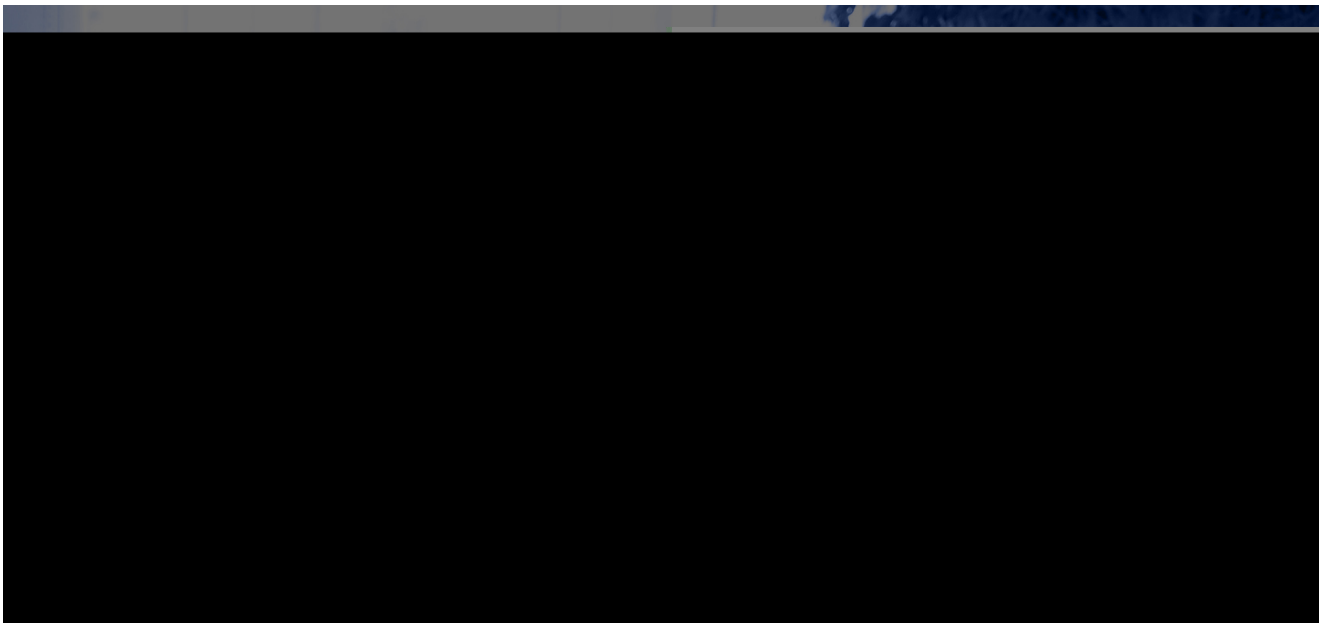
Corruption and Russian Interests in Protected Areas [Journalistic Investigation]

sakartvelosambebi.ge/en/special-report/corruption-in-protected-areas-mchedlidze-and-his-accomplices-journalistic-investigation



Prometheus Cave, Martvili, Okatse and Balda Canyons, and Sataplia Nature Reserve - unique natural monuments that Georgia takes great pride in - were under the control of a single group for decades. At the helm of this group were former and current high-ranking officials of the ruling Georgian Dream government: Valerian Mchedlidze, the former chairman of the Protected Areas Agency, and Mamuka Merkviladze, who was recently appointed as the head of the Georgian interests section in Russia. Mtis Ambebi has investigated the process by which this group ultimately gained control of territories that had been protected for 20, 35, and 40 years, revealing that the decisions were made during Valerian Mchedlidze's chairmanship. Following his resignation, Mchedlidze and his family members acquired significant shares, some of which were purchased at symbolic and preferential prices. Valerian Mchedlidze paid money to some companies, as indicated by his property declaration, which he should not have. Despite this corruption scheme, Mchedlidze is now in charge of the largest project financed by the German state for the development of protected areas in Georgia, with a budget exceeding 16 million euros.

