

The Business of Private Security in Europe

The Case of Bulgaria

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This work offers readers' information related to the infusion of private businesses into the area of private security in one of the EU's "new" member states: Bulgaria. The materials and analysis offered in this text attempts to act and an inspirational probe that goes beyond publicly accessible documents prepared by some international private security associations so that a clearer picture of the sectors' impact on security may be gleaned. Additionally, this work offers an analytic contribution to the privatisation of security.

Keywords: Bulgaria, security system, private security companies, privatisation of security

Introduction

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try. This is closely followed by a section that details general statistics and trends regarding crime in Bulgaria; providing an important contextualisation to the preceding section and the rest of the work. Once crime and security organisations have been accounted for, this work then turns to establishing an appropriate framework for understanding the manner in which business has engaged in the security sector in Bulgaria. This section identifies the main phases of such engagements and deploys adequate case work to support the main arguments raised. This work then concludes with proposals Bulgaria could undertake to both improve its security situation and increase the transparency of the actors.

The Security Community in Bulgaria

Since January 2009, the main internal security authority in Bulgaria has been the Ministry for Public Order and Security (MPOS), which controls the following national services: the National Police Service, the Gendarmerie, the National Security Service (counter-intelligence); the Border Police Service and the National Service for Combating Organised Crime and Conducting Special Operations.¹ Each of these services is responsible for specific tasks, though these may overlap.

The National Police Service (NPS), is responsible for combating general crime and maintaining public order in the broadest sense of the term.² This service excludes more serious criminal behaviours, which tend to fall under the mandate of the National Service for Combating Organised Crime (NSCOC).³ The Gendarmerie is a special police force that functions as an “intermediary” between the military and the police force. Its territorial operation is not specified and it is therefore active in both towns and rural regions. The National Security Service (NSS) represents the counter-intelligence branch of security.⁴ The main task of the Border Police Service (BPS) is to protect state borders from illegal crossings of people and the smuggling of illicit goods. The Service employs around 12000 staff members.

The number of employees in the police and security forces in Bulgaria is not officially published though it is estimated that between 25000 to 29000 people in service are currently working for the NPS alone. Another 30000 people⁵ are employed directly in the MPOS. In other words, the MPOS fields around 60000 employees. At the same

time, there is a blurring of responsibilities between the military and police forces since the former may be called up to perform tasks typically assigned to the latter. Since the country's accession to NATO, its armed forces have been going through an extensive reform which aims to achieve full compatibility with the national armies of allies by around 2015.⁶ The target number of the military personnel resources for 2014 is 27 000⁷ soldiers (land forces, air force, the navy and Joint Forces Command). Another 18 000 to 20 000 officers are in the National Guard, and around 280 000 are reserve officers.⁸ In relation to the role of private security services it should be noted that some high-ranking military officials think it worthwhile to engage private security agencies in guarding military facilities, thus replacing soldiers in such positions. General Ivan Dobrev, Chief of Infantry – noted for his efforts to reduce the number of women in the army⁹ – said that 'activity not related to training and education is a waste of time for the soldiers.' This is especially true of guarding military facilities and General Dobrev adds that

The soldier's salary is about 700 levs, and yet instead of improving their qualifications they waste their potential for something we could get for 400 levs monthly if security agencies were engaged to do the job.¹⁰

Another specialised authority that poses powers of investigation is the National Investigation Service which is subordinate to the Ministry of Justice. It specialises in serious crime not dealt with by the National Service for Combating Organised Crime. Its powers can be compared to those of the Czech Republic's Criminal Police and Investigations Service, which collects documents and evidence for the main judicial proceedings. Following the adoption of the new Criminal Law, this Service went through a reform in 2005 which deprived it of some of its powers and transferred them to the National Police Service.¹¹

Municipal Police in Bulgaria was probably established only in Sofia.¹² This was at the turn of 2010 and 2011. This force employs some 110 people, of which 75 are guards. So far, the officers' duties are defined mainly in the area of inspection and penalties for improper parking, combating illicit business (stalls, vendors) and penalising unpaid advertising areas. However, Sofia City Hall has expressly stated that establishing the Municipal Police in no way means contract termination with the private security agency Egida (which guards buildings and city

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areas – such as offices of state authorities, schools and kindergartens, cemeteries, social care and social aid institutions, orphanages, parks, subways etc.).¹³ Understanding the manner these organs function must be measured against the levels and types of crime in Bulgaria.

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Crime in Bulgaria

The criminal activity in Bulgaria has become a relatively delicate problem, and a growing political issue.¹⁴ This was a main reason why the Centre for the Study of Democracy decided – with a significant contribution of the US Department of Justice – to produce an extensive report on the criminal situation and trends in Bulgaria.¹⁵ According to the report, crime in Bulgaria increased three to four times in the early 1990's and some types of criminal activity saw growth at up to 10 times previous rates. Between 1990 and 2005 at least one member of *every* Bulgarian family fell victim to crime.

At the beginning of the 21st century (also in the context of European Union accession efforts and with assistance of foreign counterparts) measures were developed in the country to end an incredible crime wave. This, indeed, brought results and the crime incidence has since dropped. According to the European Statistical Office¹⁶ around 20000 crimes were committed in Bulgaria in 1995, and “only” 136000 crimes were reported in 2006.¹⁷ This can be explained by a few mutually non-exclusive factors: a general decline in Bulgaria's population, the fact that young men – the demographic group attributed to the majority of crimes – are leaving Bulgaria for opportunities in other parts of the EU, a comprehensive decline in unemployment coupled with more effective policing.

