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WORLD

Retired CEO Held in Bulgaria, Faces Extradition to Kyrgyzstan

Len Homeniuk, former Centerra Gold chief, was detained while on vacation

By **FELICIA SCHWARTZ**

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A dual U.S.-Canadian citizen and retired mining-company executive is under house arrest in Bulgaria as he awaits a hearing to determine whether he will be extradited to Kyrgyzstan to face corruption charges.

Len Homeniuk at a mining conference in Toronto, Ontario in 2007. *PHOTO: NORM BETTS/BLOOMBERG NEWS*

The case
of Len



Homeniuk underscores the perils of legal entanglements abroad. The former Centerra Gold Inc. chief executive officer was arrested on an Interpol “red notice” while vacationing with his wife and son.

While thousands of Americans are arrested for misconduct in other countries each year, Mr. Homeniuk is part of a much smaller subset to face charges related to overseas business involvements.

The State Department has been in touch with Mr. Homeniuk, who, along with his former firm, maintains Kyrgyzstan’s charges are unfounded. Kyrgyzstan and Bulgarian officials didn’t respond to requests for comment.

Mr. Homeniuk was first detained in Bulgaria in late July at Kyrgyzstan’s request.

“There is a process in place and we’ve been trying to gather enough international attention to observe this and make sure that they do follow their own protocols,” Mr. Homeniuk, 68, said by telephone from the small apartment in Sofia, Bulgaria, where he is under house arrest. “I’m optimistic at the end of the day that Bulgaria will recognize not only my innocence but the fact that the Kyrgyz Republic is a place that is well known for its human rights violations.”

He said he is hoping to be cleared to leave soon, but fears the process could last several more months. Mr. Homeniuk described his month in captivity, including 14 days in prison and the rest under house arrest, as a “nightmare.”

“I am holding up and bearing with it,” Mr. Homeniuk said. “I am hoping there’s a light at the end of the tunnel.”

Both the U.S. and Canada are providing consular assistance to Mr. Homeniuk and have been present at court hearings.

“The Department of State takes its obligation to assist U.S. citizens abroad seriously,” State Department spokesman Niles Cole said. “We continue to provide all appropriate consular assistance and remain in contact with him.”

Michelle Estlund, an attorney who specializes in international criminal law and Interpol red notices, said criminal charges are common when developing countries move to nationalize industries or companies.

“When we look at the fact that this is a company that is at least possibly going to be nationalized, the issue almost isn’t about Len at all. It’s more about nationalization and his status in a particular company,” Ms. Estlund said.

The charges Mr. Homeniuk face in Kyrgyzstan relate to a 2004 deal between the Canadian firm and the Kyrgyzstan government concerning the company’s Kumtor mine in Kyrgyzstan, the country’s largest foreign capital investment. The 2004 deal included a corporate restructuring and new ownership agreement involving the Kyrgyzstan government.

Mr. Homeniuk, who was CEO of Centerra at the time, said the deal involved teams of international lawyers on both sides and was negotiated and sealed through proper channels. Centerra also defends the deal. Mr. Homeniuk retired in 2008.

But since the deal was signed, Kyrgyzstan has experienced political upheaval. The

current government maintains that its 2004 predecessor was corrupt and the country was fleeced in the restructuring deal.

“Kumtor is the largest enterprise in the country,” said John Pearson, Centerra’s vice president of investor relations. “We are the largest taxpayer and we tend to be a target if the politicians want to try to gain political points.”

The Kyrgyz government and Centerra are in talks to try to increase Kyrgyzstan’s ownership—the government controls about one-third of the mine’s shares—and Mr. Homeniuk sees his detention as a way to pressure Centerra in the negotiations, which have lasted for two years. Earlier this year, Kyrgyzstan’s parliament threatened to nationalize the mine.

In a hearing last Thursday, a Bulgarian court said the Kyrgyz government hadn’t provided enough information to justify Mr. Homeniuk’s detention and gave it until Sept. 10 to do so. A second extradition hearing will be held on Sept. 16.

The most recent State Department assessment of Kyrgyzstan’s human-rights climate reported routine violations of judicial protections, including the use of “arbitrary arrest and torture.”

Mr. Homeniuk was detained July 27 at the Bulgarian border after an arrest warrant that had been requested by Kyrgyzstan and issued by Interpol, the international police coordination agency, came up for him.

Mr. Homeniuk had learned of the warrant in December while traveling in Russia, and said he has avoided countries that have extradition treaties with Kyrgyzstan. He is in the process of appealing the warrant and expects to receive a hearing on it in September.

Before his July detention, he was on a long-awaited Danube River cruise and had passed through Hungary, Serbia, Croatia, Slovakia and elsewhere.

“I checked out the countries and it didn’t seem that there should be any problems,” Mr. Homeniuk said, adding none had extradition treaties with Kyrgyzstan.

Ms. Homeniuk’s wife, Marina Stephens, said she was terrified when her husband was taken into custody and moved to a prison in Sofia. She and her son, 16, followed him there. Soon after, he was allowed to remain in the small apartment Ms. Stephens rented in Sofia. “It was horrendously stressful,” she said.

Mr. Homeniuk said his ordeal demonstrates the challenges of doing business in a

country with an emerging government. “The takeaway here is the agreements signed by one government aren’t going to be recognized by another government and everybody should be very wary about that,” he said.

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