

Annex 1 [Note verbale reference: CU 2023/225/DTA/CEB/CSS]

“Links between corruption and other forms of crime”

States parties are invited to provide relevant information in line with paragraph 22 of resolution 9/1¹, in which the Conference:

*Encourage[d] States parties to further explore and enhance their knowledge of the **links between corruption and other forms of crime, in particular organized crime and economic crime, including money-laundering, including during times of emergencies and crisis response and recovery**, to better strengthen integrity, transparency and accountability, and invite[d] the secretariat, within existing resources, to compile a report in this regard on the voluntary information provided by States parties and submit it to the Conference at its tenth session [emphasis added].*

States parties may wish to take a broad view of “other forms of crime” when responding to this questionnaire, which may include all forms of organized crime and economic crime, as well as other crime, among others.

Contact Information

Please provide contact details for potential follow-up questions. Contact details will be treated confidentially.

Country: Georgia

Government Agency: The Anti-Corruption Agency of the State Security Service of Georgia (SSSG)

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¹ In July 2022, the secretariat sent out note verbale CU 2022/264(A)/DTA/CEB/CSS inviting States parties to provide information on good practices and challenges concerning international cooperation to further prevent, identify, investigate and prosecute corruption during times of emergencies and crisis response and recovery, in line with paragraphs 22 and 23 of resolution 9/1 entitled “Sharm el-Sheikh declaration on strengthening international cooperation in the prevention of and fight against corruption during times of emergencies and crisis response and recovery”. As at 11 October 2022, the secretariat had received responses from 23 States parties, which were analysed in a note prepared by the secretariat, entitled “Best practices and challenges concerning international cooperation in combating corruption during times of emergencies and crisis response and recovery, and efforts to further explore and enhance knowledge of the links between corruption and other forms of crime” [CAC/COSP/EG.1/2022/CRP.1]. Responses were received from the following States parties: Australia, Bahrain, Belarus, Brazil, Bulgaria, Chad, Chile, Egypt, El Salvador, European Union, France, Georgia, Italy, Mexico, , Myanmar, Panama, Portugal, Republic of Moldova, Romania, Saudi Arabia, Spain, Türkiye and the United States of America.

Questionnaire

Corruption may contribute to impunity for other types of crime by providing the leverage to facilitate and execute them, and to make them invisible, and often exacerbates those crimes through the involvement of powerful elites and individuals. Corrupt behaviour (such as violating duties, accepting or transferring bribes, and facilitating transactions, as well as ignoring or failing to follow-up on information that a crime may be taking place) may serve an enabler of other crimes by allowing for the enrichment of criminals and incentivizing individuals in the public and private sector to facilitate their operation. Other crimes can therefore flourish and in turn provide a basis for a wide range of corrupt behaviour.

This questionnaire is structured into two parts: Part 1 considers steps taken to understand the links between corruption and other forms of crime, while Part 2 focuses on the measures aimed at responding to corruption linked with other forms of crime.

I. Understanding the links between corruption and other forms of crime

1. Has your country undertaken any analyses or assessments to better understand the interlinkages between corruption and other forms of crime, including typologies of crime and how corruption may be used to facilitate and enable organized crime, economic and other crime, and vice versa? **YES/NO.**
 - a. If **YES**, was such analysis carried out through formal risk assessments or other methods? Please describe.

It is beyond the competence of the SSSG.

2. Please list the main typologies of other crime that have interlinkages with corruption in your country.
 - Drug trafficking
 - Money-laundering
 - Human trafficking
 - Migrant smuggling
 - Firearms trafficking
 - Crimes that affect the environment
 - Trafficking in cultural property
 - Cybercrime
 - Terrorism
 - Other forms of economic crime, organized crime or other crime with links to corruption (**please list**)

3. Please provide examples of corruption linked to these other crimes.

Please elaborate if you have or had any cases of the following in your country:

A. Corruption as an enabler of crime

- a. Cases of public officials abusing their office to facilitate criminal activity or to protect certain criminal individuals and entities – or to gain support from them – for example, by providing funding or protection or to gain and control public resources?

In May 2023, one chief specialist of the LEPL Internally Displaced Persons, Ecomigrants and Livelihood Agency was prosecuted for bribe-taking (3 incidents) and abuse of official powers (30 incidents). At various times, the mentioned person demanded illegal sums of money as a bribe from the citizens in exchange of signing the state property into private ownership and concluded agreements with specific beneficiaries without the Decree of the Government, on the basis of which state property was signed to the individuals (plots of land and buildings and other structures firmly attached to the land). The mentioned properties were returned to the state.