While on the surface, this reflects a positive trend, it must be measured against the claim that only some 53% of all committed crime is actually reported in Bulgaria. However, there is a significant difference in some particular types of crime: during a 2003 survey 78000 respondents declared themselves victims of a particular crime, while only 11090 cases of that same crime were recorded in the official statistics. The reason for this is that confidence in the police force in Bulgaria is not at such a level to make people report the same proportion of crimes as is usual in the majority of “older” European Union Member States.¹⁸

Now that a general contextualisation of security and criminality has been presented, this work turns to its main arguments which expose the connection between private business and private security in Bulgaria.

The Current Framework of Business in Private Security

The regulatory framework for private security services in Bulgaria is described in idealised terms—at least on paper.¹⁹ Some norms were even transposed, with only minor changes, from the legislation of some Nordic European countries. To a greater or lesser extent this also applies to the following norms, the:²⁰

1. Act on Private Business in the Area of Guarding Services (24 February 2004),²¹
2. Regulation on the Rules for Training the Private Security Personnel (4 December 2006),²²
3. Decree No. 69 on the Conditions and Rules for Psychological Fitness Necessary for Handling Guns and Ammunition as of 19 May 2000,
4. Act on Inspection of Explosive Substances, Weapons and Ammunition, as Amended (last Amendment 2003, SG 71/12),²³
5. Decree to Implement the Act on Inspection of Explosive Substances, Weapons and Ammunition, as Amended (last amendment from 2004, SG. 12/13),
6. Decree No. 1-121 on the Requirements to Ensure Security in Transporting Valuables as of 24 June 2004, SG 63/2004),
7. Other Norms (Commercial Law, Labour Code etc).

The institution responsible for creating the regulatory framework defining the rules and conditions for private security business in Bulgaria is the Ministry for Public Order and Security²⁴ and the National Police Service and its local police units. This is significant since it produces the clear jurisdiction of public services over private. As a result, Bulgaria's national authorities have done much to clearly regulate the area of private security. Consider, for instance, the following regulated areas related to the business in private security: 1. protection of people (physical security), 2. protection of the property of natural and legal persons, 3. event management services, 4. guarding and transport of

cash and other valuables, 5. Technical aspects of ensuring security (distribution and management of security systems).

Yet, just because a particular entity is interested in entering the private security market and has the capital to do so, does not entitle it to do so. Instead there are a series of requirements – typical of any business sector – the differ in relation to whether an individual or corporate body is seeking access. For instance, corporate bodies must first be registered in national Commercial Register and retain a valid licence for running a business in private security (issued for an indefinite period). In contrast, for natural persons trying to enter the market in Bulgaria must be: at least 18 years of age, a citizen of an EU member, retain permanent residence in Bulgaria, have completed at least elementary education (secondary education in case of management members), gleaned a satisfactory result in the compulsory psychological examination and keep no criminal records, re: no criminal prosecution is currently pursued against the person for intentional crime.

Other “special requirements” including the wearing of uniforms and carrying of adequate identification cards are compulsory. With its design, colour or accessories, however, the apparel must not resemble the uniforms that are used by state security forces. Identification cards that are worn on duty show affiliation to the particular agency.

Considering the use of firearms, private security employees are allowed to carry these (though not automatic weapons) and, in practice, it is very common that they are armed. Having a gun licence (which is issued to individuals) is compulsory. The relevant security agency must report to the local police station the number of its employees who carry a firearm. It is estimated that among the 130000 people working in the private security sector (see below) are around 90000 registered firearm holders. The tactical use of dogs, and, for example horses, by private security companies is strictly forbidden.

Even though the sector is highly regulated, private security staff in Bulgaria are entitled to the following powers:

1. To carry out body searches and the power to seize property that is carried away without authorisation,
2. The power to detain a person inside a guarded area or facility if such a person has committed a crime within that area, or if the person’s conduct threatens the life, health or property of people who are present in the area or it causes damage to the property found in that area,

3. The power to detain a person whose conduct threatens the life, health or property of a guarded physical person. Any such detained person must be immediately referred to the law enforcement authorities.

A widespread phenomenon in Bulgaria is the involvement of private security companies in providing services to the public sector authorities (including the guarding of central public administration bodies, embassies, military facilities and border crossings). Critics of this condition say that private agencies are awarded contracts for guarding public facilities without being required to sufficiently train their staff. Also, that employees of these agencies do not enjoy the status of a public official and if attacked, the attack will be penalised as if aimed at any other citizen (“ordinary person”), regardless of how important the building or area guarded by this employee is, remains problematic.

Private security workers in Bulgaria are required to undergo a minimum and initial (immediately after the employee starts working with the agency) training of 40 hours (6 days). Other specialised training – probably also compulsory – is attended by security staff according to the type of activity performed or the risk expected with that activity (a minimum of 18 to 20 hours every year). During the first month of employment the newly recruited worker is under the “patronage” of a senior and a more experienced colleague (mentor). The rules for the compulsory pilot training are set by the Ministry for Public Order and Security and are approved by the Police Force management. Private security agencies may also provide training via its own resources or via external trainers. After completion of the training the security worker receives a certificate of professional qualification.

The number of companies in the market reported in 2010 by Confederation of European Security Services (CoESS)²⁵ was 1131 (more or less steady figures for the last couple of years – 2004: 1159 companies, 2007: 1112 companies; 2008: 1029 companies). From the total number, around 50 companies provide (as part of their regular activities) event management services (maintaining public order during events involving a larger number of people) and around 400 companies provide services of a “technical nature” (which mainly includes distribution, maintenance and operation of camera and alarm systems). The vast majority of them are companies with no international background. More frequent are small firms with less than 200 or less than 100 employees. The largest companies employ no more than 3000 people.

