

BULGARIA: BOBOKOVS – Case Post-Narrative

As of 26 July 2023

Prefatory Note

An earlier version of this document was distributed by the Alexandira Group International (AGI), the predecessor company of the Marshall Harris Group, on behalf of Atanas, Plamen, and Hristina Bobokov. Additional information is available at the Department of Justice, Washington, D.C. The original version of this document was filed with the Department on August 17, 2020.

The purpose of this narrative document is to provide an update on the final status of the attempt by the previous Bulgarian political regime to target the Bobokovs and their private businesses for “state criminal capture.” Second, as Plamen and Atanas Bobokov continue their successful business operations and resume the pursuit of U.S. and other western companies as partners, this document is intended to provide a permanent and definitive record of the Bulgarian regime’s persecution of the brothers and the spurious nature and malicious intent of the regime’s attacks.

The Bobokovs: The Regime Targets Successful Businessmen

Business partners as well as brothers, Atanas and Plamen Bobokov own successful companies that produce quality consumer goods, including batteries and lubricants for motor vehicles, shipping vessels, and even space buggies. These batteries and lubricants constitute two of Bulgaria’s largest exports. An almost unbelievably nightmarish period in their lives began on May 28, 2020, when numerous prosecutors and armed and masked agents of the “Protection Bureau” (referred to by one Bulgarian journalist as a “Praetorian Guard”) of the Specialized Prosecution Office, under the command of then-Prosecutor General Ivan Geshev, raided and ransacked their business premises and seized documents and other items. This nightmare did not end until Geshev was removed from office in accordance with a presidential ruling of June 16, 2023.

Although the Prosecutor General’s Office was part of a nominally independent judiciary, then-Prime Minister Boyko Borissov greatly extended its powers in 2017 by creating a separate “Specialized Prosecution Office” and “Specialized Criminal Court.” Ostensibly formed to handle distinct and especially large and egregious cases, the term “Specialized” actually meant quasi-judicial bodies designed to persecute perceived political opponents of the regime by harassing and even imprisoning them, interfering in their businesses, and stealing their personal and business assets. These bodies therefore functioned directly as a political arm of the regime. In his final years in office, Borissov even boasted of holding “regular [weekly] consultations” with Geshev, who controlled both the regular and Specialized prosecution offices.

On that day in May 2020, the Bobokov brothers became the latest prominent victims of Bulgarian “state criminal capture of private enterprise.” This almost uniquely east European form of corruption has its historic roots in the mafia and has been more recently manifested in Russia during the era of President Vladimir Putin. From 2017 until 2021, it became prevalent as part of the regime of Borissov, who stepped down from office in May, 2021. Under this practice, agents of the regime – in this case, the “Specialized Prosecution Office” under Geshev

– attempted to extort funds and ownership interests from Atanas and Plamen, each of whom was targeted because he owned highly successful companies and was perceived as an ally of Bulgarian President Rumen Radev, Borissov’s chief political rival. When the brothers refused to be extorted, they were subjected to a campaign of harassment and meddling in their businesses, then charged with criminal offenses in order to mask the real crimes being committed against innocent business-owners by the Specialized Prosecution Office. In addition to the Bobokov matter, approximately a dozen major known cases of state criminal capture have been documented by Bulgaria’s Anti-Corruption Fund (a largely U.S.-funded nongovernmental organization), Bulgarian political science Professor Evgeni Dainov, and AGI Managing Partner Marshall Harris, while the total number of actual cases is believed to have been in the hundreds.

In the final four years of his nearly ten years in power, Bulgarian Prime Minister Boyko Borissov grew increasingly corrupt and contemptuous of the rule of law. Together with a group of oligarchs of his own creation, Borissov governed in a mutually beneficial relationship that brought Bulgaria’s fragile democracy to the brink of destruction. Borissov’s oligarch-in-chief was Delyan “Potbelly” Peevski, who, in June, 2021, was among the first Bulgarian citizens sanctioned by the U.S. Treasury Department’s Office of Foreign Assets Control, in furtherance of the Global Magnitsky Human Rights Act, which targets foreigners who are corrupt and who abuse citizens’ human rights by freezing their U.S.-based assets and denying them access to the U.S. financial system. The imposition of U.S. sanctions against Peevski and a handful of other corrupt Bulgarians was a belated, but highly positive development that constituted the most significant check on the rule-of-law abuses of the Borissov regime. By designating Peevski and others under the Magnitsky legislation, the United States encourages host countries and like-minded third countries to bring corrupt individuals and their companies to justice. Instead, Geshev’s responded defiantly by vowing publicly *not* to prosecute Bulgarian individuals or take other action against them or their companies to follow upon the official U.S. sanctions.

