

# MEDIA AND CRIMINAL POLICY: A CONTENT ANALYSIS OF MEDIA REPORTING ABOUT IRREGULARITIES AND FRAUD WITH FUNDS OF THE EUROPEAN UNION

This study has been carried out under the project titled “Analysis of the Media Coverage of the Cases for Embezzlement of EU Funds”, implemented by the Legal Programme of Open Society Institute – Sofia Foundation and financed by the Ministry of Foreign Affairs of the Kingdom of the Netherlands.

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## SUMMARY

This report is based on content analysis of media reporting about irregularities and fraud with EU funds in Bulgaria in the period 2017-2019 as well as on interviews with experts: journalists and lawyers. The study reveals that the media uncover and publish information about a small number of irregularities and fraud with EU funds, which is due, on the one hand, to the deteriorated state of the printed media and media freedom in the country and, on the other hand, to the decisions of law enforcement authorities as to whether and when to disclose information about ongoing investigations.

The Prosecutor's Office classifies cases of fraud with EU funds as "cases of particular public interest" (CPPI) and orders preliminary review or institutes pre-trial proceedings in most of the cases uncovered by the media. However, in the 3 years period covered by the study there are very few media texts about court trials for fraud with EU that were brought to an end. Only five news items about convicted per-

sons were found, the five of them related to cases of no significant media interest: each of these cases has been covered in just one news item. At the same time investigations and pre-trial proceedings, which have been instituted based on media reporting for fraud with EU funds, have not been followed by a clear institutional response: it is not possible to find out whether the pre-trial proceedings have been brought to an end and what was established as a result.

The study shows that the "cases of particular public interest" according to the Prosecution's office definition, the range of irregularities and fraud with EU funds that have attracted media attention and the pre-trial proceedings about which the Prosecutor's Office actively publishes information do not coincide. The concept of "cases of particular public interest" is not adequately reflecting the dynamics in the law enforcement effectiveness in countering fraud with EU funds and therefore should be either abandoned or reconsidered.

## DESCRIPTION OF THE STUDY

The study has been carried out under the project titled *Analysis of the Media Coverage of the Cases for Embezzlement of EU Funds*, financed by the Ministry of Foreign Affairs of the Kingdom of the Netherlands and implemented by the Legal Programme of Open Society Institute – Sofia Foundation in the period from September 2019 to April 2020.

This study aims at establishing whether and to what extent the media are a factor for the uncovering and successful prosecution of cases of fraud with the EU funds in Bulgaria. To answer this question, the study shows the practical dimensions of the Prosecution's Office concept of "cases of particular public interest" (CPPI) – i.e. which cases draw the largest media attention and why, which irregularities and offences are most often reported by the media, when the law enforcement authorities react and investigate the media allegations.

The method consisted in content analysis of news items published by three media in a three-year period. The following criteria were used to select the monitored

media: the media ought to be specialized as current news provider, to report daily national news, not be related to one and same owner, to have an online archive with free access dating back three years that also allows for easy searching. Based on these criteria, two newspapers and an information website were selected for monitoring: *24 chasa*, *Sega* and *Mediapool*. Afterwards the news items in the *Bulgaria* Sections of the selected media were subjected to thorough and chronological scanning: all news items in these sections were reviewed for each day of 2017, 2018 and 2019 and the texts related to irregularities or fraud with EU funds were identified. For the purposes of the study "irregularities" were defined as all cases of violations of national legislation that occurred in the management of public funds involving directly or indirectly EU Funds, and as "fraud" were defined all instances of criminal offences with this respect.

Afterwards the collected media texts were classified in separate individual cases. A numbered list of the identified cases and the related news items is enclosed in

the Appendix to this report. Two key criteria were used to define a case: the media text is referring to the same subject (the same alleged irregularity or fraud) and the same persons. Thus the “guest house” scandal from the spring and summer of 2019 was divided into seven individual cases: court case about the void methodology for determining the size of the penalties for offenders (case No 32), court trial of Alexander Manolev (case No 33), general inspection of the guest houses by State Fund Agriculture (SFA, case No 34), preliminary review of the guest houses owned by persons related to Elena Yoncheva (case No 35), dismissal of Ivanka Mizova from management position of SFA (case No 36), guest houses owned by persons related to Mustafa Karadaya (case No 37) and dismissal of Yanaki Cherveniyakov from SFA (case No 38). Based on the same criteria all news items about the repair works of *Graf Ignatiev Street* in Sofia and the follow-up trial of the Deputy Mayor E. Krusev were considered as only one case (case No 59).

After the individual cases were identified, the online archives of the three media were reviewed again by searching for keywords related to each of the cases. This was necessary since it turned out that sometimes information about irregularities and fraud with EU funds was included in other media sections that were not part of the initial review (for instance, in the *Projects* section of *24 chasa* or the *Business* section of *Mediapool*). Thus the lists of media texts related to each identified case were completed.

The content of each media text was reviewed and the information about each case was systematically presented in a summary table, which helped tracking a number of variables. The table columns reflected the individual cases and the table lines listed a number of variables, divided into two groups: those related to the content of the news item such as number of news items per case, alleged irregularity/fraud, operational programme or EU Fund concerned, source of information, size of the funds in question. Where the cases concerned an alleged crime, the following variables were traced separately as well: was there preliminary police review, pre-trial proceeding, indictment submitted to the court, crime type, number of people charged and the connection between them, type of measures of procedural restraint taken, competent authorities carrying out the proceedings, the outcome of the proceedings.

The identification of the relevant news items and their classification into individual cases was rather challenging. On the one hand, some of the news items did not al-

ways contain a clearly defined statement about a specific committed irregularity/fraud. For instance, in the media text *Bozukov tried to change the project ranking. His team says: It's not true* (24 chasa, 7.02.2017) it was not possible to establish whether the newspaper referred to an alleged irregularity or criminal offence (case No 44). In addition, in cases that drew considerable media attention such as the repairs of *Graf Ignatiev Street* in Sofia (case No 59) usually started as a “scandal”: the earliest news items reflected public outrage due to the substandard and ugly outcome of the repair works of a central street in Sofia and it was not clear whether such actions resulted from a failure to execute a contract, from a violation of the procurement procedure for the selection of a contractor or from a crime (bribery, trading in influence or another act that constitutes a crime). In this particular case eventually the law enforcement authorities established information about one crime committed and an indictment was submitted to the court. For this reason this case has been classified in the study as one committed crime, i.e. reflecting the point of view of the law enforcement authorities.

The second problem with the classification of media texts into individual cases was that there were several texts (three in one instance, two in another), where some elements of the story coincided but the texts did not state explicitly that they were connected. There were common elements of the story in the news items entitled: *Sadjat dvama izmamili fond Zemedelie tche otglejdat domati za da poluchat evrosredstva* (13.11.2018, 24 chasa), *Fermeri na sad za zloupotrebi s 450,000 BGN evropomoshti* (30.07.2019, 24 chasa) and *Dvama obvineni za izmami s evropari za razvitie na selskite rayoni* (21.08.2019, 24 chasa<sup>1</sup>). These three news items replicate literally press releases of Blagoevgrad District Prosecutor's Office, which also did not indicate there is a connection between them. However, it is most likely that the three media texts refer to one and same story, where the indictment has been modified and submitted to the court three times and with a separate press release each time. Hence the decision to treat the three news items as a single case No 12 was of the project team and not of the media outlet. Similarly, the two texts considered here as case No 16 also include common elements (also without a mention

<sup>1</sup> The dates of most news items quoted in this report refer to the date of news item of the news item on the newspaper website but some dates refer to the date of news item in the printed edition, i.e. subsequent verification may find a difference of one day. In addition, sometimes there is a difference in the titles of the news items in the online and printed edition of *24 chasa*.

by the media outlet): *Sadjat dvama za nepravomerno polucheni sredstva ot proekt za mladejka zaetost* (15.03.2019, 24 chasa) and *Do 8 godini zatvor za upravitel poluchil evrosredstva s neverni danni* (29.03.2019, 24 chasa).

The very concept of “EU funds” also makes it somewhat difficult to classify the cases mainly due to the flexibility of the financing schemes under the various Funds and Programmes of the EU. Beneficiaries often have to advance the funds from their budget and it is only after the end of the project and provided that the conditions are met that beneficiaries have the funds reimbursed by an EU programme. This means that at the time of news item of information about an irregularity or fraud, it might not be clear whether the case involves funds from the national budget or EU funds. The criminal law principle in such cases has been that if the funds under a project are expected to be reimbursed in the future from the EU budget, the project is to be considered as financed by the EU. The same approach was adopted here as well.

Based on analysis of the quantitative data certain hypotheses were formulated with respect to the research questions. In order to confirm and explain the findings of the quantitative part of the study, two focus groups we planned with experts (journalists and lawyers). The focus groups were scheduled for mid-March 2020 but did not take place because of the state of emergency declared by the government due to the Covid 19 pandemic. Instead, a questionnaire was prepared and the experts were invited to complete the questionnaire in writing. Twelve experts did respond. Six journalists and five lawyers completed the questionnaire, while one of the invited journalists declined to participate.

With regard to the section of the report that is dedicated to media coverage of crimes, it should be noted that the study is neither representative, nor exhaustive in listing the challenges of the criminal policy against fraud with EU funds. In general the actions of law enforcement authorities investigating crimes are secret in order to guarantee the effectiveness of the investigation. The information published by the media about ongoing investigations does not always fully and objectively reflect the facts in each case. Therefore the content analysis of the news items about fraud with EU funds is not the most reliable method available to study the criminal policy. However, this is the only possible approach when the goal is to establish whether and how law enforcement authorities react to irregularities and fraud uncovered by the media and to test whether the Prosecutor's perception of “cases of particular public interest” is valid or not.

## CONTEXT OF THE STUDY

The three years covered by the study (2017, 2018 and 2019) coincide with a period of some political instability and the term of office of three Bulgarian governments. At the end of January 2017, the second cabinet of GERB party headed by Boyko Borisov stepped down. Between 27.01.2017 and 4.05.2017 the country had a caretaker government headed by Prof. Ognyan Gerdzhikov. Snap parliamentary elections were held on 26.03.2017, which allowed five political parties to enter the 44<sup>th</sup> National Assembly as follows: GERB (with 34% of the votes), Bulgarian Socialist Party (BSP) (28%), Movement for Rights and Freedoms (MRF) (9%), United Patriots coalition (9%) and Volya political party (4%).

The third Cabinet of GERB headed by Prime Minister Boyko Borisov stepped into office on 4.05.2017. The Cabinet was formed in coalition with the United Patriots, which is also a coalition of three small nationalist formations. The political party Volya also supported the Cabinet when it was voted by the National Assembly, even though the *Volya* was not formally a member of the ruling coalition.

In 2019, regular European Parliament elections and regular local elections were held and a new Prosecutor General was appointed. The European Parliament elections were held on 26.05.2019. The elections outcome did not show any significant changes in the political power balance in the country: out of 17 seats set for Bulgaria in the European Parliament, six were won by GERB party, five by BSP for Bulgaria coalition, three by MRF, two by IMRO – Bulgarian National Movement and one by coalition Democratic Bulgaria (Yes, Bulgaria! and Democrats for Strong Bulgaria).

On 27.10.2019, the first round of regular local elections took place. GERB party continued to be the leading political power in the country by winning the largest number of mayors in district cities and the largest number of municipal councilors but the party did not enjoy the same firm support as it did in the 2015 local elections. GERB candidate for mayor of Sofia Yordanka Fandakova had a hard time winning her fourth term of office with a 50-percent-share of the vote in the sec-

*“(...) due to the changed ownership and the closing of some media, many critically-minded journalists had to give up on their profession.”*

**Respondent 1**  
a journalist, 16 years  
of professional  
experience

*“The reputation of the profession suffers because some of the faces of investigative journalism (mainly from the national television channels) act like “letter boxes” and their investigations have been actually supplied to them ready-made.”*

**Respondent 11**  
a journalist, 15 years  
of professional  
experience

ond round against the independent candidate Maya Manolova with 45% and 5% of voters who did not support anyone. It was for the first time during local elections in the capital city that one of the candidates (Boris Bonev) managed to come fourth in the first round without any support from a political party but supported by the initiative committee of *Spasi Sofia* Organization.

In early December 2019, Sotir Tsatsarov was elected by the National Assembly as Chairman of the Commission for Combating Corruption and Confiscation of Illegally Acquired Property and resigned from the post of Prosecutor General. The Supreme Judicial Council (SJC) elected Ivan Geshev, Tsatsarov's deputy, to replace him. The decision to elect Geshev as Prosecutor General stirred social outrage and protests due to suspicions that he did not have the high professional and moral qualities required by law to hold this office. President Rumen Radev initially refused to appoint him and referred the decision back to the SJC for repeated voting. Despite the public protests the SJC reconfirmed the election of Ivan Geshev and on 18.12.2019 he took an oath and assumed the office of Prosecutor General.

During the three years covered by the study the printed media in Bulgaria went through a serious and lasting crisis. Data of the National Statistical Institute (NSI) show that 2018 marked the twelfth consecutive year of reduced circulation of newspapers: the titles fell from 448 in 2007 to 239 in 2018 and the total annual circulation of newspapers for the same period dropped by about 40%<sup>2</sup>.

The World Press Freedom Index of Reporters Without Borders (RSF) shows that in 2017 Bulgaria held 109th place (out of 179 evaluated states) and fell to 111th place in 2019, i.e. the Index has noted low level of press freedom and further deterioration during the reported period. With respect to this indicator Bulgaria is the worst performing country among the other EU Member States as well as among most of its geographic neighbours.

The trend for deteriorating media freedom is not unique for Bulgaria. *Reporters Without Borders* point out in their 2017 report that media freedom has never been so threatened across the world. With regard to Bulgaria, the reports states that the media environment is “dominated by corruption and collusion between media, politicians and oligarchs” and the government continues to allocate EU funding to media outlets in non-transparent manner, with the effect of encouraging editors to show the government in positive light, or to refrain from covering certain problematic stories altogether<sup>3</sup>.

## IRREGULARITIES, CASES OF PARTICULAR PUBLIC INTEREST AND FRAUD WITH EU FUNDS FROM THE POINT OF VIEW OF INSTITUTIONS

In Bulgaria the fight against crimes affecting the financial interests of the EU is coordinated by the Minister of Interior (article 33, item 8 of the Ministry of Interior Act), supported by a dedicated administrative structure within Mol, i.e. Protection of the EU Financial Interests Directorate (AFCOS). The Directorate receives alerts about irregularities from the competent authorities in the country, inspects, analyses and summarises information about these irregularities, refers them under certain circumstances to the European Anti-Fraud Office (OLAF) and assists OLAF investigations in the country<sup>4</sup>. Pursuant to the definition in article 1, paragraph 2 of Regulation 2988/95 “‘irregularity’ shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure”.

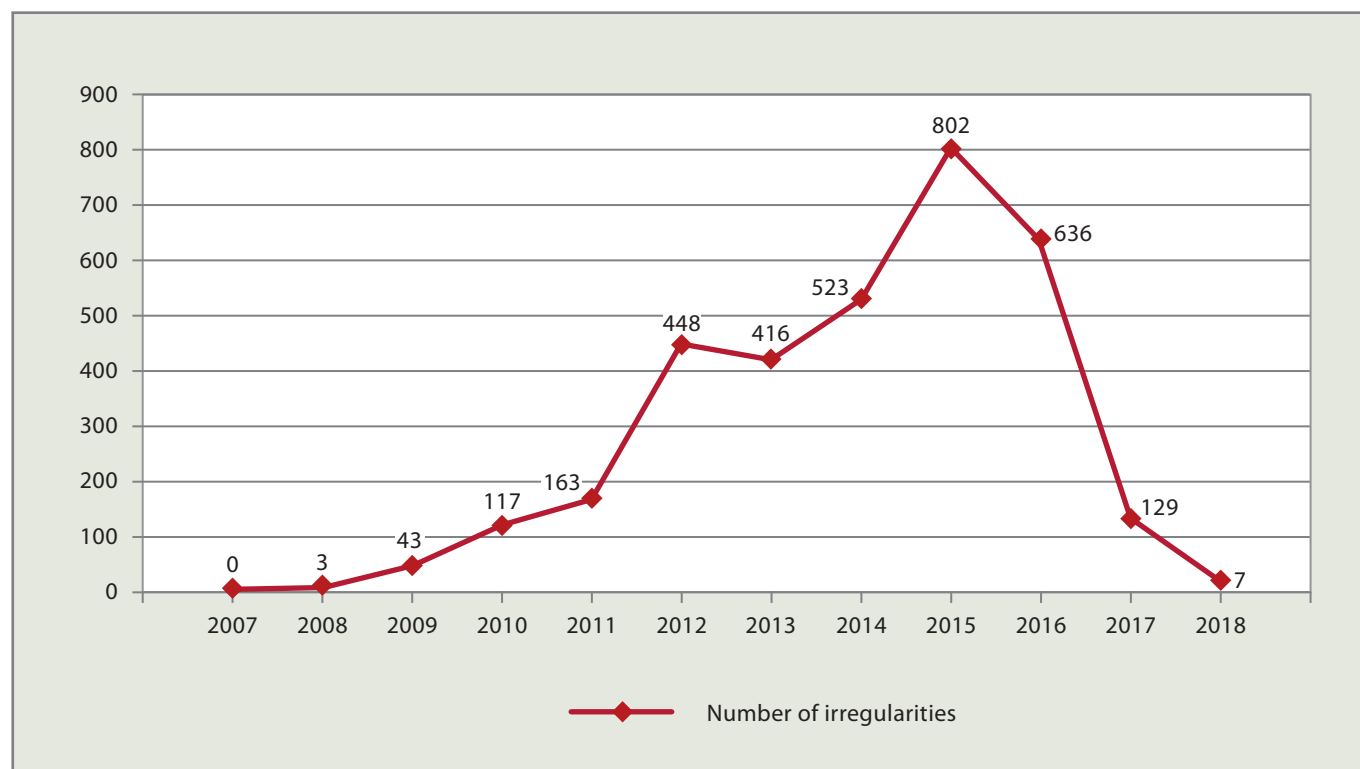
The irregularities registered by AFCOS vary according to the different EU Funds and Programmes. In the period 2007-2018, the main types of irregularities reported for the EU Structural Funds and the Cohesion Fund in Bulgaria have been irregularities related to implemented public

<sup>3</sup> 2017 World Press Freedom Index, Reporters without Borders, <http://rsf.org>

<sup>4</sup> Article 856 of the Rules of Procedure of the Ministry of Interior, promulgated, SG, issue 60/22.07.2014, last amended in SG, issue 97/23.11.2018.

<sup>2</sup> NSI, Published newspapers by statistical zones, areas and districts (2007, 2018), [www.nsi.bg](http://www.nsi.bg)



**Figure 1. Irregularities detected in connection with the Structural and the Cohesion Fund, 2018**

Source: Mol.

procurement procedures (71% of the reported irregularities), unacceptable, unlawful and unjustified expenditure incurred (15% of the reported irregularities), failure to perform contractual obligations (7,7%) and about 9% of other irregularities<sup>5</sup> (Figure 1). The registered irregularities involving the EU Structural Funds and Cohesion Fund declined sharply since 2015. In 2015, 802 irregularities in total were registered and in 2018 just 7 for the entire year.

The dynamics of irregularities related to the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) is slightly different. The registered irregularities involving the two Funds increased in the period 2012-2016 to reach 1,382 in 2016 but in 2017 they sharply dropped to 284 and in 2018 they rose again to 1,582, which is a level comparable with 2016<sup>6</sup>.

The largest number of newly detected irregularities in the period 2014-2020 was related to the Rural Development Programme (RDP), 109 in total. Only 4 irregularities were newly detected for the same period under Operational Programme Transport and Transport Infrastructure (OP TTI). However, the financial value of the lat-

ter amounts to approximately EUR 3.5 million, while the financial value of the 109 newly detected irregularities related to the RDP amounts to EUR 1.4 million<sup>7</sup> (Table 1).

A small number of the irregularities registered in the absorption of the EU Funds are due to committed crimes. AFCOS receives information about them from the Prosecutor's Office. The crimes committed most often are defined in four provisions of the Penal Code: article 248a, paragraph 2 (providing false information or withholding information in order to receive funding from the EU Funds); article 254b (use of funding from the EU Funds for other than the intended purposes); qualified corpus delicti of embezzlement by a state official (article 202, paragraph 2, item 3) and of document fraud (article 212, paragraph 3).

The Prosecutor's Office reports annually about the criminal proceedings for fraud with EU funds as part of a larger group of "criminal proceedings instituted for some categories of serious criminal offences and crimes of particular public interest" (CPPI). The CPPI category has been included initially in the 2008 report of the Prosecutor's Office in order to facilitate reporting to the European Commission under the Cooperation and Veri-

<sup>5</sup> Ministry of Interior, Report about the Work of the Council for Coordination of the Fight against Infringements Affecting the Financial Interests of the European Union in 2018, p. 37.

<sup>6</sup> Ibid., p. 36.

<sup>7</sup> Ibid., p. 35. Table 4 from the AFCOS Report is presented in full here.

**Table 1. Information about newly detected irregularities by programmes**

Programme	Number of irregularities	Financial cost (EUR)
OP Regions in Growth	14	1,577,611
OP Innovation and Competitiveness	10	799,382
OP Transport and Transport Infrastructure	4	3,529,827
OP Environment	3	2,406,363
OP Good Governance	1	124,202
INTERREG – IPA Cross-Border Cooperation Programme Bulgaria – Serbia	5	51,409
Rural Development Programme	109	1,401,940

Source: Mol.

fication Mechanism (CVM)<sup>8</sup>. Contrary to the category's name, it is not based on an analysis as to which cases are truly of public interest, determined on the basis of scientific research or as a result of a democratic political process. The list of pre-trial proceedings of "particular public interest" has been laid down by decision of the SJC, Protocol No 39/2008, and by order of the Prosecutor General No 3202/2008. The pre-trial proceedings on the list are selected based on four different criteria: cases monitored by the European Commission (pursuant to a list not made publicly available); pre-trial proceedings for some crimes "related to the absorption and management of funding from the EU Funds that are monitored by OLAF" – all the cases in these two categories are automatically regarded by the Prosecutor's Office as CPPI; some proceedings "that have become of exceptionally significant public interest", related to organized crime and corruption (money laundering, trafficking in human beings and drugs, contract killings, bribery), and crimes committed by certain categories of people (senior state officials and magistrates)<sup>9</sup>. The very definition of the category is somewhat tautological because it says that CPPI are proceedings that "have become of exceptionally high public interest" but eventually it is up to the Prosecutor's Office to decide which cases are CPPI. As of 2008 all the CPPI were under special supervision of higher-level Prosecutor's Offices.

<sup>8</sup> Commission Decision of 13 December 2006 establishing a mechanism for cooperation and verification of progress in Bulgaria to address specific benchmarks in the areas of judicial reform and the fight against corruption and organised crime (2006/929/EC), O. J. L 354/58 of 14.12.2006.

<sup>9</sup> Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2008, p. 87.

It seems that the definition of CPPI has evolved over time, as the 2017 annual report of the Prosecutor's Office shows that not all CPPI are subject to special supervision and that the cases defined as CPPI are simply cases "related to organized crime, illegal trafficking in human beings and drugs, money laundering, corruption, tax related crimes, forging currency and payment instruments and fraud with EU funds"<sup>10</sup> without including the occupation or the position of the defendant as an additional criterion for the selection of cases.

The link between cases of media interest and cases defined by the Prosecutor's Office as CPPI has been ambiguous from the outset of including the CPPI category in the annual reports of Prosecutor's Office. The 2009 report explicitly lists the number of pre-trial proceedings self-referred by the Prosecutor's Office based on media reporting; however, on the other hand, the report notes that "high degree of independence and legality has been achieved by prosecutors, as the latter have not yielded to public, media or other influence when exercising their legal powers"<sup>11</sup>. The 2011, 2012 and 2013 reports explicitly mention the problem that prosecutors are not sufficiently active and do not self-refer cases based on media reporting containing information about a crime, but also are quick to underline that the prosecutors should remain independent (from the public and the media) when making decisions about instituting pre-trial proceedings and should only abide by the law.

<sup>10</sup> Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2017, p. 60 (in a footnote).

<sup>11</sup> The total number of relevant news items in the mass media is 1,345, while pre-trial proceedings have been instituted for 207 of them. Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2009, p. 5.

In 2015 the Prosecutor's Office of the Republic of Bulgaria adopted Rules on Media Communication (Order No RD-02-09 of 24.03.2015) and strengthened the professional position of "spokesmen" for the Prosecutor's Office; thus the institution has already started developing a media policy of its own. Within the context of its media policy, the Prosecutor's Office regards "public interest" as a notion defined by the media and as something the Prosecution can shape. An excerpt from the 2017 report of the Prosecutor's Office is particularly indicative in this respect, saying that: "A positive trend has been observed when news is reported during press briefings. While in 2016 the Prosecutor's Office held press conferences together with the police on topics for which public interest had already been created, either due to information leaked in advance about a serious crime or due to a video disseminated to the public by the media, in 2017 the Prosecutor's Office was proactive to provide information to the mass media. (...) The trend is also positive because the work carried out by law enforcement authorities on such cases is made visible to the public"<sup>12</sup>. The report also specifies that the media policy of the Prosecutor's Office pursues specific goals. One of the goals is to treat equally the media; another declared goal is to "uphold, raise the public confidence and improve the reputation of the Specialized Prosecutor's Office and the Prosecutor's Office of the Republic of Bulgaria in general by means of providing most comprehensive information to the public about the results of their work"<sup>13</sup>.

Post-2015 annual reports show that the Prosecutor's Office publishes about 1,200 press releases and holds between 80 and 100 press briefings per year. Thus, in the context of the Prosecutor's Office's media policy, together with the predefined "CPPI" category of cases, a subtype of this category develops: cases about which the Prosecutor's Office actively provides the media with information at their request or on its own initiative.

The number of cases reported by the Prosecutor's Office under the broader predefined category "CPPI" is steadily growing: in 2013, CPPI monitored by the Prosecutor's Office were 15,872 and in 2018 they reached 24,676. The CPPI number is growing both as the total number of pending proceedings and the number of proceedings completed by the Prosecutor's Office over the year. However, the number of CPPI indictments submitted to the court has not grown in the period 2013-2018

and has varied within very narrow limits during these 6 years: between 4,600 and 4,959 (Figure 2).

In the majority of CPPI the pre-trial proceedings do not reach the courts. In 2018, the number of prosecutorial motions (mainly indictments) in CPPI submitted to the court accounted hardly for 1/5 of the total number of supervised pre-trial proceedings in such cases. The pre-trial proceedings completed in the same year account for approximately 3/5 of the supervised cases and most of the completed proceedings have been discontinued or suspended (Table 2). The number of discontinued or suspended pre-trial proceedings for CPPI is just as sizeable for pre-trial proceedings related to all other crimes. To the extent that there are differences between CPPI and pre-trial proceedings related to all the other crimes, they concern the following: with regard to CPPI, the number of cases referred back by the court compared with those submitted to the court is slightly higher than the average for all types of proceedings, and so is the share of acquitted persons. The share of acquitted persons in CPPI in 2015 account for approximately 4.7% of the persons against whom motions have been submitted to the court by a prosecutor, while it is on average 2.8% for all motions submitted to the court. Sofia City Prosecutor's Office (SCPO) and Sofia City Regional Prosecutor's Office (SRPO) in particular, which oversee more than a fourth of all CPPI, have the highest share of acquitted persons in CPPI: in 2017, almost 35% have been acquitted, i.e. one in three such cases in SCPO and SRPO is lost by the Prosecutor's Office<sup>14</sup>.

CPPI are relatively clearly distributed in terms of territorial jurisdiction: they are mainly related to Sofia, Plovdiv and three of the big border towns (Bourgas, Varna and Blagoevgrad). In 2018, 30% of all CPPI proceedings supervised by the Prosecutor's Office were opened in SCPO and SRPO, 7% were supervised by each of the District Prosecutor's Offices in Plovdiv, Varna and Bourgas, 5% by Blagoevgrad District Prosecutor's Office, and 4% by the Specialized Prosecutor's Office (SPO). Each of the remaining 20 District Prosecutor's Offices in the country supervised 3% or fewer CPPI, the District Prosecutor's Offices in Kardzhali, Razgrad, Vidin, Silistra, Targovishte and Smolyan having the lowest number of CPPI supervised.

Cases involving fraud with EU funds are part of CPPI, not a sizeable at that, and their percentage of the total CPPI cases has been going down over the last six years.

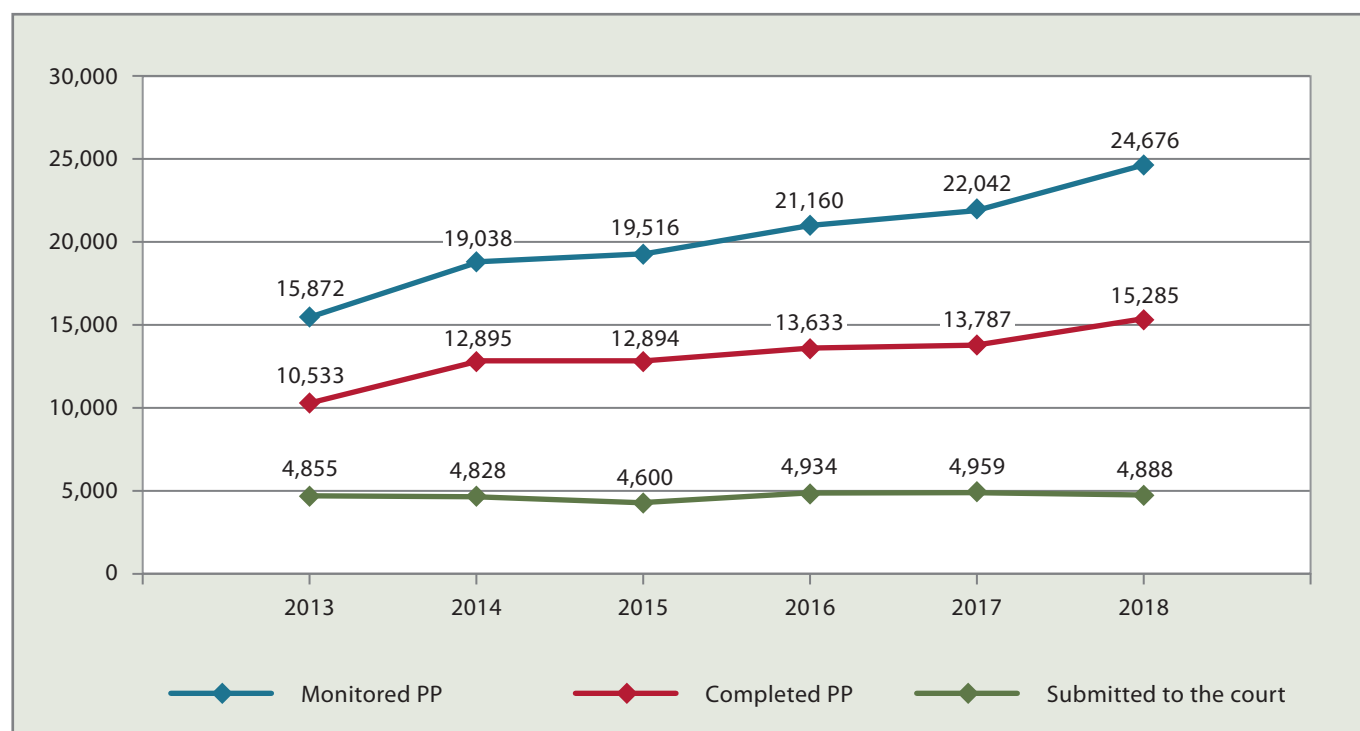
<sup>12</sup> Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2017, p. 108.

