

CASE STUDY 19

ASSET AND INTEREST DECLARATIONS

Enhancing Effectiveness of Asset Declarations in Romania

Overview

Asset declarations were first introduced in 1996 with the aim of cleaning up the public sector following the transition from Communism. The asset disclosure system, which was later expanded to cover potential conflicts of interest and incompatibilities,¹⁶ underwent several series of major reforms from 2003 through 2010. The road from first establishing the system to seeing results took many years and even now refinements are needed to match the emerging challenges.

A wide range of Romanian public officials have to declare their assets and interests. But Romania also set up a verification mechanism focused on detecting and sanctioning unjustified variations of wealth, conflicts of interest and incompatibilities. Since 2007, an independent administrative agency—the National Integrity Agency (ANI)—has managed the system. The agency collects mostly paper-based declarations and publishes them on its website.¹⁷ Transparency has been key to the success of the system; it has allowed for public oversight of disclosure forms and given prominence to the system on the political reform agenda. Public access also contributed to the effectiveness of the verification process, as the vast majority of review procedures have been triggered by media and civil society reports.

In 2017, the ANI launched its newest tool, PREVENT, which is linked with the public procurement system

and designed to issue early warnings to contracting authorities about potential conflicts of interest in procurement procedures.

Introduction

As Romania transitioned from a state-controlled economy to a market economy in the early 1990s, many public officials became inexplicably wealthy, despite having spent their entire professional lives working for meagre government salaries. MPs, ministers, mayors or heads of local or regional governments and their family members acquired real estate, vehicles or land whose value was disproportionate to their current or past sources of income. The rapid accumulation of wealth among public officials was hard to miss since private property had only recently appeared. Law enforcement failed to credibly tackle this very visible integrity issue, and the level of trust in the public sector decreased.

In 1996 Romania introduced mandatory asset disclosure for public officials, as did other countries in the region and elsewhere in the world. But the system initially did not deliver on its promise. Officials submitted disclosure forms to their human resources department, and the information declared was not disclosed to the public. With no transparency and no effective mechanism to verify assets or unjustified variations of wealth, the asset disclosure system failed to make significant inroads

in reducing Romania's corruption problem. Between 1996 and 2007, Romanian courts adjudicated less than ten cases of civil confiscation of unjustified variations of wealth. While this is a relatively high number in the regional context, it did not come close to making a dent in the challenge at hand.

A window of opportunity to fix the system began to appear at the end of the 1990s, when Romania started the long process of joining the European Union (EU). Along with other reforms, Romania had to tackle corruption in order to be accepted into the EU.

The implementation process

Reforming the system

In 2003, Romania introduced declarations of private interests¹⁸ in addition to asset disclosures, and the information filed in the declarations became publicly available for the first time. However, the information that declarants had to submit was limited in scope. For example, the asset disclosure form did not include the precise value of bank deposits, loans or debts, but just an indication of whether they exceeded the threshold of 10,000 euro. Declarants were also required to disclose in a yes or no format if they held shares worth more than 10,000 euro.

In 2004, the disclosure form was amended to close more loopholes, such as including the actual value of bank deposits if above 10,000 euro.

Finally, in 2005, the government made sweeping reforms to the asset and interest disclosures. The forms became more comprehensive, requiring officials to declare a much wider range of information: movable and immovable property with a clear indication of the value, financial assets in Romania or abroad (bank accounts and other financial investments including their respective value), liabilities, gifts and all income.

Local and national elected public officials, civil servants, judges and prosecutors, police and intelligence officers all had to file public disclosures at the beginning and end of their mandate, and yearly while they remained in their position. Filers needed to submit information not only on their own assets, income and interests, but also on those of their family members (spouse and dependent children). Information on the values and

sources of income and debts of family members as well as the balance of their bank accounts needed to be disclosed and was made publicly available.

Civil society groups and investigative journalists used the declarations in combination with other open source data to paint a comprehensive picture of the interests and wealth of public officials. During electoral campaigns and when individuals were competing for high-level public functions, information from the asset and interest disclosures played an important role in public debates. Initial concerns that public access to information in disclosures might pose a threat to the personal security of public officials turned out to be unfounded. "Blacklisting"¹⁹ of candidates for public office, based on information from the declarations, became a frequent practice of civil society groups since 2004. Investigative journalists routinely used declarations of assets and interests as a first step in their investigations.

