

**DIRECTORATE GENERAL I – LEGAL AFFAIRS
DEPARTMENT OF CRIME PROBLEMS**

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First Evaluation Round

Compliance Report on Moldova

Adopted by GRECO
at its 26th Plenary Meeting
(Strasbourg, 5-9 December 2005)

I. INTRODUCTION

1. GRECO adopted the First Round Evaluation Report on Moldova at its 15th Plenary Meeting (13-17 October 2003). This Report (Greco Eval I Rep (2003) 3E) was made public by GRECO, following authorisation by the Moldovan authorities, on 20 November 2003.
2. In accordance with Rule 30.2 of Greco's Rules of Procedure, the Moldovan authorities submitted their Situation Report (RS-Report) on the measures taken to implement the recommendations on 18 August 2005.
3. At its 13th Plenary Meeting (24-28 March 2003), in accordance with Rule 31.1 of its Rules of Procedure, GRECO selected Albania and Spain to provide rapporteurs for the compliance procedure. Mr Edmond Dunga was appointed on behalf of Albania and Mrs Elsa GARCIA-MALTRAS on behalf of Spain. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The RC-Report was adopted by GRECO, following examination and discussion pursuant to Rule 31.7 of the Rules of Procedure, at its 26th Plenary Meeting (5-9 December 2005).
5. Under Article 15 para. 6 of the GRECO Statute and Rule 30.2 of the Rules of Procedure, the objective of the RC-Report is to assess the measures taken by the Moldovan authorities, and wherever possible their effectiveness, to comply with the recommendations in the Evaluation Report.

II. ANALYSIS

6. In its Evaluation Report GRECO addressed 14 recommendations to Moldova. Compliance with these recommendations is dealt with below.

Recommendation i.

7. *GRECO recommends that the necessary studies be carried out to gain a clearer insight into the scale of corruption and its various features so that anti-corruption initiatives and plans can be targeted more effectively.*
8. The Moldovan authorities state that following adoption of the GRECO evaluation report in October 2003, on 16 December 2004 Parliament approved a National Strategy for Preventing and Combating Corruption (hereafter "the Strategy") and an action plan to implement the Strategy. According to the authorities of Moldova, the Strategy is "a key element of efforts to root out corruption". Full account was taken of the GRECO recommendations in drawing up the Strategy. With particular regard to recommendation i, the Moldovan authorities also state that the Strategy was drawn up "following a multidisciplinary study of the nature and extent of corruption in the country". They also refer to an international conference in November 2004 whose main aim was to inform the public of the dangers of corruption, to present "a multilateral analysis of the phenomenon, of problems and conditions that nourish corruption". Finally, a survey of 3 000 Moldovan citizens on their perceptions of and attitudes to corruption was scheduled to take place – and the results published – by the end of October 2005.
9. GRECO notes the information supplied by the Moldovan authorities, particularly concerning the multidisciplinary study reportedly described at an international conference in November 2004 and

used in the preparation of the Strategy. However, no additional information is supplied on this study. GRECO is therefore unable to assess its coverage or above all reach any conclusion as to whether it was sufficient to offer the Moldovan authorities "a clearer insight into the scale of corruption", as required in recommendation i. GRECO also considers that the survey of Moldovan citizens referred to by the authorities does not go very far towards satisfying the GRECO's perceived need for official studies providing "a clearer insight into the scale of the corruption in Moldova, the forms it takes, the areas mainly affected or its causes". In fact, the survey in question was primarily concerned with the public's perception of corruption.

10. GRECO concludes that recommendation i. has been partly implemented.

Recommendation ii.