<sup>13</sup> Ibid.

<sup>14</sup> Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2017, p. 62.



**Figure 2. Number of pre-trial proceedings (PP) for CPPI monitored by the Prosecutor's Office compared to the completed proceedings and number of motions submitted to the courts**



Source: Annual reports of the Prosecutor's Office.

In 2013, fraud with EU funds accounted for 2.7% of CPPI, while in 2018, their percentage dropped to 1.8%<sup>15</sup>.

Proceedings for fraud with EU funds are instituted mainly pursuant to article 248a, paragraph 2 of the Penal Code (for providing false information or withholding information to receive funding from the EU Funds): in 2015, out of 425 proceedings for fraud with EU funds, 353 were related to crimes pursuant to article 248a, paragraph 2 of the Penal Code. The proceedings for the other three qualified corpus delicti related to fraud with EU funds (article 254b, article 202, paragraph 2, item 3 and article 212, paragraph 3 of the Penal Code) accounted for approximately 20 or fewer cases each on national level per 2015.

The number of pre-trial proceedings for fraud with EU funds supervised by the Prosecutor's Office in the period 2013-2017 has been relatively steady, however, the number of completed pre-trial proceedings and prosecutorial motions submitted to the court has considerably declined. In 2017, hardly 55 prosecution motions were submitted to the court regarding pre-trial proceedings for fraud with

EU funds. The 2018 report of the Prosecutor's Office noted a certain increase in the number of completed proceedings and motions submitted to the court (Figure 3).

Similarly to other CPPI (e.g. money laundering, human and drug trafficking), pre-trial proceedings for fraud with

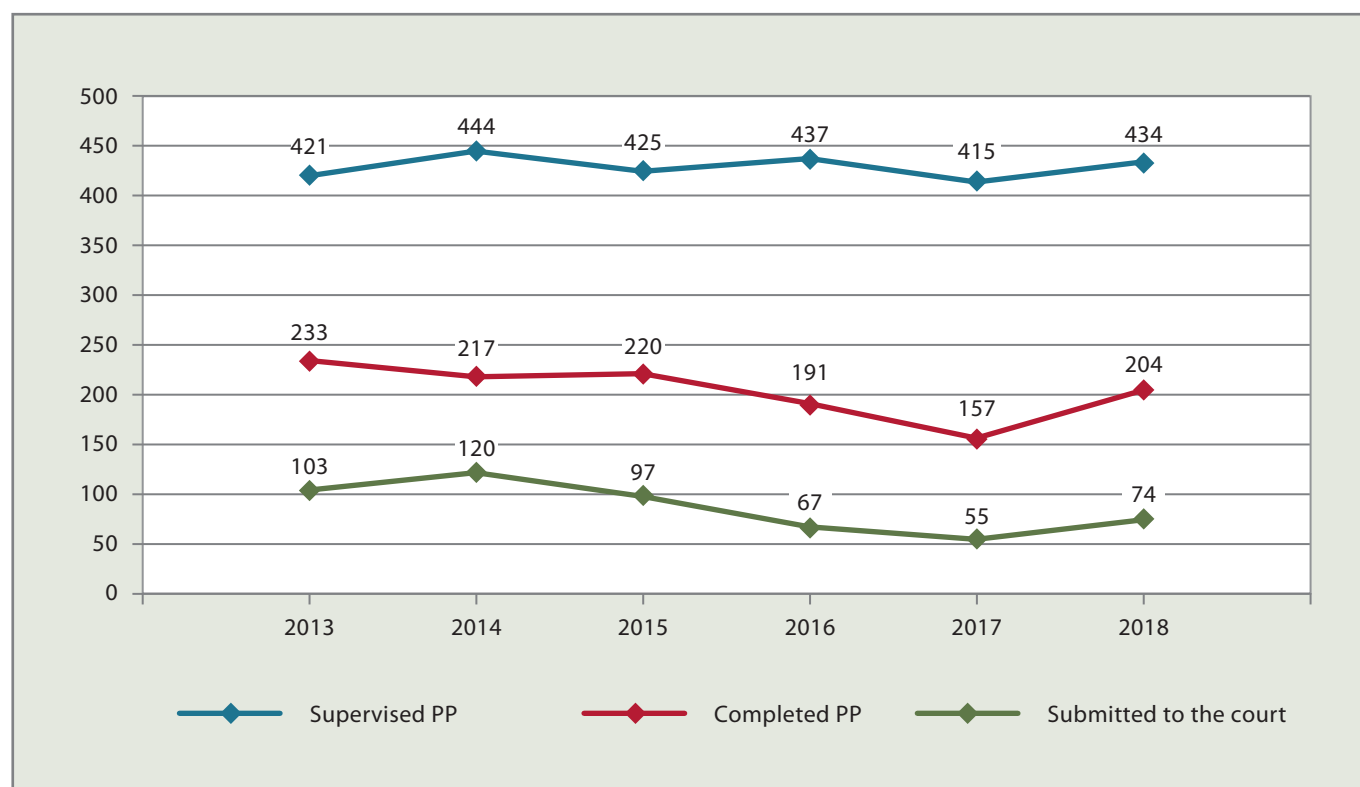
**Table 2. Number of CPPI in 2018\***

	CPPI in 2018	Number
1	Monitored pre-trial proceedings	24,676
2	Completed pre-trial proceedings	15,285
3	Prosecutorial acts submitted to the court	4,888
4	Persons brought before justice based on the prosecutorial motions submitted to the courts	5,581
5	Convicted persons	4,724
6	Acquitted persons	142

Source: PRB.

\* Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2018, p. 56.

<sup>15</sup> **Author's Note:** Information about the share of CPPI out of the total number of monitored pre-trial proceedings has been based on the author's calculations on the basis of data from the annual reports of the Prosecutor's Office.

**Figure 3. Pre-trial proceedings for fraud with EU funds**

Source: *The annual reports of the Prosecutor's Office.*

EU funds have resulted in a small number of prosecutorial motions submitted to the court and in general the share of cases referred back by the court to the Prosecutor's Office for further investigation is higher than the average for the country. In 2017, out of 55 prosecutorial motions for fraud with EU funds submitted to the court, 7 were referred back, i.e. approximately 13% were referred back compared to the average share of approximately 4% for all cases<sup>16</sup>.

The Prosecutor's Office has explained the low number of pre-trial proceedings for fraud with EU funds over the last years as follows: "we do not receive information from the public authorities such as State Fund Agriculture and local institutions. Probably these institutions believe that information should be reported to the Prosecutor's Office only in case real damages have incurred and subsidies paid to the beneficiaries. In fact, article 248a, paragraph 2 of the Penal Code is a formal act and it is enough to submit false data to the paying agency State Fund Agriculture to have the elements of the crime"<sup>17</sup>.

<sup>16</sup> Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2017, p. 50.

<sup>17</sup> Prosecutor's Office of the Republic of Bulgaria, Report on law enforcement and the work of the Prosecutor's Office and investigating bodies in 2018, p. 70.

Despite the small number of prosecutorial motions submitted to the court for fraud with EU funds, a contradictory practice has been observed as early as the first years after the introduction of the qualified corpus delicti in the Penal Code. In a study carried out by *Riskmonitor* Foundation in 2011, Ralitsa Ilkova addresses two aspects of this issue. On the one hand, Ralitsa Ilkova notes that different units of the judiciary address similar cases in a different way: "what can be observed is a highly controversial case law, unequal interpretation and application of law by individual units of the judiciary as well as by the same units in different judicial districts". On the other hand, Ralitsa Ilkova points out that "offenders are not treated equally for identical factual corpus delicti. The latter creates the impression that each offender is treated individually, taking into account factors that are external to the criminal policy of the country and not in a principled and strictly law-abiding way". According to Ralitsa Ilkova the contradictory practice is due to the legal approach adopted to criminalize fraud with EU funds by adding qualified elements to already existing crimes, thus granting the Prosecutor's Office excessive freedom of discretion: "the broad set of punitive mechanisms creates a contradictory case law (...) it is initially not clear

to which of the many existing provisions each type of crime should be related”<sup>18</sup>.

## MEDIA REPORTING OF IRREGULARITIES AND FRAUD WITH EU FUNDS

For the period 2017-2019 in the three monitored media (*24 chasa*, *Sega* and *Mediapool*) 548 news items regarding irregularities and fraud with EU funds have been identified altogether. “News item” herein refer to texts in the relevant sections with news about the country, including the *Crime* section of *24 chasa*. This study does not include interviews and analytical materials or texts addressing in general the absorption of the EU funding under the relevant programmes, the risks of delaying implementation, the reasons for lack of absorption of the funds, etc.

The detected 548 news items related to irregularities and fraud with EU funds can be grouped in 63 cases, i.e. 8-9 news items on average per case.

The majority of news items regarding irregularities and fraud with EU funds have been published in *Mediapool*: 202 news items in total about 36 cases. In *Sega* there were 178 news items about 45 individual cases and in *24 chasa* there were 168 news items about 45 cases (Figure 4).

The news items regarding irregularities and fraud with EU funds were unevenly distributed between the reported years: the largest number of news items was in 2019 (295), 132 in 2018 and 121 in 2017 (Figure 5).

Distributed by months in the three monitored years, the highest number of news items about fraud with EU funds can be seen in May 2019: 46 news items, 45 in April 2019 and 43 in June 2019. In four months there are about 25 news items each: 27 in February 2017, 31 in March 2019, 29 in July 2019 and 26 in November 2019. The lowest number of news items regarding irregularities and fraud with EU funds can be seen in the following months: in July 2018 – 1, in August 2017 – 1, in June 2018 – 2 and in November 2017 – 2 (Figure 6).

The number of news items about irregularities and fraud with EU funds was the highest in the period around the regular European Parliament elections (26.05.2019). There is relatively high number of news items in February

2017 (around the time of the resignation of the second government of GERB and the rule of the caretaker government headed by Prof. Ognyan Gerdzhikov) and in November 2019 (around the time of the regular local elections). It is evident that the media have not kept a steady interest in the subject; media attention to the subject has had its sharp ups and downs. This study cannot confirm whether there is a connection between the political cycle and the intensity of news items about irregularities and fraud with EU funds because the observed period is too short. This hypothesis however ought to be verified through a different empirical study covering a longer period of time.

The 548 texts regarding irregularities and fraud with EU funds have been distributed into 63 individual cases, each of them addressed in minimum one and a maximum of 82 news items. The dominant number of cases have been covered in relatively small number of news items – 51 out of 63 cases have been covered by fewer news items than the average (9 news items). Almost one fourth of the cases have been covered only in one news item (17 out of 63 cases); 11 cases have been covered in only two news items, 6 cases in only 3 news items.

Less than one third of the cases (26 out of 63 detected cases in total) have been covered by news items in all the three monitored media. Another 26 cases have been covered in news items in just one of the three media and 11 of the cases have been covered in two of the monitored media.

Only 12 cases have been covered by all the three monitored media with a total number of news items above the average (9) (see Table 3). These are also the cases that can be defined as “cases of particular public interest” judging by the amount of media attention to them. The largest number of news items, 82, have been about case No 59 – the repair works of Zone 2 (*Graf Ignatiev* Street in Sofia), followed by case No 42 – the investigation against Minyu Staykov (64 news items), case No 58 – the repair works of the Largo in Sofia (50 news items) and case No 46 – the Ministry of Education and Science/OP Science and Education for Smart Growth (49 news items). Another significant case in the monitored period has to do with the disclosures about the “guest houses” financed under

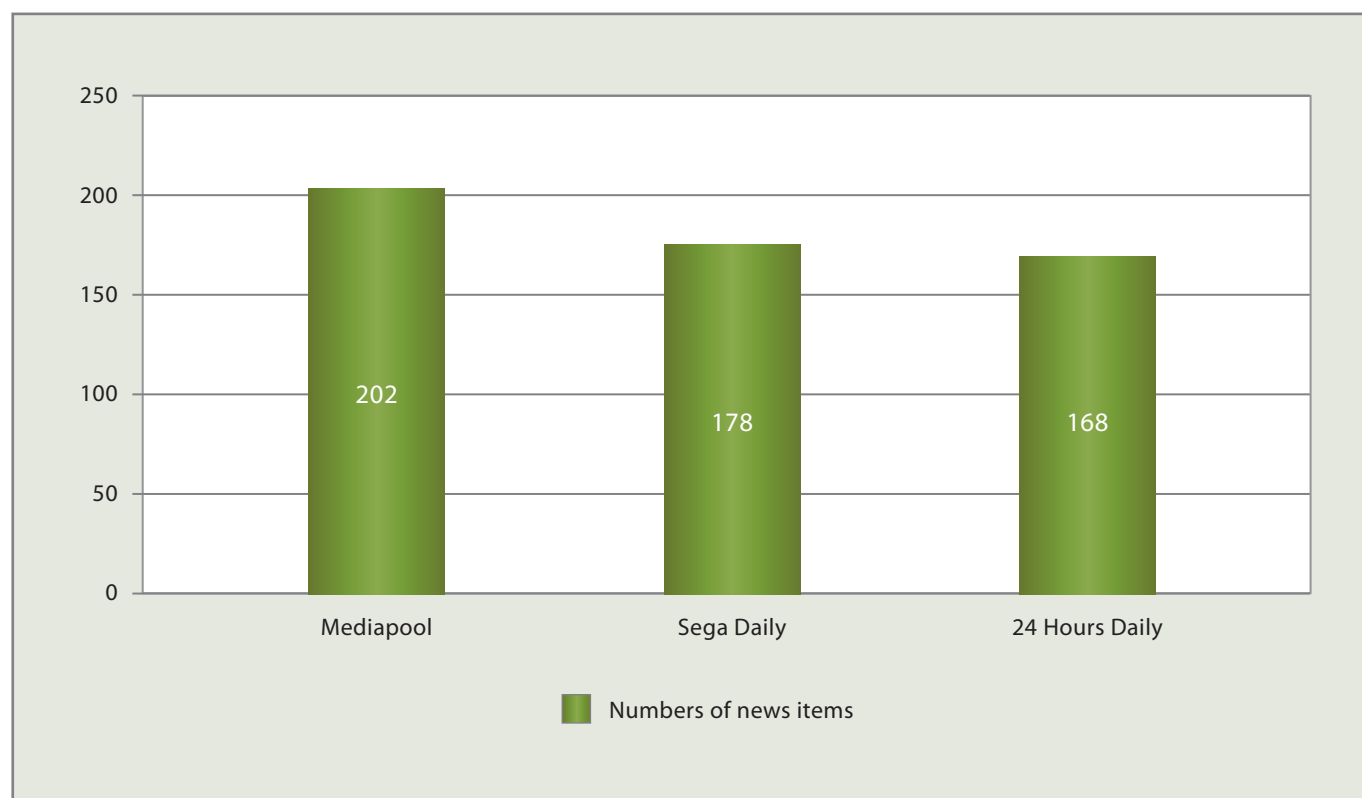
**“The media in Bulgaria are in fact in their existence minimum. They neither have the capacity to do complex investigations, nor to cover a broad range of topics.”**

### Respondent 8

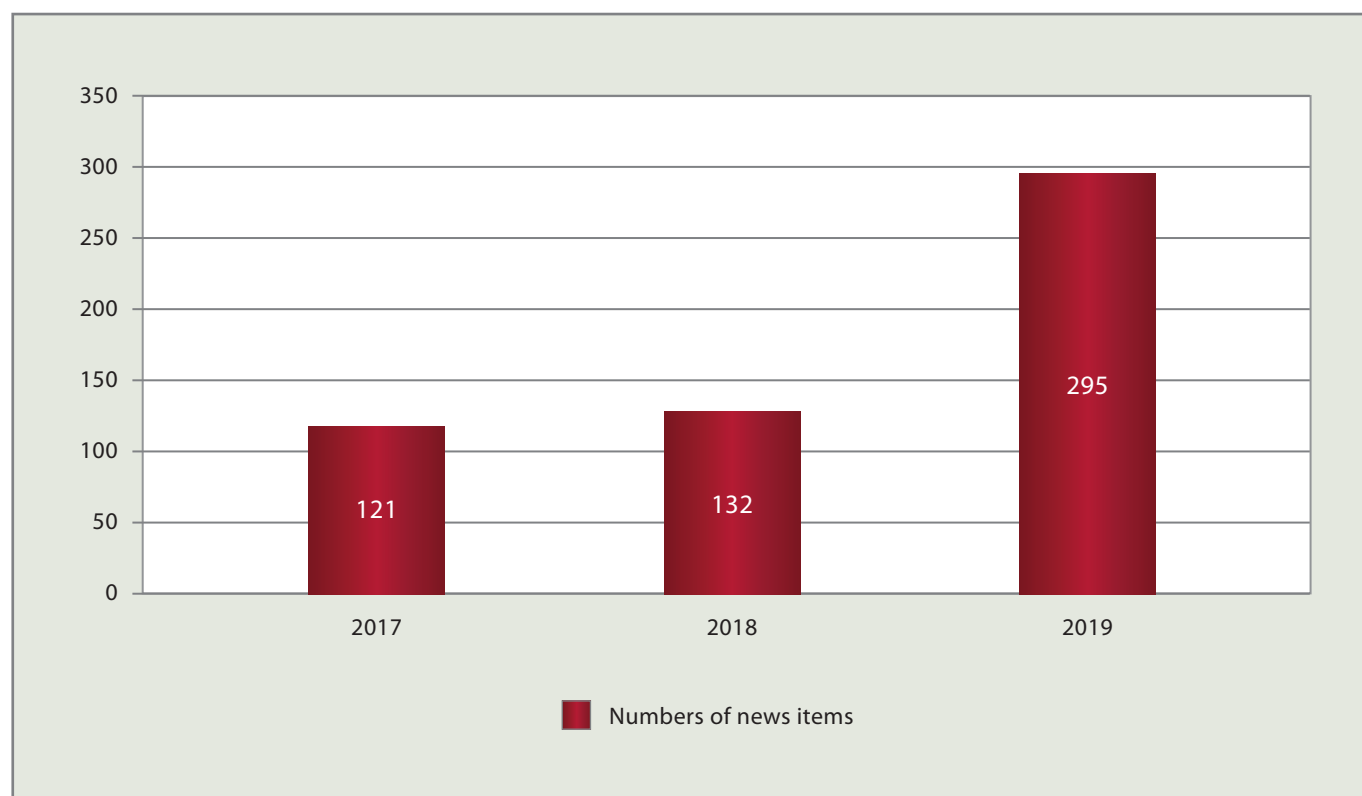
a journalist, 16 years of professional experience

<sup>18</sup> Ilkova, R. (2011) *Zashtita na evrofondovete v Bulgaria. Riskmonitor*, p. 7-8. The news item is available online at [www.riskmonitor.bg](http://www.riskmonitor.bg)

**Figure 4. Total number of news items regarding irregularities and fraud with EU funds in the three monitored media in the period 2017-2019 inclusive**



**Figure 5. Total number of news items regarding irregularities and fraud with EU funds in the three monitored media, by year**



the Rural Development Programme that are owned by people close to the authorities and have been used for personal purposes instead of tourism. The scandal makes the top three cases in terms of number of news items but its general title hides several different cases of irregularities and fraud attributed to several different persons. For this reason they were divided into separate cases.

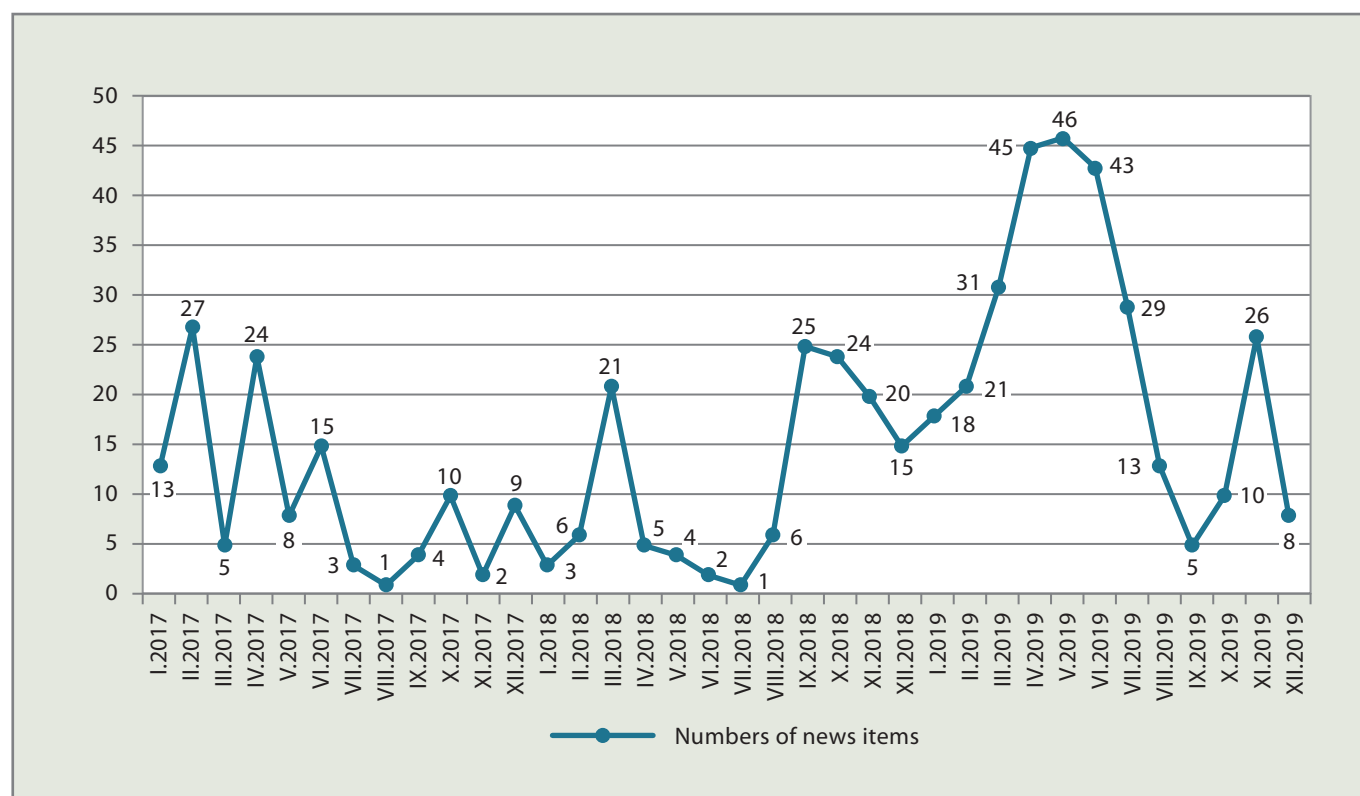
The allegations of irregularities and fraud with EU funds that were reported by the media were classified to the extend possible according the notions of the institutional accountability. In the largest number of cases (33) there are allegations for a crime. The second most frequent group of cases is related to allegations about violated public procurement procedures (in 17 out of 63 cases), an alleged conflict of interests is involved in 9 cases, non-performance of a contract in 7 cases and unnecessary expenditure made in 4 cases. (see Table 4).

The media report also cases of misuse of EU funds which do not fall into the definitions of “irregularity” and “crime” adopted by the institutions, i.e. they can be classified in the latter categories only after a thorough investigation and some of them imply a violation of the national legislation with no direct link to the administration of the EU funds. These cases are classified here in the

general category of “other” (14 cases) including 5 cases of bad project planning, 5 cases of infringed procedure for appointment/dismissal of employees in the Managing Authorities, 2 cases of “lobbying”/substandard legislation and 2 cases of violations of the provisions for access to public information.

The cases of lobbying or substandard quality of the legislation are in themselves a serious threat to the efficient and lawful administration of public funds. With regard to case No 22, the Council of Ministers amended in 2018 the ordinance regulating the criteria for selection of suppliers of the *School Fruit* Scheme. The amendments were severely criticized by different stakeholders and the following year they were revoked. However, three suppliers were selected meanwhile seeking now legal redress before the court (*Sega*, 27.09.2019). With regard to case No 32, the Supreme Administrative Court ruled in May 2019, at the height of the scandal with the “guest houses”, that the methodology used by SFA to determine the size of the penalties for the offenders was null and void; respectively the penalties imposed can be successfully quashed in court. The methodology was issued in 2011 by the Executive Director of SFA who did not have the powers to issue legislative acts (*Mediapool*, 10.05.2019).

**Figure 6. Total number of news items regarding irregularities and fraud with EU funds in the three monitored media by months**





**Table 3. Main cases for irregularities and fraud with EU funds reported in the media in 2017-2019**

No	Case	Number
59	Repairs of Zone 2 ( <i>Graf Ignatiev Street</i> ) in Sofia	82
42	The investigation against Minyu Staykov	64
58	The repairs of the Largo in Sofia ("Hello, Banov")	50
46	Ministry of Education and Science / OP Science and Education for Smart Growth	49
34	"Guest houses" / general inspection by State Fund Agriculture (SFA)	30
33	"Guest houses" / investigation against A. Manolev	28
9	Investigation against partners in <i>GP Group AD</i>	19
58	Plovdiv – European Capital of Culture	18
6	Road Infrastructure Agency (RIA)/Lot 1 of <i>Maritsa</i> Motorway	13
2	RIA/ Lot 3.1. of <i>Struma</i> Motorway	13
51	Investigation against Petar Pishtalov	12
40	Public procurement of jeeps for Chief Directorate Border Police, Ministry of Interior	9

The second group of cases classified as "Other" refers to the planning of larger initiatives, whereby a number of projects have been implemented without any alleged irregularities or fraud but the implemented activities did not provided the expected outcome: such cases include in particular the introduction of e-government (case No 25), the introduction of e-justice (case No 47), the introduction of automated ticketing system for the public transport in the city of Varna (case No 7). Issues related to the reasonable planning of expenditure spent under EU-

**"A small proportion (of fraud with EU funds are disclosed to the public here – Author's Note), if the connection is followed between the small circle of companies, absorbing a sizeable share of the EU funds and the people in power (the ones Dogan called "rings of companies")."**

**Respondent 9**

a lawyer, 22 years of professional experience

financed projects are also present in case No 41 (the Trade Union Federation of the Employees of the Ministry of Interior (Mol) requested an inspection of the fire vehicles purchased under an EU-financed project) and in case No 62 (the government pledged to co-finance the construction of a new building for the University of National and World Economy without allocating dedicated funding in the budget of the relevant Ministry).

The category "Other" also includes news items revealing information about violations of the procedure for appointment/dismissal of employees of the Managing Authorities of EU programmes or their obligations to declare certain circumstances (assets or conflict of interests). Such is case No 28 (where OLAF informed the national authorities about potential violation of the procedure for appointments and appraisals of employees at *Audit of European Union Funds* Executive Agency), case No 26 (dismissal of employees of the Human Resources Development Centre with the Ministry of Education and Science), case No 36 (removal from office of the Deputy Director of SFA at the request of the Prime Minister) as well as the review of potential conflict of interests involving the Minister of Agriculture (case No 53) and the news about the mismatch between the content of the Assets Declaration of submitted by him and the version published on the CIAF website (case No 54).

There are also two cases, where news items claim lack of transparency in the administration of public funds: case No 52 about lack of visibility in the manner in which Plovdiv Municipality spent the funds on the opening event of Plovdiv as European Capital of Culture; case No 57, where *Za Zemyata* Association sued Sofia City Municipality pursuant to the Access to Public Information Act because the organization was denied access to information about a large-scale municipal project financed from the EU Funds.

Violations in the selection and management of human resources and violations of the Access to Public Information Act (APIA) do not qualify “an irregularity” according to the legalistic definition, but in news items they often appear in relation to irregularities and fraud with EU funds and indicate the application of legality in the actions of administrations that play a key role for the management of EU funds. Indicators related to the frequency rate of resignations and unlawful dismissals in the administration and the frequency rate of court rulings repealing instances of refusal of the administration to provide access to public information can be useful for the assessment of the risk of irregularities and fraud.

Media reporting of irregularities and fraud with EU funds do not always refer to a specific affected Programme or Fund. Where a specific reference is made, the alleged irregularities and fraud most often affect the implementation of the RDP (19 out of 63 detected cases), the other Programmes are much less frequently mentioned as affected (Table 5). Most of the 19 cases involving the RDP are covered in few news items (between 1 and 3 per case) by just one of the monitored media (24 *chasa*).

Similarly to the programme concerned, the news items about irregularities and fraud with EU funds do not always indicate the amount of financial interest damaged. Single news items have covered cases concerning a very small financial interest: in case No 16 and case No 21 the affected financial interest amounts to approximately EUR 1,200, in case No 13 – to EUR 3,400, in case No 14 – to EUR 4,000. The largest financial interest allegedly damaged was under case No 2 (Road Infrastructure Agency – Lot 3.1. of *Struma* Motorway) in the amount of approximately EUR 100 million.

Three out of the four cases of irregularities and fraud with EU funds covered in the largest number of news items (No 59 – Repairs of *Graf Ignatiev* Street in Sofia, No 58 – Repairs of the Largo in Sofia and No 42 – Investigation against Minyu Staykov) concern a much smaller financial interest compared to infrastructural projects such as cases No 2 (RIA – Lot 3.1. of *Struma* Motorway) and No 6 (RIA – Lot 1 of *Maritsa* Motorway) which are covered in far less news items. The number of news items about these large-scale infrastructural projects is almost identical with the number of news items about case No 51 – Investigation against Petar Pishtalov, which is about an EU subsidised herd of horses that was lost in the mountains and eventually the person responsible was charged with cruel treatment of animals. The findings of the study demonstrate that there is no proportional correlation be-

tween the amount of damaged financial interest and the number of news items for each case; quite the opposite, as there are many news items about cases which prompt indignation and outrage for various reasons.

Out of the 33 reported by the media cases with alleged crime, in 18 cases the law enforcement authorities acted based on news item in the media and thus the case became known to the public prior to the opening of criminal proceedings. The remaining cases were reported by the media at an advanced stage of the criminal proceedings and it was not possible to establish based on what information the law enforcement authorities decided to act.

It is not possible to establish the source of initial information in all cases, but where it is possible, it was established that the Prosecutor’s Office has been the source of initial information in at least 8 cases (reports about a police raid carried out, an arrest, brought charges or a convicted person). One web site for investigative journalism – *Bivol* has been the source of information in 6 cases (together with *Blagoevgrad News* website in one of them), different non-profit legal entities – in 6 cases, *Sega* – in 5 cases, Nova TV – in 4 cases (two of which based on information from a local journalist in the town of Cherven Bryag), OLAF – in 3 cases, MPs from the opposition – in two cases. In isolated cases allegations for irregularities or fraud were reported by citizens in the social media, by a municipal councillor, by PIK agency and by the newspapers *Capital* and *Standart*.

The data demonstrates that the electronic media (websites and TV stations) have greater weight than the main-

**Table 4. Frequency of allegations for irregularity and fraud (by type)**

Alleged irregularity/fraud*	Number
Crime	33
Violation of the public procurement procedure	17
Other	14
Conflict of interests	9
Failure to execute a contract	7
Unjustified expenditure	4

\* In some of the cases there are more than one alleged irregularity or crime.

**Table 5. Frequency of allegations for irregularity and fraud (by affected fund/ programme)**

Affected Fund/Programme	Number of cases
Rural Development Programme (RDP)	19
Not specified	10
Operational Programme (OP) Regions in Growth	4
OP Regional Development	3
Emergency aid from the EU for the refugee crisis (2016)	3
OP Environment	3
OP Transport and Transport Infrastructure	2
„Erasmus+“	2
OP Good Governance	2
OP Human Resources Development	2
OP Science and Education for Smart Growth, Cross-border Cooperation with Romania, School Fruit, OP Competitiveness, OP Food and/or Basic Material Assistance, SAPARD, ISPA, Single Area Payment Scheme, European Agricultural Guarantee Fund	One case for each programme

stream printed media for disclosure of irregularities and fraud with EU funds. At the same time non-profit legal entities also seem to play an important role in the uncovering irregularities and fraud with EU funds. The number of cases of irregularities and fraud uncovered by non-profit legal entities is higher than the one uncovered by the parliamentary opposition, for instance, and the opposition disposes of the tools of parliamentary control. The data also shows that the Prosecutor's Office plays an ambiguous role: it is not only the institution expected to respond and verify the facts in the cases of alleged irregularities or fraud but it also actively participate in shaping the media image of these cases.

