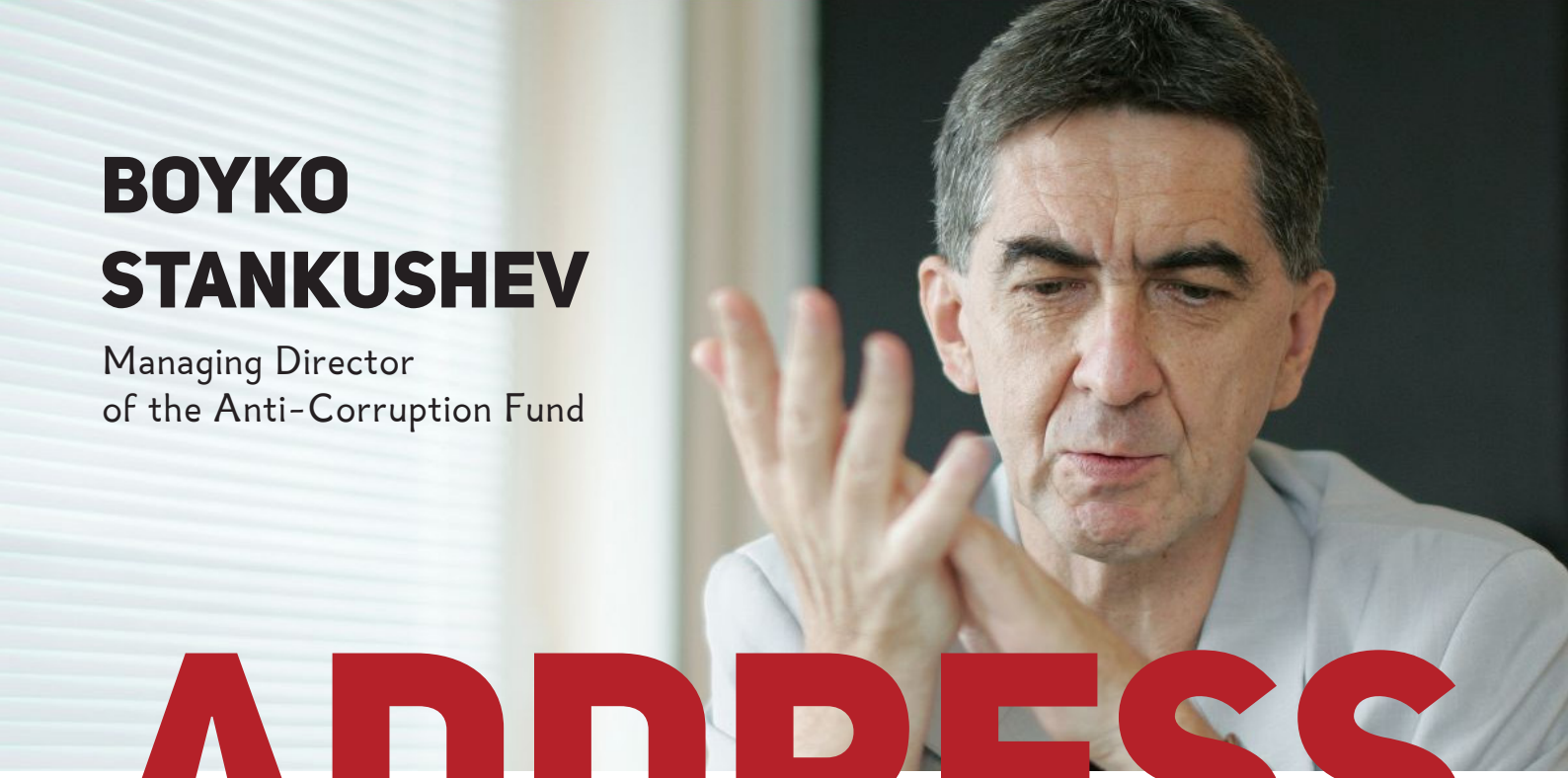
ANTI
CORRUPTION
FUND

ANNUAL REPORT

2021



BOYKO STANKUSHEV

Managing Director
of the Anti-Corruption Fund

ADDRESS

We, the present-day Bulgarians, live at the same time as the other nations, but we also have a painful sense of self that, to a considerable extent, distinguishes us. According to the rankings, we are the unhappiest nation in the European Union and also the poorest. Almost two million people have left the country to seek a better life elsewhere. And the most accurate sociology, as we know, is that of the border crossings. Those Bulgarians who have remained and are dreaming of being free citizens ask themselves:

"What is the way to get closer to their happiness?"

We, the Anti-Corruption Fund team, as human beings and as experts, have been making efforts along this path for years. These efforts focus on countering corruption, especially in high places of power. The corruption that makes the lawbreakers even richer at the expense of the majority. The corruption that feeds those who manipulate public opinion, rig election results, crush the media and even buy their way into justice. The corruption that makes the beautiful and lofty words of the constitution, the moral codes, and all the supposedly democratic writings lose their meaning.

For there can be no half-democracy, just as there is no half-truth or half-crime.

It may sound far-fetched and pessimistic, but our bitter experience in exposing the massive misuse of public funds proves just that.

The Anti-Corruption Fund's investigations and analyses have shown that extraordinary enrichment in our country is almost always based on criminal schemes. And worse, politicians

and magistrates are involved in these schemes, symbiotically linked in ingenious criminal networks. It has come to the point where strongmen and entities with criminal backgrounds are integrated into the security and propaganda machines of these same politicians and magistrates.

Moreover, these criminal entities are often the masterminds of large-scale structures to manipulate and buy citizens' votes. It is difficult to find another country in the EU where the underworld and the upper echelons of the institutions are one and the same. What is more, these people unceremoniously manifest their vast material wealth, but to remain untouchable, they successfully pretend to be democrats to our Western partners. And unfortunately, they - prime ministers, ministers, magistrates, MPs – have been successful! And here we are today, in a plundered and ruined country that the people will find difficult to take back, and the grim triumph of the underworld threaten once again to make the rule of law meaningless.

The great Confucius diagnosed it 25 centuries ago:

"In a country governed by reason, poverty and destitution are shameful. And in a country governed without reason, wealth and honors are shameful."

But still, even in this situation I wanted to tell you:

It is worth walking towards happiness.

https://www.theglobaleconomy.com/rankings/happiness/European-union/

ABOUT US

The Anti-Corruption Fund (ACF) works in the interest of Bulgarian citizens by investigating, preventing, and disrupting corruption at all levels in Bulgaria.

ACF acts as an advocacy organization, aiming to encourage state institutions' proactive investigation of corruption practices. Our approach is to carry out our own research on suspected corruption and conflicts of interest, and demand reaction from institutions. We screen reputable regional and national media and receive tipoffs from citizen activists and whistleblowers. We request public documents from all the relevant institutions, citing Bulgaria's Access to Public Information Act. We evaluate the cases 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.

ACF also uses various social media channels and audiovisual production to reach out to the citizens and encourage broad citizen involvement with reporting and fighting corruption.

Finally, the ACF works to develop a more cooperative and inclusive community of independent journalists and civic activists who share the values of fighting against corruption.

The foundation does not carry out any economic activities. It relies on donations from funding organizations and private persons to finance its operations.

In 2021, ACF worked on projects funded by America for Bulgaria Foundation and the Active Citizens Fund Bulgaria under the EEA Grants 2014-2021 funding mechanism. Additional partners included the Konrad-Adenauer-Stiftung Foundation and the Embassy of the Netherlands in Bulgaria.

Below we present a summary of ACF's key investigations in 2021 and the public institutions' reactions.

ACF INVESTIGATIONS



IN 2021



"LIST OF QUICK CONTROL"

LOBBYING SCHEMES IN THE SPECIALIZED JUDICIARY

How to change a court decision from prison to house arrest? Who are the 'professionals' able to influence the judges of the Specialized Court? What is the price, and how long does it take to deliver the "service"?

The Anti-Corruption Fund's (ACF) new investigation, "List of Quick Control: The story of Veselin Denkov and the Specialized Judiciary," elucidates lobbying mechanisms in the Specialized Judiciary. The investigation is based on eyewitness accounts and recordings of secret conversations with middlemen with contacts in the Specialized Judiciary.



The investigation traces the story of Veselin Denkov, owner of popular Sofia restaurants, detained in September 2020 on charges of participating in an organized criminal group for usury. Several middlemen, pretending to have influence over the judges of the Specialized Court, approached Denkov's partner, Ivayla Bakalova, and offered their professional help – first to change Denkov's measure of restraint and then bring his case to a favorable court decision.



"LIST OF QUICK CONTROL 1 AND 2"

THE MIDDLEMEN "TALKING TO GOD"

The first two parts of the investigation contain records of conversations with two "consultants" about the possible price (EUR 100 thousand) of changing Denkov's remand measure to a lighter one.



Emil Piskov



Martin Bojanov

One of the people on the records is attorney Emil Piskov, a former employee of the General Directorate for Combating Organized Crime and the State Agency for National Security. He lives in a declared cohabitation with Judge Margarita Nemska of the Sofia City Administrative Court, a former deputy city prosecutor of Sofia. His "colleague" is Martin Bojanov , who presents himself as a consultant known as "The Notary." Publications link him to dubious property deals. In the records, the two consultants discuss the possible price (EUR 100 thousand) of changing Denkov's remand measure to a lighter one.

"There is material for a serious investigation of corruption influences and practices in the judiciary in the recordings released in the film," commented Andrey Yankulov, a former prosecutor and senior legal expert at the ACF.

In June 2021, a week after ACF sent journalistic questions to some of the protagonists of the investigation, Veselin Denkov is released under house arrest.

WHEN IT DOESN'T WORK THE STANDARD WAY: PARTIALLY LEGAL INVESTIGATIONS AND SCHEMES OF UNLAWFUL INFLUENCE

The third part contains secret recordings of the former Prime Minister's Adviser Yane Yanev , where he discusses his meetings and talks with the chairman of the Commission for Combating Corruption and former Prosecutor General Sotir Tsatsarov on the Denkov case.

In addition to Tsatsarov, Yanev has spoken about the case with at least two judges from the Specialized Criminal Court.



Yane Yanev

According to Yanev, there are two investigations on Denkov at the State Agency for National Security, in which special intelligence means have been applied, and the arrests have been coordinated personally with Prime Minister Borissov.

