



10 YEARS OF INTEGRITY





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ROMANIA, A SUCCESSFUL MODEL IN THE FIGHT AGAINST CORRUPTION FOR THE PAST 10 YEARS

We expect the next 10 years to be full of challenges and we are motivated to find new solutions that will allow us to continuously contribute to the consolidation of democracy in Romania.

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of integrity incidents were also achieved on the basis of intense collaboration with judicial institutions as well as with related relevant authorities, such as the National Trade Register Office - ONRC, the Personal Evidence and Database Administration Department - DEPABD, National Agency for Public Procurement - ANAP, etc. The Agency aims to expand this active collaboration

Romania has been a successful international model for the fight against corruption for the past 10 years. The merit of our country is all the more impressive as corruption has manifested itself fiercely on all levels, proving to be systemic. A significant part of the success of this far-reaching effort lies with the National Integrity Agency, which has succeeded in imposing high, clear and transparent integrity standards for the fulfilment of public offices and dignities - an area in which Romania was criticized in the EU pre-accession period. The struggle for the establishment, maintenance and development of the National Integrity Agency has been and still is a difficult and ambitious mission. That is why we are grateful to all local and international institutional actors who have supported us in the fight against corruption through administrative means for all these 10 years.

Although the list of the National Integrity Agency's foreign supporters is very long and our sincere gratitude is equally reserved for all, we take this opportunity to mention the essential support we have received from the European Commission, the Governments of the United States of America, Great Britain, the Netherlands, Norway, etc. and the Council of Europe - Group of States Against Corruption (GRECO), as well as international actors and donors such as the World Bank, the UN, the OECD or the OSCE.

The success of its first ten years of existence obliges the National Integrity Agency to maintain the professional standards that have made it possible to contribute to creating a healthy political and business climate for the benefit of all citizens. We are now faced with a very important new stage: the priority focus of ANI's efforts on corruption prevention.

In this context, in June 2017, we launched the PREVENT System, an IT system whose ambitious main goal is the prevention of conflicts of interest in public procurement procedures.

Our results in the identification and prevention



Bogdan Stan,
President of the National Integrity Agency

with all public entities in Romania to decentralize efforts meant to early identify and prevent potential conflicts of interest, incompatibilities and other integrity incidents.

We expect the next 10 years to be full of challenges and we are motivated to find new solutions that will allow us to continuously contribute to the consolidation of democracy in Romania.

We plan to develop a specialized department within the Agency to attract nonreimbursable funds to cover the financial needs for the implementation of major objectives: continuous professional training of the corps of integrity inspectors and ANI legal experts, improvement of the electronic asset and interest disclosure system, intensified dialogue with local public authorities in order to discourage integrity incidents. We also intend to clarify the legislative compendium in the field and to promote an appropriate legislative framework to correct the shortcomings identified in this last decade. Last but not least, we aim to address all technical assistance requests for the construction of integrity systems in developing countries as well as in consolidated democracies, mainly by exporting the Romanian integrity model.

The National Integrity Agency will continue to fight for an increased level of public integrity in Romania. In this way, we can be a valuable partner for Romanian citizens, but also for the foreign community that supports the progress of our country. We can, therefore, contribute to spreading higher integrity standards throughout the world.

THE FUTURE OF THE INTEGRITY CONCEPT IN ROMANIA, A MIX OF DISSUASIVE ACTIONS AND PREVENTIVE MEASURES

At the beginning of 2017, the European Commission's Progress Report on Romania's Cooperation and Verification Mechanism noted the following: *"Integrity should be the guiding principle in public life and the legal framework and integrity institutions are designed to promote this goal. The National Integrity Agency (ANI) can now be seen as an established institution, with a consistent track record. It is important to continue to maintain the results of ANI and to improve further public acceptance of incompatibility rules and to put an emphasis on upstream prevent."*

ANI's road from its establishment to the moment we are today looks like an adventure novel, full of obstacles and detractors, as well as strong partners who, convinced of the usefulness of this mechanism, supported the Agency and encouraged its development even when internal political pressures were significant.

The evolution of the integrity framework in post-December Romania has three important periods.

The first refers to the 1996-2007 period, when a number of instruments relevant to the integrity framework were enacted, among which the requirement to submit asset disclosures (1996), the concept of unjustified

wealth (1996) or the legal regime of incompatibilities and conflicts of interest (2003). However, lack of a specialized entity to ensure compliance with these rules had not led to the achievement of the objectives Romania assumed by signing the UN Convention Against Corruption, namely its effectiveness in integrity, accountability and proper management of public affairs and public property.

In the second half of the last decade, in view of its accession to the European Union, Romania had as a reference point the establishment of an autonomous and independent institution with a role in the fight against corruption through administrative means. Although at international level there are more than 140 systems of integrity, in various forms, the Agency is unique due to a mix of competences that have enabled it to make a decisive contribution to the establishment of a discipline in respecting the rule of integrity while in public office: adequate legislation for the application of dissuasive sanctions in cases of definitive incidents, operational independence, the instrument of administrative sanctions for failing to submit asset and interest disclosures, the competence to initiate evaluation procedures on



14,000

complaints addressed by ANI
in its 10 years of operation

the assets of public officials or of respecting the legal regime of incompatibilities and conflicts of interest. Throughout its 10 years of operation, the Agency handled 14,000 complaints, identifying over 2,300 integrity incidents (incompatibilities, unjustified wealth, conflicts of interest) and sanctioning nearly 9,000 people who did not respect the regime of filing in asset and interest disclosures. In 8 cases out of 10, the findings of integrity inspectors were confirmed by the courts and caused dissuasive effects: in the case of several hundred high-ranking officials, elected local officials or civil servants, etc. disciplinary sanctions have been applied from wage cuts to dismissal. An immediate effect was the increase of compliance with integrity obligations. Moreover, the public Portal of asset and interest disclosures today hosts 7.5 million disclosures, being accessed monthly by tens of thousands of people. The PREVENT IT System monitors tens of thousands of public procurement procedures quarterly, with a total value of several billions of euros a year to prevent conflicts of interest. 8,700 people have so far used the advice of ANI legal experts to clarify the legislative provisions that set the framework for integrity. This is the second period in the evolution of the integrity framework, during which the National Integrity Agency obtained the above-mentioned results both in terms of identification and sanctioning of irregularities, and of prevention and transparency. These results also strengthened the position of the Agency at the international level, the Romanian expertise in this field being considered relevant for consolidated democracies and for developing countries alike. The third period in this evolutionary process is to ensure the sustainability of the fight against corruption from the perspective of integrity in the public office. In other words, desiderata such as regaining public confidence in the act of governance, reducing the number

THE PREVENT SYSTEM CONSIDERABLY REDUCES THE INCIDENCE OF CONFLICTS OF INTEREST

The PREVENT System was officially launched at the end of June 2017 to prevent conflicts of interest in procurement procedures by setting up an ex-ante verification mechanism to identify situations that may generate conflicts of interest within the procedures initiated through the electronic public procurement system so that they are removed without affecting the procedures.