On February 10, 2023, the U.S. Treasury Department announced a second round of Bulgaria-focused sanctions, thereby bringing the total to eight individuals and dozens of business entities – the largest number of any European Union (EU) country. Like the Treasury Department, Members of the U.S. Congress continue to support the ongoing fight against corruption in Bulgaria. In December, 2022, Representative Warren Davidson (R-OH), incoming chair of a subcommittee of the powerful House Financial Services Committee, wrote to Treasury Secretary Janet Yellen to call for greater cooperation in this effort.

Geshev’s ongoing defiance of U.S. anti-corruption policies extended to his bringing spurious charges against individuals whom he saw as his political enemies. All the while, he cloaked himself in the mantle of opposition to corruption, advocacy for justice, and protection of the interests of the common citizen. His *modus operandi* did not change: He would claim to have uncovered vague criminal conspiracies to enrich the conspirators and somehow damage him, arrest and jail the alleged perpetrators, and pledge to bring them to justice. In Geshev’s mind, he was always the victim. Most recently, he claimed that, on May 1, 2023, he could have been killed by a roadside bomb planted to detonate as his official armored vehicle passed along a highway. At first, Geshev stated that his family was travelling with him in the vehicle, but he quickly backed off of that version of events. He then vowed that his office would investigate, but public and parliamentary outcries grew along with skepticism that a bomb had actually been planted. (Geshev then denounced his opponents in the legislature as “political trash.”) This was

the beginning of his downfall.

Also in Geshev's version of reality, a host of oligarchs, mafiosi, other criminals, and corrupt officials were arrayed in conspiracies against the good citizens of Bulgaria and against him as the country's premier crusader for justice. As had been the case since long before he first took office in 2019, however, the greater corruption and genuine conspiracies originated with him and his fellow prosecutors and law enforcement officers. Before corrupt courts, Geshev could manipulate the law to bring ruin to the lives of his innocent victims, yet, for a chief prosecutor with unchecked powers, he often proved to be remarkably ineffective because he overreached and failed to find sufficient evidence and otherwise connect the dots in his cases. Meanwhile, Geshev shielded internationally sanctioned Bulgarians from prosecution and was therefore singularly unsuccessful at his primary assigned task as the nation's chief prosecutor.

For his part, Peevski has always remained defiant, to the point of recently petitioning the U.S. Federal District Court to remove the U.S. Treasury Department sanctions against him, his family, and a number of his companies. In the petition, Peevski alleged that there are insufficient grounds for the imposition of sanctions, but his lawsuit is highly unlikely to prove unsuccessful. On February 27, 2023, Treasury filed for dismissal of, or summary judgment, in the case. Peevski's suit gave Treasury the opportunity to reiterate its determinations against Peevski, who is "responsible for or complicit in, or who has directly or indirectly engaged in corruption." The Department also reminded the court that Peevski "regularly engaged in corruption, using influence peddling and bribes to protect himself from public scrutiny and exert control over key institutions and sectors in Bulgarian society." Contrary to Peevski's allegation, Treasury lawyers state to the court that the Department has presented "more than adequate unclassified evidence" of corrupt acts and other wrongdoing by Peevski. While Peevski's petition remains before the court pending its decision on the Treasury Department's motion for dismissal, Treasury wrote directly to Peevski's lawyers in December, 2022, to state for the record that, in light of the petition, its Office of Foreign Assets Control had re-evaluated -its determinations against Peevski, continued to find them compelling, and, indeed, had found still more evidence to support them.

In his final months in office, Geshev embarked on a charm-offensive. He hired U.S. lobbyists and traveled at least twice to Washington, where he was received only by a few low-ranking Members of the House of Representatives. For his part, Borissov campaigned actively in support of his GERB party's new attemptss to form a government. In an apparent effort to persuade other parties to join in a GERB-led coalition, he nominated a Bulgarian bureaucrat who served as an EU commissioner to serve as Prime Minister in such a government. In a maneuver that reeks of political cynicism, Borissov, who led Geshev into power and who boasted of working hand in glove with him, ultimately denounced him. Concomitantly, his nominee for Prime Minister vowed to lead a parliamentary drive to remove Geshev from office. In the end, GERB finished first in the 2023 parliamentary elections and formed a coalition with more democratic party partners. The coalition's plan is to have a rotating, power-sharing prime ministership.

