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USA chants welcome Biden to Ukraine

By Rachel Huggins

The Hill

Vice President Biden and U.S. officials attending **inaugural** events honoring Ukraine's new leader were warmly greeted as they walked the streets of Kiev.

After Petro Poroshenko was sworn into office on Saturday, Biden and Sen. McCain (R-Ariz.) ditched the presidential motorcade and opted to walk to the new president's reception when crowds lined the streets cheering, "thank you" and "USA" to the vice president.

Biden began greeting everyone he encountered as he and other presidential delegation members walked the red carpet leading to the ceremony.

Members of the delegation include: Rep. Marcy Kaptur (D-Ohio), Sen. Chris Murphy (D-Conn.), Sen. Ron Johnson (R-Wis.), U.S. Ambassador to Ukraine Geoffrey Pyatt, Daniel B. Baer, ambassador to the Organization for Security and Cooperation in Europe Victoria Nuland, Assistant Secretary of State for European and Eurasian Affairs.

"How are you? You're a handsome boy. I'd like to borrow that tie," Biden told a young boy, according to a White House pool report. He also said hello to several officials and introduced McCain, saying, "You know my friend the senator."

As Poroshenko stood outside the reception on another red carpet, the vice president saluted the pro-European chocolate billionaire. "Mr. President, congratulations," he said as they spoke momentarily before posing for photos. McCain embraced Poroshenko with a hug.

Sens. Murphy, Ron Johnson and Rep. Kaptur greeted Poroshenko

together. "It's wonderful to stand with you," Murphy told the new president.

Biden also met with Georgian President Giorgi Margvelashvili and President Nicolae Timofti of the Republic of Moldova.

Biden Meets Moldovan, Georgian Leaders In Kyiv

by RFE/RL

Radio Free Europe

U.S. Vice President Joe Biden has met with Moldovan President Nicolae Timofti during his visit to Kyiv for the inauguration of new Ukrainian President Petro Poroshenko.

The U.S. White House said in a statement that, during the meeting on June 7, Biden announced an additional \$8 million in assistance to Moldova, pending consultations with the U.S. Congress.

The assistance is to support Moldova's European choice and mitigate vulnerabilities to external pressure.

The White House said the package will build upon \$2.7 million in U.S. assistance announced on March 3 which is helping Moldovan businesses to increase productivity and competitiveness so they are better positioned to take advantage of European markets.

When added to funds previously budgeted, the United States is providing approximately \$31 million in assistance to Moldova this year.

While in Kyiv, Biden also met Georgian President Giorgi Margvelashvili.

The White House said that, during the meeting, Biden announced an additional \$5 million in assistance for Georgia, pending consultations with the U.S. Congress.

This assistance will help individuals affected by Russia's "borderization" of the Administrative Boundary Lines (ABLs) of Georgia's occupied territories, increase access to independent information in the region, promote national unity, and help Tbilisi conduct reforms to strengthen justice sector institutions.

This follows the \$1.5 million ABL assistance announced by Secretary of State John Kerry at the U.S.-Georgia Strategic Partnership meeting on February 26.

When added to funds previously budgeted, Washington is now providing approximately \$65 million in assistance to Georgia this year.

Complex Times for VP's Son to Work at Ukraine Firm

WASHINGTON June 7, 2014 (AP)

By STEPHEN BRAUN Associated Press

Vice President Joe Biden's visit Saturday to support Ukraine's fragile democracy came soon after his youngest son was hired by a private Ukrainian company that promotes energy independence from Moscow.

Yet that company leases natural gas fields in the breakaway Russian-backed state of Crimea and is owned by a former government minister with ties to Ukraine's ousted pro-Russian president.

The hiring of Hunter Biden, 44, by Burisma Holdings Limited in April was approved by the company's owner, a former senior minister and political ally of Viktor Yanukovich, the exiled Ukrainian president. Yanukovich fled to Russia in February after protests erupted over his efforts to establish closer economic ties with Moscow.

Hunter Biden's employment means he will be working as a director and top lawyer for a Ukrainian energy company during the period when his father and others in the Obama administration attempt to influence the policies of Ukraine's new government, especially on energy issues.

There's no indication that Hunter Biden, his father or Burisma is crossing any legal or ethical lines, although ethics experts appear divided over the implications of Hunter Biden's new job.