 **OVER 350,000**
persons have the obligation to submit asset and interest disclosures annually

of identified irregularities, ensuring the fulfilment of public offices under conditions of integrity and transparency can only be achieved by decentralizing the anti-corruption efforts from the central institutions to each institution or public authority in Romania, and by multiplying prevention and accountability tools. Part of the tasks of prevention and identification of vulnerabilities should become the responsibility of management in all public institutions in Romania. In other words, public entities need to develop their own “antibodies” - objective procedures and mechanisms that will aim to identify and prevent possible integrity incidents. The Agency aims to actively participate in this process through the National Anti-Corruption Strategy 2016-2020, by enhancing preventive mechanisms, actively cooperating with civil society organizations, as well as central and local level institutions, continuously informing over 350,000 persons under obligation to submit asset and interest disclosures annually, and educating future generations of civil servants and dignitaries.

In 2011, the European Commission noted that “Urgent measures are needed to improve the (...) protection against conflict of interest in the management of public funds.” The National Integrity Agency took all the necessary steps to fulfil this recommendation, so that in 2013 the Romanian Government adopted a memorandum that allowed the Agency to implement a project for an Integrated IT System project for the prevention and

identification of conflicts of interest.

The objective of the PREVENT System is to prevent conflict of interest situations from occurring in public procurement procedures by automatically detecting family ties and close links between bidders or public procurement procedures and the management of contracting authorities. The System also aims at empowering people at the top of public institutions and holding them accountable for their actions, with a view to avoiding situations where projects involving European funds are blocked, leading to a higher absorption rate of structural and European funds.

Specifically, this prevention mechanism means that a responsible person within the contracting authority will analyse data and information that is mandatory in the integrity form (available in the Electronic Public Procurement System - SEAP) by interconnecting the PREVENT System with relevant databases (National Trade Register Office - ONRC, Directorate for Personal Evidence and Database Management - DEPABD, the Database of Asset and Interest Disclosures).

In the next stage, the PREVENT System can automatically carry out, following the information entered in the integrity form, the presumptive relationships that may exist between the persons responsible for the public procurement procedure within the contracting author-

ity and the associates of bidders in procurement procedures initiated by a contracting authority.

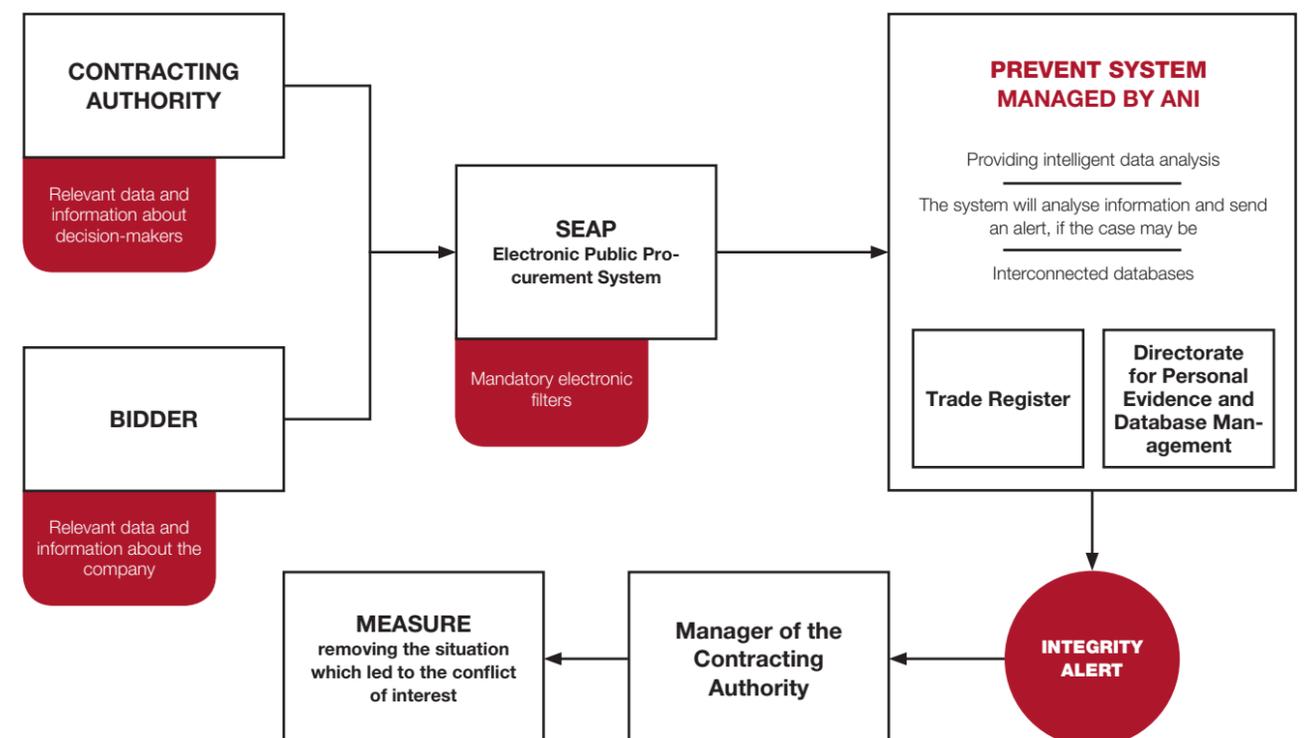
In the event of a possible conflict of interest, ANI issues an integrity alert, after which the contracting authority must take all measures to remove the possible conflict of interest signalled by the PREVENT System. The Agency will subsequently monitor the consequences of issuing an integrity alert until the situation that has generated it is removed, and in the event of failure to do so, ANI may start an investigation regarding the respective possible conflict of interest.

The System is designed to detect possible conflicts of interest resulting from kinship relationships, as well as relationships with third parties - collaborators, consultants, subcontractors.

The PREVENT System is essentially an administrative tool that will control all procedures and contracts within its scope, as opposed to other existing systems that only verify on a sample basis.

During the first three months of its operation, PREVENT analysed thousands of **public procurement procedures** with a total value of over 1 billion euros, and the first warnings of integrity were issued.

Also, within the first three months since the launch of the PREVENT System, integrity inspectors notified the National Agency for Public Procurement (ANAP), based



on the cooperation agreement concluded between ANI and ANAP, a number of **14 irregularities** regarding possible relationships between persons from the contracting authority and associates of bidders in procurement procedures initiated by a contracting authority. The National Integrity Agency has published on its Internet page in the PREVENT Section the *Guide for Contracting Authorities on Conflict of interest in Public Procurement Processes* through a dedicated link to the website of the National Agency for Public Procurement and also provided interested parties with an email address dedicated to the PREVENT System, where both contracting authorities and companies may request data and information on how to complete the integrity form.