Valerian Mchedlidze was appointed as the Chairman of the Protected Areas Agency in May 2018. Mchedlidze was a member of the staff of the then Minister of Environmental Protection, Levan Davitashvili, and a person in whom he placed his trust. Prior to this appointment, Mchedlidze served as the head of the amelioration department at the Ministry of Agriculture, when Davitashvili was the Minister of Agriculture.

In May 2021, Valerian Mchedlidze was appointed as the governor of Shida Kartli, where he served for one year. On May 19, 2022, he was hired as a coordinator in the Department of Environmental Supervision, receiving a salary of more than 17,000 GEL over five months. Mchedlidze has not been in public service since 2023, marking the beginning of his era of ascent.

Mchedlidze and companies

As of today, Valerian Mchedlidze owns shares in 7 companies, while his mother, Ani Giunashvili, owns shares in three more, and his wife, Sopo Nadiradze, owns shares in two additional companies.

After leaving public service, Mchedlidze received shares in two companies. In the largest one, he purchased a 50% share for 100 GEL. In exchange for shares in three other companies, he and his partner paid 2 170 000 GEL. According to property declarations, Mchedlidze should not have even a part of this amount. In February 2023, he and his wife had a total of 34 853 GEL, including savings. Mchedlidze's mother, Ani Giunashvili, acquired shares in 2 companies and paid 80 thousand GEL for shares in a third company. Ani Giunashvili is an ordinary employee at Gori Central Hospital Gormedi.

Balda Canyon - Canyon 350 LLC and Mchedlidze's mother.

For the past five months, residents in Martvili, in the village of Meore Balda, have been engaged in a continuous protest. The protest is against the decision of the Protected Areas Agency to lease Balda Canyon to a private company for 40 years, without informing the public and without conducting a biodiversity impact assessment. The company that now owns the canyon has fenced it off and prohibited even locals from entering. To preserve the natural monument in its original state, the residents have halted the construction of concrete paths, bridges, and the "roller" attraction, which the company was carrying out under police protection.

> **The decision by the Agency of Protected Areas to lease Balda Canyon was made suspiciously quickly, in an accelerated manner.**

According to documents requested from the agency by Mtis Ambebi, proceedings began in August 2022 based on a statement from Irakli Kakalia, director of M and S Group LLC.

> **The agency tasked the private appraisal contractor company ACD with appraising the land plots in Balda Canyon before informing the Ministry and the State Property Agency of its intention to lease the area and before receiving approval or refusal from these agencies.**

Based on the prices listed on myhome.ge, the audit estimated the value of a 1 sq m plot of land within the natural monument's territory at 5.51 GEL. **Mtis Ambebi learned that the audit used land plots in the villages of Tsikverkve and Abedati in the Saelio district of Martvili as a comparable object when evaluating the land plot. These villages are approximately 10, 19, and 21 kilometers from Balda Canyon, none of which have the status of a natural monument or the unique value that makes Balda Canyon special.**

On October 20, the chairman of the agency issued an order to lease 24 130 square meters of land in Balda Canyon and to organize a tourist infrastructure there (a visitor center, a 350-meter-long hiking and hanging trail with bridges and overlooks, and a roller attraction of the same length). The auction was announced on November 5.

Three days later, on November 8, Giorgi Merkviladze registered Canyon 350 LLC, the sole participant in the auction. On November 15, he was declared the winner. The company was obligated to pay only 6% of the annual total revenue from Balda Canyon.

The agency signed the contract with Canyon 350 LLC on November 29. Exactly one month later, on December 29 of the same year, Giorgi Merkviladze transferred 40% of the shares to Ani Giunashvili, and 5% each to Levan Tsitskishvili and Ketevan Mostanelidze.

- **Ani Giunashvili** is the mother of Valerian Mchedlidze, the former chairman of the Protected Areas Agency.
- **Levan Tsitskishvili** works as a senior project coordinator at KFW (German Bank for Reconstruction and Development), according to information published on LinkedIn.
- **Ketevan Motsonelidze** is the sister of Ani Motsonelidze, who is the wife of Johnny Kapanadze, the chairman of the Adventure Tourism Development Association.