By the time Romania joined the EU in 2007, its asset declaration system was comprehensive in terms of the scope of the information disclosed and much of what was filed was made publicly available. But there was still much work to do for the country to stamp out corruption, and the reforms of the late 1990s and 2000s were fragile. To ensure that Romania remained on track with its anti-corruption agenda, the EU implemented the "Cooperation and Verification Mechanism" (CVM), a tool used for both Romania and Bulgaria (which faced similar challenges and joined the EU at the same time). The mechanism allowed the European Commission, the executive branch of the EU, to issue regular reports assessing the two countries' progress²⁰ on or deviation from their reform agendas.

The European Commission set four criteria for assessing Romania's progress. One of those criteria was to set up an agency responsible for verifying asset disclosures, identifying conflicts of interest, and issuing sanctions for noncompliance. Despite pressure from the EU to set up the agency, it took time to overcome strong domestic opposition.

The ANI was set-up as an independent administrative agency in mid-2007 and became operational at the beginning of 2008. The ANI published all disclosures on its website and kept them there for three years (before archiving them). As of April 2020, 7.7 million declarations are available on the ANI's public portal.

Facing challenges

Early in ANI's life, it faced a fundamental challenge to its institutional framework and at an immediate operational level to many on-going verification procedures. One of the first cases on confiscation of unjustified variations of wealth, which was sent to the court in 2008, was appealed, and in April 2010 the Constitutional Court found that parts of the law on the procedure for controlling wealth were unconstitutional. A new law, amended to reflect the criticism from the Constitutional Court, was adopted in September 2010. ANI had to pause operational work for half a year, then close all on-going verification procedures and restart them from scratch in line with the amended procedures, generating further delays in its anti-corruption efforts.

Over the years there have been frequent legal initiatives²¹ in Parliament to curtail ANI's powers. The 2019 European Commission CVM report on Romania highlighted that in the previous two years, five legislative proposals modifying the integrity framework had been adopted, weakening certain provisions and the ability of ANI to maintain its track record of cases. This included a "relaxation" of the incompatibilities regime, introducing a non-dissuasive sanctioning regime for the local elected officials found to have conflicts of interest, and a general statute of limitation period of 3 years²² for sanctioning conflicts of interest and incompatibilities in ANI's cases.

Achievements

Confiscating unjustified wealth

Since the asset disclosure forms were first introduced in 1996, Romania has been one of the few countries that has aimed to control and sanction unjustified variations²³ of wealth of public officials by embedding civil confiscation tools in its financial disclosure system. Although other countries have civil confiscation tools in place, there are few systems where civil confiscation is so intertwined with the asset declaration system.

The original mechanism for verifying the accuracy of asset declarations that was in place between 1996 and 2007 was rudimentary and difficult to use. The procedure could start either with a complaint from the public regarding unjustified variations of wealth (even though at that point the declarations were not public)

or ex-officio by the chief prosecutors from the Courts of Appeal (there are 15 courts of appeal in the country). The verification was conducted by a commission composed of two judges and one prosecutor and later assessed by appeal court judges. The results achieved by these commissions in the area of wealth verifications were modest. The system lacked accountability mechanisms and transferred tasks to the judiciary that should have been dealt with by administrative control bodies. Prosecutors and judges had to perform the prima-facie investigations of wealth, although this is essentially a technical task that should be performed by an administrative or investigative body and censored and reviewed by the judiciary.

After 2007, ANI initiated verification procedures based on complaints or ex-officio. Staff used relevant government databases (such as the companies register, vehicle registration register, police database) to crosscheck information provided by declarants. One of the most important features of the Romanian integrity mechanism is the power of ANI to request any type of data and information from both public and private entities, including financial information from financial institutions regarding transactions, bank accounts or credits. This proved to be extremely useful when assessing the wealth accumulated by a public official during his mandate and in the process of verifying the accuracy of the disclosed data. Public officials were able to provide additional information during the verification process, and ANI's findings were challengeable in court. Around 70% of ANI's cases are challenged before courts.

Following the Constitutional Court's 2010 decision related to the procedure for controlling wealth, the September 2010 law introduced an additional filter. This was that ANI decisions would have to be analyzed by a commission of two judges and one prosecutor set up at the level of each court of appeal. This is a combination of the initial institutional set-up of ANI and the old system of wealth control. If the commission agrees with ANI's findings, the case is sent to the administrative litigation section within the Courts of Appeal with a final appeal to the High Court of Cassation and Justice. While ANI is limited to asking for further clarifications only from the subject of the investigation (the filer), the Wealth Investigation Commission attached to the Court of Appeal (another filter) can gather its own additional evidence and can hear other individuals than the subject of the investigation. A final finding of unjustified variation of wealth results in the confiscation

of the wealth that the public official cannot adequately account for.