During the first three months of operation of the PREVENT System, contracting authorities requested approximately **150 clarifications through the special telephone line** and approximately **37 written clarifications** (even referring to 11 queries in one request).

INTER-INSTITUTIONAL COLLABORATION

In order to achieve its strategic objectives, ANI placed a special interest on the development of a climate of cooperation with various relevant entities in Romania, aiming at improving the activity of preventing and combating corruption, education and professional training. Thus, standards of integrity and ethics for the Romanian public service were created at the level established in the other Member States of the European Union.

Based on these goals, the directions of action taken by ANI can be divided into several levels as follows:



International reference bodies such as the World Bank, the OSCE, the OECD or the UN pay particular attention to the means of preventing and sanctioning conflicts of interest, and the PREVENT System is presented as an example of innovation and good practice in systematic prevention of conflicts of interest.

A recent study by the European Parliament [1] considers that the new system for ex-ante checks, the PREVENT electronic System, provided by Law no. 184/2016 on the establishment of a mechanism to prevent conflicts of interest in the procedure for the award of public procurement contracts was welcomed by the European Commission.

PUBLIC INSTITUTIONS AND AUTHORITIES

The cooperation of the National Integrity Agency with the Romanian public institutions and authorities has been aimed at ensuring a coherent framework for exercising the competences of each party and improving the evaluation activity carried out by integrity inspectors, both by providing access to relevant databases and by organizing joint activities to raise the level of education, prevention and awareness among employees in the public administration.

The good cooperation between ANI and other state institutions is appreciated by the European Commission experts in the latest Progress Report of the Cooperation and Verification Mechanism (CVM) of 15 November 2017, which welcomes the operationalisation of

the PREVENT IT System, noting that *“It is the result of a close collaboration between the National Integrity Agency, the Agency for Public Procurement and the Digital Agenda Agency, as well as with the Government.”*



JUDICIAL BODIES

One of the concerns of the European Commission highlighted in Romania’s Progress Reports in the context of the Cooperation and Verification Mechanism refers to the institutional strengthening and the substantial increase of ANI’s investigation activity. In this regard, the Agency has undertaken additional work to better monitor cases sent to courts and disciplinary bodies.

During the 10 years of its operation, the ANI has organized joint activities with prosecutors and judges, which analyse the evaluation reports issued by the Agency, intensifying the cooperation with the institutions working directly with the ANI files: the Wealth Investigation Commission, the High Court of Cassation and Justice (ICCJ), as well as the Public Ministry.

crystallized in the form of several collaborations with the civil society. Since 2008, when the Agency actually began to operate, there have been partnerships with non-governmental organizations such as the Romanian Academic Society, the Institute for Public Policy or Expert Forum. The aim of these partnerships was to increase the capacity of the Romanian judiciary to develop a unified approach to the legislation on valuation of asset and interest disclosures and integrity incidents, as well as to bring about a new approach in the anti-corruption fight, by shifting the focus from ex-post criminal sanctions of corruption, to strengthening the administrative capacity of the integrity system, taking into account the most vulnerable areas of work (e.g. public procurement).

Also, in all these collaborations ANI provided legal experts in incompatibility, conflict of interest and unjustified wealth, who clarified recurring issues public sector employees face in this area.



ACADEMIA

Dissemination of the concept of integrity in educational institutions is one of the objectives undertaken by the Agency in recent years, and is viewed as a good preventive tool. Worth mentioning is the launch of the postgraduate program „Public Integrity and Anti-corruption Public Policies” in 2016, in partnership with the Department of Political, Administrative and Communication Sciences at Babeş-Bolyai University of Cluj-Napoca, the first postgraduate program in the field of anti-corruption and integrity in Romania.

As a follow-up to this initiative, ANI signed collaboration protocols with the National Institute of Magistracy and the „Alexandru Ioan Cuza” Police Academy, to develop training programs in the field of public integrity.



CIVIL SOCIETY

The efforts of the National Integrity Agency to disseminate local best practice examples, notions and concepts regarding the norms and framework of integrity within the public administration and among citizens have

¹ European Parliamentary Research Service, Corruption in the European Union: Prevalence of corruption, and anti-corruption efforts in selected EU Member States

ANI - BEST PRACTICE MODEL AT THE INTERNATIONAL LEVEL

A CONSTANT CONCERN OF THE NATIONAL INTEGRITY AGENCY HAS BEEN THE DEVELOPMENT OF INTENSE COOPERATION WITH INTERNATIONAL ORGANIZATIONS, AS WELL AS SIMILAR BODIES FROM OTHER STATES, BOTH WITHIN THE EUROPEAN UNION AND GLOBALLY.

EUROPEAN COMMISSION

The cooperation between the European Commission and ANI was the engine of integrity development in Romania, the recommendations included in the Progress Reports in the context of the Cooperation and Verification Mechanism (CVM) being genuine milestones leading to significant results.

The positive evolution of the Agency is reinforced by the progress reports of the European Commission. In the February 2009 report the Commission noted that *"ANI will need to demonstrate that it is able to extend its investigations without outside interference and with the full cooperation of other state authorities. It is too early to see whether its investigations will be effectively followed up by the judiciary."* Ten years after its establishment, the January 2017 report noted that *"The National Integrity Agency (ANI) can now be seen as an established institution, with a consistent track record."*

COUNCIL OF EUROPE GROUP OF STATES AGAINST CORRUPTION (GRECO)

