

Some progress was made in the area of **anti-corruption policy**.

Amendments to the Law on the *Financing of Political Parties* were adopted, which give the State Audit Office (SAO) a leading role in the supervision of political financing. Efforts are still needed in practice to ensure that the SAO takes a proactive approach in investigation and enforcement, as well as to ensure the mandatory auditing of political parties' annual reports and the effective application of sanctions for violations of the financing rules, in line with GRECO recommendations. The Law on the Prevention of Conflicts of Interest was amended and a bylaw adopted which set out the procedure for checking declarations made by elected and appointed public officials. The Criminal Code still needs to be amended in order to abolish the possibility for courts to return the bribe to a bribe-giver who has declared the offence before it is uncovered.

The State Commission for the Prevention of Corruption (SCPC) adopted State Programmes for Prevention and Repression of Corruption and for Prevention and Reduction of Conflict of Interest, along with a corresponding Action Plan for 2011-15, providing for anti-corruption measures in 11 corruption-prone areas which include the financing of political parties, **public procurement**, health and social services, customs, the mass media and the judiciary. These programmes have not, however, been adopted or endorsed at government level, which may detract from their visibility and impact.

The **administrative capacity** of bodies tasked with combating corruption improved slightly, with the SCPC gaining one new recruit and the Ministry of the Interior's Sector for Internal Control and Professional Standards gaining 11. The Anti-Corruption Unit of the Centre for Suppression of Serious and Organised Crime is still operating at only 65% of capacity (11 out of 17 posts are filled). In 2012, the SCPC's budget was increased by around 5% and it also procured new IT equipment.

In 2011, the SCPC received 267 complaints of corruption (40% less than in 2010), and filed 10 requests with the Public Prosecutor's Office (PPO) to initiate criminal proceedings for abuse of an official position. Following the 2011 election, the SCPC initiated misdemeanour proceedings against four election campaign organisers for failure to submit financial reports and three initiatives for criminal investigation of illegal campaign financing.

There were 125 convictions for corruption-related offences in 2011 and 74 in the first six months of 2012. Bribery offences account for less than 10% of convictions, while the majority still relate to abuse of public office. Stricter sentences for corruption-related offences were imposed by the courts in comparison with 2010. However, orders for the seizure and confiscation of assets remain exceptional. The Criminal Code provisions on extended confiscation, illicit enrichment and criminal liability of legal persons have yet to be put into practice. Special investigative measures are rarely used to detect and investigate corruption offences. Decisions by public prosecutors not to indict are still not reviewed by the courts. SCPC and SAO requests to the PPO to start criminal investigations do not result in convictions, indicating that the effectiveness of the existing referral mechanisms needs to be improved. Inadequate statistical data-gathering and sharing between different enforcement and prevention bodies hampers the identification of problem areas.

The general capacity of the courts to deal with corruption cases, in particular high-level ones, needs to be improved. Only a handful of high-level corruption cases have been prosecuted, and almost all of them remain in the court system after many years, having been returned for

retrial following appeals, due to inadequate examination of evidence by the first instance court.

The Sector for Internal Control and Professional Standards in the Ministry of the Interior initiated 15 criminal proceedings for corruption related offences in 2011. The majority of charges concerned abuse of official position. The Sector initiated 530 **disciplinary procedures** in 2011 (compared to 556 in 2010). The Customs Administration strengthened its internal control system. In 2011, 42 disciplinary procedures were initiated against customs officers (compared to 21 in 2010). In 26 cases, disciplinary measures were applied and in 5 cases, criminal charges were brought (compared to 1 case in 2010).

As regards **corruption prevention activities**, the SCPC continued to conduct random checks of asset declarations. Following checks carried out in 2011, the SCPC submitted 48 requests to the Public Revenue Office to initiate property examination procedures. As a result, 10 elected and appointed officials were charged the 70% tax rate on their undeclared income. In 2011, the SCPC received 425 statements of interest. It dealt with 128 cases of possible conflict of interest, confirmed conflicts in 37 cases and issued a public warning in 8. The effectiveness of the new implementing legislation on systematic verification remains to be seen.

The Law on Free **Access to Public Information** remains deficient. The exceptions to access to public information are vaguely worded, leaving scope for arbitrary interpretation. The sanctions set out in the law are unclear and are not applied in practice. Political parties are excluded from the list of holders of information.

In 2011, the Academy for Training of Judges and Prosecutors carried out 15 **training activities** for 353 participants on combating corruption and conflicts of interest. Intensive training on the new Law on Criminal Procedure continued for judges and prosecutors.