- b. Cases of corruption being used to facilitate other types of crime, such as trafficking in persons, illicit trade or smuggling of drugs across borders? For example, have any cases involved the following:
- the issuance of permits, licenses, visas or documents for border crossings
 - the purchasing of firearms
 - bribery of border agents
 - falsification of data in public registries
 - other

- **In March 2022, the secretary of the Commission on Recognition of Land Ownership of Gurjaani Municipality City Hall was prosecuted for forgery by an official and abuse of power. He/she prepared a forged document, on the basis of which 4845 square meters of plot of land was signed over to one individual. The diversion agreement was reached with other members of the Commission (9 persons).**
- **In August 2022, 29 individuals who participated in the registration of state-owned plots of land, worth a total of 471,690 GEL, located in the village of Saguramo, Mtskheta district, in the public registry through a forged document, were prosecuted for fraud committed in large quantities and assistance to fraud committed in large quantities.**

- c. Cases of corruption in public procurement to advance the interests of public officials and their associates? Cases of officials giving preferred access to contracts and tenders to their associates in cases involving other crimes?

On March 10 of 2022, the former mayor of Tetrtskaro Municipality, the former head of the City Hall Service of the same municipality and the former director of the LLC

Improvement and Cleaning Service of Tetrtskaro were arrested for neglect of official duty. In the same case, in April 2022, one individual was also prosecuted.

The investigation established that in order to determine the indicative value of the truck to be purchased, the former mayor of Tetrtskaro municipality assigned market research to the director of the LLC Improvement of Cleaning Service of Tetrtskaro, who, with prior knowledge, purchased a forged invoice from one individual, which indicated the doubled price for the vehicle and was submitted to the Financial-budgetary and Procurement Service of the City Hall. The Tender Commission relied on this document and purchased the vehicle for a price that exceeded its actual value by 66,200 GEL. The mayor and the head of the Logistical Service did not check the technical characteristics of the vehicle stipulated in the contract and signed the act of acceptance, thereby committed the aforementioned crime.

- d. Cases of the protection of victims of crime and corruption being impeded by corruption involving public officials or persons in the private sector?

The SSSG did not conduct investigations into such cases.

B. Corruption and crime linked to political patronage

- a. Criminal individuals and entities attempting to use corruption to obtain access to political leadership or to gain power and influence, such as through:
 - political party financing
 - trading in influence
 - other

The SSSG did not conduct investigations into such cases.

- b. Cases of crime and corruption being used to attempt to influence or disrupt elections?

The SSSG did not conduct investigations into such cases.

- c. Cases of criminal involvement, including through the use of corruption, to attempt to influence appointments of public officials to build dependency?

In February 2022, the head of the second motor-transportation depot of the LLC Tbilisi Transportation Company of the Tbilisi City Hall, three heads of the convoys of the same company were arrested for bribe-taking committed in a large quantities by an organised group and attempted fraud committed in a large quantities using the official position. The mentioned individuals used to receive money in a large quantities as bribes from drivers employed in the company, in exchange for facilitating or preventing transfers to other jobs.

C. Corruption to make organized and other crime invisible

- a. Cases of criminals and their associates using proceeds of crime and corruption for personal enrichment and to conceal the origin of the crimes and for money-

laundering? In particular, cases of concealment of ownership being used to facilitate corruption and other forms of crime?

In the period of March-July 2022, eleven individuals were prosecuted. Nine citizens, by prior agreement, jointly by more than one person, illegally seized the state-owned immovable property located in the village of Etseri, Tsalenjikha Municipality. On the basis of false reports, the mentioned state-owned plots of land located in the village of Etseri, Tsalenjikha Municipality, were registered in the name of the aforementioned citizens, with the help of the representative of the mayor and his/her assistant. Thereby, the said nine persons committed fraud in a large quantities jointly by more than one person with preliminary agreement and the other two individuals committed assistance to fraud committed in a large quantities jointly by more than one person with preliminary agreement. Three out of the nine citizens were also prosecuted for money laundering accompanied by receipt of particularly large income. They fictitiously sold the aforementioned property to a private company, thereby legalizing the illegal income.

- b. Cases of corruption being used to impede investigations, prosecutions and adjudications of organized and other crime, such as through bribery or allocation of political and other favors to law enforcement and judicial officers? Are there cases of corruption linked to organized and other crime not being pursued by the authorities ('blind eye')?

The SSSG did not conduct investigations into such cases.

- c. Cases of individuals and entities using corruption and other crimes to generate the funds needed to buy protection from the police? Cases of corruption in law enforcement authorities used to shield organized crime?

The SSSG did not conduct investigations into such cases.

- d. Cases of law enforcement being impeded due to a lack of information and data, as well as reporting of crimes related to corruption?

The SSSG did not conduct investigations into such cases.

- 4. Has your country collected data or statistics to track and/or analyze trends related to the links between corruption and the types of crime outlined in Question 2 above?

YES/NO

- a. Are these data analysed and used systematically, such as in prevention and investigations or prosecutions? **YES/NO**.

Within the Anti-Corruption Agency of the SSSG exists a special unit – Third (Analytical) Main Division. The representatives of the mentioned division carry out data systematization and processing, perform analytical activities utilizing the database. Therefore, comprehensive and thorough processing of pending cases, received statements, and data concerning the persons facing criminal charges is being conducted.

