
Tzvetan Vassilev: The conflict between me and Mr. Ivo Prokopiev was encouraged by Boyko Borissov, but it is likely that Bulgarian intelligence services played a role too

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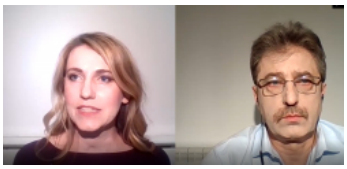

Radosveta Vassileva and Tzvetan Vassilev

Radosveta Vassileva has many questions for Tzvetan Vassilev regarding the scary summer of 2014 and the events preceding it — his feud with Ivo Prokopiev, the manipulations in Ivo Prokopiev's media (Economedia), the role of President Rosen Plevneliev in the attack against Corporate Commercial Bank (Corpbank), etc.

Part I of their conversation in which they bust myths about Corpbank is now available on Tzvetan Vassilev's YouTube channel.

On the so-called state money

One of the bigger manipulations crafted by the Economedia circle (Ivo Prokopiev) was that there was a concentration of state money at Corpbank.

"State money is money from the centralized or the municipal budgets. Corpbank operated with minimal amounts of state money," Vassilev emphasized. "The big problem for a certain group of people was the role and place of Corpbank in servicing some strategic industries – energy in particular," the banker noted. Economedia tried to present the fact that Corpbank had won tenders for servicing some state-owned companies as state aid, which, of course is not true.

Slanderous materials from Economedia publications were sent to the European Commission´s Directorate-General for Competition in the form of a letter of complaint against Bulgaria which alleged that Corpbank had received illegal state aid. In turn, Economedia began circulating the "news" that an investigation against Corpbank was underway.

"There was no investigation as such. There was a preliminary check – the European Commission expected some answers to questions it sent the Bulgarian Ministry of Finance headed by Simeon Djankov at the time. The European Commission awaited a response for more than 2.5 years. Djankov did not want to send a reply in order to keep the file open," says Tzvetan Vassilev. Djankov's deputy

Boryana Pencheva sent a reply only after Simeon Djankov resigned as minister of finance in February 2013. Shortly after, the European Commission closed the file because it found no reason to open an investigation against Bulgaria.

Radosveta Vassileva herself commentated that from a legal perspective, there is a big difference between an actual investigation and a preliminary inquiry, the purpose of which is to determine whether there are grounds for opening an investigation. In this respect, the information which Economedia's publications spread is manipulative.

On the feud with Ivo Prokopiev

Tzvetan Vassilev explained that he never had a business rivalry with Ivo Prokopiev. He has always said that the two have different views on the future of Bulgaria's economy. He noted, however, that the circle to which Ivo Prokopiev belongs became especially aggressive against him and against Corpbank after Boyko Borisov first came to power in 2009. "Half of this government was dominated by the group around Mr. Prokopiev – Simeon Djankov (finance), Traycho Traykov (energy), Rosen Plevneliev (regional development), etc.," the banker recalled.

Vassilev recalls that the first manipulative campaign against Corpbank in the editions of Economedia was related to the privatization of TEREM-Benkovski (now Avionams), which was funded by Corpbank. "Economedia did not want to understand that the Bulgarian state wanted to get rid of businesses running at huge losses which were technically bankrupt. Subsequently, however, these companies became pearls in Corpbank's portfolio," Vassilev commented.

The banker stressed that when Dunarit was privatized in 2004 with Corpbank funding – the same Dunarit that is currently the subject of a war since circles close to Borissov and Peevski want to acquaire it — it was virtually a bankrupt company with 30 million Bulgarian Lev of debt, 500 workers and 1 million Bulgarian Lev yearly sales. In 2014, it had over 100 million Bulgarian Lev in yearly sales and 20-30 million Bulgarian Lev in profit.

"These results were achieved because of the carefully planned restructuring of the company, its adequate positioning in the relevant markets, and actively working towards achieving the quality required by the customers," Vassilev said.

Returning to TEREM-Benkovski himself (now Avionams), Vassilev noted that after privatization, the company actively worked to licenses for the repait of MI-17 repair, including NATO licenses. As a result, Avionams won a $180 million tender for the repair MI-17 from NATO.

In light of the above, Vassilev believes the constant attacks against him and Corpbank in the media owned by Ivo Prokopiev can be explained with envy and with the fact that this feud was encouraged by Boyko Borissov. From the perspective of time, he does not exclude the intervention of Bulgarian secret services considering that everyone knows who is behind America for Bulgaria and everyone is aware of Prokopiev's ties to America for Bulgaria.

