

Three citizens of Sofia at the age between 29 and 47 years were arrested for document fraud, Burgas Regional Directorate of the Ministry of Interior reports. They prepared false documents in order to acquire the ownership of legal entities whose owners of the capital are foreign nationals. The only thing Burgas Police Office could specify was that it did not refer to Russian companies.

The arrest of the men is as a result of a specialized police operation conducted by the officers of Economic Police Unit at National Police General Directorate and Economic Police Sector at Burgas Regional Directorate of the Ministry of Interior under the direct supervision of Burgas Regional Prosecutor's Office.

The investigation started upon several notifications for frauds being performed with real estate and the properties – subject of the fraud are owned by companies whose owners and managers are foreign nationals. Pursuant to the changes in Bulgarian legislation, the deadline for performing new registration of the companies in the Commercial Register is scheduled to end on 31.12.2011. If no request for re-registration is done by that date, the activity of the commercial companies and cooperatives is terminated as of 01.01.2012. The performed dispositive deals with the property of the commercial company with terminated activity are void and in this case, it is necessary to appoint a liquidator of the commercial company. In most cases, a public liquidator appointed by the relevant court is registered as such.

In this view, the citizens of Sofia thought that they could perform frauds with immovable property owned by companies that were not re-registered, by using the following scheme: they obtained lists of not re-registered companies in the relevant area of court jurisdiction and found those companies that are owned by foreign nationals and under whose batch such property was registered. After the company owner of the immovable property was found, a false document was prepared – preliminary contract for purchase-sale, without notary certification, concluded between a physical person – accomplice in the fraud, playing the role of buyer and the foreign national, owner and manager of the not re-registered company that owned the property. The signature on behalf of the seller – the foreign national was affixed to the preliminary contract

either by forging the signature or by a computer technology (a signature was scanned and put on the relevant place). It was obligatory to stipulate in the preliminary contract that the whole agreed sum of money was paid in full at the time of signing the contract and the contract itself was to be used as a receipt. It was also obligatory that the date of the contract should be before March 2011 as it was a statutory requirement that, after this date, all payments to an amount equal to or more 15 000 leva for the purchase-sale of immovable property had to be done by a bank transfer. The term for concluding the final contract was also set in a way as to expire before 2012.

After the forged preliminary contract was prepared, the fictitious buyer of the property filed statement of claim to the relevant District or Regional Court (depending on the value of the claim) pursuant to art. 19, para. 3 of the Law on Obligations and Contracts, requesting that the preliminary contract was declared final. At court, the claimant produced a certified copy of the preliminary contract and from that moment on, the original of the preliminary contract appeared nowhere.

Examining the statement of claim, the relevant court gave a ruling to the effect that the company-defendant was to be re-registered and suspended the commercial case. Pursuant to the existing legal frame, the not re-registered company had to be declared in liquidation. As the claimant was a creditor of the company, he filed a petition to the Commercial Register with a request to be registered as a liquidator. If this request was respected, the claimant (the fictitious buyer) became the lawful representative of the company and respectively, of the defendant, i.e., representative of both parties of the deal. If the request was rejected, the court appointed a public liquidator who usually could not get in touch with the foreign entity, owner of the liquidated company. There was also a third option in which an advocate representing the owner by a false power of attorney was appointed for liquidator. Anyway, no notifications reached the owner of the company and he had no idea that lawsuits were being conducted against his company and someone had claims to his property.

After a procedure of liquidation was announced for the company, the relevant court came up with a decision according to which, the preliminary contract became final and thus, the fictitious buyer was recognized for a lawful owner of the immovable property. After the registration of the decision in the Registry Office, the locks of the premises were changed and the property was declared for sale. The possible honest buyer, no matter what references and inquiries he made regarding the property, accepted everything as lawful because there was a ruled out decision of a Bulgarian court.

As a result of a comprehensive police activity regarding three frauds with immovable property

under the described scheme, the following persons were arrested: A. P. at the age of 43, H. Ts. at the age of 29 and B.B. at the age of 47. In the course of the performed procedural and investigating activities (search and confiscation) under the instituted three pretrial proceedings, five sites and a bank safe-deposit in the territory of Sofia were inspected. False documents related to the subject of the investigation were seized and were attached to the conducted pretrial proceedings.

The arrest of A. P., H. Ts. and B. B. was extended by a Prosecutor's Decree for a term of 72 hours and the filing of a request for examination of a permanent measure of "taking into custody" to Burgas Regional Court is pending.

The work on the case is continued by the officers of Economic Police sector at Burgas Regional Directorate of the Ministry of Interior.

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