Giorgi Merkviladze did not answer the question from Mtis Ambebi about why he gifted his share to Ani Giunashvili, Levan Tsitskishvili, and Ketevan Motsonelidze after winning the Balda Canyon auction.

On January 23, 2023, Giorgi Merkviladze gave **Mamuka Merkviladze**, who is the vice-president of the Georgian diaspora in Russia, 35% of the remaining 50% share in Canyon 350 LLC. Additionally, Mamuka Merkviladze heads the fully Russian public organization - Federal Georgian National-Cultural Autonomy in Russia and has close relations with the Russian authorities. In 2021, Mamuka Merkviladze participated in a meeting held in Moscow on the initiative of his own organization, where issues related to the renewal of air traffic between Georgia and Russia and visa-free traffic were discussed. Mamuka Merkviladze's wife, Tamar Dudunia, is a doctor and singer who was educated with funding from Putin's administration. Dudunia, who won a vocal competition, was presented with the prize by the Defense Minister of Russia, Sergei Shoigu. Recently, the Prime Minister of Georgia, Irakli Kobakhidze, appointed Mamuka Merkviladze as the head of the Georgian interests section at the Swiss Embassy in Russia.

We asked Giorgi Merkviladze about his relationship with Mamuka Merkviladze.

Giorgi Merkviladze: He is my brother.

Mountain News: Are you a biological siblings?

Giorgi Merkviladze: No, he is my cousin, but we are brothers.

Giorgi Merkviladze has a close, friendly, and business relationship with Irakli Kakalia, the director of M and S Group LLC. It was Kakalia who applied to the Agency of Protected Areas with the request to lease Balda Canyon. **In November 2021, Merkviladze and Kakalia were together in Russian-occupied Abkhazia, specifically in the city of Sukhumi.** Photographs published on Giorgi Merkviladze's Facebook page and information obtained from individuals associated with him indicate that Merkviladze was in occupied Abkhazia in May 2022 (Ritsa), July, and December (Ritsa). On January 2, 2023, the de facto Ministry of Tourism of occupied Abkhazia opened a zipline attraction in the Ritsi protected area, a project they had been working on for 2 years.

Giorgi Merkviladze is a citizen of Georgia and is registered at Ivan Turgenev Street No. 4 in the city of Tbilisi. He organizes zipline, roller, and other attractions in protected areas and earns money from them.

According to current legislation, a citizen of Georgia can only enter occupied Abkhazia from Zugdidi municipality. In such a case, Merkviladze should have a security guarantee from occupied Abkhazia, and his transfer and release should have been agreed upon with the State Security Service of Georgia. **If Merkviladze entered Abkhazia from Russia or engaged in any economic activity in the occupied territory, he violated the law, and the Ministry of Internal Affairs of Georgia should have initiated an investigation against him.**

Giorgi Merkviladze left unanswered the questions of Mtis Ambebi, how and from where he moved to the territory of occupied Abkhazia; He had the permission of the de facto government or consent from the occupying country; With whose permission he participated in the arrangement of the zipline in Ritsa. "I have not violated any law with my activities, including staying in temporarily occupied Abkhazia," Merkviladze wrote to us.



Mtis Ambebi also submitted a written request to the Internal Affairs Ministry and the State Security Service to clarify whether an investigation has been initiated regarding the potential violation of legal requirements by Giorgi Merkviladze and Irakli Kakalia. None of the agencies provided us with any information.

Protected Areas Development Fund - Mchedlidze's wife and father and son Ghviniashvili

It is evident from the documents acquired by Mtis Ambebi that there was an early interest in profit-making in Balda Canyon as of 2021. Extremeline LLC commissioned a hydrological survey and engineering geological assessment from K.M.B Group LLC. In February 2022, the Georgian Protected Areas Development Fund NNLE announced a tender for the preparation of project documentation for the construction of a circular path and the so-called roller attraction in Balda Canyon.

