



ANTI
CORRUPTION
FUND

ANNUAL REPORT





ABOUT US

The Anti-Corruption Fund (ACF) defends the public interest by investigating and disrupting high-level corruption in Bulgaria.

ACF is an independent civic advocacy organization encouraging state institutions to investigate corruption practices proactively. Our approach is practical and involves:

- **Researching suspected corruption and conflicts of interest;**
- **Informing and engaging the citizens;**
- **Demanding reactions from all the relevant state institutions responsible for tackling corruption in Bulgaria.**

In our quest to detect high-level corruption, our team of journalists, legal experts and analysts screens a multitude of sources - including reputable regional and national media reports and tipoffs from citizen activists and whistleblowers. We gather and publicize all the relevant public information kept by state institutions, extensively using Bulgaria's Access to Public Information Act. We evaluate all the cases we receive and investigate the

ones that meet our criteria, combining expert research and legal analysis of all available documentation.

If we encounter proof or have reasonable doubts about wrongdoing, we file reports with all public institutions having jurisdiction to investigate the suspected violations. We follow-up and monitor institution's (lack of) action on key corruption cases and make it public. This advocacy work is making

a significant impact in the fight against corruption in Bulgaria.

ACF also uses various social media channels and audiovisual production to reach out to citizens and encourage wider engagement in reporting and fighting corruption.

The foundation **does not** engage in economic activities. It relies on donations from funding organizations and private individuals to finance its operations.

In 2023, ACF undertook projects funded by the America for Bulgar-

ia Foundation, the Active Citizens Fund Bulgaria under the EEA Grants 2014-2021 funding mechanism and the German Marshall Fund. We also collaborated with additional partners, including the Konrad-Adenauer-Stiftung Foundation and the Embassy of the Netherlands in Bulgaria, showcasing the strength of our network in the fight against corruption.

Below, we summarize ACF's critical investigations in 2023, including cases of embezzlement in public institutions, conflicts of interest in government contracts, and the public institutions' reactions.



KEY INVESTIGATIONS



THE ANTI-CORRUPTION COMMISSION STIFLED AN INVESTIGATION AGAINST THE DEPUTY PROSECUTOR GENERAL BORISLAV SARAFOV?

In May, ACF published a series of photos of the then Deputy Prosecutor General Borislav Sarafov and Petyo Petrov “The Euro”, the protagonist of The Eight Dwarfs investigation, pictured together in the eponymous restaurant. ACF received the photos by an anonymous whistleblower who alleged that there is a stifled investigation against the deputy prosecutor general in the Anti-Corruption Commission.

In an interview aired by the prime-time TV program 120 minutes, Mr. Sarafov confirmed that the photos were authentic and that he had visited the Eight Dwarfs restaurant and had met Petyo Petrov. Nevertheless, he claimed that he had visited the restaurant on the insistence of the former prosecutor

general Ivan Geshev who had set up the meeting with Petyo Petrov as a trap for Mr. Sarafov, in order to film the meeting and blackmail him with the photos. Mr. Sarafov’s claims came after a bitter fallout between him and Mr. Geshev who had previously been a longtime ally.

The photos confirm previous evidence provided by other people interviewed for The Eight Dwarfs investigation — such as Ilia Zlatanov — that Mr. Sarafov was a regular visitor at the restaurant and had a very close relationship with its owner Petyo Petrov.



Since the publication of the photos, Mr. Geshev was removed from office, while Mr. Sarafov was appointed Acting Prosecutor General by the Supreme Judicial Council. Since then, he has presented a secret report about the Eight Dwarfs case, claiming Mr. Geshev knew about the report since 2020 but kept it secret. He has also claimed that *The Eight Dwarfs* is a litmus test for the Bulgarian judiciary. With regards to any actions taken by the prosecutor's office on this case, no public information has been made available in 2023, beside the unsuccessful attempt to detain Petyo Petrov, the “Euro”. In August 2023, inadequate criminal charges were brought against Petrov, his former wife and a prosecutor involved, but were later on dropped.

In early 2024, Daniela Taleva, the specially appointed prosecutor to investigate the Prosecutor General initiated an investigation against Mr. Sarafov. The results of the investigation have not been made public yet.



INSIDE THE EIGHT DWARFS:



AN INTERVIEW WITH LYUBENA PAVLOVA

ACF published an interview with Lyubena Pavlova, ex-wife of Petro Petrov „The Euro“, the former head of the Sofia investigation service who is at present a fugitive. Pavlova is also one of the key figures in The Eight Dwarfs investigation which the ACF published in 2020.

The interview provided valuable details of Mr. Petrov's influence over key officials, including officials within the judiciary. According to Pavlova, magistrates in key positions were provided with money (including regular payments similar to salaries), apartments and cars in exchange for loyalty to Mr. Petrov.

According to Pavlova, within the prosecutor's office, the main helpers that made *The Eight Dwarfs* scheme possible were the deputy chief

prosecutor Borislav Sarafov and Sofia's deputy appellate prosecutor Emilia Rusinova. Apparently, both frequented the restaurant, visiting several times a week and „*not for the good food*“.

Pavlova also claimed that Mr. Petrov had amassed an archive of damaging information concerning key figures in the judiciary, such as recordings of personal nature, evidence of corruption. That archive allegedly allowed Mr. Petrov to exert influence over his network of magistrates.



FIRM LINKED TO POLITICIAN DELYAN DOBREV RECEIVED LARGE SUMS FROM MARITZA 3 TPP FOR FICTITIOUS BIOMASS DELIVERIES

PELLETGATE

Pelletgate tells the story of Vizior, a company owned by the parents of politician Delyan Dobrev, receiving large payments by the Maritza 3 Thermal Power Plant (TPP) for, what were most likely, bogus deliveries of wood. The power plant has been linked to businessman Hristo Kovachki.

ACF reviewed a report filed following an inspection of the power plant carried out by the Regional Forest Directorate - Kardjali. The report showed that, in 2022, Maritza 3 TPP paid some BGN 285,000 per month, or roughly BGN 3 million for the whole year, to the company owned by Mr. Dobrev's parents. However, documents to prove that the wood had indeed been transported were not provided to the

inspectors, nor were any wood shavings found on site.

„When the available data was cross-referenced, serious doubts were raised that the wood supposedly sold by Vizior to Maritza 3 TPP, only existed on paper. This raises the question of why Maritza 3 TPP made these payments to Vizior,” said Lora Georgieva from ACF's legal team.