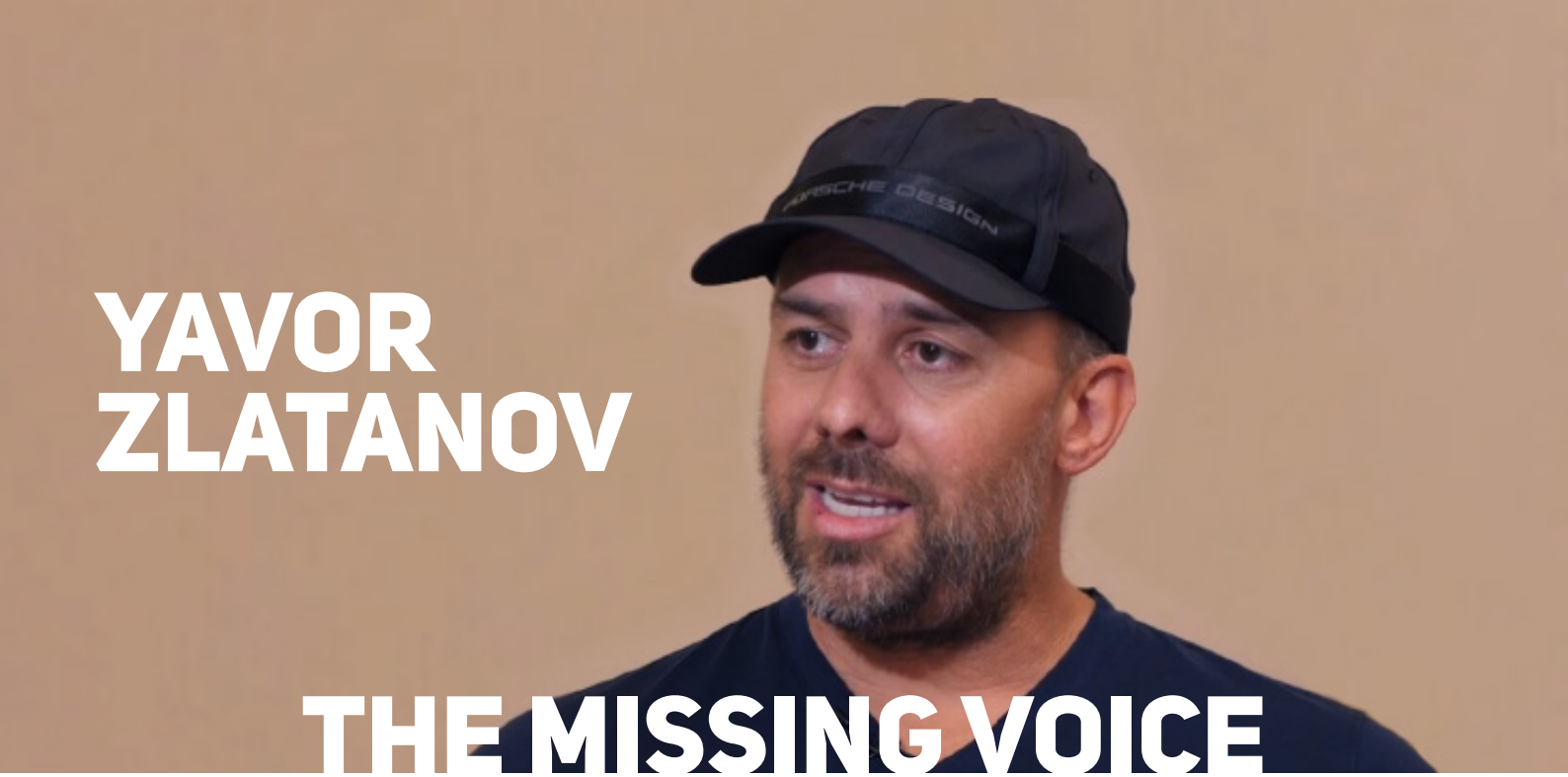
The recorded conversations raise the questions of possible:

- interference by a member of the executive branch - the then Prime Minister Boyko Borissov - in the judiciary and the Commission for Combating Corruption and Confiscation of Illegally Acquired Property.
- perjury by protected witnesses in the case against Veselin Denkov.
- interference by the Prosecutor General Ivan Geshev in the work of the specialized courts.
- interference by the administrative head of the Appellate Specialized Court in the work of the court panels in specific cases.
- multiple ethical violations.

The second episode of the investigation thus contains evidence of dubious investigative practices of the prosecutor's office, open to potential political pressure and suggestive of a larger problem with the separation of powers between the executive and judicial branch in Bulgaria.

"The investigation elucidates the mechanisms of lobbying in the specialized judiciary in Bulgaria; it also provides information about undue influences in key appointments in the judiciary. The investigation poses the question of whether the separation of powers and court independence in Bulgaria are real or just on paper?"

- commented the investigation author Nikolay Staykov.



YAVOR ZLATANOV

THE MISSING VOICE IN THE "EIGHT DWARFS" STORY

In 2020, the Anti-Corruption Fund published "The Eight Dwarfs" investigation which revealed evidence about the involvement of law enforcement institutions in an unlawful business capture. It also showed evidence of the Specialized Prosecutor's Office's improper disposal of confiscated valuables.





In 2021, one of the main protagonists of the "The Eight Dwarfs" story, the businessman Yavor Zlatanov, decided to speak for the first time in front of the camera in an interview with Nikolay Staykov and Andrey Yankulov from the Anti-Corruption Fund (ACF).

Zlatanov, the missing voice from the story, recounted his brutal encounters with the specialized justice system which caused a grave illness and a serious disability. He spoke in detail about being blackmailed into transferring his shares in the family business to the wife of former magistrate Petro Petrov, known as "Petyo the Euro;" the price at which the Specialized Court "granted" him freedom from pre-trial detention; and what happened to his seized personal assets (cash and gold) worth **more than EUR 2.5 million**.

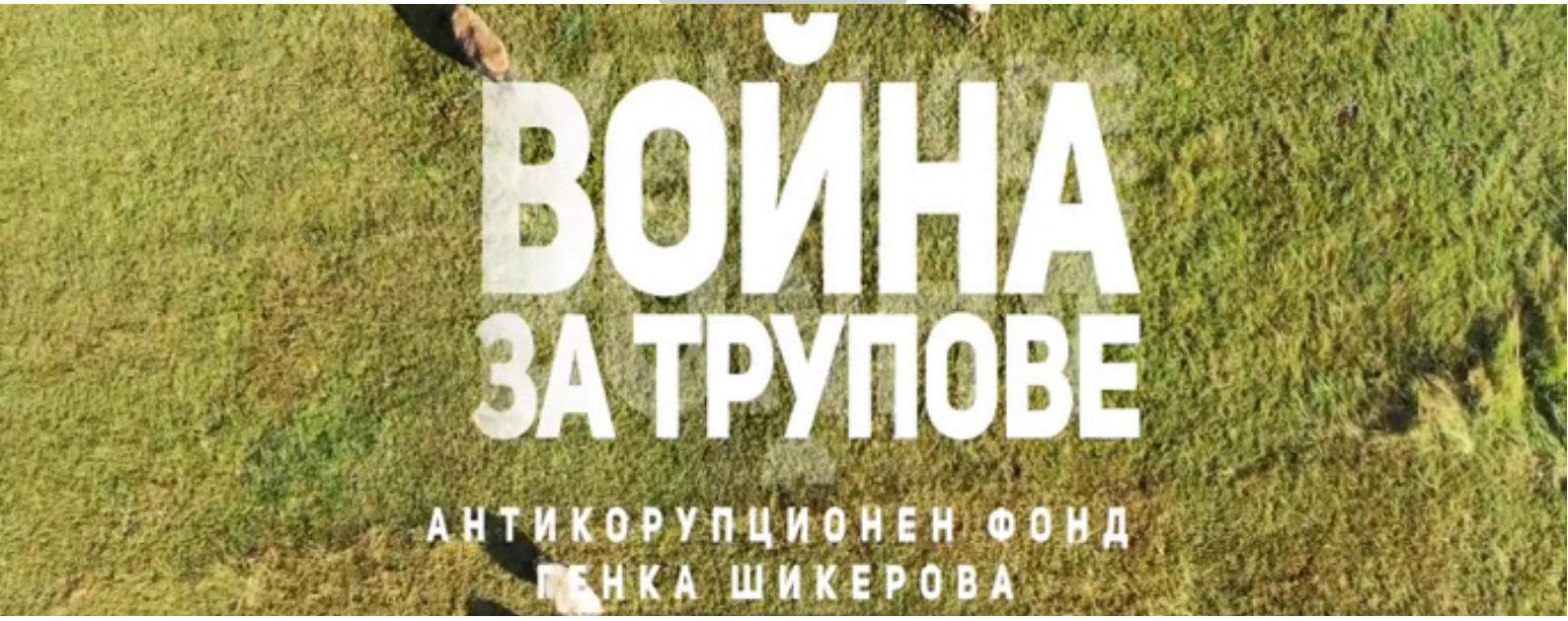
A particularly important is his account about the person giving the orders at the Governmental Hospital during the state of emergency in 2020 - Dimitar Frantisek Petrov from the Specialized Prosecutor's Office. Yavor Zlatanov was admitted to the hospital in an emergency, and there he signed the documents for the transfer of his company shares. Zlatanov also speaks about the role of attorneys, notaries, and the former Prosecutor General Sotir Tsatsarov, who also appear to be involved in the story.

After the publication of Part I in July 2020, the Sofia City Prosecutor's Office launched only a preliminary check to decide whether to launch a real investigation. The ACF assisted it and provided all the available materials and documents on the case. So far, the investigation does not seem to be completed, even though all legal deadlines have expired.

One of the prosecutors allegedly involved in the case, Dimitar Frantisek Petrov, was promoted by secondment to the Supreme Cassation Prosecutor's Office in March 2021. The Ministry of Interior's checks have so far failed to establish the reasons for the permanent police protection at the restaurant "The Eight Dwarfs" on "Sándor Petőfi" str. (the restaurant now has a different name), where Petyo Petrov "The Euro" held his meetings, for at least two years before its closure.

WAR FOR CARCASSES 2021: EVEN MORE MILLIONS FOR MOBILE INSINERATORS WITHOUT CAPACITY

Since August 2019, ACF and journalist Genka Shikerova have been investigating the irregularities of the contract between the Bulgarian Food and Safety Agency (BFSA) and mobile incinerator companies "Eco BG – SJP" Ltd and "Blue Cross 2016" Ltd., presenting them in the documentary video "War for Carcasses." The ACF's investigations raised serious doubts about the capacities of both companies' mobile incinerators to neutralize the record amounts of animal waste reported and paid for by the BFSA.