Through systemic corruption and throughout his tenure as Prime Minister, Borissov ensured that his oligarchs and other courtiers enjoyed the benefits and rewards of their association with his government, while perceived political opponents and business owners who rejected or resisted the political and financial demands of the regime and its illegal acts were increasingly targeted for punishment and theft. Having amalgamated political, executive, police, and judicial

power, the Bulgarian regime turned its attention to Bulgaria's legitimate major business enterprises in an attempt at criminal capture of their assets and future earnings. Its tools included physical harm, intimidation, death threats against businessmen and their family members, malicious prosecution, attempted extortion, racketeering, character assassination, trial by state- and crony-controlled media, denial of the presumption of innocence, and other abuses of the rule of law. Its chief instruments were Geshev and his predecessor, Sotir Tsatsarov.

The Borissov regime was indiscriminate in its attacks on profitable businesses and its perceived political opponents. As mentioned in the Prefatory Note above, in addition to the Bobokovs, AGI represented Minyu Staykov, whose family-owned viniculture company is a major producer of alcoholic beverages. Unlike Atanas Bobokov, Staykov was not formally charged or interviewed, and was not subjected even to a single court hearing during his two-and-a-half years in prison. Eventually, he sued the Bulgarian state in the European Court of Human Rights and won his case for wrongful arrest and imprisonment.

The only role that facts and the law played in the Borissov regime's corrupt practices was to be twisted or manufactured to the benefit of its criminal actors. The real major criminal enterprise was the Borissov regime itself. During Borissov's reign, Transparency International ranked Bulgaria as the most corrupt country in the EU. In contravention of the corrective actions called for by the European Court of Human Rights, the jurisdiction of which Bulgaria accepts, the office of Prosecutor General operated with unprecedented and unchecked powers. In addition to using the judiciary to target political opponents and successful business-owners, Borissov eviscerated the country's independent media. At the outset of his assumption of power, Bulgaria ranked 87th in the world in media freedoms. By his final year in office, it had fallen to 112th – below many second- and third-world countries. In the year after Borissov stepped down, Bulgaria's ranking rose to 91st; it rose more recently to 71st.

Following his first arrest in May 2020, Plamen Bobokov was charged with participating from March 2016, in an “organized crime group” that committed criminal offences against the environment (specifically, illegal disposal of residential garbage and used-battery waste – even though the company did not handle, nor was it equipped to handle the former – pursuant to Article 321 of the Bulgarian Criminal Code). The Specialized Court secured Plamen's release from custody by imposing a bail of One Million Bulgarian Leva (then \$600,000 U.S.) – at the time, the largest in Bulgarian history. In addition to their spurious claim that Bobokov companies were involved in disposal of residential garbage, the charges wrongly applied the legal doctrine of *mutatis mutandis* and flew in the face of Atanas and Plamen Bobokov's respective corporate roles and powers and the limits thereof.

Also in May 2020, Atanas Bobokov was indicted, arrested, and denied bail. Ultimately, he spent more than six months in detention in Sofia Jail and endured repeated, pointless hearings with preordained outcomes before securing a Two-Million Leva bail – thereby doubling the record amount that had been imposed against Plamen Bobokov. Atanas was further charged with tax evasion in relation to Monbat Recycling EAD, a company which he does not control, but rather serves as an individual member of the company's Board of Directors.

In 2021, the Specialized Prosecution Office presented this case to the Specialized Criminal Court, which, based on the office's substantial violations of procedural rules in the pre-trial proceedings, declined to take action and instead returned the case to the prosecution.

In April 2022, the National Assembly, Bulgaria's parliament, abolished the Specialized Court and Prosecution Office. (Accordingly, Ivan Geshev was no longer head of the Specialized Prosecution Office, but remained in power as Prosecutor General in Bulgaria's traditional, longstanding judicial system.) Cases pending or subject to appeal with the Specialized Prosecution Office or before the Specialized Court were referred to the Sofia City Court and prosecution office. Eventually, Geshev brought the environmental case against the Bobokovs before the City Court, which, in January, 2023, returned it and rebuked the prosecution for presenting it: In spite of making its case in a filing of more than 900 pages, the court found the evidence presented full of "vagaries" and insufficient in substance for consideration by the court. Geshev had repeatedly boasted, both domestically and internationally, about his great "achievement" and service to the public good in indicting the Bobokovs and their alleged co-conspirators in this case, but to no avail in two successive courts.

