

Follow up: the Bulgarian Competition Authority reveals the largest bid-rigging cartel between undertakings in Bulgaria

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Flashback

In January 2019, the Bulgarian Commission for Protection of Competition ("BCPC") issued a Statement of Objections against in total 24 Bulgarian undertakings for bid-rigging in public procurement procedures under the National Program for Energy Efficiency of Multifamily Residential Buildings ("Energy Efficiency Program"), carried out in the municipalities of Targovishte (Northeast Bulgaria) and Gotse Delchev (Southwest Bulgaria). More details of the investigation could be found in our previous [blog post](#).

New Statement of Objections

Following the above Statement of Objection and the extension of the scope of the proceedings against the 24 companies from Northeast and Southwest Bulgaria, in late June 2019, with Order No. 725/20.06.2019^[1], BCPC issued another Statement of Objections against 33 companies active in the Plovdiv region (Southern Bulgaria) for bid-rigging of the public procurement procedures under the Energy Efficiency Program.

The 33 undertakings were found in breach of Article 15 para. 1 of the Bulgarian Competition Protection Act ("BCPA"), i.e. a cartel between undertakings (corresponding to Art. 101 of the TFEU). The cartel aims to prevent, restrict or distort the competition on the market of *surveys for the establishment of technical characteristics and preparation of a technical passport of buildings and conduct of energy audits of buildings and to prescription of the necessary energy saving measures under the Energy Efficiency Program*.

Next step

The undertakings - addressees of the Statement of Objections have the right to submit written objections to the allegations made by the BCPC within 45 days as of the date the order is communicated to them.

Thus, the proceedings are still pending and the decision of the CPC is yet to come.

Conclusion

As a result of the investigations for bid-rigging in public procurement procedures under the Energy Efficiency Program, BCPC has issued Statements of Objections against in total 57 Bulgarian undertakings until this moment.

By far this might be the largest bid-rigging cartel between undertakings detected by the BCPC as of 2008 when bid-rigging was listed as a form of a prohibited agreement.

It would be extremely interesting to find out what will be the amount of the sanctions imposed and, whether and which undertakings will benefit from the leniency program either by being exempt from sanctions or by reduction of sanctions and on what grounds.

[1] Bulgarian Commission for Protection of Competition Order No. 725/20.06.2019.