

## **I – Information requested from States parties in relation to mandates of anticorruption body or bodies in respect of prevention**

### **1. Please describe the measures you have taken to implement art. 6 of the Convention**

There are several institutions in the Czech Republic involved in the fight against corruption. Most of those bodies (law enforcement authorities) carry on investigating activities. Certain elements of political coordination and partly also preventive and educational activities within the meaning of Art. 6 of the Convention are carried out by the Anticorruption Unit, which is a part of The Conception of Legislation and State Department of the Office of the Government of the Czech Republic (hereinafter also the “AU”).

The most significant progress in the determination of a body responsible for the development and introduction of preventive anti-corruption policies was achieved in 2011 by the establishment of the **Government Anti-Corruption Committee** (hereinafter also the “GC”), gathering ministers whose ministries play a key role in the fight against corruption (the Ministries of the Interior, Justice, Finance, Defence, Transport, Foreign Affairs and the Ministry for Regional Development). The GC's activities are secured by the AU, which defines key priorities of the government anti-corruption policy, carries on an active search for public administration area that are the most risky with regard to the potential corruption space and proposes measures to remove such risks, monitors and evaluates anti-corruption measures and prepares reports on the implementation of the Government's Anti-Corruption Strategy. Another body involved in this activity is the **Inter-ministerial Coordination Group for Fight against Corruption**, which consists of representatives of all ministries and other central administrative authorities and of some key public authorities. At the same time, each of those representatives is a contact person in the relevant ministry, who deals with the issues of anti-corruption fight at that ministry. Those persons also usually deal with reports sent (particularly by citizens) to anti-corruption e-mail addresses or telephone lines, which have been established at most ministries.

The key document setting out the Government's anti-corruption policy of the Government is the Government's Anti-Corruption Strategy, currently the Government's Anti-Corruption Strategy for the Years 2013 and 2014 (hereinafter the “Strategy”), which contains a total of 49 measures divided to 73 tasks. The Strategy is divided into two parts – the analytical and the strategic part. The analytical part consists of three sections:

- perception of corruption,
- qualitative analysis of the economic context of corruption,
- uncovering and investigating corruption.

The strategic part defines basic strategic directions, which should become a focus for any government notwithstanding its political composition. Such strategic directives are as follows:

- professionalization of the state administration,
- administration of public resources,
- improving the anti-corruption tools in public sector,
- strengthening of the political system and increasing transparency of political parties,
- uncovering, investigation and prosecution of corruption,
- improving the anti-corruption climate in the Czech society,

- creating capacities for monitoring of corruption, formulation of the Anti-Corruption Strategy and its monitoring and coordination of individual steps; strengthening of the resources for implementation of the Anti-Corruption Strategy,
- improving the transparency of the public sector.

The strategic part of the Strategy defines 10 priority tasks for the Government which are at the top of the list of tasks to be implemented. These tasks are as follows:

- the Public Servants Act
- the Conflict of Interest Act
- the Act on Free Access to Information
- revealing end owners
- protection of whistleblowers
- financial control and audit
- state ownership policy
- strategy and methodology of public procurement
- the Act on Public Prosecutor's Office
- the anti-corruption programme

These priority tasks constitute the basis for further 39 tasks divided into the following five thematic chapters:

- public administration
- public procurement
- law enforcement authorities
- education
- other

Each of these areas contains legislative and non-legislative measures, each item has a clearly determined performance deadline and its sponsor. The implementation of the tasks is carried on a quarterly basis to ensure full information about the progress and method of implementation of measures defined in the Strategy. Each progress report is publicly available at [www.korupce.cz](http://www.korupce.cz).

One of the tasks defined in the Strategy was the elaboration of a binding outline of the framework internal anti-corruption programme, which sets out the minimum framework of internal anti-corruption programmes of each ministry. Its application in each central state administration authority and other organisation of the ministries managed by them will provide for a standardized structure and contents of such documents as the basic documents for anti-corruption fight, corresponding to the current anticorruption documents of the Government.

The foregoing indicates that the daily coordination role in the Czech Republic is performed by the above-mentioned **Section or Coordination of the Fight against Corruption** of the Office of the Government of the Czech Republic. Its tasks include, in particular:

- organizing the Governmental Committee's activities,

- evaluation of the problems of fight against corruption and preparing proposals to adopt measures leading to a reduction of the anti-corruption risks in public administration activities based on knowledge from this area and increasing transparency of such activities,
- evaluation of materials concerning assessment of corruption risks (CIA) presented to the Government,
- the implementation, coordination and control of the implementation of tasks resulting from the Government's Anticorruption Strategy,
- the implementation of tasks arising from the Open Government Partnership incentive,
- dealing with reports of citizens regarding corruption (but not the review of specific notifications of crime),
- cooperation with non.-state non-profit organisations involved in anti-corruption fight,
- providing comments on legislation and documents presented at Government sessions,
- dealing with the issues of lobbying, whistleblowing, conflict of interests, effective repentance, codes of ethics,
- surveys, monitoring and analysis of statistical and other data,
- internal ministerial anti-corruption programmes,
- educational activities.

