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NOTE VERBALE

The Permanent Mission of the Republic of Macedonia to the International Organizations in Vienna presents its compliments to the UNODC, Crime Conventions Section, Division of Treaty Affairs, and has the honor to enclose herewith the information from the Ministry of Interior of the Republic of Macedonia regarding the best practices in respect of the United Nations Convention against Corruption.

The Permanent Mission of the Republic of Macedonia to the International Organizations in Vienna avails itself of this opportunity to renew to the UNODC the assurances of its highest consideration.



Vienna, 03 December 2007

Crime Conventions Section
Division for Treaty Affairs
UNODC
VIENNA

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The Ministry of the Interior of the Republic of Macedonia would like to submit the following information in respect of best practices in respect of the UN Convention for Fight against Corruption.

The main feature of the measures taken to detect and prevent **organized forms of crime in the course of 2006 and 2007** stem from the investigations into cases of malfeasance and misfeasance, coupled with elements of corruptive behaviour of the perpetrators in the course of denationalization of state-owned property, granting ownership rights or construction rights on the state-owned sites (the so called "construction mafia" cases), then from investigations into cases of fraud and abuse in the process of buying real estate and selling army weapons, and from investigations into cases of money laundering deriving from pyramidal tax evasion schemes and illegal damage compensations. All these incriminations have caused the state material damage of more than 1.6 billion denars.

The amendments to the Law on Criminal Procedure and the possibility for enforcement of special investigation measures (in addition to interception of communications) envisaged in Articles 142-6, 142-v, as well as the provisions facilitating use of evidence gathered through the application of such measures as valid evidence in court have greatly contributed to a more successful fight against organized crime and corruption, and especially to catching perpetrators while they are committing criminal offences. The efficiency of the police services in detecting this type of criminal offences is expected to improve in the forthcoming period, with the use of measures for interception of communications.

In this context, it is necessary to emphasize the cooperation with the State Commission for Prevention of Corruption, after the adoption of the Law on Prevention of Corruption. This cooperation has also contributed to achieving progress in the fight against organized crime and corruption.

Certain High Profile Completed Cases

1. In the course of 2006, the Organized Crime Department started an investigation under suspicion of illegal payment of budgeted funds in the amount of 720.000 EURO in respect of damage compensation. Part of this amount, which was illegally paid out from the State Budget, has been used for gaining additional material proceeds by committing additional criminal offences.

Concerning this case, at the end of 2006, criminal charges were raised against 24 suspects, while at the beginning of 2007 another 6 involved persons were criminally charged with "Money laundering and other criminal proceeds", "Abuse of official position and authorization", "Fraud", and "Illegal mediation".

The following predicate criminal offenses are related to the criminal offense of "Money laundering": "Abuse of official position and authorization", "Fraud", and other criminal offences. Persons of different profiles are involved in such

cases (notaries public, lawyers, former judges, officials from the Cadastre Office, from the Denationalization Commission, etc.).

In this case, a first-instance verdict was brought sentencing 23 perpetrators to more than a 53-year imprisonment. (The convicted persons include a former deputy-minister, former director of the Cadastre Office, lawyers, notaries public, members of the Government Second Instance Commission for Denationalization, etc.).

Upon a proposal by the Department for prosecution of perpetrators of crimes in the area of organized crime at the Public Prosecutor's Office for provisional measures to secure the property, i.e. to freeze the bank accounts, as well as upon the proposal for seizing money kept in strongboxes, the relevant court adopted the proposed measures. Upon orders by an investigative judge, an amount of 1.000.000 EURO was frozen.

2. Based on the evidence ensured by the application of special investigation measures, coordinated measures and activities were undertaken, and on 24 February 2007 **three criminal charges** against **44 persons** (out of whom 11 customs officers, 28 police officers and 5 catering workers) have been brought with the Public Prosecutor's Office of the Republic of Macedonia – Department for prosecution of perpetrators of crimes in the area of organized crime and corruption, on grounds of reasonable suspicion that they had committed criminal offences "receiving a bribe" under Article 357, paragraph 1 and 2 of the Criminal Code of the Republic of Macedonia, and "facilitating", under Article 24 of the Criminal Code of the Republic of Macedonia related to the criminal offence "receiving a bribe".