## CHALLENGES TO THE MEDIA IN REPORTING IRREGULARITIES AND FRAUD WITH EU FUNDS

This section presents a summary of the responses provided by 11 experts (6 journalists and 5 lawyers) to the questionnaire developed to assist the analysis of the findings from the quantitative survey.

### PROBLEM 1

#### The media disclose few of the irregularities and fraud with EU funds

To begin with, the quantitative survey cannot respond to the question how the 63 cases of irregularities and fraud with EU funds correlate with the spread of this phenomenon in public life. Are these 63 cases, which have been made publicly available over these three years, many or few? The respondents are almost unanimous that the media detect and disclose just a small number of irregularities and fraud with EU funds. One of the lawyers replied that he could not decide what to answer.

Two explanations about the low number of published disclosures of irregularities and fraud with EU funds have emerged from the answers to the questionnaire. On the one hand, the media environment in the country has deteriorated over the last years, which is evidenced by the financial difficulties faced by the media, the concentration of media ownership, the spread of censorship and self-censorship. The crisis has engulfed the whole media environment but it has particularly affected investigative journalism and criminal reporters. The media do not have

resources and offer poor remuneration and working conditions for journalists.

The crisis has affected both the private media, whose revenues depend on advertising, and the public media, which are recipients of guaranteed financing from the state budget that should have neutralized the impact of the changes in the market environment. The analysis of the media reporting on irregularities and fraud with EU funds has not established a single case where the initial information has been discovered as a result of journalistic investigation by the public media (the Bulgarian National Radio or the Bulgarian National Television). Most respondents in this study believe that the public media are dependent on the government because they are financed with a subsidy from the national budget and the government has no interest in disclosing irregularities and fraud with EU funds. However, there are also alternative explanations: it might be a matter of “misunderstood objectivity”, in the opinion of one of the journalists, where the public media understand their public role as refraining from doubts about the efficiency of the “state control mechanisms”. Another interviewed journalist has mentioned that the subject of irregularities and fraud with EU funds is more appropriate for the printed press but not for radio and television, which are considered somewhat “fast” media.

The media crisis described by the participants is not limited only to a crisis in the business model of the media. The crisis also has to do with a decline of the ethical standards of journalism. The respondents have mentioned that the media and reporters are used in some cases as “letterboxes”: they disclose cases made available to them at the right political moment. Such behaviour seriously ruins the reputation of the profession and public trust in the integrity of the media. Frequent attacks and allegations of bias thrown by some media at the others have the same impact.

Most respondents agree that until recently the government used to allocate funds for advertising of the European Funds in an arbitrary and non-transparent manner and thus has negatively affected the media environment in the country. However, this influence is not absolute and the respondents do not interpret it unequivocally. Two of them believe that the “injection” of European funds into the media selected by the government 10-12 years ago has been a decisive factor for the distortion of the media environment in the country and has divided the media into “pro-government” (receiving funds for promotion of the European Programmes and refraining from criticizing the government) and those

criticizing the government and consequently not receiving funds for the promotion of the EU Programmes.

However, other respondents have been less categorical about the influence of funding allocated by the government for promotion of the EU Funds on media freedom. Two exceptions have been mentioned in the questionnaire: the Bulgarian National Radio and Darik Radio, as examples of media that have benefitted from promoting European Programmes but whose objectivity has not suffered as a result. One of the lawyers responded he could not decide about the influence of the allocated funds and another one firmly believes that they do not have influence on the media freedom.

## PROBLEM 2

### The cases attracting the greater media attention are not necessarily the ones affecting large financial interests

A central question in the study is what makes a case of “particular interest” to the media, why certain cases of irregularities and fraud with EU funds enjoy greater media attention than others? The answers of the experts did not indicate to a clear consensus and the explanations vary. The respondents listed the following factors resulting in greater interest by the media towards certain cases:

- When at the time of uncovering the fraud, responsibility can be assigned to an individual, especially if he/she is a public figure;
- When the facts of the case are in full view and cannot be covered up;
- When the Prosecutor's Office has uncovered the case and actively provides information about it;
- When the topic is “easy to digest”, i.e. does not require many explanations from experts, can

*“(...) the public attention is really focused on problems that are easy to notice and digest. (...) topics (such as the repair works of Graf Ignatiev street and the Largo in Sofia) are easier to process (for the journalists) and the risk of making mistakes and being sued by the concerned parties is lower. The journalists who are capable of investigating large infrastructural projects are a handful and work for the few independent media.”*

**Respondent 8**  
a journalist, 16 years  
of professional  
experience

be easily processed by journalists and does not pose the risk for them to be sued since the alleged facts can be easily verified;

- When the topic becomes part of a political debate because the opposition parties showed interest in it, e.g. prior to local elections.

The quantitative survey demonstrated that the cases covered in the largest number of news items are not about the most expensive projects: in contrast, relatively few news items have been issued about cases of irregularities and fraud involving large infrastructural projects. Most of the respondents agree that the findings of the quantitative survey correspond to their experience as well. In response to the question why there are so few news items about irregularities and fraud involving larger infrastructural projects, the respondents listed in reverse the factors quoted above about the media showing interest in “visible” and “easy” topics:

- There is concentration of media ownership;
- There is fear of addressing such topics and self-censorship among journalists;
- The media do not have sufficient resources for more complex and long-term investigations;
- The issues are complex and require technical and economic expertise and few journalists have the capacity to investigate;
- The responsibility for irregularities or fraud in large infrastructural projects can not be easily assigned to an individual, and when it can, these are persons with political ties and they are known to be capable of preventing a possible journalistic investigation;
- The media have a leaning towards sensational topics;
- Fraud in large infrastructural projects can be exposed only with the help of “whistleblowers” and it is not in the interest of such people to disclose information because all competent experts in the field work either for the contracting authority, or for the contractors.

The study demonstrates that media choice to devote more news items to a case and fewer to another depends to a great extent on the resources and capacity of the media itself and the willingness of law enforcement authorities to supply information. Therefore the construct of “cases of particular public interest” does not always objectively reflect the existing differences in the importance of cases but rather the state and independence of the media and it varies according to the inclination of the law enforcement authorities to cooperate with it.

### PROBLEM 3

**The media coverage of irregularities and fraud with EU funds is fragmented and in most cases it is not possible to build a complete story of what the alleged irregularity is and what is the institutional response to remedy it**

The quantitative study has established the fragmentation of the media coverage of irregularities and fraud with EU funds: following an intensive media interest when a misuse of funds is uncovered or when there was a police operation to detain a suspect, the intensity of news items slowly dies out in the course of the criminal proceedings.

The majority of respondents agree that the media quickly lose interest in covering irregularities and fraud with EU funds. This is true not only for those cases but also for other non-violent crimes such as tax crimes, smuggling of goods and corruption. This is partially due to the crisis in the media sector: the media lack resources for prolonged and expensive investigations and quickly shift their interest towards other topics; reporters lose a lot of time to attend court proceedings without always getting anything newsworthy from them and they are not always competent to report the specificity of the court procedure. At the same time, other interviewed journalists maintain that the main decisive factor to sustain the media interest to a case is the discretion of the Prosecutor’s Office: providing information about already instituted proceedings fully depends on the Prosecutor’s Office and where the latter chooses not to disclose any information, the media has no remedy.

The findings of the quantitative study demonstrate that the fragmentation in the media coverage of irregularities and fraud with EU funds has another dimension as well: many of the news items about initiated proceedings or charges brought before the court lack certain viewpoints on the facts, most often the points of view of the accused or independent ex-

*“The larger an infrastructural project is, the harder it is to investigate due to the influence of the people who have absorbed the funds and due to the complexity of the issues that have to be followed to establish a breach of the procedure or corruption.”*

**Respondent 9**  
a legal practitioner,  
22 years of  
professional  
experience



perts. Most respondents agree with this observation. The majority of them believe that the media crisis is also a crisis of journalism: professional standards are not always complied with and information tends to be presented one-sidedly. The respondents reiterated again the unofficial division of the media into those which reflect the point of view of the Prosecutor's Office and those which the Prosecutor's Office deems to have a hostile attitude towards its activity. However, two of the respondents have pointed out that the absence of the viewpoint of defendants in already instituted criminal proceedings might be also due to the specificity of their defence strategy, i.e. defendants prefer to abstain from making statements to the media.

With regard to the missing independent expert opinion in the news items about irregularities and fraud with EU funds, the explanations of the respondents vary considerably. The media's lack of capacity and resources constitute a factor: one of the journalists pointed out that the media put pressure on reporters to work faster and they are expected to produce most news items in the course of just one working day. Some of the respondents have stated however that independent expertise on certain topics (mainly related to the financing and technical implementation of large construction projects) is lacking altogether on national level. One of the respondents has attributed the lack of independent expert opinions to wrongly perceived professional ethics of such experts – they believe that their independence shall be compromised if they make public statements about certain cases.

## MEDIA COVERAGE OF CRIMES INVOLVING EU FUNDS

The quantitative study demonstrates that in 33 out of the 63 cases of irregularities and fraud with EU funds detected in the three monitored media the reaction of the law enforcement authorities indicates that there was a crime. The study assumes that there was a crime when the examined news item reports a police operation, a preliminary review of a case by the police (*predvaritelna proverka*), a pre-trial proceeding, a prosecutorial motion submitted to a court or a convicted/acquitted person by a court. The news items covering these cases were reviewed using additional variables such as the specific type of crime, the proportion of indictments brought before the court, the number of people convicted and the type of restraint measures imposed on them.

The data gathered reflects only 33 cases over the last 3 years while in fact the Prosecutor's Office oversees annually more than 400 proceedings regarding fraud with EU funds. As it was mentioned at the beginning of this report, this study is not representative and does not provide an exhaustive list of the challenges in investigating such crimes. This study only aims at documenting some trends observed in the work of law enforcement authorities and testing the validity of the definition used by the latter of "cases of particular public interest".

In the 33 cases where there was a committed crime, the news items reveal that criminal charges have been brought against a total of 70 persons. Charges have been brought against more than one person (usually two or three accused persons) in one third of the cases (in 12 cases). Cases with more than three defendants charged together tend to be more of an exception and there are only two such cases: criminal charges were brought against 14 defendants under case No 42 (an investigation against Minyu Staykov) and 8 people are defendants under case No 55 (the case against Mario Nikolov and others for membership of an organized criminal group).

In 15 out of 33 cases of disclosed fraud with EU funds, the media mention that the Prosecutor's Office has ordered a preliminary review of the case and in 29 cases that pre-trial proceedings have been instituted. In 18 of these cases, law enforcement authorities acted upon information from a media reporting or specially referred to them.

Based on the review of the news items it is possible to establish the specific crime type relatively accurately only where pre-trial proceedings have been instituted. Some of the news items describe the crimes in general terms such as "draining funds from an EU Programme", "fraud with European funds". The most frequently quoted crime consists in declaring false data to receive funds from the EU (under article 248a, paragraph 2 of the Penal Code) – out of the 70 defendants in the 33 media reported cases, 20 were indicted for this crime in particular. However, the total number of persons charged with other crimes related to fraud with EU funds (misconduct in public office, mismanagement, falsified document crimes, etc.) exceeds the number of those prosecuted in particular for the crime under article 248a, paragraph 2 of the Penal Code (Table 6).

The criminal proceedings in 12 of the cases have been instituted against more than one offender. Charges for membership and leadership of organized criminal groups (OCG) have been brought in 3 of the cases. Charges of

**Table 6. Number of persons indicted in relation to fraud with EU funds (by type of crime)**

Crime	Number of persons
Declaration of false information to receive EU funds (article 248a, paragraph 2 of the Penal Code)	20
Organized criminal group (OCG)	19
Mismanagement	9
Document fraud	8
Misconduct in public office	7
Money laundering	3
Falsified document crime	3
Concluded disadvantageous contract	2
Failure to exercise control, fraud, embezzlement, concealing a document, using EU funds for other than the intended purpose, abuse of office	one accused for each of them

complicity have been brought in another 3 cases. One of the latter (case No 33) involves former Deputy Minister of Economy Alexander Manolev, who allegedly used a “stooge person” to obtain “a guest house”; Manolev was charged as an instigator and an accessory and the proceedings were submitted to Blagoevgrad District Court which has jurisdiction. Case No 42 investigated Minyu Staykov who had also allegedly used “stooge persons” to receive funding from the EU Funds. However, M. Staykov was charged as the leader of an organized criminal group and the proceedings were submitted to the Specialized Criminal Court, which had jurisdiction in such cases. Three of the cases involving more than one defendant concern members of the same family: spouses in two of the cases (No 50 and No 55) and a mother and a son in one case (No 16). In two cases the charge is complicity

(No 16 and No 50) but in case No 55 (the accusation of Mario Nikolov and others including his wife), the charge is membership in OCG which again refers the case to the Specialized Criminal Court.

The study has established that the competent authorities for pre-trial proceedings related to fraud with EU funds are most often District Prosecutor's Offices; they have supervised almost half of the cases (15, including the cases of Sofia City Prosecutor's Office); 6 proceedings were supervised by the Specialized Prosecutor's Office and 3 by the Regional Prosecutor's Offices. With regard to court proceedings, courts with jurisdiction have been most often District Courts (11 cases), the Specialized Criminal Court (3 cases), Regional Courts (2 cases) and Sofia City Court (1 case) (Table 7). Reference to the competent investigating authorities is made only in 9 cases; in 5 of them it is

**Table 7. Competent prosecuting authority in the pre-trial proceeding for fraud with EU funds**

Competent Prosecutor's Office	Number
District Prosecutor's Office	11
Specialized Prosecutor's Office	6
Specialized Anti-Corruption Unit with Sofia City Prosecutor's Office	3
Regional Prosecutor's Office	2
Sofia City Prosecutor's Office	1
Sofia Regional Prosecutor's Office	1

***“(...) reporters setting out for an event are expected to come back with news but not every court hearing results in such news. That is why the editors in charge demand from reporters to invest time and effort to cover buzzworthy issues instead of thoroughly study court trials.”***

**Respondent 4**

*a journalist, 14 years of professional experience*

Chief Directorate National Police, in 2 of them the State Agency for National Security and in one case Chief Directorate Combating Organized Crime and the Investigation Department with the Specialized Prosecutor's Office. This shows that most cases of fraud with EU funds that are treated as crimes and attracting media attention, are small-scale and isolated and have been examined by the traditional judicial authorities. Specialized judicial system authorities examine fewer of these cases.

Restraint measures imposed on defendants in the pre-trial proceedings instituted are rarely mentioned explicitly in the news items; however, where such measures are mentioned, they usually do not include detention in custody: 9 persons were imposed the measure of “signed promise of appearance”, 7 persons – a bail. The case of Minyu Staykov (case No 42) has been the only case of a media reporting about fraud with EU funds where “detention in custody” has been imposed. He was arrested on 5.09.2018 together with 9 more persons during an operation of the Specialized Prosecutor's Office and he was charged with two crimes soon after his arrest, i.e. money laundering and tax evasion in the amount of BGN 1 million. The third charge was brought against him at the end of April 2019, shortly before the expiry of the maximum statutory period of keeping him in custody. He was charged with using the sons and daughters of his employees to apply for funding in the amount of approximately BGN 20 million under the Young Farmer measure and under a measure supporting wine-growing. According to a text in *Mediapool*, it is quite likely that the third charge has been brought only to keep Staykov in custody<sup>19</sup>. As of April 2020 the Specialized Criminal Court has repeatedly refused to release him, even though the court has been notified on number of occasions that Staykov's health was deteriorating<sup>20</sup>.

During the three monitored years (2017-2019), court judgments delivered on charges of fraud with EU funds have been mentioned in texts of the three monitored media only in 7 cases: in 5 of the cases the defendants were found guilty and in 2 were acquitted. In addition, one case has been submitted to the court proposing exemption from criminal liability and imposition of an administrative penalty pursuant to article 78a of the Penal Code instead.

All five cases of convictions were covered in just one news item by one media (4 cases by *24 chasa* and one by *Mediapool*), i.e. the texts reports just the fact of the conviction and in at least 2 of these cases it is not clear whether the judgment is no longer subject to appeal. No other news items have been identified about these cases during the three monitored years.

All five cases of convictions concern relatively small material interest. In case No 13, B. B., a farmer from the region of Lovech, was convicted for declaring false data in order to receive a subsidy. The unduly paid subsidy was BGN 6,700. The farmer was sentenced to a suspended term of imprisonment of two years. In case No 15, Varna Regional Court sentenced a woman to 5 years of imprisonment for fraud with damage caused in the amount of BGN 200,000 taking into account that the crime had been repeated. In case No 20, a woman was convicted by Veliko Tarnovo District Court for declaring false information to obtain a subsidy for a building a guest house. The damage amounted to BGN 143,000. In this case the woman was convicted after a settlement with the Prosecution, i.e. the amount was recovered. In case No 29, the defendant was sentenced to a suspended term of imprisonment of one year and to a fine of BGN 2,000 for the attempt to receive unlawfully a subsidy: the defendant had declared false data but did not receive the subsidy.

Out of the five cases of convictions, just one of the convicted persons was in a position of power: in case No 30, the mayor of Karlovo Emil Kabaivanov was found guilty by a first-instance court for the embezzlement of BGN 27,000 from the EU. In December 2019 his sentence was repealed and the case was referred back to the first-instance court for re-trial<sup>21</sup>.

Imprisonment was the imposed penalty in 5 of the cases. One of the convicted persons was sentenced to serve effectively his term in prison (for a repeated fraud); suspended term of imprisonment was the penalty imposed in the other four cases. Imprisonment was accompanied by a fine in one of the cases.

<sup>19</sup> Dimitrov, S. Prokurorat po deloto Karnobat e pravil sdelki s Vinprom Peshtera, Tsatsarov ne vidja problem. – *Mediapool*, 3.05.2019.

<sup>20</sup> Minyu Staykov shte navarshi edna godina v aresta. – *Mediapool*, 22.08.2019.

<sup>21</sup> Otmeniha prisadana na karlovskija kmet Emil Kabaivanov. – *Maritsa newspaper*, 18.12.2019.

The two court cases that ended up in acquittals have been covered by relatively few news items in the reported period but prior to 2017 they were followed with great interest by the media. In case No 55, in June 2017 the businessman Mario Nikolov and 7 more persons were acquitted of the charge for an organized criminal group for a document fraud as a result of which they had unduly received in excess of EUR 7 million under the SAPARD Programme. The prosecution claimed that they had presented old instead of new equipment for meat processing. The court proceedings continued for 9 years. In 2016 Mario Nikolov was also acquitted of money laundering related to the same activity. Meanwhile in 2008 his counterparties were convicted in Germany for the imported machinery transaction. *Mediapool* website has quoted experts according to whom “the main mistake of the Bulgarian Prosecutor’s Office that undermined the trial was the division of the case into two separate ones, an embezzlement case and a money laundering case. This is how the connection has been lost between the initial crime and the follow-up attempt to “clean” the capital<sup>22</sup>.

In case No 56, in February 2017 the national media reported that former Mayor of Sliven Yordan Lechkov sued the Prosecutor’s Office for more than BGN 57,000 in compensation for non-material damage incurred from the court proceedings instituted against him that ended up with his acquittal by the court. In 2014 the Supreme Court of Cassation confirmed the acquittal of Lechkov in a case about a disadvantageous transaction made in the selection of a contractor to carry out the repair and reconstruction of the water supply network in one of the neighbourhoods in the town of Sliven. The funds for the repairs were provided from the pre-accession ISPA Programme. At the beginning of 2015 Lechkov gave an interview where he claimed that the court proceedings instituted against him aimed at hampering his political career: “I am an obstacle in Sliven because everything is a fight for public finance”. He claimed that after his removal from office public procurement contracts in Sliven stopped being won by local companies but by companies related to the MP from the Movement for Rights and Freedoms Delyan Peevski. Lechkov says: “We don’t have to buy gypsy neighbourhoods, we can buy prosecutors. Mayors are toppled, banks are taken over, no secret games, the curtain has fallen and everything is clear!”<sup>23</sup>

<sup>22</sup> Mario Nikolov e оправdan i po vtoroto delo za SAPARD. – *Mediapool*, 9.06.2017.

<sup>23</sup> Lechkov posotchi Peevski kato pritchina za sadebnite si problem. – *Mediapool*, 28.01.2015.

## CHALLENGES TO THE CRIMINAL POLICY AGAINST FRAUD WITH EU FUNDS

The quantitative study outlined some controversial aspects related to the criminal policy and the experts taking part in the survey were later asked about them:

- whether and when law enforcement authorities investigate media alerts about irregularities and fraud with EU funds?
- what is the effect of introducing qualified corpus delicti for some crimes and creating the category of CPPI on the prosecution’s general efficiency?
- whether the Prosecutor’s Office has a contradictory practice regarding criminal liability where more than one person is involved in the crime and regarding requested restraint measures in proceedings for fraud with EU funds?

### PROBLEM 1

**Law enforcement authorities investigate media allegations about irregularities and fraud with EU funds but their response is often formalist and is limited to ordering an inspection or instituting pre-trial proceedings**

The participants in the survey were asked to answer the question about the extent to which the media can influence the decisions of law enforcement authorities to investigate fraud with EU funds. Most respondents believe that as a general rule the law enforcement authorities react to media allegations about irregularities and fraud with EU funds. Reference has been made most often to two examples where media disclosures were followed by investigation and prosecution: case No 33 – the investigation against former Deputy Minister of Economy A. Manolev about his “guest house” and case No 59 – the investigation against former Deputy Mayor of Sofia City E. Krusev in relation to the repairs of Graf Ignatiev Street.

However, most respondents believe that the decision of law enforcement authorities to investigate and the effort they put in it are far from unconditional. The respondents mentioned first the established division of the media into those “in favour of the Prosecutor’s Office” and those “against it”. Where the information is published by the media classified by the Prosecutor’s Office in the



*“The well-established policy of the Prosecutor’s Office is to divide the media into good and bad, ignore in-depth investigations involving people in power, published by the bad media, and instantly self-refer cases based on information from the good media.”*

**Respondent 4**

*a journalist, 14 years of professional experience*

first group, the reaction is immediate. Two of the respondents even mentioned cases where information was disclosed by the media from this group just to provide an excuse for the Prosecutor’s Office to take action against the person in question. However, where information is published by the media in the other group, investigations are not launched or are delayed for years, or the response is only limited to the Prosecutor’s Office instituting pre-

trial proceedings and then abstaining from providing information about the case. In fact, it is difficult to establish in this case whether the Prosecutor’s Office truly regards certain media as an unreliable source of information and consequently is in no hurry to order preliminary review and open pre-trial proceedings upon information from them, or on the contrary, questions the reliability of certain media in order to justify its inaction regarding their disclosures about irregularities or fraud.

The intensity of media coverage of a case of an irregularity and fraud with EU funds is also an important factor motivating the law enforcement to act: the findings of a journalistic investigation published on a website or in a newspaper are not always a sufficient reason for law enforcement authorities to step in. The decision of one of the national TV channels to report the case is crucial. If more media join the coverage of the case, and if the national TV channel joins in, law enforcement authorities engage in investigating.

Informing OLAF about journalistic disclosures can be another factor to make law enforcement authorities act on media allegations about fraud with EU funds. One of the respondents hopes that the new European Public Prosecutor’s Office will also put pressure on national law enforcement authorities to carry out objective investigations.

## PROBLEM 2

**It is not certain that the introduction of qualified corpus delicti in the Penal Code leads to greater efficiency of public prosecution of fraud with EU funds**

The survey inquired whether the introduction of qualified corpus delicti results in reality in better efficiency of law enforcement authorities to counteract fraud with EU funds. The responses to this question vary considerably. Half of the respondents do not believe that the introduction of qualified corpus delicti for stricter criminal liability in cases of fraud with EU funds has made law enforcement authorities more efficient; others have said that they could not decide and two of the respondents believe that the new corpus delicti introduced had a positive but limited effect. One of the lawyers claimed that the introduced new qualified corpus delicti only helped hold criminally liable direct beneficiaries. However, where public officials involved in fraud with EU funds should be held criminally liable, the Prosecutor’s Office most often refers to the general and not qualified corpus delicti of misconduct in public office, for instance.

## PROBLEM 3

**The creation of the category of CPPI in the Prosecutor’s Office’s reports does not improve the prosecution’s general efficiency**

Most respondents do not see, as of this moment, that the creation of a separate category of CPPI results in greater efficiency of public prosecution against fraud with EU funds. One of the respondents has even noted that this criterion has been used to impose undue pressure on the court.

The respondents shared a clear consensus that the criterion defining which cases are of particular public interest has been compromised: „(...) cases are of particular public interest where this interest has been created by the media. Such interest may be created at the initiative of the media, for instance as a result of an independent journalistic investigation, but may be also created by law enforcement authorities purposefully “feeding” information about such cases to the media” (Respondent 3 – a lawyer, 20 years of professional experience).



Two of the respondents believe that it would make sense to have a separate category of CPPI but limited to very few cases and with clearly defined criteria different from the current ones: “The concept of (CPPI – Author’s note) should be defined but not according to the current criteria. The importance of the case should be measured by reference to the damage caused to the public and the manner of committing the offence (corruption, misconduct in public office, etc.) and not the media attention stirred by it (...) this attention could be (intentionally or unintentionally, as for instance in cases involving public figures) created by the media and distract attention from other, more important cases” (Respondent 2 – a lawyer, 19 years of professional experience).

#### PROBLEM 4

##### **The patterns for prosecuting fraud with EU funds resulting from collective criminal activity, are contradictory**

The quantitative study of media-covered cases of fraud against the EU funds has established that the media reported about 12 pre-trial proceedings instituted against more than one person; in 3 of the cases, the accused were charged with complicity, and in another 3 cases the persons were charged with membership or leadership of an organized criminal group (OCG), which automatically referred the case to the Specialized Criminal Court. The media coverage of these cases does not specify which differences between the cases explained the different legal qualification of the indictments. The survey inquired whether the Prosecutor’s Office had a constant practice of determining the legal qualification of collective criminal activity (such as complicity or OCG) and whether it used the qualification for OCG only to have the case referred to the Specialised criminal court.

All respondents expressed unequivocally and firmly their opinion that the Prosecutor’s Office’s practice regarding the legal qualification of a collective criminal activity is controversial and the institution uses the OCG charge, respectively complicity, to refer the case to a particular court, which it deems to be more favourable to the case. A respondent said: “(...) this is one of the most problematic aspects regarding the specialized criminal courts: their jurisdiction has changed from statutory

to one determined by the Prosecutor’s Office. It can be seen from the absurdity of some charges made publicly available, where family members are used to fill the group, as well as from final judgments delivered, where the court acquitted (the defendants for the crime of membership in OCG) but convicted (them instead) for crime committed in complicity” (Respondent 9 – a lawyer, 22 years of professional experience).

Another respondent resolutely supports the above thesis: “Of course, it (the Prosecutor’s Office) uses (the OCG charge to refer the case to the Specialized Criminal Court) and this is proved by the incredible OCGs such as groups of “bankers, auditors, accountants” in cases of banking activity (the Corporate Commercial Bank case) or an OCG of lawyers (...). It is obvious that this qualification is needed to refer the case to the two specialized institutions: the Specialised Prosecutor’s Office and the Specialised court. As to why they are favoured (...), sufficient answers can be found in the case law, i.e. because they tend not to be excessively “bound” by the law” (Respondent 5 – a journalist, 25 years of professional experience).

One of the respondents has specified that the reason for the inconsistent practice is not the fact that the Prosecutor’s Office expects from the Specialized Criminal Court to deliver a different judgment than ordinary courts but has to do with the pursued restraint measure: “Measures of procedural coercion are the main reason. It is notable that the Specialized Criminal Court tends to detain the accused in custody more often and for a longer time. This is how a penalty is imposed prior to the delivery of the judgment and it has a strong “educational” impact on some businesses” (Respondent 8 – a journalist, 16 years of professional experience).

*“The measure of procedural restraint has stopped long ago being imposed to serve the goals laid down in the Code of Penal Procedure and has rather become a tool used by the Prosecutor’s Office to pursue its policy. Given 100% of success of the prosecutorial motions to the Specialised Criminal Court and the Specialised Criminal Court of Appeal, detention in custody (for at least eight months, and after the case is brought to the court, for God knows how long) has become one of the most powerful tools of the Prosecutor’s Office.”*

#### **Respondent 11**

*a journalist, 15 years of professional experience*

## PROBLEM 5

### The controversial practice of the Prosecutor's Office regarding measures of procedural coercion in cases of fraud with EU funds

In response to a question from the survey whether the Prosecutor's Office has a constant practice regarding requested measures of procedural coercion, almost all respondents expressed the opinion that the practice is controversial, that there are "double standards" and decisions are made "depending on the person involved". Most legal practitioners believe that this issue is not only limited to cases of fraud involving EU funds but that a general trend can be observed of requesting and imposing too severe measures of procedural coercion. Two of the answers also suggested that the tendency towards imposing stricter measures of procedural coercion might be due to the media coverage of cases: "The manner in which detention in custody is covered is usually in conflict with the presumption of innocence and with reproach to the court, where a measure other than custody is ordered" (Respondent 6 – a lawyer, 21 of professional experience).

Only one of the respondents (Respondent 2, a lawyer, 19 years of experience) has expressed the opinion that the Prosecutor's Office has a constant practice of requesting measures of procedural coercion and that detention in custody is always pursued where the pre-trial proceedings

***"It is obvious that under similar circumstances (e.g. defendants with a clean criminal record and permanently living in the country), completely different procedural restraint measures are imposed."***

**Respondent 9**  
a lawyer, 22 years  
of professional  
experience

have been instituted for criminal offences that "caused particularly severe damage and that have been committed by OCG". However, the latter answer is not in discord with the rest but rather illustrates the problem. If the respondent summarizes the Prosecutor's Office's practice in this way, it means that the latter practice is in conflict with the statutory requirements laid down for detention in custody.

## CONCLUSION

The quantitative study demonstrates that where cases of irregularities and fraud with EU funds have been uncovered, in particular where cases have attracted steady and active media attention, law enforcement authorities start investigating the facts exposed by the media. However, no cases have been established in the three-year monitored period, where data about irregularities and fraud exposed by the media has ultimately resulted in criminal convictions. The information published about convicted persons has been related to proceedings that have not started based on a media publication and the only piece of news at that is the conviction itself.

In a number of cases of pre-trial proceedings instituted based on media disclosures about fraud with EU funds, follow-up information is missing about the findings of the investigating authorities. The information about irregularities and fraud with EU funds published in the three monitored media is fragmented and it is difficult to put all the pieces together so that the public can have a clear picture about the criminal liability sought for certain criminal offences. The latter makes it difficult, on the one hand, to establish the cases when the media really detect fraud and when the media are simply used as a tool for defamation of public figures. On the other hand, the fragmented nature of information related to instituted pre-trial proceedings questions the effect of general crime prevention that criminal justice is expected to have on the public.

An important aspect of the criminal policy post-2008 is the creation of the CPPI category in the reports of the Prosecutor's Office, which formally includes all cases of fraud with EU funds. This category of cases has been created in connection with the monitoring the European Commission exercises over the reform of the judiciary in Bulgaria through the Cooperation and Verification Mechanism. As of 2018, according to the annual reports of the Prosecutor's Office 24,000 proceedings have been officially included in the category CPPI. The findings from the quantitative study have shown that only few of them have really attracted the attention of the monitored media and that the Prosecutor's Office plays a decisive role in determining which and how much information will be provided to the media, i.e. which case will truly become CPPI and which not. This finding puts into question the practical benefit of creating a separate CPPI category in the reports of the judicial authorities and in the public statements of magistrates, and the very principle of de-

termining which case is of public interest and which is not.