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The confirmed turnover in the sector amounts to around 550 million levs (2 levs = 1 euro) in 2007.²⁶

As for the number of people working in the sector, there are two views on this issue: according to one there are around 56500 people²⁷ in Bulgaria who work in private security (based on CoESS, this was 56486 people in December 2010, 58700 people in 2007 – of which 2100 were management members, and 42733 people in 2004). According to the second view, however, we should speak of more than 130000 people because another 70000 (est) employees work as “in-house guards” in many enterprises. This would mean that an incredible 9% of the country’s male population (of working age) is employed in the non-state security sector. The annual fluctuation rate in the sector ranges from 40% to 70% and the “average” sector worker is a male of around 40 years of age or a woman of around 30 years of age. However, women only represent 2% (est) of the staff employed by agencies. Most employees of these agencies have secondary education (including the apprenticeship schools). As for the equal opportunities principle, this aspect is covered by the Act on Protection against Discrimination from 2004.

As far as salaries are concerned, the average wage in the sector (guards) reported at the end of 2008 ranged between 320 to 350 levs per month. However, there may be gaping differences between individuals. While some guards (at least officially) earn only the minimum wage (220 levs per month, or 1.4 levs per hour), others earn 600 levs monthly. Employees involved in transporting valuables or installation of security systems can earn up to 800 levs. The maximum working hours in 2008 were set to be the maximum of 12 hours a day, which is no more than 48 hours a week (alternation of the “short” and “long” weeks – which is 40 and 56 hours respectively – is acceptable when working on shifts), 192 hours a month or 2 304 hours a year. The minimum annual leave is probably not determined. Overnight work or work over week-ends and public holidays should not exceed 35 hours a week.

While not central to the main arguments of this work, these figures assist in providing the overall situation facing security services in Bulgaria and provide insights – naturally – into some of the embedded problems. While these are comprehensively dealt with in the subsequent sections, it is prudent to first trace the full spectrum of private security in the country.

Private Security Services in Bulgaria: Milestones

The development of Bulgaria's private security sector was part reactive and part proactive and very dramatic²⁸ in the period 1990 until 2006 several factors contributed to it.²⁹ The most important are listed as: First, the inability of state institutions to build and reinforce the rule of law and set clear borders for business as well as to ensure an acceptable and the highest possible level of safety to the public. Second, many Bulgarian people lacked trust in the impartiality, or at least effective functioning of the judiciary (especially with regard slow and often biased courts) which only added to the public demand for security-related diffusions of power. Third, there was considerable pressure stemming from unemployed security professionals – during the reported period between 1988 and 2001, for example, the Bulgarian army was reduced from between 104000 and 150000 members to about 40000 – coupled with the dissolution and major transformation of the intelligence sector (by estimate, 30000 members of the regime's intelligence platforms – mainly the State Security – were also made redundant). Fourth, at the same time the role of the “grey economy” cannot be ignored. It is estimated that during some periods over the past 20 years the grey economy represented nearly 40% of Bulgaria's total GDP. For those conducting business on the edge of the law tend not to use police and other national authorities to resolve disputes and seek protection but are more likely try to engage in (partnership with?) private security services.

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With this in mind, there are four main stages of Bulgaria's private security sector from 1990 until our own times.

Period 1, 1990-1994: At this point, in principle private enterprise was entering a totally unregulated environment and private security fell into the domain of criminal and semi-criminal groups that engaged more in racketeering than in ensuring safety.³⁰ At this time, companies such as Daga Security, IPON-1, SOT 161, Scorpio, Atlas, and Pireli were established—they still exist today. Companies such as VIS-1, Club 777, TIM and Apolo Balkan were blamed for using drastic methods of violence and intimidation to appease their paymasters.³¹

Period 2, 1994-1998: At this point, the first signs of an emerging legislative framework to regulate private security in Bulgaria (license introduction) emerged.³² Some agencies (that would have hardly met

the conditions for obtaining a licence – mainly because most of their management had criminal records and found it undesirable to register via a “straw man” – came to the conclusion that, to achieve their goals, they would do better if they transformed into “consultancies” or “insurance” companies. This should not be taken to mean that they would surrender their methods of pressuring would-be customers to purchase their services—methods nothing short of blackmail and racketeering. For example, the security agency VIS-1 transformed into an “insurance company” VIS-2 (later operating under the names *Planeta* and *Jupiter*), the agency *Club 777* turned into company *Sila* (“Force”). At this time, stickers with logos of a particular agency or insurance company became widely used. Buildings with labels on them (not only of companies, but also houses, apartments, cars, and bus stations of private carriers) that were guarded or “insured”³³ by a specific agency were sometimes perceived as the “zones of influence” of that particular agency (or the criminal or pressure group directly associated with it).