In July, 2020, Plamen Bobokov was additionally charged with engaging in a joint criminal conspiracy to "peddle influence" with Plamen Uzunov, an advisor to President Radev, who opposed Geshev's candidacy for Prosecutor General and eventually fired him. (Geshev was elected by Bulgaria's Supreme Judicial Council, which is packed for five-year terms with Borissov and GERB loyalists and even includes Geshev subordinates.) Based on a telephone conversation that took place between the two Plamens and that was revealed through records in Plamen Bobokov's cell phone, which he voluntarily surrendered to Prosecution Office agents when they first arrested him, it was claimed that Plamen Bobokov wrongfully persuaded Uzunov to violate his professional duties by providing him with privileged governmental information regarding presidential policy, including ambassadorial appointments. Following his arrest, Plamen Bobokov was detained for 24 hours in accordance with the Ministry of Interior Act. For a second time, the Court imposed an additional bail of One Million Leva, although this was later reduced to Ten Thousand.

Uzunov was arrested on the same date, charged with the same offence, and detained under the same statute. His alleged offences provided the pretext for a "Praetorian Guard" raid on the President's headquarters. The prosecution's case against the "two Plamens" was never submitted to court. Instead, on January 31, 2023, Sofia City Prosecutors withdrew it from the court's consideration. It also terminated the court's imposition of bail on Plamen Bobokov and restored his right to travel outside of Bulgaria. In explaining the collapse of the case, the prosecution admitted that the two Plamens' involvement in commission of unlawful acts (including "influence-peddling" and jeopardizing Bulgaria's national security) could be established sufficiently to bring the case to trial. (Bulgaria's jurisprudence is based in the civil law system, which demands higher standards of proof to initiate trials than in the common law.) The two Plamens' exchange of information about development in Libya and impending Bulgarian ambassadorial appointments were deemed appropriate and not to have posed any threat to Bulgaria's national security. Most importantly, the prosecutors determined that there was no criminal intent on the part of either Plamen. Thus ended another chapter in Plamen Bobokov's nightmarish history with Geshev, who was handed what was arguably the most embarrassing defeat in his political and pseudo-legal career. Yet, for months more, he remained in office and therefore in position to inflict terror on other prominent, innocent Bulgarians.

In 2022, as part of their efforts to prove their innocence and demonstrate wrongdoing by Bulgaria's Specialized Court and Prosecution, Plamen Bobokov and Uzunov filed their own

case against their official persecutors in the Sofia City Court, which subsequently determined that their rights – namely, to the initiation of a hearing within a reasonable period of time – as citizens had been violated under Article 6 of the European Convention on Human Rights. The Prosecution Office protested the judgment by appealing to Sofia’s Court of Appeals. On November 2, 2022, the Bulgarian court found in favor of the “two Plamens.” Based on the irregularities in the earlier proceedings, Plamen Bobokov and Uzunov also lodged complaints with the European Court of Human Rights under Articles 5 and 6 of the Convention. Their disposition remains pending.

Plamen Bobokov was also charged with wrongful possession of archeologically valuable objects that had not been registered in accordance with statutory terms and procedures – in this case, by notification to the local museum. The case was initiated based on a small collection of stone arrowheads displayed in Plamen Bobokov’s house in Russe, obtained by special agents during their 2020 raid of his properties, and forwarded to the Specialized Prosecution Office by the Regional Prosecution Office. According to expert opinion, the arrowheads are of nominal financial value and no cultural or historic merit. Plamen Bobokov was eventually acquitted of these charges, although, in the unlikely event that the regional court seeks renewed action, the court’s findings in Plamen’s favor remain subject to a decision by the relevant appeals court.

While most state claims against the Bobokovs were resolved in their favor or dropped, Bulgaria’s regular judicial system resumed its assault on the Bobokovs in the environmental-waste matter. In late 2022, for a second time, the prosecution presented its written request to bring the Bobokovs and other defendants before the relevant appeals court. In mid-December, the court again returned the case to the prosecution and rebuked it for inadequacies in its presentation. As in the case of the “two Plamens,” the door is technically open for the prosecution to bring this case before the court yet again, but it would likely prove to be politically infeasible.