3. **Criminal charges** were raised with the Basic Prosecutor's Office - Skopje for the crime of "**receiving a bribe**", under **Article 357, paragraph 1** of the Criminal Code of the Republic of Macedonia, against a police officer at the Ministry of the Interior of the Republic of Macedonia, who asked for and took an amount of **400 EURO** from a person from Skopje so that the police officer, within his official competences, could prepare Minutes of an investigation, carried out at the scene of the crime, containing false data.

4. **Criminal charges** have been brought on grounds of reasonable suspicion that the crime of "**receiving a bribe**" under Article 357, paragraph 2 of the Criminal Code of the Republic of Macedonia, was committed by the Director of the Lung Diseases and Allergies Clinic at the Public Health Institute, Clinical Center-Skopje. The Director, in order to gain unlawful material profit, on two occasions asked for and took money in the total sum of 67.000.00 denars from a person from Struga for performing official duties that he was obliged to perform. Aiming at detecting and completing this case, the following special investigation measure was applied "**Secret surveillance, following and visual-audio monitoring of persons and objects with technical equipment**", under Article 142-6, paragraph 1, sub-paragraph 3 of the Law on Criminal Procedure.

5. **Criminal charges** were brought with the Public Prosecutor's Office of the Republic of Macedonia – Department for prosecution of perpetrators of crimes in the area of organized crime and corruption, for the committed criminal offence "**receiving a bribe**", Article 357, paragraph 2 of the Criminal Code of the Republic of Macedonia, against a person from Skopje, working as the Head of Unit for Road Infrastructure at the Ministry of Transport and Communications, who in the capacity of a civil servant (a person performing a job of public interest), aiming at gaining unlawful material profit, asked for money in the amount of 10,000 EURO, but got an amount of 9.000 EURO from a person from Skopje. The person took the bribe in order to carry out official duties, which he was obliged to carry out, i.e. to prepare traffic license for permanent change of the traffic regime for a petrol station, near the highway M-1 (E 75), the Skopje-Veles Section, near the Kadino Bridge. In the investigation, special investigation measures were applied in regard to this charged person, such as, "**Secret surveillance, following and visual-audio monitoring of persons and objects with technical equipment**" and, "**Simulated purchasing of items, as well as simulated giving a bribe and simulated receiving a bribe**", under Article 142-6, paragraph 1, subparagraphs 3 and 4 of the **Law on Criminal Procedure**.

6. **Criminal charges** were raised with the Public Prosecutor's Office of the Republic of Macedonia – Department for prosecution of perpetrators of crimes in the area of organized crime and corruption, for the committed criminal offence "**receiving a bribe**", under Article 357, paragraph 2 of the Criminal Code of the Republic of Macedonia, against the Head of Unit at the Women's Ward of Abdominal Surgery, at the Abdominal Surgery Department, at the "Sveti Naum"-Skopje - Special Clinic for Surgical Diseases. Aiming at gaining profit the charged person asked for and took money in the amount of 200 EURO to carry out a surgical intervention – hernia surgery on a patient from Skopje. After the Sector for Financial Crime reported the case, planned measures and activities were undertaken, when a bodily search was carried out and two banknotes of 100 EURO each were found, which were taken, upon which a receipt for the provisionally impounded items was issued.