11. *GRECO recommends that the relevant Moldovan authorities involve in their anti-corruption efforts: - public servants by introducing measures aimed at facilitating, at their level, the recognition and whistle blowing of suspicious acts of corruption;- the public by informing it, regularly, in particular through the media, about the content of the National Programmes, the Government activities, their implementation, the results achieved and about the court judgements.*
12. Regarding the first part of the recommendation, the Moldovan authorities state that the Public Service Act, No. 443, states that all public officials have to inform their hierarchical superiors of any instructions requiring them to carry out unlawful actions. In such cases, the head of the public authority concerned is required to transmit the information received to the prosecution authorities. In addition, Section 12 of the Anti-Corruption and Protectionism Act, No. 900, requires heads of public authorities to take appropriate action against public officials guilty of corruption and, where necessary, refer the matter to the relevant authorities. The Moldovan authorities have also announced that on 28 June 2005, the Government approved decision 616 on the prevention of corruption, instructing the central authorities to introduce practical measures for that purpose. Moreover, ministers, or other senior officials appointed by them, must monitor the application of such measures and ensure that officials of their ministries comply with the relevant legislation. The same persons must also examine information supplied by citizens and officials on acts of corruption by ministry employees and, where appropriate, refer the matter to the relevant authorities. Every three months, each public institution must inform the "Monitoring Group" of the National Anti-Corruption Strategy of measures introduced to prevent corruption. Finally, in recent years, the national tax inspectorate has organised a series of seminars on "the phenomenon of corruption: the tax authorities' role in its prevention and detection". Six hundred and fifty two tax inspectors have attended these seminars. The Centre for combating economic crimes and corruption has organised "courses" on the scale, causes and effects of corruption and ways of preventing it. The courses have been held in teaching establishments (see also paragraph 17), and in the national emergency medicine centre, the national preventive medicine centre, the chamber of licences and the labour inspectorate. Similar meetings are planned in the national bank, the national telecommunications and energy regulatory agencies, the national securities commission and the state tax inspectorate.
13. In connection with the second part of the recommendation, the Moldovan authorities state that the Centre for combating economic crimes and corruption holds briefings on its activities every three months, publishes an information bulletin on the results of its activities and places its annual report on its Internet site. In April 2005, in collaboration with Transparency International - Moldova, it organised an exhibition of works entitled "painters against corruption". The secretariat

of the group that monitors the anti-corruption Strategy invites media representatives to all its meetings. The latter then publish the results of its working sessions. For example, the group's meeting on 29 July 2005 considered the authorities' efforts over the previous three months to implement the action plan on the implementation of the Strategy, as well as the GRECO situation report. It was attended by correspondents from nearly all the country's television channels and representatives of the written press. The representative of Moldova to GRECO gave an interview to the Moldova-1 television channel on the GRECO evaluation and the compliance procedure.

14. The Moldovan authorities have supplied a detailed list of information sources on the activities of the authorities most directly involved in preventing and combating corruption, namely the Centre for combating economic crimes and corruption, the police and the public prosecutor's department. The sources mentioned include 63 news items on the television channels Moldova - 1, ORT, NIT, EuroTV and RifTV, a documentary broadcast on national television channels on cases of corruption that had been uncovered and 72 press releases on anti-corruption activities that had led to 120 press articles.
15. GRECO notes the information provided by the Moldovan authorities and concludes that recommendation ii. has been implemented satisfactorily.

Recommendation iii.

16. *GRECO recommends that the public be made aware on a regular basis of the dangers of corruption and informed about the means available for reporting cases of corruption known to them.*
17. Regarding the first part of the recommendation, the Moldovan authorities state that, in addition to numerous activities referred to in connection with recommendation ii, other steps have been taken to draw the dangers of corruption to the attention of the public, particularly young persons. The education ministry has introduced civic education courses into higher education syllabuses, including subjects concerned with corruption and organised crime. The Centre for combating economic crimes and corruption, in conjunction with Transparency International Moldova, has organised information sessions in various Moldovan universities on activities conducted by the Centre and other bodies.
18. Turning to the second part of the recommendation, concerned with public reporting of corruption, the authorities of Moldova state that most of the bodies that are involved in preventing corruption and have special responsibilities for uncovering and prosecuting cases of corruption have instituted direct and confidential telephone lines. The numbers are publicised on radio and television and are displayed in the offices of the bodies concerned and may be used anonymously to report cases of corruption. For example, as a result of information on misuse of authority and similar abuses committed by tax officials, supplied by citizens over these confidential lines, the internal security directorate of the state tax inspectorate opened more than thirty internal investigations in 2004, following which 30 employees were disciplined and 11 were dismissed.
19. GRECO concludes that recommendation iii. has been implemented satisfactorily.