Period 3, 1998-2000: This is the phase of “setting up holdings.” The market was dominated by a group of corporate bodies (controlled by similar or identical physical persons) that were engaged in a wider spectrum of activities, from more or less legal ones (providing “protection,” facility management services, cleaning or catering services, transportation, insurance services, etc) through to controversial activities or business on the edge of the law.³⁴ It is typical of this stage for the private security market in Bulgaria to be saturated (or even oversaturated) and, in fact, divided. Many agencies at this point sought ways to diversify their portfolios, which meant expanding outside this sector. Reportedly it was common to – either directly or via subsidiaries – control some of the profitable firms to which they originally provided the guarding services. Instead of acting as a protector, paradoxically, such security agencies became a threat for the guarded company. Some security agencies were financially so strong that they buy up the shares of individual businesses and through supervisory boards (forcing out other shareholders by fair means or foul) they gain control over companies with which they have not been in any business relationship before. It was at this time that the country began (with Romania) seeking to join the EU and NATO, which became the driving force for a number of changes. For instance, At the beginning of 1999, law courts began handing out a lot more sentences (deciding also the cases connected with the unfair practices of private security agencies).

Abusing the model of “insurance firms” was made complicated by the Insurance Act of 16 July 1998 (which required all firms in this area to re-register and which contributed to the dissolution of the most dubious firms as well as to certain consolidation in this area). Directly applicable to private security agencies were the Decrees of February 1999 (No. 39) and June 2000 (No. 79) regulating the conditions for running a business in private security, which imposed stricter rules for setting up and operating these types of agencies.

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Phase 4, post-2001: This, the supposed consolidation of the situation³⁵ was assisted greatly by the slow arrival of multinational groups (Securitas and others). People’s confidence in at least some security agencies increased. Pessimists however, think that the consolidation of the environment was caused by tightened relations between semi-criminal groups and public officials. Corruption, rather than violence, seems to better suit the purpose of achieving goals. It is no longer necessary to laboriously blackmail hundreds of businessmen; manipulated government contracts bring higher and safer benefits (guarding the power stations, barracks, sea ports, border crossings, etc). It is also prudent to mention the ephemeral efforts of some private firms to win contracts for maintaining order at football stadiums (which is normally the responsibility of police forces that are apparently paid for their presence by event promoters). Company SOT 161, which tried to get a contract in May 2006 by dumping prices, was a complete failure. Its employees were unable to mitigate an incident that had burst out among hundreds of fans and eventually the police still had to be called.³⁶ As far as the key legislation currently applicable (the Act on Private Business in the Area of Guarding Services from 2004) is concerned, it introduced – among other things – the following changes:³⁷

1. Employees of the agencies must go through at least a basic six-day training programme,
2. Licences that are issued to agencies are not limited in time (the arguments used at this point are that while in the past licences were issued for 3 years and police officers had time for nothing else but constantly handling the bureaucratic issues connected with repeated licence renewals, today they reportedly have more time for more consistent inspections on the spot),
3. It expressly says that private security agencies must not use automatic guns throughout their performance,
4. Supervision and sanctions are now purely the responsibility of the

police or the Ministry for Public Order and Security (municipalities and the Parliament or other central government bodies no longer play a role in this – as compared to the past).

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3/2014 An interesting comparison can be drawn from two UNICRI researches³⁸ that were carried out in Bulgaria (with special focus on Sofia agglomeration) between 2000 and 2005.³⁹

That same research in 2005 identified the reasons why companies hire private security agencies for their safety:

Despite the clear steps taken towards regulating the private security market, several negative dimensions can be seen in the case of Bulgaria.

A Critical View of Private Security in Bulgaria

The key weaknesses in the sector of private security in Bulgaria can be described as intersection of several negative factors. First, the sector originated spontaneously, without previous examples of proper regulation (best practices from countries abroad with longer and less interrupted democratic tradition). Second, as gathered, the sector is extremely oversaturated. As a rule there is also, thirdly, a low level of social assurances for employees of private security agencies, as well as fourth, the absence of clear rules for occupational health and safety. Fifth, the situation is even more complicated because of the “grey economy” in Bulgaria. A company that runs a business without a licence, fails to comply with the occupational health and safety regulations, fails to pay taxes and social insurance for its staff (etc) is unlikely to contact the state police in case of any troubles, but will rather choose a private security agency, no matter how dubious. Sixth, regulation requires inspections, but there is often no money to compensate overtime work of supervisors (often local police officers). This – among other things – opens up space for corruption. Seventh, many agencies are at the same time controlled by former police officers who make use of their above standard (and mutually beneficial) relations with colleagues still in service, which can lead to many conflicts of interests.

What is also striking are the links of many top government and local officials as well as political representatives to specific agencies (political-police-judicial-security brotherhoods). Agencies with politicians in their back-pockets are reportedly exerting pressure on public officials to make them stop hindering contracts that are not advantageous for

the state or they try to stop police officers from investigating particular cases that might damage their benefactors or patrons. For example, the former Deputy Minister of the Interior Kamen Penkov, owner of the company Scorpio and a man associated with the Socialist Party, reportedly helped gain lucrative contracts for his company in June 2006 to provide services for the National Customs Agency. Parliament Member Ivan Palčev (board member in Khan Krum agency, today Security BG) allegedly stood behind the awarding of the contract for guarding the nuclear power station in Kozlodui.⁴⁰

It is clear that the private sector in security needs improvement. The following section provides a few recommendations to that end.