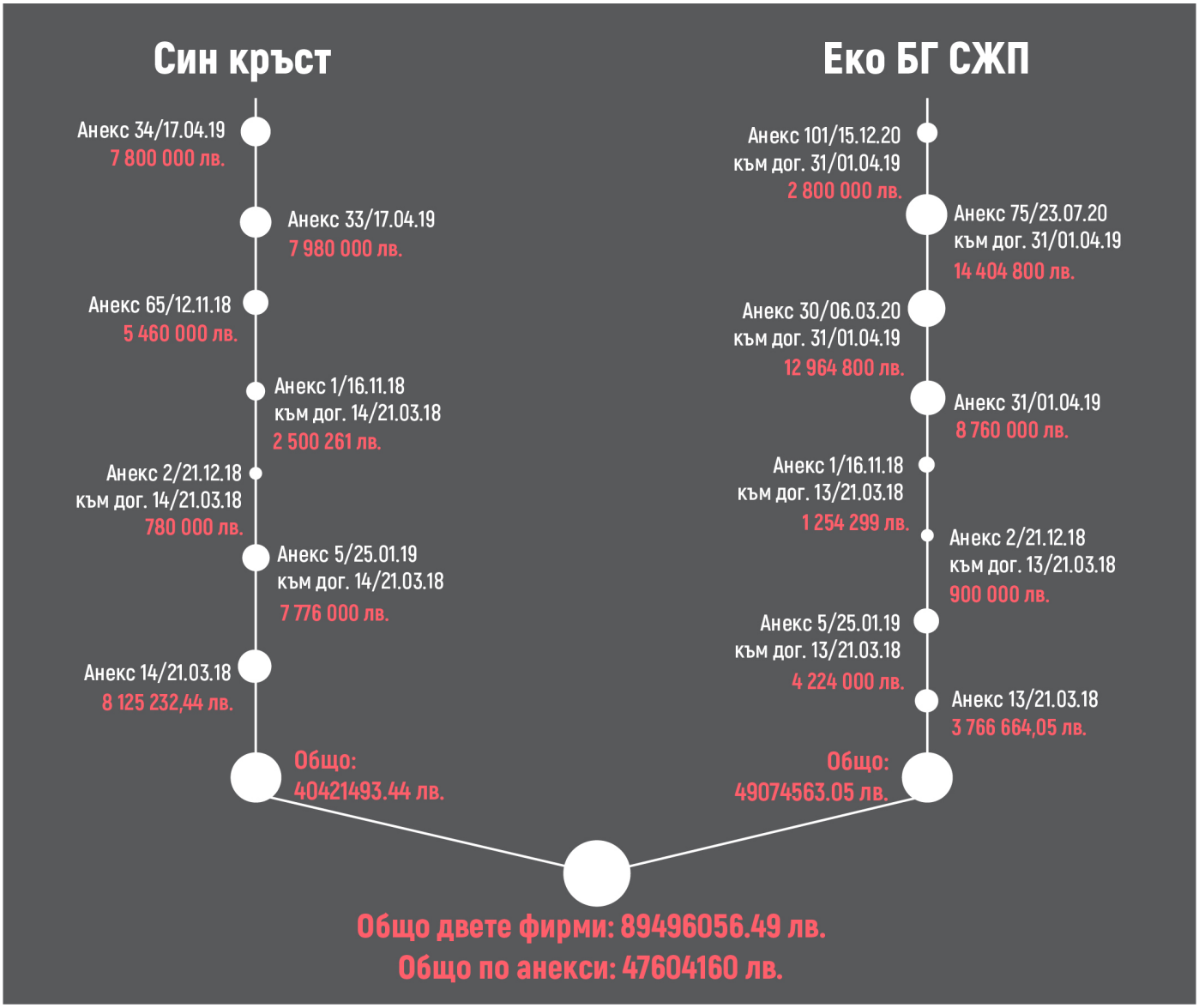
In 2020, the Public Financial Inspection Agency (PFIA) inspected and sanctioned the Bulgarian Food Safety Agency (BFSA) for committing multiple violations of the Public Procurement Act (PPA). The inspection was initiated following a report of the Anti-Corruption Fund (ACF) dated 8 August 2019 and submitted in the course of the "War for Carcasses" investigation.

Despite the identified violations and the sanctions from the PFIA, in the end of 2020 the BFSA extended the duration of the contacts with the two companies for another two years.

With four annexes from December 2020, BFSA extended the terms of all existing contracts with "Blue cross 2016" Ltd and "Eco BG – SGP" Ltd. Only in 2020, "Eco BG – SGP" had received a total of EUR 15 million from the BFSA above the contract. Between March 2018 and December 2020, the two companies received a total of EUR 45 million via contracts and annexes . The annexes violated the Public Procurement Act (PPA) and its specific provisions about amendments to already concluded contracts."

"Concluding new and new annexes in obvious violation of the Public Procurement Act hinders free competition. It restricts transparency and impairs the possibility for efficient spending of public funds," commented Lora Georgieva from the ACF legal team.

"We believe that it is in the public interest to have full transparency on this case, and we urge the PFIA to publish its findings," adds Atty. Lora Georgieva.



THE GOLDEN PUDDLE CASE 2021

STATE FEES UNLAWFULLY COLLECTED BY A PRIVATE COMPANY

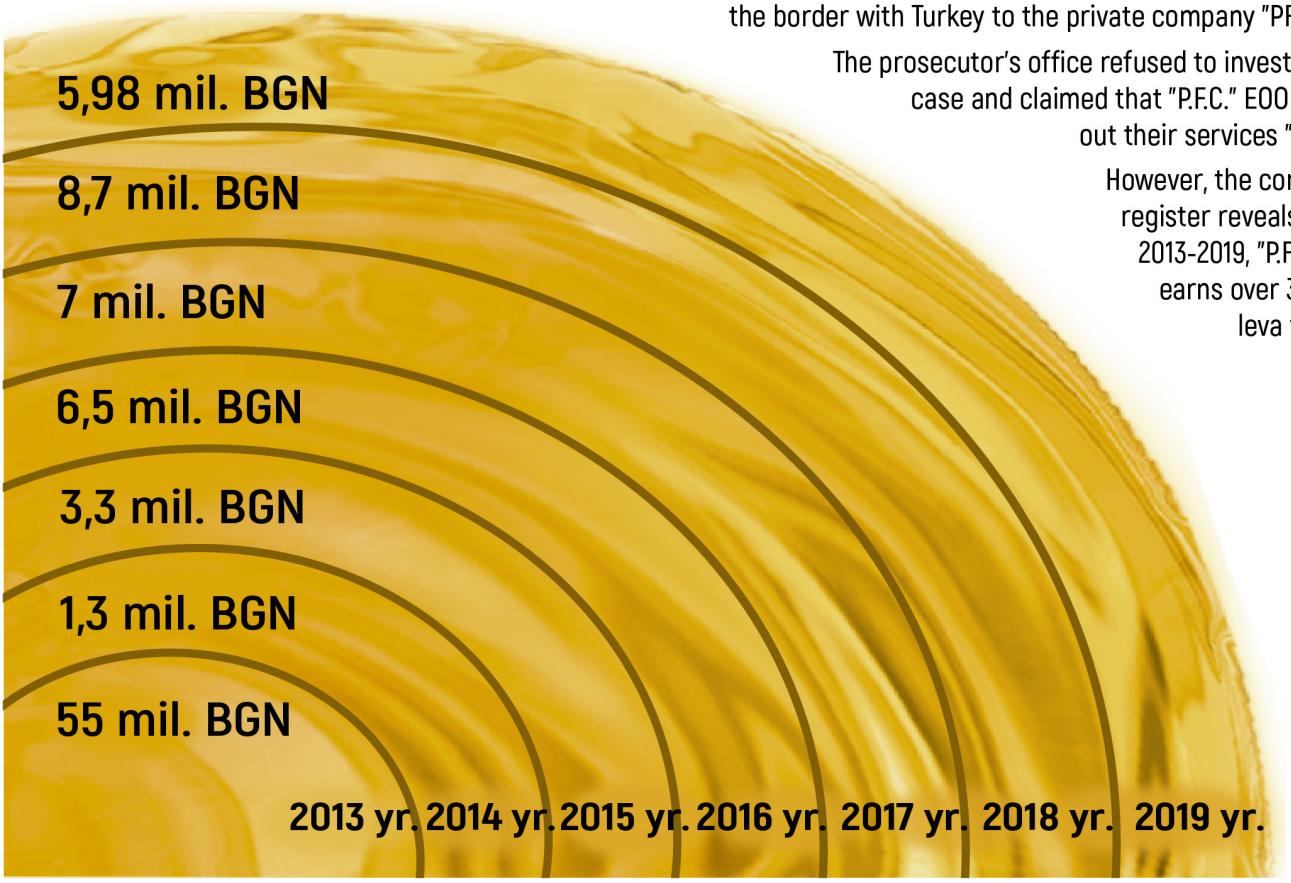
Since 2019, the ACF investigated another case, which became popular as the "Golden Puddle," where the Bulgarian Food Safety Agency (BFSA) unlawfully subcontracted the disinfection on the border with Turkey to a private company. The Veterinary Practice Act, the Ordinance on border veterinary inspection checkpoints, and the Ordinance on border checkpoints stipulate that prophylactic disinfection should be performed by employees of the governmental agency who are veterinarians. The BFSA is also the only body entitled to collecting state fees and they cannot be subcontracted to a private service provider.

How does the golden puddle grow?

Since 2013, the BFSA has been illegally assigning public disinfection of the border with Turkey to the private company "PFC" EOOD.

The prosecutor's office refused to investigate the case and claimed that "P.F.C." EOOD carried out their services "for free".

However, the commercial register reveals that for 2013-2019, "P.F.C." EOOD earns over 33 million leva from taxi for your services.



Thus, in blatant violation of the law, the company P.F.C. EOOD profited more than EUR 16.5 million from 2013 to date. ACF filed reports about the violations to the Agency for State Financial Inspection and the Prosecutor's Office. Without starting a preliminary check, the Sofia Prosecutor's Office refused to investigate the case, citing an opinion of the BFSA that there is no violation of the law.

ACF appealed the Sofia Prosecutor's Office refusal. In April 2021, The Appellate Prosecutor's Office overturned the refusal of the Sofia Prosecutor's Office, stating that *"There is no way to blindly credit the opinion of the BFSA without a full examination of the facts presented in the ACF report"*.

In June 2021, the director of BFSA was dismissed over the "Golden Puddle" case. Also In June 2021, upon a surprise inspection, the National Revenue Agency found EUR 16 million in the cash-desks of the company and ascertained that half of its receipt printers did not account for the revenue from the collected fees.

ACF urged the new Minister of Agriculture, Food and Forests in the caretaker government to exercise control over the contract signed by the BFSA and to take steps to declare it null and void.



THE MINISRTY OF THE INTERIOR

EU MONEY FOR SUB-STANDARD OFF-ROAD VEHICLES

In 2017, the Bulgarian Ministry of Interior published two procurement orders for the purchase of off-road vehicles under the EC's Emergency Support package aimed at protecting the borders of the European Union (EU). A total of 420 off-road vehicles were purchased for the Bulgarian police using the emergency financial assistance provided by the EC in 2016 – 2017, for a total price of EUR 12.5 million.



The ACF legal team reviewea the documentation on the procurement orders and identified lowered criteria, irregularities, and serious indicators for violations of the Public Procurement Act.

There was a significant discrepancy between the announced price for Lot 1 of the procurement— just over EUR 14 million— and the agreed price in the final contract published on the MoI website — just under EUR 6 million. The stark discrepancy between the projected and agreed price of a procurement order is a classic indicator of violations.





Нищожността на някоя от клаузите по Договора или на допълнително уговорени условия не води до нищожност на друга клауза или на Договора като цяло.

Член 26.

При подписването на настоящия Договор се представиха следните документи:
[•]
Неразделна част от настоящия Договор са следните приложения:

1. *Приложение № 1* – Техническа спецификация на Възложителя;
2. *Приложение № 2* – Техническо предложение на Изпълнителя;
3. *Приложение № 3* – Ценово предложение на Изпълнителя;
4. *Приложение № 4 – Списък със сервизите на Изпълнителя.*

Настоящият Договор се подписа в 3 (три) еднообразни екземпляра – 2 (два) за Възложителя и 1 (един) за Изпълнителя.