Sanctioning conflicts of interest and incompatibilities

As in the case of verification of unjustified variations of wealth, in the area of conflicts of interest and incompatibilities ANI can also conduct verifications based on complaints or start investigations ex-officio. The agency's findings can be challenged in court (the administrative litigation section within Courts of Appeal with a final appeal to the High Court of Cassation and Justice) without the additional filter of the commission that exists in the area of unjustified wealth. For conflicts of interest, the sanction is disciplinary²⁴ and the act concluded under the conflict of interest is annulled and parties must be reinstated to the initial state. In practice, this means that disciplinary sanctions range from salary reduction for a limited period of time to removal from the position. To deal with conflicts of interest in the area of public procurement, an ex-ante mechanism for identifying potential conflicts of interests was introduced (see below).

For incompatibilities, the sanction is the public official's dismissal from the public position unless s/he gives up the other position declared incompatible by the law. Between 2010 and 2019, 321 public office holders were removed from their offices (MPs, mayors, heads of public authorities, civil servants, police officers etc.), while 635 had already left their offices before the ANI decision was enforced.

Besides dismissal, another dissuasive feature of the sanctions for incompatibilities and conflict of interest is a three-year ban on occupying any other public position. The public officials under this prohibition are listed on ANI's website.

Inter-agency cooperation

If inspectors find indications of other irregularities (administrative, fiscal or criminal), they have to notify relevant bodies, for example the tax administration, police, or prosecutors. The following are examples of successful cases of cooperation between prosecutors and integrity inspectors, with both using their respective competences to tackle lack of integrity in the public sector.

- In the case of a prominent political figure, prosecutors notified ANI, based on their information, that a public official was hiding large sums of money in a foreign jurisdiction. ANI's inspectors requested the Tax Administration to provide additional information about the official's bank accounts abroad. This information was obtained at a later stage from the foreign jurisdiction and ANI found this amount to be an unjustified difference between legal income and assets and notified the Wealth Investigation Commission.
- In a case of corrupt police officers, judicial proceedings performed by prosecutors were doubled by the administrative wealth assessment conducted by ANI's inspectors, which led to the non-conviction based confiscation of half a million euros (sums of money discovered by the prosecutors during the home searches).
- In a few hundred cases, ANI notified the prosecutors about false statements or missing information from the asset or interest disclosures.

Between 2011 and 2015, ANI identified both administrative conflict of interest and indications of possible criminal conflict of interest in the case of a few dozen MPs. The conflict of interest was generated by the fact that they hired their own relatives to work as members of their parliamentary offices. On the administrative side, the courts confirmed ANI's findings, civil sanctions were applied and the interdiction to occupy any other public office for three years was enforced. On the criminal side, prosecutors sent the cases to court, where most defendants received suspended prison sentences.

Using PREVENT to deal with potential conflicts of interest in public procurement

Since 2013, the European Commission has constantly called upon Romania to strengthen integrity in the public procurement system: "The penalties for officials involved in fraudulent public procurement cases continue to be very low and the law does not foresee a possibility of a cancellation on the grounds of conflict of interest of projects that have already been executed....A more systematic approach to ex ante checks, most logically a role for ANI (with new resources) that would

also ensure a uniform and systemic implementation, would offer a useful way forward.”

In June 2017, ANI launched PREVENT, a prevention tool to detect and eliminate potential conflicts of interest in procurement. The targeting of conflicts of interest in public procurement procedures is due to: 1) the magnitude of this sector—around 15 billion euros yearly; 2) the widespread perception of corruption in this area—8 out of 10 companies say that corruption in public procurement is a widespread problem; 3) a significant number of conflicts of interest found by ANI in the previous years were related to public procurement; and 4) EU-funded contracts are also subject to public procurement legislation.

PREVENT automatically checks whether participants in a public bid are related or otherwise connected to the management of the contractor. The system predicts the likelihood of a potential conflict of interest through a risk rating of each tender. The tool introduced “integrity forms,” which bidders and procurement committee members (who decide which bid to accept) have to upload in the country’s electronic procurement system. Using the forms, ANI verifies the composition of procurement committees and identifies potential conflicts of interest between committee members and bidders. In this process, ANI cross-checks the information from the integrity forms with other public databases (company Register and National ID register, which also includes data on birth and marriages). When the PREVENT system identifies potential conflicts of interest (for example, a relative of a bidder being on a procurement committee), ANI issues an integrity warning to the head of the contracting authority. The responsibility for removing the cause of the conflict of interest rests with the head of the contracting authority. If the latter fails to do so, ANI starts an ex-officio verification on the consumed conflict of interest. In other words, where prevention fails, sanctions are imposed.