Recommendations for Improving the Private Security Sector in Bulgaria

The most often noted recommendations to improve the situation in Bulgaria are:

1. Ensure adequate funding for supervision over private security agencies: One possible approach is to finance the licensing from collected fines or through introducing other administrative penalties. Another option would be to broaden the spectrum of institutions assigned to supervise agencies. Ideally, the private firms themselves would voluntarily contribute to the financing of such supervision.
2. Reinforce a greater role of local/community councils as a supplementary platform to assist the police decision making (concerning both licence issuing and the monitoring).
3. Ensure stricter regulation of security services that are operated by companies with their own resources (in-house security). Bearing in mind that the number of these employees in Bulgaria is higher than the number of licensed personnel of security agencies, it is necessary that these in-house security workers are subject to the same regulation (in terms of the training, powers, etc.). The same is true for a stricter regulation of persons with a criminal history (restrict the possibilities for these people to work in private security agencies). Together with this are proposals suggesting that stricter penal sanctions are applied if a crime is committed by a person employed in a private security agency. It is also necessary

to enable the public to complain about the behaviour of people employed by private security agencies (for example, via local town councils).

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4. Increase the responsibility of private agencies for the behaviour of their staff.⁴¹ This compliments efforts to suppress the practice of using their own firearms by the employees of agencies.
5. Increase the criteria for the companies guarding state facilities. In performing the tasks connected with guarding the state's critical infrastructure facilities (ports, power stations, military facilities), employees from the potential agencies hired for this job are not required to go through any specialised training, nor is there a

	Proportion of firms addressed with a request for protection	Proportion of reported racketeering cases	Main reasons for not reporting racketeering
2000	7,3 %	7,9 %	Fears of revenge from blackmailers (63.3%)
2005	1,3 %	22,0 %	The police won't solve the problem anyway (31%); this problem does not fall within the police responsibilities (sic, also 31%); fears of revenge from blackmailers ("only" 21%)

higher responsibility of the agency for possible faults (and if there is, then at a price exceeding the costs for hiring specialised police or military staff).

Fear of crime	Other firms in my field have hired one	It wasn't necessary but the service is cheap and available	Our firm has become a victim of crime
66%	23%	17%	17%

Police fails to ensure security at sufficient level	To protect our firm against its competitors	Our firm was forced to do so by the agency	Other reasons
14%	6%	6%	3%

6. Adopt measures to prevent conflicts of interest to be used as a special anti-corruption tool (cases in which a person in public office awards a contract to a company affiliated with or even owned by that person).

While these only touch on some of the things that could be undertaken to provide a greater level of regulation, and with it real security, for Bulgaria, its citizens and the wider European community. These are certainly not enough to change – overnight – the practises that have plagued Bulgaria since the end of the Cold War, but they will help in ensuring that Bulgaria finds its legitimate place in the EU, not only as a member (which it became in 2007), but as a responsible member. This is why it is important to understand the full impact of individual transformations within Bulgaria. The following section illustrates the main points of this article via a biography of Boyko Borisov.

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Boyko Borisov: A Biography

Borisov was born (1959) in the town of Bankya which is now part of Sofia.⁴² His family was seen as being ‘ideologically unreliable’ and, as a result, his dream of becoming a Police Academy student was dashed. He had content himself with the University of Fire Prevention where he later lectured. He proved himself and therefore was accepted as a member of the Communist Party. In the 1980’s he took part in pressure operations against the country’s Turkish minority.⁴³ He was also engaged in wrestling, achieved a black belt in karate, and became the national trainer, and an international referee. The combination of experience from sport and the security forces eventually led Borisov to start his own business. In 1991 he founded a security company IPON-I which specialised in VIP bodyguarding services.⁴⁴ Apart from that he ran a company Budoinvest that was engaged in international trade and martial arts training. At this time, Borisov allegedly acted as a collector of ransom money and was nicknamed “Mutra” (in loose translation a “Mug” or “Visage”).

In 1997, Borisov’s mistress – Cvetelina Borislavova – fell victim to a car bomb attack. She survived, but was seriously injured. Today, Borislavova works in the management of CIBank, which, arguably, played a role in siphoning profits out of Icelandic banks (which for some time operated on the principle of the pyramid fraud scheme but later went bankrupt). Borislavova’s business partner was Iceland’s first billion-

aire, Björgólfur Thor Björgólfsson, who between 2002 and 2008 held the decisive share pack of Landsbanki and Straumur banks (until they faced bankruptcy).⁴⁵

During the 1990's, Borisov worked as a bodyguard for the last Secretary General of the Central Committee of the Bulgarian Communist Party, Todor Zhivkov, and for the former Tzar Simeon II. When Tzar Simeon II won the parliamentary elections in 2001, following a campaign full of unrealistic promises, he appointed Borisov State Secretary at the Ministry for Internal Affairs where he was responsible, among other things, for commanding the police force. Borisov was then promoted several times until he achieved the rank of General.

In 2005, he stood as a candidate in parliamentary elections for the Party of Simeon II (Narodno dvizenije Simeon Vtory, NDSV). He was elected in two districts (Blagoevgrad and Plovdiv). However, he did not accept the mandate and continued to work within the Ministry. Shortly thereafter, he broke away from the former Minister and left public service. In that same year, mayoral elections were held in Sofia in which Borisov won as an independent candidate. He gained political merits through his vigorous fight against corruption, theatrically dismissing from public functions anyone under even the slightest suspicion.⁴⁶ Then, in 2006, Borisov founded a political party called Citizens for European Development of Bulgaria (its abbreviation in Bulgarian is GERB, which means a "shield" or "coat of arms"). Formally Borisov does not lead the party; however his face brings success to it. Although the Party defines itself as centre-right-liberal, these notions are only empty words (not only) in the Balkans. Voters are more likely to respond to familiar faces or to catchy political slogans. In the case of the GERB Party, this was mainly Borisov's face and his platitudes about fighting corruption and "mafia practices."