- b. Please describe any methodologies used for strengthening measurement and terminological clarity, and achieving a deeper understanding of the different

contexts (e.g. in times of peace or in emergencies or conflict situations) and sectors (e.g. law enforcement, border crossing, immigration, intelligence and security, procurement), as well as any corruption or organized crime threat assessments that take into account the interlinkages between corruption and other forms of crime.

5. Has your country collected data or statistics to track and/or analyse trends concerning international cooperation in this regard? **YES/NO**.
 - a. Please elaborate and share any findings with regard to the good practices and challenges in international cooperation with regard to countering corruption as it relates to other forms of crime
6. Has your country taken any steps at national, regional or local levels to better understand and study the linkages between corruption and other crimes, such as criminological research, training or awareness raising? **YES/NO**.
 - a. If **YES**, please elaborate, providing examples.

In the period of December 2021 – June 2023, with the initiative of the State Security Service of Georgia and with the support of the Council of Europe, within the 2nd (“Enhancing the systems of prevention and combating corruption, money laundering and terrorist financing in Georgia”) and the 3rd (“Consolidating and enhancing the institutional and operational frameworks for the prevention and combating of corruption, money laundering and terrorist financing in Georgia”) phases of the joint program of the Council of Europe and the European Union – “Partnership for Good Governance” (PGG), 10 information meetings were planned and conducted. During the meetings, six employees of the State Security Service, including five representatives of the Anti-Corruption Agency of the SSSG, were designated as trainers.

The topics of the meetings were related to the use of preventive, proactive measures to fight against corruption, raising awareness of the target audience about the prevention, detection and investigation of corruption and official misconduct, providing information on whistleblower protection mechanisms and discussing practical criminal cases.

The meetings were attended by the representatives of the Ministry of Economy and Sustainable Development of Georgia, the Ministry of Regional Development and Infrastructure of Georgia, Tbilisi City Hall and Tbilisi Municipal Assembly, local self-government bodies of Kakheti, Imereti, Adjara, Guria, Samtskhe-Javakheti, Shida Kartli, Kvemo Kartli and Mtskheta-Mtianeti regions. Overall, a total of 300 employees from state entities and local self-government participated in the information meetings.

7. Which aspects of corruption as it relates to other forms of crime do you consider require further research, and what are the gaps in knowledge or understanding that, if addressed, could facilitate countering these crimes?

Raising the public awareness is one of the key factors in the fight against corruption. Strengthening the institution of whistleblowers is a special necessity in this direction. The

higher the level of awareness among citizens, the greater the likelihood that the public officials will abstain from engaging in corruption and official misconduct.

II. Measures aimed at responding to corruption linked with other forms of crime

8. Has your government adopted or utilized any measures at national, regional or local levels aimed at **preventing** corruption linked with other forms of crime? YES/NO.

a. If **YES**, please elaborate. *Measures may include:*

- safeguards in specific sectors (e.g. law enforcement, border crossing, immigration, intelligence and security, procurement, local officials)
- development of targeted strategies, policies, action plans at national or sectoral level specifically addressing the links between corruption and other crime
- establishment of dedicated institutional frameworks
- specific rules, codes of conduct, or standards of transparency and integrity for public officials who are most exposed to the risk of being involved in crime and corruption
- systems for the disclosure of assets and private interests
- control mechanisms, such as internal approval systems to avoid having one-to-one meetings
- controls on issuances of visas, work permits, firearms licenses
- the use of information and communication technology (ICT) based tools to prevent (or detect) such crimes
- awareness raising and prevention measures for public officials that are vulnerable to corruption and other forms of crime
- other

It is beyond the competence of the SSSG.

9. Has your government adopted or utilized any measures aimed at **detecting, investigating and prosecuting** corruption linked with other forms of crime? YES/NO.

a. If **YES**, please elaborate. *Measures may include:*

- legislation criminalizing all forms of corruption related to other types of crime
- legislation providing for the liability of legal persons for their role in corruption linked to other forms of crime
- measures to identify beneficial owners of legal persons
- specialized investigative techniques
- strengthened institutional frameworks, including the establishment of dedicated bodies (such as those mandated to identify links between corruption and other crime), task forces or coordination mechanisms between authorities responsible for corruption and other crime
- capacity-building, including targeted training and peer-learning for relevant authorities
- measures to enable the identification, confiscation, tracing or seizure (and, where relevant, return) of assets that are proceeds of corruption-related crimes
- mechanisms to address the role of professional gatekeepers (*i.e.* financial, legal, accounting or other relevant professionals) in the transfer of proceeds of corruption and other crime

- measures aimed at encouraging the protection or participation of actors outside the public sector, including:
 - ✓ reporting mechanisms, legal protections and incentives aimed at encouraging persons to report corruption and other crimes
 - ✓ measures to protect victims, witnesses, and cooperating offenders
 - ✓ measures aimed at ensuring the investigation and prosecution of acts of violence committed against journalists and civil society actors whose professional activity relates to corruption linked with other crimes
- other

It is beyond the competence of the SSSG.