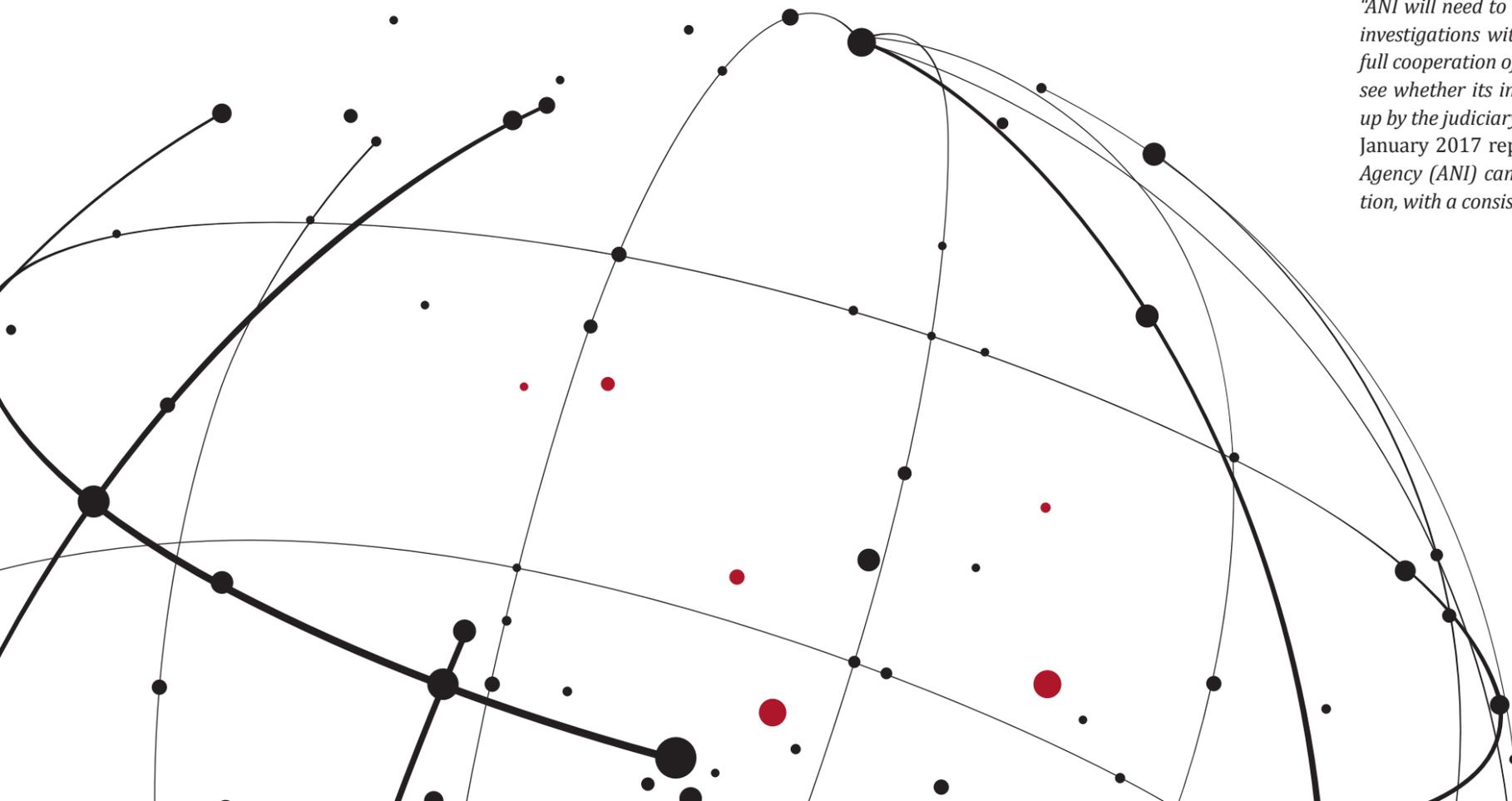
GRECO is a Council of Europe mechanism for prevention and fight against corruption, set up in 1999 to improve the capacity of its members (49 member states) to fight corruption through an evaluation and review process.

The GRECO Report on Romania in the Fourth Evaluation Round, on Corruption Prevention in respect of Members of Parliament, Judges and Prosecutors, points out that *"Romania has a system in place for the declaration of income, assets and interests which can be seen as exemplary in various respects and which is under the supervision of the National Integrity Agency."*

EUROPEAN PARTNERS AGAINST CORRUPTION (EPAC)

Since November 2011, the National Integrity Agency has been a member of European Partners Against Corruption (EPAC), a network of European institutions with a role in combating and preventing corruption, and authorities responsible for monitoring and investigating National Police.

Consisting of more than 60 institutions in charge of combating and preventing corruption, and national police and investigation authorities, the EPAC network aims to set up an effective platform for exchange of information and expertise on methods of fighting corruption, developing and promoting good practice for the EPAC member state authorities/institutions, promotion of standards of integrity, impartiality, transparency, etc.



ANI AND SIMILAR BODIES FROM OTHER STATES

One of the strategic objectives undertaken by the Agency is promoting its own institutional model globally. In this respect, ANI has developed cooperation relations with many similar institutions.

Thus, if at the beginning ANI benefited from the expertise and support of international organizations such as: the World Bank, OECD, UNDP, etc., the Agency then became a best practice model among the anti-corruption institutions in the world.

Throughout the 10 years of its activity, the Agency has disseminated good practices both during the visits of foreign delegations at the ANI headquarters, and through the participation of the Agency's representatives in international events.

As shown in the Technical Report accompanying the CVM Report published in January 2017, *"The track record of ANI is also attested by the fact that it has been the subject of increasing attention from other countries interested in developing their own integrity framework,"* such as Finland, France, Bulgaria, Spain (Catalonia Region), Moldova. Undoubtedly, the main beneficiary of technical assistance provided by ANI to developing countries is the Republic of Moldova, through its National Integrity Authority.

Against this background, the large number and geographic spread of the countries ANI has developed collaboration with, shows that the Agency has been noticed as an active presence on the global map of institutions with a role in combating corruption.

THE INTERNATIONAL ASSOCIATION OF ANTI-CORRUPTION AUTHORITIES (IAACA)

The National Integrity Agency acquired full IAACA membership in October 2012, following a decision by the Association's Executive Committee.

With more than 300 institutions involved in combating and preventing corruption and over 2,000 individual members (prosecutors, investigators, experts, etc.), IAACA aims to facilitate the implementation of the United Nations Convention Against Corruption (UNCAC) international cooperation between relevant institutions.

2011

the year when the National Integrity Agency became a member of the European Partners Against Corruption (EPAC)

