Jaresko, who was limited to making $150,000 a year at WNISEF under the U.S. AID grant agreement, managed to earn more than that amount, reporting in 2004 that she was paid $383,259 along with $67,415 in expenses, according to WNISEF's public filing with the Internal Revenue Service.

Later, Jaresko's compensation was removed from public disclosure altogether after she co-founded two entities in 2006: Horizon Capital Associates (HCA) to manage WNISEF's investments (and collect around $1 million a year in fees) and Emerging Europe Growth Fund (EEGF) to collaborate with WNISEF on investment deals.

Jaresko formed HCA and EEGF with two other WNISEF officers, Mark Iwashko and Lenna Koszarny. They also started a third firm, Horizon Capital Advisors, which "serves as a sub-advisor to the Investment Manager, HCA," according to WNISEF's IRS filing for 2006.

U.S. AID apparently found nothing suspicious about these tangled business relationships – and even allowed WNISEF to spend millions of dollars helping EEGF become a follow-on private investment firm – despite the potential conflicts of interest involving Jaresko, the other WNISEF officers and their affiliated companies.

For instance, WNISEF's 2012 annual report devoted two pages to "related party transactions," including the management fees to Jaresko's Horizon Capital ($1,037,603 in 2011 and $1,023,689 in 2012) and WNISEF's co-investments in projects with the EEGF, where Jaresko was founding partner and chief executive officer. Jaresko's Horizon Capital managed the investments of both WNISEF and EEGF.

From 2007 to 2011, WNISEF co-invested $4.25 million with EEGF in Kerameya LLC, a Ukrainian brick manufacturer, and WNISEF sold EEGF 15.63 percent of Moldova's Fincombank for $5 million, the report said. It also listed extensive exchanges of personnel and equipment between WNISEF and Horizon Capital. But it's difficult for an outsider to ascertain the relative merits of these insider deals and the transactions apparently raised no red flags for U.S. AID officials.

Bonuses for Officers

Regarding compensation, WNISEF's 2013 filing with the IRS noted that the fund's officers collected millions of dollars in bonuses for closing out some investments at a profit even as the overall fund was losing money. According to the filing, WNISEF's $150 million nest egg had shrunk by more than one-third to $94.5 million and likely has declined much more during the economic chaos that followed the U.S.-back coup in February 2014.

But prior to the coup and the resulting civil war, Jaresko's WNISEF was generously spreading money around. For instance, the 2013 IRS filing reported that the taxpayer-financed fund paid out as "expenses" $7.7 million under a bonus program, including $4.6 million to "current officers," without identifying who received the money.

The filing made the point that the "long-term equity incentive plan" was "not compensation from Government Grant funds but a separately USAID-approved incentive plan funded from investment sales proceeds" – although those proceeds presumably would have gone into the depleted WNISEF pool if they had not been paid out as bonuses.

The filing also said the bonuses were paid regardless of whether the overall fund was making money, noting that this "compensation was not contingent on revenues or net earnings, but rather on a profitable exit of a portfolio company that exceeds the baseline value set by the board of directors and approved by USAID" – with Jaresko also serving as a director on the board responsible for setting those baseline values.

Another WNISEF director was Jeffrey C. Neal, former chairman of Merrill Lynch's global investment banking and a co-founder of Horizon Capital, further suggesting how potentially incestuous these relationships may have become.

Though compensation for Jaresko and other officers was shifted outside public view after 2006 – as their pay was moved to the affiliated entities – the 2006 IRS filing says: "It should be noted that as long as HCA earns a management fee from WNISEF, HCA and HCAD [the two Horizon Capital entities] must ensure that a salary cap of $150,000 is adhered to for the proportion of salary attributable to WNISEF funds managed relative to aggregate funds under management."

But that language would seem to permit compensation well above $150,000 if it could be tied to other managed funds, including EEGF, or come from the incentive program. Such compensation for Jaresko and the other top officers was not reported on later IRS forms despite a line for earnings from "related organizations." Apparently, Horizon Capital and EEGF were regarded as "unrelated organizations" for the purposes of reporting compensation.

Neither AID officials nor Jaresko responded to specific questions about WNISEF's possible conflicts of interest, how much money Jaresko made from her involvement with WNISEF and its connected companies, and whether she had fully complied with IRS reporting requirements.

Shared Values?