10. Has your government adopted or utilized any measures aimed at facilitating **international cooperation** and the rapid exchange of information for cases that have interlinkages between corruption and other forms of crime? **YES/NO**.

a. If **YES**, please elaborate. *Measures may include:*

- the implementation of mutual legal assistance through digital means
- measures aimed at enhancing the efficiency of extradition mechanisms
- the use of electronic communication channels or networks
- the use of joint or parallel investigations or the bilateral sharing of capacity and expertise on investigating and prosecuting corruption offences linked with other forms of crime
- cooperation with other countries or multilateral, international or regional bodies to address corruption linked with other forms of crime
- accession to bilateral, regional or multilateral treaties and agreements.
- other

It is beyond the competence of the SSSG.

Information by the Prosecution Service of Georgia for Sharm El Sheikh Declaration

I. Understanding the links between corruption and other forms of crime

Question 3. Examples of corruption linked to these other crimes

Please elaborate if you have or had any cases of the following in your country:

A. Corruption as an enabler of crime

- a. Cases of public officials abusing their office to facilitate criminal activity or to protect certain criminal individuals and entities or to gain support from them – for example, by providing funding or protection or to gain and control public resources?

PSG reply: In recent years, no particular trend was observed concerning public officials abusing their office to facilitate criminal activity. There were several isolated cases in this respect. See information regarding the case in PSG Annex 1 (*Case example #1*).

- b. Cases of corruption being used to facilitate other types of crime, such as trafficking in persons, illicit trade or smuggling of drugs across borders?

PSG reply: In recent years, there were no cases of corruption facilitating trafficking in persons. See information regarding smuggling of drugs using corruption in PSG Annex 1 (*Case example #1*).

- c. Cases of corruption in public procurement to advance the interests of public officials and their associates? Cases of officials giving preferred access to contracts and tenders to their associates in cases involving other crimes?

PSG reply: See information regarding the cases in PSG Annex 1 (*Case example #2, Case example #3*).

- d. Cases of the protection of victims of crime and corruption being impeded by corruption involving public officials or persons in the private sector?

PSG reply: In recent years, there were no such cases.

B. Corruption and crime linked to political patronage

PSG reply: In recent years, there were no prosecutions and convictions concerning corruption and other crimes.

C. Corruption to make organized and other crime invisible

PSG reply: In recent years, there were no prosecution and conviction cases of corruption to make organized crime invisible. However, there was one isolated case of corruption being used to impede legal proceedings over other crime. See information regarding the case in PSG Annex 1 (*Case example #4*).

Question 4. Has your country collected data or statistics to track and/or analyze trends related to the links between corruption and the types of crime outlined in Question 2 above?

a. Are these data analyzed and used systematically, such as in prevention and investigations or prosecutions? **YES**

PSG reply: According to the order of the Prosecutor General of Georgia, the structural units of the PSG are obliged to submit comprehensive statistical data regarding corruption to the Anti-Corruption Unit of the Office Prosecutor General of Georgia. The latter collects, systemizes, and analyses the data. Analysis conducted by the Unit also covers the trends related to the links between corruption and other types of crimes. Though, no such trend has been identified in this respect. There were several isolated cases, and they were successfully prosecuted and adjudicated. The aim of collecting statistics is the identification of risk areas and application of mitigating measures.

Question 5. Has your country collected data or statistics to track and/or analyse trends concerning international cooperation in this regard? **YES / NO.**

A. Please elaborate and share any findings with regard to the good practices and challenges in international cooperation with regard to countering corruption as it relates to other forms of crime.

PSG reply: As mentioned in the answer to Question 4, the analysis conducted by the PSG Anti-Corruption Unit also covers links between corruption and other crimes. Among other data, the Unit takes into account international cooperation requests. With respect to countering corruption and linkage to other forms of crime, no particular good practices or challenges were identified.

In terms of international cooperation in general, it should be noted that there are several challenges. Firstly, in the practice of the Prosecution Service of Georgia, countries did not have prioritization of cases, and they were not sensitive to urgent matters as a result.

Secondly, most of the countries, especially in the region, did not admit documents electronically, which can be considered a serious boundary.

Therefore, in this regard, it would be beneficial if countries manage to establish a mechanism of urgent response to sensitive matters by introducing the notion of prioritization of cases, and accept the electronic evidence.

Question 6. Has your country taken any steps at national, regional, or local levels to better understand and study linkages between corruption and other crimes, such as criminological research, training or awareness raising? **Yes / No**

PSG reply: See information regarding capacity-building activities in the answer to Question 9.

Question 7. Which aspects of corruption as it relates to other forms of crime do you consider require further research, and what are the gaps in knowledge or understanding that, if addressed, could facilitate countering these crimes?

PSG reply: Although in practice of the PSG trends regarding corruption and its linkage to other forms of crime have not been identified, it would be interesting to learn more about international typologies and best practices in this respect.

Question 8. Has your government adopted or utilized any measures at national, regional, or local levels aimed at preventing corruption linked with other forms of crime? **YES**

PSG reply: The fight against corruption is among the top PSG priorities. On 9 March 2022, the Career Management, Ethics and Incentives Council approved the new PSG strategy for 2022-2027, which includes further improving the effectiveness of fight against corruption as a strategic priority. The strategy stipulates that combating corruption is a key priority area for the PSG.