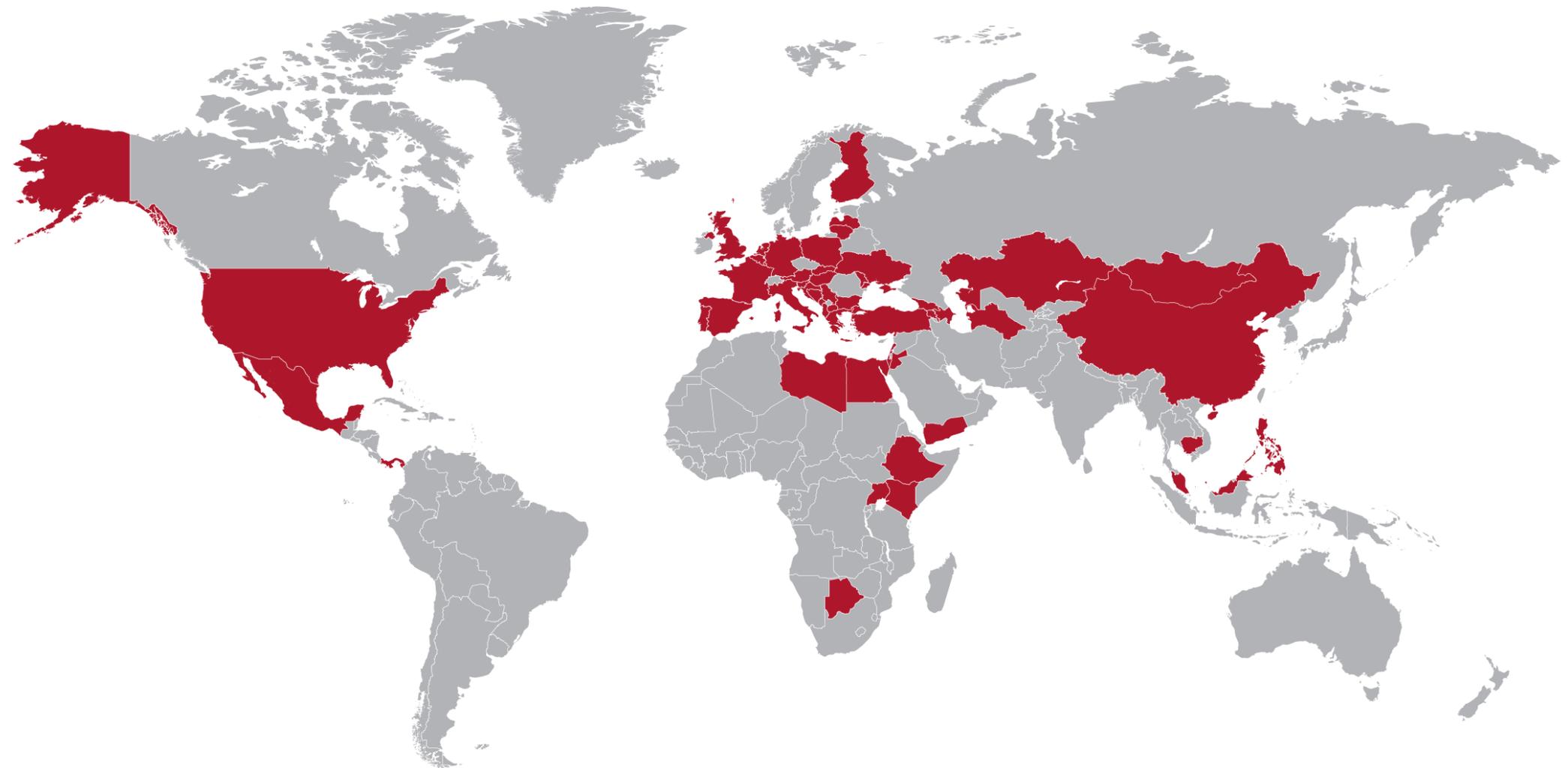
NETWORK FOR INTEGRITY

In December 2016, the National Integrity Agency, together with 13 other public institutions with a role in preventing corruption, set up, under the auspices of the Paris Global Summit of the Open Government Partnership a network to promote the principles of good governance - Network for Integrity - the first international platform dedicated exclusively to integrity.

The network is made up of institutions from France, Italy, Croatia, Greece, Latvia, South Korea, Peru, Mexico,

etc., authorities responsible for managing asset and interest disclosures, preventing and sanctioning conflicts of interest, incompatibilities or unjustified wealth.

The platform was designed to facilitate the exchange of experience and best practices in the field of transparency of asset and interest disclosures, investigation methods for integrity incidents and to create the framework needed to help states wishing to implement similar integrity systems.



Representation on the map of all countries that have benefited from ANI's expertise

WHAT IS THE NATIONAL INTEGRITY AGENCY AND HOW DOES IT WORK?

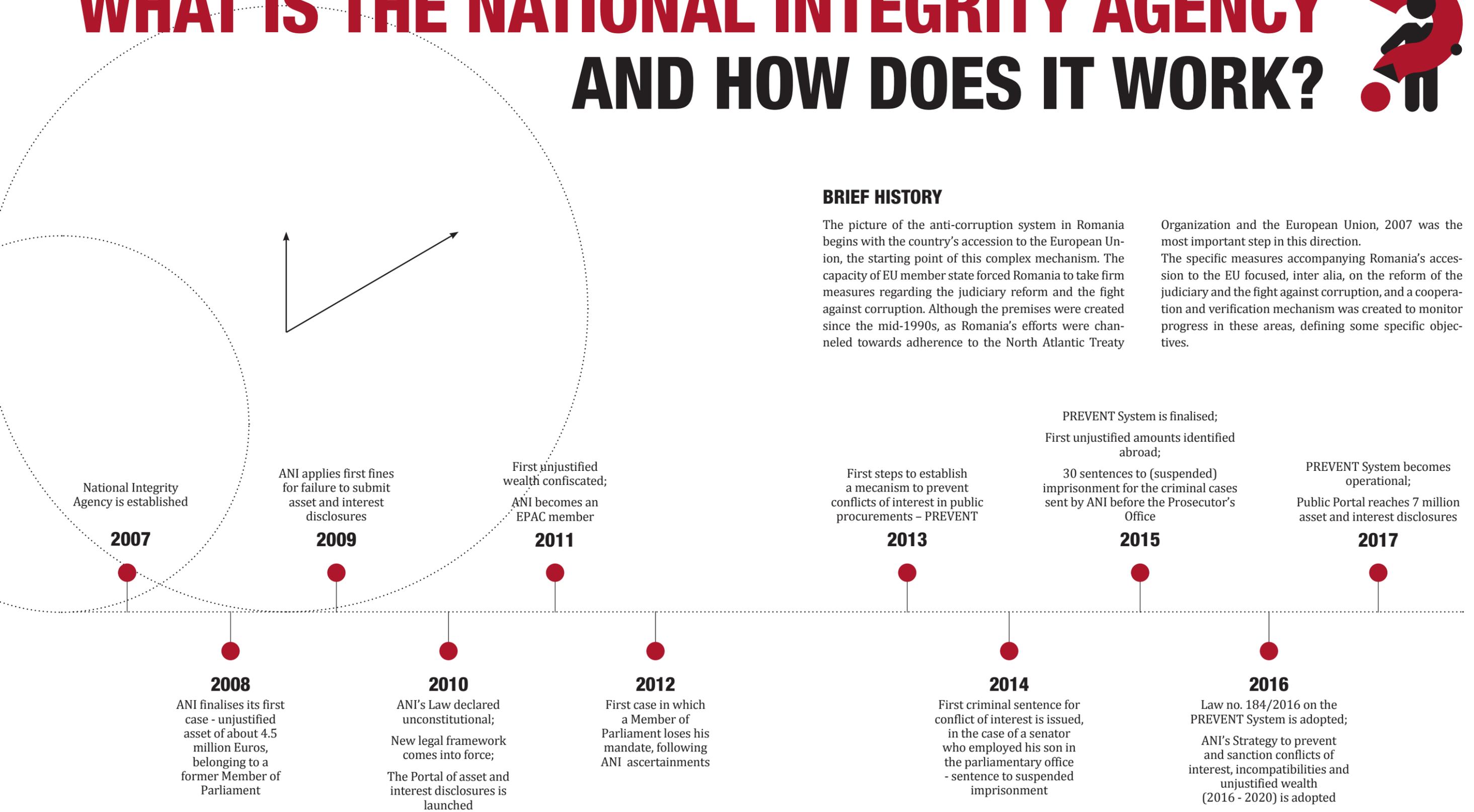


BRIEF HISTORY

The picture of the anti-corruption system in Romania begins with the country's accession to the European Union, the starting point of this complex mechanism. The capacity of EU member state forced Romania to take firm measures regarding the judiciary reform and the fight against corruption. Although the premises were created since the mid-1990s, as Romania's efforts were channeled towards adherence to the North Atlantic Treaty

Organization and the European Union, 2007 was the most important step in this direction.