7. **Criminal charges** were raised with the Public Prosecutor's Office of the Republic of Macedonia – Department for prosecution of perpetrators of crimes in the area of organized crime and corruption, against three persons, two of whom police officers at the Ministry of the Internal Affairs of the Republic of Macedonia, for committed **criminal offence "Fraud", Article 247, paragraph 3** of the Criminal Code of the Republic of Macedonia, while the third person was a manager of a travel agency charged with the **crime of „Facilitating”**, Article 24 referring to Article 247 and for the crime of "**Fraud**" under the Criminal Code of the Republic of Macedonia. Aiming at gaining unlawful material profit, the police officers misled a deputy-director of an insurance company by presenting him untrue facts that they could influence the course of a criminal procedure in a case, i.e. – criminal charges raised with the Public Prosecutor's Office of the Republic of Macedonia by the Ministry of the Interior. Hence, the Deputy Director paid out, on two occasions, and at his damage, the amount of 140,000 denars and another amount of 2.000 EURO. On the second occasion, the pay out was facilitated by the manager of the

travel agency. In the investigation, a special investigative measure was applied - **"Secret surveillance, following and visual-audio monitoring of persons and objects with technical equipment"** under Article 142-6, paragraph 1, subparagraph 3 of the Law on Criminal Procedure.

8. **Criminal charges** were raised against an associate professor at the Technological Faculty-Bitola who, in order to acquire unlawful material profit of 900 EURO from a student at the same Faculty, by entering in the student's record booklet the mark of his subject without the student's answering the exam question, and by influencing another two colleagues to give a passing mark to the same student for their exams, committed the crime of **"receiving a bribe"** and **"illegal mediation"**.

9. **Criminal charges** were raised with the Public Prosecutor's Office of the Republic of Macedonia, Department for prosecution of perpetrators of crimes in the area of organized crime and corruption, for the committed criminal offence **"Abuse of official position and authorization"**, Article 353, paragraph 2 of the **Criminal Code of the Republic of Macedonia**, against a judge at the First Instance Court of Vinica and against the Deputy-Public Attorney of the Republic of Macedonia for the region of Kocani. This judge delivered a verdict by which a person was made owner of land with an area of 20,650 m², while the Deputy-Public Attorney of the Republic of Macedonia lodged an appeal against this verdict, but afterwards he withdrew it, without any legal grounds, enabling the verdict to become effective and to be enforced at the Department for Land Survey. The acts done by the charged persons have caused damage to the Republic of Macedonia in the amount of 436.010.00 denars in total.

10. **Criminal charges** were raised against an Assistant to the Director of the Customs Administration of the Republic of Macedonia against the crime of **"Abuse of official position and authorization"**, under Article 353 of the **Criminal Code of the Republic of Macedonia** because he did not pay the amount in compliance with the court verdict dated 19 January 2004 of the First Instance Court Skopje II-Skopje (the grounds of which was the interests for overdue invoices), enabling the plaintiff - a company from Skopje to get significant material profit in the amount of **3.237.164.00** to the disadvantage of the Customs Administration of the Republic of Macedonia and the Budget of the Republic of Macedonia, respectively.

11. **Criminal charges** were raised against the crime of **"Abuse of official position and authorization"**, under Article 353, paragraph 3 of the **Criminal Code of the Republic of Macedonia** against a judge of the First Instance Court of Vinica and against Deputy-Public Attorney of the Republic of Macedonia, who enabled two persons from Vinica to illegally acquire ownership over land **having a total area 38.275 m**, causing a damage to the Republic of Macedonia in the amount of 558.112.00 denars in total.

12. **Criminal charges** were raised with the Basic Public Prosecutor's Office of Skopje against a former Director of the Health Insurance Fund of the Republic

of Macedonia for the crime of „**Abuse of official position and authorization**” under **Article 353**, of the Criminal Code of the Republic of Macedonia. Namely, the charged person, in the period from 2004 to 2006, overstepped his authorities, i.e. did not fulfilled his official duties by not paying off the amount in accordance with four court verdicts by the First Instance Court Skopje I-Skopje (the grounds of which is interest for overdue invoices), enabling thus the plaintiff – a company from Skopje to acquire a significant material profit in the amount of **32.331.366.50** denars to the disadvantage of the Health Insurance Funds of the Republic of Macedonia and of the Budget of the Republic of Macedonia, respectively.