According to the Strategy, the mechanisms for crime prevention, including prevention of corruption, will be enhanced, and relevant measures will be taken in order to address challenges identified in this regard. Moreover, the PSG will conduct various activities with the aim of crime prevention and public awareness-raising.

Question 9. Has your government adopted or utilized any measures aimed at detecting, investigating and prosecuting corruption linked with other forms of crime? **YES**

a. If **YES**, please elaborate. *Measures may include:*

- ✓ Legislation criminalizing all forms of corruption related to other types of crime;

PSG reply: All forms of corruption are criminalized by the Criminal Code of Georgia (available at: <https://matsne.gov.ge/en/document/view/16426?publication=253>). See the respective Articles:

- Misappropriation or embezzlement committed using official position (Article 182 §2 (d))
- Abuse of official powers (Article 332);
- Exceeding of official powers (Article 333);
- Illegal participation in entrepreneurial activities (Article 337);
- Passive bribery (Article 338);
- Active bribery (Article 339);
- Trading in influence (Article 339¹).

✓ Legislation providing for the liability of legal persons for their role in corruption linked to other forms of crime.

PSG reply: The corporate liability provisions and related procedures are provided for by Chapter XVIII¹ of the Criminal Code of Georgia (CCG) and Chapter XXIX of the Criminal Procedure Code of Georgia (CPCG).

According to the criminal legislation, the following rules and standards apply regarding legal persons:

- Legal entity (entrepreneurial (commercial) or non-entrepreneurial (non-commercial) legal entity (its legal successor)) bears criminal liability for the designated crimes under CCG, committed by a responsible person in the name of the legal entity or through (by using) it or/and in its favour.

- CCG defines a **responsible person** as a person having the right of management and representation of the entity, also a person authorized to make decision on behalf of the legal entity or/and the member of the supervisory, controlling, revision (audit) board of the legal entity.
- Legal entity bears criminal liability in case when a crime is committed on behalf of the legal entity or through (by using) it or/and in its favour, irrespective of the fact whether an individual committing a crime is identified or not.
- According to Article 325 of CPCG, corporate liability provisions apply mutatis mutandis in accordance with the general rules established by CPCG.

Notably, the Prosecution Service of Georgia prepared the Manual on Liability of Legal Persons in Georgia of legal persons as a guide and reference for the use of practitioners in Georgia to facilitate an effective enforcement of the legislative framework. It contains commentary on pertinent provisions of the CPCG.

Offences

According to §1 Article 7 of the CCG, criminal liability may be imposed on the legal entity if it is prescribed by the relevant article of the CCG.

- Legal person may be held criminally liable, among others, for bribe-giving (Article 339 of the CCG) and trading in influence (Article 339¹ of the CCG).

Dissuasive and proportionate Sanctions

The applicable sanctions for the corporate liability are: liquidation (type of principal sentence only), deprivation of the right to pursue an activity, fine and confiscation.

The above-mentioned sanctions, inter alia the absence of a maximum threshold of fine that can be imposed against a legal entity, provide sufficient basis to be used in a proportionate and dissuasive manner.

The nature and graveness of a criminal conduct, amount of inflicted damages, previous criminal records, main activity and capacity of a legal entity, level of internal control and compliance as well the quality of cooperation with LEAs are the factors taken into account during the sanctioning of legal entities.

✓ Specialized investigative techniques

PSG reply: Specialized investigative techniques are fully available to law-enforcement agencies and effectively used in practice. These techniques include:

- Undercover agents;
- wiretapping and recording of telephone communications;
- retrieval and recording of information from a communications channel (by connecting to the communication facilities, computer networks, line communications and station devices), from computer systems (both directly and remotely) and installation of respective software in computer systems for this purpose;
- real-time geolocalisation;

- monitoring of a postal and telegraphic message/shipment (except for diplomatic mail);
- Secret video and/or audio recording, photographing, etc.

✓ Strengthened institutional frameworks, including the establishment of dedicated bodies (such as those mandated to identify links between corruption and other crime), task forces or coordination mechanisms between authorities responsible for corruption and other crime.

PSG reply: The Prosecution Service of Georgia has in place the special Anti-Corruption Unit (PSG Anti-Corruption Unit) for investigation and prosecution of the most serious corruption crimes, conducting nationwide analysis of the effectiveness of law enforcement response to corruption, coordinating and overseeing corruption cases across the country and elaborating policy recommendations for combatting corruption.

The PSG Anti-Corruption Unit uses the following means for case selection:

- Monitoring criminal cases through the Electronic Case Management System;
- Coordination and reporting from other corruption crimes prosecutors;
- Own sources, crime reports.

In addition to the Anti-Corruption Unit, the PSG has anti-corruption investigators at the General Prosecutor's Office (*Investigation Unit*), Tbilisi Prosecutor's Office (*one Unit*) and Regional Prosecutor's Offices (*7 Units*). The PSG Anti-Corruption Unit coordinates the corruption investigations of these units. It also uses their resources per necessity.