From June 2017 to December 2019, the PREVENT system reviewed 43,008 procurement procedures, resulting in 117 integrity warnings. In 113 of those cases amounting to 255 million euros, the contracting authorities removed the cause that generated the potential conflict of interest, while in the other four cases ANI started ex-officio verifications. By identifying and eliminating potential conflicts of interest early, the PREVENT system helped Romania to avoid spending time and resources on court proceedings to

recover losses incurred through corrupt procurement processes.

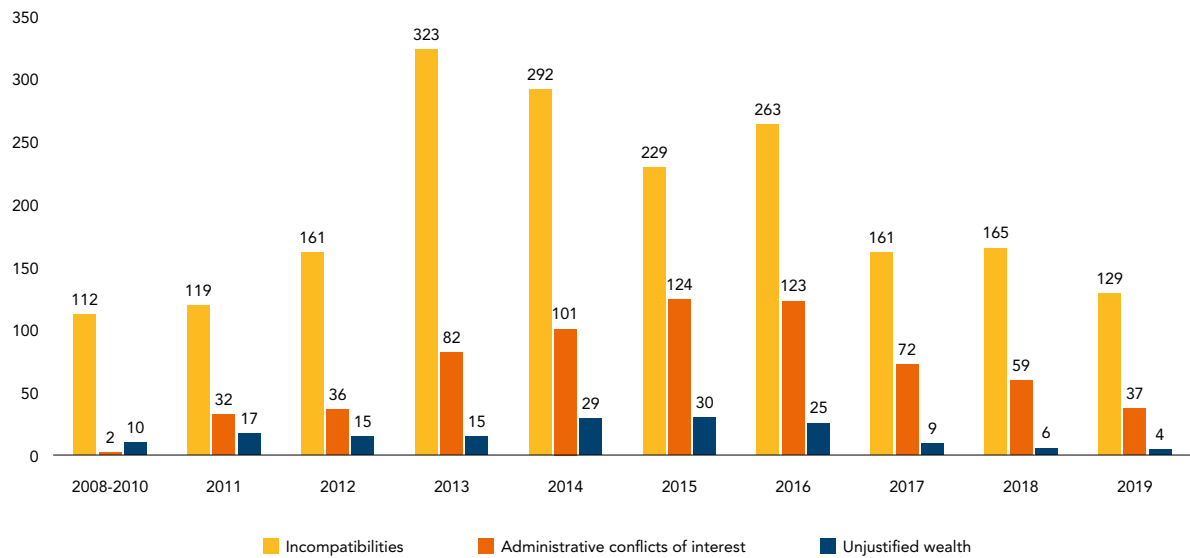
As PREVENT is an automated system, it also managed to monitor procurement procedures on a scale that would have never been possible through manual processes. It also fosters a collaborative approach to dealing with conflict of interest situations as the main outcome of the PREVENT procedures is not punishing individuals, but rather pinpointing specific risk situations.

Results of the integrity system in Romania

By the end of 2019, ANI had reviewed more than 18,000 cases, out of which 3,000 were confirmed to be integrity violations (significant differences between incomes and acquired assets, incompatibilities, administrative conflicts of interest, suspicions of criminal offenses i.e. conflicts of interest, false statements, money laundering, suspicions of committing corruption offenses, including crimes against the financial interests of the European Union). ANI applied more than 7,000 administrative fines for non-compliance with the obligation to disclose. ANI’s final reports also include 1,954 cases of incompatibility, 668 cases of administrative conflict of interest and 160 cases of unjustified wealth amounting to over 29.2 million euros.

Among high level officials, ANI found integrity incidents in the case of 141 MPs, 31 government officials, 1,755 local elected officials and 252 heads of public institutions.²⁵ In around 1,400 cases, sanctions were enforced and assets were confiscated and returned to the state budget. In the other cases, ANI’s findings were not confirmed by the courts or the officials no longer occupied positions in the public sector or the statute of limitations had passed.