The study has shown that with respect to the media coverage of the cases for irregularities and fraud with EU funds there is a discrepancy between the declared goals of the media policy of the Prosecutor's Office and the media image of the criminal policy.

It is not clear why the Prosecutor's Office abandoned after 2009 its practice to register the media allegations about criminal offences committed and report the number of cases it has self-referred on this basis. It would be useful to resume this practice at least regarding news items about fraud with EU funds.

The majority of interviewed lawyers and journalists have shared their impression that when making the decision whether to self-refer a case from a media allegation and later on provide information about the course of the proceedings, the Prosecutor's Office divides the media into separate groups based on the policy of the media towards the Prosecution. This shows that the declared goal of the media policy of the Prosecutor's Office to treat all media equally is not achieved in practice.

As mentioned in the annual reports of the Prosecutor's Office after 2015, the media often reproduce word-for-word the press releases of the institution. Therefore, it is advisable that:

- the Prosecutor's Office gives priority to press releases with findings of preliminary review or pre-trial proceedings instituted based on media information;
- where the press release includes information about an indictment submitted to the court, in particular where it is submitted for a second or third time for the same case, the latter information ought to be explicitly noted, together with the changes introduced meanwhile to the indictment;
- where the Prosecutor's Office informs of a judgment delivered, it also specifies whether it is a final judgment.

In order to detect and successfully prosecute cases of fraud with EU funds, the society relies of a specific infrastructure: free media, an efficient parliamentary opposition, competent and independent magistrates, civil society organizations upholding the causes of transparent and accountable management of public resources, all of the latter operating in an environment of constructive criticism, mutual respect and trust. This environment is usually called "civil society". The monitoring of the news items in three Bulgarian media for the period of three years has established that the media play a role for the detection and uncovering of fraud with EU funds and that some of their publications result in an institutional response. However, the cases uncovered by the media are few and the response of the competent institutions is often determined by accidental factors. This leads to the conclusion that in Bulgaria all the major elements of the infrastructure needed for successful detection and prosecution of fraud with EU funds is in place; however, most of these elements operate in a limited mode and a hostile environment. In the future the successful uncovering of irregularities and fraud with EU funds will depend on the answers to the following questions:

- Will there be a viable model of financing for the press and electronic media that can invest in expert and time consuming journalistic investigations?
- When information for a fraud is uncovered by a media outlet, the three national TV channels play a crucial role in bring this information in the focus of public attention. Will these TV channels remain independent?
- Will the public media find a way to engage more actively in investigations of the lawfulness and efficiency of spending of public funds?

## APPENDIX

## MEDIA PUBLICATIONS ABOUT IRREGULARITIES AND FRAUD WITH EU FUNDS IN THE PERIOD 2017-2019

### 1. Association of Danube River Municipalities

On 20.06.2017 *Mediapool* reported that *Anti-corruption Fund* Foundation notified OLAF about irregularities in ten public procurement contracts of the Association of Danube River Municipalities in the amount of BGN 3.8 million, financed under the EU Cross-border Cooperation Programme Romania-Bulgaria. The publication said that the most shocking case was a public procurement contract about “regionalization of mosquito populations along the Danube River for more than BGN 1 million with one-page-long unclear terms of reference granted to the tenderer offering the highest price (...) depending on the interpretation of the technical part (of the terms of reference), it turns out that the contract could be also delivered for only 10% of the estimated cost.”

In February 2018, *Mediapool* quoted a press release of the Ministry of Regional Development and Public Works (MRDPW), saying that the mosquito project in particular had been inspected and that several irregularities had been established: evaluation methodologies not in compliance with regulations, use of selection criteria that were not proportionate to the contract subject and lack of transparency during the evaluation in the public procurement procedures carried out by the Association. The established irregularities resulted in a financial correction of BGN 112,000. The Association said that it would appeal the decision about financial corrections.

 **20.06.2017**

 **Mediapool**

Rayonirane na komari i oshte 9 obshtestveni poratchki sa predadeni na OLAF

 **5.02.2018**

 **Mediapool**

Evroparite za broene na komarite po Dunav sa orjazani

### 2. Road Infrastructure Agency (RIA): *Struma* Motorway (Zheleznitsa Tunnel)

In early April 2017, the media announced that RIA terminated the public procurement procedure for the selection of a contractor for the design and construction of a section of *Struma* Motorway (including Zheleznitsa tunnel and the access roads to it) for an indicative value of BGN 250 million. The procedure was launched 16 months earlier. Meanwhile 17 tenderers submitted offers, which were opened on 16.08.2016. Over the 7-month period between the opening of the offers and the termination of the procedure RIA did not manage to choose a winner.

On 7.04.2017, *24 chasa* wrote that the reason for the termination of the procedure was that the tender dossier with the documentation of a participant in the procedure had gone missing, i.e. of *Struma Lot 3.1. consortium*. Sofia Regional Prosecutor's Office initiated an investigation into the missing documents. Tender documents, but not the missing tender dossier, were found in the house of Stefan Gaytandzhiev, an external expert and a member of the tender committee. Gaytandzhiev was charged with the crime of concealing a document. He was detained in custody for a short time and then his restraint measure was changed to “signed promise of appearance”. Previously Gaytandzhiev had been appointed a member of the tender committee, replacing Spas Karanikolov, a former committee member, who went on to become Interim Minister of Regional Development. Sofia City Directorate of the Ministry of Interior (SCD Mol) investigated the case of the concealed documents.



On 7.04.2017, *Sega* warned that if *Struma* Motorway would not be fully completed by 2022, Bulgaria would have to reimburse all the EU funds that had already been allocated for its construction (approximately EUR 900 million).



In early October 2017, *24 chasa* wrote that the second call for proposals to select a contractor to build the mo-



torway had been terminated as well on 28.09.2017 due to modification in the selection criteria.



On 8.08.2018, *Mediapool* wrote that a decision was made about the selection of a contractor and that GP Group was the selected contractor for the section of Zheleznitsa Tunnel. According to *Mediapool* the selected company “topped *Capital 100* list of the largest construction companies by revenues for the last two years and that the company had won EU-financed contracts in the amount of approximately BGN 500 million”. In the same publication *Mediapool* reported that the Prime Minister terminated earlier “the super-expensive” tender procedure for the construction of *Hemus* Motorway due to “doubts” that *GP Group* was connected to the head of *Lu-koil Bulgaria* Valentin Zlatev.



In October 2018, after a web site for investigative journalism *Bivol* (<https://bivol.bg/>) had published information about a large-scale scheme for rigging public procurement contracts (see case No 9 below), *GP Group* announced its withdrawal from public procurement contracts. However, in February 2019, *Sega* quoted the decision of RIA stating that *GP Group* was part of the consortium commissioned to build Zheleznitsa Tunnel.



 **7.04.2017**  **Sega**  
Kriminalen skandal sprja targa na naj-skapja paten projekt



 **7.04.2017**  **24 chasa**  
Skandal s ofertite za tunel „Zheleznitsa”. Otkradnata papka provalja magistrala „Struma”



 **7.04.2017**  **24 chasa**  
Dokumentite na drug kandidat – v doma na Stefan Gaytandzhiev



 **8.04.2017**  **24 chasa**  
Liljana Pavlova: „Struma” moje da se zabavi s edna godina zaradi slujebnoto pravitelstvo



 **8.04.2017**  **24 chasa**  
Stroitelite iskat ostavkata na Popnikolov zaradi „Struma”



 **11.04.2017**  **Sega**  
Regionalnijat ministar vidja sabotaj v targa za „Struma”



 **2.09.2017**  **24 chasa**  
300 mln. leva za tunel „Zheleznitsa”



 **3.10.2017**  **24 chasa**  
Prekratiha i vtorija targa za tunel „Zheleznitsa” na „Struma”

 **6.10.2017**  **24 chasa**  
Karakatchanov za „Struma”: Ne moje bjala ljastovitsa i krastava jaba da spirat ikonomikata

 **20.10.2017**  **24 chasa**  
Pusnaha pak targa za tunel „Zheleznitsa”

 **8.08.2018**  **Mediapool**  
I pobeditel za tunel „Zheleznitsa” e... „GP Group”

 **19.09.2018**  **Sega**  
GP Group shte stroi tunela „Zheleznitsa” vatreki jalbata po targa

 **13.02.2019**  **Sega**  
GP Group se „jertva” da stroi tunela „Zheleznitsa”

### 3. State Agency for Refugees (SAR): delivery of food supplies

In mid-January 2017, the media wrote that Zlatko Alexandrov, former Secretary General of SAR, was charged with intentional mismanagement resulting in damages of BGN 22,459. Alexandrov ordered the purchase of 5.3 tonnes of beef salami, which was recalled soon after because its shelf life expired. The Prosecutor General initiated the case following a publication in the newspaper *Standart* of February 2016 titled *Shefat na bezhantzite izgarmja za skapi hrani*. The pre-trial proceedings were carried out by the Anti-Corruption Specialized Unit, reporting directly to the Prosecutor General, even though *Mediapool* claimed that it was not a corruption scheme.

In September 2017, *Sega* wrote that SAR launched a new public procurement procedure for the supply of food. The newspaper wrote that their previous procurement procedures had been appealed and that the reception centres for asylum seekers were empty as of



the time of the procurement tender. The supply of food for the September contract was financed from the emergency aid of EUR 160 million allocated by the EU to Bulgaria in 2016 to handle the migratory pressure on the borders.

 **17.01.2017**

 **Mediapool**

Prokuraturata s nov udar sreshtu koruptsijata – bivsh shef v DAB e obvinen za poratchka na salam

 **18.01.2017**

 **Sega**

Poratchka za salam za bejantsite prerasna v obvinenie

 **18.01.2017**

 **24 chasa**

Exshef na agentsijata za bejantsi obvinjaem za 5 tona teleshki salam

 **30.01.2017**

 **Sega**

Agentsijata za bejantsite pak provali svoj targ za hrana

 **4.09.2017**

 **Sega**

Agentsijata za bejantsite kupuva hrani za nad 5 mln. lv.

#### 4. The State Agency for Refugees (SAR): the construction of closed-type reception centres

In early January 2017, *Sega* wrote that the SAR planned to turn the transit centre for registration of asylum seekers in Pastrogor into a closed-type centre and to surround with a barbed-wire fence its Harmanli reception centre. The two activities were financed from “the EU migration-related funds” (most probably the emergency aid of EUR 160 million allocated by the EU to Bulgaria in 2016 to handle the migratory pressure – *Author’s Note*). The newspaper says that SAR did not launch a public procurement procedure for the planned construction works on the grounds that following the riots on 24.11.2016 in Harmanli, persons had been detained and had to be accommodated in a closed-type centre for dangerous migrants. The Agency had invited as contrac-

tors some of the companies involved with building the fence at the Bulgarian-Turkish border.

 **9.01.2017**

 **Sega**

Stroejat na zatvorenite bejanski lageri zapotchna bez konkurs

#### 5. Avtomagistrali EAD: resignation of Desislava Hristova

The state-owned company *Avtomagistrali EAD* is responsible for the maintenance and repair of roads, bridges and tunnels. In December 2018, the company was commissioned by the government to build 134 km of *Hemus Motorway* and was allocated the amount of BGN 1.35 billion for that purpose. *Sega* wrote that the fact that the state-owned company had been commissioned to implement the construction works meant that no public procurement procedures would be launched for *Hemus Motorway*. *Sega* said that this decision raised doubts that “the money will be absorbed in reality by the “usual suspects”, i.e. companies that regularly win public procurement contracts for motorways and that the state-owned company will be the façade and despatcher of funds”.

In early February 2019, *Bivol* revealed a part of a tapped phone conversation, that had allegedly taken place between Michail Rashkov, head of *Road Infrastructure Maintenance* Directorate of RIA and Desislava Hristova, member of the Board of Directors of *Avtomagistrali* state-owned company. The two of them talked about “backing” someone called Ivan, who could carry out certain urgent repair works. *Sega* maintained that the recording was “indicative of the modus operandi in the public administration and in the road infrastructure sector, which has been a constant source of affairs and scandals”.

Desislava Hristova submitted her resignation a day after the recording had been published. The responsible minister Petya Avramova accepted the resignation without comment. On 11.02.2019, Desislava Hristova wrote to the Prosecutor’s Office requesting investigation of the information published by *Bivol*. She also sent a letter to *Sega*, published on 13.02.2019 by the newspaper, as a right to response. Hristova said in her letter that she had not resigned out of fear or guilty conscience but because she did not want to have her name “tainted and related to made-up scandals about non-existent behind-the-curtain affairs”. She also pointed out that there was no connec-

tion between her political affiliation (according to *Sega* she is an activist of the political party of the Movement for Rights and Freedoms) and her professional career. About a month later, (on 10.03.2019) *Bivol* published on its website new information about the topic, whereby it became clear that Sofia City Prosecutor's Office took charge of the case and commissioned the investigation to Chief Directorate National Police (CDNP). The police requested from *Bivol* to submit the recording and from the reporters to appear before the authorities and give an explanation.

 **7.02.2019**

 **Sega**

Nov alo – skandal uvolni direktorka na „Avtomagistrali“

**13.02.2019**

 **Sega**

Bivshata direktorka na „Avtomagistrali“ iska prokuraturata da proverii zapisa „API-gejt“

## 6. Road Infrastructure Agency (RIA): Lot 1 of *Maritsa* Motorway

At the end of April 2017, the media reported that the Prosecutor's Office had launched an review of the construction of Lot 1 of *Maritsa* Motorway, following an information from OLAF, and that prosecutors and investigators from *Anti-Corruption* Specialized Unit and agents of the State Agency for National Security (SANS) entered RIA's premises and seized documents. *Mediapool* wrote in its publication of 25.04.2017 that an Italian company hired as contractor for the construction works for this motorway section had as its subcontractor the Bulgarian company *Patishta Plovdiv*, "owned at the time by the businessman Georgi Gergov". *Mediapool* specified that Gergov ended up "in the spotlight after it became known that he had organized a private meeting between the businessman Sasho Donchev and Prosecutor General Sotir Tsatsarov at his office in the building of TZUM Department Store". Following pressure from the Chairperson of the Bulgarian Socialist Party (BSP) Kornelia Ninova, Gergov resigned as a member of the Executive Bureau of the party. *Mediapool* points out that the motorway has been commissioned two years earlier and that it is not clear why the review by the Prosecutor's Office has started as late as 2017.

In June 2017, two months after the scandal, *Mediapool* reported that the Prosecutor's Office brought charges against the former President of the Managing Board of RIA Lazar Lazarov for mismanagement, i.e. failure to

exercise sufficient control over the construction of the said section of *Maritsa* Motorway. The Prosecutor's Office maintained that the activities carried out by *Patishta Plovdiv* company should have been completed at the time of the construction of the motorway by the main contractor and that RIA in fact had paid twice for the same work. The Prosecutor's Office evaluated the damages incurred in the amount of BGN 41 million.

It became clear from a *Mediapool* publication of June 2019 that after Lazarov had been charged, the Prosecutor's Office submitted the indictment twice to the court and the court twice referred back the case for different violations. In June 2019, the Prosecutor's Office submitted the indictment to the court for a third time. The defendant was not only Lazarov but also another former Head of RIA, Doncho Atanasov, and former member of the Managing Board Iliana Zaharieva. RIA itself and the Ministry of Transport did not constitute as damaged parties and did not have any claims. When the case was submitted to the court, the prosecution estimated the damages incurred in the amount of BGN 30 million.

 **25.04.2017**

 **Mediapool**

Prokurorska proverka na stroeja na „Maritsa“ po signal na OLAF

 **26.04.2017**

 **24 chasa**

Prokurori tarsjat dali sa iztekli pari v shahti na magistrala „Maritsa“

 **26.04.2017**

 **Sega**

Prokurori vljazoha v API po signal na OLAF

 **27.04.2017**

 **24 chasa**

Shefkata na zveno „Antikoruptionsija“ Rumjana Arnaudova: Konkursat za Lot 1 na „Maritsa“ e naglasen

 **27.04.2017**


 **Sega**

Bivshijat shef na API e vav fokusa na razsledvaneto za „Maritsa“



 **27.04.2017**

 **Mediapool**



Kashata s Gergov, Lazarov i magistrala „Maritsa“

 **28.04.2017**  **24 chasa**


Lazar Lazarov: Ako „Maritsa“ shte propada, trjabva da e stanalo

 **28.04.2017**  **Sega**


„Maritsa“ shte propada oshte spored ekspert po kontrola na stroeja

 **28.04.2017**  **Mediapool**

Borisov kontrira s „Bog“ atakata na BSP za „Maritsa“ (s otklonenie kam Gergov)

 **29.04.2017**  **24 chasa**


Otbivkata na „Maritsa“ bila pat na ljubovta, no kam Gospod

 **2.05.2017**  **Mediapool**

Nadzornikat na magistrala „Maritsa“ otretche da ima nekatchestveno stroitelstvo

 **21.06.2017**  **Mediapool**

Vtorijat tchovek na Borisov za magistralite e obvinen za nad 41 mln. lv.

 **19.06.2019**  **Mediapool**

Treti opit za sad na trima bivshi patni shefove zaradi magistrala „Maritsa“

## 7. Varna Municipality: an automated ticketing system for the public transport

In August 2019, *Sega* published information about the implementation of the project titled *Integrated Urban Transport of Varna* for the amount of BGN 150 million, financed from OP Regional Development and the municipal budget. The deadline for the project implementation expired in the summer of 2016, having been extended twice prior to that. The automated ticketing system for the public transport in the city of Varna was part of the project and it costed approximately BGN 8.3 million. The project was “entangled in constant scandals”<sup>1</sup>. The ticket

<sup>1</sup> Spas Spasov, “Evala na programa Regionalno razvitie!”, *Capital* newspaper, 8.07.2016.

machines for the sale of e-tickets were supplied and installed in the autumn of 2015 but their entry in operation was constantly postponed and as of mid-2019 they were still not working. There is no data about any review or investigation of the case.

 **29.08.2019**

 **Sega**

Biletната система vav Varna shte glatne oshte 2.5 mln. lv.

## 8. General Directorate for Combating Organised Crime (GDCOC) buys luxury cars

In July 2019, *Sega* wrote that GDCOC would pay the amount of BGN 146,000 for the purchase of two luxury AUDI Q3 cars. The expenditure were paid under the project titled *Delivery of equipment for efficient OIA carried out together with counterpart agencies to counter OCG*<sup>2</sup> financed from the EU Internal Security Fund 2014-2020. *Sega* wrote that “it is not clear whom the luxury acquisitions will serve”.

 **29.07.2019**

 **Sega**

GDBOP si kupi luksozni koli s evropejski pari

## 9. Investigation against partners in GP Group AD

On 10.09.2018, Bivol website for investigative journalism published an article titled *GPGate: Grand koruptzija s evropejski fondove i obshtestveni poratchki tchrez konsultantski firmi*. Based on documents from consultancy companies related to *GP Group*, the article claimed that bribes were given and procurement tenders under the Public Procurement Act were rigged.

Three days later the national media reported that Dimiter Stoyanov, a reporter of *Bivol*, and Atila Biro, a Romanian investigative journalist, were detained by the police near the village of Egalnitsa, Radomir. *Sega* wrote on 17.09.2018 that the reporters were detained “while investigating a case about destroyed public procurement documents. (...) The reporters claimed that since Wednesday *GP Group* construction company started removing

<sup>2</sup> OIA is the abbreviation of “operational/investigative activity”, and OCG of “organized criminal group”.

equipment and incriminating documents from its office at *Cherni Vrah* Blvd. in Sofia City. (...) The investigative reporters followed the cars loaded with documents, that headed to the town of Radomir, and witnessed the burning of the documents on the outskirts of the village of Egalnitsa". The Director of General Directorate Combating Organized Crime (GDCOC) Ivaylo Spiridonov confirmed for the media that GDCOC went to the crime scene after receiving information from the reporters and that the police found shredded and burnt documents and a car loaded with more documents to be burnt.

On 8.10.2018, *Mediapool* quoted a statement of the Prosecutor General Sotir Tsatsarov, who said that the State Agency for National Security (SANS) was commissioned to carry out an inspection and that sufficient information was discovered to institute pre-trial proceedings against *GP Group AD*. Apart from *Bivol's* publication, the Prosecutor's Office received meanwhile information on the case by Deputy Prime Minister Tomislav Donchev. Tsatsarov said that pursuant to the Measures Against Money Laundering Act, the Prosecutor's Office froze bank transfers in the amount of EUR 14 million.

On 12.10.2018, *Mediapool* wrote that Prime Minister Boyko Borisov ordered the Chairperson of Road Infrastructure Company (RIA) to "remove" *GP Group AD* from all tender procedures involving EU funds. The company also announced that it would refrain from taking part in public procurement tenders.

In mid-November 2018, the media reported that the Specialized Prosecutor's Office brought charges against two of the three partners in *GP Group AD* for committed tax and financial crime on a large scale. One of them was also charged with money laundering. The pre-trial proceedings were instituted after one of the partners attempted to transfer 14 million EURO to a foreign bank account. *Mediapool* wrote that the press release of the Specialized Prosecutor's Office was not clear and that the names of the accused were not indicated, even though the names of the partners in the firm were publicly known. It was also not clear why making international bank transfers was regarded as a tax crime and money laundering. The company involved claimed that the funds in question had a clear source of origin. The two accused were released on bail of BGN 30,000 and BGN 15,000. Their names were disclosed a week later, i.e. Vladimir Lozanov and Georgi Vasilev, after an extensive interview with Prosecutor General in a popular TV show. Krasen Nikolov commented for *Mediapool* that "the prosecution did not have a principle-based policy about making information available to the public about

key cases but everything depended on the General Prosecutor's whim".

In late November 2018, *24 chasa* reported that the investigation of *Bivol* of the involvement of *GP Group AD* in fraud with EU funds was financed under an EU-supported project. The publication went on to add that the court had meanwhile declared the police detention of the two reporters illegal.

No information could be found during the whole 2019 in any of the three media about the progress of the criminal proceedings against the two partners in *GP Group*.

At the end of August 2019, *Mediapool* quoted the outcome of a parliamentary debate about the quality of road-works, during which the Bulgarian Socialist Party (BSP) blamed the government for not providing access to the documentation about the rehabilitation and construction of 46 road sections. RIA responded that they had been waiting for a whole month for a BSP representative to examine the documents but no one had visited them.

 **14.09.2018**


 **24 chasa**

Rumanski i balgarski jurnalisti sa bili zadarjani ot politsijata kraj Radomir

 **15.09.2018**

 **24 chasa**

Taen post zakoptchal jurnalistite, politsaite ne znaeli, tche shte idvat

 **17.09.2018**

 **Sega**

Arest na jurnalisti ni vkara v mejdunaroden skandal

 **17.09.2018**

 **24 chasa**

Prokuraturata vazloji na DANS proverka za korupsija s evrofondove

 **17.09.2018**


 **24 chasa**

Shefat na GDBOP: Kolegite hvanaha kola s dokumenti, prigotveni za unishtojavane


 **8.10.2018**

 **Mediapool**


Obrazuvano delo i zapor na 14 mln. evro zaradi „GP Gejt“

 **12.10.2018**  **Mediapool**

Borisov naredi „GP Group“ da bade izvadena ot proekti s evropejsko i darjavno finansirane

 **12.10.2018**  **24 chasa**


Borisov izvadi „GP Group“ ot patnite evrokonkursi

 **15.10.2018**  **Mediapool**


Vigenin: OLAF trjabva da proverii „GP Group“, no ne biva da se razdavati prisadi v mediite

 **16.10.2018**  **24 chasa**


Tsatsarov: DANS razsledva za prane na pari fizicheskoto litse, svarzano s „GP Group“

 **16.10.2018**  **24 chasa**



„GP Group“: Satanizirani ni, shte si tarsim pravata v sada

 **17.10.2018**  **24 chasa**

Ivan Geshev: Aktsioner v „GP Group“ e opital da naredi 14 mln. evro v svoja smetka

 **11.11.2018**  **Mediapool**

Stroitelite shte ubejdavali OLAF, tche spazvat zakoni

 **14.11.2018**  **24 chasa**


Obviniha dvama po kazusa „GP Group“ za danatchni izmami. Kompanijata: Vsitchkite ni pari sa zakonni i s jasen proizvod

 **14.11.2018**  **Mediapool**

Dvama shefove na „GP Group“ sa obvineni, prokuraturata ne kazva koi

 **15.11.2018**  **Sega**



Prokuraturata obvini sadrjnik i shef v „GP Group“

 **23.11.2018**  **Mediapool**

Prokuraturata razkri koi ot sobstvenitsite na „GP“ sa obvineni

 **27.11.2018**  **24 chasa**


Jurnalistskoto razsledvane za „GP Group“ e finansirano s 38 000 evro po evropejskata programa EJ4EU

 **27.08.2019**  **Mediapool**

GERB i BSP v zadotchen spor koj krade povetche ot patishta

## 10. Three persons from the town of Pernik



In April 2018, the media reported that three persons from the town of Pernik were charged with draining BGN 192,000 from the Rural Development Programme under a measure for supporting young farmers. They were charged with the crime of membership of an organized criminal group. The prosecution claimed that the group leader was a woman, already convicted several times, including one conviction for fraud with EU funds. The press release of the Prosecutor's Office quoted by the media said that the woman had prepared to apply for financing with 7 projects for bio humus production from red Californian worms and that the value of each project was BGN 48,000. She helped several persons register as farmers and then organized fake production on a land plot owned by her mother. The controller carried out initial verification of the seedbeds and transferred half of

 **17.04.2018**  **Mediapool**

Spetsprokuraturata razsledva izmama s evrosubsidii za 192 000 lv.

 **17.04.2018**  **24 chasa**

Biznesdama ot Pernik lider na prestapna grupa za iztotchvane na evrofondove

 **18.04.2018**  **Sega**

Trima sa obvineni za iztotchvane na evropari



the amount due to the registered agricultural producers but then they did not continue working and the group leader took the money from them. The three accused persons were released on bail ranging from BGN 5,000 to BGN 50,000.

## 11. Charges against three senior officials in the agriculture sector


In late March 2017, *Mediapool* reported that the Anti-Corruption Unit of Sofia City Prosecutor's Office brought charges against three former senior officials in the agriculture sector, i.e. Miroslav Nikolov, Ivaylo Parvanov and Stayko Ganchev. The latter two were former Directors of *Irrigation Systems* state-owned company. Miroslav Nikolov used to be Executive Director of State Fund Agriculture (SFA) for a year (2013-2014) during the term of office of the coalition government of Plamen Oresharski. He was removed from office on 10.07.2014 "following scandals at SFA about the allocation of funds for agricultural projects".

Ivaylo Parvanov was charged because in the period December 2014 – June 2016 he concluded 79 contracts for legal and accounting services and advertising for the total amount of BGN 600,000, which, the prosecution maintained, were not needed because the state-owned company had dedicated units for such activities. The prosecution claimed that these contracts resulted in considerable damages and that the criminal offence was very serious.

According to *Mediapool* Stayko Ganchev was charged with two crimes of conclusion of a non-profitable contracts and mismanagement. In 2012 he concluded a consultancy contract with a company hired to consult *Irrigation Systems* state-owned company for the amount of BGN 20,000 "about the need of licensing of *Irrigation Systems* as a water supply and sewerage operator pursuant to the Regulation of Water Supply and Sewerage Services Act, including the license issuance procedure before the Energy and Water Regulatory Commission (EWRC)". The prosecution held that the law did not provide for such an option. Pursuant to another contract with an external company concluded in 2012 as well, Ganchev paid invoices without verifying whether the contracted activity was performed. A restraint measure of "signed promise of appearance" was imposed on all the three defendants.

In June 2017, the media reported that the case against Nikolov was submitted to Sofia City Court. He was charged with mismanagement because he concluded a contract for PR services in the amount of BGN 20,000, while at the same time State Fund Agriculture had *Public*

*Relations, Protocol and Coordination* Directorate, i.e. there was overlapping with the function of the Directorate. In addition, when Nikolov signed the contract, he did not comply with the requirements for endorsement by a financial controller, chief accountant, Head of Public Procurement Directorate, etc. The facts of the case go back to the period February-July 2014. Neither the Prosecutor's Office, nor the media have reported the name of the private company involved.

 **31.03.2017**

 **Mediapool**

Ex-shefove v zemedeliето обвинени за pravni, stchetovodni i PR dogovori

 **5.04.2017**

 **24 chasa**

Kalina Ilieva naznachava obvinenija bivsh shef na Fond „Zemedelie“

 **2.06.2017**

 **Mediapool**

PR-skite dogovori na ex-shefa na DFZ Miroslav Nikolov otidoha v sada

 **3.06.2017**

 **24 chasa**

Sad za bivshija shef na fond „Zemedelie“ Miroslav Nikolov

 **3.06.2017**

 **Sega**

Bivsh shef na fond „Zemedelie“ e obvinen za prahosvane na pari

 **5.06.2017**

 **24 chasa**

I prez 2007 g., i prez 2017 g. vse sadjat shefa na fond „Zemedelie“


## 12. A. I. and G. A. (Blagoevgrad District Prosecutor's Office)

On 13.11.2018, *24 chasa* reported that Blagoevgrad District Prosecutor's Office submitted an indictment to the court against A. I. and G. A. charged in complicity. In his capacity as a farmer and beneficiary, A. I. was unduly granted financial assistance under Measure 112 – support for young farmers and Measure 121 – modernisation of agricultural firms of the Rural Development Programme.

The funds were unduly paid in the period from February 2009 to August 2011 and were in the amount of BGN 24,446. The agricultural producer declared that he had been growing garden tomatoes at an area of 1.5 decares and that he planned to further build a 5-decare-big greenhouse and a storage facility for tomatoes. In reality he did not grow any tomatoes. He also declared false data in the design of the greenhouse he used to apply for a grant of BGN 434,000. G. A. provided him with advice, clarifications and the means necessary to execute the crime.

The indictment must have been re-submitted to the court in the summer of 2019 because *24 chasa* released a second publication in July 2019, where the location, the initials of the defendants, the crime and the amount of the subsidy they applied for were identical. In August 2019, a third article was published, where the initials of the first defendant were different, i.e. G. I. not A. I. but the information about the tomatoes, the initials of the second defendant and the amount granted were the same. However, the third publication stated that they applied for the amount of approximately BGN 1 million.



The texts of the three publications in *24 chasa* reproduce almost word-for-word the texts of the press releases of Blagoevgrad District Prosecutor's Office from the same dates. They also do not help establish whether this is the same case, where the indictment has been altered and submitted to the court three times, or whether these are three separate cases, where some of the circumstances coincided.

 **13.11.2018**  **24 chasa**

Sadajat dvama, izmamili fond „Zemedelie“, tche otglejdat domati, za da polutchat evrosredstva

 **30.07.2019**  **24 chasa**

Fermeri na sad za zloupotrebi s 450 hil. lv. evropomoshti


 **21.08.2019**  **24 chasa**

Dvama obvineni za izmami s evropari za razvitie na selskite rajoni

### 13. B. B. (Lovech District Prosecutor's Office)

On 11.04.2019, *24 chasa* reported that a man called B. B. was found guilty by Lovech Court of a crime pursuant

to article 248a in conjunction with article 26 of the Penal Code. The convicted person had submitted false data in the course of a year to the Municipal Agriculture Office and the Regional Directorate of Agriculture. He declared that he permanently used agricultural lands, which met the requirements for maintaining land in good agricultural and environmental condition. In reality the lands had not been used. He had been granted financing in 2013 and in 2014 under two measures of the European Agricultural Guarantee Fund and he received about BGN 4,000 in 2013 and about BGN 2,700 in 2014. He was sentenced to a suspended term of imprisonment of 2 years with a probation period of 3 years.