The specific measures accompanying Romania's accession to the EU focused, inter alia, on the reform of the judiciary and the fight against corruption, and a cooperation and verification mechanism was created to monitor progress in these areas, defining some specific objectives.



4.5 mil. €

the amount of an unjustified asset belonging to a former MP, in ANI's first finalized case

One of these objectives, set out in the 2007 European Commission Report on the evolution of accompanying measures in Romania after accession, is *"establishing an effective and independent integrity agency with responsibilities for verifying assets, potential incompatibilities and conflicts of interest, as well as issuing mandatory decisions on the basis of which dissuasive sanctions can be taken."*

By adopting Law no. 144/2007 on the establishment, organization and operation of the National Integrity Agency, Romania became the first European country to set up a specialized institution to verify assets, conflicts of interest and incompatibilities.

The National Integrity Agency started operating in the autumn of 2007, to complete the first case in 2008 - unjustified asset worth about € 4.5 million, belonging to a former MP.

The year 2010 marks a turning point in the Agency's history, as the Constitutional Court issued a Decision through which key articles of Law no. 144/2007 were declared unconstitutional. As a result of this, during May-September 2010, the activity of the integrity inspectors was suspended and a new legislative text was compiled, to remedy the criticism of unconstitutionality, resulting in Law no. 176/2010 on integrity in the exercise of public offices and dignities, amending and completing the Law no. 144/2007 on the establishment, organization and operation of the National Integrity Agency and amending and supplementing other laws.

With the new legislative framework, the Agency resumed evaluation and yearly results were appreciated by the European Commission report of July 2011: *"The National Integrity Agency has been operational under this new legal framework and started to re-establish its track record of investigations."* Subsequently, the European Commission noted in its report July 2012 that *"ANI has evolved into an essential component of the anti-corruption institutional framework and can demonstrate significant results."*

THE ROLE AND COMPETENCES CONFERRED BY LAW

The National Integrity Agency is an autonomous administrative authority with legal personality, operating nationally as a single structure, the institution in Romania with exclusive competence in managing the system of asset and interest disclosures and identifying, preventing and combating integrity incidents. In observance of the principles with which it was invested by law, the main objective of the Agency is to ensure integrity in the exercise of public offices and dignities and to prevent institutional corruption by taking responsibility for the evaluation of asset disclosures, data and information about asset and changes in properties, incompatibilities and conflicts of interest.

THE MAIN TASKS OF ANI

- Collecting, archiving and evaluating asset and interest disclosures
- Providing public access to asset and interest disclosures
- Controlling the submission within the legal term of asset and interest disclosures
- Enforcing penalties provided by the law
- Providing guidance on demand for individuals who have the obligation, by law, to submit asset and interest disclosures
- Notifying prosecutors in cases of misconduct which may constitute criminal offenses
- Organizing prevention and awareness activities, to promote the observance of the integrity framework

RESOURCES USED BY ANI

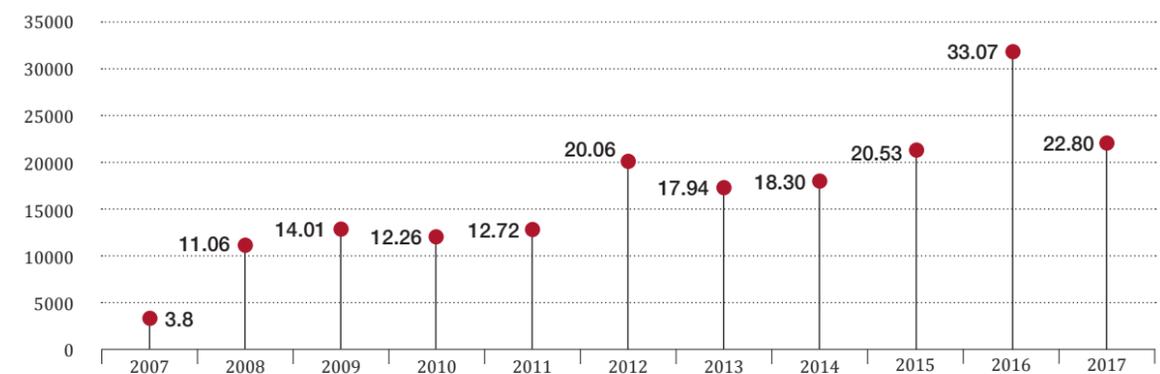
FINANCIAL POLICY

The National Integrity Agency is fully funded by the state budget, the draft budget is submitted to Parliament. In 2007, the budget was about 3.8 million lei (1 mil. Euros). Over the years, in relation to the activities and needs of the Agency, it has followed an upward trend, fluctuating between 11 and 33 million lei (the peak was in 2016).

To complement its budget, ANI accessed post-accession non-reimbursable EU funds for projects, totaling 68,918,055 lei.

In addition, the National Integrity Agency was a partner in projects implemented by the civil society and carried out through the finances that these bodies have accessed.

Financial evolution starting with 2007, to date

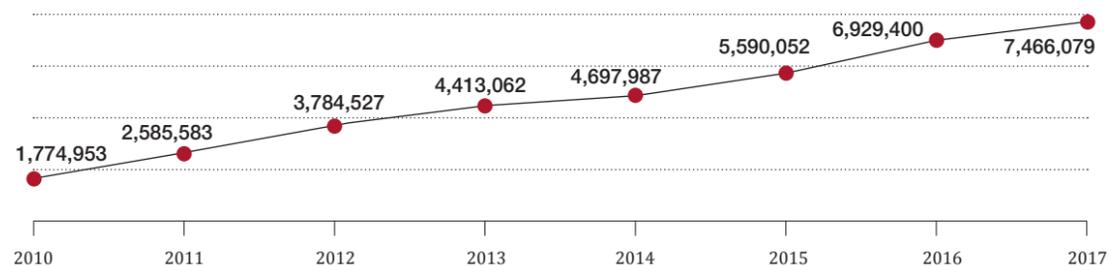


* The amounts shown in the graph are expressed in million lei



In election years, the Agency's budget was increased, given the additional efforts of processing and storage of asset and interest disclosures. An example of this is the year 2016, as shown in the figure.