Maritza 3 TPP operates under a waste incineration permit which means it can replace coal with wood shavings to produce electricity in order to claim lower carbon emissions. In the past, Maritza 3 TPP was found responsible for SO₂ pollution, its emissions surpassing the maximum allowed levels.

The ACF investigation also raised the issue of **whether the commercial relationship between Vizior and Maritza 3 TPP has had an impact on Delyan Dobrev's public statements**

about the future of coal-fired plants in Bulgaria. In his capacity as an MP and chairperson of the Committee on Energy at the National Assembly, **Delyan Dobrev was one of the leading proponents of the idea of renegotiating Bulgaria's Recovery and Resilience Plan**, postponing the closure of coal-fired power plants until 2038. He has stated publicly that it is better not to implement the Recovery and Resilience Plan but to keep coal-fired power plants running.



LEAKED DOCUMENTS REVEAL UNDUE INVOLVEMENT OF BULGARIAN OFFICIALS

TURKISH STREAM

In August 2023, ACF analyzed leaked email correspondence belonging to Aleksander Babakov, deputy chairperson of the State Duma and advisor to Russian President Vladimir Putin. The contents of the emails raised important questions.



At the time, Alexander Babakov was already known for several scandals such as providing funding to Marine Le Pen's party in France and an attempt, reported by *The New York Times*, to bribe a Bulgarian deputy minister of energy in 2013 in relation to the cancelled South Stream gas pipeline.

The ACF investigation revealed that in 2019, a secret meeting took place in Istanbul between Bulgarian officials and representatives of the Russian and Arab companies which had participated in the public tender to construct the Turkish Stream pipeline

in Bulgaria. The companies were placed second and first respectively in the tender procedure and the secret negotiations were against tender procedures rules as per EU legislation and the Bulgaria's Public Procurement Act.

Fig. 1

Базовые предположения в основе предлагаемого решения

<p>1. У консорциума ТБШ нет шансов в краткосрочной перспективе снова стать победителем ЕРС-тендера в Болгарии</p>	<p>Технически, чтобы консорциум ТБШ снова стал победителем, необходимо, чтобы:</p> <ul style="list-style-type: none"> • высший административный суд (ВАС) Болгарии принял решение, противоречащее решению комиссии по защите конкуренции (КЗК). Сценарий маловероятен, вопрос политический и может занять много времени, либо • Аркад инициативно прекратил участие в тендере, будучи только что объявленным КЗК победителем. Сценарий политический и маловероятен
<p>2. Учитывая п.1, чтобы реализовать проект в срок, необходимо как можно скорее: - согласовать схему взаимодействия ТМК с Аркад как генеральным подрядчиком БТГ; и - обеспечить подписание ЕРС-контракта между Аркад и БТГ; и - не подавать апелляцию в ВАС</p>	<ul style="list-style-type: none"> • Если прекратить обсуждение схемы и отстраниться, это приведет к затягиванию проекта (срок начала строительства – не ранее ноября) и полной потере контроля над его ходом с российской стороны • Подача апелляции в ВАС заблокирует подписание ЕРС-контракта и может осложнить переговорный процесс, а также даст Аркад время, чтобы лучше подготовиться • Неподача/отзыв апелляции в ВАС может быть использована рычаг в переговорах
<p>3. Учитывая п.2, необходимо сделать условия подписания ЕРС-контракта выполнимыми в ближайшей перспективе и при этом создать предпосылки для завершения формирования контрактной структуры после подписания ЕРС-контракта</p>	<ul style="list-style-type: none"> • Схема, при которой подписание ЕРС-контракта зависит от подписания полноценного сервисного соглашения между консорциумом ТБШ и Аркад, отложит реализацию проекта как минимум на несколько месяцев в силу сложности сервисного соглашения • Необходимо ступенчатое формирование контрактной схемы

Fig. 2

Текущий статус ЕРС-тендера в Болгарии

- 1 июля в г. Стамбуле прошла встреча с участием российской, арабской и болгарской стороны. Обсуждалась схема, при которой:
 - a) Аркад является генеральным подрядчиком БТГ с фактической ответственностью построить второй этап проекта (170 км за 615 дней)
 - b) консорциум ТМК-Бонатти-Штрайхер (ТБШ) является субподрядчиком Аркад, выполняя все работы по первому участку проекта (310 км за 250 дней, но не позднее 31.12.2019), в т.ч. должен привлечь для этих работ финансирование
2. По итогам встречи 1 июля российская сторона направила Аркад перечень вопросов по предложенной схеме и предлагаемые решения, в первую очередь касающиеся рисков:
 - a) непривлечения ТМК средств в банках при новой схеме, когда между ТМК и БТГ появляется «прослойка» в виде Аркад
 - b) признания всей схемы незаконной (один участник тендера не может взять на субподряд другого, нужны другие юридические конструкции – сервисное соглашение, например)
3. В ходе встречи с Аркад в Софии 8-9 июля решения для указанных вопросов не были найдены, однако с Аркад было достигнуто общее понимание, что реализация схемы может занять месяцы, при этом арабы никуда не торопятся, а наоборот, хотели бы получить больше времени, чтобы подготовиться к подписанию ЕРС-контракта
4. По итогам переговоров ТМК и Аркад 9 июля болгарская сторона выразила крайнюю озабоченность ситуацией со сроками и предложила подумать над альтернативными схемами, которые позволят подписать ЕРС-контракт и начать работы и июле 2019 года

Fig. 3

Предлагаемое решение

1. Скорейшее подписание между ТМК-Бонатти-Штрайхер (ТБШ) и Аркад:
 - контракта на поставку трубной продукции для всего проекта, вступающего в силу после подписания EPC-контракта, т.е. при условии (а) неподдачи/отзыва ТМК апелляции в ВАС и (б) выполнения Аркад условий подписания EPC-контракта
 - базового обязывающего сервисного соглашения между Аркад и консорциумом ТБШ для первого участка проекта (310 км), содержащего условие об эксклюзивности в течение 3-х месяцев с момента подписания
2. Получение ТМК финансирования от ПАО «Газпром» (ориентировочная сумма – 300 млн евро без НДС) после подписания EPC-контракта, которое позволит начать до момента подписания полноценного сервисного соглашения:
 - мобилизацию техники Бонатти-Штрайхер
 - подготовку строительных площадок и площадок хранения
 - закупку длинноцикловых изделий
 - производство и поставку трубы
3. Неподача/отзыв ТМК апелляции в ВАС, что сделает возможным подписание EPC-контракта в кратчайшие сроки (2-3 недели) при условии выполнения Аркад условий такого подписания
4. Согласование и подписание в течение срока эксклюзивности полноценного сервисного соглашения между ТБШ и Аркад, а также схемы привлечения под данное соглашение средств российских (или иных) банков
 - Аркад будет заинтересован в подписании данного соглашения, т.к. без него, вероятно, не сможет в срок построить первый участок проекта (310 км)
 - подписать полноценное соглашение ранее конца сентября не представляется возможным в силу его сложности и необходимости согласования схемы с банками
 - необходимо указание российским банкам (ГПБ/ВЭБ) согласовать финансирование сервисного контракта между ТБШ и Аркад