The PSG Anti-Corruption Unit is composed of the Head of the Unit, Deputy Head (prosecutor), one Prosecutor (*all male*), 4 investigators (*1 female and 3 male*) and 3 financial analysts (*all female*). In addition, the PSG has 65 anti-corruption investigators (*7 female and 58 male*) at the General Prosecutor's Office (*Investigation Unit*), Tbilisi Prosecutor's Office (*one Unit*) and Regional Prosecutor's Offices (*7 Units*). The PSG also has 40 anti-corruption prosecutors (*12 female and 28 male*).

The PSG is an **only authority prosecuting** corruption. The prosecutors of the PSG Anti-Corruption Unit and prosecutors of other PSG investigative units are competent to prosecute corruption cases investigated by the PSG investigators. Besides the PSG Anti-Corruption Unit, the Anti-Corruption Agency of the State Security Service has a competence of investigating corruption in public service, if it detects it, unless committed by specific officials.¹

- ✓ Capacity-building, including targeted training and peer-learning for relevant authorities.

¹ the President of Georgia, a member of the Parliament of Georgia, a member of the Government of Georgia, a judge of Georgia, the Public Defender of Georgia, the Auditor General of Georgia, a member of the Board of the National Bank of Georgia, the Ambassador Extraordinary and Plenipotentiary and the Envoy Extraordinary and Minister Plenipotentiary of Georgia, an employee of the Prosecutor's Office, a police officer, an employee of the State Security Service of Georgia, Head of the Special Investigation Service of Georgia, First Deputy and Deputy Heads of the Special Investigation Service of Georgia, an investigator and an employee of the Special Investigation Service of Georgia, Head of the Personal Data Protection Service of Georgia, First Deputy and Deputy Heads of the Personal Data Protection Service of Georgia, an incumbent high-ranking military or top special rank officer or a person equal thereto, and employees of the Ministry of Justice

PSG reply: Continuous capacity-building of its employees is one of the top priorities of the PSG.

In 2022, the PSG organized one learning activity regarding the fight against corruption, and one prosecutor was trained accordingly. Moreover, 2 learning activities were organized for intern prosecutors and investigators in the framework of which 38 interns were trained.

In the 6 months of 2023, the PSG, in cooperation with international organizations, organized 5 learning activities. In the framework of these activities, 13 prosecutors and PSG investigators were trained.

Besides local level, the employees of the PSG participate in study visits abroad. For instance, in 2022, one prosecutor participated in International Regional Seminar held in Baku, Azerbaijan. In 2023, prosecutors and PSG investigators participated in the activities organized by IAACA, ILEA, and INL.

✓ Measures to enable the identification, confiscation, tracing or seizure (and, where relevant, return) of assets that are proceeds of corruption-related crimes.

PSG reply: The PSG pays particular attention to undertaking the respective investigations and prosecutions, tracing and confiscating criminal assets effectively as well as engaging in efficient and constructive international cooperation with the counterparts, including Eurojust and the EU asset recovery offices.

On 25 May 2022, the PSG issued the guideline for investigators and prosecutors on seizure of virtual currency. Notably, the PSG already has several cases, where in the context of ML investigations, it successfully tested the provisions of the guideline and seized the cryptocurrency worth of EUR 400 000.

The guideline is expected to facilitate the effective tracing, seizure and confiscation of virtual assets that constitute instrumentalities of crime, proceeds of crime or/and equivalent property. More information about the guideline is available here: <https://pog.gov.ge/en/news/prokuraturashi-danashaulebrivi-gziT-mopovebuli-virtualuri-aqtivebis-amoRebis-saxelmZRvanelos-prezent>

The application of seizure and confiscation measures in corruption cases is part of the overall analysis carried out by the PSG regarding the effectiveness of the fight against corruption.

On 20 September 2022, the PSG issued the Guideline on Parallel Financial Investigations. It aims at improving the effectiveness of parallel financial investigations, including by making greater use of interagency teams (especially involving financial experts). The guideline covers issues related to corruption as well. More information about the Guideline is available here: <https://pog.gov.ge/en/news/generalur-prokuraturashi-paraleluri-finansuri-gamoZiebis-warmoebis-shesaxeb-saxelmZRvanelos-prezenta>

Considerable results were achieved in the area of asset tracing, freezing and confiscation in connection to corruption. Notably, in comparison to 2021, in 2022, **the ratio of confiscated assets** in the corruption cases **has increased by 775%**. Please see the statistics table below for the additional details.

	2021	2022	Increase ratio
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Confiscation (in EUR)	180 330 ²	1 578 600 ³	775%
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In 2022, the amount of assets frozen in corruption cases was EUR 5 896 100.⁴

✓ Measures aimed at encouraging the protection or participation of actors outside the public sector, including:

✓ Reporting mechanisms, legal protections and incentives aimed at encouraging persons to report corruption and other crimes.