Until 2019, the Georgian Protected Areas Development Fund existed under the name of Kolkheti Protected Areas Development Fund. The founders of the fund are the Environment Protection and Natural Resources Ministry of Georgia and Black Sea Terminal LLC. The fund was established in 2009 for the purpose of developing Kolkheti National Park.

The Fund is coordinated by the Agency of Protected Areas, and the director is appointed jointly by the Minister and Black Sea Terminal.

> **After Valerian Mchedlidze became the chairman of the Agency of Protected Areas, Paata Ghviniashvili was appointed as the director of the fund three months later, on September 6, 2018. On May 18, 2021, before Mchedlidze was transferred to Shida Kartli governor, Nika Ghvinishvili took the position of director of the fund. Paata and Nika Ghviniashvili are father and son.**

Both are registered at the same address, in the village of Ruisi, Kareli. **Paata Ghviniashvili is the cousin of Giorgi (Gela) Khanishvili, the former environment protection and agriculture deputy minister.** Giorgi Khanishvili served as the deputy minister from 2017 to 2022.

Giorgi Khanishvili: Paata Ghviniashvili is my relative, and his official career is based on his knowledge and experience.

Mtis Ambebi: Following his father's footsteps, is his son's appointment as director also based on knowledge and experience? Are not there any other qualified candidates besides the father and son?

Giorgi Khanishvili: Yes, many people with expertise work successfully. He was definitely appointed without my influence.

> **Valerian Mchedlidze's wife, Sopo Nadiradze, has been working as an administrator in this fund since June 11, 2020. Nika Ghviniashvili and Sopo Nadiradze own shares (34-33%) in NJS promete LLC. The company was registered in 2022, and since March 2023, it has leased 1039 square meters of land near Prometheus Cave in Tskaltubo municipality for 10 years.**

Okatse Canyon - 220 LLC and Mchedlidze's mother

Balda Canyon is not the only natural monument that Mchedlidze and his accomplices have taken possession of to make money.

The Agency of Protected Areas quickly completed the process of transferring Okatse Canyon to the newly founded company. 220 LLC was registered on June 24, 2020. In two months, the company received 42 272 sq m for 35 years in the village of Gordi, Khoni municipality, at the Okatse Canyon natural monument, on the condition of providing tourist services, arranging footpaths, 4 viewpoints, 3 amusement rides, parking, and a zipline there. The local population was unaware of this situation as well; they learned everything after the fact.

A standard entrance ticket to Okatse Canyon costs 17.25 GEL. The Agency of Protected Areas obliged the company to pay 9% of the annual turnover only for the provision of tourist services in the budget. At the time of making this decision, the chairman of the agency was

Valerian Mchedlidze.

The sole founder and owner of 220 LLC, Nodar Chilingarashvili, fully transferred the shares on March 13, 2023, giving 80% to Mamuka Merkviladze and 20% to Ani Gunashvili. In the document, the purchase price of the 80% share is estimated at 320,000 GEL, and the 20% share at 80,000 GEL. The sole ruler of the company is Giorgi Merkviladze.

We asked Ani Giunashvili why she was given 40% in Kanyoni 350 LLC and where the ordinary employee of Gori Central Hospital got 80 thousand GEL to buy a share in 220 LLC.

Ani Giunashvili: No one gives me anything as a gift.

Mtis Ambebi: According to the document, a share in a company related to Balda Canyon was given as a gift.

Ani Giunashvili: Absolutely nobody gives me anything as a gift.

Mtis Ambebi: Regarding what you have shown to be paid, in the case of Okatse Canyon, with what income do you justify it?

After that, Ani Giunashvili refused to have a telephone interview and a meeting with us.

Ani Giunashvili and Valerian Mchedlidze are registered at the same address - 39 Petriashvili Street, Gori city. While working as the governor of Shida Kartli, from June 1, 2021, to May 20, 2022, Mchedlidze mostly lived with his mother in a private house located at this address. This was also confirmed by the neighbors; **however, in neither the property declarations of 2021 nor 2022 does Mchedlidze indicate his mother as a family member or disclose information about his income.**

The Protected Areas Agency has leased another plot of land - 12 412 square meters for 20 years - for the construction of a zipline attraction in the territory of the Okatse Waterfall Natural Monument. The director of Zipin Kinchkha LLC and the owner of a 22.5% share is again Giorgi Merkviladze. The agency made this decision on April 12, 2019, when Valerian Mchedlidze was the chairman. The company was required to pay only 6% of the annual combined income.