Moreover, the PREVENT system is acting as a strong deterrent: The number of investigations opened into alleged cases of conflict of interest related to public procurement contracts has significantly dropped (by almost 50%) since the system became operational.²⁶

FIGURE 8.2 Final Findings of ANI Reports between 2008 and 2019

Reflections

Several key legal and operational factors have contributed to ANI's track record of cases:

- Dissuasive sanctions included in the law (ANI's findings on incompatibilities, conflicts of interest or unjustified assets were followed up by sanctions or confiscations of the unexplained amounts);
- Access to information (any information can be requested and easily obtained from any private or public entity or individual, including from tax authorities and financial institutions);
- Comprehensive methodologies and procedures developed and used by the operational staff (which include templates for communication, working methods and strategies, scenarios, etc.);
- Constant communication with other stakeholders in the integrity system (communication with the filers, judges, prosecutors, fiscal administration inspectors, etc.); and
- Effective cooperation with other institutions involved in the fight against corruption. In some countries, the institutions responsible for verifying

asset and interest declarations are in an unhealthy competition with criminal investigative bodies or believe that results are dependent on having similar investigative powers as their colleagues on the criminal side.

The institutional architecture also played an important role in the evolution of ANI. Integrity inspectors—the staff that carries out the analytical and operational work—appointed to their position following public competition have full autonomy and independence in their case files, i.e. they cannot receive instructions from anyone, not even their superiors on the conclusions that they reach during the investigations. The quality of their work is assessed every year by an external independent audit report and every time a case file is challenged in Court (judicial review). The management of ANI is performed by a president and a vice-president, who are also appointed based on public competition. They only fulfill management duties and do not have the right to intervene in the inspectors' case files.

Romania's experience shows the benefits of a comprehensive approach that focuses on both prevention and sanctioning. In similar country contexts to Romania, where there are high levels of violations related both to unjustified variations of wealth and conflicts of interest, it is important to consider a comprehensive approach. Preventive measures alone

will not be sufficient. At the same time, sanctions alone will be less effective than a combined approach.

Transparency of asset and interest disclosures plays an important role. After declarations became public, civil society groups, journalists and citizens were able to check what public officials declared that they own²⁷ and compare it with information from other sources. As a result, the public could demand investigations based on concrete information rather than just suspicions. Transparency also helped consolidate active citizenship and public accountability, generating support for anti-corruption institutions like ANI.

In implementing its asset and disclosure system, Romania confronted strong and sustained opposition from individuals and groups that benefited from corruption. Public support and international pressure were essential to build political will and overcome those trying to stifle reform. In particular, pressure from the European Commission through the EU accession process and the Cooperation and Verification Mechanism ensured the country kept strengthening its asset and interest disclosure system and did not backtrack on its anti-corruption efforts.

Looking forward

Despite the system's successes, some ongoing challenges need to be addressed. Some of these are:

- **Use of third parties.** Many assets are held under the names of third parties (relatives, business associates, companies, friends etc.) and this frequently makes it impossible to ascertain the size of a public official's estate. Other countries that have faced this challenge have introduced the declaration of assets held by public officials and their family members as beneficial owners.
- **Assets held abroad.** Another challenge is verifying the assets held abroad, such as real estate and bank accounts. While some very limited mechanisms are now in place (i.e. a treaty for avoiding double taxation) and others are under discussion (International Treaty on Exchange of Data for the Verification of Asset Declarations),²⁸ administrative entities responsible for verifying asset declarations face difficulties in tracing assets held abroad. Administrative entities like ANI can neither receive

assistance from similar entities in other jurisdictions nor provide it. ANI cannot provide information to similar foreign institutions about bank accounts because the ANI integrity inspectors can only access information if a specific verification file is opened under the name of a Romanian public official.

- **Paper-based system.** One important operational challenge that prevents the further strengthening of the asset declaration system is the fact that it is still paper based. As a result, ANI uses a lot of financial and human resources to deal with the complexities of collecting, organizing, securing and making publicly available millions of declarations. This also hampers the further development of its verification system. ANI launched at the end of 2019 a complex EU-funded project, which aims at developing the technical platform for introducing electronic filing of declarations. The relevant legislation still needs to be adopted by the Romanian Parliament.

Romania's experience also shows that it is a long way from identifying a violation to enforcement, particularly when it comes to elected officials. Sometimes, not even final court decisions guarantee enforcement. For example, the Romanian Parliament refused on several occasions to sanction its own members.²⁹ A truly effective anti-corruption regime requires the support of all institutions, particularly those with the power to bring significant change.