In the course of the prosecution’s handling of the environmental case, three alleged members of the supposed “criminal conspiracy” were incentivized by prosecutors to make deals, which include suspended sentences, to testify against the other defendants. Now, their records are blemished, even as their false testimony – against the Bobokovs and themselves – proved useless and meaningless. Also earlier, the court determined that Atanas Bobokov’s flight risk was low and, accordingly, reduced his bail from 800,000 to 50,000 Bulgarian Leva (approximately \$28,000). Still earlier, Bulgaria’s Ministry of Finance filed to collect 600,000 Bulgarian Leva (approximately \$335,000) in civil damages from the Bobokovs. The relevant court had determined that this claim could not be pursued until the criminal case was resolved; the issue would now appear to be moot.

In spite of the abolition of the specialized judiciary in 2022, Bulgaria’s prosecutorial bar remains arbitrary and capricious as it seeks to achieve nefarious political aims as well as enforce the law. As with the claims involving household waste, all other charges against the Bobokovs were patently false, spurious, and specious; each was supported only by “testimony” by paid whistleblowers and additional hysterical media reports that created and inflamed societal resentment of the country’s successful business-owners and wallowed in lurid accounts of their purportedly extravagant lifestyles.

As the Borissov government collapsed under growing reports of corruption, Atanas was

released from jail, and the continuation of the legal cases against the brothers became increasingly untenable. From the moment of their arrests, the Bobokov brothers uniquely not only maintained their innocence, but also fought back legally in Bulgaria and in international fora. They also mounted diplomatic, political, and media campaigns in their defense against the Specialized Prosecution Office's pro-active arrests, indictments, and prosecutions based on charges with no factual or legal grounds, and the Specialized Court's imposition of large bail guarantees based on their high public profile and as a warning to similarly situated businessmen not to fight back if extorted. By the time that parliament abolished the Specialized institutions, the Venice Commission had strongly criticized the Specialized Prosecution's unchecked powers, lack of accountability, and overly-lengthy term of office, and the European Commission had noted in a number of reports the suspect conduct of the Prosecution. Numerous domestic and international human rights organizations also criticized the "Specialized" institutions even more extensively and in greater detail.

End of the Borissov Regime

The Bobokov state criminal capture matter, as well as many other Bulgarian rule-of-law problems, were resolved favorably only after domestic (including massive, months-long street protests) and international pressure from European and U.S. political institutions weakened Prime Minister Borissov and led him to leave office – even though his political ambitions remain vaulting. Many analysts believe that the March 21, 2021, statement by Robert Menendez (D-NJ) and James Risch (R-ID), the Chairman and Ranking Minority Member, respectively, of the Senate Foreign Relations Committee, played a role in his exit from office. In the run-up to the Bulgarian parliamentary elections of July 2021, the statement drew belated U.S. attention to the Borissov regime's corruption and abuses of the rule of law.

After affirming the strength of U.S-Bulgarian relations, the Senators criticized the Borissov regime for "persistent corruption, declining media freedom, politicization of the judiciary, and threats to the rule of law." Citing negative reports by Transparency International on corruption and Reporters Without Borders on media freedoms, the Senators called for measures to address these issues in order to strengthen bilateral relations.

No Bulgarian measures were forthcoming. Clearly threatened and unnerved, the Bulgarian Ministry of Foreign Affairs immediately denounced the statement as the misguided and ill-considered handiwork of two rogue Senators, who in any case had effectively been "bought off" by AGI, which had in turn been paid by the Bobokovs and Staykovs to undermine the regime and decrease support for Borissov and GERB in the next parliamentary elections. The U.S. Embassy in Sofia posted the Senators' statement on its website, but otherwise did not defend it. While dwarfed by regime-controlled and -friendly organs, however, independent Bulgarian media reported the truth: that, unlike in contemporary Bulgaria, the U.S. Congress and other governmental institutions in the United States do not operate corruptly. AGI played a transparent and constructive role in providing key U.S. Senate and House staffers with information on and analyses of the Borissov regime's abuses and misconduct. This role included the organization of a telephone conference call in which former U.S. Ambassador to Bulgaria James Pardew and former U.S. Charges d'Affaires in Bulgaria Roderick Moore briefed staffers on the deterioration in rights conditions in the Borissov era.

