conviction for Mr. Archer that was overturned in November — show that Rosemont Seneca Bohai made regular payments to Mr. Biden that totaled as much as \$50,000 in some months.

Amos J. Hochstein, who worked with Vice President Biden on Ukraine issues as the State Department's coordinator for international energy affairs, said the Obama administration's support for prosecuting Mr. Zlochevsky contradicts any implication that the elder Mr. Biden was seeking to oust Mr. Shokin in order to protect his son or Mr. Zlochevsky.

"I was in almost every single meeting that Vice President Biden had with President Poroshenko, I was on every trip, and I was on most of the phone calls, and there was never a discussion about his son, or Burisma," Mr. Hochstein said. "None of these issues ever came up."

On Wednesday, Hunter Biden said in his statement that his term as a director had expired and that he was stepping down from Burisma's board in a political climate "where my qualifications and work are being attacked by Rudy Giuliani and his minions for transparent political purposes."