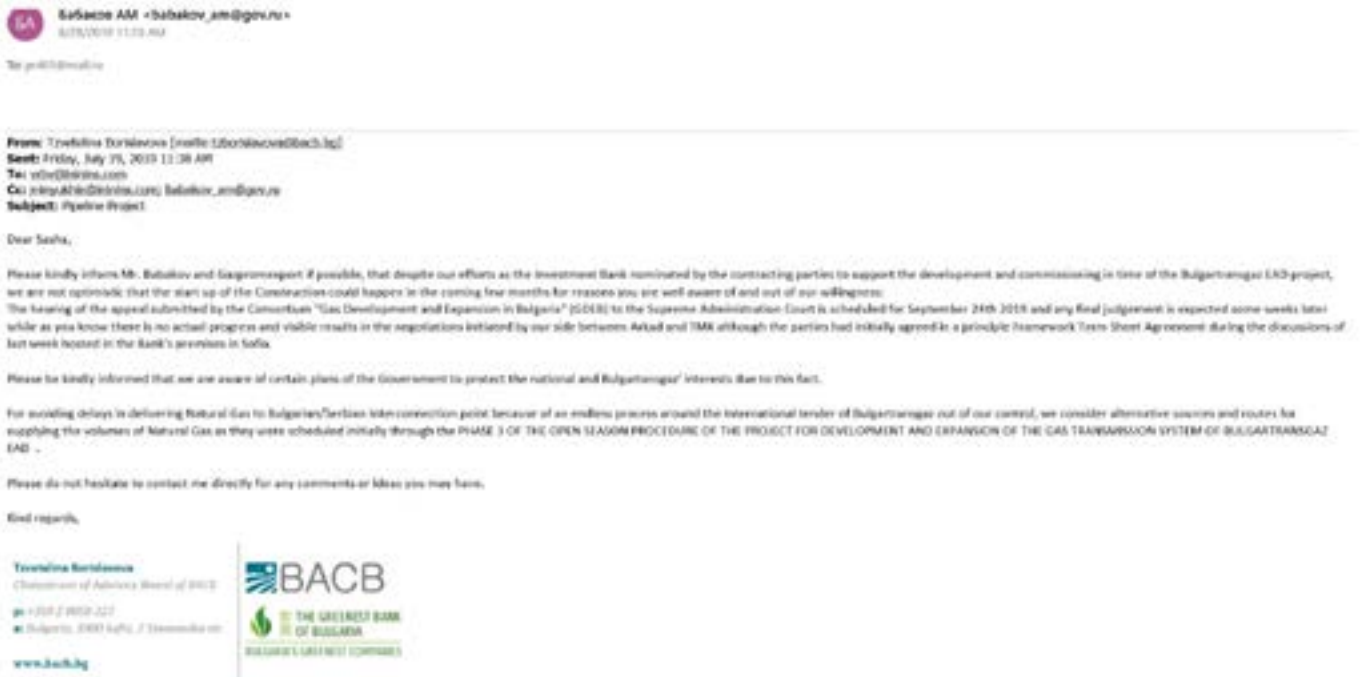
Fig. 4

Ориентировочный график выполнения работ в соответствии с предлагаемым решением



A second leak showed that another round of negotiations took place in Sofia, in the offices of the Bulgarian - American Credit Bank and with the personal assistance of bank's owner Mrs Tsvetelina Borislavova. A third batch of leaked emails revealed that Mr. Babakov had been issued a Bulgarian visa despite sanctions imposed against him.

Fig. 5



The leaks, especially those pertaining to the secret negotiations, raise doubts of a high-level agreement between then Prime Minister Boyko Borisov and Russian President Vladimir Putin regarding the construction of Turkish Stream project – project cost of 3 billion leva, paid by Bulgarian budget, without any benefits for Bulgaria, but directly benefiting Putin while infringing Bulgarian tender, labor and ecological legislation.





GAME OF PARKING LOTS:

POWERFUL CRIMINALS CONTROL THE BORDER CROSSINGS BETWEEN BULGARIA AND ROMANIA

The video series Game of Parking Lots focused on a questionable contract, signed by the Ruse Municipality mayor, which provided a private company de facto control over a border crossing along the Danube River.

On the pretext of helping to alleviate heavy vehicle traffic in the city of Ruse, the municipality sold the building rights for a plot where a parking facility for heavy vehicles has since been built. As the ACF investigation has shown, the only two participants in the public procurement procedure were either directly or indirectly connected to Razmig Kerope Chakurian – Ami, an individual with links to organized crime.

An analysis of the contracting procedure and the contract between Ruse Municipality and the chosen

private company has revealed a number of issues: the asking price had been set arbitrarily and without any financial analysis of the project; the agreed amount was to be paid over 30 years, an unusually long period of time; no requirements were placed regarding how the parking facility should be operated; the awarded company had been founded just two days before the deadline for the submission of tender documents. Both the company and its sole owner Elshitza 99 Ltd. lacked experience in the building and operation of parking facilities.



The problem was much more serious than the low value of the deal and a contract which failed to defend the public interest. The scheme essentially established a monopoly over parking services and employed illegal pricing mechanisms. In addition, the private company was allowed to collect large volumes of information about all freight vehicles crossing the border and their loads.



Chakurian's name is implicated in another scandal involving a private company essentially capturing the provision of public services along border crossing. His company IBTT Ltd. operates a parking lot at the Kapital Andreevo border crossing along Bulgaria's border with Turkey. He is also linked to a private laboratory which, over a period of several years, carried out all the mandatory testing of goods along what is essentially a European Union external border.

“As with the Kapitan Andreevo scheme, here, too, we have a private company, engaged in activities falling solely within the scope of public institutions, distorting the market and gaining an unfair advantage over competitors. What is especially concerning in this attempt to create a monopoly are certain facts which raise suspicions that all of this is happening with the assistance of public institutions,” said Lora Georgieva, a member of ACF's legal team.