American conflict-of-interest laws and federal ethics rules essentially do not regulate the business activities of adult relatives of those who work in the White House.

"The primary problem here is the fact that Hunter Biden has set up a financial arrangement with someone who might have business pending before this administration," said Craig Holman, an ethics expert with Public Citizen, a Washington-based government reform organization.

Joe Biden led the U.S. delegation at Saturday's inauguration of Ukraine's new president, Petro Poroshenko, and announced \$48 million in additional aid for the Kiev government. Biden met Poroshenko and said "there is a window for peace and you know as well as anyone that it will not stay open indefinitely ... America is with you."

Ukraine is an important natural-gas and petroleum-liquids transit country. Two major pipeline systems carry Russian gas through Ukraine to Western Europe.

Burisma is headed by Nikolai Zlochevskyi, who held senior posts over natural resources, environment and defense in Ukraine. The company has aggressively bought up Ukrainian oil and natural gas leases and companies.

Hunter Biden's new company says it aims to reduce Ukraine's dependence on Russian gas and oil, a goal that parallels U.S. efforts to aid Ukraine's energy industry.

As a Burisma director and the company's top lawyer, the younger Biden has yet to take any public actions on behalf of the company.

But the timing of his hiring is politically awkward for the administration's efforts to shore up Ukraine's pro-Western government, and poses potential complications from Burisma's growing energy interests and the background of Hunter Biden's new boss, Zlochevskyi.

At least two oil and natural gas fields leased by subsidiaries of Burisma are in Ukrainian territories where pro-Russian sentiments remain strong, according to government and media releases, independent energy maps and Burisma's website.

One is in the breakaway Russian-backed state of Crimea; the other is in the eastern Ukrainian Kharkiv region. Instability there could force the younger Biden's new company to coordinate with pro-Russian separatists whom the U.S. considers illegitimate.

White House officials declined to comment on Hunter Biden's association with Burisma and the company's holdings in Crimea and east Ukraine.

The vice president's spokeswoman, Kendra Barkoff, previously said that Biden's son is a private citizen and a lawyer, and that Joe Biden "does not endorse any particular company and has no involvement with this company."

Presidents and vice presidents have long been vexed by relatives rewarded for family ties.

Political loan troubles shadowed Vice President Richard Nixon's brother, Donald, during the 1960 election, and President Jimmy Carter's brother, Billy, who accepted a \$220,000 stipend in 1981 from Libya's Moammar Gadhafi.

In recent years, several Bush and Clinton relatives were caught in a string of murky financial and political dealings.

But "unless there's solid evidence that Hunter Biden got his job to influence American foreign policy, there's no clear line that's been crossed," said Melanie Sloan, executive director of the Citizens for Responsibility and Ethics in Washington.

A former Washington lobbyist, the vice president's son is effectively exempt from most rules that would require him to describe publicly the legal work he does on behalf of Burisma.

Hunter Biden will not lobby for the company, said Lawrence Pacheco, an official with FTI Consulting, a Washington government affairs company recently hired by Burisma.

Pacheco did not say whether Biden might oversee or advise on any future Burisma lobbying strategy in the U.S. Pacheco said the company "does not take positions on political matters."

But Biden's company may have to deal with Ukrainian enclaves that the U.S. does not recognize diplomatically or are threatened by instability.

One Burisma subsidiary, KrymTopEnergoServis, operates natural gas fields and has headquarters in the Crimea, which seceded from Ukraine this year and now aligns with Russia.

A second subsidiary, Esco-Pivnich, produces oil and natural gas just west of Kharkiv, Ukraine's second-largest city, which was the site of several protests and borders on separatist-controlled provinces. The company's website confirms that Burisma operates oil and natural gas sites in Crimea and east Ukraine, as well as elsewhere in Ukraine.

"While he's just at the beginning of his involvement with this company, Ukraine is volatile right now and there are all sorts of problems that might crop up down the line," said Bill Allison, the editorial director of the Sunlight Foundation, a nonpartisan watchdog group.

Pacheco said the company's western and eastern operations have been unaffected by Ukraine's unrest but that its Crimea subsidiary is not operating currently. He did not explain further, but confirmed KrymTopEnergoServis is based and leases gas deposits in Crimea.

Hunter Biden, Zlochevskyi and other company officials would not comment publicly, Pacheco said.