 **11.04.2019**

 **24 chasa**

Osadiha zemedelski proizvovitel, vzal s izmama sredstva ot evropejskite fondove

### 14. I. V. (Veliko Tarnovo District Prosecutor's Office)

In August 2019, *24 chasa* reported that Veliko Tarnovo District Prosecutor's Office submitted an indictment against a man with initials I. V. to the court. He was charged with using the amount of BGN 7,982 not for its intended purpose in the period 2008-2011. The latter amount was a grant received under Measure 112 – support for young farmers of the Rural Development Programme 2007-2013. The crime was pursuant to article 254b, paragraph 1 of the Penal Code. The defendant was approved to receive a financial assistance of approximately BGN 49,000 in total. On 23.12.2008, he received the first installment of approximately BGN 24,500. The review carried out by the inspectors of the State Fund Agriculture showed that some of the funds had not been spent for their intended purpose: the defendant made 10 POS-terminal payments in casinos, withdrew cash from ATMs and purchased foreign currency. The plants planned under the project were there but some of them were planted on an abandoned agricultural land, where a vegetable garden had already been planted, instead on a new land as planned.


 **19.08.2019**

 **24 chasa**

Izpravjat na sad mlad fermer za zloupotreba s evropari

## 15. Milena Ts. (Varna District Prosecutor's Office)

On 4.04.2019, *24 chasa* reported that a woman called Milena Ts. was sentenced to 5 years in prison by Varna Regional Court for large scale fraud, committed as a continuing and repeated crime. The convicted woman promised two farmers to prepare their documents to apply for a grant under the Rural Development Programme 2007-2013 and help them manage their projects in return for 1% of the subsidy amount. Deceiving the two witnesses on, she caused them property damage in the amount of approximately BGN 200,000. The sentence is subject to appeal.


 **4.04.2019**  **24 chasa**

5 godini zatvor za konsultantka, mamila fermeri s evropomoshti, pribrala 200 hil. lv. vav Varna


## 16. Two persons from Dobrich

On 15.03.2019, *24 chasa* reported that Dobrich District Prosecutor's Office submitted an indictment against a company manager (aged 31) and his mother, the company accountant, because they submitted false data to receive EU funding. The mother was held liable as a co-offender.

On 29.03.2019, *24 chasa* published again a similar article and most of the facts in the two publications coincide. It might be about the same case that has been brought to the court twice. According to the second publication, the defendant's name is Radoslav R., a company manager, who presented false information to the local labour office and thus received a grant for his project titled *New Opportunities for Youth Employment*, financed by OP Human Resources Development (a crime pursuant to article 248a, para 5 in conjunction with para 2 and 3 of the Penal Code). He will be held liable for a continuing crime. The facts of the case go back to the period of March-June 2016. It was then that a waitress from his restaurant stopped going to work but continued to receive the remuneration subsidized under the Programme. Her monthly salary was BGN 450; in addition, another employee, who mentored her, also received remuneration, i.e. BGN 2,418 in total were disbursed under the project. The defendant risks being sentenced to a term in prison of 2 to 8 years.

 **15.03.2019**  **24 chasa**

Sadajat dvama za nepravomerno polutcheni sredstva ot proekt za mladejka zaetost

 **29.03.2019**  **24 chasa**

Do 8 g. zatvor za upravitel, polutchil evrosredstva s neverni danni

## 17. Investigation in relation to Agropromotion and Teskra companies

In mid-March 2018, *24 chasa* published two texts about an investigation that had been launched in Brussels in 2016 against a foreign national, the owner of *Agropromotion* company, and three other foreign nationals, one of them also having a Bulgarian passport. They were accused by the Belgian Prosecutor's Office of corrupt practices in the EU institutions and money laundering. The prosecution held that one of the persons set up intentionally a network of companies to channel the money through their bank accounts. Sofia City Prosecutor's Office was notified about the investigation at the beginning of 2017 and referred it to the Specialized Prosecutor's Office.

The newspaper wrote that two Bulgarian nationals (a brother and a sister) were investigated in Bulgaria for "misuse with EU funds" related to the business of *Agropromotion* and *Teskra* companies. The two companies are "implementing organizations under the investigated projects" and organize promotional events for seven pro-

 **13.03.2018**  **24 chasa**

Balgari v evroafera za milioni ot reklama na biohrani

 **14.03.2018**  **24 chasa**

Aferata za evroreklama na biohrani v Bruksel ostavi balgarski zemedeltsi bez tchestno spetchelenite ot tjah milioni

motional programmes of State Fund Agriculture (SFA). The European Commission recommended to SFA to suspend payments for its promotional programmes. SFA entered the payments in the register of irregularities.

## 18. Police operation against Fabrizio Freschi



On 23.08.2019, *24 chasa* reported that Fabrizio Freschi was investigated for fraud with EU funds. He was charged with committing a crime against the monetary and credit system. He was suspected of presenting false documents to receive subsidies from State Fund Agriculture (SFA).

The newspaper wrote that on 22.08.2019 a police operation was carried out by the officers of General Directorate Combating Organized Crime (GDCOC) and the Specialized Prosecutor's Office, as a result of which Freschi's office in the village of Shishmantsi was searched. Freschi had been detained by the police together with five of his employees. He was later released on bail for the amount of BGN 100,000, the information about the bail amount being "inofficial".

On 24.08.2019, *24 chasa* published again information about the case and added that Fabrizio Freschi farmed 30,000 decarees of agricultural land and lived in Bulgaria for 15 years already. The publication said that the villagers "in Shishmantsi were shocked by the detention of Don Tomato (Freschi – *Author's Note*). Most of the villagers believed that he was framed. They said that he was a law-abiding employer of many of them. He worked in the field together with his wage workers. He reaped, sprayed and picked the harvest".

 **23.08.2019**  **24 chasa**

GDBOP arestova italijanski fermer za izmami s evrofondove

 **24.08.2019**  **24 chasa**

Naj-golemijat proizvodičel na domati u nas razsledvan za zloupotreba s evrosubsidii

## 19. S. A. (Pernik District Prosecutor's Office)

On 25.10.2019, *24 chasa* reported that Pernik District Prosecutor's Office submitted an indictment to the local district court against a man with initials S. A., a farmer who had submitted false data to the Municipal Agriculture Office (MAO) to obtain EU funds. The defendant farmed lands near the town of Batanovtsi, including a field of 0.29 hectares, which he rented from the owner as per contract. The field owner passed away some time ago. One of the heirs checked at MAO and established that two identical contracts had been submitted for 2017 and 2018 but the late owner had been designated as a party to the contract. In the course of two years, S. A. had been paid approximately BGN 21,000 per year under the Single Area Payment Scheme. It cannot be established from the publication whether that was the payment for the field in question or for all lands S. A. farmed.

 **25.10.2019**

 **24 chasa**

Zemedelski proizvodičel laje sas svedenija, za da ima evropejsko finansirane

## 20. Stela A. (Veliko Tarnovo District Prosecutor's Office)

In mid-March 2018, *24 chasa* reported that following an agreement reached with the Prosecutor's Office, Veliko Tarnovo District Court sentenced a woman named Stela A., a company manager, for a crime against the monetary and credit system. The facts of the case go back to 2013, when the defendant submitted false data to the Regional Paying Agency with State Fund Agriculture in Veliko Tarnovo in a request for payment of the balance under Measure 312 – *Support for the creation and development of micro enterprises* from the Rural Development Programme. False data were submitted regarding the construction of two guest houses in the town of Plachkovtsi; the amount received was about BGN 143,000. It is not clear whether the whole amount has been unduly disbursed or just a part of it.


 **13.03.2018**

 **24 chasa**

Uсловna prisada za biznes dama, zloupotrebila s evrosredstva vav Veliko Tarnovo

## 21. H. V. from the town of Dve Mogili (Rousse District Prosecutor's Office)

On 20.08.2019, *24 chasa* reported that Rousse District Prosecutor's Office submitted to the court an indictment against a woman with initials H. V. from the town of Dve Mogili, Rousse District, for a crime pursuant to article 248a of the Penal Code. The facts of the case go back to 2016-2017. The defendant declared before the Municipal Agriculture Office (MAO) that she raised ten dairy cows when she actually owned just one. The remaining nine cows she rented from other owners so that she would not lose the pasture she used. Following amendments to the Ownership and Use of Agricultural Land Act, the size of the pasture used should correspond to the number of animals kept on the farm. The defendant decided to use the rented cows in order to benefit also from a subsidy under the Voluntary Coupled Support Scheme for Dairy Cows. According to the publication "(...) it was in this regard that she had been granted funding in the amount of BGN 2,719.93 from the EU Funds allocated to Bulgaria. She had the right to receive BGN 271.99 for her cow but not the remaining BGN 2,447.94 that were due for the nine cows kept by another animal keeper". The publication states that the total amount of unduly paid funds was approximately BGN 2,400.

 **20.08.2019**  **24 chasa**

Zemledelski proizvođač je optužen, tje e predstavil neverni danni, za da polutchi subsidii


## 22. A controversial Governmental Ordinance under School Milk and School Fruit Programmes

According to media publications, the *School Fruit* and *School Milk* Programmes have been running since 2009-2010, co-financed from the national budget and the EU and managed by State Fund Agriculture (SFA). The programmes aim at providing school students across the country with healthy food.


In August 2019, *Sega* and *Mediapool* reported about a letter by the Bulgarian Association of Fruit and Vegetable Producer Organizations, which suspected "lobbying" interests behind a recent amendment to the Ordinance laying down the conditions for suppliers: suppliers of *School Fruit*, unlike those of *School Milk*, were not required to

supply their own production and there was a risk of one supplier winning almost half of the procurement for the new school year. The company registered as an agricultural producer not long before it was granted the contract. It was registered as a producer with an orchard of 168.5 decares, while it pledged to supply fruit to 1,118 schools with 217,000 children.

School principals, authorized to select milk and food suppliers under the previous version of Ordinance, as well as associations of producers objected against the "lobbying" amendments and the Council of Ministers restored the 2016 version of the Ordinance. Meanwhile, however, three large companies had been selected as suppliers while the amendments to the Ordinance were in force (2018/2019). The companies maintained that

 **7.08.2018**  **Mediapool**



Fermeri preduprejdavat za risk ot zloupotrebi po scemata za plodove v utchilishte

 **8.08.2018**  **Sega**


Agrosdrujenie alarmira za nov zreesht skandal sas scemata „Utchilishten plod“

 **20.09.2018**  **Sega**

Utchilishtata pak se izlojiha s bezplatnite zakuski

 **4.10.2018**  **Sega**



Utchilishtata zapotchnaha da se otkazvat ot „Utchilishten plod“

 **3.06.2019**  **Mediapool**

Zaradi samnenija za narushenija se bavjat plashtanija za 700 000 lv. za plodove v utchilishtata

 **24.09.2019**  **24 chasa**

Detsata v stotitsi utchilishta ostavat bez plod i mljako zaradi haos v naredba

 **27.09.2019**  **Sega**

VAS sloji kraj na spora koj da dostavja mljako i plod v utchilishtata



they had concluded contracts for three years, which were valid until 2021. For that reason SFA refused to designate the suppliers for 2019. In September 2019, *Sega* reported that the Supreme Administrative Court delivered a final judgment on the case and that the approval acts issued were valid only for the 2018/2019 school year.

### 23. Doncho D. (Shoumen District Prosecutor's Office)

On 20.11.2019, *24 chasa* wrote that Shoumen District Prosecutor's Office submitted to the local district court an indictment against the farmer Doncho D. for providing false data in order to receive funding from the EU Funds. The facts of the case go back to mid-2016, when Doncho D. "omitted to provide data in violation of his obligation to provide it". He received the BGN equivalent of EUR 10,000, BGN 16,000 of which were co-financed from the European Agricultural Fund for Rural Development (EAFRD) and BGN 3,000 from the national budget. He owned and farmed an agricultural land but he omitted to declare in the application documents that he also kept six animals. However, with the animals, the economic size of the operation exceeded EUR 7,999, the upper limit for holdings eligible for aid. State Fund Agriculture discovered the false data and alerted the District Prosecutor's Office. The unduly paid funds have been already partially recovered from the defendant. The newspaper learnt about the case from the press centre of Varna Prosecutor's Office of Appeals.

 **20.11.2019**

 **24 chasa**

Zemedelets, predstavil neverni dannii, za da polutchi sredstva ot ES, otiva na sad

### 24. Renovation of the church in the village of Tsarski Izvor

On 17.12.2017, *24 chasa* reported that the Prosecutor's Office inspected the renovation of a church in the village of Tsarski Izvor, in the area of Strazhitsa, which was financed under the Rural Development Programme in 2012. The renovation has started but has not finished yet and the church was still closed. The project final report was submitted, a consortium of two construction companies absorbed the funds but the renovation works had not been implemented in practice. The project was

subject to review by State Fund Agriculture up to 5 years following its completion but this period expired. The Prosecutor's Office received the information from a TV programme (Nova TV). The institution launched an inspection and ordered an expert examination to verify whether the activities reported in the documents had been implemented. No pre-trial proceedings have been instituted as of the time of the publication.

 **17.12.2017**

 **24 chasa**

Prokuraturata proverjava remont na hram za 200 000 evro

### 25. Introduction of e-government

At the beginning of December 2017, *Mediapool* published information from a survey carried out by the Bulgarian Industrial Association, claiming that Bulgaria spent BGN 2 billion over the last 15 years to introduce e-government but it still did not work efficiently and only few citizens can use its services. In contrast, Estonia spent only EUR 50 million and the country is leading in the EU in this field.

On 21.01.2018, *Sega* wrote that "the spending of public funds for the introduction of e-government was in total disarray and that it has been done for years without any planning and coordination between the ministries. As a result, neither the government, nor MPs can (or want to) disclose the amount spent...". The publication has been a follow-up of a debate in the National Assembly of the subject and it has become clear that approximately BGN 101 million from OP Administrative Capacity have been spent for the introduction of e-government. *Sega* quoted the statement made by BSP MP Kristian Vigenin: "E-government became a convenient platform to drain funds, feed companies with larger and smaller projects, often under the attractive title of "pilot".

BSP offered to have a parliamentary commission set up to examine the expenditure for the introduction of e-government.

 **30.08.2017**

 **24 chasa**

Elektronno pravitelstvo samo za 33-godishnite e imitatsija, ne reforma

 **8.09.2017** **Sega**

Hartchovete za e-upravljenie vetche shte badat pod kontrol v bjudjeta

 **4.12.2017** **Mediapool**

Okolo 2 mlrd. lv. sa izhartcheni za lipsvashtoto e-upravljenie za 15 godini

 **5.12.2017** **Sega**

Balgarija prahosa 2 mlrd. lv. za tchastitchno elektronno upravljenie

 **13.12.2017** **Sega**


S 2,5 mln. lv. shte brojat kompjutrite v administratsijata

 **21.01.2018** **Sega**

E-upravljenieto u nas e hem skapo, hem neraboteshto

 **15.02.2018** **Sega**

Elektronното upravljenie zatsikli napalno


 **5.11.2018** **24 chasa**

Agentsijata za balgarite v tchujbina i oshte 22 vedomstva bojkotiraha e-upravljenieto


## 26. Conflict of interests related to the management of *Erasmus+* Programme

In the autumn of 2018, *Sega* wrote that the Head of the Human Resources Development Centre with the Ministry of Education and Science (HRDC) handed in his resignation following the reportage of TV Channel 3 that revealed alleged irregularities in the management of the *Erasmus+* Programme. The newspaper also quoted Minister of Education Valchev in the same publication, who said that over the years several inspections had been carried out of the Centre and the findings of some of them had been submitted to the Prosecutor's Office.

A year later *Sega* released another article, claiming that an employee at the Centre had been dismissed for leaking information about a conflict of interests in the evaluation of projects under the *Erasmus+* Programme and that another employee had been subject to harassment and also left. The Head of the Centre Petyo Kanev denied any irregularities and explained that the staff changes were due to the restructuring of the Centre.

 **31.10.2018** **Sega**

Shefat na agentsijata po „Erazam+“ podade ostavka zaradi samnenija za zloupotrebi

 **25.09.2019** **Sega**

Kak zatihva edin skandal za konflikt na interesi

 **30.09.2019** **Sega**

Oshte edin bivsh slujitel po programa „Erazam+“ se oplaka ot natisk

 **4.10.2019** **Sega**

Razmjanata na obvinenija mejdu slujiteli po „Erazam+“ prodaljva

## 27. Cancelled public procurement contract of the Human Resources Development Centre (HRDC) under the *Erasmus+* Programme

On 9.12.2019, *Sega* reported that the HRDC will allocate almost BGN 3 million excluding VAT under a public

 **9.12.2019** **Sega**

Firma na Valentin Zlatev shte vzeme milioni za absurdno skapi sabitija

 **24.12.2019** **Sega**

Otmeniha zlatnata poratchka, spetchelena ot firma na Valentin Zlatev

 **24.12.2019** **Mediapool**

Prekratena e apetitna poratchka za 3 mln. lv., svarzana s Valentin Zlatev

procurement contract for the organization of 200 public events under the Erasmus+ Programme. The contract was awarded to *Union Logistics* (a company under the Obligations and Contracts Act), even though some of the prices proposed for services and activities in its offer were 140 times higher than the lowest price of a company – competitor. *Sega* wrote that the evaluation methodology was developed in a way making it easy for *Union Logistics* company to win the tender; according to the newspaper, the company was related to the businessman Valentin Zlatev.

On 24.12.2019, *Sega* and *Mediapool* reported that the Ministry of Education and Science ordered a inspection of the case and the Centre cancelled the public procurement tender on 23.12.2019.

## 28. Information about irregularities related to the appointment of employees at Audit of EU Funds Executive Agency

In September 2018, *Sega* described how national institutions shifted among them the responsibility to investigate a case referred to them by OLAF. In 2016 OLAF signalled *Audit of EU Funds* Executive Agency about alleged infringements of the employee appointment and appraisal procedures. Employees were allegedly connected to private companies and other interested parties. Eleven persons were involved, including former and current heads at the Agency. General Directorate Combating Organized Crime (GDCOC) did not find evidence of an organized criminal group and referred the case file to the National Police. The police also checked, though the findings have not been disclosed, and referred the case to the Commission for Prevention and Ascertainment of Conflicts of Interest (CPACI). This Commission did not examine the allegations because the information came from an anonymous source – the full name and signature of the whistleblower were missing. However, when later CPACI became part of the Commission for Illegal Assets Forfeiture (CIAF), CIAF opened a case file about the allegations. The investigation established that the statute of

limitations expired for the alleged illegal acts of former head of the Executive Agency but the other persons had to be checked for a conflict of interests. CIAF is entitled to review conflict of interests only for persons in management positions and the other employees should be checked by the Executive Agency itself, which received the information from OLAF initially.

## 29. Yordan Stoyanov (Dambovetsa)

In February 2017, *24 chasa* reported that Yordan Stoyanov (Dambovetsa) was sentenced for “attempt to receive illegally an agricultural subsidy”. The case was heard by Sofia City Court. It was brought in the autumn of 2015. At first, it was allocated to Judge Petar Santirov but the latter recused himself. The new judge referred back the case for further investigation. The Prosecutor’s Office challenged the order referring the case back and Sofia Appellate Court repealed it. At the beginning of February 2017, the case was brought back to Sofia City Court and the Court delivered a judgment in two weeks. Yordan Stoyanov was imposed a conditional sentence of one year in prison, a probation period of three years and a fine of BGN 2,000. He was charged with submitting false data, in his capacity as company owner, to the Municipal Agriculture Office to receive financial aid from the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). He declared that he farmed agricultural lands (high-mountain pastures), which was not true. He had not been granted the subsidy and that is why he was convicted for a less serious crime. The sentence is subject to appeal.

*24 chasa* mentioned in its publication that in 2010 Yordan Stoyanov had been detained but not convicted under the *Octopus* case. He had been charged with possession of an illegal zoo and acquitted. He and his brother had been also charged for tax crime and money laundering (draining of funds from Kremikovtsi steel company) but the proceedings were canceled. In 2016, the two brothers and other people involved in the *Octopus* case sued Bulgaria in the European Court of Human Rights and were awarded a compensation of EUR 80,000 in total.



**17.09.2018**



**Sega**

Signal na OLAF se motae iz institutsiite vetcheta godina



**17.02.2017**





**24 chasa**

Jordan Stojanov – Dambovetsa s uslovna prisada za opit da polutchi nepravomerno subsidii

### 30. The trial of Emil Kabaivanov



In early January 2019, *Mediapool* wrote that Plovdiv Regional Court sentenced Emil Kabaivanov (Mayor of Karlovo) to a suspended prison term of 3 years for the embezzlement of approximately BGN 27,000 from the EU Funds. The conviction was subject to appeal. The facts of the case go back to the period from April 2013 to April 2014. Karlovo Municipality hired then three experts under a project for completion of the sewerage system and a waste water treatment plant in the city financed by OP Environment. The three experts were close acquaintances of the Mayor. They were paid by the Municipality but according to the newspaper “(they) did not complete any work in exchange”.

The trial started shortly before the local elections in 2015 and Kabaivanov was first charged with mismanagement and later the charge was changed to embezzlement. In 2015, Kabaivanov claimed that the actions of the Prosecutor’s Office were “provocation, aiming to blackmail him and prevent him from running for a third term in office as Mayor”. His main competitor in the race for the post of Mayor of Karlovo was General Dimitar Shikov, who had also been charged but for other crimes.

 **10.01.2019**  **Mediapool**  
„Vetchnijat“ kmet na Karlovo be osaden za prisvojavane na evropari

### 31. OP Competitiveness 2007-2013



In June 2017, *Sega* wrote about a recent judgment delivered by the Supreme Administrative Court (SAC), which had a bearing on the management of OP Competitiveness 2007-2013. In 2014, the Ministry of Economy cancelled a public procurement procedure under OP Competitiveness for the amount of BGN 97 million due to suspected corruption among the evaluators. Eli Milusheva, Head of the Managing Authority at the Ministry, said that “a maze of connections between consultants, companies and evaluators was detected”. The Prosecutor’s Office was informed about it. *Sega* wrote that the case ended with the voluntary resignation of Milusheva herself and several experts from the Ministry. There is no information what the Prosecutor’s Office did about her allegations.



 **20.06.2017**  **Sega**  
Firmi shte se jalvat na EK zaradi 97 mln. lv.



However, 140 companies had already been approved under the Programme and they expected to be granted funding but did not get it. The companies filed a claim in the court and in 2016 SAC repealed the termination of the procedure. The affected companies announced that they might approach the European Commission.



### 32. “Guest houses”: annulled methodology for determining the size of penalties



In late May 2019, *Mediapool* quoted the final judgment delivered by a bench of five judges of the Supreme Administrative Court (SAC) that declared void the meth-



 **10.05.2019**  **Mediapool**  
Danakoplatsite shte pokrijat smetkata za dalaverite s kashtite za gosti



 **29.05.2019**  **Mediapool**  
Izmamnitsi vetche mogat da si varnat globite po selskata programa

 **30.05.2019**  **Mediapool**  
Ogromni globi za narushiteli s kashti za gosti vetche se anulirat

 **31.05.2019**  **Sega**  
Fond „Zemedelie“ ne znae kolko pari shte vrashta zaradi sgreshenite sanktsii

 **4.06.2019**  **Sega**  
Parlamentat speshno promenja zakona zaradi kashtite za gosti

 **5.06.2019**  **Mediapool**  
Zakon s obratno dejstvie shte spasjava sanktsii za 11 mln. evro po selskata programa

 **5.07.2019**  **Mediapool**  
Zemedelskijat fond e spetchelil 11 dela za sanktsii sreshtu subsidirani kashti za gosti

odology for determining the size of penalties in cases of infringements of contracts for “guest houses” established by State Fund Agriculture (SFA). The methodology had been adopted by the Executive Director of SFA, who did not have the powers to draft legislative administrative acts, and, in addition, the methodology had not been promulgated in the State Gazette, which was a reason in itself not to consider it a legislative act. The methodology was adopted in 2011 and penalties were meanwhile imposed based on it under the Rural Development Programme. According to *Mediapool*, the penalties amounted to at least BGN 10 million only in relation to contract violations in guest houses. Based on SAC’s judgment, the companies and persons that suffered penalties could request that their funds be reimbursed.

SFA announced that they would bring their methodology in compliance with statutory requirements and that they did not expect that the amendments would result in reimbursement of the penalties imposed. The methodology on its own cannot serve as grounds for imposing a penalty but it simply lays down a common approach for setting the penalty size. Nevertheless, in a publication of 30.05.2019 *Mediapool* quoted a case, where SFA imposed a penalty on a company in the amount of BGN 195,000 because a guest house had been built with EU funds but not used for its intended purpose. The company appealed the penalty in court, challenged the lawfulness of the methodology and won the case.

About a week following the judgment of SAC declaring the methodology void, *Mediapool* wrote that the National Assembly voted urgently amendments to the Agricultural Producers Support Act that would enter into force retroactively and would prevent challenging imposed penalties in court.

### 33. “Guest houses”: Alexander Manolev

In April 2019, the media announced the findings of a joint investigation of *Bivol* and *Blagoevgrad News*, which revealed that Deputy Minister of Economy Alexander Manolev used exclusively a guest house financed with EU funds. The house was built on a land plot he owned and in 2015 State Fund Agriculture (SFA) approved a payment of BGN 380,000 for the house. Alexander Manolev was a member of the Managing Board of SFA for two years prior to the disclosures.

On 19.04.2019, *24 chasa* reported that Manolev resigned as Deputy Minister of Economy and the Prosecutor’s Office initiated an inspection and submitted the findings to the Commission for Illegal Assets Forfeiture

(CIAF) to check his income and property. The National Revenue Agency launched a tax inspection of the companies involved in the construction of Manolev’s house.

On 25.04.2019, *24 chasa* wrote that Blagoevgrad District Prosecutor’s Office brought charges against Manolev and Anna Dimitrova (the daughter of his child’s nanny) for a crime “affecting the EU’s financial interests that had been committed by them in complicity and as a continuing crime”. Manolev was charged with instigating and abetting the crime and Dimitrova with committing it because in her capacity as a legal entity, she submitted to SFA false data to receive EU funds (the European Agricultural Fund for Rural Development (EAFRD) – *Europe Invests in Rural Areas*). The prosecution claimed that the unduly paid amount was approximately BGN 391,000. As a restraint measure Dimitrova was under a bail of BGN 2,000 and Manolev – a bail of BGN 100,000.

On 30.04.2019, *24 chasa* wrote that Manolev appealed the bail. The court confirmed the measure but extended the deadline for its payment by up to 15 days.



*Mediapool* website quoted an interview of former Minister of Agriculture Mehmed Dikme, stating that “the main actor responsible for the instances of fraud was the controlling authority, i.e. State Fund Agriculture: Fund Agriculture allowed indiscriminate building of houses that, provided that preliminary estimates and analyses had been carried out, would have proved to be houses for personal and not business use. With regard to the case of Alexander Manolev, Dikme commented that it was rather a case of abuse of public office.”<sup>3</sup>

At the beginning of October 2019, the media reported that the CIAF completed its inspection of the case and had established a conflict of interests involving Alexander Manolev, who “had influenced other authorities and persons in the interest of a person related to him regarding the monitoring of the implementation of the grant agreement”.


On 28.11.2019, *24 chasa* wrote that ten judges from Blagoevgrad District Court recused themselves and did not want to hear the trial against Alexander Manolev because they had “professional relations with his sister”, who was also a judge in the town of Sandanski. Only one judge has remained out of the bench of judges of the district court, who could hear the case because she has been appointed to the post the previous week. If the latter judge also refuses to hear the case, the case should be referred by the Supreme Court of Cassation to another court.

<sup>3</sup> Scandalat s kashtite za gosti “uvolni” zam.-direktorka na fond “Zemedelie”, *Mediapool*, 30.04.2019.



 **12.04.2019**  **Mediapool**


Tchastna vila s mineralen basejn po evroproekt?  
Zam.-ministar Manolev otritcha

 **17.04.2019**  **24 chasa**



Prokuraturata proverjava zam.-ministara na  
ikonomikata za zloupotrebi s evrosredstva

 **17.04.2019**  **Mediapool**


Imoten skandal kostva i posta na zam.-ministar  
Manolev

 **18.04.2019**  **Mediapool**


Manolev dal zemja i zaem za „kashtata za gosti“

 **18.04.2019**  **Sega**


Treti zam.-ministar hvarli ostavka zaradi „moralnija  
standart“ na GERB

 **19.04.2019**  **24 chasa**



Prokuraturata v Blagoevgrad zapotchna  
dosadebno proizvodstvo sreshtu Manolev

 **19.04.2019**  **Sega**


I antikoruptionnata komisija podhvana bivshija  
zam. ikonomiticheski ministar

 **19.04.2019**  **Sega**


Porozhanov ne se plashi ot proverki

 **22.04.2019**  **Sega**


Provereni sa edva 17% ot kashtite za gosti

 **24.04.2019**  **24 chasa**

Tsatsarov naredi proverka na vsitchki kashti za  
gosti, finansirani s evropejski pari

 **24.04.2019**  **Mediapool**


Aksijata sreshtu Manolev tragna s „molja, ne  
razbivajte kashtata“

 **24.04.2019**  **Sega**


Prokuraturata pusna proverka na vsitchki kashti za  
gosti s evropari

 **25.04.2019**  **24 chasa**


Aleksandar Manolev vetche e obvinjaem,  
garantsijata mu e 100 000 leva

 **25.04.2019**  **24 chasa**


Arnaudova: Kashtata za gosti, postroena s  
evropari, e polzvana samo ot Manolev

 **25.04.2019**  **24 chasa**


Manolev otkazal da dava objasnenija,  
kriminalistitchna registratsija i deklaratsija za  
imotno sastojanie

 **25.04.2019**  **Mediapool**


Dashterjata na gledatchkata na detsata na  
Manolev e sobstvenik na kashtata za gosti

 **29.04.2019**  **Mediapool**

EK tchaka Balgarija da reshi „problema“ s kashtite  
za gosti

 **30.04.2019**  **24 chasa**

Aleksandar Manolev objalva paritchnata si  
garantsija ot 100 000 leva

 **30.04.2019**  **24 chasa**


Vsjaka treta kashta za gosti neredovna, shte  
vrashtat parite iztsjalo

 **3.05.2019**  **Mediapool**


Porozhanov tvardi, tche ne e propusnal nito edna  
kashta za gosti. Prokuraturata: Ministarat ne  
proverjava, a e proverjavan

 **3.05.2019**  **24 chasa**


Prokuraturata: proverkite ni ne sa savmestno s  
Ministerstvoto na zemedelieto

 **3.05.2019**  **24 chasa**

Porozhanov: dali sme na prokuraturata nad 500 signala, vključitelno za kashti za gosti

 **3.05.2019**  **24 chasa**


Porozhanov: Sami sprjahme 25 mln. lv. za kashti za gosti po novata programa zaradi samnenija, tche shte ima zloupotrebi

 **3.05.2019**  **Sega**


Prokuraturata se razgranitchi ot Porozhanov s narotchno saobshtenie

 **9.10.2019**  **24 chasa**



Spored prokuraturata: Kak Manolev polzval dashterjata na detegledatchkata si – po dokumenti tja obgrijava lozeto mu, a vsashtnost bila na utchilishte

 **10.10.2019**  **Mediapool**

„Antikorupsija“ vadi konflikt na interesi na razjalvan zam.-ministar

 **10.10.2019**  **24 chasa**

KPKONPI: Aleksandar Manolev bil v konflikt na interesi odnosno kashtata za gosti v Sandanski

 **28.10.2019**  **24 chasa**

Deset sadii si dadoha otvod po deloto sreshtu bivsh zam.-ministar zaradi sestra mu

### 34. “Guest houses”: a general inspection of State Fund Agriculture (SFA)


In June 2019, six weeks following the disclosures of *Bivol* about the guest house of Alexander Manolev, the media reported that the Minister of Agriculture Desislava Taneva ordered a general inspection of all guests houses financed under the Rural Development Programme 2007-2013. A total of 746 projects had been financed in the period but only 288 of them were to be inspected because the five-year monitoring period for the others had expired. The total

amount of the subsidy paid from the European Regional Development Fund was BGN 82 million. 30 June was the planned deadline for the general inspection.