At the conclusion of his time in office, Borissov disavowed any intention to return to

formal power as prime minister and designated an easily controllable proxy to campaign with them, lead his GERB party's parliamentary electoral list, and, presumably, prepare to serve as Prime Minister if GERB finished first and managed to form a government. By the time of the runoff to the October 8, 2022, elections, Borissov's proxy was no longer mentioned, and Borissov himself, secure in the knowledge that Ivan Geshev remained in office and would never prosecute him for any offense, was campaigning actively as head of GERB. Borissov was again front and center for GERB's March-April, 2023, electoral campaign. Critics claimed that his control over his party and behind-the-scenes role in manipulating governmental functions are actually greater now than during his time in office. His success in recent elections has been partially dependent upon a willful suspension of disbelief by Bulgarian voters. As noted in a *Balkan Insight* article, Borissov cabinets were associated over the years with "autocratic politics, high levels of corruption and misuse of EU funds, deepening ties with the oligarchy, and keeping Bulgaria economically dependent on Russia." Nevertheless, GERB finished first in the October, 2022, elections; given the first opportunity to form a new government, it failed, and Bulgaria returned to a period of weak, interim government and political stalemate. As mentioned above, in the April, 2023, parliamentary elections, GERB won a very narrow plurality victory over "We Continue the Change," the pro-western political movement led by former Prime Minister Kyril Petkov.

As noted above, in addition to the Bobokov companies and the Staykov vinicultural enterprises, the Borissov regime targets for criminal capture included a major bank, arms brokerage, sausage-producer, elevator-manufacturer, electricity-provider, major producer of agricultural produce, large-scale commercial real estate developer, two independent news media, and two information technology companies. A number of these profitable businesses were especially attractive as they receive, or are likely to receive soon, large EU subsidies for various reasons – including economic diversification and modernizations to increase safety and environmental protections. (In addition to his perceived association with President Radev and the obvious attraction of his successful businesses, Plamen Bobokov may have been targeted additionally by the pro-Russian Borissov regime because he serves as the Honorary Consul of Ukraine.) Before being targeted, Minyu Staykov's enterprises had received EU subsidies and advanced the EU's and Bulgaria's national agricultural goals and programming throughout a sixteen-year period. Iliya Zlatanov's elevator-manufacturing company was poised to benefit from large subsidies to modernize or replace elevators in use throughout the EU's less economically advanced member-nations. A likely key reason why Plamen Bobokov's cutting-edge battery-manufacturing enterprise was targeted is that the EU is expected to allocate significant funding to promote the zone's rapid transfer to lithium-based batteries.

The international response to Bulgaria's criminal-capture crisis is instructive. As noted above, the persecution of the Bobokovs and other victims of the Borissov regime drew the attention of the Venice and European commissions, but the response of the United States, European Union (EU), and European Parliament, which has a standing human rights-focused committee of which an allegedly corrupt official from Borissov's GERB party serves as vice-chair, was and remains inadequate. The United States government and European institutions must do more to halt the precipitous decline of democracy and the rule of law in EU member-states, not to mention culpable nations further afield. Indeed, even now, as Hungary and Poland decline to exercise the rule of law in their respective civil societies, the EU merely grapples with these abuses rather than addressing them with the powerful tools at its disposal.

Equally instructive in this case is the false outward appearance of impropriety by the Bobokovs and similarly situated businessmen. The Borissov regime controlled the government, parliament, judiciary, and media in Bulgaria. The full resources of these powerful institutions were marshaled against the Bobokovs. It is understandable why many targeted Bulgarian businessmen acquiesced to the regime's extortionate demands and saw their businesses destroyed or stolen. The Bobokovs fought back and ultimately prevailed, but only after suffering great physical, financial, and emotional hardships. As the Bobokovs resume their business outreach and development, it behooves their potential U.S. and other international partners not to be satisfied with misleading internet searches that yield false, yellow, and politically motivated journalistic assaults on the Bobokovs and the truth. Thorough and proper due diligence reveals the Bobokovs' innocence; exposes the lies of Bulgaria's mainstream, *de facto* and *de jure* government-controlled media; while also demonstrating the keen business skills and acumen that led to the Bobokovs' success and, in turn, the attacks on them by dark, corrupt forces.

Background on the Bobokovs and their U.S. Ties

Atanas and Plamen Bobokov were born and raised in Russe, a northeastern Bulgarian city on the Danube. Atanas Bobokov earned a master's degree in economics, and Plamen Bobokov graduated with a major in law. After the collapse of the communist system in Bulgaria in 1989, the two brothers founded in 1992 their first company, for trade with oil and petroleum products. In 1995, the brothers launched "Prista Oil," a lubricants company, from scratch. Prista is now one of the biggest enterprises in Russe. Its quality products quickly attracted international attention from other western producers of oil-based products for consumers – including Texaco, which bought a one-quarter interest in the company in 2000. Six years later, a hedge fund bought Texaco's share. Since 2018, the brothers have been the sole owners. Today, Prista makes 150 types of lubricants for motor-vehicle and other industrial uses. It holds a licensed manufacturer's agreement with Chevron to produce lubricants under the Texaco brand. These and other Prista products are sold in 45 countries on four continents.