Hunter Biden is a managing director with Rosemont Seneca Partners, a private equity firm, and worked as a Washington lobbyist for seven years until his father was elected vice president. He lobbied primarily for colleges, hospitals and tech firms.

Pacheco said Biden's son came to Burisma's attention after he was introduced by Devon Archer, another new Burisma board member, to Alan

Apter, Burisma's board chairman. Archer works with Hunter Biden at Rosemont and was a top fundraiser for now-Secretary of State John Kerry when Kerry ran for president in 2004. Zlochevskyi approved Biden's hiring, Pacheco said.

Zlochevskyi, 48, worked as minister of natural resources and environment under Yanukovych and most recently was deputy secretary of Ukraine's national security and defense council, which advised Yanukovych on defense matters.

Zlochevskyi also served in the Ukrainian parliament from 2007 to 2011 as a member of the Party of Regions, the political party affiliated with Yanukovych and traditionally aligned with pro-Russian interests.

Zlochevskyi's name is missing from Burisma's web site, but financial documents in Cyprus as well as U.S. Securities and Exchange records show that he owns the bulk of Burisma's shares. Zlochevskyi's Cyprus-based Brociti Investments Limited controls Burisma.

Hunter Biden joined Burisma in April, the same month his father visited Kiev to show support for the new interim government.

Russia-Ukraine Peace Talks to Start

By Daryna Krasnolutska and Kateryna Choursina June 07, 2014
Bloomberg

Ukraine's new leader, Petro Poroshenko, will start talks today with Russian President Vladimir Putin's envoy about ending separatist violence in the former Soviet republic's easternmost regions.

Poroshenko yesterday took the oath of office as Ukraine's president and a day earlier discussed with Putin his proposals for the first steps toward a cease-fire. In his inauguration speech, he presented a plan to bring peace to the nation after more than six months of unrest that has pitted the U.S. and Europe against Russia in the worst standoff since the Cold War.

“I know that peace is the most important thing that Ukrainian people desire now,” Poroshenko, 48, said after taking the oath of office in the parliament building in Kiev yesterday.

Poroshenko, switching between languages to address Russian speakers in their mother tongue, pledged to “preserve and strengthen Ukrainian unity and ensure lasting peace” in the country ravaged by separatist violence. The billionaire, who said he became a grandfather for the first time yesterday, vowed to steer the former Soviet republic toward closer ties with the European Union, create jobs and stamp out corruption.

“There’s a window for peace now, but it won’t stay indefinitely,” U.S. Vice President Joe Biden said at a meeting with Poroshenko in Kiev yesterday. “We look for Mr. Putin to meet his end of the commitments and deliver on the pledge to actually work with your government.”

‘Adequate, Realistic’

After his May 25 landslide election victory, Poroshenko’s ability to repair relations with the country’s eastern neighbor will be key to his success in pacifying Ukraine’s easternmost regions, where the military is battling a separatist insurgency.

The speech addressed “all the pressing issues,” Yuriy Yakymenko, head of political research at the Razumkov Center, said by phone from Kiev. “The plan of action proposed to stabilize the internal Ukrainian situation is entirely adequate and realistic. Poroshenko clearly prioritized and targeted foreign policy. He also called a spade a spade, what really is happening, and this is important.”

Poroshenko promised safe corridors for “Russian mercenaries” to leave the country and pledged an amnesty for those who didn’t kill servicemen or civilians. The president said he will present a plan to decentralize power and urged early parliamentary elections. He also vowed to crush the insurgency, protect Ukraine as a “unitary state” while guaranteeing the rights of Russian speakers.

‘Authority, Decisiveness’

“The head of state has a wide spectrum of different instruments to ensure territorial integrity and peace,” Poroshenko said. “There will be no shortage of authority and decisiveness. I do not seek revenge.”

Pro-Russian separatist leaders denounced Poroshenko, with Alexander Boroday, the leader of the self-proclaimed Donetsk People’s Republic, saying he is the “president of another country,” according to the Russian state-owned RIA Novosti news service. Boroday and his Luhansk counterpart, Valeriy Bolotov, said the Kiev government must withdraw its army before any talks are possible, according to the news service.