Notes

- Rossi, Ivana M., Laura Pop, and Tammar Berger. 2017. Getting the Full Picture on Public Officials: A How-To Guide for Effective Financial Disclosure. Stolen Asset Recovery (StAR) Series. Washington, DC: World Bank. doi:10.1596/978-1-4648-0953-8.
- Idem*, p. 24.
- See, in particular: Dmytro Kotlyar and Laura Pop. (2019). E-filing asset declarations: benefits and challenges. World Bank/Stolen Asset Recovery Initiative. <https://star.worldbank.org/publication/e-filing-asset-declarations-benefits-and-challenges>.
- As an example of such regional work, see the initiative on the International Treaty on Exchange of Data for the Verification of Asset Declarations in Southeast Europe, www.rai-see.org/regional-data-exchange-on-asset-disclosure-and-conflict-of-interest.
- Rossi, Ivana M., Laura Pop, and Tammar Berger. 2017. Getting the Full Picture on Public Officials: A How-To Guide for Effective Financial Disclosure, cited above, p. 91.
- See also Dmytro Kotlyar and Laura Pop. (2016). Asset Declarations: A Threat to Privacy or a Powerful Anti-Corruption Tool? www.worldbank.org/en/news/opinion/2016/09/26/asset-declarations-a-threat-to-privacy-or-a-powerful-anti-corruption-tool.
- See, among others, ICNL (2017). Analysis of the Draft Laws On Introducing Changes to the Tax Code and to Some Other Laws to Ensure Public Transparency of the Financing of Public Associations and the Use of International Technical Assistance. https://mk0rofifiqa2w3u89nud.kinstacdn.com/wp-content/uploads/our-work_ICNL-Analysis-of-the-Ukrainian-Draft-Law-on-Reporting-for-CSOs.pdf?_ga=2.40630884.773566487.1592189200-2000779560.1592189200/; Transparency International (2017). Proposed Amendments to a Law that Targets Ukrainian Anti-corruption Groups Must Be Abolished. www.transparency.org/news/pressrelease/proposed_amendments_to_a_law_that_targets_ukrainian_anti_corruption_groups; IFEX (2017). Ukraine: Drop government proposals that restrict NGO activity. <https://ifex.org/ukraine-drop-government-proposals-that-restrict-ngo-activity>; OSCE/ODIHR (2018). Joint Opinion on Draft Law No. 6674. & 6675. [www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2018\)006-e](http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2018)006-e).
- At the end of 2019, the agency connected the e-declarations register to other three important databases of the Ministry of Justice of Ukraine (registers of civil acts, powers of attorney and inheritance).
- See <https://pep.org.ua/en>.
- See, for example, <https://ceeliinstitute.org/identifying-unexplained-wealth-of-public-officials-ceeli-assists-civil-society-in-developing-new-anti-corruption-tools>, www.tisirilanka.org/tisl-launches-online-database-on-politically-exposed-persons.
- Other noteworthy examples of watchdog tools established using information from the e-declaration system include: a) Zaparkanom ("Over the Fence", <https://zaparkanom.com.ua/>) which used the e-declarations register to merge data on declarants, provide dashboard analytics, rate declarants by risks, and show links of declarants with other individuals and legal entities, b) DeclaCar (<https://declacar.com.ua>) which compared the value of cars declared by officials in their disclosure forms with public data on the market value of cars to show inconsistencies, and c) Sud na doloni ("Court on the palm", <http://court-on-the-palm.com.ua>) which used the open court decisions register to provide structured data from judicial acts, visualize them, provide statistics, and merge data from court decisions with other databases, including e-declarations.
- NGOs compiled a list of the corruption prevention agency's failures and urged parliament to disband it (<http://nazkfails.antic.org.ua/eng>). The OECD anti-corruption monitoring report outlined many challenges and deficiencies in the agency's work – see OECD (2017), Fourth Round Monitoring of the Istanbul Anti-corruption Action Plan, Anti-corruption Reforms in Ukraine, p. 33-37, www.oecd.org/corruption/acn/OECD-ACN-4th-Round-Report-Ukraine-ENG.pdf.
- Cela (2018). Electronic Asset Declarations for Public Officials – two years after its launch. A panacea against corruption? www.ua.undp.org/content/ukraine/en/home/blog/2018/the-expectations-and-reality-of-e-declarations.html.
- Rating Group (2016). Estimation of 2016 Events and Socio-political Moods of Population. http://ratinggroup.ua/en/research/ukraine/ocenska_sobytyi_2016_i_obschestvenno-politicheskie_nastroeniya_naseleniya.html.
- Cela, 2018.
- The holding of two functions simultaneously despite this being forbidden by law.
- See <http://deklaratii.integritate.eu/>.
- Initially those included memberships in political parties and NGOs, paid professional activities and shareholding rights in companies.
- SAR (2004). Coalition for Clean Parliament – Local and General Elections (Translated Title). <http://sar.org.ro/coalitia-pentru-parlament-curat-2004/>.
- See https://ec.europa.eu/info/policies/justice-and-fundamental-rights/upholding-rule-law/rule-law/assistance-bulgaria-and-romania-under-cvm/reports-progress-bulgaria-and-romania_en.
- "...the legal framework for integrity, the set of laws defining the situations of conflicts of interests and incompatibilities for civil servants and elected or appointed officials, has been regularly re-opened in Parliament." CVM (2017a). Report from the Commission to the European Parliament and the Council: On Progress in Romania under the Co-operation and Verification Mechanism. https://ec.europa.eu/info/sites/info/files/com-2017-44_en_1.pdf. and in the technical report, "In April 2017, unexpected modifications of the law on incompatibilities for Members of Parliament were adopted. A negative opinion had been issued by ANI but the amendment went ahead." CVM (2017b). Romania: Technical Report. https://ec.europa.eu/info/sites/info/files/swd-2017-25_en.pdf.
- Based on the earlier provisions in the law on ANI, the assessment of conflicts of interest and incompatibilities was carried out both during the exercise of public functions by officials and civil servants, and for 3 years after their termination. According to the same provisions, the sanction for a conflict of interest or incompatibility could be applied in maximum 6 months from the date ANI's report remained definitive, i.e. confirmed by the court. For example, ANI could have started an investigation in 2019 for a civil servant that committed a conflict of interest in 2015. Assuming that the case had been completed and gone through all the judicial stages by the end of 2020, then the sanction could have been applied at any time between January and June 2021. However, a new amendment was introduced stipulating "a general statute of limitations for civil, administrative and disciplinary liability for conflicts of interests and incompatibilities of three years after the facts have been committed." For this reason,