ЗА ВЪЗЛОЖИТЕЛЯ:	ЗА ИЗПЪЛНИТЕЛЯ:
Заличени на основание чл. 42, ал.5 от ЗОП, във връзка с чл.2, ал. 2 от ЗЗЛД	Заличени на основание чл. 42, ал.5 от ЗОП, във връзка с чл.2, ал. 2 от ЗЗЛД
(име, подпис и печат)	*(и..., подпис и печат)*
ДИРЕКТОР НА ДИРЕКЦИЯ „ОБЩЕСТВЕНИ ПОРЪЧКИ" – МВР ГЕОРГИ ЛЮБЕНОВ БАЛАБАНОВ	АСЕН ХАРИЕВ БОРАДЖИЕВ УПРАВИТЕЛ НА ФИРМА АСЕБО ЕООД
14/02/2018 г.	13.11 2018 г.
Лице, отговорно за счетоводните записвания	
Заличени на основание чл. 42, ал.5 от ЗОП, във връзка с чл.2, ал. 2 от ЗЗЛД	
Дата на подписване: 13.02 2018 г.	

Забележка: Проектът на този договор се допълва с всички предложения от офертата на определения изпълнител на обществената поръчка, съгласно изискванията на чл. 112, ал. 4 от ЗОП.

МИНИСТЕРСТВО НА ВЪТРЕШНИТЕ РАБОТИ
ДИРЕКЦИЯ "ОБЩЕСТВЕНИ ПОРЪЧКИ"
ВЯРНО С ОРИГИНАЛА
20..... г. подпис.....

The analysis of the relevant documentation also showed that the first lot of the procurement order was won by a firm specializing in the supply of banking software, with no experience in the field.

ACF submitted the analyses, including the identified indicators for violations, to the Director of European Anti-Fraud Office OLAF and urged the Ministry of Interior and OLAF to publish the entire documentation about the financial assistance and the public procurement orders.



EUR 7 MILLION FOR THE EXPANSION OF A NON-EXISTENT PORT NEAR VARNA

In 2017, the Municipality of Varna applied under the European Union's Maritime Affairs and Fisheries Program 2014-2020, under the "Investments in existing fishing ports" sector, with a project for the "modernization and reconstruction of the fishing port "Karantinata" in the "Karantinata" locality in Varna's Asparuhovo district." The project was worth almost EUR 7 million.

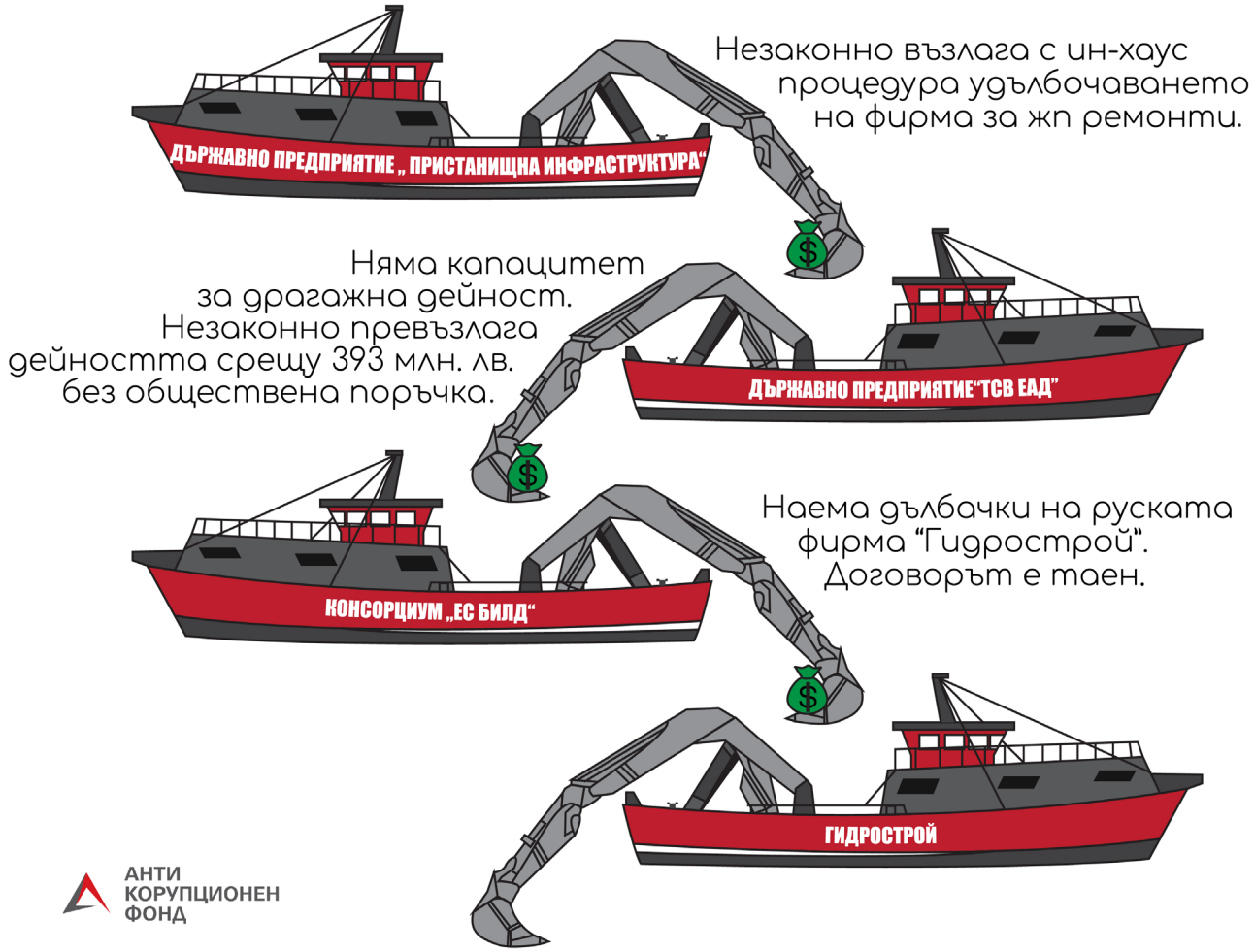
According to investigative journalist Spas Spasov's investigation, no fishing port or any other port whatsoever existed around 'Karantinata' until the funds were received under the European program. The construction of the harbor started in the fall of 2019. Until then, it was a narrow and wild beach at the southern end of Varna Bay.

Thus, the Municipality of Varna received funding targeted for reconstruction and used it for the construction of a brand-new fishing harbor. After the funds were received, a harbor with fishing harbor status was built on the beach site.



ACF filed a report with the Anti-Fraud Coordination Directorate, the Executive Agency for the Certification Audit of European Agricultural Funds, the European Anti-Fraud Office OLAF, and the Ministry of Agriculture, Food and Forestry. The ACF urged them to verify the reported irregularities in the Karantinata port modernization project, possibly affecting the European Union's financial interests.

Как държавата незаконно раздаде 393 млн. лева за удълбочаването на Варненското пристанище?



PUBLIC PROCUREMENT OF A LUXURY CAR FOR A SPECIFIC SUPPLIER



In 2020, the Municipality of Hadjidimovo published a public procurement for the supply of a car. The technical specification of the tender had unusually specific conditions: the vehicle had to be with a 9-speed automatic gearbox for 4×4 drive, engine capacity of 2925 cm3, 286 hp, vehicle width of 1905 mm, length of 5271 mm. In addition, the car must have "seats with contrast stitching, upper dashboard panel in synthetic leather" as well as "decorative elements in eucalyptus dark brown, gloss." Most surprising was the specific requirement that the vehicle must be used, with the year of first registration being the 10th month of 2017.

Media publications reveal that the Hadzhidimovo Municipality's tender characteristics were entirely identical to the characteristics of a Mercedes-Benz S350d L 4M AMG line facelift car advertised for sale on the website of a specific car dealer. Both the tender and the advertisement matched the listed minimum technical specifications.

In the beginning of 2021, the delivery contract was awarded to Hermes Auto Group Ltd. It was the company that advertised the luxury car on its website. It was also the only company to submit a bid, as evidenced by the minutes of the committee meeting.

The Anti-Corruption Fund (ACF) alerted the State Financial Inspection Agency (SFIA) about the suspicious public procurement.

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SUSPICIOUS PUBLIC PROCUREMENT IN DEFENCE MINISTER'S LAST DAYS OF OFFICE

In March 2021, just two weeks before the April 2021 Elections, the Ministry of Defense issued a procurement order for the supply of 36 cars for a total value of EUR 1.25 million.

Lot No. 1 of the procurement listed two "representative class" cars with standard off-road capability, with a technically permissible mass of up to 3.5 tons and a total estimated price of EUR 150,000.

The requirements stated that the cars must have 'leather interior, all-wheel drive, and an 8-speed automatic gearbox.' In addition, the maximum power of the vehicles had to be not less than 200 KW and the maximum speed not less than 240 km/h. The stated dimensions of the vehicles were very specific as well: 'length not less than 5100 mm' and 'width not less than 2100 mm'.

Thus, the technical specifications referred to a specific model, Audi A8: There was no other car on the Bulgarian market with these length and width parameters. *"These requirements violate the Public Procurement Law (PPL) by restricting free competition and leading to favoring or eliminating certain persons or certain products."*

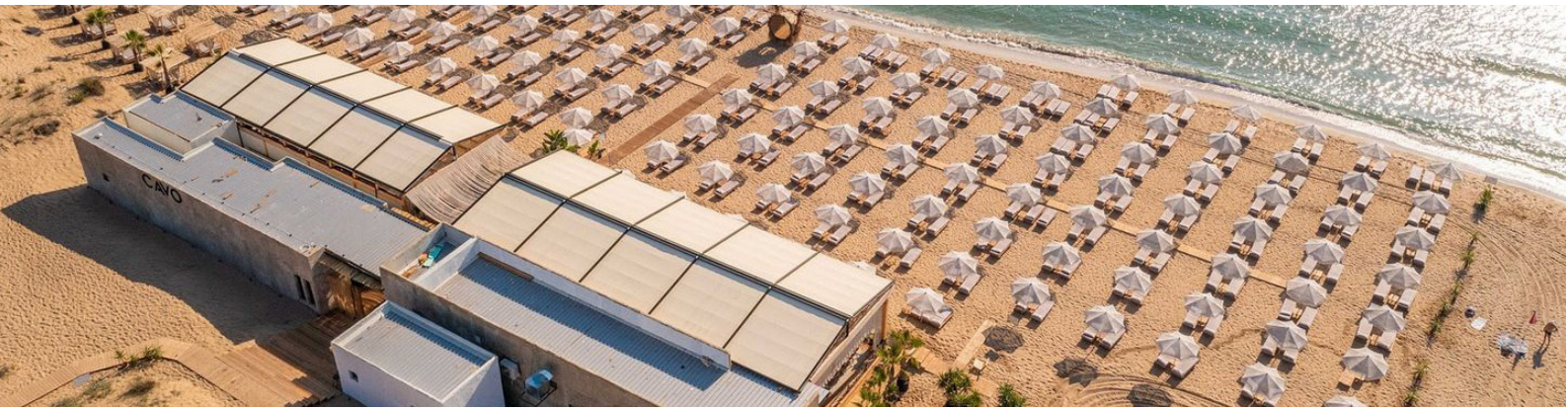
The Anti-Corruption Fund (ACF) has filed a report with the Public Procurement Agency about the questionable public procurement of the Ministry of Defense.



