

Ukraine

Foreign investor in Ukraine accuses officials of corruption

Anglo-German businessman makes extortion claims against figures in security services and presidential administration



Arnulf Damerau has since August been the co-owner of Cosmolot, an online gaming and gambling website © Agency People Image

Sam Jones in Berlin 11 HOURS AGO

One of the largest private western investors in Ukraine has claimed that corrupt officials in the country's security services and President Volodymyr Zelenskyy's administration are trying to extort tens of millions of euros from him.

Arnulf Damerau, an Anglo-German businessman and a former adviser to Glencore, told the Financial Times he was being blackmailed by a clique of senior Ukrainian officials.

Western governments have become increasingly concerned over government corruption in [Ukraine](#) but have largely held back from making their criticism public as they rally support for Kyiv to shore up its faltering defence against Russian aggression. The war has given space for many of the corrupt networks linked to former president Viktor Yanukovich to reassemble, European security officials say.

Damerau has since August been the co-owner of Cosmolot, a large online gaming and gambling website and the country's 10th-largest taxpayer.

After being raided in October by the Economic Security Bureau of Ukraine, which accuses it of violating [gambling](#) laws and evading €560mn in tax, a series of legal cases and agency-ordered measures have frozen the company's accounts.

Damerau says the claims against the company are fabricated. Cosmolot only began operating in 2021, after the Ukrainian government changed gambling laws, he noted, and last year had total revenues of €208mn, up from €4.8mn in 2022 and €250,000 in 2021, which are publicly disclosed.

The company, which offers themed small-stakes games online, paid €60mn in taxes last year, official tax filings show. The state tax service signed off on its accounts in August, Damerau said.

According to Damerau, a Ukrainian individual met him in Vienna in December and said the legal challenges to Cosmolot would be dropped if Damerau was willing to transfer control of half of the company to an offshore trust.

Damerau said he had shared photographs and details of the meeting, as well as the names of the individuals involved, with security agencies in Europe and Washington.

“These are statements I don’t want to make. I don’t want to say these things about what is happening to me as a businessman trying to invest in Ukraine because the people responsible are in a minority, and they are betraying a young generation of Ukrainians who are giving their blood to try and give their country a European future,” Damerau said.

“This is a country which aspires to be part of Nato and the European Union, but what’s happening there right now — by a small minority — gives me déjà vu of the darkest Yanukovych times,” he added.

Damerau said he had lost €25mn investing in Ukraine under Yanukovych, having financed a wind farm in Crimea that at the time was the largest onshore project of its kind in Europe, and that corrupt officials had made an almost identical approach to him then as they have with Cosmolot.

He said the wind project was hit by legal obstructions before he was approached by a man claiming to represent the Yanukovych administration, who demanded half the project’s shares be transferred into an opaque offshore entity. Damerau was involved in a legal case to get it back when Russia seized Crimea, making his claims impossible to enforce.

He said he would raise his experiences at the Ukraine Recovery Summit in Berlin in June, which he has been invited to attend as a major foreign direct investor.

A spokesperson for Zelenskyy declined to comment.

Additional reporting by Christopher Miller in Kyiv

This article has been updated to reflect the fact that Arnulf Damerau was not an adviser to Trafigura

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