The following institutions involved in **analytical and investigation activities** operate in the Czech Republic:

1. **Police of the Czech Republic:** Review and investigation activities in most serious corruption cases are carried out primarily by the highly specialised unit of the Police of the Czech Republic – Unit for Detection of Corruption and Financial Crime of the Bureau of Criminal Police and Investigation Service, which executes its powers throughout the territory of the Czech Republic and investigates most serious forms of crime, dealing with economic, financial and corruption-related criminal activities. Furthermore, this Unit seizes proceeds of crime and perpetrators' assets for the purpose of payment of damages and forfeiture of assets or things. It also fulfils the tasks of the Office for Retrieval of Assets Originating from Crime.

Anti-Corruption fight is also one of the tasks of an executive branch of the Bureau of Criminal Police and Investigation Service operating throughout the territory of the Czech Republic, called “Organized Crime Unit of the Bureau of Criminal Police and Investigation Service, which performs coordination, guidance and controlling activities. By detecting and investigating organized crime, this Unit participates in the preservation of internal order and security. In accordance with the pre-defined subordination, it also participates in the resolution of tasks entrusted to the Police Presidium of the Czech Republic and to the Ministry of the Interior.

2. **General Inspection of Security Forces:** Investigation of corruption also falls within the powers of the General Inspection of Security Forces in cases where a corruption act has been committed by an officer of the Police of the Czech Republic a customs official, employee of the Prison Service of the Czech Republic, an employee of the Inspection, an employee of the Czech Republic who has been assigned work in the

Police of the Czech Republic or in the Inspection or an employee of the Czech Republic who has been assigned work in the Customs Administration or in the Prison Service of the Czech Republic, if the crime has been committed in connection with the performance of such person's work tasks.

3. **Public Prosecutor's Office:** According to the Criminal Procedure Code, the State Prosecutor's Office is a law enforcement authority. It represents public prosecution in criminal proceeding and as a law enforcement authority, it may investigate all crimes, including corruption. Of course, a certain level of specialisation exists even at the Supreme Public Prosecutor's Office and at High Public Prosecutor's Offices, which have specialised departments dealing with serious economic and financial crimes. Each public prosecutor's office and each of its prosecutors has its own specialisation (a total of 19 specialisations), but corruption is not listed separately among them and is subordinated to one of the general specialisations – economic and property crime. The absence of a separate corruption-focused specialisation is to be resolved by the new Act on Public Prosecutor's Office, under which it is intended to establish a special anti-corruption unit.
4. **Financial and Analytical Unit of the Ministry of Finance:** The Financial and Analytical Unit of the Ministry of Financial, which is an intelligence unit of the Ministry of Finance, also participates in the detection of corruption and in the overall improvement of the corruption climate in the Czech Republic. The principal areas of operation of this unit include legalisation of proceeds of crime (money laundering), financing of terrorism and international sanctions.

In addition to the foregoing bodies (the Section for Coordination of the Fight against Corruption, the Government Anti-Corruption Committee, the Inter-ministerial Group for Coordination of the Fight against Corruption), there are the following institutions performing **preventive, educational and coordination activities:**

1. **Anti-Corruption Commission of the Police of the Czech Republic:** This is an advisory body of the Police President, charged with the implementation of tasks stipulated by the Government Anti-Corruption Programme and in the anti-corruption programme of the Ministry.
2. **Ombudsman of the Police of the Czech Republic and of the Fire Brigade Rescue Corps of the Czech Republic:** A unit designated to play the role of a superstructure of the existing bodies and to fill, by its existence, an empty place in the system of control in the police force and the Fire Brigade Rescue Corps of the Czech Republic. It resolves solely notifications of policemen and firemen.
3. **Public Protection of Rights:** Citizens may also address their complaints to the Public Protector of Rights, who protects rights of persons before the authorities and other institutions listed in the relevant law, if the conduct of the authorities contradicts the law, does not correspond to the principles of the democratic rule of law and against inactivity of the authorities, contributing to the protection of fundamental rights and freedoms.