Poroshenko’s remarks “look hopeful” and Russia will continue to have working relations with Ukraine, Mikhail Zurabov, Russia’s ambassador in Kiev, said yesterday, RIA reported. The issue of Crimea, annexed by Russia from Ukraine in March, will be peripheral while the two parties work to restore links, Zurabov said, according to RIA.

Border Controls

Putin yesterday ordered security services to enforce the border with Ukraine, according to RIA. The two countries earlier agreed to jointly close sections of the border in the conflict regions, Poroshenko said in a statement June 6. The Foreign Ministry in Moscow said it received notification by the authorities in Kiev about eight checkpoints having been shut.

The U.S. yesterday pledged a \$48 million assistance package to Ukraine for tasks including strengthening the border guard service and “confidence-building measures that enhance national unity, particularly in the East and South,” according to a statement from the White House.

Poroshenko and Putin had a brief meeting June 6 in France, where the Russian president also spoke face-to-face with U.S. President Barack Obama for the first time since the crisis in Ukraine escalated in February. Putin welcomed Poroshenko’s commitment to ending the bloodshed and

said the government in Kiev must call off its military campaign against pro-Russian separatists.

The diplomatic flurry pushed Russian financial markets higher. The benchmark stock index jumped 1 percent June 6, extending its gain since a mid-March low to 20 percent. The ruble added 0.8 percent against the dollar. The Ukrainian hryvnia, this year's worst performer against the U.S. currency with a 30 percent plunge, advanced 0.8 percent.

Unrest Continues

Meanwhile, unrest continued in Ukraine's easternmost regions. The office of border guards in Mariupol, in the Donetsk region, was attacked in drive-by shooting yesterday, Oleh Slobodyan, a spokesman for the border service, said by phone. Rebels also surrounded a checkpoint on the Russian border and threatened to attack it unless Ukrainian troops give it up, according to the border service's press office.

At another border crossing, 10 armored personnel carriers and 10 trucks with rebel forces appeared early yesterday, some of the crossing over to Russian territory, Yaroslav Honchar, deputy head of an Interior Ministry battalion, said on Facebook.

The U.S. and its European allies say Putin is behind the unrest in eastern Ukraine, where hundreds have died in the separatist insurgency. Russia accuses them of backing what it considers an illegitimate administration in Kiev that's using armed force against its own people.

'Goodwill, Wisdom'

"The Ukrainian leadership must show its goodwill and wisdom," Putin said at a news conference in Normandy June 6. "They have to immediately stop the operation and announce a cease-fire. There is no other way to create the conditions for negotiations."

Poroshenko, a businessman with investments including chocolates and

media, became Ukraine's fifth president since the collapse of the Soviet Union. Biden and European Union President Herman Van Rompuy were among leaders attending yesterday's ceremony at parliament in Kiev.

"All neighbors stand to benefit from a return to stability in Ukraine and the promotion of growth and development," Van Rompuy said in an e-mailed statement yesterday. "All neighbors also need to respect its sovereign choices, including stronger ties with the European Union, and its territorial integrity."

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Poroshenko sworn in as Ukraine's president

By LAURA MILLS and JIM HEINTZ Associated Press | Posted:

Saturday, June 7, 2014 12:18 pm

KIEV, Ukraine (AP) — Ukraine's new president on Saturday called for pro-Russian rebels in the country's east to lay down their arms and welcomed dialogue with the insurgents, but said he wouldn't negotiate with those he called "gangsters and killers" and struck a defiant tone on the Russian-annexed Crimean Peninsula.

Petro Poroshenko's inaugural address after taking the oath of office in parliament gave little sign of a quick resolution to the conflict in the east, which Ukrainian officials say has left more than 200 people dead.

He also firmly insisted that Crimea, the Black Sea peninsula annexed by Russia in March, "was, is and will be Ukrainian." He gave no indication of how Ukraine could regain control of Crimea, which Russian President Vladimir Putin has said was allotted to Ukraine unjustly under Soviet leader Nikita Khrushchev.

Hours after the speech, Putin ordered security tightened along Russia's border with Ukraine to prevent illegal crossings, Russian news agencies said. Ukraine claims that many of the insurgents in the east have come from Russia; Poroshenko on Saturday said he would offer a corridor for safe passage of "Russian militants" out of the country.

Rebel leaders in the east dismissed Poroshenko's speech.