In 2007, Borisov was confronted with the US Congress report (US Congressional Quarterly, Homeland Security). The report says, among other things, that at least between the years 2001 and 2005 during in which Borisov acted as the State Secretary of the Minister of the Interior, he was connected to influential mafia members (for example, Rumen "Pasha" Nikolov and Mladen "Madžo" Mihalev). His name was also put in connection with several dozens of unresolved assassinations. In spring 2009, the "cocaine king" Sreten Jociš, nicknamed Joca Amsterdam, testified against Borisov in Belgrade. He said that, at the turn of the century when he had been living in Bulgaria, Borisov and

Nikolaj Gigov, owner of the Locomotive football club and an arms dealer, were his closest associates.

Borisov, dismissed such attacks and explained that they were merely the 'revenge of his political enemies,' and voters responded positively. In June 2009, GERB won 5 out of 17 seats in the European Parliament to represent Bulgaria and a month later the Party – under the flag of the 'resolute fight against mafia and corruption' – dominated the one-chamber Parliament and won 116 out of 240 seats.⁴⁷ This resulted in a single-colour Government, in which GERB is supported from outside by the centre-right "Blue Coalition" and the individual members from other parties.

A turn in Borisov's career came with the public protest against high energy prices and against perspective of limiting subsidies for agriculture which culminated in February 2013. Borisov initially pledged 'tough methods against foreign energy companies' (including Czech energy plants), but then he reassessed the situation and gave space for early elections. Those were won in May 2013 again by GERB, but the government was set up with coalition of socialists and Movement for Rights and Freedoms (defending among other interests of Muslims), which governs until this day.

Conclusion

To summarise the situation in Bulgaria, vis-à-vis the budding private security sector, it is a country whose socio-economic indicators are the least encouraging in the EU and this is partially connected to the oversized security community. Even though there has been a general downsizing of the public security sector, many of those made redundant found employment in private security firms. At the same time, it should be noted that the legislative-organisational framework for the functioning of the sector formally meets international standards. In practice however, many firms operate as legislatively uncontrolled linked to various influential clandestine groups. Similar to in the Czech Republic, in Bulgaria at least one of the well-known entrepreneurs, in the framework of this sector, has made an effort to set up into higher political ranks. Borisov, in the leadership position of a populist forum was able to win the seat of Mayor of Sofia and then Prime Minister, which he occupied from July 2009 until March 2013. Despite many criticisms of his unclear political as well as criminal past he holds high

level of popularity and continues his career. It is not only in Bulgaria where the civil society is more interested in the cover rather than the content of political programme of political parties. However, for the research work conducted here, it is a pressing European issue that Bulgaria adopt the recommendations proposed above since it is not only an important part of the EU's external border-zone and set to join the Schengen system but it is also an integral part of the Black Sea area. Hence, leaving the regulation of the flow of goods, people and ideas from conflict-ridden Ukraine, Russia and Turkey in the hands of private Bulgarian security firms may have negative short, medium and long-term consequences.



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Notes

- 1 Министерство на вътрешните работи. Available at: <<http://www.mvr.bg>> (accessed 3 October 2010).
- 2 The average wage of the National Police Service officers is expected to be around 500 euros per month. Bohman, M.; Krulík, O. *Policejní sbory v zemích Evropské unie: Inspirace pro Českou republiku* [Police Forces in European Union Countries: Inspiration for the Czech Republic]. Praha: Ministerstvo vnitra České republiky, 2009.
- 3 Interpol: European Police and Judicial Systems: Bulgaria. Available at: <<http://www.interpol.int/public/region/europe/pjsystems/bulgaria.asp>> (accessed 12 November 2011).
- 4 The country's other intelligence agencies are the National Intelligence Ser-

- vice (sometimes also called the **Bulgarian Foreign Intelligence Service**, the intelligence service which falls under the budget chapter of the Ministry of Defence) and the Defence Information Service (military counter-intelligence). National Intelligence Service. Available at: <<http://www.nrs.bg/>> (accessed 9 May 2012). Bulgaria Security Services and Selected Government Offices. Available at: <<http://www.eyespyimag.com/intelbulgaria.htm>> (accessed 9 May 2012). 'Bulgaria: The Counter-Terrorism Coordination Centre (CTCC) of the State Agency for National Security (SANS); in *Fusion Centres throughout Europe: All-Source Threat Assessments in the Fight against Terrorism*, ed. Rapaille, G.; van Laethem, W. Antwerp; Oxford; Portland: Belgian Standing Committee; Intersentia, 2010, 19-32.
- 5 The documents of The Confederation of European Security Services (COESS) report the number of around 47 000 officers in 2008. This is probably a sum of the two figures mentioned.
 - 6 It should be also noted that for quite a long time after the political change the local police and security forces held a military status (the People's Militia and the internal security unit of the Red Berets) and it was only under pressure from the EU that they turned civilian. See Das, D., K.; Palmitto, M., J. *World Police Encyklopedia*. New York: Taylor and Francis Group; LLC, 2006, 136.
 - 7 As of 2011, it is around 34 000 soldiers, of which around 600 serve in Afghanistan (between 2003 and 2008 a contingent of 485 soldiers was relocated to Iraq).
 - 8 Министерство на вътрешните работи. Available at: <<http://www.mvr.bg/>> (accessed 3 October 2010).
 - 9 It must be noted, however, that of all NATO members Bulgaria has probably the highest number of women working in the army around 12.7 %, of which 1200 are assigned as combat troops.
 - 10 Iliiev, N. 'General Wants Private Security Contractors to Guard Military Bases.' Feral Jundi, 12 November 2009. Available at: <<http://feraljundi.com/1137/bulgaria-general-wants-private-security-contractors-to-guard-military-bases/>> (accessed 9 May 2012).
 - 11 Law Enforcemen in Bulgaria. Available at: <http://www.en.wikipedia.org/wiki/law_enforcement_in_bulgaria> (accessed 12 November 2011).
 - 12 'Bulgaria's Sofia Launches Municipal Police'. *Novinite – Society*, 3 January 2011. Available at: <http://www.novinite.com/view_news.php?id=123751> (accessed 11 November 2011). Nikolova, A. "Municipal Police Department Will be Launched in Sofia". *Sofia Echo*, 22 November 2010. Available at: <http://sofiaecho.com/2010/11/22/997551_municipal-police-department-will-be-launched-in-sofia, (accessed 11 November 2011).
 - 13 'Егида-София' ЕАД: общинска охранителна фирма. Available at: <<http://www.egida-sofia.com/>> (accessed 13 November 2011). EGIDA – Sofia J. S. C.: Municipal Security Company. Available at: <<http://www.securitybg.com/egida/data.php?id=2001>> (accessed 13 November 2011).
 - 14 Das, D., K.; Palmitto, M., J. *World Police Encyklopedia*. New York: Taylor and Francis Group; LLC, 2006, 135-136.