In 1999, Atanas and Plamen bought the Bulgarian state's battery-manufacturing factory, which had collapsed and been abandoned amid spiraling debt under the Communist system. They installed new technology, bought a lead-recycling factory in New York and an assembling facility in Mexico, and fully revamped the enterprise. Today, "MONBAT" is the third-largest motor-vehicle battery-producer in Europe; it operates eight plants, including three recycling plants on the continent. Its factory in Germany is one of the few lithium battery-producers in Europe; in the near future, the EU is expected to allocate major funding to accelerate the continent's transition to and production of lithium batteries. Specialized MONBAT batteries are used on land and sea and in the air, including in NASA rockets and motorized vehicles and as part of other countries' space programs, as well as on submarines, ships, and other maritime vessels. Today, MONBAT is a public company and the Bobokov brothers own half of it. Following his arrest and detention, Atanas resigned as MONBAT's Executive Director in order to ensure preservation of the company's good name and facilitate a smooth corporate investigation.

The Bobokov brothers' Prista Oil and MONBAT companies provide jobs for more than 2000 European Union citizens, including for 1300 Bulgarians. The brothers have never been oligarchs, who are created by and engaged in a symbiotic relationship with authoritarian state rulers; they are self-made businessmen who became successful by providing products for use by

consumers on free and open markets in Bulgaria, Europe, and beyond. They launched their businesses at the ground level as small- to medium-sized enterprises and expanded them through their vision, hard work, business acumen, and entrepreneurship. As former Deputy Prime Minister and Defense Minister Krassimir Karakachanov, who grew up with the Bobokovs, but whose political party was a minority coalition partner with Borissov's, wrote in an op-ed soon after the brothers became targets of the regime, the Bobokovs are "enterprising, hardworking people" who began their business careers with with no assets other than a small plot of provincial land. Neither they nor their forebears have been members of any political party; nor, in spite of the Prosecution Office's claim, have they used politicians or the political system to advance their businesses or their financial interests. In spite of Bulgaria's lawless system under Borissov, and as the abovementioned Wold Theiss report suggests, the Bobokovs have always operated their business enterprises without resorting to corrupt practices. Indeed, the country's Anti-Corruption Fund, the predominant nongovernmental watchdog, which is funded by an American foundation, has conducted more than 40 major investigations involving the government, businesses, and other enterprises and never had cause to investigate the Bobokovs or their companies.

The Bobokovs are good family men and law-abiding business owners who, through a combination of hard work, sound judgment, good fortune, and providence have enjoyed happy marriages and raised smart children who are poised to lead productive adult lives. For thirty years in business and in their private lives, the Bobokov brothers never faced legal charges – until the Borissov regime's attacks.

After the Bobokovs' arrests and as mentioned earlier in this narrative, MONBAT's board of directors commissioned Wolf Theiss, an Austrian law firm that specializes in investigative audits and has extensive experience in Bulgaria, to conduct an independent external review of the business' legal compliance with environmental requirements and tax regulations. The Bobokovs' goal was to enable U.S. and other foreign policymakers; fair-minded and independent journalists; concerned nongovernmental organizations that monitor rights, freedoms, and corruption; and ordinary Bulgarian citizens to make their own judgments regarding the brothers' character, integrity, and business practices – and respond accordingly and appropriately. In September 2020, the Wolf Theiss report was published in its entirety and in summary form on the news website of the Bulgarian Stock Exchange. The report found that, with the exception of a "few isolated cases with no significant adverse effects," MONBAT was in full national and international compliance with the EU's strict laws regulating processing, transport, and disposal of materials used in its business. Furthermore, it found no irregularities in the actual and reported quantities of materials produced, transported, disposed of, or otherwise handled by MONBAT. Additionally, it found that processing of household waste – the basis of offenses that Prosecutor General Geshev claimed the Bobokovs committed – was "incompatible with MONBAT's technological capacities" and that MONBAT had "never been engaged in this segment of waste management." In addition, all of the Bobokovs' battery recycling operations have been conducted with the proper permits and in accordance with all valid laws and regulations.

Immediately prior to their being targeted by the Bulgarian regime, the Bobokovs were working diligently in the United States, Africa, and elsewhere to expand their business interests in significant fashion. New investments, joint ventures, and concomitant jobs-creation were imperiled by the Borissov regime.