Visitor 1 LLC and monopoly on protected areas

Visitor 1 LLC is one of the largest and most profitable companies co-owned by Valerian Mchedlidze, Giorgi, and Mamuka Merkviladze. Visitor 1 owns two companies - Guru LLC and Extremeline LLC.

> **Guru has been selling electronic tickets in six protected areas - Martvili and Okatse Canyons, Sataplia Nature Reserve, Navenakhevi and Prometheus Caves, and Kinchkha Waterfall - since April 1, 2019. The company received this exclusive right for 10 years when Valerian Mchedlidze was the chairman of the Protected Areas Agency.**

Martvili Canyon, Prometheus Cave, and Sataplia are among the top three in terms of the number of visitors last year, with Okatse Canyon in sixth place. Mtis Ambebi calculated the data provided by the Agency of Protected Areas, which showed that last year, a total of 485,207 visitors visited these four natural monuments. The cost of a standard entrance ticket to Martvili Canyon was 17.25 GEL, and to Prometheus Cave, it was 23 GEL. The tourist income from Martvili and Okatse natural monuments and the protected areas of Imereti caves amounted to 8 895 946 GEL. According to the contract, Guru is allowed to make a markup on the fixed price of the tickets, not exceeding 15%. The Agency of Protected Areas considers the amount of money remaining from the sale of Guru tickets as commercial, non-public information, although it is approximately 1.5 million annually.

> **Extremeline LLC also benefited from the Protected Areas Agency when Valerian Mchedlidze was the chairman**

The company was registered on January 30, 2020, three days after the Chairman of the Protected Areas Agency issued an order to announce an auction for the construction of a zipline attraction in Martvili Canyon. Extremeline was the only participant in the auction and became the winner. He has been given a 2441 sq m plot of land in Martvili Canyon for 20 years. The company has to pay only 6% of the total revenue from the operation of the attraction to the Protected Areas Agency. The zipline ticket price is 60-70 GEL.

Visitor 1 LLC acquired Guru and Extremeline companies on the same day, December 21, 2023. According to the purchase agreement, 950 thousand GEL was paid to Guru; however, the company had an income of only 1.5 million GEL last year. Officially, 950 thousand GEL has also been paid to Extremeline LLC.

Where the newly established Visitor 1 (registered on November 24, 2023) did acquire 1.9 million GEL to purchase Guru and Extremeline, given that half of this amount was supposed to be paid to Valerian Mchedlidze, as he originally owned 50% of Visitor 1. Despite several attempts, communication with Mchedlidze has been unsuccessful. He does not respond to phone calls, text messages, or attempts to contact him through mutual acquaintances. According to property declarations, he could not have legally possessed that much money. We asked his partner, Temur Kvikvinia, at the time of the purchase of the share of Visitor 1 if he had paid the entire amount. Kvikvinia indicated that the money was paid by those who were listed in the latest statement. The latest statement of Visitor 1 LLC is dated

December 26, 2023. Following the distribution of shares among the partners, Mamuka Merkviladze became the owner of 33%, Giorgi Merkviladze of 10%, and Valerian Mchedlidze retained 21%.

Promete 250 LLC

Giorgi and Mamuka Merkviladze founded Promete 250 LLC on April 18, 2023, the same day the Agency for Protected Areas announced an auction for the construction of a "roller" attraction on the territory of Prometheus Cave in Tskaltubo Municipality. In this instance, the competition had only one participant, who subsequently became the winner. The company is required to organize the attraction within two years. The agreement is valid for 20 years, and Promete 250 LLC is obligated to pay only 6% of the income derived from the provision of tourist services to the Agency of Protected Areas.