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- 15 Bezlov, T.; Gounev, P. *Crime Trends in Bulgaria: Police Statistics and Victimization Survey*. Sofia: CSD 2005.
- 16 Crime and Criminal Justice Database. Available at: <<http://epp.eurostat.ec.europa.eu/portal/page/portal/crime/data/database>> (accessed 9 May 2012).
- 17 Bezlov and Gounev say that according to their research, in 2001 nearly 600000 crimes were committed in Bulgaria and 300000 crimes in 2004.
- 18 Nation Master: Bulgaria Crime. Available at: <<http://www.nationmaster.com/country/bu-bulgaria/crime>> (accessed 12 November 2011).
- 19 Much of the information for this section is based on: Private Security in Europe: CoESS (Confederation of European Security Services) Facts and Figures 2008, available at: <http://www.coess.org/pdf/coess_facts_figures_2008.pdf> (accessed 28 November 2011) and Private Security in Europe: CoESS (Confederation of European Security Services) Statistics. Available at: <<http://www.coess.org/stats.htm>> (accessed 28 November 2011).
- 20 Private Military and Security Services (PMSCs) Regulation Database: Bulgaria. Available at: <<http://www.privatesecurityregulation.net/countries/results/taxonomy%3a238.32>> (accessed 13 November 2011).
- 21 Law of 24 February 2004 on Private Guarding Activity. Available at: <http://www.privatesecurityregulation.net/files/bulgaria_2004_law_private_security.pdf> (accessed 13 November 2011).
- 22 Regulation of 4 December 2006 on Training Requirements for Security Guards. Available at: <http://www.privatesecurityregulation.net/files/bulgaria_2006_regulation_qualification_securityguard.pdf> (accessed 12 November 2011).
- 23 1998 Law on the Control of Weapons and Explosives. Available at: <http://www.privatesecurityregulation.net/files/bulgaria_1998_law_guns_explosives.pdf> (accessed 13 November 2011).
- 24 Yet according to some opinions, the Ministry is in conflict of interest – not only it regulates the sector but it itself hires some private agencies to perform specific tasks for the state.
- 25 CoESS (Confederation of European Security Services). Available at: <<http://www.coess.org>> (accessed 8 May 2012).
- 26 Reduction to around 346 million levs was envisaged for 2008.
- 27 And reportedly a number of other people ‘without a licence.’
- 28 Jäger, T.; Kümmel, G. *Private Military and Security Companies*, 203-205. Available at: <<http://www.tcij.org/training-material/private-security-sector>> (accessed 12 November 2011). Bulgaria's Private Security Industry. Genève: Centre for the Democratic Control of Armed Forces (DCAF), 2006. Available at: <<http://www.isn.ethz.ch/isn/digital-library/publications/detail/?ots591=0c54e3b3-1e9c-be1e-2c24a6a8c7060233&lng=en&id=96902>> (accessed 12 November 2011). Page, M.; Rynn, S.; Taylor, Z.; Wood, D. *SALW and Private Security Companies in South Eastern Europe: A Cause or Effect of Insecurity?* Belgrade: SEESAC, 2005. Frye, T.; Zhuravskaya, E., “Rackets, Regulation and the Rule of Law”. *Journal of Law, Economics, and Organization*. 2000, vol. 16, 11 (October), 478–502. Dimitrov, M.; Stanchev, K., *A Law on Private Collection Judges should be Approved Before the Elections*. Insti-

