The Romanian assets and interests disclosure system for public officials

Experience of the National Integrity Agency

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Topics:

1. How ANI works
2. Romanian assets and interests disclosure system
3. Integrity incidents, explained
4. Case study on unjustified assets
1/5 How ANI works

"ANI is the most detested institution by Romanian politicians, yet so very necessary,“

Sergiu Miscoiu (CESPRI political think thank), cited by Reuters
ANI at a glance:

- Established in 2007, but operational from 2008;
- Under CVM monitoring;
- Investigation and prevention attributions;
- Exclusive competence - conflicts of interests, incompatibilities and unjustified assets;
- Main actor;
- Autonomous and independent body;
- External independent audit
Staff:

President

Vicepresident

Support depts. for the Integrity inspection
Legal, IT, Strategy, Communication

Integrity inspection
35 inspectors with economic or legal studies

Administrative depts.
Economic, Human Resources etc.

4 years mandate
ANI – the “engine” that runs a wider and complex process of implementing the integrity concept

Special appointed persons from public institutions

Individuals submitting notifications

Mass media & civil society

Specific data and info requested from various public or private institutions:

Prosecutor’s Offices or Tax Bodies

Law Courts

Disciplinary Commisions

Wealth Investigation Commisions

Investigated person’s right to defence
2/5 Romanian assets and interests disclosure system

“The Agency became an essential component of the anti-corruption institutional framework which can demonstrate significant results”

European Commission
PREMISES:

✓ 1996 - a hesitating start;

✓ 2003 – new anticorruption measures;

✓ 2007 – a paradigm shift – the National Integrity Agency was established;

✓ 2008 – 2014: exponential track record of cases

✓ 2014: a solid and mature system
**Who? When? What?**

*A general overview*

**WHO?**

- More than 300,000 persons every year;
- Electoral years – the number reaches 1 million declarants

**WHEN?**

- Yearly, no later than June 15;
- Upon entering / leaving the office;
- When running for public offices;

**WHAT?**

- Declarant must submit 2 forms:
  - **Asset disclosure** (real estate, financial assets, debts, incomes, movables, gifts)
  - **Interest disclosures** (positions held within public or private environment, contracts signed with the state)
Starting the investigation (I)

Investigation

Ex officio

- Mass - media
- Designated persons
- ANT`s studies
- E-mail

Notification

- Individuals
- Private entities
Performing the investigation (I)

- The investigation of *conflicts of interests, unjustified assets* or cases of *incompatibility* start with the process of assets and interests disclosures analysis.

- One important step in the evaluation procedure is requesting data and information from public or private entities.

Every public or private entity is obliged to share information with ANI within the evaluation procedure.

<table>
<thead>
<tr>
<th>DATA &amp; INFO REQUESTED:</th>
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<tbody>
<tr>
<td>Incomes</td>
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<tr>
<td>Loans</td>
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<tr>
<td>Shares</td>
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<td>Art objects</td>
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Performing the investigation (II)

<table>
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<tr>
<th>THESE REQUESTS ARE REFFERED TO:</th>
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<tr>
<td>Tax administrations</td>
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<tr>
<td>Banks</td>
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<td>Official Gazette</td>
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<tr>
<td>Private companies</td>
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ANI signed cooperation protocols with many of these institutions, but most important are those concluded with:

- General Prosecutor`s Office;
- Trade Registrar;
- Tax administration.
Performing the investigation (III)

➢ PUBLIC INFORMATION
through the Open Source Module;

➢ DATABASES:

❖ Population records;
❖ Trade Registrar;
❖ Vehicle Registrar;
❖ Land Registrar
❖ Tax administration (to be implemented)
3/5  Integrity incidents, explained

“Romania already has seven ministers dismissed following ANI’s investigations. For once, the black sheep of the EU lead by example.”

Le Monde
1. **INVESTIGATING UNJUSTIFIED ASSETS**

- **significant difference** (at least 10,000 euro) between incomes and wealth
- unjustified is **NOT** illicit
- the most **complex** investigation

2. **CONFLICTS OF INTERESTS**

- taking a decision or participating in a decision-taking process that generates a patrimonial advantage for himself or his first degree relatives (administrative) or second degree relatives (criminal)
- **administrative** conflict of interests
- **criminal** conflict of interests

3. **INCOMPATIBILITIES**

- **simultaneously** holding **two or more public offices** of which at least one exclude the other;
- explicit situations provided by various laws
Results. 2008 – today.

- 80 unjustified assets
- 8000 finalised cases
- 5500 Administrative fines
- 874 incompatibilities
- 354 conflicts of interests
- 19.5 million Euro total significant difference
- 439 Cases referred to Prosecutor’s Offices
Rate of success on cases

- Every case finalized by ANI can be challenged in Court;
- Rate of success – definitive cases:

- Incompatibilities: 94% won, 6% lost
- Conflicts of interests: 92%, 8%
- Unjustified assets (High Court decisions): 83%, 17%
- Contraventional fines: 82%, 18%
Quality of persons investigated by ANI
(high-profile cases)

- Local elected officials, 698
- Police Officers, 35
- Civil servants, 158
- Magistrates, 16
- Senators and deputies; 108
- Management officials, 96
- Members from the Government, 10

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4/5 Case study on unjustified assets

“ANI uses an integrated information system with a special design which allows for a strategic approach and a modern vision for the development and improvement of this institution’s activity.”

Deloitte Audit
Corrupt police officer gains unjustified asset

Mr. VLASCEANU GHEORGHE:
- Judicial police officer
- Head of local Driving Vehicle Registration
- Sentenced to 6 years in prison for issuing false driving vehicle licenses

Public sources (Prosecutor’s Office press release, newspaper article etc.)

National Integrity Agency

Integrity inspector

Acquired impressive wealth

Ex-officio notification

Electronic randomly assigned

Evaluation activity based on standardized procedures
Duration: 7,5 months

Assets and interests disclosure evaluation / Public portal
Extending assessment to his family

Right to defense – Points of view from the evaluated person

Relevant documents requested from:
Ministry of Interior, Police Inspectorate, Banks, Local Taxes institution, Tax Administration etc.
Findings:

✓ The family members of Mr. VLĂSCEANU GHEORGHE CODRUȚ have acquired wealth that can not be justified by their income, given their age and occupation
✓ After analyzing and comparing data provided by authorized institutions has resulted a significant difference of 2.171.109 RON (486.850 Euro)

The wealth was transferred to family members through various financial transactions
Follow-up

February 2009 – ANI notified 1st degree Court

October 2009 – After 12 hearings, 1st degree Court admitted, in part, ANIs request, ordering confiscation. The decision was appealed by Mr. Vlasceanu

March 2010 – High Court admits Mr. Vlasceanu’s appeal and sends the file back to 1st degree Court

April 2011 – After 13 hearings, 1st degree Court, admits ANI’s request, ordering confiscation. This decision was also challenged by Mr. Vlasceanu

March 2013 – Following several requests made by ANI, the fiscal administration transferred the sums into the state budget
Thank you!

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