Also, as mentioned above, the Bobokovs are sole owners of Prista Oil Company, which has a licensed manufacturer's brand agreement with Chevron to produce lubricants sold under the Texaco name. (Chevron, a U.S. corporation, is one of the world's largest oil companies and a successor to Standard Oil. Texaco is also a major U.S. corporation and a subsidiary of Chevron.) Prista pays royalties to Chevron under this twenty-year joint venture. Prista currently sells to consumers in 45 countries on four continents.

In its current phase of expansion, Prista is launching three significant joint enterprises with U.S. partners and investors. All three projects are to include the construction and operation of refineries to utilize newly patented technology to recycle petroleum-based lubricants. The two larger plants, each of which will ultimately have a 100,000-ton annual capacity, will be built in Maryland and Texas. The projects represent a \$70-million-total investment to date and will create approximately 300 U.S. jobs that range from the skilled-worker level to managerial and executive.

In addition, the Bobokovs are major partners in a \$277-million port-expansion and power project in Liberia. Through a wholly owned subsidiary, Prista Oil is in a partnership with U.S. investors to build, develop, and operate for 25 years a modern seaport and electric power plant around the city of Buchanan. "Prista Port Buchanan" is the anchor project in a Special Economic Zone that will become the largest in west Africa. The zone will also include a hospital and two schools, one of which will be for industrial training of adults. As with the U.S.-based projects, U.S. investors are the majority owners, as are the builders. Engineering and construction expenses will constitute approximately seventy percent of the project's costs. The project owners are contracting with Jay Hodges, a U.S. (Maryland-based) company to provide security services. The U.S. Department of Commerce advanced and advocated for the project through U.S. Embassy Monrovia and the department's Office of Business Liaison. The legal counsel for the project is Husch Blackwell, a Nebraska-based national firm that also provided advocacy services through its Washington, D.C., office. John Bray, a retired career member of the U.S. diplomatic service who served most recently as U.S. Consul General in Nigeria, was engaged by Prista to serve as strategic adviser for this project.

Solutions and Conclusions

The removal of Boyko Borissov from government constituted a major step forward for Bulgaria, but this alone was not enough. Shortly before his untimely death, Ambassador Pardew, who was arguably the leading U.S. opponent of corruption in Bulgaria, stated that, for the country to reverse the deleterious effects of Borissov's dismantlement of democracy, GERB must be kept out of government for a minimum of five years. For Pardew, this meant that, even as Borissov began to seek a political comeback for himself and/or his party, both needed to be kept out of power to give Bulgarian society a chance to recover from the wounds the regime inflicted. GERB's power has now been curbed by the addition of more democratic political parties in Bulgaria's ruling coalition, but it remains to be seen whether those parties can fully curb GERB's abuses. Prosecutor General Ivan Geshev's removal from power will certainly play a positive role in the country's democratic future.

In the difficult weeks and months ahead, the most important and immediate goal is to ensure that Bulgaria remains on the path toward political normalcy. In or out of office, Borissov, Geshev, and Peevski – the country's real "poison-trio," as pro-democracy activists and media have dubbed it — must be prevented from further damaging society. International actors must

continue to monitor carefully actions by the Bulgarian judiciary to prevent further perversions of justice. Safeguards must be implemented to ensure that judicial powers are curbed to prevent a repeat of the disasters that brought Bulgaria to the brink under Borissov. Thereafter, the government, parliament, expert commissions, and other representatives of the citizens of Bulgaria can agree on remedies for the damage already done.

At the peak of his political career, Boyko Borissov was a pro-democracy reformer who accelerated Bulgaria's fitful integration to the west. Under his leadership and on his watch, Bulgaria joined NATO and the EU – vital measures that seemingly cannot be reversed. Yet, even as members of these institutions at the core of western democracy and regional security, Borissov led his country astray – to the point of collapse of liberty and the rule of law. In addition to the people of Bulgaria, the United States and Europe must monitor Bulgaria's progress and ensure that it does not again regress. These countries also must take strong action to halt the decline of other European backsliders – particularly Hungary and Poland. Lastly, as the Bobokovs, Staykovs, and others recover and resume their outreach to potential foreign investors and partners, those U.S. and European companies must seize the opportunity to conduct full and proper due diligence so that they recognize the spurious nature of the Borissov regime's false charges and false media reports about them and make informed and correct decisions. This opportunity is of great importance because it means that political stability, economic prosperity, and civil society can be irrevocably restored throughout Bulgaria. Thank you for your consideration.