THE SMOKINYA BEACH

ILLEGAL CONSTRUCTIONS ON PROTECTED BEACHES

In May 2021, media reports revealed an illegal construction was erected on the Smokinya beach near Burgas by the concessionaire of the beach, Black Sea Coastal Group Ltd. The concessionaire claimed it was not a construction but an "installation of a relocatable object" for which all necessary documents and permits had been issued. The Mayor of Sozopol, under whose jurisdiction is the Smokinya Beach, and the National Building Control Directorate, both confirmed the claims of the concessionaire.



ACF experts analyzed the object and determined that it does not meet the legal definition of a relocatable object, and the permits for its placement have no legal basis. Moreover, it was built on a site with a special status, with severe restrictions on building activities aiming to preserve the natural landscape and nature.

In August 2021, ACF referred the case to the mayor of the town of Sozopol and asked him to conduct an on-site inspection, cut off access to the beach, and issue an order to remove the construction.

Following the ACF's assessment, the National Building Control Directorate carried out an inspection and found that the object on the beach was an illegal construction. The NBCD filed a report with the Supreme Administrative Prosecutor's Office because of the issued permits for the placement of relocatable objects on the beach. However, it claimed it had no power to remove the object, as the jurisdiction was of the mayor of Sozopol.

On his part, the mayor Yanakiev claimed that he cannot remove it, as *"to date, there is no administrative or judicial act that identifies the 'movable unit as a 'construction,' which would justify a removal procedure."*

ACF urged the Minister of Regional Development and Public Works to order an inspection of the case and give clear instructions on how to apply the law and issue the necessary documentation to remove the illegal construction from the beach territory.

ACF also referred the case to the Minister of Environment and Water, requesting an investigation of the actions of the Ministry's territorial unit.

ANALYZING CONTROLLED AND BOUGHT VOTING IN BULGARIA

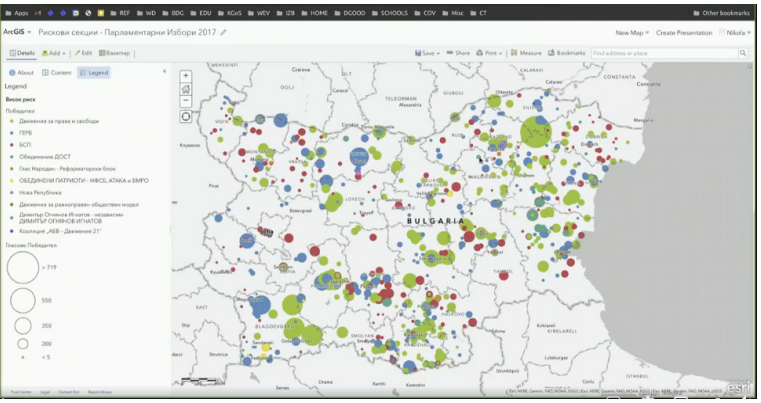
Doubts about buying votes and irregularities in the election process have accompanied all elections in Bulgaria for the last 30 years. Many voters are convinced that these practices make elections meaningless.

To answer Bulgarian citizens' doubts, the ACF started a research project aiming to provide accurate and objective information about bought and controlled votes and their impact on the election results.

The ACF experts analyzed quantitative and qualitative data on the election results from 2013-to 2021. The collected quantitative data were subjected to statistical analysis, which allowed determining polling stations in which the risk of buying a vote is higher. Extreme values of variables such as voter turnout, winner's result, invalid votes, etc., were identified in the data by polling station.



At the end of March 2021, ACF presented a report with the analysis results.



ACF produced An interactive map of all polling stations across the country with a higher risk of vote-buying. The map drew public attention to polling stations at risk. ACF experts shared the list of polling stations with a higher risk of buying votes with the law enforcement agencies.

The project was done with the financial support of Iceland, Liechtenstein, and Norway under the Financial Mechanism of the European Economic Area (EEA FM) 2014-2021.

INVOLVING LOCAL COMMUNITIES IN ANTI-CORRUPTION EFFORTS

In 2021 ACF continued its "Accountable Local Authorities, Strong Communities" project. We sought to expand our grasp of the situation across the country and mobilize local communities in 10 Bulgarian cities to improve public authorities' transparency and accountability.

ACF's experts prepared a Local Accountability and Integrity Standard (LAIS) in cooperation with Norwegian partner Scanteam after analyzing the situation on the ground and with the active participation of local coordinators and activists and collaboration with local authorities in the selected municipalities.

In October, Daniela Peneva, Laura Georgieva, and Sofia Zheleva from the ACF team presented the Standard to the Mayor of Ruse, Pencho Milkov, and officials in the municipal administration. Members of the ACF team discussed the good practices included in the Standard, which allow for increased citizen participation in important community decision-making and citizen control of the actions of the municipal administration at all stages of its work. Mr. Milkov stated his willingness to propose to the Ruse City Council to adopt the Standard as a code of ethics to be applied by the municipality's employees and members of the City Council.

On October 8, the ACF team organized a public discussion on "Transparency and Accountability of Local Authorities," attended by citizens of Ruse and representatives of the Regional Public Council for Prevention and Counteraction of Corruption.





The discussion focused on the opportunities for active citizen control and monitoring of the work of the municipality. We also discussed Specific recommendations for improving the initiatives undertaken by the local government in Ruse.

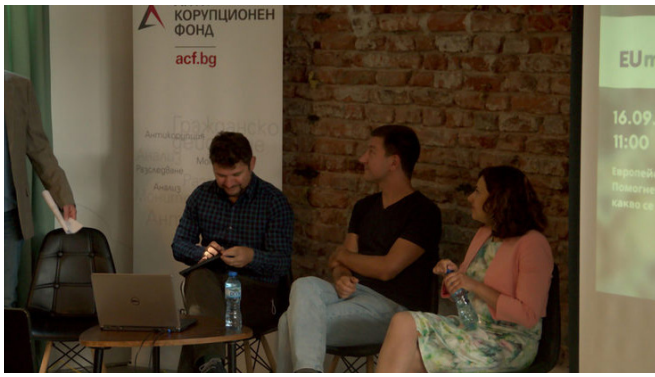


On December 10, the ACF team organized a public discussion on “Transparency and Accountability of Local Authorities,” attended by citizens of Smolyan and representatives of the Regional Public Council for Prevention and Counteraction of Corruption.



EUMONEY.BG: TRACKING DOWN IRREGULARITIES WITH EUROPEAN PROJECTS

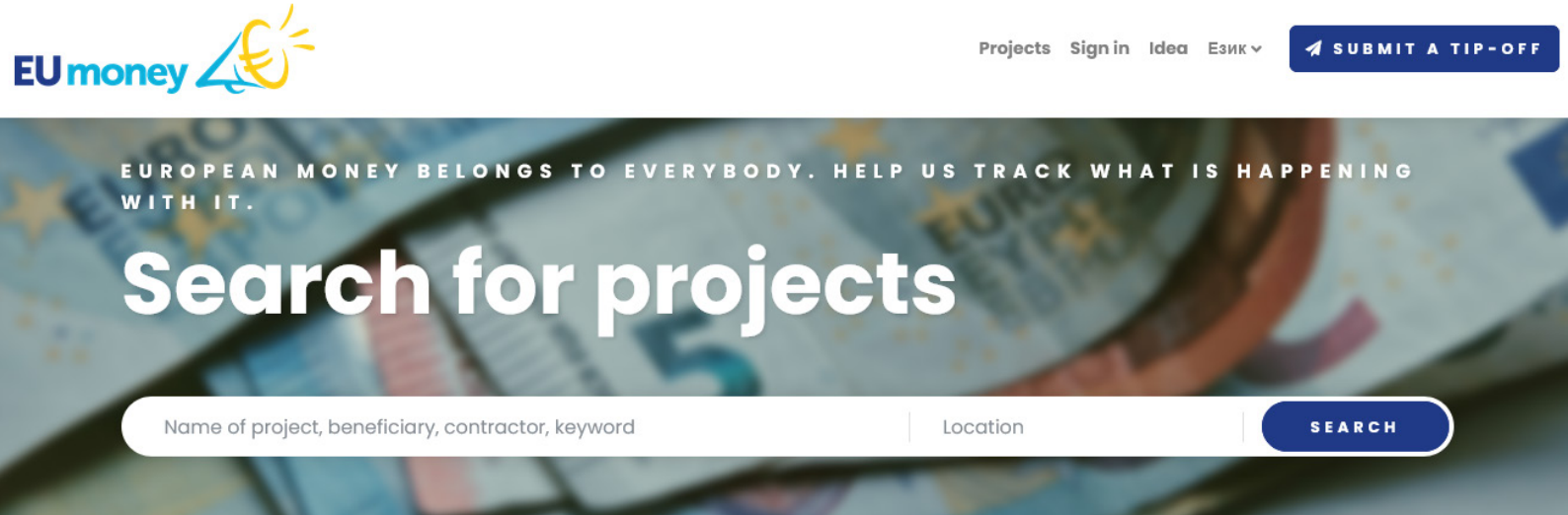
EU funds are a significant share of public expenditure in Bulgaria. However, until recently, Bulgarian citizens had no way of sharing their opinions on what happens with these funds. They had no opportunity to flag the irregularities they had witnessed.



In September 2021, The Anti-Corruption Fund (ACF) presented the web platform EUmoney.bg, allowing citizens to leave comments and anonymous tip-offs regarding violations and corruption on all active EU projects in Bulgaria.

EUmoney.bg contains easily accessible information about every active project financed with EU funds in Bulgaria. The projects can be searched for by title, location, beneficiary/executor, keyword, and other criteria. Citizens can leave comments on the execution of all the projects, as well as submit anonymous tip-offs about violations or corrupt practices. The Anti- Corruption Fund then refers the cases of potential violations to the competent institutions in Bulgaria and at the EU level.

EUmoney.bg is co-financed by the Directorate-General for Regional and Urban Policy at the European Commission.