> **Two weeks after obtaining the right to provide tourist services in the Prometheus Cave, Giorgi Merkviladze transferred 35% of his 65% share to Valerian Mchedlidze, 5% to Avtandil Mchedlidze (former director of the Algeti National Park Administration), 5% to Nika Ghviniashvili (Director of NNLE Georgian Protected Areas Development Fund), and the same amount to Vazha Bibichadze. Giorgi Merkviladze remains the director of the company.**

Mtis Ambebi studied 45 contracts signed by the agency for providing tourist services and leasing property in protected areas. The initial auction value is determined by the government. Until 2016, this fee could not be less than 10% of the annual turnover from tourism services, but the government reduced it to 5%. Following this change, the agency has concluded 19 contracts where the fee is determined as a percentage of the annual turnover.

> **In auctions involving companies related to Mchedlidze, contracts were signed at 6%, with only one exception at 9%. Contracts with other individuals range from 9% to 30% in terms of the amount to be paid.**

Dashbashi LLC

On January 21, 2021, Ani Giunashvili, Valerian Lazaraia, and Sandro Sosiashvili, the mother of Valerian Mchedlidze, founded Dashbash LLC. The shares are divided equally. Dashbashi is a village in Tsalka District and is renowned for Tsalka Canyon, which received 65,943 visitors in 2023 alone, according to official data.

Three hundred meters from Tsalka Canyon lies a 5500 square meter plot of land that became the property of Dashbashi LLC after the state changed its purpose on March 04, 2020. Originally designated for agricultural use, it was reclassified as non-agricultural. In

November of the same year, it was sold through an unconditional auction. The buyer was Sandro Sosiashvili, one of the founders of Dashbashii LLC. On January 21, 2021, Sandro Sosiashvili signed a purchase agreement with Ani Giunashvili and Valerian Lazaraia, transferring ownership of the plot to them.

Mtsvane Kapani and Mchedlidze's father-in-law

Mtsvane Kapani LLC was registered on November 2, 2021, with Tamar Chaduneli as the owner of 100% of the shares. Three months after its establishment, Tamar Chaduneli transferred 50% of Mtsvane Kapani to Giorgi Nadiradze, born in 1958 and residing at Dusheti 5, Gori, free of charge. Chaduneli explained his personal decision in the meeting minutes as follows: "Since the LLC requires Giorgi Nadiradze's intellectual work, the share of this intellectual value should be defined as ownership of 50%." Giorgi Nadiradze is the father-in-law of Valerian Mchedlidze, the former chairman of the Protected Areas Agency.

> **On December 26, 2022, Giorgi Nadiradze transferred the 50% ownership stake, previously received free of charge from Tamar Chaduneli under the pretext of intellectual work, to his son-in-law, Valerian Mchedlidze. Mchedlidze had already vacated the position of Shida Kartli governor at that time.**

On May 2, 2023, Tamar Chaduneli transferred her 50% share to Joni Kapanadze free of charge. Currently, the owners of Mtsvane Kapani LLC are Joni Kapanadze and Valerian Mchedlidze.

This is not the only company where shares are shared by Valerian Mchedlidze and Joni Kapanadze.

Valerian Mchedlidze and Joni Kapanadze

Valerian Mchedlidze owns 34% of the shares in **Walnut LLC**, while Joni Kapanadze owns 33%. They purchased these shares from the sole founder of the company, Avtandil Maisuradze, on April 5, 2023. Mchedlidze paid 270 thousand GEL, and Kapanadze paid 265 thousand GEL for their respective stakes. The director of Walnut and the owner of 33% is Avtandil Maisuradze, a former investigator of Gori police. Walnut owns plots of land and real estate in the village of Ruisi in Kareli, and on Valentin Topuridze Street in Tbilisi. Together with Valerian Mchedlidze, Avtandil Maisuradze owns a 5% share in Visitor 1 LLC.

