

# US Vice President Biden's son, Kerry fundraiser take positions with Ukrainian gas firm

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15 May 2014

The younger son of Vice President Joseph Biden has taken the position of member of the board of directors and legal adviser to Burisma Holdings Ltd., the largest private natural gas production company in Ukraine. Hunter Biden joins another American who recently became a director of the firm, Devon Archer, a top fundraiser for Secretary of State John Kerry during Kerry's 2004 presidential bid and the college roommate of Kerry's stepson.

Burisma Holdings Ltd. is controlled by Nikolai Zlochevsky, a former top official in the government of President Viktor Yanukovych, who was ousted February 22 in a US-backed right-wing coup, spearheaded by fascist thugs of the Right Sector and the Svoboda (Freedom) party.

Zlochevsky was a member of parliament for Yanukovych's Party of Regions. He was minister of environmental protection and then minister of ecology and natural resources under Yanukovych, both positions of value to the oil and gas industry. In April 2012, he was named deputy secretary of Ukraine's National Security and Defense Council, a position he held until Yanukovych fled Kiev and the current regime seized power.

It is unclear, as of this writing, whether Zlochevsky is one of the many Yanukovych cronies who switched sides when it became clear that the corrupt president was incapable of resisting the right-wing coup, or whether, in his key national security position, he was already functioning as an instrument of US imperialism. Burisma took on its first American executive, Board Chairman Alan Apter, an investment banker, last year, while Yanukovych was still in power.

In either case, the move by Zlochevsky to enlist two Americans with the highest level connections in Washington seems clearly intended to insure that the company's interests do not suffer under the new regime.

White House spokesman Jay Carney made a pro forma denial that Hunter Biden's role in the Ukrainian firm constituted a conflict of interests for the vice president or the

Obama administration. "Hunter Biden and other members of the Biden family are obviously private citizens, and where they work does not reflect an endorsement by the administration or by the vice president or president," he said Tuesday during a press briefing. An aide to the vice president said he "does not endorse any particular company and has no involvement with this company."

Hunter Biden issued a brief statement, declaring, "As a new member of the Board, I believe that my assistance in consulting the Company on matters of transparency, corporate governance and responsibility, international expansion and other priorities will contribute to the economy and benefit the people of Ukraine."

Burisma's financial and business operations are anything but transparent, however. The company was chartered in 2006 in Cyprus—a location frequently used by Russian and Ukrainian oligarchs seeking to avoid taxes, regulations and any kind of public scrutiny. The company is privately held and does not issue financial statements.

Press reports say the firm controls natural gas production facilities in northeast Ukraine, near Poltava, and is engaged in exploration in several other areas in the country, both east and west. Its output of 450 million cubic feet amounts to about one percent of Ukraine's total gas consumption in 2011, which came to 44 billion cubic feet.

The bulk of Ukrainian gas consumption is supplied by Russia, which recently raised the price from the subsidized level offered to the Yanukovych regime to the European-wide price of \$385 per 1,000 cubic feet. At that price, Burisma's total annual output would be valued at \$173 million.

It is difficult to discern what legal advice Biden, a member of the bar for Connecticut and the District of Columbia, could provide for a company established in Cyprus and operating in Ukraine. The Burisma statement said that Biden would provide support for the company "among international organizations."

The vice president's son has made his career in financial manipulation, serving as CEO and chairman of the hedge fund Paradigm Global Advisors, co-founded with his uncle James Biden and the financier Allen Stanford, who is now serving a jail sentence of 110 years for a multi-billion-dollar Ponzi scheme. He went on to work as a senior vice president at MBNA Corporation, a major US bank, and worked on e-commerce policy at the Department of Commerce in the Clinton administration. President George W. Bush appointed him to the board of directors of Amtrak, the national passenger rail corporation.

Biden's new colleague on the Burisma board of directors, investment banker Devon Archer, was a top Kerry fundraiser in 2004 and the college roommate of Kerry's stepson, Christopher Heinz, one of the heirs to the H. J. Heinz ketchup billions. He has held senior positions at Citibank, New England Financial and MetLife. Biden and Archer both now work at Rosemont Seneca Partners, a US investment house, which is affiliated to the private equity firm Rosemont Capital, cofounded by Archer and Heinz.

There is ample reason to suspect that the Burisma connection has as much to do with US covert operations in Ukraine as with the immediate payoff for Biden and Archer, however lucrative that may turn out to be.

Hunter Biden, in addition to being an investment banker, is active in think tanks that develop the strategy being pursued by US imperialism in Eastern Europe and the former Soviet Union. He is on the board of directors of the Center for National Policy, a national security think tank aligned with the Democratic Party, including such prominent figures as Madeleine Albright, secretary of state in the Clinton administration, and Leon Panetta, CIA director and secretary of defense in the Obama administration.

According to a press release from Burisma, Biden is also on the chairman's advisory board of the National Democratic Institute, an arm of the National Endowment for Democracy, a federal agency. The NED plays an active role in political subversion against governments targeted by Washington for overthrow, and the NDI is sending a high-level delegation to Ukraine to monitor the upcoming presidential elections, headed by Madeleine Albright.

Even more sinister are the connections of Devon Archer, who was appointed to the Burisma board the day after Vice President Biden visited Kiev for talks with the fascist-backed regime. Archer is a director of Diamondback Tactical, a company that supplies sophisticated weapons systems to police agencies around the world.

The chairman of Diamondback Tactical is Stephen R. Kappes, who, according to his company biography, "retired from the Central Intelligence Agency (CIA) as the Deputy Director in May 2010 after 30 years of service. From 2006

to 2010 he was directly involved in the leadership and management of all elements of the Agency under two different Directors and two Presidential administrations."

The CEO of Diamondback Tactical, Andrew Bair, spent 25 years in national security positions with the US government and private contractors, including special advisor for counter-terrorism in the Office of the Secretary of State and senior advisor to the US special envoy to the Balkans. He spent three years as a senior political advisor with the United Nations peacekeeping mission in the former Yugoslavia.

The company is named after the rattlesnake and its logo features a sniper rifle scope, while its corporate tagline promises "Serious Gear for the Serious Operator," mainly body armor tailored for a range of police, military and paramilitary operatives.

The mission statement declares: "The events of today demand high-performance, high-quality gear for every mission. At Diamondback Tactical, we pride ourselves in the design and manufacture of high-quality tactical armor gear for today's operators. From state and local law enforcement, to international and special operations, Diamondback Tactical engineers work in conjunction with active operators to ensure the performance and functionality of every piece of gear."

Given the reports that hundreds of American mercenaries, in the pay of one or another successor company to the notorious Blackwater firm, are now active in the service of the Ukrainian government, it requires little imagination to guess what the director of a firm that makes body armor for such mercenaries is doing in Ukraine.



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