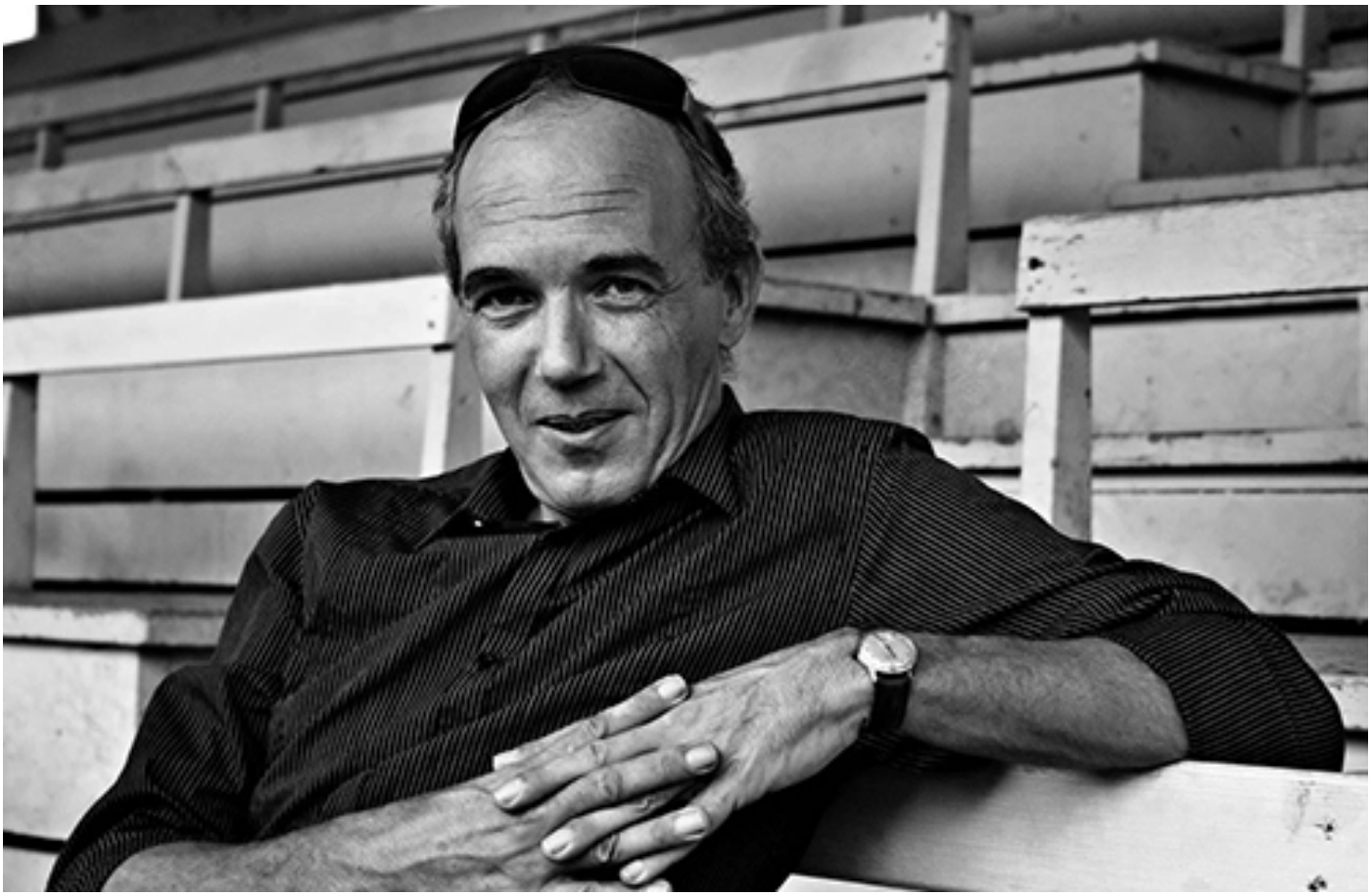
ACF EVENTS IN 2021



SOMETHING HIDDEN THAT NEEDS TO BE KNOWN:

OKKE ORNSTEIN AND THE ART OF INVESTIGATIVE JOURNALISM

Okke Ornstein is one of the most famous Dutch investigative journalists. From 2000 to 2016, he worked in Panama, where the offshore laws in place attract shady figures from all over the world. His investigations into drug lords, corruption schemes, and international fraudsters brought him popularity and awards and numerous threats, and a stint in a Panama prison, from which Okke was released after a global campaign of support. Since his return to the Netherlands, hardly a day goes by when Oke does not defend himself in court on charges of bringing the targets of his investigations into disrepute.



To his Bulgarian audience, Okke spoke about the ingredients of good investigative journalism, analyzing some of his most interesting investigations.

"Investigative journalism is about finding something hidden that needs to be known. And to talk about it with attention to detail and the absurdity of what often happens."

The event was held in partnership with the Association of European Journalists Bulgaria and the Student Council at Sofia University.

This event was supported by the Embassy of the Kingdom of the Netherlands in Bulgaria.

BELLINGCAT AND THE RISE OF OPEN-SOURCE INVESTIGATION



On 5 November 2021, ACF organized a lecture with Peter van House, Senior Researcher at Bellingcat, and a discussion with Nikolay Staykov, an Investigative Journalist at the Anti-Corruption Fund.

Bellingcat is behind some of the most remarkable investigations of our time: the downing of Malaysian airliner MH17 over Ukraine, the poisoning of former Russian spy Sergei Skripal, the involvement of the GRU in bombings in Bulgaria and the Czech Republic, the poisoning of Russian opposition leader Alexei Navalny, and more.

Peter van House spoke about how Bellingcat implements its "open data investigations":

- How does the organization's small team manage to mobilize a globally dispersed community of fact-checking enthusiasts, researchers, and analysts?

- How does this community sift through various digital data – social media posts, satellite images from Google Maps, and videos uploaded to YouTube – freely available on the Internet?

- How does Bellingcat address key issues for any investigation, such as carefully vetting sources, monitoring for attempts at misinformation, and preventing identity disclosure and harassment of third parties?

- Why, over time, has the arsenal that Bellingcat uses in its investigations expanded from open data analysis to less readily available sources – such as information purchased on the black market for data?



This event was supported by the Embassy of the Kingdom of the Netherlands in Bulgaria.

SEMINAR:

SUPPORTING INDEPENDENT JOURNALISM IN BULGARIA

Independent journalists in Bulgaria face various challenges, such as strong economic and political pressure, lawsuits aimed at silencing them, limited funding, denial of information by institutions, etc.

The Anti-Corruption Fund and Konrad Adenauer Stiftung's Southeast Europe Media Programme jointly organized a seminar to discuss practical measures to support independent journalism in Bulgaria. With this seminar, we want to outline the challenges facing independent journalism in Bulgaria and Europe and how we can actually support independent journalists.

The seminar was attended by 35 journalists from 17 media outlets across the country, covering the work of institutions at the national, regional, and municipal levels, the judiciary, and working on investigations at the national and local levels. The seminar put particular focus on journalists working in regional media.





The seminar program included presentations and open discussions grouped around themes such as enhancing solidarity between independent journalists, existing legal framework, and tools to support journalists, alternative financial models for independent journalism, the German model for media independence, and the role of Europe in supporting independent journalism.

Irina Nedeva and Ivan Radev from the Association of European Journalists, Lora Georgieva and Sofia Zheleva from the Anti-Corruption Fund's legal program, Georgi Savchev from OFFNews.bg, and Ilian Vassilev, Chairman of the Board of the Alternatives and Analyses Foundation, producer of "The Alternative," Michael Geffken, former director of the Leipzig School of Media Education Centre, Ognian Zlatev, Head of the European Commission Representation in Zagreb.

ACF PUBLICATIONS

4 Whether it be good, or whether it be evil, we will obey the voice of the LORD our God, to whom we send thee; that it may be well with us, when we obey the voice of the LORD our God.

7 And it came to pass after ten days, that the word of the LORD came unto Jeremiah.

8 Then called he Johanan the son of Kareah, and all the captains of the forces which were with him, and all the people from the least even to the greatest,

9 And said unto them, Thus saith the LORD, the God of Israel, unto whom ye sent me to present your supplication before him;

10 If ye will still abide in this land, then will I build you, and not pull you down, and I will plant you, and not pluck you up: for I repent me of the evil that I have done unto you.

11 Be not afraid of the king of Babylon, of whom ye are afraid; be not afraid of him, saith the LORD: for I am with you to save you, and to deliver you from his hand.

12 And I will show mercies unto you, that he may have mercy upon you, and cause you to return to your own land.

13 But if ye say, We will not dwell in this land, neither obey the voice of the LORD your God,

14 Saying, No; but we will go into the land of Egypt, where we shall see no war, nor hear the sound of the trumpet, nor have hunger of bread; and there will we dwell:

15 And now therefore hear the word of the LORD, ye remnant of Judah; Thus saith the LORD of hosts, the God of Israel; If ye wholly set your faces to enter into Egypt, and go to sojourn there;

16 Then it shall come to pass, that the sword, which ye feared, shall overtake you there in the land of Egypt, and the famine, whereof ye were afraid, shall follow close after you there in Egypt; and there ye shall die.

17 So shall it be with all the men that set their faces to go into Egypt to sojourn there; they shall die by the sword, by the famine, and by the pestilence: and none of them shall remain or escape from the evil that I will bring upon them.

18 For thus saith the LORD of hosts, the God of Israel; As mine anger and my fury hath been poured forth upon the inhabitants of Jerusalem; so shall my fury be poured forth upon you, when ye shall enter into Egypt: and ye shall be an execration, and an astonishment, and a curse, and a reproach; and ye shall see this place no more.

19 The LORD hath said concerning you, O ye remnant of Judah; Go ye not into Egypt: know certainly that I have admon-

[a] Neh. 1:11.
[b] Jer. 24:6.
[c] Gen. 6:6. Deut. 32:36.
[d] Jer. 41:17.
[e] Deut. 17:16. Jer. 44:12, 13, 14. Isa. 9:51.
[f] Jer. 44:14, 28.

42:10 Magiging mabuti, o maging masama, aming tatanaming pinagsusuguan sa iyo; upang ikabuti namin pagka aming tinatalima ang tinig ng Panginoon

42:12 ang saliw ng Panginoon ay dumating

42:14 Panginoon

42:15 sa ak

42:17 niy

6 Maging mabuti, o maging masama, aming tatanaming pinagsusuguan sa iyo; upang ikabuti namin pagka aming tinatalima ang tinig ng Panginoon

8 Nang magkagayo'y tinanak ni Carea, at ang la
litan hanggang sa

9 At sinā

na kasama niya, at

amin, at aming gagawin.

21 At aking ipinahayag sa inyo sa araw na ito; nguni't hindi ninyo dinidinig ang tinig ng Panginoon ninyong Dios sa anomang bagay na kaniyang ipinasugo sa akin sa inyo.

22 Ngayon nga'y talastasin ninyong tunay na
vo'y mangapapatay ng tabak, ng kagutom, at ng
t, sa dakong inyong pagnasaang paruunan na
rbang bayan.

Si Jeremias at ang mga nalabi sa Juda ay dinala sa Egipto.

nangyari, na nang si Jeremias ay makatapos
pagsasalita sa buong bayan ng lahat ng
g Panginoon nilang Dios, na ipinasugo sa
anginoon nilang Dios sa kanila, sa
lahat ng mga salitang ito;
ga kay Jeremias si Azarias na anak ni
anan na anak ni Carea, at ang lahat na
a nangagsasabi, Ikaw ay nagsasalita
n: hindi ka sinugo ng Panginoon
abi, Kayo'y huwag magsisiparoon
g bayan doon:
a ni Baruch na anak ni Nerias
bigay kami sa kamay ng mga
tay nila kami, at mangadala

a anak ni Carea, at "ang
l, at ang buong bayan, ay
Panginoon na tumahan

anak ni Carea, at ng
ng buong nalabi sa
ng mga bansa na
yan sa lupain ng

ae, at ang mga
ari, at bawat
an ng bantay
na anak ni
Baruch na

Egipto;
ginoon:

will do it.