Recommendation iv.

20. *GRECO recommends that the work of the anti-corruption co-ordination bodies be streamlined by defining their responsibilities, and by establishing their respective priorities and tasks to ensure more effective cooperation.*
21. According to the Moldovan authorities, the issue of how the tasks and responsibilities of the anti-corruption co-ordination bodies are allocated has been settled by the Strategy. Under paragraph 3.2 of the Strategy, the coordinating council for corruption and crime problems, which is answerable to the President of the Republic, has general responsibility for co-ordinating the Strategy and for ensuring that the different public bodies take all necessary steps to carry out their allotted tasks under the action plan. The council was established by presidential decree of 21 September 2001, as amended in February 2003. However, new members were appointed two years later, in a presidential decree of 30 May 2005. They are the chair of the parliamentary committee on state security and public order, the prime minister, the interior and foreign ministers, the prosecutor general and the director of Centre for combating economic crimes and corruption. The monitoring group, made up of representatives of several governmental and non-governmental institutions, considers progress on implementing the action plan at its monthly meetings, following which it presents a report to the coordinating council for corruption and crime problems. It also informs the press of its discussions.
22. The Moldovan authorities also state that in order to rationalise the activities of the bodies responsible for the fighting against organised crimes, government decision 898 of 3 August 2004 approved an action plan on interaction and collaboration between bodies responsible for combating organised crime and corruption. The ministry of justice has been nominated as the institution responsible for collecting information on progress on implementing the plan.
23. GRECO notes the information supplied by the Moldovan authorities. The national anti-corruption Strategy is considered to be one of the most important initiatives launched by Moldova in recent years to facilitate the coordination of anti-corruption policies. GRECO notes that the Strategy gives the coordinating council for corruption and crime problems prime responsibility for co-ordinating policies on preventing and fighting corruption while the monitoring group oversees the practical implementation of measures under the action plan. However the monitoring group only came into operation very recently (in 2005) and GRECO has insufficient information to reach a definite conclusion on how effective the monitoring group is in practice in co-ordinating anti-corruption activities. However it does consider that the respective responsibilities of the coordinating council and the monitoring group, together with their tasks and priorities, have been defined.
24. GRECO therefore concludes that recommendation iv. has been dealt with in a satisfactory manner.

Recommendation v.

25. *GRECO recommends that a code of conduct for public servants be adopted and regularly circulated among public servants and the public at large.*
26. According to the Moldovan authorities, the Strategy includes the preparation and presentation for adoption of a code of conduct for civil servants and the monitoring of its application. On 15 November 2005, the Ministry of Justice submitted to the government a draft law on a code of conduct for civil servants for adoption. According to the programme of activities of the

government for October-December 2005, this draft should be transmitted to the parliament for adoption by the end of 2005. Moreover, a number of state bodies have already adopted their own codes of ethics or are in the process of doing so. These include prosecutors, court officials, prison officers, customs officials and tax officials.

27. GRECO notes the information supplied by the Moldovan authorities, particularly the fact that certain categories of public officials have adopted their own codes of conduct and that a draft law on code of conduct for civil servants has been submitted to the government (and should be transmitted afterwards to the parliament) for adoption. It does not consider that this entirely meets the requirements of recommendation v, which calls for a code of conduct for all civil servants plus steps to ensure that it is circulated among civil servants and the public at large.
28. GRECO concludes that recommendation v. has been partly implemented.

Recommendation vi.

29. *GRECO recommends that Act 1264-XV of 19 July 2002 on the Declaration and Monitoring of the Income and Assets of State Dignitaries, Judges, Prosecutors, Public Servants and Certain Persons holding Managerial Positions be implemented without delay and that the declarations be checked properly.*
30. The Moldovan authorities state that as of 31 January 2003, all public officials referred to in Act 1264-XV of 19 July 2002 had submitted their declarations of income and assets and those of their families to the central control commission, which began operating on 30 January 2003. Since then, these officials have presented their declarations to the commission each year. Every year, it receives nearly 1 500 declarations, which are examined to ensure that they comply with the law. Moreover, the commission checks the information received and compares them with other relevant institutions' data. According to the commission, the most frequently occurring problems are that:
 - only officials' income is declared, and not that of their families;
 - the value of property is not always recorded;
 - the address of buildings and/or land near to buildings is not indicated;
 - the period to which declarations apply is not recorded.