- tute for Market Economy. February 2005. Available at: <http://ime-bg.org/pr_bg/213-3.htm> (accessed 12 November 2011). Frye, F. 'Private Protection in Russia and Poland.' *American Journal of Political Science*, 2002, July, 'The Wrestlers Remain in the Insurance Business.' *Capital Weekly*, 24 October 1998. Informal Economy in Bulgaria: Center for the Study of Democracy. Available at: <<http://www.csd.bg/?id=118>> (accessed 13 November 2011).
- 29 Some authors approach three models of the transformation of security systems in post-socialist countries in East and Southeast Europe: 1. the Post-Yugoslav model: Security forces have not been reduced (and if so, the reduction was slow and often occurred only at the beginning of the 21st century) because their members found their place in the armed conflicts that were going on in this region (Krajina, Bosnia and Hercegovina, Kosovo); 2. the model from Romania and Hungary: The downsizing of the forces was done at once, very quickly and in a relatively drastic manner, but the state has remained strong and capable to quickly introduce regulation in the area of providing services in private security. 3. The model from Bulgaria, Ukraine, Russia and Albania—massive transfer of redundant security officers (but also athletes) into the already established or newly emerging criminal structures that often do business in private security (where, for a couple of years, there is no legal or other effective regulation). See Handelman, S. *Comrade Criminal: Russia's New Mafiya*. New Haven: Yale University Press, 1997.
- 30 Hajdinjak, M. *Partners in Crime: The Risks of Symbiosis between the Security Sector and Organised Crime in Southeast Europe*. Sofia: Center for the Study of Democracy, 2004, 20–22. Volkov, V. *Violent Entrepreneurs: The Use of Force in the Making of Russian Capitalism*. Ithaca; London: Cornell University Press, 2002.
- 31 UNHCR: Bulgaria: Information on a Private Protection Firm Called Club 777. Available at: <<http://www.unhcr.org/refworld/publisher,irbc,,bgr,3ae6ab7d88,o.html>> (accessed 13 November 2011).
- 32 In 1993, a legislative change was adopted that introduced a new provision (No. 43) into the Act on National Police generally stating that private security services must be registered by police stations (i. e. that the police forces should be informed of the existence of private agencies). This issue is further discussed in the "Decree on issuing licences for guarding locations and private physical and corporate bodies" as of March 1994.
- 33 The car "insurance" provided by a specific agency often involved that if the particular car was stolen, the injured was compensated with another comparable – but also stolen – car.
- 34 This period was characterised, among other things, by at least partial introduction of standard regulation (in other European countries already common for quite a long time) applicable to handling firearms, collection of taxes in freight transport, trade in precious metals.
- 35 In August 2001, police inspections were held in 847 companies and in more than 3 400 areas where the staff of these companies was assigned to work. 'Dozen cases of misconduct' were found and 69 reprimands were given.
- 36 'How the Police Came Back to the Stadium.' *Dnevnik Daily*, 31 May 2006.

- 37 The Act (and its provisions) was also supported by some companies that had been calling themselves for clearer rules for their business.
- 38 United Nations Interregional Institute on Crime and Justice, UNICRI. International Crime Victims Survey. Available at: <<http://rechten.uvt.nl/icvs/>> (accessed 12 November 2011).
- 39 Other findings from 2000 are as follows: 8 out of 12 companies stated that they pay for security services on a regular basis. Another 60% said that they pay for these services on a random basis, a few times a year. The most frequent victims of blackmailers are companies with less than 10 employees. Larger companies with over 100 employees reportedly experienced racketeering only exceptionally. In 2005, only 7% of racketeers were labelled as people somehow connected with private security agencies. The majority of them were denoted as “other criminals” (33%) and competitors (26%).
- 40 “Bulhaři a Rumuni se upínají k roku 2007 jako datu vstupu do unie”. *Hospodářské noviny*, 17 December 2002.
- 41 A bizarre case happened in November 2005 in the region of Gabra near Sofia. Local residents protesting against a plan to establish a dump site in an abandoned mine were confronted by around 50 employees from various private security agencies. Ten demonstrators were injured; police officers found out that thirteen of the agency workers had criminal records. The owner of the abandoned mine insisted that he had not hired the agency staff. The employees later testified that they had “happened to pass by” and merely got involved on their own initiative. None of the agencies was thus held responsible.
- 42 “Batman od Černého moře”. *Týden*, 20 July 2009. “Bulhaři zúčtovali s vládou a vsadili na Batmana”. *iHned.cz*, 7 July 2009. Sokol, P. “Generál Borisov: nebude se krást.” *Reflex*, 13 August 2009.
- 43 In the eyes of Turks, however, this won no popularity for him. The Kardzali region with prevailing Turkish population (Pomac Turks) is one of the few regions of the country in which the GERB party does not enjoy strong voter support.
- 44 Agency IPON-1 – and Borisov himself as a private person – is the only Bulgaria’s full member of International Association of Personal Protection Agents, IAPPA, certificate IAPPA C-002. IPON. Available at: <<http://www.security-bg.com/ipon/english.htm>> (accessed 13 November 2011).
- 45 ‘Who Is Who: Bulgaria’s New Prime Minister Boyko Borisov.’ *Novinite*, 21 July 2009. Available at: <http://www.novinite.com/view_news.php?id=105996> (accessed 13 November 2011).
- 46 Some blame Borisov for the fact that, when he was the mayor of Sofia, he not only continued to formally manage the company IPON-1 but also awarded it with lucrative or significantly overpriced contracts to guard the municipal property.
- 47 The ruling Socialists (Communists, in fact), that had been so popular so far, failed in the public eyes. People reproached the party with its feeble fight against rampant organised crime, the omnipresent corruption and abuse of power, but also for the country losing the opportunity to benefit from between 500 to 800 million Euros from EU

financial assistance. The majority of Bulgaria's population also had the unrealistic idea that, following the country's accession, their standard of living would quickly approach the Western European level. But the miracle did not happen and this was one of the reasons why so many people got fixated on Borisov's image of the "tough guy" (also called the "general" or "Batman"). In January 2009, the Parliament was even sieged by a thousand protesters demanding the resignation of the socialist Government. "Bulharsko: policie se střetla s demonstranty." *Hospodářské noviny*, 15 January 2009.

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