4. **Institute for Public Administration Prague:** A contributory organisation of the Ministry of the Interior, which provides methodological guidance and coordinates the area of special professional competences as a qualification precondition for the execution of state administration in delegated powers, including testing this competence with an exam. Simultaneously, it offers to public servants a wide range of training programmes for the proliferation of qualification. Hence, the education in the area of fight against corruption represents only one of many areas on which the Institute focuses its activities.

## **2. Please provide information demonstrating the impact of the work conducted by national bodies with mandates in respect of the prevention of corruption**

Periodical and ad hoc public opinion polls are conducted in the Czech Republic concerning the perception of corruption in the country by its own citizens.

One of the most popular surveys in the Czech Republic is conducted by the international non-profit organisation Transparency International. This organisation processes, among others, the *Corruption Perception Index* (CPI) and the *Global Corruption Barometer* (GCB). Other institutions that conduct opinion polls include, for instance, the Public Opinion Research Centre of the Institute of Sociology of the Academy of Sciences of the Czech Republic, which conducts, among others, a periodical annual survey of the evaluation of selected areas of life in the Czech Republic, including corruption. A similar citizen satisfaction survey with the conditions in selected areas of public life is also conducted by the Centre in the course of the year.

In 2014, the European Commission published its first EU Anti-Corruption Report (hereinafter the “Report”), which is accompanied with reports on fight against corruption presented by individual Member States of the European Union. The Report is based on several public opinion polls, such as Eurobarometer 397, Eurobarometer 374 and Flash Eurobarometer 374.

Most recent information resulting from public opinion polls in the Czech Republic are as follows.

### **A) Global Corruption Barometer 2013** – this public opinion poll was published by the international non-profit organisation Transparency International.

The relevant information is as follows:

- Respondents in the Czech Republic consider the Government anti-corruption activities primarily as ineffective (42%). A total of 30% respondents believe that these Government activities are very ineffective. Close to one quarter of the respondents (24%) were unable to express their opinion and stated that they do not perceive the Government anti-corruption as effective or ineffective.
- Although 72% of the respondents are dissatisfied with the Government anti-corruption activities, they would prefer not to participate by themselves in an active anti-corruption fight – for instance, 66% of the respondents would not participate in a peaceful protest against corruption, 80% of the respondents would not actively join an organisation striving to reduce corruption, 64% of the respondents would not disseminate information about corruption problems through social media.
- If the respondents wished to report corruption, they would most frequently address a governmental anti-corruption organisation or the anti-corruption line operated by the

Government (37%). On the second place, the respondents would report corruption directly to the concerned institution (24%).

- The police as one of the national authorities promoting prevention of corruption is considered by 54% of the respondents as very or extremely corrupted. Other 34% of the respondents have a neutral opinion on the level of police corruption.

**B) Eurobarometer 397** – this public opinion polls was published by the European Commission in February 2014.

The relevant information is as follows:

- The respondents answered affirmatively the question whether giving and receiving bribes and abuse of power with the aim of satisfying private interests is widespread among the police (55%). 48% of the respondents responded affirmatively with regard to the existence of widespread corruption at the courts (courts of justice) (48%) and within the public prosecutor's service (33%).
- If the respondents wished to report corruption, they would turn most frequently to the police (49%), then to the ombudsman (26%) and to the media or journalists (26%).

**C) EU Anti-Corruption Report** – published by the European Commission in 2014.

The relevant information is as follows:

- Only 12% of the respondents think that the anti-corruption efforts of the Government are effective, which is far below the average level for the entire European Union (23%).
- Only 15% of the respondents think that there is a sufficient number of cases of successful judicial prosecution in the Czech Republic which deter people from corruption practices (the average for the European Union is 26%).

The Government is aware that the perception of corruption by the citizens of the Czech Republic is not positive and that the anti-corruption activities of the Government are not found satisfactory. It is also depressing that the confidence in national institutions, such as the police, courts, public prosecutors, whose mission is to strive for prevention of corruption, has been declining in the last years not only in the Czech Republic but also worldwide.

With regard to the newly constituted Government of the Czech Republic and the contents of its programme declaration, which deals in a number of aspects with the fight against corruption and with the implementation of effective anti-corruption measures, it is possible to expect a positive turn in the perception of corruption by the general public. For this purpose, it appears appropriate to sufficiently promote primarily the anti-corruption stance of the political representation, which would indirectly strengthen the anti-corruption climate in the society.

The above-mentioned results of the public opinion polls concerning the effectiveness of the fight against corruption must be relevant accentuated in the preparation of a new national anti-corruption strategy, which is to be adopted by the end of 2014.