in this new form, in order to sanction an incompatibility or conflict of interest, the deed must be discovered, ascertained, and carried through all the judicial and administrative proceedings in less than 3 years from the date the facts have been committed. One of the many consequences that this modification has generated is that ANI has already dismissed more than 200 ongoing cases, because more than 3 years passed from the date the acts had been committed.

23. Of more than 10,000 euros between incoming cashflow and outgoing cashflow.
24. Disciplinary sanctions range from a warning, a salary cut, relegation to a lower function and dismissal.
25. See <https://www.integritate.eu/Noutatiaspx?Action=1&NewsId=2964&PID=21>
26. CVM (2019a). Romania: Technical Report. https://ec.europa.eu/info/files/technical-report-romania-2019-swd-2019-393_en.
27. According to the 2019 Google Analytics Report, both ANI's website and the asset and interest disclosure portal have almost 280.000 unique visitors per year.
28. RAI (2019). International Treaty on Exchange of Data for the Verification of Asset Declarations. <http://www.rai-see.org/regional-data-exchange-on-asset-disclosure-and-conflict-of-interest/>.
29. Cooperation and Verification Mechanism report issued in January 2017 covering the previous 10 years – “There has also been a recurring problem concerning resistance to the implementation of the Agency's reports, even when confirmed by a court decision, and reluctance from the responsible institutions and authorities to apply the sanctions required (which consist normally in either dismissal of public function or administrative fines). In the last two years, the general situation has significantly improved, but some decisions by Parliament have still appeared to question or delay the implementation of final court decisions confirming the Agency's reports.” CVM, 2017b.

In 2019, the European Commission maintained these criticisms: “The November 2018 report pointed at delays and apparent inconsistencies in the application of sanctions for Members of Parliament who were found to hold incompatible functions or to be in a state of conflict of interest by a final court decision rendered on the basis of a report from ANI. It highlighted a possible divergent interpretation of the rules (notably when the integrity incident in question came in a previous mandate or position)” CVM (2019b). Report from the Commission to the European Parliament and The Council: On Progress in Romania under the Cooperation and Verification Mechanism https://ec.europa.eu/info/sites/info/files/progress-report-romania-2019-com-2019-499_en.pdf.