Vassilev also shared that the ugliest part of this confrontation, which caused him unprecedented discomfort was when the same circles persuaded Mr. Prokopiev that he was physically threatened by the banker. "These heinous rumors were even sent to the Atlantic Council of the United States, of which I was a member then," Vassilev remembers. Radosveta Vassileva also recalled attending a meeting in Washington DC with the Atlantic Council of the United States at which she and her father were shocked by the rumors which were spread from Bulgaria.

"After Boyko Borissov first came to power, the circles around Mr. Prokopiev began a monstrous personal attack against me and against the Corpbank. At least, Prokopiev appeared to be its frontman", Vassilev underlined.

On Rosen Plevneliev

Tzvetan Vassilev shared that he met with Rossen Pleneveliev in his capacity as Minister of Regional Development. "I know Plevneliev as an indecisive minister who did not even know how to defend the state interest," Vassilev said while emphasizing that Plevneliev's obsession with Corpbank was most likely stimulated by Mr. Prokopiev. Of course, Plevneliev got really angry after Tzvetan Vassilev´s interview for the Austrian Der Standard in 2013 in which he criticized him.

Vassilev mentioned that he was aware that Plevneliev had actively spoken against him at high- level state meetings during his presidential term and referred to Vassilev as a threat to the national interest. Moreover, during the Marin Raykov Government (a caretaker government appointed by Plevneliev in 2013), Plevneliev focused his undivided attention on "an unnecessary, misguided and useless methodology" for what Economedia called state money.

"First, there was no such concentration in Corpbank. Secondly, these people were confusing basic concepts because state-owned companies did not have then and do not have now such available funds which can stay in a bank abandoned for years as Economedia portrayed the situation. Most state-owned companies operated through their current accounts. There were days when a lot of money entered their accounts, but the next day the same money went out — they had to pay their suppliers, etc.," Vassilev commented.

The methodology of which both Prokopiev and Plevneliev are proud – later I learned that Nickolay

Staykov from Protest Network was also proud of it – is “absolute nonsense”. It did not decrease any concentration because there was no concentration to begin with. Most importantly, no money left Corpbank as a result of this methodology because such funds were never held at Corpbank.

On the State General Reserve Fund Oman (SGRF)

Radosveta Vassileva reminded Tzvetan Vassilev that one of the large-scale manipulations by Economedia was the one related to Corpbank’s capital. Economedia downgraded the second largest shareholder in the Bank – State General Reserve Fund Oman (SGRF) – to some Omani fund. It completely ignored the fact that sovereign wealth funds are special legal entities, they are always owned by a State, they are subjected to special regulation, etc. They ignored the fact that SGRF is one of the oldest sovereign wealth funds established in 1980 by a royal decree. It is well-known and mentioned in literature on investment law, including papers by the IMF.

“One of the most heinous attacks was the one against the Corpbank´s capital, spreading doubts that SGRF was indeed a shareholder in the bank. They went as far as misleading the US Ambassador to Bulgaria at the time Jim Warlick that Corpbank’s capital was non-transparent because SGRF had acquired its shared via an SPV, which is standard practice for sovereign wealth funds,” Vassilev remembers. “It was utter absurdity, but it created pressure on the bank and discontent among our clients,” the banker said.

Vassilev does not exclude the possibility that these absurd scenarios were planned by Bulgaria’s secret services which exploited Mr. Prokopiev. He is scandalized that even the presence of the Chief Executive Officer of SGRF in the Supervisory Board of Corpbank did not prevent Economedia from spreading false allegations. This was convenient for many people, even for Delyan Peevski. *(Editor´s Note: After Corpbank´s artificially induced insolvency, SGRF submitted a claim against Bulgaria before the international Centre for Settlement of Investment Disputes in Washington DC. Bulgaria´s authorities deliberately lied about the outcome in the case. Bulgaria settled with SGRF.)*

What else did Tzvetan Vassilev share with Radosveta Vassileva? Part I of “Myths and Legends about Corpbank: Radosveta Vassileva asks Tzvetan Vassilev” on Tzvetan Vassilev´s YouTube channel is available here.

Part II of "Myths and Legends about Corpbank" was released on 3 February 2020. You can find a summary in English and a link to the original video here.

Biography for the curious ones: Radosveta Vassileva holds PhD in Law from University College London.

She has two Master´s degrees in Law (LLMs) — one from Université Paris 1 Panthéon-Sorbonne and one from Sciences Po Paris. She holds a BA in International Relations from Tufts University (USA). When she is not focused on her scholarly research, she writes articles for international media or she blogs and vlogs. In 2019, Bulgaria's Ministry of Finance issued an emergency press release in response to one of her blog posts. The government often engages its royal cohort of journalists to respond to her articles – traditionally with tarnishing materials.