PSG reply: In Georgia, legislative as well as institutional mechanisms for reporting corruption are in place.

Chapter V¹ of the Law on Conflict of Interest and Corruption in Public Service establishes legal guarantees for the protection of whistleblowers. In the context of criminal proceedings, a whistleblower is a participant or potential participant of the criminal proceedings in the capacity of witness or victim. Respectively, all protection mechanisms under the criminal legislation with respect to the participant of the criminal proceedings are relevant. They include the application of special protection measures under the Criminal Procedure Code of Georgia and even starting criminal investigation and prosecuting those responsible for exercising the influence over witnesses or/and victim, pursuant to the Criminal Code of Georgia.

The PSG and the Anti-corruption Agency of the State Security Service are the competent authorities for acting upon the allegations of corruption. The report can be made with all possible forms, including a written statement, call, e-mail, a hotline, even anonymously.⁵

A website www.mkhileba.gov.ge is in place for submitting the reports regarding corruption and anyone can make a report via this website.

✓ Measures to protect victims, witnesses, and cooperating offenders.

PSG reply: The Criminal Procedure Code of Georgia provides for special protection measures for the participants of criminal proceedings, including victims, witnesses and cooperating offenders.⁶ Moreover, exercising the influence over witnesses or/and victim is criminalized under Article 372 of the Criminal Code of Georgia.

✓ Measures aimed at ensuring the investigation and prosecution of acts of violence committed against journalists and civil society actors whose professional activity relates to corruption linked with other crimes.

PSG reply: The Special Investigation Service is competent to investigate the acts of violence committed against journalists. The PSG prosecutes those crimes, and the PSG Human Rights Department is in charge of monitoring the respective criminal cases and keeping statistics. Notably, ensuring the effective prosecution of crimes against journalists is the PSG policy priority.

² Also includes 2 real estate.

³ Also includes 22 real estate and a vehicle.

⁴ Also Includes 196 real estate and 2 vehicles.

⁵ Article 101 of the Criminal Procedure Code of Georgia

⁶ Chapter IX

Question 10. Has your government adopted or utilized any measures aimed at facilitating **international cooperation** and the rapid exchange of information for cases that have interlinkages between corruption and other forms of crime? **YES**

A. If **YES**, please elaborate. *Measures may include:*

- ✓ the implementation of mutual legal assistance through digital means
- ✓ measures aimed at enhancing the efficiency of extradition mechanisms
- ✓ the use of electronic communication channels or networks
- ✓ the use of joint or parallel investigations or the bilateral sharing of capacity and expertise on investigating and prosecuting corruption offences linked with other forms of crime
- ✓ cooperation with other countries or multilateral, international or regional bodies to address corruption linked with other forms of crime
- ✓ accession to bilateral, regional or multilateral treaties and agreements.

14 August 2023

PSG Annex 1

Case example #1.

G.G served as the Deputy Head of the Main Division of the Fight Against Illegal Drug Trafficking in the Central Criminal Police Department.

The investigation established that under the organization and protection of G.G, a citizen K.M illegally imported a particularly large amount of drug substances in Georgia through Tbilisi International Airport. The drugs were supposed to be sold by G.G's son-in-law, with the support of G.G himself.

Moreover, as a result of search of G.G's car, the LEOs seized military cartridges, which he was illegally keeping and carrying.

On 26 May 2018, the prosecution was launched against G.G into the alleged bribe-taking, charges were also brought regarding drugs and ammunition (Articles 338 §1, 260 §3 (c), §4 (a), (b), 262 §3 (a), §4 (a), (b), 236 §3, §4).

On 9 November 2018, he was found guilty and sentenced to ten years of imprisonment: seven years at a penitentiary and three years a suspended sentence.

Case example #2.

Case on the former Minister and Deputy Minister of Finance and Sectoral Economy of the Autonomous Republic of Abkhazia

On 20 January 2023, the I.D., V.B. and J.B. were charged with misappropriation in large quantity, using official position, committed by a group (Article 182 §2 (a), (d) and §3 (b) of the CCG).

Currently, the case is being heard on merits at Tbilisi City Court.

Factual circumstances

In the summer of 2019, I.D., the Minister of Finance and Sectoral Economy of the Autonomous Republic of Abkhazia ordered his deputy V.B. and J.B.¹ to implement the program - "Promoting the development of high-efficiency perennial berry culture (blueberry) production" on the land of Mederi LLC.

One of the founders and the owner of 43% of the shares of Mederi LLC was the daughter of the Minister. The latter was the actual manager and owner of the company.

According to the illegal instructions of Minister I.D., J.B. approved the program. On 4 December 2019, the agency subordinated to the Ministry signed the 5 years lease agreement with Mederi LLC for setting up a blueberry nursery, cultivate a plantation and open an agro-service centre on its land plot.