In all such cases, the commission, which had not found any case of fraudulent declaration, requires those concerned to complete the declarations in accordance with the law, which has in fact happened. It has met six times in 2005. All the declarations are collated and stored in the commission archives.

31. GRECO notes the information provided by the Moldovan authorities and concludes that recommendation vi. has been implemented satisfactorily.

Recommendation vii.

32. *GRECO recommends that the anti-corruption unit within the Public Prosecutor's Department (or any other anti-corruption body of the Public Prosecutor's Department) be strengthened by providing it with the additional human and financial resources needed for its activity, in particular in terms of the number of specialised prosecutors.*
33. According to the Moldovan authorities, 23 prosecutors were working in the anti-corruption unit of the prosecutor office in August 2005 (compared with 8 at the time of the GRECO evaluation team

visit). The unit is divided into four sections, responsible for corruption offences investigations, investigations into corruption-related offences, "analysis and strategy" and judicial matters. The authorities also state that in recent years, the anti-corruption unit has been equipped with computers and has access to a number of the ministry of the interior databases.

34. GRECO notes the information supplied by the Moldovan authorities. It considers that the measures described largely cover the concerns expressed in recommendation vii, particularly concerning the employment of specialist prosecutors.
35. GRECO concludes that recommendation vii. has been dealt with in a satisfactory manner.

Recommendation viii.

36. *GRECO recommends that the anti-corruption unit within the Public Prosecutor's Department (or any other anti-corruption body of the Public Prosecutor's Department) be organised in such a way to provide interface with the Centre for Fighting Economic Crimes and Corruption, for example by creating regional divisions.*
37. The Moldovan authorities state that with a view to clarifying relations between the public prosecutor's anti-corruption unit and Centre for combating economic crimes and corruption and establishing an appropriate interface between them, prosecutor general's order 245/13 of 29 October 2004 makes a specialised section of the criminal prosecutions directorate of the prosecutor office responsible for directing and overseeing the activities of the Centre's central criminal prosecution office. Eleven prosecutors are assigned to the section and supervise the activities of the Centre's central office. Moreover, following a reorganisation of the Centre, its geographically decentralised directorates were abolished in July 2004 and two regional directorates were set up in the towns of Balti and Cahul. In these two cities, two regional offices of the public prosecutor's anti-corruption unit have been set up to ensure better coordination between the two bodies. Here again, the prosecutor office now directs prosecutions in corruption cases. Finally, the Moldovan authorities state that Chapter III of the code of criminal procedure defines clearly the tasks of each of the two bodies dealing with investigations on corruption. As regards the interface between the Centre and the anti-corruption unit, they have indicated that the Centre has prepared a "Plan defining prosecuting authorities' competences in the fight against corruption" ; that a meeting of a working group to define prosecuting authorities' competences in the fight against corruption took place on 11-15 April 2005 ; and that Council of Europe experts participated in the working group and made some recommendations on the subjects discussed.
38. GRECO notes the information supplied by the Moldovan authorities. It does not think that the measures referred to meet entirely the need to clarify relations between Moldova's two main anti-corruption bodies. These measures are mainly related to the division of tasks between the public prosecutor's anti-corruption unit and the Centre for combating economic crimes and corruption. On the other hand, concerning the main concern raised in recommendation viii, ie the interface between the two specialised bodies' day-to-day investigation activities, the Moldovan authorities have stated that the Centre has prepared a "Plan defining prosecuting authorities' competences in the fight against corruption". In this regard, as information on the scope, the content and the implementation of this document is not available to GRECO, it is not in a position to determine to what extent this document complies with the requirements of recommendation viii. Finally, with regard to the recommendations made by the Council of Europe experts, GRECO considers that the fact that experts have made recommendations on the definition of prosecuting authorities' competences in the fight against corruption does not lead to the conclusion that the issue of

establishing an “appropriate interface” between the public prosecutor’s anti-corruption unit and Centre for combating economic crimes has been dealt with. GRECO considers that there is still a need for such clarification and that it can make a major contribution to the effective investigation of corruption cases.