FIGHTING FOR THE TRUTH:

THREE JOURNALISTS THREATENED BECAUSE OF THEIR WORK UNCOVERING CORRUPTION

To illustrate the real damage that strategic litigation against public participation (also known as SLAPP) on free speech, ACF presented the personal stories of three journalists targeted by SLAPP proceedings.

As is the case globally, the main rationale for these proceedings is to intimidate critical journalists and civil society activists and prevent them from publishing their stories and informing the public on important issues.

The first featured journalist was **Venelina Popova**, a veteran journalist with the Bulgarian National Radio, who has been targeted with two separate SLAPP proceedings because of her work. In both cases, she emerged victorious, however, she spent a total of **five years** fighting both cases in court.



The series also featured **Nikolay Stoyanov**, a long-time financial editor at Capital weekly, known for his work on topics such as the bankruptcy of KTB bank, the OneCoin cryptocurrency scam, and the abuses at the state-owned Bulgarian Development Bank. Stoyanov was targeted by three separate SLAPP

bank, Stoyan Mavrodiev (currently a fugitive from justice), and Michael Timvios, a person linked with Mavrodiev.

The third interviewee was **Dimitar Petsov**, a freelance journalist and civic activist from Silistra who monitors the activities of local institutions and files requests for information under the Access to Public Information Act. In 2020, he was **falsely accused** of drug possession.



After ten months, the pre-trial proceedings against Petsov were dropped, and the evidence gathered showed that the journalist had actually been the victim of a crime.



ADVOCACY



ACF ADDRESSES SUPREME JUDICIAL COUNCIL REGARDING THE EIGHT DWARFS INVESTIGATION

*In January, ACF legal expert Andrei Yankulov was heard by the Plenum of the Supreme Judicial Council. The hearing focused on the ACF investigation *The Eight Dwarfs* which dates back to 2020.*

In the course of the investigation ACF uncovered shocking facts about an unlawful business seizure actively aided by representatives of public institutions, especially the now defunct Specialized Prosecutor's Office. During the hearing, **Mr. Yankulov** focused on the most flagrant violations carried out

by public officials such as the seizure of large amounts of gold and cash which were seized as physical evidence and were subsequently not returned. The SJC also heard from acting Prosecutor **General Borislav Sarafov**, who has been implicated in *The Eight Dwarfs* investigation.

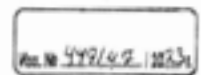
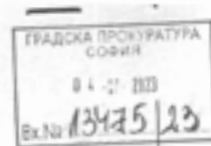


EVIDENCE OF CRIMES:

ACF REPORTS ABOUT CYBER CRIMERS DURING THE SUPREME JUDICIAL COUNCIL ELECTIONS

ACF has alerted the Sofia City Prosecutor's Office (SCP) of cybercrimes that had been committed during the voting procedure to elect six judges to the Supreme Judicial Council (SJC).

The vote was held in *June 2022*. News of the manipulation of the electronic voting system first broke in *January 2023* when an article by Capital weekly cited the results of an investigation initiated after three candidates challenged the election results. In *February 2023*, a five-member joint panel of judges from the Supreme Court of Cassation and the Supreme Administrative Court ruled that the election procedure had met all necessary legal requirements.