In mid-July 2019, *24 chasa* quoted Desislava Taneva, who stated that 300 houses had been inspected so far; 15 of them were not used for tourism and their owners would be ordered to recover the whole amount paid by the SFA, while less serious infringements were discovered in 74 houses and financial corrections would be imposed on the owners ranging from 5 to 15% of the amount granted by the Fund. BGN 700,000 had already been restated voluntarily to the Fund.

At the end of September 2019, *24 chasa* quoted again Minister Taneva, who announced that as a result of the inspections of the guest houses, SFA referred to the Prosecutor's Office information about 17 house owners.

In mid-November 2019, the final outcomes of the inspections were revealed. *Sega* wrote that penalties in the amount of BGN 38 million were imposed; *Mediapool* added on the same day that penalties were imposed on 253 individual projects, most of which had to recover 100% of the financing allocated by SFA in the amount of approximately BGN 46 million. Alexander Manolev's guest house was on the list of projects requested to reimburse in full the amount allocated by SFA.

 **7.06.2019**  **Sega**


Zapotchvat novi proverki na kashtite za gosti

 **7.06.2019**  **Mediapool**


Ministar Taneva shte proverjava s medii 14 kashti za gosti, shte nalagat globi povtorno

 **9.06.2019**  **Mediapool**



Parvata proverena kashta za gosti se okaza izrjadna

 **10.06.2019**  **24 chasa**


Proveriha i hotel zaradi aferata „kashti za gosti“

 **10.06.2019**  **Sega**



Ot 4 provereni kashti za gosti ne izleze nito edno narushenie

 **12.06.2019**  **Mediapool**



Proverkata na iskashti subsidija kashti za gosti prodaljava s izrjadni proekti

 **14.06.2019**  **Sega**


Proverjavat 288 kashti za gosti, za koito ne e iztekal monitoringat

 **14.06.2019**  **24 chasa**

Shte badat provereni vsitchki finansirani po programa kashti za gosti

 **14.06.2019**  **Mediapool**



Proverjavat se 288 vdignati s evropari kashti za gosti

 **15.06.2019**  **24 chasa**



Proverjavat kashti za gosti vav Velingrad i Batak

 **15.06.2019**  **Sega**

I v „kashta za tashta“ ne beshe otkrito narushenie

 **15.06.2019**  **Mediapool**


V oshte „kashti za rodnini“ ne beshe otkrito narushenie

 **17.06.2019**  **24 chasa**



Desislava Taneva: Njama narushenija v 14-te provereni kashti za gosti

 **18.06.2019**  **Mediapool**

Naj-posle proverki i na rodninskite kashti za gosti

 **20.06.2019**  **24 chasa**



Proverjavat sobstvenik na kashta za gosti kraj Varna, vzel 391 000 leva finansirane

 **24.06.2019**  **24 chasa**


Proverjavat 15 kashti za gosti v Kjustendilsko

 **27.06.2019**  **24 chasa**



Proverjavat kashta za gosti v Sapareva banja

 **11.07.2019**  **24 chasa**


Taneva i fond „Zemedelie“ predstavjat dnes rezultati ot proverkata na 288 kashti za gosti

 **11.07.2019**  **24 chasa**


15 kashti za gosti ne rabotjat kato takiva, vrashtat na ES 4,5 mln. lv.

 **12.07.2019**  **Mediapool**


Darjavata tarsi 4,5 mln. lv. ot narushitelite na kashtite za gosti

 **12.07.2019**  **Sega**



Zemedelskoto ministerstvo „izgarmja“ 15 bushona ot kashtite za gosti

 **12.07.2019**  **24 chasa**



Taneva sled proverkite na kashti za gosti: Do momenta sa varnati okolo 700 000 lv.

 **22.07.2019**  **Sega**

Fond „Zemedelie“: Samo 3-ma ot 23-ma direktori sa na rabota

 **27.09.2019**  **24 chasa**

Prokuraturata proverjava 17 sobstvenitsi na kashti za gosti s evropari

 **15.11.2019**  **24 chasa**

Darjavata globjava 158 kashti za gosti s palna sanktsija za obshto nad 43 mln. lv.

 **15.11.2019**  **Mediapool**


Nad 46 mln. lv. shte trjabva da vrashtat 253 kashti za gosti

 **15.11.2019**  **Sega**


Fond „Zemedelie“ e nalojil 38 mln. lv. globi za kashtite za gosti

 **18.11.2019**  **24 chasa**

Sobstvenitsi na 5 kashti za gosti vav Velikotarnovsko shte vrashtat nad 1,3 mln. lv.

 **19.11.2019**  **24 chasa**

158 kashti za gosti ne sa polzvani po prednaznatchenie

 **20.11.2019**  **24 chasa**

Danatchen izmamnik, kmetski detsa i Milko Kalajdjiev shte vrashtat nad 1 mln. lv. ot kashti za gosti

### 35. “Guest houses” of persons related to Elena Yoncheva

In April 2019, at the height of the political scandal with the “guest houses”, the media quoted an announcement by the Prosecutor’s Office about a preliminary review ordered of a project for three guest houses involving persons related to Elena Yoncheva, MP from BSP in the 44th National Assembly. The news appeared about a month prior to the European Parliament elections, where Yoncheva headed the BSP list of candidates. In January 2019, she had disclosed to the public information about alleged fraud in the renovation of the Largo area in Sofia (see case No 58).


The media reported that the Prosecutor’s Office self-referred the case based on a publication of PIK Agency with potential crime allegations. The facts of the publication go back to 2011, when *Park Velika* OOD company applied and was granted approximately BGN 376,000 by SFA for the 3 houses; as of the moment of publication there was no website, nor any contact details and no information could be established about renting the houses. *Mediapool* claimed that the case was about “the family company of Plamen Todorov, an architect and the father of Yoncheva’s child”, while according to *24 chasa* the architect’s father was a partner in the company.

Based on the information published by PIK news agency, *24 chasa* approached for information SFA and learnt about the amount of the funding granted, the date it was approved, and established that the company which designed the three houses was owned by architect Plamen Todorov and his brother. The newspaper also mentioned that as of that day the houses had been used mainly by Yoncheva and the family in question, accord-

ing to villagers from the nearby village. The subsidy was bound on the houses being used for tourism for at least 5 years and meanwhile this period had expired long ago. The last report of the house owners was submitted to SFA in 2015 and SFA did not establish any irregularity then.

Yoncheva commented that the case was “ridiculous” and that her father-in-law had been a manager of the group of houses ever since the time before she met him.


*24 chasa* stated in its publication that “Manolev handed in his resignation for a similar case”, even though the cases are apparently completely different.

 **23.04.2019**  **Mediapool**

MVR shte proverjava tri kashti za gosti na semejstvoto na Jontcheva

 **23.04.2019**  **Sega**

Tsatsarov proverjava tri kashti za gosti na semejstvoto na Jontcheva

 **23.04.2019**  **24 chasa**

Politsija vliza v trite moderni morski kashti za gosti na svekara na Jontcheva. Tja: Tova e medijna ataka

### 36. “Guest houses”: dismissal of Ivanka Mizova

On 30.04.2019, *Sega* and *Mediapool* reported that Prime Minister Boyko Borisov requested from the Minister of Agriculture to remove Ivanka Mizova from the post of Deputy Director of State Fund Agriculture (SFA). It became known at the height of the scandal with the guest houses that her private phone number was designated as a contact number in an advertisement of a guest house in the village of Yundola. The house owner stated for Nova TV that Mizova had nothing to do with the house and that she had just helped develop a website to attract tourists. Mizova submitted her resignation but Porozhanov did not remove her from office immediately because he said that he would wait for the findings of the Prosecutor’s Office review on the case. Then Prime Minister Borisov requested the resignation of Porozhanov for delaying the removal from office of Mizova and received it. Mizova was dismissed in mid-May 2019, immediately after the new Minister of Agriculture took office. The outcome of the Prosecutor’s Office’s review of the case is not known.

 **30.04.2019** **Sega**

Borisov uvolni zam.-shefkata na fond „Zemedelie“

 **30.04.2019** **Mediapool**

Skandalat s kashtite za gosti „uvolni“ zam.-direktorkata na fond „Zemedelie“

 **1.05.2019** **Mediapool**

Podalata ostavka Mizova pomognala da se napravi sajti na kashtata za gosti v Jundola

 **2.05.2019** **24 chasa**

Sobstvenitsite na kashtite za gosti v Jundola poznavali svekara na Ivanka Mizova

 **16.05.2019** **Sega**

Zam.-shefkata na DF „Zemedelie“ naj-posle be uvolnena

 **16.05.2019** **Mediapool**

Evdokija Krasteva smenja Ivanka Mizova vav fond „Zemedelie“

### 37. “Guest houses” of persons related to Mustafa Karadaya

At the beginning of May 2019, *Mediapool* and *Sega* quoted a publication of *Bivol* saying that 8 guest houses had been financed in the village of Borino under the Rural Development Programme 2007-2013 (RDP) and four of the projects in the amount of approximately BGN 1 million were run by persons related to Mustafa Karadaya, Chairperson of the Movement for Rights and Freedoms (MRF). In addition, his mother and brother run *Arcadia* family hotel built with funds under the SAPARD Programme. All guest houses were united in a complex offered online under the name of *Chala Villas*. The website *Bivol* pointed out that the financing of projects of related parties was prohibited under the RDP rules.

According to the publication of *Bivol*, the Chief Authorising Officer for the funds under the Rural Development Programme was Deputy Executive Director of SFA Atidzhe Alieva-Veli, the fifth candidate on MRF's list for the upcoming European Parliament elections. *Boets* Civil Association officially reported the case to the Prosecutor's Office.

In June 2019, a publication of *24 chasa* (quoting information from the Bulgarian National Radio) reported that SFA launched an inspection in the village of Borino, which most probably had been part of the general inspection of guest houses announced by Minister of Agriculture earlier in June. The inspection so far established “infringements in the implementation of the business plan and the ownership of the house of a former municipal councilor and a relative of the Chairperson of MRF Mustafa Karadaya”. A second facility was also checked but the monitoring period under the Programme had expired for it in 2016. The number of nights with recorded tourists for the latter facility was also far less than the planned. Kaloyan Kostadinov, Deputy Executive Director of SFA reported that Chief Directorate National Police had also carried out reviews of all guest houses, including those in the village of Borino.

 **10.05.2019** **Mediapool**

I familijata na lidera na DPS e postroila hotel s evropari

 **11.05.2019** **Mediapool**


Polovinata ot kashtite za gosti v Borino sa na rodnini na Mustafa Karadaja

 **13.05.2019** **Sega**

Rodnini na lidera na DPS darjat polovinata kashti za gosti v Borino

 **17.05.2019** **Mediapool**

Nad 10 mln. lv. investitsii ot evrofondovete v rodnoto mjesto na Mustafa Karadaja

 **21.05.2019** **24 chasa**

Proverjavat kashta za gosti na bivsh kmet na Borino

 **22.06.2019** **24 chasa**

Prodaljavat proverkite na kashti za gosti v obshtina Borino



### 38. “Guest houses”: dismissal of Yanaki Cherveniyakov

In June 2019, *Mediapool* and *Sega* wrote that as a result of the general inspection of the guest houses, Minister of Agriculture Desislava Taneva dismissed Yanaki Cherveniyakov, Head of Sector at Directorate *Contracting of the implementation of measures under the Rural Development Programme* of State Fund Agriculture (SFA). This is the third time Cherveniyakov had been dismissed: he had been dismissed by SFA in the past but he had been reinstated to his post by court judgment. In this respect *Mediapool* recalled that in 2016 *Bivol* revealed that Cherveniyakov drove expensive cars, lived in a luxury flat and that his mother-in-law was awarded two EU-financed projects, including a project for a guest house. The Commission for Conflicts of Interests did not establish any wrongdoings. *Sega* wrote on 17.06.2019 that it was not clear whether the Prosecutor's Office launched an investigation against Cherveniyakov.

 **2.05.2019**

 **Mediapool**

Sadat varna na rabota v DFZ Yanaki Cherveniyakov, uvolnen zaradi kashtata za gosti na tashta si

 **16.06.2019**

 **Mediapool**

Slujitel na fond „Zemedelie“ s „kashta za tashta“ e uvolnen za tretii pat

 **16.06.2019**

 **Sega**

Za tretii pat uvolnjavaat ekspert s „kashta za tashta“

 **17.06.2019**

 **Sega**


Nesmenjaem tchinovnik s kashta za tashta e uvolnen za tretii pat

Lovech Municipality and financed under OP Regional Development. The project included the purchase of a tourist attraction mini-train. The mini-train was delivered but it did not meet the technical parameters of the public procurement contract and the takeover certificate had been signed without tests. The damages incurred was estimated at approximately BGN 210,000, which is the difference between the price paid and the market price of the mini-train. The prosecution claimed that the former mayor did not take due care of the property entrusted to him and did not prepare and sign a record of findings; the former employee of the municipality and project leader was charged with mismanagement and a document crime, and the manager of the company which delivered the tourist mini-train with a document crime. The proceedings were brought before the Specialized Criminal Court. *Sega* reported that the information was supplied by the press centre of the Prosecutor's Office.

 **15.06.2018**

 **24 chasa**

Okrajna prokuratura – Lovetch dade na sad bivsh kmet

 **15.06.2018**

 **Sega**

Bivsh kmet na Lovetch otiva na sad zaradi uveselitelno vlaktche

### 39. Lovech – Mincho Kazandzhiev

In June 2018, *24 chasa* and *Sega* wrote that Lovech District Prosecutor's Office submitted to the court an indictment against the former Mayor of Lovech Mincho Kazandzhiev and two other people. Kazandzhiev was charged with mismanagement and the other two persons with document crimes. The criminal proceedings were instituted in relation to a project implemented by

### 40. Ministry of Interior (Mol): delivery of jeeps for the Border Police

At the beginning of January 2017, *Sega* announced that the Ministry of Interior (Mol) terminated the public procurement procedure launched for the supply of 290 all-terrain jeeps because the Head of Border Police had not signed a key document. The missing signature was established following a review by the Public Procurement Agency, which recommended that the procedure be terminated.

Two months later *24 chasa* reported that the public procurement tender was launched again, in an accelerated procedure, on the grounds of increased migratory pressure on the borders. The contract was financed from the emergency aid of EUR 160 million Bulgaria had received from the EU in 2016.

*24 chasa* wrote in its publication of 2.05.2017 that the contract was awarded to a company close to the busi-



nessman Grisha Ganchev; the company had recently become the owner of *Litex Motors*, which was involved in insolvency proceedings. In addition, the newspaper claimed that Mol changed its evaluation criteria: initially 60% of the evaluation of the tenders would be formed based on the technical specifications, and 40% on the price but the ratio was reversed and the company won the tender with the lowest price.

In March 2019, the media reported that the contract was subject to a review by OLAF, most probably due to

the extension of the period of delivery after the contract had been concluded. Deputy Minister of Interior Tsipov could not explain why OLAF is reviewing the case but in his opinion “the matter was most likely about infringement of the procedure”. He shifted the responsibility onto the caretaker government that was in office at the time the contract was concluded.

## 41. Ministry of Interior (Mol): supply of fire service vehicles



In August 2018, *24 chasa* and *Sega* reported an open letter of the Trade Union Federation of the Employees in the Ministry of Interior, requesting a safety inspection of the fire service vehicles supplied earlier. The Federation believed that the vehicles were not suitable for extinguishing forest fires, as 4 accidents had happened with them in the course of 18 months resulting in one fatality and injured officers. The Federation requested to have an inspection of who approved the delivery of these fire service vehicles, whether they met the specifications laid down in the public procurement contract, to have a technical expertise carried out about the behaviour of these vehicles in real driving conditions and “statistical processing of data about the use of these fire service vehicles for extinguishing forest fires”. Mol purchased the new fire service vehicles with financing from OP Environment.

 **12.01.2017**  **Sega**

Granitchna politsija zabravila da podpishe ogromna poratchka za jeepove

 **10.03.2017**  **24 chasa**



MVR poratchva speshno jeepki za 29 mln. lv.

 **2.05.2018**  **24 chasa**

Firma do Grisha Ganchev dostavja na MVR 290 jeepa za 11,5 mln. lv.

 **6.05.2017**  **24 chasa**



Dve jalbi sreshtu poratchkata za 290 jeepa za MVR

 **24.03.2019**  **24 chasa**


290 jeepa udrjat kato gram prezidenta

 **24.03.2019**  **24 chasa**


OLAF proverjava obshtestvena poratchka za 290 jeepa, zavarshena prez 2017 g.

 **25.03.2019**  **24 chasa**


Tsipov i sekretarjat na prezidenta v spor za razsledvaneto na OLAF

 **25.03.2019**  **Sega**


OLAF proverjava obshtestvena poratchka na slujebnija kabinet na Rumen Radev

 **26.03.2019**  **Mediapool**

OLAF proverjava poratchka na MVR za 290 jeepa za 14 mln. lv.

 **20.08.2018**  **Sega**

Politsejski sindikat iska proverka na 4-te intsidenta s pojarni koli

 **21.08.2018**  **24 chasa**

MVR sindikat se usamni v bezopasnostta na novite pojarni

## 42. Indictment of Minyu Staykov

*Mediapool* described Minyu Staykov in its publications as “an alcohol boss” and owner of “Vinprom Karnobat”, the largest Bulgarian wine producer. On 5.09.2018, the media wrote that he had been arrested together with 9 more persons during a raid of the specialized Prosecutor’s Office, investigating information about the produc-

tion of cigarettes without excise bands, VAT tax fraud and money laundering. After he had been arrested, he was charged with two counts for money laundering and tax evasion of more than BGN 1 million.

Media publications from early May 2019 report that in late April 2019 Staykov was charged with a third crime not long before the expiry of the maximum statutory period of keeping him in custody. He was charged with using the children of his employees to apply for financing of approximately BGN 20 million under the Young Farmer measure and the measure supporting wine-growing of the Rural Development Programme, while in fact he was the real owner of the business. Deputy Prosecutor General Ivan Geshev made a statement for the media revealing that “the companies that applied under these measures were not officially related to the real owners but all of them are relatives, employees, employees’ children, connected, so to say, with the Karnobat business empire. On 3.05.2019, *Mediapool* noted that it is likely that the third charge had been brought only to keep Staykov in custody.

On 7.05.2019, *24 chasa* reported that the Minister of Agriculture Rumen Porozhanov was interviewed by the Specialized Prosecutor’s Office regarding the third charge against Staykov. Porozhanov was the Head of State Fund Agriculture (SFA) at the time of the events related to the third charge against Staykov, but he denied having close relations with Staykov.

On 17.07.2019, the media reported about a police raid, as a result of which six employees of SFA had been detained and charges were brought against five of them. Four were charged with misconduct in public office committed in complicity (article 282, paragraph 1 of the Penal Code), i.e. they failed to perform and breached their duties in the processing of applications submitted to the Fund for support of the farming businesses, related to the defendant Minyu Staykov and 7 more persons. The fifth employee was charged with membership of the organized criminal group led by Staykov (crime under article 321, paragraph 6 of the Penal Code). The Prosecutor’s Office claimed that one of the accused distributed over the last year a total of BGN 1.8 million to various companies via loan contracts. Two luxury cars owned by him had been seized, one of them an armoured Mercedes, kept in the house of Minyu Staykov and his son – Stayko. He was a “relative” of the two Staykov. One of the detained persons was Deputy Executive Director of SFA.

On 23.10.2019, the media reported that the Prosecutor’s Office submitted to the Specialized Criminal Court

an indictment against Minyu Staykov and 13 more people for abuse of EU funds. *24 chasa* wrote that the money was granted under two schemes supported by the Rural Development Programme (RDP): measures for support of rural areas and wine-growing. Minyu Staykov, 5 SFA employees and 7 more people close to Staykov were involved in a scheme, declaring false data to receive EU funds.

On 5.11.2019, *Mediapool* reported that the Court had repeatedly refused to impose a less severe measure of procedural coercion on Staykov, even though he had been detained for more than a year and evidence had been submitted that his health deteriorated. The website added that as of December 2018 Minyu Staykov attended court hearings in a wheelchair.

After Minyu Staykov had been arrested, his son Stayko Staykov was wanted by the police and later on by Interpol. At the end of January 2019, *Mediapool* and *Sega* wrote that he requested medical care after he had been kidnapped and severely beaten by unknown persons. The day he was admitted to hospital, his lawyer informed the Specialized Prosecutor’s Office that Stayko Staykov did not know that he had been wanted and was willing to appear before the authorities and be formally charged with crime. He was charged with membership in the organized criminal group of his father, which according to the prosecution allegedly dealt in distribution of smuggled cigarettes and tax crime. After he had been kidnapped, Stayko Staykov’s health condition did not allow him to be kept and treated in the prison hospital and he was imposed a measure of procedural coercion of “home arrest”. At the beginning of December 2019, *Mediapool* and *Sega* wrote that Minyu Staykov’s son had been briefly detained again by the police because he refused to show his ID documents for a police check.

 **5.09.2018**



 **Mediapool**

Alkoholnijat bos Minyu Staykov e v aresta zaradi nelegalni tsigari

 **5.09.2018**

 **Mediapool**



Potchti vsitchki aksii sreshtu DDS izmami otivat v nebitieto. Vetko Arabadjiev i Minyu Staykov mogat da spjat spokojno

 **5.09.2018**  **Mediapool**


Minyu Staykov e obvinen za utchastie v prestapna grupa i za ukrivane na danatsi

 **5.09.2018**  **Mediapool**


Valtcho, Minyu i Ivan – aktsija „3 v 1“

 **7.09.2018**  **Sega**



Prokuraturata obvini sobstvenika na Vinprom Karnobat

 **8.09.2018**  **Mediapool**


Alkoholnijat bos Minyu Staykov ostava v aresta

 **10.09.2018**  **Sega**


Minyu Staykov bil „disident“ s 4 prisadi predi 1989 g.

 **12.09.2018**  **Mediapool**


Novi aresti, obvinenija i pari po delata sreshtu Staykovi i Arabadjievi

 **18.09.2018**  **Mediapool**


OLAF e polutchila danni za predpolagaema izmama na Minyu Staykov

 **18.09.2018**  **24 chasa**

I OLAF podhvashta Minyu Staykov, detsa na negovi slujiteli polutchili 7 mln. leva evrosredstva

 **20.09.2018**  **Mediapool**


Tsatsarov razkri: Proizvodstvoto na tsigari i alkohol bez banderol ne e prestaplenie

 **21.09.2018**  **Mediapool**



Brojenija i jivi verigi sreshtu mitnitsite vav vinzavoda na Minyu Staykov

 **22.09.2018**  **Mediapool**



Rabotnitsite na Minyu Staykov prodaljavat protestite

 **23.09.2018**  **Mediapool**



Mitnitcharite otkriha nezakonen spirtoprovod vav „Vinprom Karnobat“

 **24.09.2018**  **Mediapool**



Dva ot zavodite na „Vinprom Karnobat“ zapotchvat rabota

 **25.09.2018**  **Mediapool**



Zavodite na Minyu Staykov otnovo zapotchvat rabota

 **12.11.2018**  **Mediapool**



Sadat zaporira imushtestvoto na alkoholnija bos Minyu Staykov

 **13.11.2018**  **Sega**

Sadat blokira imotite i parite na Minyu Staykov

 **11.12.2018**  **Mediapool**


Minyu Staykov v invalidna kolitchka pred sada

 **28.01.2019**  **Mediapool**

Izdirvanijat sin na Minyu Staykov se okaza otvletchen i prebit

 **29.01.2019**  **Sega**


Izdirvanijat ot Interpol sin na Minyu Staykov se okaza v Pirogov

 **29.01.2019**  **Mediapool**


Politsijata proverjava nahluvali li sa gardovete na Staykov v MVR-bolnitsa

 **30.01.2019**  **Sega**



Misteriite okolo sina na Minyu Staykov se zaplital

 **31.01.2019**  **Mediapool**


Stajko Staykov e pusnat pod domashen arest zaradi vlosheno zdrave

 **12.02.2019**  **Mediapool**


Sinat na Minyu Staykov be ostaven da se lekuva pod domashen arest

 **18.03.2019**  **Mediapool**

Biznesmenat Minyu Staykov izliza ot aresta sreshtu polovin milion leva

 **20.03.2019**  **Sega**



Spetsadat vetche se trogva ot zdravoslovnite problemi na obvinjaemite

 **26.03.2019**  **Mediapool**



Alkoholnijat boss Minyu Staykov ostava v aresta

 **2.05.2019**  **24 chasa**

Spetsprokuraturata v 5 grada, razsledvat Minyu Staykov za izmami s evrofondove

 **2.05.2019**  **24 chasa**

Politsija vleze v ofisa na Minyu Staykov v Karnobat, iznasja dokumenti

 **2.05.2019**  **24 chasa**


Spetsprokuraturata razsledva Minyu Staykov za izmama sas 7 mln. lv. evrosredstva, polutcheni tchrez podstaveni litsa

 **2.05.2019**  **Mediapool**


Nova aktsija sreshtu Minyu Staykov dni predi da go pusnat ot aresta

 **3.05.2019**  **24 chasa**

Minyu Staykov i negovi priblijeni opitali tchrez izmama da polutchat 18,5 mln. leva evropari

 **3.05.2019**  **24 chasa**

Prokuraturata sprja plashtane na evropari kam hora na Minyu Staykov

 **3.05.2019**  **Mediapool**


Prokurorat po deloto „Karnobat“ e pravil sdelki s „Vinprom Peshtera“, Tsatsarov ne vidja problem

 **7.05.2019**  **24 chasa**

Razpitztva Rumen Porozhanov po deloto na Minyu Staykov za zloupotrebi s evropari

 **7.05.2019**  **Mediapool**



S novo obvinenie Minyu Staykov ostava za postojanno v aresta

 **9.05.2019**  **24 chasa**

I zam.-shefkata na fond „Zemedelie“ Atidje Veli na razpit

 **10.05.2019**  **Sega**


Zemedelskijat ministar beshe razpitan ot spetsprokuraturata

 **14.05.2019**  **Mediapool**


Minyu Staykov e objavil gladna statchka

 **16.05.2019**  **24 chasa**


Gladden, no pregledan ot 14 lekari za 60 dni, Minyu Staykov sadi darjavata za 30 hil. leva

 **21.05.2019**  **Mediapool**


Mitjo Otchite i Minyu Staykov – pod straja s telefoni, vafli i saram

 **27.05.2019**  **24 chasa**


Minyu Staykov njama ishemitchen insult, bolejkite mu mogat da se lekuvat s haptcheta

 **16.07.2019**  **Mediapool**

Shestima shefove na fond „Zemedelie“ sa zadarjani zaradi Minyu Staykov


 **16.07.2019**  **24 chasa**

Zam.-shef na fond „Zemedelie“ i oshte 5-ma arestuvani po deloto sreshtu Minyu Staykov za izmama s evrosubsidii za milioni


 **17.07.2019**  **Sega**

Razsledvaneto sreshtu Minyu Staykov stigma do zam.-shef na Fond „Zemedelie“



 **17.07.2019**  **24 chasa**


Povdigat obvinenija na zadarjanite vav fond „Zemedelie“

 **17.07.2019**  **Mediapool**


Petima shefove na DFZ sa obvineni za aferata Minyu Staykov

 **18.07.2019**  **Sega**

Arestuvan ot fond „Zemedelie“ se dvijel s broniran mertsedes

 **19.07.2019**  **24 chasa**


Pusnaha pod garantsija i petimata obvineni slujiteli na Fond „Zemedelie“

 **19.07.2019**  **Mediapool**


Vsitchki zadarjani ot DFZ po aferata Minyu Staykov sa pusnati sreshtu garantsija

 **22.07.2019**  **Mediapool**

Vasil Grudev: DFZ e v shokirashta situatsija – ot 23 direktori 20 sa v otpusk ili bolnitchni

 **23.07.2019**  **Mediapool**


Bivsh shef na DFZ s nov post tri dni sled ostavkata

 **30.07.2019**  **Mediapool**


Ne e otkrita svarzanost pri evroproekti na Minyu Staykov

 **22.08.2019**  **Mediapool**



Minyu Staykov shte navarshi edna godina v aresta

 **22.08.2019**  **24 chasa**


Minyu Staykov ostava v aresta, nael e advokata na Michel Platini

 **23.10.2019**  **Mediapool**



Minyu Staykov otiva na sad za zloupotrebi s evrofondove

 **23.10.2019**  **24 chasa**


Sadhat Minyu Staykov po vtoro delo

 **5.11.2019**  **Mediapool**

Epizod poreden: Minyu Staykov pak ostava v aresta

 **25.11.2019**  **24 chasa**


Minyu Staykov sas silna semejna podkrepa v sada

 **26.11.2019**  **24 chasa**


Deloto sreshtu Minyu Staykov tragva na 14 januari dogodina

 **5.12.2019**  **Mediapool**

Arestuvan e sinat na Minyu Staykov

 **6.12.2019**  **Sega**

Sinat na Minyu Staykov patuval v broniran jeep na avtostop

 **7.12.2019**  **Mediapool**

Sinat na Minyu Staykov e pusnat ot aresta


### 43. Ministry of Agriculture: a conflict of interests involving Hristina Stoykova

In October 2017, *Sega* quoted an investigation of Nova TV claiming that 18 months earlier the Commission for Illegal Assets Forfeiture (CIAF) received an information about a conflict of interests involving senior state official in the agriculture sector, i.e. Hristina Stoykova, “Head of Regional Directorate of Agriculture, Sofia Region”. According to this information she took advantage of her post to assist companies owned by her parents and her daughter in receiving EU financing. Her parents were granted approximately BGN 400,000 under the “non-agricultural” measure 311 of the Rural Development Programme (RDP) to build three rural guest houses. *Sega* pointed out in its publication that “it was not clear whether the guest houses in question, subsidized by EU


funds, really accommodated guests or were for private use”. Stoykova’s daughter, aged 19, rented 1,300 decares of pastures from the municipal land of Chelopech and had been granted EU subsidies for them.

The information to CIAF had been sent by the Inspectorate with the Ministry of Agriculture. CIAF established that Stoykova had not submitted any declaration of a conflict of interests and had not withdrawn from exercising her official powers. On 28.09.2017, CIAF terminated the investigation without imposing any penalties because the statute of limitations had long ago expired.


Minister of Agriculture Rumen Porozhanov dismissed Stoykova several days following the publication of Nova TV. The publication also contained data about other similar cases. No data is available about any pre-trial proceedings in this case.

 **14.10.2017**  **Sega**

Vissha tchinovnitshka urejda rodnini za tereni i agrosubsidii

 **18.10.2017**  **Sega**

Porozhanov uvolni ulitshenata v shurobadjanashtina tchinovnitshka


 **28.11.2019**  **Mediapool**

Milioni ot vazduha


## 45. Charges brought against Mariyan Zhechev, Mayor of Shabla

In November 2018, *24 chasa* and *Mediapool* reported that Mariyan Zhechev, Mayor of Shabla, had been charged by Dobrich District Prosecutor’s Office with “a crime with EU funds”. The case was to be heard by the district court and the first hearing was scheduled for 6.12.2018. The prosecution claimed that abuse of EU funds had been committed under a project for the construction of a stadium and other sports facilities (a crime under article 248a, paragraph 5 in conjunction with paragraph 2 and paragraph 1 of the Penal Code). On 13.11.2015, the Mayor submitted false data to the Regional Paying Agency about implemented construction works. He claimed that the activities were implemented, where in reality they were not and his false claims resulted in material damages in the amount of more than BGN 267,000. There is no information about the outcome of the court proceedings.