"At the moment it's impossible for him to come (to Donetsk for talks)," said Denis Pushilin, a top figure in the self-declared Donetsk People's Republic. "Perhaps with security, a group, so people won't tear him to pieces."

Poroshenko offered amnesty to rebels who "don't have blood on their hands." But "I don't believe it," said Valery Bolotov, the insurgent leader in the Luhansk region. Rebels in both Luhansk and Donetsk have declared their regions independent.

The new president promised "I will bring you peace," but did not indicate whether Ukrainian forces would scale back their offensives against the insurgency, which Ukraine says is fomented by Russia.

Russia has insisted on Ukraine ending its military operation in the east. Ambassador Mikhail Zurabov, representing Moscow at the inauguration, said Poroshenko's statements "sound reassuring," but "for us the principal thing is to stop the military operation," adding that the insurgents should also stop fighting in order to bolster the delivery of humanitarian aid, RIA Novosti reported.

As president, the 48-year-old Poroshenko is commander-in-chief of the military and appoints the defense and foreign ministers. The prime minister is appointed by the parliament.

Poroshenko, often called "The Chocolate King" because of the fortune he made as a confectionery tycoon, was elected May 25. He replaces Oleksandr Turchynov, who served as interim president after Russia-friendly president Viktor Yanukovych fled the country in February after months of street protests against him.

The fall of Yanukovych aggravated long-brewing tensions in eastern and southern Ukraine, whose majority native Russian speakers denounced the new government as a nationalist putsch that aimed to suppress them.

Within a month, the Black Sea peninsula of Crimea was annexed by Russia after a secession referendum and an armed insurgency arose in the eastern provinces of Donetsk and Luhansk.

In his inaugural address, attended by dignitaries including U.S. Vice President Joe Biden, Sen. John McCain and Democratic Rep. Marcy Kaptur, Poroshenko promised amnesty "for those who do not have blood on their hands" and called for dialogue with "peaceful citizens" in the east. "I am calling on everyone who has taken arms in their hands — please lay down your arms," he said, according to an interpreter. He also called for early regional elections in the east and promised to push for new powers to be allotted to regional governments, but he rejected calls for federalization of Ukraine, which Moscow has advocated. Federalization would make

regions more independent of the central government.

Biden later met with Poroshenko and said “there is a window for peace and you know as well as anyone that it will not stay open indefinitely ... America is with you.”

He also promised an additional \$48 million in US aid to Ukraine to carry out economic and constitutional reforms and strengthen the border guard service. Washington previously announced \$50 million in “crisis response” aid and \$23 million for security assistance.

Poroshenko also said he would seek early parliamentary elections because “the current composition of the parliament is not consistent with the aspirations of the nation.” The current parliament, elected in 2012 with a large contingent from Yanukovych’s former party, is to stay in place until 2017.

Poroshenko insisted that Ukrainian would remain the sole state language of the country, but promised “the free use of the Russian language.”

He assumed power a day after meeting Putin at D-Day commemoration ceremonies in France.

Putin has denied allegations by Kiev and the West that Russia has fomented the rebellion in the east, and he insisted Friday that Poroshenko needs to speak directly to representatives from the east.

After the low-key inauguration ceremony, which included a choir in traditional national costume singing the national anthem, Poroshenko went to the square outside the landmark Sophia Cathedral for a ceremonial troop inspection.

Taras Danchuk, a 37-year-old spectator at the square who was wearing a traditional embroidered tunic, said he supported Poroshenko’s strategy for trying to negotiate an end the eastern conflict.

“Out of emotion I would like to say that we should destroy the terrorists, but that is not possible without sacrificing the civilians who live there, so there will have to be negotiations,” he said.

The protests against Yanukovych were set off by his decision to shelve a long-anticipated agreement to deepen political and economic ties with the European Union and seek closer relations with Russia. The protests grew hugely after police violently dispersed some early gatherings.

Poroshenko said Saturday he wants to sign the economic portion of the EU “association agreement” in the near future.

No major fighting was reported on Saturday, but the Donetsk People’s Republic said one of Pushilin’s aides was fatally shot in Donetsk city, the region’s capital.

Also Saturday, Russian officials including the ambassador and Defense

Minister Sergei Shoigu complained that two journalists from a TV channel belonging to the ministry had been detained by national guard forces in Ukraine and called for their release.

Jim Heintz reported from Moscow.