Despite such ethical questions, Jaresko was cited by New York Times columnist Thomas L. Friedman as an exemplar of the new Ukrainian leaders who "share our values" and deserve unqualified American support. Friedman uncritically quoted Jaresko's speech to international financial leaders at Davos, Switzerland, in which she castigated Russian President Vladimir Putin:

"Putin fears a Ukraine that demands to live and wants to live and insists on living on European values — with a robust civil society and freedom of speech and religion [and] with a system of values the Ukrainian people have chosen and laid down their lives for."

However, Jaresko has shown little regard for transparency or other democratic values, such as the right of free speech when it comes to someone questioning her financial dealings. For instance, she has gone to great lengths to block her ex-husband Ihor Figlus from exposing what he regards as her questionable business ethics.

In 2012, when Figlus tried to blow the whistle on what he saw as improper loans that Jaresko had taken from Horizon Capital Associates to buy and expand her stake in EEGF, the privately held follow-on fund to WNISEF, Jaresko sent her lawyers to court to silence him and, according to his lawyer, bankrupt him.

The filings in Delaware's Chancery Court are remarkable not only because Jaresko succeeded in getting the Court to gag her ex-husband through enforcement of a non-disclosure agreement but the Court agreed to redact nearly all the business details, even the confidentiality language at the center of the case.

Since Figlus had given some of his information to a Ukrainian journalist, the court complaint also had the look of a leak investigation, tracking down Figlus's contacts with the journalist and then using that evidence to secure the restraining order, which Figlus said not only prevented him from discussing business secrets but even talking about his more general concerns about Jaresko's insider dealings.

The heavy redactions make it hard to fully understand Figlus's concerns or to assess the size of Jaresko's borrowing as she expanded her holdings in EEGF, but Figlus did assert that he saw his role as whistle-blowing about improper actions by Jaresko.

In a Oct. 31, 2012, filing, Figlus's attorney wrote that "At all relevant times, Defendant [Figlus] acted in good faith and with justification, on matters of public interest, and particularly the inequitable conduct set forth herein where such inequitable conduct adversely affects … at least one other limited partner which is REDACTED, and specifically the inequitable conduct included, in addition to the other conduct cited herein, REDACTED."

The filing added: "The Plaintiffs' [Jaresko's and her EEGF partners'] claims are barred, in whole or in part, by public policy, and particularly that a court in equity should not enjoin 'whistle-blowing' activities on matters of public interest, and particularly the inequitable conduct set forth herein." But the details of that conduct were all redacted.

Free Speech

In a defense brief dated Dec. 17, 2012 [see Part One and Part Two], Figlus expanded on his argument that Jaresko's attempts to have the court gag him amounted to a violation of his constitutional right of free speech:

“The obvious problem with the scope of their Motion is that Plaintiffs are asking the Court to enter an Order that prohibits Defendant Figlus from exercising his freedom of speech without even attempting to provide the Court with any Constitutional support or underpinning for such impairment of Figlus’ rights.

“Plaintiffs cannot do so, because such silencing of speech is Constitutionally impermissible, and would constitute a denial of basic principles of the Bill of Rights in both the United States and Delaware Constitutions. There can be no question that Plaintiffs are seeking a temporary injunction, which constitutes a prior restraint on speech. …

“The Court cannot, consistent with the Federal and State Constitutional guarantees of free speech, enjoin speech except in the most exceptional circumstances, and certainly not when Plaintiffs are seeking to prevent speech that is not even covered by the very contractual provision upon which they are relying.

“Moreover, the Court cannot prevent speech where the matter has at least some public interest REDACTED, except as limited to the very specific and exact language of the speaker’s contractual obligation.”

Figlus also provided a narrative of events as he saw them as a limited partner in EEGF, saying he initially “believed everything she [Jaresko] was doing, you know, was proper.” Later, however, Figlus “learned that Jaresko began borrowing money from HCA REDACTED, but again relied on his spouse, and did not pay attention to the actual financial transactions…

“In early 2010, after Jaresko separated from Figlus, she presented Figlus with, and requested that he execute, a ‘Security Agreement,’ pledging the couple’s partnership interest to the repayment of the loans from HCA. This was Figlus first realization of the amount of loans that Jaresko had taken, and that the partnership interest was being funded through this means. …By late 2011, Jaresko had borrowed approximately REDACTED from HCA to both fund the partnership interest REDACTED. The loans were collateralized only by the EEFG partnership interest. …

“Figlus became increasingly concerned about the partnership and the loans that had been and continued to be given to the insiders to pay for their partnership interests, while excluding other limited partners. Although Figlus was not sophisticated in these matters, he considered that it was inappropriate that HCA was giving loans to insiders to fund their partnership interests, but to no other partners. …

“He talked to an individual at U.S. Agency for International Development (USAID) in Washington D.C., because the agency was effectively involved as a limited partner because of the agency’s funding and supervision over WNISEF, but the agency employee did not appear interested in pursuing the question.”