**3. Please outline actions required to strengthen or improve the measures described above and any specific challenges you might be facing in this respect.**

As noted above, the principal body involved in the fight against corruption is the Government Anti-Corruption Committee, which is an advisory body of the Government of the Czech Republic. No session of the Government Committee was held in 2013, principally due to the situation at the Czech political stage and to the dissolution of the Chamber of Deputies of the Parliament of the Czech Republic on 28 August 2013. Jiří Rusnok's government did not show any initiative to convene the session of the Government Committee. Hence, the performance of tasks arising from the Strategy was coordinated at the time by the Section of the Office of the Government of the Czech Republic for Coordination of the Fight against Corruption directly with individual ministries.

The current non-functioning or inactivity of the Government Committee has to be resolved by its reconstruction, i.e. by the election of a new concept, including the approval of its new statute and rules of procedure and its staffing. This issue will be resolved within a few weeks, and it seems as most desirable to expand the Committee by members from among the professional public, the academic community and non-state non-profit anti-corruption organisations.

As regards the reconstruction of the Government Committee, it will be important to inform the professional and the general public about such change and to pay continuous attention to the sessions of the Government Committee at the website [www.korupce.cz](http://www.korupce.cz). It also appears appropriate to organise press conferences after each session of this committee. In connection with the constitution of the new Government Committee, it will be necessary to ensure financial funds for its activities, because under the Government Resolution No. 315 of 2011 on the establishment of the Government Anti-Corruption Committee, the funds for its activities were provided for only until the year 2014 inclusive.

Over two and half year of experience of the AU indicate partial absence of effective institutional anti-corruption infrastructure in the Czech Republic, which would be involved in supervision, e.g. of the financing of political parties, conflict of interests, or illegitimate lobbying. Hence, it may be presumed that the issue of enhancement of the institutional anti-corruption framework would be frequently discussed in the following months. All arguments against the establishment of new institutions pointed to the urgent necessity of the implementation of the governmental savings measures.

In reaction to the implementation of the task no 6.2.1. of the current Government Anti-Corruption Strategy – Internal Anti-Corruption Programmes – it has become evident that, with regard to the scope, importance and potential benefits, it would be ideal to provide highly qualified professional assistance to ministries and other affected bodies in the fulfilment of this task. The provision of such methodological support, including the performance of many other tasks in the implementation of an effective anti-corruption policy of the state, would have an indisputable impact on the AU's staffing capacities and such fact together with general budgetary restrictions has to be therefore kept in mind.

**4. Do you require technical assistance in relation to the measures described above? If so, please specify the forms of technical assistance that would be required.**

Technical assistance is not required.

**II – Information requested from States parties in relation to public sector legislative and administrative measures, including measures to enhance transparency in the funding of candidatures for elected public office and, where applicable the funding of political parties (arts. 5 and 7).**

**1. Please describe the legislative and administrative measures you have taken to prevent corruption in public sector. In particular, please provide information on measures you have taken to enhance in the funding of candidatures for elected public office and the funding of political parties.**

Funding of political parties is regulated by the Act num. 424/1991 Coll., on Political Parties and their Funding. They are also obliged to have accounting books according to the Act num. 563/1991 Sb., on Accounting. From the viewpoint of Act num. 586/1992 Sb., on Income Taxes, political parties are considered to be non-profit organizations. Political parties are prohibited from doing business in their own name. They are only allowed to found a company focused on publishing, printing, broadcasting, cultural, sport, recreational, educational or political activities.

The Act on Political Parties and their Funding lists possible means of income of political parties:

- a) state subsidies on electoral campaign expenses
- b) state subsidies on activities
- c) member fees,
- d) donations and inheritance
- e) income from lease of real estate and other property
- f) interest on deposits
- g) income from involvement in companies listed above
- h) income from organizing lotto, cultural, social, sport, recreational, educational and political activities
- i) loans

**State subsidies on electoral campaign expenses**

This subsidy is provided to political parties which pass at least 1.5% threshold in election to Chamber of Deputies and it amounts to 100 Kč per every vote.

**State subsidies on activities**

This subsidy is regulated by the Act on Political Parties and their Funding. It consists of a base subsidy and a subsidy for a mandate.

Any party that passes 3% threshold in Chamber of Deputies election is entitled to the **base subsidy**. Base subsidy amounts to 6 000 000 Kč per year plus 200 000Kč per every 0.1% above the 3% threshold. The upper limit is 10 000 000 Kč per year (reached at 5% votes).

A political party is entitled to the **subsidy for a mandate** if its member is elected a Deputy, Senator or a Member of Regional Council. The subsidy amounts to 855 000 Kč per a Deputy or a Senator and 237 500 Kč per a Member of Regional Council.