39. GRECO concludes that recommendation viii. has been partly implemented.

Recommendation ix.

40. *GRECO recommends that prosecutors and police officers be paid adequate salaries within the general context of salary scales paid in the country.*

41. According to its authorities, Moldova is “one of the poorest countries in the world”, though its economy is “slowly recovering”. In the first quarter of 2005, for example, GDP was 8.2% higher than in the equivalent period of 2004. In this context, the government has taken measures to improve public sector salaries. In particular, under government decision 1133 of 17 September 2003, the salaries of all public officials, including prosecutors and police officers, were increased by 15% on 1 December 2003. In addition draft legislation on arrangements for fixing basic salaries in the budgetary sector and payments for public officials was approved by the government on 6 July 2005 and has been tabled in parliament for enactment. The draft legislation provides for a considerable increase (more than double) in prosecutors' and police officers' salaries.

42. GRECO notes the Moldovan authorities' efforts to improve the pay of public officials, including prosecutors and members of the police, whose salaries increased by 15% on 1 December 2003, despite an unfavourable economic climate. However, it notes that the inflation rate was 15.7% in 2003 and 12.5% in 2004. GRECO is conscious of the countries' economic and financial difficulties. It invites the authorities to continue their efforts to improve the pay of public officials, including prosecutors and members of the police, in particular by passing the legislation establishing criteria for determining public sector salaries.

43. GRECO concludes that recommendation ix has been dealt with in a satisfactory manner.

Recommendation x.

44. *GRECO recommends that initial and in-service training of the staff of the Centre for Fighting Economic Crimes and Corruption, prosecutors and judges in combating economic and financial crimes and related offences such as tax evasion and, more specifically, corruption be stepped up.*

45. The Moldovan authorities state that the in-service training centre for public prosecutors was opened in September 2004. There was also a series of seminars and study visits in 2003 and 2004 – in particular, to the United States, Romania and Egypt – organised by international and non-governmental organisations or foreign countries. These activities were attended by police, prosecutors and prison officials. They also state that the training centre for judicial staff has made proposals for the inclusion of anti-corruption themes in the study programmes of judges, notaries, lawyers and court officials. These courses are scheduled to start in the September 2005 – June 2005 academic year. The Moldovan authorities underline the fact that in 2005 the in-service training centre for public prosecutors organised 3 courses (each lasting two months) for junior prosecutors during which prosecutors from the anti-corruption unit presented specific

investigation techniques related to corruption cases. In-service training courses for 20 prosecutors on, *inter alia*, investigation techniques on corruption were also organised.

46. GRECO notes the information supplied by the Moldovan authorities and concludes that recommendation x. has been implemented satisfactorily.

Recommendation xi.

47. *GRECO recommends that the necessary financial and technical resources be allocated to the operational directorate of the Customs Department and that officers be given initial and in-service training in regulations and professional conduct.*
48. The Moldovan authorities state that order 334-C of the director general of customs, dated 11 April 2005, introduced a code of ethics for customs officials, which is posted in every customs office and is therefore accessible to the public.
49. GRECO notes the information supplied by the Moldovan authorities, which does not respond to the concerns expressed in recommendation xi regarding the allocation of financial and technical resources to the operational directorate of the customs department and the training of customs officials.
50. GRECO concludes that recommendation xi has not been implemented.

Recommendation xii.