A Spousal Dispute

Meanwhile, Jaresko's lawyers mocked Figlus's claims that he was acting as a whistle-blower, claiming that he was actually motivated by a desire "to harm his ex-wife" and had violated the terms of his non-disclosure agreement, which the lawyers convinced the court to exclude from the public record.

The plaintiffs' brief [see Part One and Part Two] traces Figlus's contacts with the Ukrainian reporter whose name is also redacted:

"Figlus, having previously received an audit from the General Partner, provided it to REDACTED [the Ukrainian reporter] with full knowledge that the audit was non-public. Also on or about October 2, 2012, REDACTED [the reporter] contacted multiple Limited Partners, informed them that he possessed 'documented proof' of alleged impropriety by the General Partner and requested interviews concerning that alleged impropriety."

The filing noted that on Oct. 3, 2012, the reporter told Figlus that Jaresko "called two REDACTED [his newspaper's] editors last night crying, not me, for some reason." (The Ukrainian story was never published.)

After the competing filings, Jaresko's lawyers successfully secured a restraining order against Figlus from the Delaware Chancery Court and are continuing to pursue the case against him though his lawyer has asserted that his client will make no further effort to expose these financial dealings and is essentially broke.

On May 14, 2014, Figlus filed a complaint with the court claiming that he was being denied distributions from his joint interest in EEGF and saying he was told that it was because the holding was pledged as security against the loans taken out by Jaresko.

But, on the same day, Jaresko's lawyer, Richard P. Rollo, contradicted that assertion, saying information about Figlus's distributions was being withheld because EEGF and Horizon Capital "faced significant business interruptions and difficulties given the political crisis in Ukraine."

The filing suggested that the interlocking investments between EEGF and the U.S.-taxpayer-funded WNISEF were experiencing further trouble from the political instability and civil war sweeping across Ukraine. By last December, Jaresko had resigned from her WNISEF-related positions, taken Ukrainian citizenship and started her new job as Ukraine's Finance Minister.

In an article about Jaresko's appointment, John Helmer, a longtime foreign correspondent in Russia, disclosed the outlines of the court dispute with Figlus and identified the Ukrainian reporter as Mark Rachkevych of the Kyiv Post.

"It hasn't been rare for American spouses to go into the asset management business in the former Soviet Union, and make profits underwritten by the US Government with information supplied from their US Government positions or contacts," Helmer wrote. "It is exceptional for them to fall out over the loot."

Earlier this month, when I contacted George Pazuniak, Figlus's lawyer, about Jaresko's aggressive enforcement of the non-disclosure agreement, he told me that "at this point, it's very difficult for me to say very much without having a detrimental effect on my client." Pazuniak did say, however, that all the redactions were demanded by Jaresko's lawyers.

Unresponsive Response

Detailed questions were sent to U.S. AID and to Jaresko via several of her associates. Those questions included how much of the $150 million in U.S. taxpayers' money remained, why Jaresko reported no compensation from "related organizations," whether she received any of the $4.6 million to WNISEF's officers in bonuses in 2013, how much money she made in total from her association with WNISEF, what AID officials did in response Figlus's complaint about possible wrongdoing, and whether Jaresko's legal campaign to silence her ex-husband was appropriate given her current position and Ukraine's history of secretive financial dealings.

U.S. AID press officer Annette Y. Aulton got back to me with a response that was unresponsive to my specific questions. Rather than answering about the performance of WNISEF and Jaresko's compensation, the response commented on the relative success of 10 "Enterprise Funds" that AID has sponsored in Eastern Europe and added:

"There is a twenty year history of oversight of WNISEF operations. Enterprise funds must undergo an annual independent financial audit, submit annual reports to USAID and the IRS, and USAID staff conduct field visits and semi-annual reviews. At the time Horizon Capital assumed management of WNISEF, USAID received disclosures from Natalie Jaresko regarding the change in management structure and at the time USAID found no impropriety during its review."

One Jaresko associate, Tanya Bega, Horizon Capital's investor relations manager, said she forwarded my questions to Jaresko last week, but Jaresko did not respond.