T&D LLC won the auction announced by the Agency of Protected Areas on December 26, 2022, and was awarded an 828 sq.m plot of land near the Martvili Canyon and the Okatse (Kinchkha) waterfall. The company is required to build public catering facilities on the land within 2 years. It has to pay only 2000 GEL per year to the agency. Davit Kokaia was the

sole owner of T&D. On April 3, 2023, he gave 35% of the shares to Valerian Mchedlidze and 15% to Joni Kapanadze. Davit Kokaia told Mtis Ambebi that he has been friends with Valerian Mchedlidze for a long time.

Joni Kapanadze's business partner in another company is Valerian Mchedlidze's wife, Sopo Nadiradze. **Geo Free LLC** was founded by Avtandil Maisuradze in April 2023. In October of the same year, he gave 60% of the shares to Sopo Nadiradze, 20% to Joni Kapanadze, and an equal amount to his wife, Ana Mosiashvili.

Environmental Justice Programme Coordinator of Green Alternative Nino Gujaraidze, says that acquiring shares at a symbolic price, or receiving shares in such companies, is a clear indicator that there is likely corruption.

> **"It is evident that during this individual's tenure, property related to Valerian Mchedlidze's activities came into the possession of his mother, his closest relative. In essence, he utilized insider information to enrich himself or a close relative.**

Unfortunately, a considerable amount of time has elapsed since this individual departed from public service and effectively transitioned to the business he previously regulated. Yet, no one has shown any interest in his activities until now," says Gujaraidze.

Mchedlidze and Joni Kapanadze's organization with an income of 18 million in two years

Joni Kapanadze is the chairman of the Adventure Tourism Development Association, an organization closely associated with the Agency of Protected Areas. In a span of just two years, from March 2020 to March 2022, the association received more than 18 million GEL from the agency's tenders for the construction of hiking trails and tourist infrastructure.

> **In the first three of the agency's nine tenders, Joni Kapanadze's organization was declared the winner due to the disqualification of other participants.**

Despite the fact that his tender offers were always much higher than those of his competitors, and initially, his organization had no experience in similar work.

> **He was already the only participant in the next six highest-budget tenders and had no competitors.**

The Georgian Ecotourism Association is also involved in similar activities, such as organizing ecotourism footpaths, and infrastructure, and conducting relevant research. However, **in 2021, at the request of Valerian Mchedlidze, the Chairman of the Protected Territories Agency, the State Procurement Agency blacklisted the Ecotourism Association.** As a result, it was prohibited from participating in tenders and signing agreements with state organizations for one year.

The Agency of Protected Areas argued with the Ecotourism Association that it did not submit the research and complete project costing documentation in a complete, usable form for the study of the possibilities of arranging footpaths in the protected areas of Lagodekhi and Mtirala. Because of this, the Agency did not pay 28 thousand GEL to the Ecotourism Association. According to the agency, it was forced to incur additional costs and sign a contract with Trail Construction LLC to perform the same work again.

The ecotourism association appealed to the court demanding payment of 28 thousand GEL and won the case. The court considered that there was no improper performance on the part of the plaintiff.

> **In his decision, the judge pointed out that the contracts presented by the Agency of Protected Areas, which transferred the obligation to perform these works to another company, raised suspicion for the plaintiff. It was regrettable that he was deliberately not compensated for the cost of the services rendered, and there was an interest on the part of certain persons.**

The Protected Areas Agency has appealed the court's decision to a higher instance and requested its cancellation. The leaders of the Ecotourism Association have not commented on this case.

Since May 2022, after Valerian Mchedlidze stepped down as chairman of the Agency of Protected Areas and as governor, the Adventure Tourism Development Association has participated in two tenders of the agency. In both cases, it had a number of competitors. Joni Kapanadze's organization requested 1 440 000 GEL for the preparation of general plans for the sustainable development of ecotourism for national parks. GeoNatural Corporation LLC expressed its willingness to perform the same work for 898 800 GEL, half a million cheaper, and became the winner of the tender. After the last two failures, Kapanadze stopped participating in agency tenders on behalf of his organization.

Trail Construction: Collusive Competition

Trail Construction LLC is associated with Joni Kapanadze. The company was registered in 2020, and its sole owner is Tornike Mosiashvili, a friend of Kapanadze.