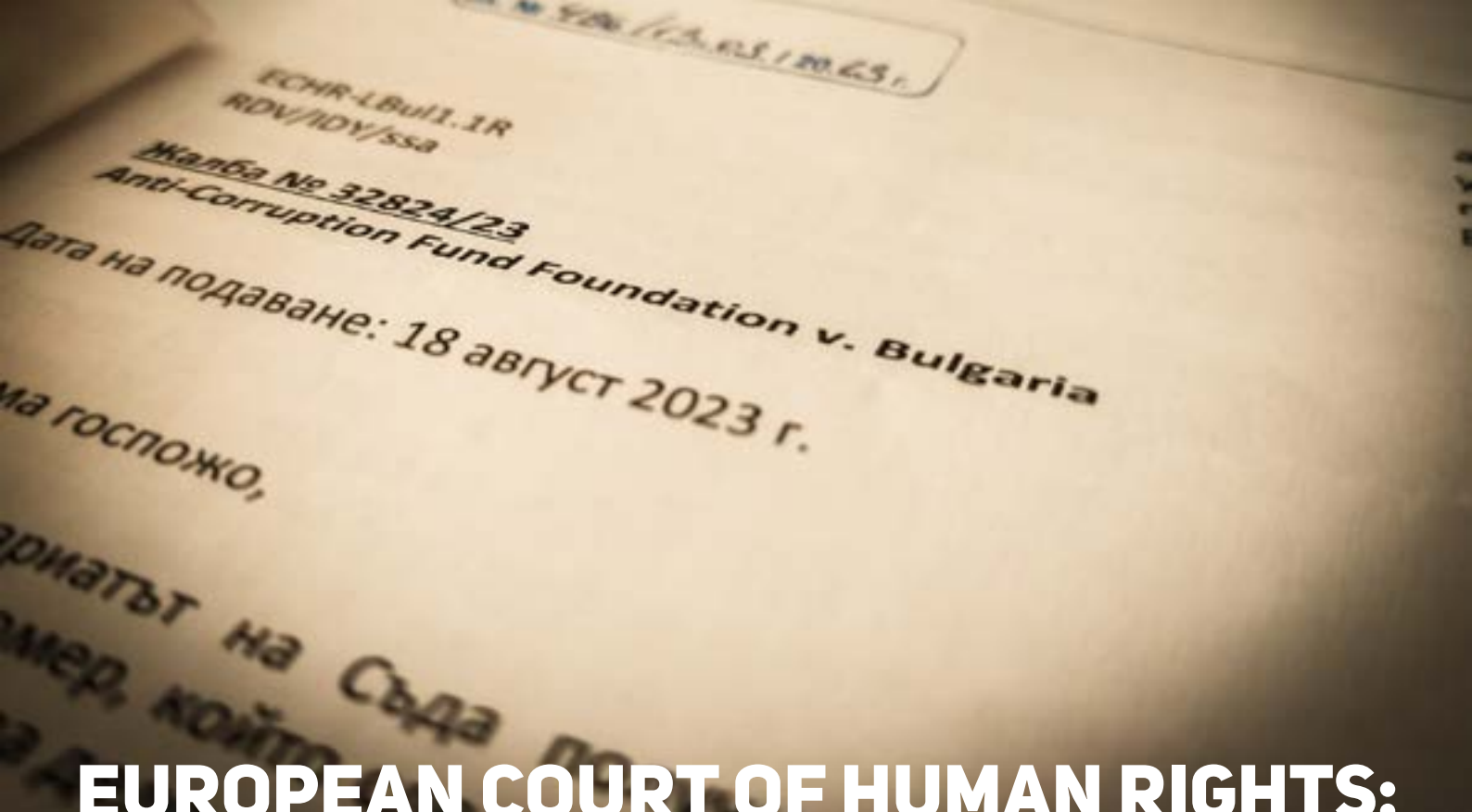
ДО
СОФИЙСКА ГРАДСКА
ПРОКУРАТУРА

СЪОБЩЕНИЕ ЗА ИЗВЪРШЕНО
ПРЕСТЪПЛЕНИЕ

на основание чл. 205, ал. 1 и 209, ал. 2 от
Наказателно-процесуалния кодекс

От
Фондация „АНТИКОРУПЦИОНЕН
ФОНД“, ЕИК 177101397, представлявана
от Бойко Христов Станкушев - директор
Адрес за кореспонденция: гр. София 1000,
ул. „Княз Борис І“ 71, офис 2
acf@acf.bg

According to **Boyko Stankushev**, director of the ACF, the evidence that ACF had presented to the public prosecution was sound and represented sufficient grounds for initiating criminal proceedings. Despite the evidence of serious manipulations, the public prosecution **denied to initiate investigation**. The prosecution decree was appealed before the higher-level prosecutor.



EUROPEAN COURT OF HUMAN RIGHTS:

ACF FILES APPLICATION REGARDING BULGARIAN ANTI-CORRUPTION COMMISSIONS' REFUSAL TO DISCLOSE INFORMATION

In August 2023, ACF filed an application with the European Court of Human Rights (ECtHR) over the refusal of the Anti-Corruption Commission (CAFIAP) to disclose its decisions to initiate proceedings for the confiscation of illegally acquired property.

ACF had requested access to the decisions (*under the provisions of the Access to Public information Act*) as they could show the nature of the checks that had been carried out by CAFIAP, the facts established following those checks, as well as the criteria and legal conclusions that led to the initiation of legal procedures affecting the property rights of Bulgarian citizens. Prior to the filing of the ECHR application, the ACF and CAFIAP were involved in a lengthy legal battle with the public body repeatedly refusing to provide the

requested documents even after two Bulgarian courts had ruled **it is obliged to do so.**

ACF sent a complaint to the ECtHR because it is a matter of a gross restriction of the right of access to information by the CAFIAP, as well as a **failure to comply with a final court decision.**

The ECHR has admitted ACF's application for hearing.

A hand is shown holding a newspaper, with a prominent red horizontal band across the middle. The background features a network of interconnected nodes and lines, suggesting a digital or analytical theme. The overall image conveys a sense of data analysis and information dissemination.

KEY ANALYTICAL PUBLICATIONS



CONCEPT NOTE FOR CRIMINAL JUSTICE REFORM

ANDREY YANKULOV

ACF and other civic organizations have long been calling for reforms of Bulgaria's criminal justice system which suffers from a number of systemic deficits. In March, ACF published a concept for criminal justice reform authored by Andrey Yankulov, senior legal advisor at ACF and former prosecutor and former Deputy-Minister of Justice and Interior.

The concept note received attention by major media outlets in Bulgaria.

According to Andrey Yankulov, real change is needed within the criminal justice system if high-level corruption — and the related **problems it creates**: *misuse of public funds, market distortions, risky investment climate, and media capture* — **is to be countered effectively**.

The text presents **detailed arguments** — including **historical data and comparisons** with the criminal justice systems in other countries — in support of the need to **end the complete monopoly of the Office**

of the Prosecutor General over all decisions pertaining to the investigation and prosecution of criminal cases. This monopoly is unknown in most of Europe and excludes the possibility of judicial control over the decisions of prosecutors.

The concept note also draws attention to the **excessive influence** of the Prosecutor General over the Supreme Judicial Council (SJC) and the de-facto supervisory control of the prosecution over the council's administrative functions which **lacks constitutional basis**.



THE PRICE OF FREE SPEECH

ACF ANALYZES 65 SLAPP CASES TARGETING BULGARIAN JOURNALISTS AND CIVIC ACTIVISTS

ACF compiled a first-of-its-kind report that systematically reviewed and examined Bulgaria's case law regarding the strategic litigation against public representation (SLAPP).

The authors of the report, ACF legal experts **Lora Georgieva** and **Sofia Zheleva** reviewed 65 civil, criminal, administrative-criminal and disciplinary proceedings initiated from 2000 until March 2023. Also reviewed are three decisions of the European Court of Human Rights on cases containing elements of SLAPP.

One negative trend that has been outlined is *the rising trend in the number of initiated SLAPP lawsuits*. Besides the number of cases, what has also grown are the amounts sought in compensation (in civil cases). In two of the most recent reviewed cases, the amount of compensation sought reached **BGN 1 mln.**

In addition, a relatively high percentage of all legal proceedings — **12.5%** (in civic cases) and **14%** (in criminal cases) — **end up with convictions of journalists.** Furthermore, even if the targets of the SLAPP actions are ultimately absolved by the courts, their cases typically go through all instances of the court system, lasting an average of nearly three years. For all of the 65 cases under review, Bulgarian journalists, media representatives, and civic activists spent a cumulative **181 years in courtrooms.**

The report also reviewed some additional forms of pressure used by those who seek to limit freedom of expression in Bulgaria, such as:

- unfounded administrative or administrative-criminal proceedings against media outlets and civic organizations;
- disciplinary proceedings;
- physical violence against journalists;
- interrogation of journalists in pre-trial proceedings as a tactic to uncover journalistic sources;
- charging journalists with crimes as a tool of applying institutional pressure;
- hate speech;
- threats and intimidation.

ANNUAL MONITORING REPORT 2022



PUBLIC INSTITUTIONS REMAIN BLIND ABOUT HIGH-LEVEL CORRUPTION

For a fifth year in a row, ACF has published its annual monitoring report of the work of the main anti-corruption bodies in Bulgaria — the Prosecution and the Anti-Corruption Commission (Commission for Anti-Corruption and the Forfeiture of Illegally Acquired Property - CAFIAP).