The National Agency of Public Registry (NAPR) was unable to register the lease agreement, as the plot was frozen under the court order. Despite the absence of a legal basis, in 2019-2020, the work was still

¹ The Head of the LEPL Agency for Projects and Programs Supporting Internally Displaced Persons Living Conditions of the Ministry of Finance and Sectoral Economy of the Autonomous Republic of Abkhazia

carried out on the plot owned by Mederi LLC, causing the state budgetary damage in the amount of GEL 109 775.

Case example #3.

Procedures

Within the framework of the criminal investigation carried out by the Investigation Unit of the Prosecutor's Office of the Autonomous Republic of Adjara, on 30 May 2019, the Mayor of Batumi G.E. was arrested on the charges of embezzlement in large quantities using official position (CCG Article 182 §2 (d) and §3 (b)).

He was indicted on 31 May 2019.

By Batumi City Court Judgment of 27 January 2020, G.E. was found guilty under Article 182 §2 (d) and §3 (b) of the Criminal Code of Georgia. He was sentenced to imprisonment for a term of seven years. He was also deprived of the right to hold a position in public service for one year.

Factual circumstances

By the decision of the Standing Tender Commission of Batumi City Hall, on 24 November 2015, Convent Georgia – a branch of a foreign company – was declared as the winner in the tender SPA15002738. Pursuant to the tender conditions, the company had to **present a bank guarantee** before concluding a government procurement agreement.

Convent Georgia submitted a bank guarantee for securing the agreement. The guarantee was issued by Point Bank Ltd, registered in London, the UK and advised by JSC Basis Bank. Following the minutes dated 8 December 2015, the Tender Commission discussed said bank guarantee and deemed it reasonable to study its validity. The Commission members informed the Mayor of Batumi G.E. about this. The latter instructed A.V., Deputy Head of Financial and Economic Service of Batumi City Hall, to study the validity of the bank guarantee.

A.V. read the bank guarantee text. The guarantee set certain conditions and mentioned circumstances inconvenient for Batumi City Hall. It also contained future risks if there was a need to enforce the bank guarantee.

In order to eliminate the above-mentioned risks, A.V. contacted the intermediary company Global Development Consulting LLC, through which Convent Georgia had obtained its bank guarantee. A.V. asked the intermediary company to change the bank guarantee text – to make it unconditional and to include that a dispute, if any, would be resolved by a Georgian court in accordance with the Georgian legislation. A.V. also asked Global Development Consulting LLC for information about the rating of Point Bank Ltd.

Global Development Consulting LLC rejected A.V.'s request both for changing the guarantee text and for providing him with the rating of Point Bank Ltd. Nevertheless, A.V. found out through his sources, namely through the information received from JSC Bank of Georgia, that Point Bank Ltd had no rating. This cast doubt on the reliability of Point Bank Ltd and its payment capability, and JSC Bank of Georgia did not recommend Point Bank Ltd. Moreover, on 16 April 2015, the Treasury Service of the Ministry of Finance had sent a letter to Batumi City Hall, which included the recommendation of the National

Bank of Georgia that bank guarantees were to be requested only from highly reliable international or Georgian commercial banks. Batumi Mayor G.E. and the Commission members were also aware of this.

In a joint meeting, A.V. informed G.E. and the members of the Standing Tender Commission of Batumi City Hall of all the aforesaid.

Considering the foregoing, instead of terminating the tender and not concluding a government procurement agreement with Convent Georgia, G.E., together with E.L. and A.V., decided on concluding the said agreement between Batumi City Hall and Convent Georgia.

On 15 December 2015, Batumi City Hall and Convent Georgia concluded an agreement for GEL 4,279,990. G.E. consented to the funds of Batumi City Hall – GEL 1 591 685 in total – being transferred to the account of Convent Georgia, which was also authorized by A.V. A total of GEL 282 809 was transferred as the fee for the service of Global Development Consulting LLC even though the logistical documents of the tender did not include these expenses.

Convent Georgia only performed the work worth GEL 251 109.43 out of the obligations it undertook by the government procurement agreement. When there was a need to enforce the bank guarantee used for securing the agreement, which was issued by Point Bank Ltd, it was revealed that Point Bank Ltd was not a bank, it was not even an active company, had no assets, and its authorized capital amounted to GBP 100. Therefore, Point Bank Ltd had no way of reimbursing the guarantee sums.

Hence, G.E. committed embezzlement in large quantities using official position – he embezzled GEL 1 370 076 belonging to Batumi City Hall, which was under his lawful possession.

Case example #4.

An investigator V.I was asked to review the statements of citizens concerning allegations of fraud. Instead of carrying out all necessary procedural and investigative activities, V.I delayed to launch the investigation into the case. She assured the criminal group members, alleged of committing fraud, that she would not conduct activities resulting in criminal prosecution. In exchange for this, from 2015 until 2018, she received a bribe of USD 50 000.

As a result, while V.I worked as an investigator, prosecution was not initiated against the perpetrators. On 2 July 2020, V.I was charged with bribe-taking committed in particularly large quantities (Article 338 §3 (e) of the CCG). She was found guilty as charged, based on the plea agreement, and sentenced to six years of imprisonment: two years at a penitentiary and four years a suspended sentence.