At the 2019 local elections Zhechev won a second term of office as a Mayor, again supported by GERB party.

 **6.11.2018**  **Mediapool**



Kmetat na Shabla na sad za izmama s evropari

 **6.11.2018**  **24 chasa**

Sadjat kmeta na Shabla za izmama s evropari

## 44. Ranking projects under the Rural Development Programme (RDP)

On 7.02.2017, *24 chasa* published information that the Minister of Agriculture in the caretaker government of Prof. Ognian Gerdzhikov had attempted to change the ranking of projects under the RDP in favour of the “red” municipalities (i.e. headed by mayors of the BSP political party). Sources in the minister’s cabinet denied this allegation. There are no further details about the case, nor information about a review or an investigation.

 **7.02.2017**  **24 chasa**

Bozukov probval da promeni klasiraneto na proekti. Ot ekipa mu: Ne e vjarno

## 46. Ministry of Education and Science (MES) – OP Science and Education for Smart Growth

According to information from the media in 2016 BGN 350 million were allocated under OP Science and Education for Smart Growth for the construction of four new centres of excellence and eight competence centres. The Managing Authority of the programme is *Structural Funds* Directorate with MES. At the end of 2016 this Directorate launched two calls for project proposals.

In January 2017, *Sega* reported about a letter of a group of scientists sent on 28.12.2016 to Deputy Prime Minister Tomislav Donchev, in which the scientists requested the extension of the time limits of the procedure because in the process of Q and A with the administration “some factual mistakes and inconsistencies” had

been established in the application documents which made it necessary to revise the prepared projects. The article also alleged that the Managing Authority provided information to the applicants that was inconsistent with the terms and the conditions of the tender. In January 2017, five days before the deadline, no project had been submitted to MES.

Based on the letter of the scientists, on 18.01.2017 Tomislav Donchev wrote to the Minister of Education Meglena Kuneva and recommended that the procedures be suspended for an indefinite term, the mistakes be corrected and the procedures be re-launched again as soon as possible. Donchev wrote in his letter that “the guidelines for application for the two procedures had been significantly modified, unlawfully at that, which resulted in the compromising of the procedures”. MES did not receive any project within the time limits of the launched call for proposals and extended the deadline by one month.



At the same time BSP MP Stoyan Mirchev blamed the government (that had resigned at the time) in the Parliament for hiding an audit carried out by the European Commission, which resulted in a negative assessment of the implementation of OP Science and Education for Smart Growth. The responsible parliamentary committee prolonged the examination of the strategy for development of scientific research “Better Science for Better Bulgaria 2025” submitted by the Government. At the end of January 2017, MES and the Bulgarian Academy of Science declared that they would use the time until the new Parliament was formed to revise the strategy.

In February 2017, *Mediapool* reported that on 11.02.2017 MES received a highly critical letter from the European Commission, warning MES that interim payments for ongoing projects might be suspended due to major issues related to the management and control systems of the programme and the calls for proposals. The letter was based on the findings of the audit of the programme carried out by the European Commission in October 2016. The main problem identified in the audit was that it was not possible to differentiate between the Managing Authority of the Programme in the structure of the Ministry and the Ministry itself, implementing some of the projects.


In mid-February 2017, the media reported that MES decided not to further extend the deadlines for the procedures for the research centres. Scientists publicly raised the issue about project evaluation and in particular the fact that the evaluators were with Bachelor degree, which is not sufficient for evaluation of research projects. Meanwhile MES suspended the procedure for the selection of foreign evaluators of the projects. The procedure was re-

sumed in April and later on the Minister announced that none of the leading European companies applied.

At the beginning of March 2017, the media reported that MES received 44 projects under the procedures for the research centres. It took almost a year to evaluate the projects and the successful candidates were announced in the middle of 2018.

 **17.01.2017**  **Mediapool**


316 mln. lv. sa dogovoreni po programa „Nauka“

 **19.01.2017**  **Sega**



Nov skandal vaznikna s evroparite za nauka

 **20.01.2017**  **Mediapool**


S mesets e udaljeno kandidatstvaneto za 350 mln. lv. za nauka

 **20.01.2017**  **Sega**


Gafove na MON moje da blokirat 350 mln. lv. za nauka

 **20.01.2017**  **24 chasa**


Tomislav Dontchev poiska ot Kuneva da spre evroproekti za nauka za 350 miliona leva

 **22.01.2017**  **Sega**


Pone mesets shte se zabavjat nautchnite konkursi

 **31.01.2017**  **Mediapool**



MON i BAN shte prerabotvat strategiite za razvitie na nautchnite izsledvanija

 **7.02.2017**  **Sega**


Prosvetnijat ministar shte pravi pregled na operativnite programi

 **7.02.2017**  **24 chasa**



Denkov proverjava zashto ne se usvojavat parite za nauka

 **7.02.2017**  **Mediapool**



Pod risk sa evroparite za nauka i transport

 **8.02.2017**  **Sega**

Vitsepremier vidja risk za evroparite za nauka i transport

 **9.02.2017**  **Sega**

Nad 7000 evropejski stipendii ostanaha nerazdadani

 **10.02.2017**  **Mediapool**

Parite po programa „Nauka“ sa zastrasheni ot spirane

 **11.02.2017**  **24 chasa**



Tchistka v MON sled pismo ot Bruxel, tche moje da spre pari za obrazovanie

 **11.02.2017**  **24 chasa**


Ninova pita Borisov koj nosi otgovornost za sprenite sredstva

 **12.02.2017**  **Sega**


EK zaplashi da blokira parite po OP „Nauka i obrazovanie“

 **12.02.2017**  **24 chasa**


Evropejskite stipendii za studenti ne sa zastrasheni

 **13.02.2017**  **Mediapool**


Balgarija gubi pari po programa „Nauka i obrazovanie“

 **14.02.2017**  **Sega**



Gubim pari po „Nauka i obrazovanie“, no oshte ne e jasno kolko

 **14.02.2017**  **24 chasa**


8 proekta za 180 mln. lv. v obrazovaniето s narushenija

 **20.02.2017**  **Mediapool**

I proektite za nautchni tsentrove sa minirani ot problemi

 **22.02.2017**  **Sega**


MON prekrati poratchkata za vashni otseniteli na nautchnite tsentrove

 **22.02.2017**  **24 chasa**

MON sprja targa za izbor na otseniteli na nautchnite tsentrove

 **22.02.2017**  **Mediapool**

Kuneva i Denkov prodaljavat spora za provala na programa „Nauka“

 **2.03.2017**  **Sega**


44 kandidati iskat da pravjat nautchni tsentrove s evropari

 **2.03.2017**  **24 chasa**



44 proekta za nautchni tsentrove kandidatstvat za evropari

 **14.04.2017**  **Sega**


7 Vuza i BAN shte polutchat 5 mln. lv. evropari sa nauka

 **22.04.2017**  **24 chasa**



405 utcheni ot tsjal svjat shte otsenjavat proekti

 **23.04.2017**  **Sega**


Nad 400 utcheni ot tsjal svjat iskat da otsenjavat proekti u nas

 **26.04.2017**  **Mediapool**

Kabinetat prie ekshan plan sreshtu kritikite po programa „Nauka“

 **27.04.2017**  **Mediapool**


MON se pohvali, tche e minimiziralo riska ot zaguba na pari po nautchnata programa

 **28.04.2017**  **Sega**


EK moje da razmrazi parite za nauka prez esenta

 **11.05.2017**  **24 chasa**



Fondat za nautchni izsledvanija klasira proekti za blizo 7 mln. lv.

 **12.06.2017**  **Sega**


Riskuvame 100 mln. lv. zagubi po evroprograma „Nauka“

 **3.07.2017**  **Sega**


VAS otmeni izbora na tchujdi utcheni za otsenjavane na nautchnite proekti

 **6.07.2017**  **Sega**



MON prizna, tche shte ima zagubi na evrosredstva

 **22.07.2017**  **Sega**


Pod vapros sa 70 mln. lv. ot evroparite za nauka

 **7.09.2017**  **Sega**


Agentsija poema upravljenieto na OP „Nauka i obrazovanie“

 **13.10.2017**  **Mediapool**


Spetsialna agentsija shte upravljava evroparite za nauka i obrazovanie

 **18.10.2017**  **Mediapool**



Upravljenieto na evroparite za nauka minava kam nova agentsija

 **1.12.2017**  **Mediapool**


Plashtanijata po evroprogramata za nauka i obrazovanie izostavat

 **5.12.2017**  **Sega**

Bavjat se nautchni proekti za 350 mln. lv.

 **5.12.2017**  **Mediapool**

Balgarija si samoorjaza parite po evroprogramata za nauka i obrazovanie

 **25.01.2018**  **Sega**



Do dni shte e jasno koj shte stroi nautchni tsentrove za 200 mln. lv.

 **1.02.2018**  **Sega**


I banjata v „Ovtcha kupel“ se dobra do evroparite za nauka

 **13.02.2018**  **Mediapool**



7 proekta si razpredeljat 135 mln. leva za nauka

 **15.03.2018**  **Sega**

I regionalni vuzove se dobraha do evroparite za nauka

 **4.04.2018**  **Mediapool**

Vrazkata mejdu naukata i biznesa shte se zazdravjava sas 123 mln. leva ot ES

 **5.04.2018**  **Mediapool**

Balgarija verojatno shte zagubi 30 mln. lv. ot evroparite za nauka

## 47. Ministry of Justice / Supreme Judicial Council (SJC): e-justice

According to media publications, the introduction of e-justice has been financed under a number of EU-supported projects going back to the time prior to Bulgaria's accession to the EU. In March 2018, *Sega* announced that the Ministry of Justice launched a public procurement procedure for the amount of BGN 53,400 to have a review carried out of the existing websites of courts, their functionality, access difficulties, a review of similar portals in the EU and make a proposal about the architecture of a future e-justice portal in Bulgaria. The publication said that “the e-justice portal has become a symbol of the failure of the institutions to handle such a task... it has been discussed for more than 10 years and several attempts to implement it have failed so far”.



In October 2018 an additional BGN 320,000 from OP Good Governance we allocated for the e-justice portal.

In February 2019, *Sega* wrote that more than 250 lawyers, organized in the Facebook Community of Bulgarian Lawyers (FOBA), sent letters to the Ministry of Justice and SJC, urgently demanding that single rules for e-access to cases be introduced and apply for all courts and lawyers. They also underlined that they had difficulties accessing the current portal <http://ecase.justice.bg>, which practically did not function, inter alia due to the small number of courts that joined it and due to the different requirements courts had to lawyers in order to grant them access to e-files. The lawyers asked in the letter what happened to the EUR 34 million that had so far been spent on e-justice. Minister of Justice Tsetska Tsacheva answered that the SJC was responsible (for the introduction of e-justice) and that the Ministry of Justice was just a mediator in the process.

 **19.03.2018**

 **Sega**

Upravljashtite pak se zasiliha da pravjat e-pravosadie

 **29.10.2018**

 **Sega**

V e-pravosadieto shte potanat oshte 320 hil. lv.

 **13.02.2019**

 **Sega**

Advokati popitaha Tsacheva kade sa parite za e-pravosadie

 **22.02.2019**


 **Sega**

Elektronnoto pravosadie se otlaga za neizvestno vreme

## 48. Conflict of interests in the town administration of Cherven Bryag

In June 2017, following an information of Hristo Geshov<sup>4</sup>, an investigating journalist from the town of Cherven Bryag, *Gospodari na Efira* TV show of Nova TV revealed that the houses of the Chairperson of the Municipal Council, the secretary of the Municipality and the Head of Architec-

ture and Construction Directorate in the town would be renovated for the amount of BGN 380,000 financed from EU funds. The persons in question took part in the voting of the decision but believed that there was no conflict of interests. The funds were allocated from OP Regions in Growth. The Ministry of Regional Development and Public Works referred the information to the Commission for Illegal Assets Forfeiture (CIAF), which checked and reported that it did not establish any conflict of interests. Deputy Minister of Regional Development Denitsa Nikolova appealed CIAF's decision but the administrative court refused to examine the claim on the grounds that Deputy Minister was not an interested party. According to a publication in *Mediapool* of 1.02.2018 "the case in Cherven Bryag paved the way for illegal and problem-free renovation of municipal houses in 28 small municipalities, which fall within the

 **19.06.2017**

 **Mediapool**

Top obshtinari ot Cherven brjag shte si sanirat kashtite s evropari

 **21.06.2017**

 **Sega**

Obshtinari ot Cherven brjag se uredili s bezplatno sanirane

 **22.06.2017**

 **Mediapool**

Obshtinarite ot Cherven brjag – rodina, partizan, rodina, partizan...

 **1.02.2018**

 **Mediapool**

Bezkonfliktno i zakonno sanirane na kashti na obshtinari s evropari

 **31.03.2018**

 **Mediapool**

Jurnalist e podlojen na tormoz sled razkritija za nerednosti v obshtina Cherven brjag

 **11.05.2018**

 **24 chasa**

Prebiha jurnalista Hristo Geshov v Cherven brjag

 **1.12.2018 г.**

 **Mediapool**

Prokuraturata ne smjata za neredno obshtinari da remontirat kashtite si s evropari

<sup>4</sup> See also the case with the Hot Lunch scheme in Cherven Bryag Municipality. The same journalist published the information about it.


scope of the so-called level 4 of OP Regions in Growth". The publication said that when the programme had been approved, the goal was to allocate funds to the people most in need and to as many people as possible.

In March 2018, *Mediapool* reported that the journalist Hristo Geshev and his family were subject to harassment and repression and in May he was beaten up on the street near his home.


At the beginning of December 2018, *Mediapool* reported that the Prosecutor's Office also decided that there was nothing illegal in the case about the renovated houses of municipal officials.

## 49. Ministry of Transport: the renovation of Central Railway Station

On 12.02.2017, *Mediapool* and *Sega* reported an unannounced visit of the Interim Minister of Transport at the Central Railway Station where he witnessed water leaks and poor sanitation. The renovation of the Central Railway Station cost BGN 62 million (VAT exclusive) and was completed in early 2016. The renovation was financed under OP Transport 2007-2013 and executed by a group of companies including *Vodstroy 98* and *GBS Infrastructure Construction*. When the contract was awarded, the first company has been unofficially a part of the portfolio of the businessman and MP of the Movement for Rights and Freedoms Delyan Peevski. Following the revelations, *GBS Infrastructure Construction* announced that the company would remove the damages at its expense because the warranty period of the site had not expired yet.

 **12.02.2017**  **Mediapool**

Tetchove i mrasotija na zhp gara Sofija otkri transportnijat ministar

 **13.02.2017**  **Mediapool**

Stroitelni obekti na Peevski pod pritsela na transportnija ministar

 **13.02.2017**  **Sega**


Transportnijat ministar vidja kalpavija remont na Tsentralna gara

## 50. Stoycho and Iva Vanevi (Plovdiv District Prosecutor's Office)


On 16.01.2019, *24 chasa* quoted a press release of Plovdiv District Prosecutor's Office, whereby two persons had been detained in custody, a 50-year-old man and a 45-year-old woman, for "embezzlement of more than BGN 600,000 from the EU Funds". The crime was committed in the period between October 2017 and January 2019. The two of them had submitted false data in the Employment offices in the cities of Plovdiv, Rakovski, Velingrad, Kotel, Harmanli and Sliven in order to receive funds from *Employment and Education and Employment* schemes under OP Human Resources Development. They had the bank cards of 101 persons and they withdrew money from them.

Two days later, *24 chasa* published a second article, where the names of the two detained persons were mentioned and the fact that Plovdiv District Court had considered their measures of procedural restraint. The second publication did not manifest any connection with the first one but because some of the circumstances coincided it could be assumed that both publications were about the same case.

The second publication said that the District Prosecutor's Office requested "detention in custody" as a restraint measure for both defendants. They were charged with "embezzlement of BGN 93,000 of EU funds with falsified documents and promotional leaflets advertising that they sprayed against insecticides. They could have obtained BGN 600,000 but were exposed. The spouses were charged with "money laundering on a particularly massive scale and provision of false data". The facts of the case go back to 2017, when the spouses applied under OP Human Resources using four shell-companies. The companies hired employees under an official contract of employment to deliver leaflets and advertising materials without paying them salaries but just giving them BGN 20-50 cash-in-hand.

 **16.01.2019**  **24 chasa**

Arestuvaha dvama ot Plovdiv, prisvoili nad 600 000 leva po evroproekti

 **18.01.2019**  **24 chasa**


Sapruzi otmaknali 93 000 lv. ot ES s laja, tche pruskat sreshtu insekti

## 51. Petar Pishtalov – EU subsidies for raising horses in Osogovo Mountain

In March 2018, the media reported that tourists discovered a herd of horses in distress in Osogovo Mountain at an altitude of 1,800 meters, some of the animals dead, others starving and emaciated. The tourists published photos of the horses in the social media and the case stirred great public outrage. The Bulgarian Agency for Food Safety (BAFS) declared that it would review the case but its inspectors could not reach the location because of heavy snow. However, volunteers reached the horses and brought them food.

On 26.03.2018, *24 chasa* reported that Kyustendil Regional Prosecutor's Office launched a review of the case. The publication said that the herd owner Petar Pishtalov had received twice EU-financed subsidies from State Fund Agriculture to keep horses, "the two subsidies had been provided for a term of 5 years", and that he had been previously fined for a breach of the rules. On the next day the newspaper quoted in a new publication the spokesperson of the Prosecutor's Office Romyana Arnaudova, who confirmed that an investigation was under way.


A year later, in early March 2019, *24 chasa* reported that Kyustendil Regional Prosecutor's Office submitted a proposal to the court pursuant to article 78a of the Penal Code against Pishtalov for the crime of inhumane treatment of animals, i.e. the Prosecutor's Office proposed that Pishtalov be exempted from criminal liability and that an administrative penalty be imposed instead.

 **26.03.2018**  **24 chasa**


Desetki kone umirat bez hrana i voda v Osogovskata planina

 **26.03.2018**  **24 chasa**


Masova smart na kone v Osogovo – ostaveni da zaginat ot glad i stud

 **26.03.2018**  **24 chasa**


Stopaninat na bedstvashtite kone v planinata i predi globjavan za narusheniya

 **26.03.2018**  **Mediapool**


Prokurorska proverka za izostaveni i umreli kone v Osogovskata planina

 **27.03.2018**  **Sega**



Skandalat s bedstvashtite kone zatana v proverki

 **27.03.2018**  **Mediapool**

Sobstvenikat na izmrelite kone e vzel po 200 000 lv. evrosubsidii godishno

 **27.03.2018**  **24 chasa**



Arnaudova: Sobstvenikat na konete v Osogovo e polutchaval subsidii, razsledvame

 **28.03.2018**  **Sega**



Mnojestvo narusheniya izskotchiha pri konevada Pishtalov

 **28.03.2018**  **Mediapool**


Sobstvenikat na umrelite v Osogovo kone obvini drug za smartta im

 **29.03.2018**  **Sega**

Slutchajat s bedstvashtite kone ne e edinitchen

 **30.03.2018**  **Sega**

Sled tragedijata v Osogovo inspektori hukvat po vsitchki konefermi

 **6.03.2019**  **24 chasa**

Obvinjavat fermer zaradi umreliivotni v stadoto mu

## 52. Plovdiv – European Capital of Culture

In 2019, Plovdiv was selected as an European Capital of Culture. Publications of *Sega* from May-June 2017 showed that the funds promised to the city by the government were delayed for almost two years because of

problems with the legal grounds for allocation of the funds: according to the application form of the project the state should have allocated funds for the events from the cultural agenda but this was in conflict with the Public Finance Act. Finally, the government repealed the 2015 decree and adopted a new decree making it possible to allocate BGN 20 million, which were spent on construction works and repairs and not on cultural events, as planned initially.

In January 2019, *Mediapool* reported that the Prosecutor's Office decided to act "following a multitude of publications and comments in the different media" which alleged that the costs of the Opening of Plovdiv European Capital of Culture 2019 were excessively high. Plovdiv District Prosecutor's Office ordered the Economic Police and the Public Financial Inspection Agency (PFIA) to carry out a preliminary review of the case.

In the summer of 2019, *Sega* published three texts about the lack of transparency in the management of various infrastructural projects in Plovdiv, financed under OP Regions in Growth, and in the work of the municipal foundation *Plovdiv 2019*. On 2.08.2019, *Sega* reported that the municipal council approved the report of the Foundation for the second quarter of 2019 "despite lack of transparency about the squandered millions". The newspaper quoted Dani Kanazireva, a municipal councillor in Plovdiv, who said that no information was available about the salaries of the management of the Foundation, nor about the costs for the Opening event.

In early December 2019, *Sega* reported that Plovdiv District Prosecutor's Office decided to institute pre-trial proceedings for misconduct in public office that would be probably investigated in early 2020. The Prosecutor's Office's made its decision due to the findings of the PFIA audit, which established several violations of the administrative rules and imposed a fine on the Director of *Plovdiv 2019* Foundation.

 **30.05.2017**

 **Sega**

Vlastta se seti da opravi parite na Plovdiv za 2019 g.

 **30.05.2017**

 **24 chasa**

Davat 16 mln. lv. na Plovdiv za evropejska stolitsa na kulturata

 **1.06.2017**

 **Sega**

Darjavata shte poeme remontite vmesto kulturata v Plovdiv

 **1.06.2017**

 **24 chasa**

Plovdiv plashta 46,4 mln. lv. i tarsi oshte 10 mln. da e stolitsa na kulturata

 **11.12.2017**

 **24 chasa**

V Plovdiv sprjaha mashtabno oblagorodjavane na tsentara i remont na gradskata galerija. Anka ot Antonovo sas 100 lv. vzrivi poratchki za 24 mln.

 **14.12.2017**

 **24 chasa**

Ovtcharkata Anka blokira poratchka i v Sliven za 4 mln. lv.

 **25.08.2018**

 **Mediapool**

Arhitektite v Plovdiv vazmuteni ot obshtestveni poratchki za znatchimi sgradi

 **28.11.2018**

 **Mediapool**

Palna kasha s vazstanovjavaneto na kino „Kosmos“ v Plovdiv

 **17.12.2018**

 **Sega**

„Plovdiv 2019“ zaobikalja zala za 50 miliona leva

 **4.01.2019**

 **Sega**

Plovdiv ne e gotov, no ima estestven tchar

 **16.01.2019**

 **Mediapool**

Prokuraturata proverjava otkrivaneto na Plovdiv 2019

 **3.04.2019**

 **Sega**

Milionite za kultura v Plovdiv pak skaraha partiite

 **9.04.2019**

 **Sega**

GERB parira vsitchki opiti za prozrachnost v Plovdiv 2019

 **3.06.2019** **Sega**

Pohartcheni na tamno 20 mln. lv. skaraha savetnitsi i tchinovnitsi v Plovdiv

 **5.06.2019** **Sega**


GERB se izmakna ot ottcheta za pohartchenite na tamno milioni v Plovdiv

 **2.08.2019** **Sega**

I kmetat Totev se razbarza s poratchki za milioni


 **4.11.2019** **Sega**

Skandalnata fondatsija „Plovdiv 2019“ e na pat da ostane


 **11.12.2019** **Sega**

I dogodina Plovdiv shte e klient na prokuraturata

sion collected only information that was already available from public sources and had not carried out any covert activities while investigating. The Commission's decision that there was no conflict of interests with respect to the minister was published on the website of the Commission against Conflicts of Interests (meanwhile this commission was closed) and all information related to the specifics of the case and the name of the minister in question was removed from the message, with the argument of personal data protection. However, *Capital* pointed out that in other similar cases the Commission did not conceal the person's initials and position. Minister Porozhanov commented for *Capital*: "This is an old story. Draft contracts have been presented that my son has allegedly disseminated. Anyone can draw up such draft documents".

 **29.05.2018** **Mediapool**

Antikorupcionnata komisija si zatvarja otchete za signal sreshtu ministar

 **30.05.2018** **Sega**

Zemedelskijat ministar tajno e proveren za konflikt na interesi

### 53. Minister of Agriculture Rumen Porozhanov: review for conflict of interests


In late May 2018, *Mediapool* and *Sega* quoted a publication of the newspaper *Capital*, which said that the Anti-Corruption Commission did not establish a conflict of interests earlier during the same month, while reviewing an information related to Minister of Agriculture Rumen Porozhanov. According to the information received by the Commission in November 2017 two persons offered consultancy services to different companies, guaranteeing that the companies would be granted EU subsidies and that inspections would be avoided. One of persons was a former employee of the Ministry of Agriculture and the other was the manager and owner of a consultancy company and Minister Porozhanov's son. The report with the conflict of interest allegations was signed with the name of a woman, who denied to have submitted it.

The publication in *Capital* criticized the Commission's decision to investigate a conflict of interests and not a crime. The Commission's investigation continued for three months, i.e. the maximum possible duration applied for the most complex cases. According to *Capital* the Commis-



### 54. Minister of Agriculture Rumen Porozhanov: inconsistencies in his Asset Declaration

In early 2019, *Bivol* revealed that in 2017 the wife of the Minister of Agriculture was a party to transactions that should have been included under the law in the Minister's annual Declaration of Assets but they were not. In early May 2019, *Sega* reported that the newspaper requested from the Commission for Illegal Assets Forfeiture (CIAF) a copy of the declaration submitted by the Minister and established a difference between the data in the paper copy and the information published on CIAF's website. CIAF stated that the data were deleted from the e-declaration at the Minister's request: he has the right to request that no data be published about the person who was his non-marital partner. The Minister said that it was just a matter of an automatic omission. He requested from CIAF to publish the declaration in full, the way it had been submitted. Four days following the initial publication of *Sega* and at the height of the scandal with "the guest houses", Rumen Porozhanov resigned as Minister of Agriculture.



 **10.05.2019**  **Sega**


Antikoruptionsionnata komisija e redaktirala deklaratsijata na Porozhanov

 **10.05.2019**  **Mediapool**



KPKONPI zabarka absolutna kasha s deklaratsijata na Porozhanov

 **11.05.2019**  **24 chasa**

Porozhanov poiska KPKONPI da publikuva tsjalata informatsija ot deklaratsijata mu za 2017 g.

 **11.05.2019**  **Sega**

Porozhanov objasni podrobno problema s deklaratsijata za 2017 g.

 **11.05.2019**  **Mediapool**


Porozhanov poiska ot KPKONPI da publikuva tsjalata mu deklaratsija

## 55. The case against Mario Nikolov and others

In June 2017, the media reported that Mario Nikolov together with seven more defendants were acquitted by the Specialized Criminal Court in a trial initiated 9 years ago for draining EUR 7.5 million from the SAPARD programme. Nikolov was charged with setting up an organized criminal group to import used meat-processing machines that were later presented as new and financing had been received for them from the EU Funds. With respect to the same facts, but in a separate court case Nikolov and his group were put on trial for money laundering as well and also acquitted. In 2008 two German businessmen, who were Nikolov's counterparties in the transaction about the supply of use meat-processing machinery were put on trial in Germany and convicted.

The Bulgarian authorities were informed about the case by OLAF and in 2007 a joint operation of the Bulgarian, German and Swiss Prosecutor's Offices took place. After the operation, the Bulgarian Prosecutor's Office instituted a series of criminal proceedings against Mario Nikolov and Lyudmil Staykov (*Mediapool* described both of them as businessmen close to the BSP party).


Experts commented for *Mediapool* that the main mistake of the public prosecution was that the case against Nikolov had been divided into two court trials, one for draining EU funds under the SAPARD Programme (indictment for organized criminal group and a document crime) and a second one for money laundering. This is how the connection between the two was lost: he was tried for money laundering but he was not proven guilty of the predicate crime. In addition, there were problems with expert examination. The Prosecutor's Office did not carry out any expert examination during the pre-trial proceedings. A forensic and economic expert examination was carried out in the court trial but the expert declared in court that he was not a specialist and had seen the machines only "for information purposes".

 **9.06.2017**  **Mediapool**

Mario Nikolov e оправдан i po vtoroto delo za aferata „SAPARD“

 **10.06.2017**  **24 chasa**

Opravdaha Mario Nikolov i oshte 7 dushi za SAPARD

 **2.03.2018**  **24 chasa**

Sadija Galja Georgieva se ottegli ot deloto „SAPARD“

## 56. The case against Yordan Lechkov

At the end of February 2017, the media reported that former Mayor of Sliven Yordan Lechkov sued the Prosecutor's Office and would be awarded a compensation of more than BGN 57,000 because of pain and mental suffering experienced due to criminal proceedings instituted against him, which ended with his acquittal. Lechkov was tried for concluding an unprofitable deal and incurring damages to the town of approximately half a million BGN due to the selection of a contractor without a public procurement procedure and due to the increased costs of the repair works of the water supply system in Druzhba neighbourhood of Sliven. The project was financed under the ISPA Programme. Stara Zagora District Court of first instance sentenced Lechkov to 2 years in prison. However, Plovdiv Appellate Court of second instance acquitted him and in 2014 the Supreme Court of Cassation confirmed the acquittal.

At the beginning of 2015, following his acquittal, Lechkov gave an interview, stating that he would demand compensation from the state. He said: “I’m an obstacle in Sliven, because it’s all a struggle for public funds”. He believed that the court cases achieved the goal they pursued: after he stepped down from office, public procurement contracts in Sliven were no longer awarded to local companies but to companies related to the MP from the Movement for Rights and Freedoms (MRF) Delyan Peevski. Lechkov said: “We don’t have to buy gypsy neighbourhoods, we can buy prosecutors. We topple mayors, take over banks, no behind-the-curtain games, the curtain has fallen and everything is clear”<sup>5</sup>.

In November 2017, *Mediapool* reported that the European Commission had meanwhile ordered that the whole project for the renovation of the water supply network in Sliven be terminated and the funds be reimbursed. Following this decision, the Ministry of Environment and

Water (MEW) obtained a court order for attachment of the bank accounts of Sliven Municipality and requested that the Municipality reimburse to the government BGN 4.5 million that had been absorbed under the failed project. The Municipality said that it would appeal the court order for attachment of its bank accounts.

It became clear from the same publication that while the investigation against Lechkov was underway, the city remained with dug-up streets for two years. Afterwards a new project for the repair and renovation of the water supply network was implemented but this time it was financed with BGN 64 million from OP Environment (2007-2013).


## 57. Sofia city – a waste incineration plant

On 13.03.2017, *Sega* reported about the prolonged delay of more than a year of the court proceedings initiated by *Za Zemyata* Association and a group of citizens to challenge the environmental impact assessment of a project of Sofia City Municipality to build a domestic waste incineration plant in the territory of *Toplofikatsiya Sofia EAD* (Sofia District Heating Company). The media publications revealed that the incineration plant was the third stage of a large-scale project for waste management. First, a composting plant for food and green waste had been constructed, followed by a domestic waste processing plant, which generated briquettes as an end product. These briquettes were incinerated in cement plants outside Sofia and the Municipality had to pay for that. The third stage of the project was planned, which envisaged the recovery of the product generated from the processed domestic waste as a fuel for Sofia District Heating Company and for that purpose a waste incineration plant was envisaged in the territory of Sofia Thermal Power Plant. If the plant is not constructed, Sofia City Municipality will have to reimburse the EU funds allocated for the second project stage. The project for the waste incineration plant costs EUR 157 million. Approximately EUR 92 million of them have been provided by OP Environment and the remaining EUR 67 million were a loan from the European Investment Bank.