21 And now I have this day declared it to you; but ye have not obeyed the voice of the LORD your God, nor any thing for the which he hath sent me unto you.

22 Now therefore know certainly that ye shall die by the sword, by the famine, and by the pestilence, in the place whither ye desire to go and to sojourn.

AND it came to pass, that when Jeremiah had made an end of speaking unto all the people all the words of the LORD their God, for which the LORD their God had sent him to them, even all these words,

2 Then spake Azariah the son of Hoshaiah, and Johanan the son of Kareah, and all the proud men, saying unto Jeremiah, Thou speakest falsely: the LORD our God hath not sent thee to say, Go not into Egypt to sojourn there:

3 But Baruch the son of Neriah setteth thee on against us, for to deliver us into the hand of the Chaldeans, that they might put us to death, and carry us away captives into Babylon.

4 So Johanan the son of Kareah, and all the captains of the forces, and all the people, obeyed not the voice of the LORD, to dwell in the land of Judah.

5 But Johanan the son of Kareah, and all the captains of the forces, took all the remnant of Judah, that were returned from all nations, whither they had been driven, to dwell in the land of Judah;

6 Even men, and women, and children, and the king's daughters, and every person that Nebuzaradan the captain of the guard had left with Gedaliah the son of Ahikam the son of Shaphan, and Jeremiah the prophet, and Baruch the son of Neriah.

7 So they came into the land of Egypt: for they obeyed not the voice of the LORD: thus came they even to Tahpanhes.

8 Then came the word of the LORD unto Jeremiah in Tahpanhes, saying,

9 Take great stones in thine hand, and hide them in the clay in the brickkiln, which is at the entry of Pharaoh's house in Tahpanhes, in the sight of the men of Judah;

10 And say unto them, Thus saith the LORD of hosts, the God of Israel; Behold, I will send and take Nebuchadrezzar the king of Babylon, my servant, and will set his throne upon these stones that I have hid; and he shall spread his royal pavilion over them.

11 And when he cometh, he shall smite the land of Egypt, and deliver such as are for captivity to captivity; and such as are for the sword to the sword.



CREATING A MECHANISM FOR EFFECTIVE INVESTIGATION OF THE PROSECUTOR GENERAL

In December 2020, the National Assembly adopted at first reading the Bill on Supplementing the Criminal Procedure Code, proposing a new figure of a Special Prosecutor who can investigate the Prosecutor General. The draft law aimed to address the impossibility of an independent and effective criminal investigation of the Prosecutor General identified by the European Court of Human Rights (ECHR) in its judgment in Kolevi v. Bulgaria case from 2009. It has been the subject of much criticism from various international organizations since then.

The analysis explains why the proposal to introduce the figure of a **"prosecutor for investigating the Prosecutor General," does not satisfy the criteria for independence from the investigated party**, and, therefore, does not ensure compliance with the judgment of the European Court of Human Rights in the case of Kolevi v. Bulgaria.

The analysis offers a detailed alternative concept for a criminal investigation of the Prosecutor General and other high-ranking prosecutors. According to it, the Prosecutor's Office will not lead the investigation against them nor decide its final fate. Instead, the analysis proposes forming a collective body with specific competence from randomly selected on a case-by-case basis appellate, supreme, or constitutional judges or retired judges, and the investigation itself to be conducted by investigative bodies of the Ministry of Interior or other executive bodies.

"The effective criminal investigation of the Prosecutor General passes through sacrificing the "sacred cow" of Bulgarian criminal justice - the Prosecutor's Office's monopoly on the function of criminal prosecution," said attorney Yankulov, the author of the ACF analysis.

ACF'S ANNUAL MONITORING REPORT:

ESCALATING PROBLEMS WITH THE ANTI-CORRUPTION INSTITUTION IN 2020

Since 2019, The Anti-Corruption Fund presents an annual monitoring report on the investigations of high-level corruption in Bulgaria and the workings of the main anti-corruption institutions: the prosecutor's office and the Commission for Anti-Corruption and the Forfeiture of Illegally Acquired Property.

"Anti-corruption Institutions: Escalating Problems." The report provides a detailed answer about the results of the fight against political corruption in Bulgaria in the last six years. This is the second year in which ACF does an annual independent civil monitoring of cases of (alleged) corruption crimes and conflicts of interest at the highest levels of government.





"In 2020 the problems of the fight against political corruption in Bulgaria are further escalating," conclude the authors of the report Andrey Yankulov and Assoc. Prof. Dr. Natalia Kiselova.

Some of the key conclusions:

• How does the organization's small team manage to mobilize a globally dispersed community of fact-checking enthusiasts, researchers, and analysts?

• The low efficiency of the criminal prosecution of high-level corruption found in last year's ACF monitoring report is declining even more in 2020. The new sentences that came into force are only acquittals, which gives a ratio so far of a total of 13 final acquittals against only 3 convictions.

• There is still no corruption crime punished with effective imprisonment. No final conviction has been reached in the last three years – from 2018 to 2020.

• The accusations of the Prosecutor's Office are often based on the misapplication of substantive criminal law or absurd logical constructions. 11 of the 13 acquittals in the 45 cases examined are precisely due to the inconsistency of the alleged criminal conduct established by the court.

• In 2020, CAFIAP ascertained Conflict of interest in only 30 decisions. Most decision of the Commission, 96 in number, are about persons holding low local level public offices. Decisions concerning public officials at higher and central levels are only 26.

• There is often a lack of comprehensive research on possible connections that lead to influence and dependencies in the exercise of official powers by persons holding public office.

Compared to the results of last year's study, the prosecution of high-level corruption in Bulgaria has become even less effective in the period examined in the present analysis.

It is objectively impossible If these cases reflect the real state of corruption in the public sector at the highest level. We must conclude that the real picture remains hidden," commented Andrey Yankulov, author of the first part of the report.
The ACF's Annual Monitoring Report for 2020, "Anti-Corruption Institutions: Escalating Problems," was prepared within a project supported by the Konrad Adenauer Stiftung under its Rule of Law Programme for Southeast Europe.

AWARDS FOR THE ACF



GRAND PRIZE FOR THE INVESTIGATION THE EIGHT DWARFS

The Anti-Corruption Fund "Eight Dwarfs" won the Grand Prize for Investigative Journalism of the Radostina Konstantinova Foundation.



"The Eight Dwarfs" grabbed the prize in the name of Radostina Konstantinova with her revelations about racketeering and theft of business, made with the help of representatives of the executive and judiciary.

Last year, its author, Nikolai Staykov, won one of the foundation's awards for another of his investigations, The Missing Names in the Corporate Commercial Bank Case.



THE U.S. DEPARTMENT OF STATE AWARDED NIKOLAY STAYKOV FOR HIS ANTI-CORRUPTION WORK

The co-founder of the Anti-Corruption Fund, Nikolay Staykov, and 11 other individuals from around the world received awards for leadership, courage, and for prevention, detection, and counteraction of corruption.



"Often when speaking of massive, complex challenges like corruption, we lose sight of the fact that our ability to make meaningful progress and change people's lives for the better comes down to the work of individuals – people who through sheer tenacity, creativity, and bravery, show us that even the most daunting problems are surmountable," said the U.S. Secretary of State, Antony Blinken, in his press statement for the occasion.

The Bulgarian journalist was awarded alongside Dorothy Bradley of Belize, Alexandra Attalides of Cyprus, Carlos Giovanni Ruano Pineda of Guatemala, Gabriela Alejandra Castellanos of Honduras, Jamiliya Maricheva of Kazakhstan, Juris Juriss of Latvia, Riad Kobeissi of Lebanon, Martha Chizuma of Malawi, Denise Namburete of Mozambique, Dr. Torplus Yomnak of Thailand and Carlos Paparoni of Venezuela.



Nikolay Staykov is an economist, business journalist and editor with many years of experience. In the period 1997 – 2007, he worked successively as a reported, editor and deputy editor-in-chief of the Bulgarian newspaper Capital. He is one of the founders of the non-governmental organization Anti-Corruption Fund, and author and co-author of many investigations, the most prominent of which are related to the offshore connections of the MP Delyan Peevski (2013 – 2014), the bankruptcy of Bulgaria's Corporate Commercial Bank (2014 – 2019), ApartmentGate (2019), "The Eight Dwarfs" (2020), and "List of Quick Control" (2021).

RED LINE AWARDS FOR JOURNALISM AGAINST CORRUPTION 2021

At a special ceremony on International Anti-Corruption Day, 9 December, the Anti-Corruption Fund (ACF) announced the winners of the 2021 Red Line Awards for Journalism Against Corruption.

The jury presented six awards:

Mirolyuba Benatova



The Grand Award for a journalistic investigation was given to Mirolyuba Benatova, *TB1*, for her investigation on the depletion of the National Health Insurance Fund through fictitious hospitalizations in the Lozenetz Hospital.

Genka Shikerova



The Special Award for a journalistic investigation was given to Genka Shikerova, *Svobodna Evropa*, for her investigation on the systematic deforestation in Bulgaria and the interactions between local authorities and business companies.

Victoria Simeonova



Boris Mitov



The Award for upholding the rule of law was given to Boris Mitov, *Svobodna Evropa*, for his persistent efforts to uncover relationships of dependence within the legislative, the executive, and the judiciary.



The jury also awarded a **Special Prize for the Bulgarian contribution to the global investigation "The Pandora Papers"** to the team of the Bureau of Investigative Reporting and Data Bird.bg



Nikolay Marchenko

In 2021, the jury presented two **Young Journalist Awards**: Victoria Simeonova of Gospodari na Weba (*Gospodari.com*) is honored for her investigation of the Global Market financial fraud, developed and presented in a language accessible to a wide audience.



Damyana Veleva

Nikolay Marchenko, *Bivol*, received the other award for his article on the vicious practices of the Refugee Agency in relation to the Russian citizen Yevgeny Chupov, who sought asylum in Bulgaria.

The jury also made two special remarks:

- To Damyana Veleva, *Svobodna Evropa*, for a well-researched and originally presented topic in her article "The Clouded Law: Hundreds of villages in Bulgaria don't pay for water":

- To the Bulgarian National Radio team in Burgas for a series of talks on regional topics of high public importance.

"The awards are a way to give due recognition to the key role of journalists for the detection and counteraction of corruption practices. Those who strive to uncover the truth often attract many enemies. The Red Line Awards show they are not alone; they are supported by a large community of citizens who do not think that corruption is something normal," said Boyko Stankushev, Director of the Anti-Corruption Fund.

The Red Line Journalism Against Corruption Awards are organized with the support of the America for Bulgaria Foundation and the U.S. Embassy in Bulgaria.