## **Donations**

Both physical and legal persons may give donations to political parties. Political parties may not accept donations from:

- a) the State, unless stated otherwise (subsidies mentioned earlier)
- b) the institutions receiving contributions from the State budget
- c) municipalities and regions
- d) state companies and legal persons with capital interest of state

All donations must be mentioned in donation overview, where the amount donated, name and surname, date of birth and domicile must be stated. In case of donations over 50 000 Kč, also the donation contract must be archived.

If an unlawful donation is not returned to the donor, the Tax Office shall impose a sanction amounting to the double of the donated sum.

## **Verification of financial management of political parties**

Financial management of political parties is verified on five levels. Firstly it is the inner revision body of the political party in question. This inner body is mandatory according to the Act on Political Parties and their Funding.

Secondly checking of every annual final accounting statement by an auditor is mandatory. The auditor's statement "no objections" must be attached to every annual financial report of a political party.

The Chamber of Deputies checks the completeness of annual financial reports, which all political parties are obliged to submit annually.

The annual financial reports are also scrutinized by the public. These reports are submitted to the Chamber of Deputies on a prescribed form, which allows for easier comparison, and are freely accessible to the public.

All political parties are also subject to control by Tax Offices.

## **Sanctions**

In case of not respecting the donation rules, a fine is imposed by the Tax Office as mentioned earlier.

If a political party does not comply with its obligation to submit the annual financial report, or if the report is incomplete, state subsidies are suspended.

If a political party does not submit its annual financial report repeatedly, or if its activities are in conflict with the principles of funding of political parties (especially the donation and/or list of allowed incomes rules), the activities of the political party are suspended. This is done by the Supreme Administrative Court after a motion from the Chamber of Deputies. If the political party does not comply with the requirements of law within one year, the government shall file an action to abolish the political party to the Supreme Administrative Court.

## **Conclusion**

It is possible to state, that in comparison with other European countries the Czech Republic has an adequately robust legal framework of the issue in question. This statement is justified by the study of GRECO from May 2010 of the first 22 countries reviewed under the third cycle. For a more thorough analysis of transparency of funding of political parties, view the relevant GRECO evaluation report.

Nevertheless possibilities for improvement were identified in a relevant study and amendments to relevant acts were drafted. Unfortunately this proposal was not adopted, because the Chamber of Deputies disbanded itself in August 2013. The proposal is about to be re-introduced by the current government in short time. For more information on the proposal please view the answer to the question 3.

**2. Please provide information demonstrating implementation of the measures described above.**

Unfortunately all the annual financial reports are in Czech and it is beyond the scope of possibilities of Czech Administration to translate such documents for demonstrational purposes.

Number of political parties, which were suspended in their activities and which were dissolved for the breach of law by the Supreme Administrative Court.

Year	Activities suspended	Party dissolved
1996	1	3
1997	0	0
1998	0	0
1999	0	0
2000	0	0
2001	2	0
2002	9	0
2003	1	1
2004	2	2
2005	3	0
2006	4	1
2007	9	3
2008	10	6
2009	5	4

2010	2	6
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The website [www.politickefinance.cz](http://www.politickefinance.cz) provides a portal of information on funding of political parties. It is searchable by donor or by political parties.

**3. Please outline actions required to strengthen or improve the measures described above and any specific challenges you might be facing in this respect.**

As stated above, possibilities for improvement of the current system were identified in an analysis by the Ministry of Interior and amendments to relevant acts were drafted. Unfortunately this proposal was not adopted, because the Chamber of Deputies disbanded itself in August 2013. The proposal is about to be re-introduced by the current government in short time.

The proposal should upgrade the current system in these aspects:

- The annual financial report shall be submitted electronically and then published on a designated website.
- The annual financial report shall include more details on all the possible means of income that are allowed by law.
- Political parties shall be obliged to publish their final accounting statements.
- New mechanism on choosing the auditor shall be adopted. The auditor shall have no connection, direct or indirect, financial, commercial, labour, member or other relationship to the political party. One auditor shall not be assigned more than twice in a row.
- Upper limit of donation from one commercial company shall be stated.
- In the overview of non-pecuniary donations, their usual market value shall be stated
- More detailed information on the purpose of money spent in election campaigns shall be required.
- New system of reviewing the financial report shall be put in place in order to facilitate more thorough review.

**4. Do you require technical assistance in relation to the measures described above? If so, please specify the forms of technical assistance that would be required.**

Because the issue was already analysed and measures in the form of a proposed amendment of relevant acts were taken, the Czech Republic does not require technical assistance.