Number of asset and interest disclosures available on ANI's Portal 2010 - 2017



THE PUBLIC PORTAL OF ASSET AND INTEREST DISCLOSURES

In order to ensure the transparency of the asset and interest disclosures, ANI developed in 2010 an electronic system for registering asset and interest disclosures (DAI), which includes the following components:

- Conversion of asset and interest disclosures from paper format to an electronic format, to be collected in a database for both the Portal and the Document Management application
- Creating and managing the electronic archive of DAI
- Public access to all asset and interest disclosures received by ANI via the Portal, available on the Agency's website, at <http://declaratii.integritate.eu/>

The Portal allows searches to be based on a number of criteria, such as: name of the person, public institution, person's position, date of completion of the disclosure, county, city, type of disclosure (of asset or interests).

TECHNICAL RESOURCES

One of ANI's strategic priorities of the last decade has been to improve its capability through the introduction of integrated electronic systems, namely:

1. For evaluation activities

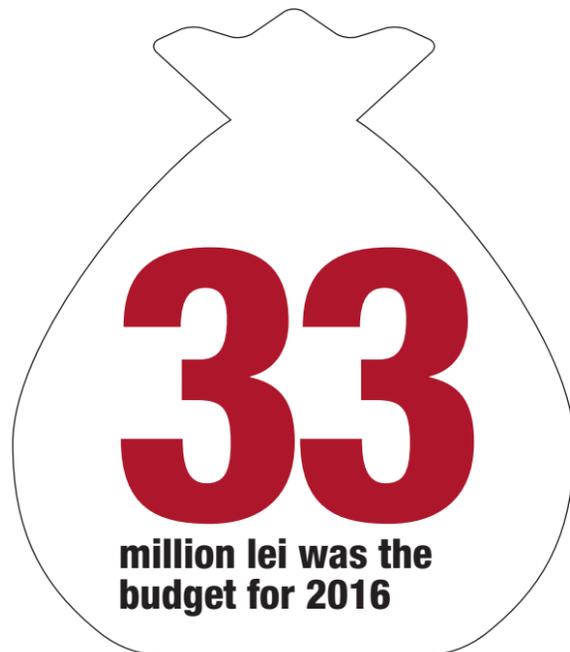
- Integrated Information Management System of the Asset and Interest Disclosures (SIMIDAI)
- Portal for asset and interest disclosures
- The System for preventing conflicts of interest in public procurement procedures (PREVENT)

2. For administrative activities

- Document Management System (SAP - DMS)
- Accounting Management System (SAP - ERP)

The activity of integrity inspectors is organized with the Integrated Information Management System of the Asset and Interest Disclosures - SIMIDAI, which currently contains approximately 1,365,617 documents (except for asset and interest disclosures).

Perhaps one of the most effective tools ANI has, is the PREVENT IT System, created in order to prevent conflicts of interest in the public procurement procedure by setting up an ex-ante verification mechanism in view of situations that may give rise to conflicts of interest in the procedures initiated through the Electronic Public



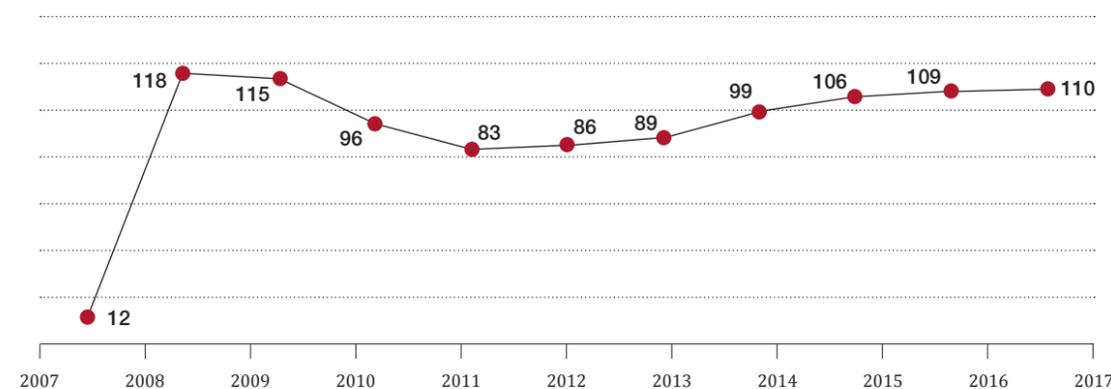
Procurement System, so that they should be removed without affecting those procedures.

HUMAN RESOURCES

The Agency staff consists of integrity inspectors, civil servants and contracted staff. The maximum number of ANI employees is limited by law to 200, but this threshold has never been reached. In fact, one of the European Commission's concerns was the low number of employees, as it noted in the July 2008 Report that low wages affect the efficiency of the recruitment process. To remedy this situation, in 2013, the level of staff remuneration within the Integrity Inspection was increased. In exercising their duties, integrity inspectors use support staff, who serve the Agency's operational acti-