ACF IN THE MEDIA AND SOCIAL MEDIA



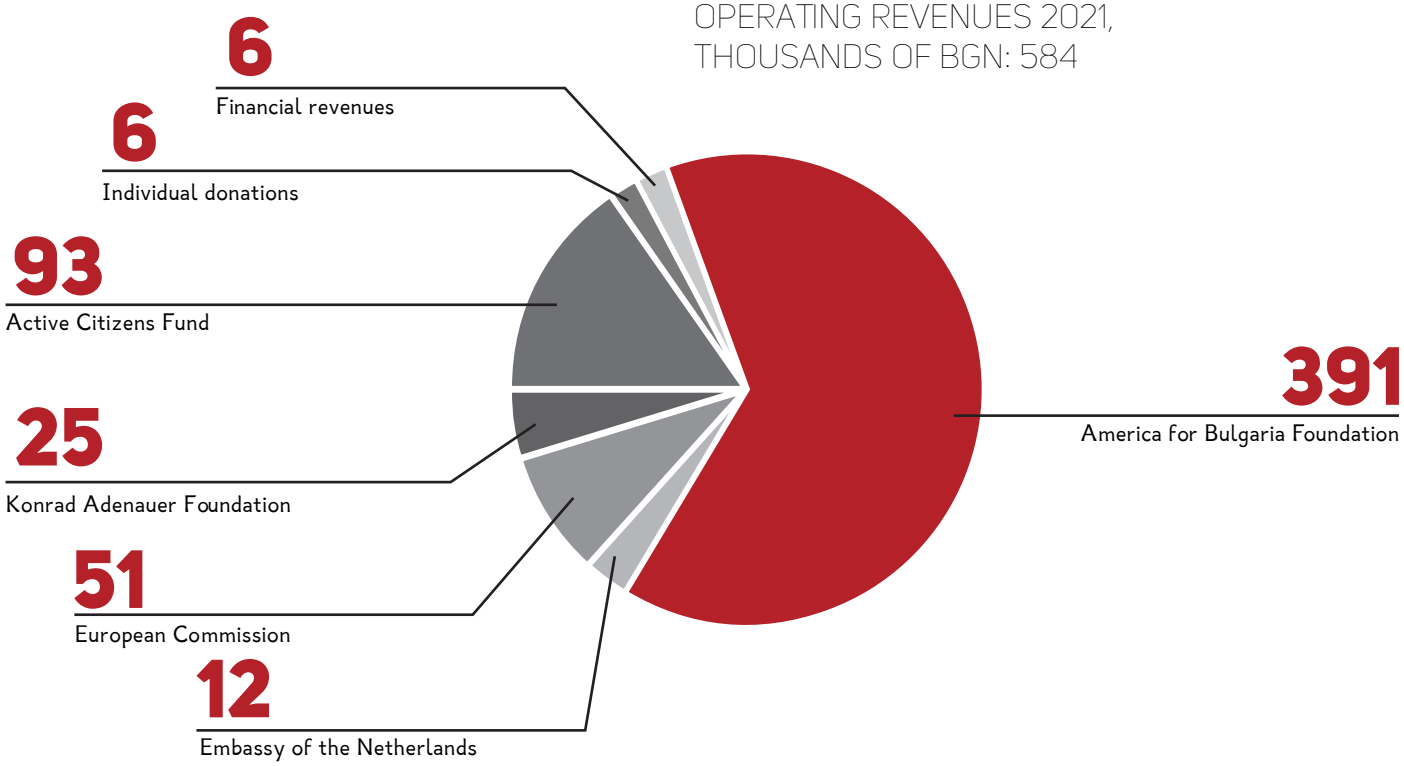
	2020	2021
Number of visitors on acf.bg	57,275	59,459
Media publications mentioning ACF	1235	2867
Facebook followers	52,952	67,224
Facebook likes	39,970	48,526
ACF YouTube channel subscribers	16,087	22,778
Views of all ACF video investigations on YouTube	1,049,065	903,387
Views of all ACF video investigations on Facebook	4,461,878	2,700,000

Videos	YouTube	Facebook
Yavor Zlatanov, the missing voice from “The Eight Dwarfs” story, Part 2	108,548	98,500
Yavor Zlatanov, the missing voice from “The Eight Dwarfs” story, Part 1	199,099	265,300
List of Quick Control, Part 3	84,629	480,700
List of Quick Control, Part 2	88,915	314,200
List of Quick Control, Part 1	95,920	216,800
The Mask impossible, Part 2	21,000	56,637
The Mask impossible, Part 1	35,061	43,700
Eight Dwarfs, part 4	179,861	1,000,000
Eight Dwarfs, part 3	203,163	779,300
Eight Dwarfs, part 2	211,163	738,200
Eight Dwarfs, part 1	347,125	782,200
Mission “Abu Dhabi”	24,200	163,400
KTB Case Files: KTB’s Media Fleet	41,434	357,200
The Golden Puddle	61,000	917,700
KTB Case Files 2: The Initials D.P.	180,000	1,300,000
The KTB Case Files 1: The Missing Names	71,000	70,400
War for Carcasses	117,850	6,600
Varna TPP	72,000	429,400
Apartmentgate	325	44,000

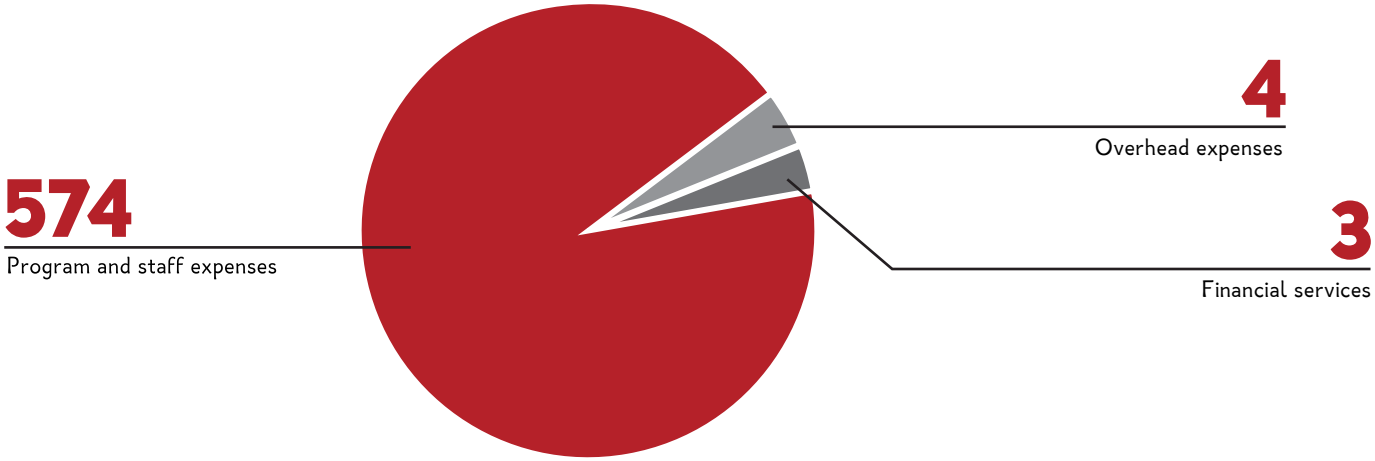
FINANCIALS



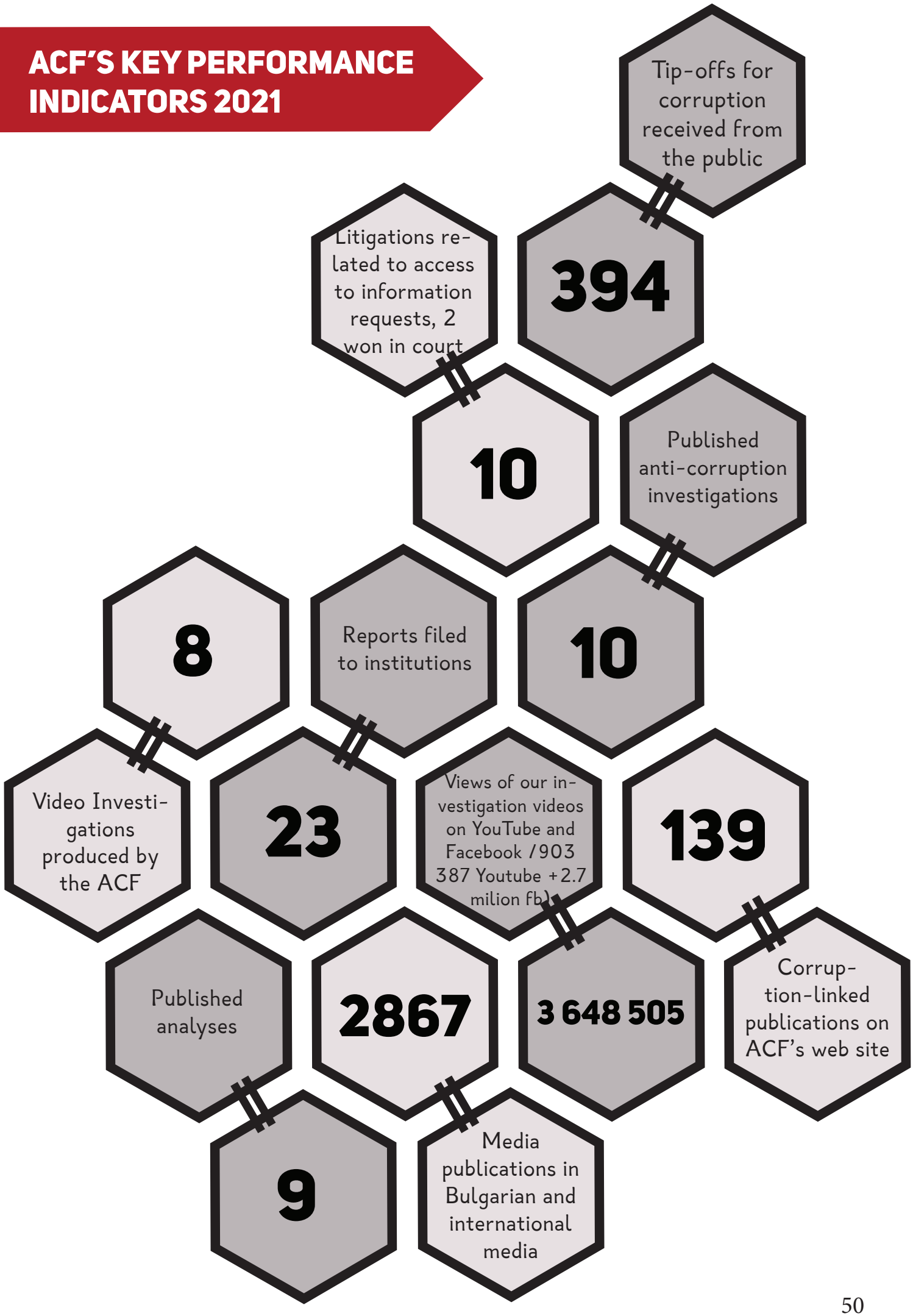
OPERATING REVENUES 2021, THOUSANDS OF BGN: 584



OPERATING EXPENSES 2021, THOUSANDS OF BGN: 581



ACF'S KEY PERFORMANCE INDICATORS 2021



ACF TEAM AND 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

ACF TEAM
ACF BOARD



Nikolay Staykov
Co-founder and investigative journalist



Lora Georgieva-Mateeva
Legal Program Coordinator



Denitsa Rukanova
Senior legal expert



Andrey Yankulov
Senior legal expert



Sofiya Zheleva
Legal expert



Daniela Peneva
Legal expert



Mario Rusinov
Junior expert



Stefan Krastev
Public outreach coordinator