

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

December 22, 2022

The Honorable Janet Yellen  
Secretary, U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Yellen:

As a Member of the House Financial Services Committee, I look forward to establishing a stronger and more open line of communications with the U.S. Department of Treasury in the 118th Congress on matters relating to illicit finance, corruption, and economic sanctions.

As I am sure you will agree, it is important as the United States and our allies continue to apply increased economic pressure on Russia for its unlawful invasion of Ukraine. Unfortunately, we are seeing all too frequent circumvention of those sanctions by Russian actors and their close associates despite the Administration's commitment to "support the rule of law and impose costs on public officials and those connected to them who use government institutions for personal profit."<sup>1</sup> As you know, much of the malign Russian influence is centered in southeastern Europe, including amongst NATO countries such as Bulgaria.

In its decision to sanction influential Bulgarian individuals and their networks, the Office of Foreign Assets Control ("OFAC") noted that the designated individuals blackmailed sitting ministers "with criminal charges from Bulgaria's Prosecutor General's office if the minister did not provide [...] further assistance upon appointment."<sup>2</sup> The weaponization of the high office of prosecutors in favor of organized crime and corruption is a serious threat to the stability of an important NATO ally and generally, the Balkan region. Regrettably, we have only seen escalation in the misconduct of Bulgarian judiciary since the Senate Foreign Relations Committee had issued a bipartisan statement condemning "persistent corruption, declining media freedom, politicization of the judiciary."<sup>3</sup>

<sup>1</sup> Treasury Sanctions Influential Bulgarian Individuals and Their Expansive Networks for Engaging in Corruption, Press Release June 2, 2021 (<https://home.treasury.gov/news/press-releases/jy0208>).

<sup>2</sup> Treasury Sanctions Influential Bulgarian Individuals and Their Expansive Networks for Engaging in Corruption, Press Release June 2, 2021 (<https://home.treasury.gov/news/press-releases/jy0208>).

<sup>3</sup> Joint Statement from Chairman Menendez and Ranking Member Risch on U.S.-Bulgaria Bilateral Relationship, March 04, 2021 (<https://www.foreign.senate.gov/press/dem/release/joint-statement-from-chairman-menendez-and-ranking-member-risch-on-us-bulgaria-bilateral-relationship>).

Furthermore, investigative journalists had to be warned by the US embassy of imminent threat to bodily harm<sup>7</sup> just days after they had reported about corruption allegations against the sitting Prosecutor General.<sup>8</sup> Perhaps most disturbing, the Bulgarian courts seemingly followed Prosecutor General refusal to act against sanctioned individuals, and recently declared U.S. sanctions imposed under Global Magnitsky Human Rights Accountability Act (“Magnitsky Act”) ineffective and without legal power in the Republic of Bulgaria.<sup>9</sup> The Bulgarian prosecution a few months later terminated all investigations and measures against the Bulgarian nationals sanctioned by the US.<sup>10</sup>

- 4 See e.g. ECHR Judgement in the Case of Korporativna Banka AD V. Bulgaria (Applications nos. 46564/15 and 68140/16), August 30, 2022, (<https://hudoc.echr.coe.int/fre#%7B%22itemid%22%3A%22001-218922%22%7D>).
- 5 Witness statement by Jocelyn M. Bennett given to the High Court of Justice of England and Wales, May 03, 2019, (<https://afera.bg/wp-content/uploads/2019/05/POKAZANIA-JOCELYN-BENET.pdf>).
- 6 Bulgaria elaborates a long-awaited reform to ensure effective investigations including against a Chief Prosecutor, Department for the Execution of Judgments of the European Court of Human Rights, Council of Europe, December 13, 2022 (<https://www.coe.int/en/web/execution/-/bulgaria-elaborates-a-long-awaited-reform-to-ensure-effective-investigations-including-against-a-chief-prosecutoragainst-a-chief-prosecutor>).
- 7 US Embassy in Bulgaria warns investigative journalist Atanas Tchobanov of 'imminent threat', January 13, 2022 (<https://cpj.org/2022/01/us-embassy-in-bulgaria-warns-investigative-journalist-atanas-tchobanov-of-imminent-threat/>).
- 8 Bulgarian Prosecutor General Accepted Bribe to Eliminate Businessman's Partner, December 16, 2021 (<https://bird.bg/en/bulgarian-prosecutor-general-accepted-bribe-to-eliminate-businessmans-partner/>).
- 9 Court ruling says US Magnitsky Act cannot be applied in Bulgaria, February 7, 2022 (<https://www.euractiv.com/section/justice-home-affairs/news/court-ruling-says-us-magnitsky-act-cannot-be-applied-in-bulgaria/>).
- 10 The Prosecutor's Office has terminated the investigation against Peevski in connection with "Magnitsky", June 27, 2022 (<https://www.svobodnaevropa.bg/a/31962345.html>).

I look forward to working with you and your staff to strengthen our economic sanctions and anti-corruption efforts in Southeastern Europe and globally, including the prospect of additional legislation that will enable more effective enforcement. Thank you for your kind attention to this matter.

Sincerely,

A handwritten signature in blue ink, reading "Warren Davidson", is positioned above a horizontal line.

Warren Davidson  
Member of Congress