References

- Barnes, Daniel W.; Berger, Tammar; Burdescu, Ruxandra; Gilman, Stuart; Habershon, Alexandra M.; Recanatini, Francesca; Reid, Gary J.; Trapnell, Stephanie E.. (2012). *Public office, private interests : accountability through income and asset disclosure (English)*. Stolen Asset Recovery (StAR) initiative. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/734201468152086402/Public-office-private-interests-accountability-through-income-and-asset-disclosure>.
- Dmytro Kotlyar and Laura Pop. (2016). Asset Declarations: A Threat to Privacy or a Powerful Anti-Corruption Tool? www.worldbank.org/en/news/opinion/2016/09/26/asset-declarations-a-threat-to-privacy-or-a-powerful-anti-corruption-tool.
- Dmytro Kotlyar and Laura Pop. (2019). E-filing asset declarations: benefits and challenges. World Bank/Stolen Asset Recovery Initiative. <https://star.worldbank.org/publication/e-filing-asset-declarations-benefits-and-challenges>.
- OECD (2011), Asset Declarations for Public Officials: A Tool to Prevent Corruption, OECD Publishing. <http://dx.doi.org/10.1787/9789264095281-en>.
- Rossi, Ivana M., Laura Pop, and Tammar Berger. (2017). Getting the Full Picture on Public Officials: A How-To Guide for Effective Financial Disclosure. Stolen Asset Recovery (StAR) Series. Washington, DC: World Bank. doi:10.1596/978-1-4648-0953-8.
- Case Study 18: Reform of Asset and Interest Disclosure in Ukraine**
- Cela (2018). Electronic Asset Declarations for Public Officials – two years after its launch. A panacea against corruption? www.ua.undp.org/content/ukraine/en/home/blog/2018/the-expectations-and-reality-of-e-declarations.html.
- IFEX (2017). Ukraine: Drop government proposals that restrict NGO activity. <https://ifex.org/ukraine-drop-government-proposals-that-restrict-ngo-activity>.
- ICNL (2017). Analysis of the Draft Laws on Introducing Changes to the Tax Code and to Some Other Laws to Ensure Public Transparency of the Financing of Public Associations and the Use of International Technical Assistance. https://mk0rofifiqa2w3u89nud.kinstacdn.com/wp-content/uploads/our-work_ICNL-Analysis-of-the-Ukrainian-Draft-Law-on-Reporting-for-CSOs.pdf?_ga=2.40630884.773566487.1592189200-2000779560.1592189200/.
- OECD (2017), Fourth Round Monitoring of the Istanbul Anticorruption Action Plan, Anticorruption Reforms in Ukraine, pp. 33-37, www.oecd.org/corruption/acn/OECD-ACN-4th-Round-Report-Ukraine-ENG.pdf.
- OSCE/ODIHR (2018). Joint Opinion on Draft Law No. 6674. & 6675. [www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2018\)006-e](http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2018)006-e).
- Rating Group (2016). Estimation of 2016 Events and Socio-political Moods of Population. http://ratinggroup.ua/en/research/ukraine/ocenka_sobytyi_2016_i_obschestvenno-politicheskie_nastroeniya_naseleniya.html.
- Transparency International (2017). Proposed Amendments to a Law that Targets Ukrainian Anti-corruption Groups Must Be Abolished. www.transparency.org/news/pressrelease/proposed_amendments_to_a_law_that_targets_ukrainian_anti_corruption_groups

Case Study 19: Enhancing Effectiveness of Asset Declarations in Romania

CVM (2017a). Report from the Commission to the European Parliament and the Council: On Progress in Romania under the Co-operation and Verification Mechanism. https://ec.europa.eu/info/sites/info/files/com-2017-44_en_1.pdf.

CVM (2017b). Romania: Technical Report. https://ec.europa.eu/info/sites/info/files/swd-2017-25_en.pdf.

CVM (2019a). Romania: Technical Report. https://ec.europa.eu/info/files/technical-report-romania-2019-sw-2019-393_en.

CVM (2019b). Report from the Commission to the European Parliament and The Council: On Progress in Romania under the Cooperation and Verification Mechanism. https://ec.europa.eu/info/sites/info/files/progress-report-romania-2019-com-2019-499_en.pdf

RAI (2019). International Treaty on Exchange of Data for the Verification of Asset Declarations. <http://www.rai-see.org/regional-data-exchange-on-asset-disclosure-and-conflict-of-interest/>.

SAR (2004). Coalition for Clean Parliament – Local and General Elections (Translated Title). <http://sar.org.ro/coalitia-pentru-parlament-curat-200>.