The report, authored by legal experts **Andrey Yankulov and Daniela Peneva**, reviewed **56 key investigations** into high-level corruption initiated by the Prosecution and **124 decisions issued by the CAFIAP**.

According to Mr. Yankulov, *“for another year, the actions of the anti-corruption authorities failed to reflect the true state of high-level public sector corruption”*.

In six years, prosecutors achieved a single conviction with an effective prison sentence (*out of four convictions in total*). Final acquittals significantly dominate — there are **15** of them altogether. Most acquittals (13) were issued on the basis that the charges brought forward by prosecutors did not fit the legal definition of the alleged crimes — for acts that the court considered not constituting crimes in the first place.



The situation is similar in the specialized anti-corruption body, CAFIAP, which **failed to determine conflicts of interest in 80% of the reviewed cases**. The confiscation procedures, representing the largest part of the CAFIAP's activity is held in an arbitrary manner, significantly affecting citizen's property rights. The procedure is held **ineffectively** – the majority of confiscation claims of the Commission are rejected by the court as ungrounded, and the Commission is to pay all the case expenses, including for claimed

non-existing property, which de facto can never be confiscated. In addition, affected individuals are entitled to claim punity damages, as their assets remain frozen for the whole duration of court proceedings.

For ACF, the above statistics and the details of the reviewed cases show that Bulgarian anti-corruption institutions are still far from being systematic, professional, and independent in the fight against corruption.



THE NEW ACT ON PREVENTING AND FIGHTING CORRUPTION ACT:

LACK OF COMPREHENSIVE REFORM VISION

In October 2023, changes in the legal framework for detecting and investigating corruption-related crimes came into force. ACF's Andrey Yankulov published an analysis of the legal amendments which has been widely quoted by the media and noted by other civil activists and legal experts.

One significant step taken by lawmakers was the dismantling of the Commission for Counteracting Corruption and the Forfeiture of Illegally Acquired Property (CAFIAP) which was divided into two bodies: *Commission on the Forfeiture of Illegally Acquired Property* and *Commission for the Counteracting of Corruption*. Of the two new bodies, the latter, will, for the first time, have investigative functions.

According to **Mr. Yankulov**, however, unfortunately, the restructuring was

carried out without any analysis of the results of CAFIAP's activities to detect corruption-related crimes. Thus, the new set of reforms seems like the latest round of a vicious cycle:

- radical revamp of the anti-corruption legislative framework
- formalistic proclamations of success
- lack of clear results
- lack of analysis of errors and deficiencies
- calls for new sweeping changes.

“This vicious cycle tends to repeat every few years,” said Andrey Yankulov. “The current reform effort is a silent admission of the failure of the reforms back in 2018.”

Mr. Yankulov also pointed out that the new legal framework for the detection and investigation of corruption-related crimes failed to address well-known problems:

- the narrow legal definition of corruption-related crimes;
- the complicated procedure for making referrals to the public prosecution;
- limited powers of investigative bodies;
- lack of mechanism to appeal prosecutors’ decisions to close criminal proceedings,
- and other unresolved issues.

RED LINE AWARDS 2023

2023 НАГРАДИ
ЗА ЖУРНАЛИСТИКА
СРЕЩУ КОРУПЦИЯТА



ACF received a record number of nominations for its 2023 Red Line Journalism Against Corruption Award. The winners, selected out of 56 nominated journalists, were announced at an awards ceremony at Sofia's Odeon Cinema in December 2023.

Genka Shikerova, *Radio Free Europe / Radio Liberty*, received a special award for **bravery and determination**. Shikerova was nominated for a series of reports about the questionable tactics employed by Russia to assume control over expensive properties in Bulgaria. Another investigation focuses on the attempts of a politically connected businessman to acquire the publicly owned International Fair Plovdiv, the largest exhibition space of this kind in Southeastern Europe.



Veronika Dimitrova, *Nova Broadcasting Group*, received the award in the category **Investigative Journalism** for a report shedding light on an extortion scheme at a municipal cemetery in Sofia.



Bogdana Lazarova, *Bulgarian National Television*, received the award in the category **Rule of Law**. Her investigation titled "Why More Than 200,000 Bulgarians Lack Identification Documents" shows the predicaments of people without identity documents.



Emilia Dimitrova-Dankova from *Sevlievo Online*, part of the independent regional journalism network *Za Istinata*, received the award in the **Regional Journalism** category. In the period from March to October 2023, Dankova published several articles about the problems at the public psychiatric hospital in Sevlievo.



Elitsa Simeonova from *Radio Free Europe / Radio Liberty* was the winner in the category **Young Journalist**. Her report focused on the longstanding problem with air pollution in the town of Gulubovo.



The winners were selected by a jury which included: **Dr. Svetoslav Terziev**, a journalist with the newspaper *Sega* and faculty member of Sofia University St. Kliment Ohridski; **Venelin Petkov**, Member of the Board of *ACF*; **Tatiana Vaksberg**, Editor-in-Chief of the Sofia bureau of *Radio Free Europe / Radio Liberty* (she refrained from voting in categories that featured her colleagues among the nominees); **Sofia Razboinikova**, Member of the Board of the *Bulgarian Lawyers for Human Rights Foundation*; and **Vesela Todorova**, Public Outreach Coordinator, *ACF*.

The ceremony, was attended by several high-ranking members of the diplomatic corps, including **Simon Van der Burg**, Head of Mission at the *Dutch Embassy Sofia* and **Elizabeth Chapman**, Deputy Head of Mission at the *British Embassy Sofia*, who presented **Elitsa Simeonova** with an additional award.





IMPACT OF CORRUPTION INVESTIGATION CASES

“EIGHT DWARFS” CASE

In May 2023, the Prosecutor’s Office issued a warrant for the arrest of Petyo Petrov, also known as „Pepi the Euro,“ the main figure in ACF’s „Eight Dwarfs“ investigation. Petrov was suspected of using threats to coerce individuals to act against their will from 2018 to May 29, 2023.

Later that year, the Sofia City Prosecutor’s Office charged Petyo Petrov, his former wife Lyubena Pavlova, and a prosecutor from the now-defunct Specialized Prosecutor’s Office with **abuse of power and concealing material evidence** related to the alleged criminal scheme uncovered in ACF’s investigations.