In November 2019, *Sega* wrote about a judgment delivered by the Supreme Administrative Court (SAC) on the second case, which *Za Zemyata* Association brought against the Municipality under the Access to Public Information Act. The Association requested access to a number of documents, including the conceptual design, the feasibility study, the cost-benefit analysis, state aid and the project feasibility analysis. The Municipality refused

 **25.02.2017**  **Mediapool**

I Yordan Lechkov osadi prokuraturata

 **25.02.2017**  **24 chasa**

Yordan Lechkov osadi prokuraturata za 57 000 leva

 **25.02.2017**  **Sega**

Yordan Lechkov osadi prokuraturata

 **28.02.2017**  **24 chasa**

Lechkov: Detsata mi porasnaha s dumite sreshtu men „kradets“ i „lajets“

 **7.11.2017**  **Mediapool**

Obshtina Sliven e pred falit zaradi dalg po evroproekt


 **9.11.2017**  **24 chasa**

Lechkov: Prekratjavaneto na dogovora za vodnija tsikal dovede do po-malki zagubi za obshtina Sliven

<sup>5</sup> Lechkov blamed Peevski for his court troubles, *Mediapool*, 28.01.2015.

explicitly to provide access to the conceptual design on the grounds that it was business information and tacitly refused access to the other documents; it turned out later that these documents had not been finalized yet as such. SAC ruled that Sofia City Municipality did not have the right to keep secret the conceptual design about the plant and the supporting documentation and that the claimant had to be provided with access to the documents.

A publication in *Sega* quoted a relevant entry into the Information System for Management and Monitoring of EU Funds in Bulgaria (ISMM) as of the end of 2019, according to which approximately BGN 70 million had been already spent on the project without any clarity what the funds were spent for and without any public procurement procedures carried out.

 **13.03.2017**

 **Sega**

Nad 1 g. se bavi delo sreshtu instalatsija za gorene na bokluk v Sofija

 **28.10.2017**

 **24 chasa**

Objavljane bavi proekta na Sofija za parno ot bokluk

 **28.02.2018**

 **Mediapool**

Sofija shte plashta 19 godini zaem ot 67 mln. evro za „Toplofikatsija“

 **8.11.2018**

 **Mediapool**

I sadat shte se zanimava s referendum za parno ot bokluk v Sofija

 **21.11.2018**

 **Mediapool**

Kabinetat dade zelena svetlina za izgarjaneto na otpadatsite v TETZ Sofija

 **10.10.2019**

 **Sega**

Opozitsijata iska referendum za goreneto na bokluk v TETZ Sofija

 **18.11.2019**

 **Sega**

Sadat zadalji Sofija da osveti proekta za gorene na bokluka

 **7.11.2017**

 **Mediapool**

EK odobri parite za parното ot bokluk v Sofija



## 58. Sofia city – the renovation of the Largo area (“Hello, this is Banov”)

In March 2018, *Mediapool* reported that *Spasi Sofia* Organization has submitted a complaint to the institutions about the poor quality of the renovation works of the area in downtown Sofia known as the Largo. The renovation works were carried out two years earlier and amounted to more than BGN 17 million financed from OP Regional Development. The Ministry of Culture had awarded the project, as the Ministry administered the property at the time. In February 2018, the Council of Ministers offered to transfer the management of the property to Sofia City Municipality but the Mayor of Sofia declined and expressed her concern about the dubious quality of the renovation works.


At the beginning of 2019 the media reported that the BSP MP Elena Yoncheva revealed some wrongdoings with respect to the same case. Yoncheva implied that the Minister of Culture Boil Banov wanted to spare the companies that carried out the renovation works BGN 700,000 in damages, payable on the account of the delayed construction works.

On 30.01.2019, *Mediapool* wrote that Yoncheva held a press conference and that an earlier review carried out by the Public Financial Inspection Agency (PFIA) established that the Ministry of Culture should have demanded damages from the contractor. Elena Yoncheva submitted the information to the Prosecutor's Office and OLAF. Immediately following Yoncheva's disclosures, the Prosecutor's Office ordered a preliminary review of the case. In early February 2019, *Mediapool* quoted a representative of the contractor company claiming that the delayed project implementation was due to the Ministry and that the Ministry still owed the company money for the contract.


On 12.04.2019, the media reported that the Specialized Prosecutor's Office refused to launch an investigation against Minister Banov on the grounds that Yoncheva had not submitted the original audio recording of the incriminated conversation and that it was not possible to establish whether the recording had been tampered and also that Yoncheva did not reveal the identity of the witness and the Prosecutor's Office could not interview him. The prosecution's decision was appealed by BSP Chairperson Kornelia Ninova and by Grigor Zdravkov from *Anti-Mafia*. The Specialized Prosecutor's Office of Appeals reviewed the case and it concluded on 19.12.2019 that no information about a committed crime had been established, no breach of the Minister's duties and no damages incurred (*Sega*, 30.12.2019).

 **6.02.2017**  **24 chasa**



Sofija si vzema largoto, stava mjesto za teatar i kontserti

 **24.10.2017**  **Sega**

Remontite v Sofija pak skandalizirat stolitchani

 **31.10.2017**  **Sega**


Grajdani nastojavat za izvanredna sesija na SOS za kalpavite remonti

 **13.03.2018**  **Mediapool**

Obshtinata iska Ministerstvoto na kulturata barzo da remontira remonta na Largoto

 **14.03.2018**  **Mediapool**



Defektite na remontiranoto Largo v Sofija bili v reda na neshtata

 **15.03.2018**  **Sega**


Sled remont za 17 mln. lv. Largoto vetche tane v razruha

 **24.01.2019**  **Sega**

Prokuraturata zakatchi Elena Yoncheva za neizvestna prestapna grupa

 **30.01.2019**  **24 chasa**


Spetsprokuraturata shte snema objasnjenja ot Rashidov i Yoncheva za Largoto

 **30.01.2019**  **Mediapool**

Yoncheva oprovergana ot Banov, tche iskal da „oprosti“ 700 hil. lv. na firma

 **30.01.2019**  **Mediapool**



GERB za razkritieto „Alo, Banov sam“: Yoncheva e poshtenska kutija na falshivi novini

 **30.01.2019**  **24 chasa**



Yoncheva vadi afera „Alo, Banov sam“

 **31.01.2019**  **Mediapool**


„Largogejt“ zatana v samnenija za kakvi pari ide retch i komprometiran li e iztotchnikat na zapisa

 **31.01.2019**  **Mediapool**


„Informatorat“ na Yoncheva se okaza geroj ot trilar v koridorite na vlastta

 **31.01.2019**  **Mediapool**


Banov objavi, tche kompromatat sreshu nego e delo na shemadjii po evroproekti

 **1.02.2019**  **24 chasa**


Ministar Boil Banov za skandala s Largoto: Tova e ogromna, gadna manipulatsija

 **1.02.2019**  **24 chasa**


Prof. Nikolaj Ovtcharov: Banov i Rashidov spasiha proekta za Largoto

 **1.02.2019**  **Mediapool**


Stroiteljat na „Largoto“: Ne samo ne daljim neustojka, no MK ni dalji pari

 **1.02.2019**  **Mediapool**


Proekti za 80 mln. lv. doveli do tchinovnitsheskata vojna predi „Alo, Banov sam“

 **3.02.2019**  **Mediapool**

Yoncheva objavi zapisite na Banov za avtentitchni

 **4.02.2019**  **Mediapool**


Zapsite „Alo, Banov“ tragnaha kam OLAF, predi da sa stignali v prokuraturata

 **4.02.2019**  **Mediapool**


MRRB ne e polutchavalo signali za zloupotrebi na Banov za Largoto

 **5.02.2019**  **Mediapool**


Strannijat slutchaj s remonta na Largoto

 **5.02.2019**  **Sega**



Yoncheva vratchi na prokurorite intervju s anonimni svidetel

 **7.02.2019**  **Mediapool**



Darjavata e na kratcka ot fiasko po deloto za Largoto

 **8.02.2019**  **Mediapool**

BSP: Sadat potvardi, tche ima afera „Alo, Banov sam“

 **7.03.2019**  **Mediapool**

Namesata na Tomislav Dontchev udalji proverkata po „Alo, Banov sam“

 **12.04.2019**  **24 chasa**


Prokuraturata otkaza da razsledva ministara na kulturata Boil Banov po signala na Yoncheva

 **12.04.2019**  **Mediapool**

Njama zapis, njama svidetel, njama razsledvane „Alo, Banov sam“

 **15.04.2019**  **Sega**


Elena Yoncheva vadi novi dokumenti po „Alo, Banov sam“

 **22.04.2019**  **Mediapool**

Yoncheva nameri originalnija zapis ot „Alo, Banov sam“

 **23.04.2019**  **Sega**


Yoncheva dava na prokuraturata originalnija zapis na „Alo, Banov sam“

 **3.05.2019**  **24 chasa**

Zashto prokuraturata otkaza na Yoncheva da razsledva ministar Banov – njama dannii za prestoplenie, tja ne kazala za telefona

 **3.05.2019**  **Mediapool**


Prokuraturata shte proverjava zashto e otkazala da razsledva Banov

 **16.07.2019**  **Mediapool**


Zadava se poreden remont na stolitchnoto Largo

 **16.07.2019**  **24 chasa**



Ako njama remont na Largoto: Ministerstvoto na kulturata shte sadi firmata izpalnitel

 **17.07.2019**  **Sega**


Sofijskoto Largo pak e v platchevno sastojanie

 **17.07.2019**  **Mediapool**



Skejtboardisti bili vinovni za izpotchupenite plotchki na Largoto

 **17.07.2019**  **24 chasa**


Boil Banov: Remontat na Largoto njama da bade platen ot danakoplatsite

 **29.07.2019**  **Sega**

Prokuraturata se oslushva za proverkata po „Alo, Banov sam“

 **30.07.2019**  **24 chasa**

Dimitar Frantishek: Elena Yoncheva ni dade „originalen“ zapis po aferata „Alo, Banov sam“ na telefon, kojto ne e bil proizveden po vreme na razgovorite

 **7.08.2019**  **Sega**

Largoto e sas stchupeni plotchki i sled tretija remont



 **13.11.2019**  **Mediapool**

„Alo, Banov sam“ propusna da objalva neustojkata za Largoto



 **14.11.2019**  **Mediapool**

Banov vidja zagovor sreshtu sebe si v sadebnoto fiasko za remonta na Largoto





 **14.11.2019**  **24 chasa**


Boil Banov za Largoto: Mojata e zdrava karlovska glava, ne pada lesno

 **15.11.2019**  **Sega**


Ministar Banov mina v kragova otbrana za Largoto

 **15.11.2019**  **24 chasa**

Boil Banov za Largoto: Vodim dela neslutchajno, njakoj gi e sprjal na treta instantsija

 **25.11.2019**  **24 chasa**

Boil Banov za skandalite okolo Largoto: Signalat na BSP beshe neosnovatelen

 **25.11.2019**  **Mediapool**

Banov vidja polza ot propusnatoto objalvane za Largoto

 **27.11.2019**  **Sega**

Sadat v Strasburg shte gleda jalbata na Elena Yoncheva sreshtu Balgarija

 **30.12.2019**  **Sega**

Vtora prokuratura onevini kulturnija ministar po „Alo, Banov“

that some members of Sofia Municipal Council demanded the resignation of the responsible Deputy Mayor and municipal employees. The works were planned to cost more than BGN 24 million and had to be completed by mid-October 2018 by *GP Group* company. The financing was provided by OP Regions in Growth.

On 17.10.2018, *Mediapool* reported that the NGO *Spasi Sofia* submitted information about infringements of the contract for renovation works to the Bulgarian authorities and OLAF. The project was modified during its implementation and a different material, other than the approved, had been used for vibration insulation of the tramway tracks. On 26.10.2018, *Sega* reported that the Prosecutor's Office started reviewing the case and demanded documents from the Municipality; Internal Audit Directorate with the Municipality also started a review.

On 4.12.2018, the media reported that Evgeni Krusev, Deputy Mayor of Sofia filed his resignation because charges had been brought against him in the criminal proceedings instituted. He was charged with misconduct in public office because he allowed the modification of the contract with *GP Group*, i.e. he had in fact allowed the replacement of the material for vibration insulation of the tramway tracks. The approved material was Getzner, and Krusev allowed it to be replaced by Pandrol. At the same time, during the tender procedure, another candidate had been removed for offering Pandrol. Krusev was accused of creating a risk of damages in the amount of approximately BGN 5 million because the replacement of the material could have resulted in a financial correction under the relevant funding program. However, the Municipality clarified later that this particular part of the contract was implemented with own resources of the Municipality and not EU funds.


On 29.05.2019 *Mediapool* reported that on the previous day Sofia Mayor Yordanka Fandakova announced the end of the renovation works of Zone 2 and accepted the implemented works, having established that 15 out of 40 decars of repair works were of poor quality. The contractor was imposed fines in the amount of approximately BGN 250,000 for substandard performance but no sanctions were imposed for the delay.

The media reported that in early November 2019 the court trial against E. Krusev was under way. Witnesses were interviewed and the findings of expert examination were expected. The *Spasi Sofia* Organization nominated a candidate for Sofia Mayor at the local elections at the end of 2019 and he landed 4th place.

## 59. Sofia city – the renovation of Zone 2, Graf Ignatiev Street

In May 2017 *24 chasa* reported about planned renovation works of Zone 2 in Sofia including the area surrounding *Graf Ignatiev Street*, *Garibaldi Square*, *Slaveykov Square* and *Solunska Street*. The procedure initially launched under the Public Procurement Act had been suspended by Sofia City Municipality due to shortcomings in the documentation.


In early October 2018, the works were under way but angry comments of citizens started appearing in the social and mainstream media about the poor quality of the renovation works. In a text of 3.10.2018 *Mediapool* wrote

 **4.04.2017**  **Sega**


Tsentarat na Sofija shte se obnovjava s nad 50 mln. lv.

 **19.05.2017**  **24 chasa**

Otmeniha poratchki za 42 mln. lv., otlaga se remontat na „Grafa“

 **30.05.2017**  **24 chasa**



Prez juni puskat otново poratchkata za remont na „Grafa“

 **19.01.2018**  **24 chasa**


Vlagat nad 41 mln. lv. za remont na „Grafa“ i drugi znakovi mesta v Sofija

 **7.05.2018**  **24 chasa**

Remontat na ulitsa „Graf Ignatiev“ v Sofija zapotchna

 **9.07.2018**  **Sega**


Grajdani zaplashvat s protest poradi setch na darveta po „Grafa“

 **17.09.2018**  **Sega**



Bezobrazijata sas stolitchnite remont i prodaljavat

 **3.10.2018**  **Mediapool**



Obshtinari poiskaha ostavki zaradi remonta na ul. „Graf Ignatiev“

 **3.10.2018**  **Sega**


Novi grozni gledki se pokazaha na remonta na „Graf Ignatiev“

 **3.10.2018**  **24 chasa**

Ne e zavarshil oshte remontat na „Grafa“, uspokoi Fandakova nedovolni ot katchestvoto mu

 **8.10.2018**  **Sega**


Stolitchani pratiha na popraviten skandalnija remont na „Graf Ignatiev“

 **9.10.2018**  **Mediapool**


I obshtinata vidja problem v obnovjavaneto na sofijskija tsentar

 **11.10.2018**  **Mediapool**


Obshtinata platila nad 4,8 mln. leva za „Graf Ignatiev“ dosega

 **17.10.2018**  **Mediapool**


Remontat na „Grafa“ stigma do OLAF: podmeneni materiali i prepravjane na proekta v krachka

 **19.10.2018**  **Mediapool**



Proektantat na relsite po „Grafa“ vidja problemi v remonta im

 **24.10.2018**  **Sega**

Kontrolat na kontrola na „Graf Ignatiev“

 **25.10.2018**  **Sega**

Na „Graf Ignatiev“ vetche vsitchko bilo po konets

 **25.10.2018**  **Mediapool**


Prokuraturata proverjava remonta na relsite po „Grafa“

 **26.10.2018**  **Sega**


Prokuraturata zapotchna proverka na remonta na „Graf Ignatiev“

 **8.11.2018**  **Mediapool**



Obshtinata puska telefon za oplakvanija i signali za remonta na „Graf Ignatiev“

 **9.11.2018**  **Mediapool**


I regionalното министерство proverjava remonta na ul. „Graf Ignatiev“

 **10.11.2018**  **Mediapool**


Targovtsi shte sadjat obshtinata zaradi remonta na „Graf Ignatiev“

 **29.11.2018**  **Sega**



Obshtinata e gotova da pusne tramvaite po „Graf Ignatiev“

 **30.11.2018**  **Sega**


Fandakova obvini „fotoshop“ za kalpavija remont na „Grafa“

 **4.12.2018**  **Mediapool**


Stolitchen zam.-kmet s ostavka i prizovka zaradi remonta na „Grafa“

 **4.12.2018**  **24 chasa**



Zam.-kmetat na Sofija Evgeni Krusev podade ostavka, obvinjavat go za remonta na „Grafa“

 **5.12.2018**  **Mediapool**

Remontat na „Grafa“ dokara na Evgeni Krusev delo za dlajnostno prestoplenie

 **6.12.2018**  **Sega**

Fandakova: Ne e li odgovorno, tche se lishih ot zamestnika si

 **11.12.2018**  **24 chasa**


Zam.-kmetat na Sofija v ostavka Krusev obvinen za ul. „Graf Ignatiev“ zaradi „eventualni“ shteti za 5 mln. lv.

 **11.12.2018**  **Mediapool**


Krusev obvinen za eventualna shteta ot 5 mln. lv. pri remonta na „Grafa“

 **11.12.2018**  **Mediapool**



Obshtestvenoto mnenie svi „perkite“ po „Grafa“

 **12.12.2018**  **Sega**


Tarsi se naslednik na perkite po „Grafa“

 **14.12.2018**  **Sega**


Sofija testva dnes novi ogranitchiteli na „Graf Ignatiev“

 **14.12.2018**  **Mediapool**



Novite ogranitchiteli po „Grafa“ – „perkite“, razrzazani napolovina

 **16.12.2018**  **Mediapool**


Tchast ot novite ogranitchiteli na stolitchnata ul. „Graf Ignatiev“ sa potrosheni

 **19.12.2018**  **Mediapool**


Tramvaite otnovo tragvat po „Grafa“, obshtinata prizova horata da vnimavat

 **1.02.2019**  **Sega**

Remontat na „Grafa“ pak skara sofijantsi i kmetstvoto

 **7.02.2019**  **Mediapool**

Remontat na „Grafa“ zakasnjava sas 79 dni

 **22.02.2019**  **Sega**


Glavnijat arhitekt na Sofija se ojali ot majstorite po „Grafa“

 **2.03.2019**  **Mediapool**


Remontat na „Graf Ignatiev“ za malko ne vze jertva

 **8.03.2019**  **Sega**

Sad zadalji Fandakova da dokaje globata za remonta na „Grafa“

 **11.03.2019**  **Mediapool**


Oshte edin postradal ot ogranitchitelite na stolitchnata ulitsa „Graf Ignatiev“

 **12.03.2019**  **Sega**

Ogranitchitelite na „Grafa“ predizvikaha poreden intsident

 **12.03.2019**  **Mediapool**


Pak smenjat ogranitchitelite na „Grafa“ sled masovi spavanja

 **13.03.2019**  **Sega**


Fandakova vazloji da se tarsjat novi ogranitchiteli za „Grafa“

 **20.03.2019**  **Mediapool**

Otnovo koltcheta na „Grafa“ vmesto segashnite „perki“

 **21.03.2019**  **Sega**



Graf Ignatiev pak shte se razkopava

 **26.03.2019**  **Mediapool**



Remontat na „Grafa“ trupa oshte zakasnenie

 **28.03.2019**  **Mediapool**



Novata „vodna“ stena na ploshtad „Garibaldi“ shte bade mahnata

 **28.03.2019**  **Sega**



Poredna nova pridobivka na „Grafa“ razgnevi sofijantsi

 **29.03.2019**  **Mediapool**



Sofijantsi njamalo da plashtat za provala s vodnata stena na pl. „Garibaldi“

 **1.04.2019**  **Sega**



Fandakova objalva iskaneto da dokaje globata za „Grafa“

 **3.04.2019**  **Sega**

Targovtsi po „Grafa“ sadjat Fandakova zaradi bezkrajnija remont

 **10.04.2019**  **Sega**

Dajdat prinudi obshtinata da vidi rezila na „Grafa“

 **23.04.2019**  **Sega**

Obshtinata oshte umuva koga shte mahne „perkite“ ot „Grafa“

 **2.05.2019**  **Sega**

PST Group: tsenite ni sa takiva, zashtoto remontirame evropejska stolitsa

 **10.05.2019**  **Sega**


Stolitchnata obshtina e platila vetche 65 % ot remonta na „Grafa“

 **22.05.2019**  **Sega**

Obshtinata naj-setne objavi final na remonta na „Grafa“

 **27.05.2019**  **Mediapool**


„GP Group“ moje da se razmine sas sanktsii za baven remont na „Grafa“

 **28.05.2019**  **Mediapool**


Remontat na „Grafa“ prodaljava i sled ofitsialnija kraj na remonta

 **29.05.2019**  **Mediapool**

Ne e katchestveno, no e gotovo – remontat na „Grafa“ prikljutchi

 **4.06.2019**  **Sega**


„Grafa“ shte se pokriva s lokvi sled vseki dajd

 **10.06.2019**  **Mediapool**



Remontat na „Grafa“ vetche dade defekt, tchakat se oshte

 **11.06.2019**  **Mediapool**


„GP Group“ othvarli vinata za nadignatite plotchki po „Grafa“

 **11.06.2019**  **Sega**

„Grafa“ se okaza nepodgotven za goreshito vreme

 **12.06.2019**  **Mediapool**

Parvi ofitsialen remont na remonta po „Grafa“

 **12.06.2019**  **Sega**

Proektant i izpalnitel sporjat koj e vinoven za „Grafa“

 **13.06.2019**  **Mediapool**


Sled remonta – obshtinata izsledva „Grafa“ za potentsialni problem

 **14.06.2019**  **Sega**


Fandakova skri kljutchova informatsija za „Grafa“

 **18.06.2019**  **Mediapool**


Obvinenieto sreshtu Evgeni Krusev za remonta na „Grafa“ vleze v sada

 **19.06.2019**  **Sega**



Bivsh zamestnik na Fandakova otiva na sad za „Grafa“

 **20.06.2019**  **Mediapool**



Targovtsite ot „Grafa“ mogat da sadjat obshtinata edin po edin, no ne i kolektivno

 **21.06.2019**  **24 chasa**

Evgeni Krusev na sad za oshtetjavane na Stolitchnata obshtina s 919 863,55 leva

 **21.06.2019**  **Mediapool**


Prokuraturata smali shtetata ot remonta na „Grafa“ s 4 mln. lv.

 **30.06.2019**  **Sega**



Grafi i okolnite gradinki stojat nedovarsheni vechte dva mesetsa

 **11.07.2019**  **Mediapool**


Nov signal za remonta na „Grafa“ e vnesen v prokuraturata

 **11.07.2019**  **24 chasa**


Protsesat sreshtu zam.-kmeta na Sofija Evgeni Krusev zapotchva na 30 septemvri

 **27.08.2019**  **Mediapool**


Oshte remonti v tsentara na Sofija ofitsialno prikljutchiha nekatchestveno

 **21.10.2019**  **Sega**


I remonat na „Solunska“ tsafna s defekti

 **5.11.2019**  **24 chasa**

Glavnijat arhitekt na Sofija svidetel po deloto za remonta na Grafa

 **5.11.2019**  **Mediapool**

Glavnijat arhitekt i shefat na metroto otivat na razpit po deloto za „Grafa“

 **6.11.2019**  **Sega**

Deloto za remonta na „Grafa“ prodaljava s novi razpiti



## 60. Sofia city – the repair of Tram No 5 tracks

Publications in *Sega* and in *Mediapool* of mid-October 2018 showed that earlier in October (on 12.10.2018) Prime Minister Boyko Borisov ordered the management of Road Infrastructure Agency (RIA) to find legal grounds to “remove *GP Group* company from tender procedures with public funds” following disclosures about its involvement in rigging public procurement procedures (see the cases with Lot 3.1. of *Struma* Motorway and the investigation against partners in *GP Group*). On the next business day (Monday, 15.10.2018), the company itself announced that it would withdraw from the implementation of the two large public procurement contracts it had been awarded. One of them was *Zheleznitsa* Tunnel from *Struma* Motorway and the other the repair of Tram No 5 tracks in Sofia.



According to *Mediapool* the second contract was in the amount of BGN 40 million for the replacement of Tram No 5 tracks from Knyazhevo neighbourhood to Sofia Court House. It is part of a larger EU-financed project to improve transport infrastructure in Sofia City for the amount of BGN 125 million, financed under OP Regions in Growth. A consortium of *GP Group* and *RVP*



*Ilentsi* was awarded the contract for Tram No 5 tracks but the contract had not been concluded at the time of withdrawal of *GP Group*. Following the withdrawal of *GP Group*, the Municipality was bound to contract the second ranked candidate, a consortium of Bulgarian and Spanish companies. However, *Mediapool* noted that the owner of the Bulgarian company had a joint venture with the manager of *GP Group*. The Mayor of Sofia announced that the procedure would be terminated due to the withdrawal of the successful candidate and later will be re-launched.

 **15.10.2018**  **Mediapool**


„GP Group“ otkaza vtoru poratchka s evropari

 **16.10.2018**  **Sega**

„GP Group“ reshi da se ottegli ot oshte edin remont za 40 mln. Leva

## 61. The renovation of the city park in Stara Zagora


In a publication of 11.03.2019, *Sega* reported that Nikolay Kolev, a citizen from the city of Stara Zagora, had recently revealed in the social media about the substandard renovation of the *Ayazmo* Park. The publication said that the specifications for the benches in the park were not met, the litter bins were already rusted, the asphalt crumbled in places and that “it was imperative to repair the repair”. The contract was implemented by *Vodstroy 98* company. The renovation of the park was awarded in November 2017 by Stara Zagora Municipality under a project for the amount of BGN 7 million, financed by OP Regions in Growth. The Mayor of Stara Zagora Zhivko Todorov admitted deviations from the terms of reference but claimed that they were minor and had been coordinated with the National Institute for Monuments of Culture. The Mayor ordered the litter bins in the park to be replaced at the expense of the contractor and the benches to be re-painted.

 **11.03.2019**  **Sega**



Tchisto novi koshtcheta i pejki v Stara Zagora hvanaha rajda

## 62. The construction of a new academic building of the University of National and World Economy (UNWE)


On 23.04.2019, UNWE disseminated a letter, reported by the three monitored media, claiming that the University was on the brink of going bankrupt. The media reported that on 7.12.2016 UNWE concluded a contract for the implementation of a project under priority axis 3: Regional educational infrastructure of OP Regions in Growth, co-financed by the EU via the European Regional Development Fund (ERDF). The project was titled *New Academic Building of UNWE* and it provided for the construction of a new five-storeyed building for the university. The project was for the amount of BGN 11.7 million, including BGN 3.8 million financed from the EU and BGN 7.2 million of co-financing, which the University ex-

 **23.04.2019**  **Mediapool**

UNSS e pred falit

 **23.04.2019**  **24 chasa**

UNSS pred falit! Spori s pravitelstvoto koj trjabva da plati novija korpus

 **24.04.2019**  **Sega**


Sled oplakvane za falit UNSS se sdobi s proverka ot Goranov

 **25.04.2019**  **Mediapool**


Darjavata otpuska 7,5 mln. lv. na UNSS za novija utcheben korpus

 **25.04.2019**  **24 chasa**



Borisov obeshta 7,5 mln. lv. na UNSS

 **25.04.2019**  **24 chasa**

Petja Avramova: Dogovorot za novija korpus na UNSS e skljudchen prez 2016 g.

 **25.04.2019**  **Sega**

Borisov vodi trima ministri v UNSS da reshavat kazusa s novija korpus

 **30.04.2019**  **24 chasa**

Borisov: Odobryavame 7,5 mln. lv. za UNSS

pected to be provided by the government. The contract term was 30 months (until 7.05.2019). The construction works were executed by a consortium of the companies *Galchev Engineering EOOD* and *Vamos OOD*.

According to the UNWE letter quoted by the media, the government promised BGN 7.5 million of public financing for the project implementation but the funds had not been provided, the contractor had not been paid and there was a risk that the contractor might resort to enforcement of debt against UNWE. The Ministry of Education and Science responded that the ministry budget did not have funds for this project. A text in *Sega* of 25.04.2019 revealed that the project costs had meanwhile increased and the Ministry of Finance stated that they would provide the initially contracted amount of BGN 7.5 million only after UNWE spent the EU funding awarded of BGN 4.5 million. The newspaper added that the Minister of Finance ordered a financial inspection of the public procurement contract for the new academic building.

### 63. Cherven Bryag – investigation against the Mayor Danail Valov

On 20.03.2019, *24 chasa* reported that a police operation took place in the town of Cherven Bryag and that six employees of the municipality had been detained, including Mayor Danail Valov. The operation was carried out by the Specialized Prosecutor's Office and the Commission for Illegal Assets Forfeiture (CIAF). The Investigation Department of the Specialized Prosecutor's Office investigated the case, supported by CIAF. After charges were brought against Valov, he was released on bail for the amount of BGN 75,000.

On the following day *Mediapool* related the official press-release on the case, stating that in April 2017 Cherven Bryag Municipality launched a public procurement procedure for the preparation and delivery of hot meals for indigent people in Cherven Bryag and Koynare. Three companies applied but instead of concluding the contract with the company that offered the lowest price, the Mayor terminated the procedure on 16.05.2017; the Prosecutor's Office alleged that he wanted to enable the other two companies (previously awarded contracts) to benefit. The indicative value of the contract was BGN 229,106.


The text in *Mediapool* specifies also that pre-trial proceedings had been instituted against Valov for misconduct in public office pursuant to article 282, para 2 of the Penal Code; the other five persons detained were involved as witnesses. The Mayor had been detained in police custody based on the Ministry of the Interior Act (i.e. up to 24 hours).

The media publications showed that the proceedings were instituted based on materials submitted to the Prosecutor's Office by the Public Financial Inspection Agency (PFIA) and following an investigation by *Gospodari na Efira* TV show (Nova TV), aired on 7.05.2018. PFIA reported establishing a number of irregularities in the public procurement contract and issuing 15 Protocols of Findings in the name of the Mayor and the Head of Public Procurement Department of the Municipality.



On 17.10.2019, *Mediapool* reported that several days before the local elections Valov had been reinstated as Mayor, would run in the local elections and compete for a third term in office.

 **20.03.2019**  **24 chasa**

Spetsaktsija v Cherven bryag, arestuvaha kmeta na grada

 **20.03.2019**  **24 chasa**



Kmetat na Cherven bryag obvinen za zloupotrebi s evropari, osvobodaha go sreshtu 75 hil. lv.

 **21.03.2019**  **Sega**



Prokurorska aktsija „obezglavi“ Cherven bryag

 **21.03.2019**  **Mediapool**


Prokuraturata obvini kmeta na Cherven bryag v prestoplenie po slujba

 **21.03.2019**  **24 chasa**

Kmetat na Cherven bryag obvinen, tche nezakonno sprjal obshtestvena poratchka za topal objad

 **21.03.2019**  **24 chasa**

Kmetat na Cherven bryag: ne sam plashtal nikakva garantsija

 **24.08.2019**  **24 chasa**

Bez konflikt na interesi pri kmeta na Cherven bryag za obshtestvenata poratchka „topal objad“

 **17.10.2019**  **Mediapool**

Prokurorskite obvinenija ne sprjaha kmetovete ot mestnija vot

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