> **From 2021 to 2024, he has won 8 tenders from the Agency of Protected Areas, totaling 27,826,177 GEL. In six out of eight tenders, Trail Construction had no competitors, and in two, it became the winner due to the disqualification of another company.**

In 2020, Kapanadze's and Mosiashvili's organizations were formally competitors in one of the tenders of the Agency of Protected Areas. This tender involved the arrangement of hiking trails and small tourist infrastructure in the territory of Abastumani township in the Borjomi-

Kharagauli National Park. The Adventure Tourism Development Association offered 1,970,000 GEL as a tender amount, while Trail Construction offered 20,000 GEL more. This was the first time these companies participated in a tender of the Agency of Protected Areas with a value exceeding 1 million GEL.

The winner was Johnny Kapanadze's organization. After winning the tender, Kapanadze signed a subcontract with his friend Tornike Mosiashvili's company and paid him 1,804,050 GEL for all the work. The Adventure Tourism Development Association has almost 166,000 GEL remaining from the state.

In 2021, when the Adventure Tourism Development Association won 5 consecutive tenders from the Protected Areas Agency in one summer month and had no more resources to fulfill all obligations personally, it signed a subcontract with Trail Construction LLC. According to the documents, Trail Construction performed the works on the network of footpaths and small infrastructure in the Mariamjvari Nature Reserve, for which it received 1 277 997 GEL from the association. Approximately 109,000 GEL remained for Joni Kapanadze's organization.

> **From March to July 2021, Trail Construction LLC participated in 7 tenders announced by the Agency of Protected Areas and won all of them. The Adventure Tourism Development Association was not a competitor in any of these tenders.**

After Valerian Mchedlidze left his position, Trail Construction, like the Adventure Tourism Development Association, did not participate in the agency's tenders for almost two years. A few weeks ago, in February 2024, he won the agency's tender for organizing a network of hiking trails, tourist-recreational, and administrative infrastructure in the Tbilisi National Park (Sabaduri and Zedazeni districts). The tender budget is 7,200 000 GEL. He had no rival in this competition either.

Lawyer Vladimer Kutateladze, who studied the tender documentation of Kapanadze and Mosiashvili's organizations, believes that when considering these cases, there are signs of a possible criminal offense. In particular, concerted action by companies, which effectively excludes competition, leads to an increase in the prices of purchased goods/services and causes significant damage to the state.

"Trail Construction simultaneously fulfilled several roles: it would participate in tenders to create an appearance of competition and fix prices when necessary; it would directly undertake all the work that Kapanadze's company was supposed to do, thereby generating profit for itself and ensuring a steady income for Kapanadze; it would assist Kapanadze's company in accumulating experience to fabricate the appearance of victory in larger tenders; with Kapanadze's agreement and support, it would independently participate in other tenders, without posing additional

competition for him," - According to the lawyer's assessment, the actions of the officials who were aware of the aforementioned activities, directly participated, and received benefits, or in any way contributed to the commission of a possible crime, constitute a potential criminal offense.

Joni Kapanadze claims to be an "incomparable expert" in the development of mountain hiking trails in Georgia, which is why he has participated in many projects.

Joni Kapanadze: "Beyond public information, I am not going to give or say anything because I simply have no obligation to do so. How and why I became Mchedlidze's partner, I am not obliged to inform you. ...Listen, I'm a psychotherapist, and now don't manipulate me like a journalist does. I tell you that I will not answer you, I am not obliged in any way.

Mtis Ambebi: How do you explain that sometimes you and Trail Construction are pretending to be each other's competitors, and then you do each other's work?

Joni Kapanadze: I can't do everything at the same time, the construction of trails and infrastructure.

Mtis Ambebi: Is that why you were registered to be competitors so that the tender amount would not be reduced?

Joni Kapanadze: Look at the tenders website, is it there? No matter how many questions you ask me, I will still continue my monologue. I will not answer you."

Mtis Ambebi continues to work on this topic.

Authors: **Gela Mtivlishvili, Vladimir Kutateladze, Kristine Katamadze.**