In July, the Plenum of the Supreme Judicial Council held a special hearing on the „Eight Dwarfs“ case, initiated by the minister of justice Atanas Slavov, where it heard from Andrey Yankulov of the ACF team and the acting Prosecutor General Borislav Sarafov. During the hearing, Mr. Sarafov revealed that a

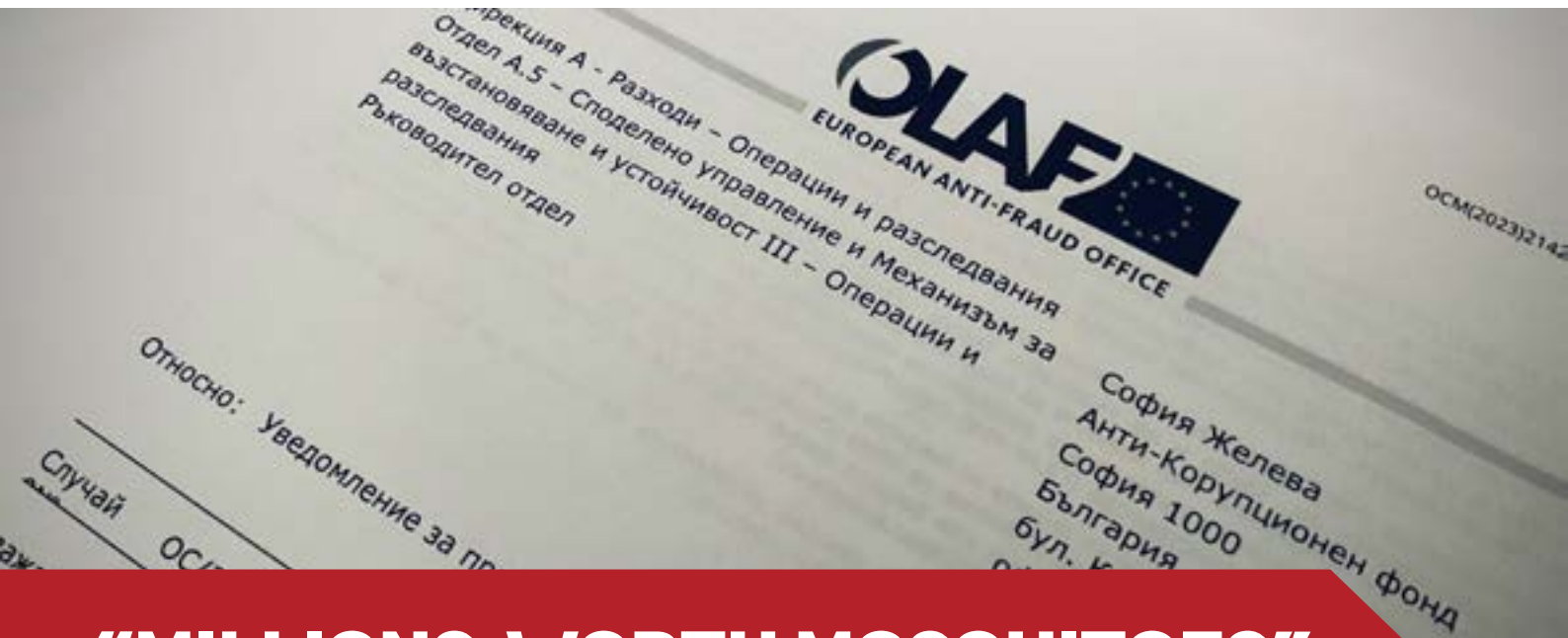
2020 report from the Inspectorate of the Supreme Cassation Prosecutor’s Office had found **legal violations** in the prosecution’s handling of the „Eight Dwarfs“ case. The previous prosecutor general, Mr. Ivan Geshev, had kept the report confidential. Justice Minister Atanas Slavov expressed his intention to propose a thorough investigation of the report’s findings by the Plenum.





In the very end of 2023, a Daniela Taleva, a Specially Appointed Prosecutor began her investigation under the newly adopted accountability mechanism of the prosecutor general and his deputies. Taleva's investigation focused into the then-Deputy Prosecutor General, Mr. Sarafov, based on allegations of his involvement in

the criminal activities of the „Eight Dwarfs“ network. This action was prompted by ACF's publication of photos showing a close relationship between Mr. Sarafov and Petrov, along with testimonies from key individuals connected to the „Eight Dwarfs case.“



“MILLIONS-WORTH MOSQUITOES”

SIX YEARS LATER

Six years after ACF published its investigation and reported a case to the EU's Service for the Investigation of Fraud (OLAF) regarding a public procurement for mosquito population control along the Danube River, the service confirmed the sanctions imposed by national authorities totaling BGN 188,000 (EUR 95,000).



IMPACT OF ACF ANALYSES

Key institutional actors in the fields of anti-corruption and the rule of law, such as the US State Department and the European Commission, have relied on the ACF analyses such as the ACF Annual Monitoring Report in their recent analytical and policy documents about Bulgaria.



ANNUAL MONITORING REPORT

The US Department of State's country report on Bulgaria, specifically its section four, „*Corruption and Lack of Transparency in Government*,“ cited the main conclusion of ACF's annual monitoring report for 2022. It stated that the criminal justice proceedings conducted by the authorities were inadequate to address the actual corruption level in the public sector. This failure concealed the true extent of high-level government corruption.

The State Department report also mentioned data presented by ACF about **49 investigations** against high-profile former ministers, deputy ministers, National Assembly members, magistrates, mayors, and regional governors on charges of suspected high-level corruption. In the previous six years, only three investigations had resulted in convictions and 14 in not-guilty verdicts.

The 2023 EC's **Rule of Law** report on Bulgaria cited "*The Eight Dwarfs*" case as an example of the Prosecutor's Office's inaction in the face of numerous allegations of corruption and crimes.

ACF'S ELECTION FRAUD ANALYSIS

In *October 2023*, The Ministry of Regional Development and Public Works of Bulgaria has initiated an analysis of an unusually high number of registrations at the current address and requests for voting at the current address in small settlements before the local elections scheduled for *October 29, 2023*. The problem was identified in a series of analyses about so-called "*polling stations at risk*" of vote fraud, which the ACF published in 2023. The high percentage of additional people in the voter lists could seriously impact the election results in these settlements.

CONCEPT FOR CRIMINAL JUSTICE REFORM

Since its establishment, ACF has been one of the most vocal proponents of making the Prosecutor's Office in Bulgaria **more accountable**, subject to institutional control from outside of its ranks. ACF's visions were fully developed in the *Concept for Criminal Justice Reform*, published in March 2023. In 2023, the Bulgarian Parliament finally voted on amendments in the Criminal Procedural Code allowing for **enhanced judicial control** over some prosecutorial acts changes in the Criminal Procedure Code. Even if partial, such amendments are a step in the right direction. The implementation of full judicial oversight (over all prosecutorial acts) is an essential *de lege ferenda* recommendation that ACF has been persistently advocating for the last several years.

