

Treasury Sanctions Corrupt Elites Across Bulgarian Political Spectrum

February 10, 2023

WASHINGTON — Today, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned five current or former Bulgarian government officials — Rumen Stoyanov Ovcharov (Ovcharov), Aleksandar Hristov Nikolov (Nikolov), Ivan Kirov Genov (Genov), Nikolay Simeonov Malinov (Malinov), and Vladislav Ivanov Goranov (Goranov) — for their extensive involvement in corruption in Bulgaria. OFAC also designated four entities owned or controlled by Malinov, as well as an entity owned or controlled by Goranov. These individuals and entities are being designated pursuant to Executive Order (E.O.) 13818, which builds upon and implements the Global Magnitsky Human Rights Accountability Act and targets perpetrators of serious human rights abuse and corruption around the world.

“The United States supports our NATO ally Bulgaria in its fight against both entrenched corruption and Russian influence, which undermine democratic institutions,” said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. “The behavior exposed today spans political parties and administrations, highlighting the urgent need to dismantle the networks that have for years perpetuated illicit activities, especially in the energy sector. Corruption robs the Bulgarian people of hundreds of millions of dollars and hinders investment and economic growth in the country.”

Today’s action builds on previous OFAC sanctions against [Delyan Peevski, Vassil Bojkov, Ilko Zhelyazkov, and related entities](#). Reinforcing these actions, today the United Kingdom also designated Peevski, Bojkov, and Zhelyazkov under the UK Global Anti-Corruption Sanctions Regime. These actions demonstrate the U.S. government’s continued commitment to multilateral partnership and to hold accountable those involved in and responsible for perpetuating corruption in Bulgaria.

Additionally, Ovcharov, Nikolov, Goranov, and their immediate families are now subject to visa restrictions by the Department of State under Section 7031(c) of the annual Department of State, Foreign Operations, and Related Programs Appropriations Act. Section 7031(c) provides that, in cases where the Secretary of State has credible information that foreign officials have been involved in significant corruption or a gross violation of human rights, those individuals and their immediate family members are ineligible for entry into the United States. [Click here to view more information on the Section 7031\(c\) designations.](#)

entrenched corruption across bulgarian institutions

The individuals designated today collectively held public office over many years spanning several administrations and political backgrounds. Their diverse profiles and longstanding prominence in Bulgarian politics illustrate the extent to which corruption has become entrenched across ministries, parties, and state-owned industries and demonstrate the critical need for the political will to implement rule of law reform and to fight corruption.

Corruption Related to Energy Contracts

Rumen Stoyanov Ovcharov served as a Bulgarian member of parliament (MP) and is currently a member of the Bulgarian Socialist Party (BSP) National Council. Ovcharov was also the minister responsible for energy in the late 1990s and again in the mid-2000s.

Aleksandar Hristov Nikolov is a former CEO and deputy director of Kozloduy Nuclear Power Plant (KNPP), Bulgaria's sole nuclear power plant owned by the government through Bulgarian Energy Holding, where he worked for 30 years in several roles.

Ivan Kirov Genov is also a former CEO of KNPP and was a Bulgarian MP with the BSP from 2017 to 2019.

Ovcharov repeatedly engaged in corrupt energy contracts with Russian energy companies, receiving bribes and other kickbacks in exchange for fixed-price contracts for Russian gas and nuclear fuel and support contracts at KNPP. Ovcharov has received more than five million euros in offshore bank accounts since serving as Minister of Energy.

Russian-based nuclear fuel contracts negotiated by Ovcharov proxies overcharged KNPP up to 50 million euros, resulting in tens of millions in ill-gotten profits for participants. Ovcharov further benefited from inflated Bulgarian energy costs by introducing unnecessary middlemen to the electricity market. For example, despite KNPP having a contract to sell electricity directly to the Bulgarian National Electric Company (NEK), Ovcharov coordinated with Nikolov to receive contracts to purchase electricity from KNPP that they then resold to NEK, profiting at the expense of the Government and people of Bulgaria.

Ovcharov, Nikolov, and Genov coordinated personal commissions by corruptly diverting service contracts for KNPP to their own business interests, avoiding scrutiny from Bulgarian officials through offshore management. The resulting business arrangements of these corrupt contracts continued through at least 2020, when businesses supported by Ovcharov won a service contract with KNPP and provided him a cut of the proceeds.

Additionally, Nikolov and Genov agreed to accept five million Bulgarian leva in bribes from foreign nuclear power executives in exchange for guarantees of KNPP contracts. Even after exiting his position as Executive Director of KNPP, Genov solicited three million Bulgarian leva in bribes from Bulgarian business executives to facilitate the reconsideration of KNPP contract awards to benefit their companies.