51. *GRECO recommends that officials of the Tax Inspectorate be made aware of the problem and dangers of corruption and their role in fighting it and that concrete measures be taken to ensure that the internal monitoring directorate performs stricter checks on the activities of Tax Inspectorate officials.*
52. According to the authorities of Moldova, in 2003-2004 about 650 tax officials attended training seminars on "the phenomenon of corruption: the tax authorities' role in its prevention and detection". A code of ethics for tax officials was approved on 4 July 2004 and seminars to explain the code have been held in all the tax inspectorate offices of the municipality of Chisinau. On 9 September 2004, the ministry of finance ordered the rotation of tax inspectors in the municipality of Chisinau to reduce the risk of corruption. Under order 176 issued by the head of the tax inspectorate, the heads of all levels of the taxation service must ensure that their staff adopt "appropriate conduct" and react promptly to any suspicion of misconduct or misuse of authority. Finally, a confidential telephone line has been installed in the internal security directorate of the tax inspectorate. This enables citizens to inform the service, anonymously, of any misuse of authority or acts of corruption by tax inspectors. Information on how to report possible illegal actions by tax inspectors has been posted in every tax office and has been broadcast as commercials by several television channels (PRO TV, NIT, ORT v Moldove, EURO TV) and on radio. In 2004, the internal security directorate conducted 32 internal inquiries, following which 30 employees were disciplined and 11 were dismissed from the taxation service.
53. GRECO notes the information provided by the Moldovan authorities and concludes that recommendation xii has been implemented satisfactorily.

Recommendation xiii.

54. *GRECO recommends that the financial and technical resources provided for the departments responsible for implementing witness-protection and related programmes be increased and that the Act 1458-XIII of 28 January 1998 be properly implemented.*
55. The Moldovan authorities state that the ministry of the interior and the Centre for combating economic crimes and corruption are responsible for protecting those concerned in cases within their particular area of authority. For this purpose, the government has decided to establish specialist units. The prosecutor office supervises the application of the law during the protection procedure. In the ministry of the interior, the task is carried out by a special unit offering state protection to those taking part in criminal proceedings directed by the operational services department. The unit comprises three sub-divisions ("central", "north" and "south") and is staffed by 10 officers and 15 sub-officers. The ministry of the interior has produced a draft instruction on the application of state protection to victims, witnesses and other "collaborators of justice", which has been submitted for consultation to all the bodies concerned.
56. According to the authorities of Moldova, 45 protective measures orders were issued in 2004, covering 26 persons. In 2005, protective measures have been ordered for 37 persons.
57. GRECO notes the information provided by the Moldovan authorities and concludes that recommendation xiii has been implemented satisfactorily.

Recommendation xiv.

58. *GRECO recommends the establishment of guidelines for Deputies of the Parliament, and especially its Committee on Appointments and Immunities, containing criteria to be applied when deciding on requests for lifting immunities.*
59. The Moldovan authorities have supplied details of the procedure for lifting immunity as laid down in Act No. 39 of 7 April 1994. The prosecutor general must submit requests for lifting the immunity of members of parliament suspected of offences, so that they can be remanded in custody or for the purposes of carrying out searches, to the president of the parliament. The latter must then inform parliament within the following seven days and forward the request to the committee on appointments and immunities. The committee, which has eleven members, then considers the request and reaches a decision by secret vote within 15 days. Members of the committee are entitled to ask the prosecutor to supply all relevant information. The committee's report is presented to the full parliament, which in turn reaches a decision by secret vote. In this context where the prosecutor general has a key role in the preparation of cases concerning the lifting of immunity, on 27 June 2005 the prosecutor general issued order 189/19 to all prosecutors on the arrangements for preparing applications for the lifting of immunity, which includes guidelines on the evidence required in support of such requests and how it should be presented.
60. GRECO notes the information provided by the Moldovan authorities and concludes that recommendation xiv has been dealt with in a satisfactory manner.

III. CONCLUSIONS

61. **In view of the above, GRECO concludes that Moldova has satisfactorily implemented or dealt with in a satisfactory manner the great majority of the recommendations in the First Round Evaluation Report.** Recommendations ii, iii, vi, x, xii and xiii have been implemented satisfactorily. Recommendations iv, vii, ix and xiv have been dealt with in a satisfactory manner. Recommendations i, v and viii have been partly implemented and recommendation xi has not been implemented.
62. GRECO invites the Head of the Moldovan delegation to submit additional information regarding the implementation of recommendations i, v, viii, and xi by 31 July 2007.