The full judicial oversight is a manifestation of independent outside control over the prosecutorial acts to ensure rule of law checks and balances and effective criminal investigation.

IMPACT OF KEY LITIGATIONS WON BY THE ACF

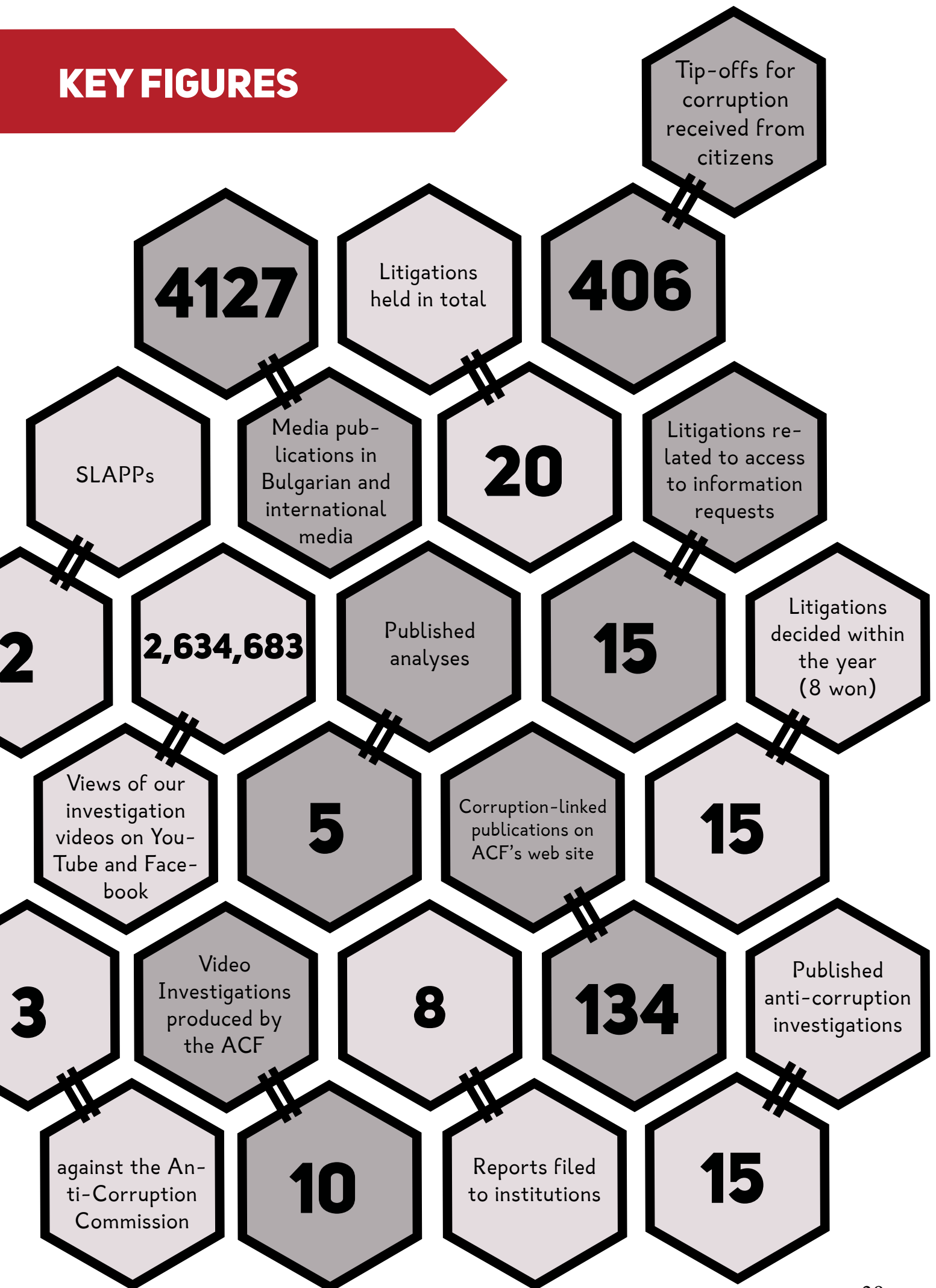


LITIGATION AT THE EUROPEAN COURT OF HUMAN RIGHTS (ECHR)

ECHR has admitted the ACF's application against Bulgaria. 's (CAFIAP). This application challenges the lack of effective national remedy of the freedom of expression, due to the refusal of the Anti-Corruption Commission to disclose its decisions related to the initiation of proceedings for the confiscation of illegally acquired property even after a final and binding court decision.

The ACF submitted its application to the ECHR on August 18, 2023, in response to CAFIAP's refusal to comply with a ruling by the Sofia City Administrative Court in November 2022. The ruling mandated CAFIAP to provide full access to its decisions, as they cannot be considered official secrets.

KEY FIGURES



FINANCIALS

Operating revenues (Thousands BGN)		2023
America for Bulgaria Foundation		510
Active Citizens Fund		58
German Marshall Fund		42
Konrad Adenauer Foundation		25
Embassy of the Kingdom of Netherlands		2
Donations		5
Total		642

2023	Operating expenses (Thousands BGN)
467	Program and staff expenses
25	Financial and accounting services
24	Overhead expenses
82	Outside services
6	Amortization
35	Other (per diem, office supplies)
639	Total

ACF BOARD AND TEAM

BOARD



Boyko Stankushev
*Director of ACF and
member of the Board*



Joeri Buhrer Tavanier
Chairman of the Board



Svetozara Petkova
Member of the Board



Nikolay Stoyanov
Member of the Board



Paul H. Pardew
Member of the Board



Joanna Rohozinska
Member of the Board



Venelin Petkov
Member of the Board



Nikolay Staykov
*Co-founder and
Investigative journalist*



Lora Georgieva-Mateeva
*Senior Legal Advisor and Legal
Program Coordinator*



Denitsa Rukanova
Senior legal Advisor



Andrey Yankulov
Senior legal Advisor



Sofiya Zheleva
Legal Advisor



Daniela Peneva
Legal Advisor



Mario Rusinov
Political and data analyst



Stefan Krastev
Public outreach coordinator



Vesela Todorova
*Content creator and
Public outreach expert*



Atanas Hristoskov
Audio-visual director

TEAM