OFAC is designating Ovcharov, Nikolov, and Genov pursuant to E.O. 13818 for being foreign persons who are current or former government officials, or persons acting for or on behalf of such officials, who are responsible for or complicit in, or have directly or indirectly engaged in, corruption, including the misappropriation of state assets, the expropriation of private assets for personal gain, corruption related to government contracts or the extraction of natural resources, or bribery.

Judicial Bribery

Nikolay Simeonov Malinov was a member of parliament from the BSP and now leads the pro-Russian lobby group **Russophiles National Movement**. He is also the founder and chairman of the **Russophiles for the Revival of the Fatherland Political Party**, which advocates for stronger ties with Russia and is the political extension of Russophiles National Movement.

After he was arrested and charged with espionage for spying for Russian-backed interests and barred from international travel in September 2019, Malinov bribed a Bulgarian judge to allow him to travel to Russia to personally receive the Friendship Medal from Russian President Vladimir Putin, which came with a 2.5 million Russian ruble award.

OFAC is designating Malinov pursuant to E.O. 13818 for being a foreign person who is a current or former government official, or a person acting for or on behalf of such an official, who is responsible for or complicit in, or has directly or indirectly engaged in, corruption, including the misappropriation of state assets, the expropriation of private assets for personal gain, corruption related to government contracts or the extraction of natural resources, or bribery.

OFAC is also designating four entities, **Inter Trade 2021 EOOD**, **MS Konsult 2016 EOOD**, Russophiles National Movement, and Russophiles for the Revival of the Fatherland Political Party, pursuant to E.O. 13818 for being owned or controlled by, directly or indirectly, Malinov.

Legislative Manipulation

Vladislav Ivanov Goranov served as a Bulgarian MP and was Minister of Finance in the second and third administrations led by the Citizens for European Development of Bulgaria (GERB) political party from November 2014 to January 2017 and again from May 2017 to July 2020. Goranov also has connections to OFAC-designated oligarch and former Bulgarian MP Delyan Peevski. Goranov used his position as Minister of Finance to facilitate bribery of Bulgarian officials and deprive the Bulgarian government of tax revenues in favor of Bulgarian oligarchs.

As Minister of Finance, Goranov participated in a corruption scheme that resulted in tens of millions of euros paid to Bulgarian officials in exchange for favorable legislation for interested parties involved in the gambling industry.

Legal challenges to tax assessments following additional adjustments to the corrupt legislation identified a loss of nearly 600 million Bulgarian leva (approximately \$300 million) from tax authorities over a five-year period, to the benefit of Bulgarian oligarch interests.

OFAC is designating Goranov pursuant to E.O. 13818 for being a foreign person who is a current or former government official, or a person acting for or on behalf of such an official, who is responsible for or complicit in, or has directly or indirectly engaged in, corruption, including the misappropriation of state assets, the expropriation of private assets for personal gain, corruption related to government contracts or the extraction of natural resources, or bribery.

OFAC is also designating one entity, **Trilemma Consulting Ltd EOOD**, a sole proprietorship consulting company, pursuant to E.O. 13818 for being owned or controlled by, directly or indirectly, Goranov.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the designated persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons.

In addition, financial institutions and other persons that engage in certain transactions or activities with the sanctioned entities and individuals may expose themselves to sanctions or be subject to an enforcement action. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any designated person, or the receipt of any contribution or provision of funds, goods, or services from any such person.

Building upon the Global Magnitsky Human Rights Accountability Act, E.O. 13818 was issued on December 20, 2017, in recognition that the prevalence of human rights abuse and corruption that have their source, in whole or in substantial part, outside the United States, had reached such scope and gravity as to threaten the stability of international political and economic systems. Human rights abuse and corruption undermine the values that form an essential foundation of stable, secure, and functioning societies; have devastating impacts on individuals; weaken democratic institutions; degrade the rule of law; perpetuate violent conflicts; facilitate the activities of dangerous persons; and undermine economic markets. The United States seeks to impose tangible and significant consequences on those who commit serious human rights abuse or engage in corruption, as well as to protect the financial system of the United States from abuse by these same persons.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the Specially Designated Nationals and Blocked Persons (SDN) List, but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the

SDN List, please refer to [OFAC's Frequently Asked Question 897](#). For detailed information on the process to submit a request for removal from an OFAC sanctions list, please [click here](#).

[Click here](#) for more information on the individuals and entities designated today.

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