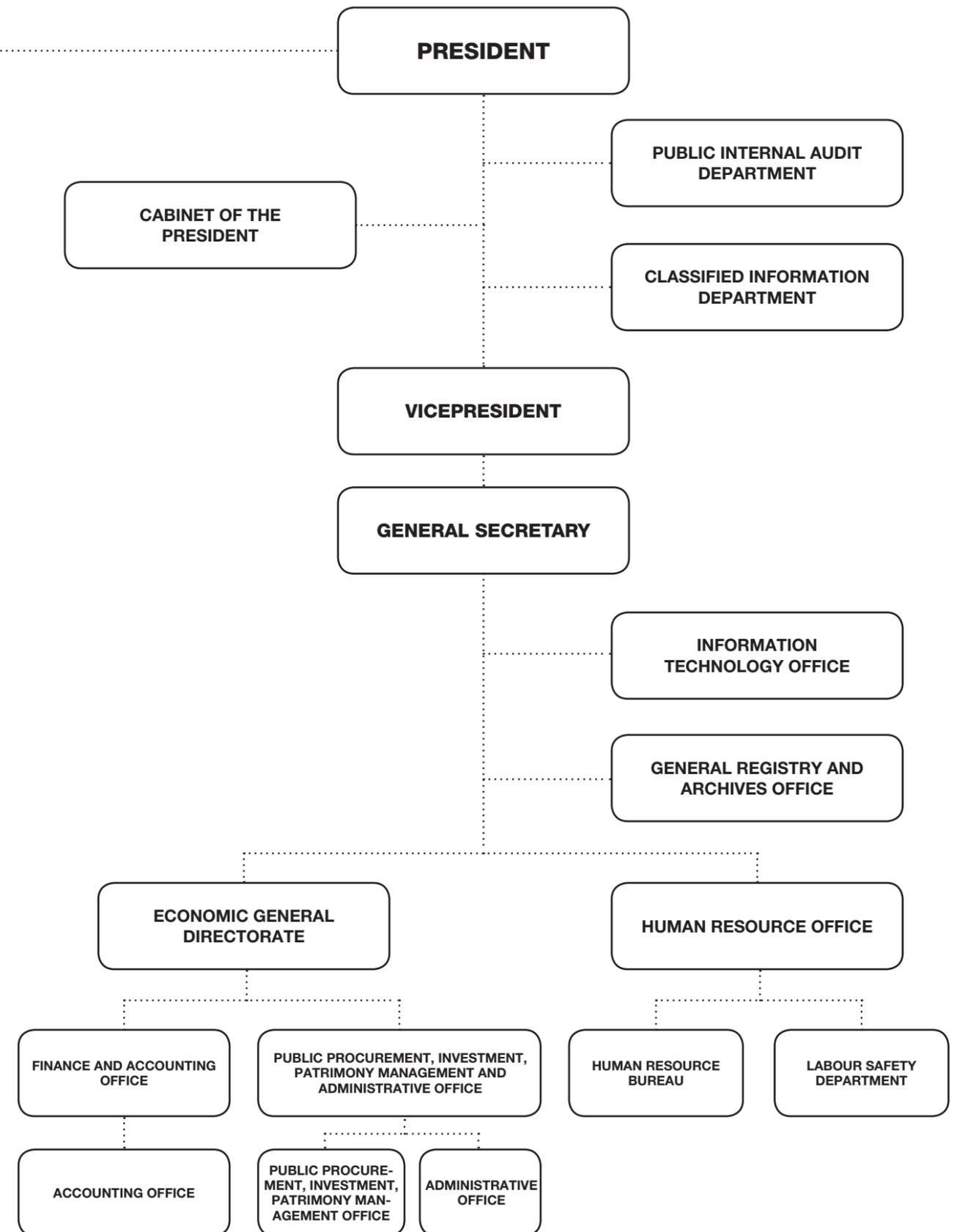
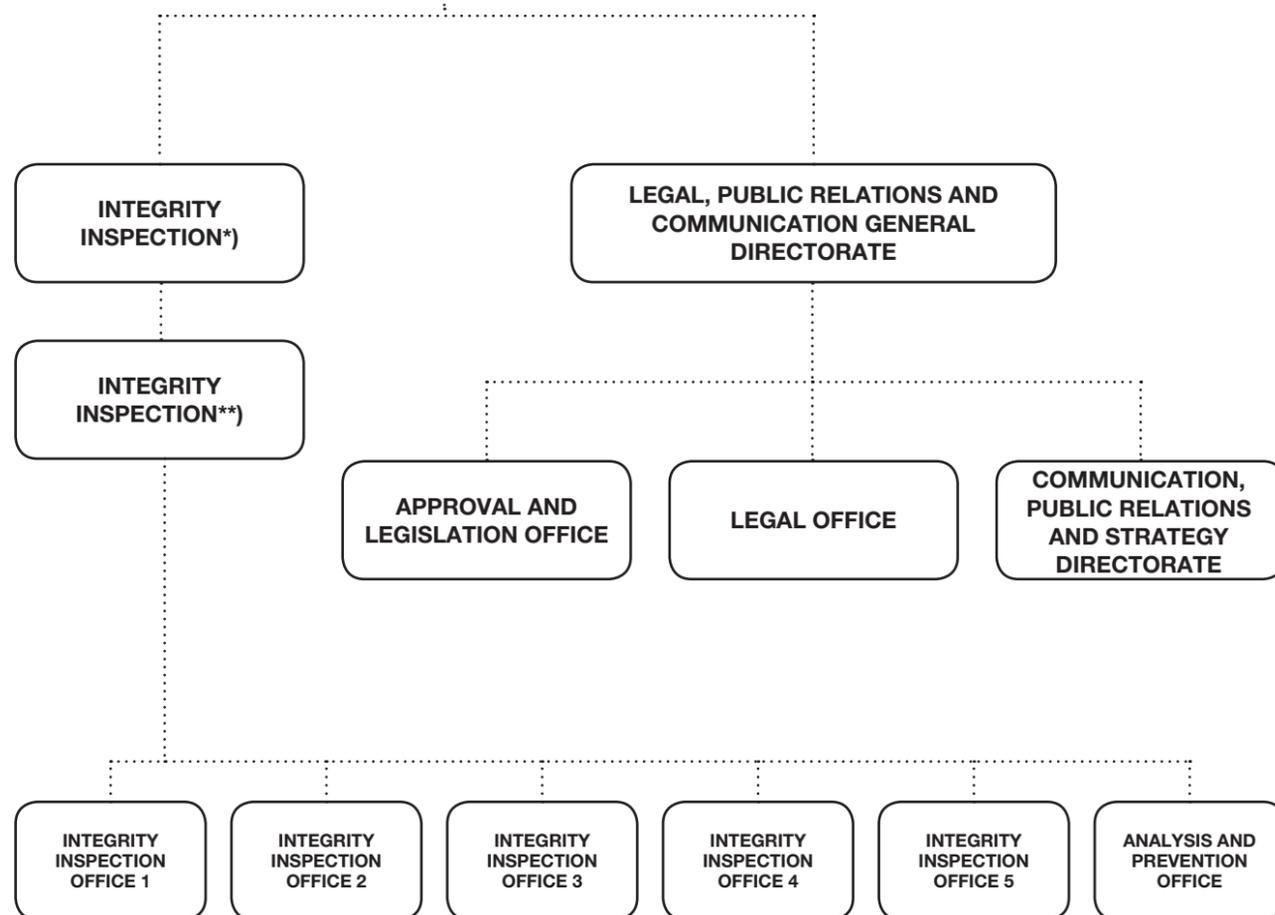
vity (legal, IT, communication and registry staff). Integrity inspectors are civil servants with special status, appointed following an exam; they enjoy autonomy and operational independence. According to this principle, integrity inspectors do not request to conduct verifications, or follow the request of any public authority, institution or person. For a person to become an integrity inspector, he/she must be a graduate of higher legal or economic education, as well as fulfill a number of minimum conditions provided by the law.

Evolution of the number of ANI's staff starting with 2007, to date



ORGANISATIONAL STRUCTURE OF THE NATIONAL INTEGRITY AGENCY

*) operates as a General Directorate
**) operates as a department



NATIONAL INTEGRITY COUNCIL

The National Integrity Council (CNI) is a representative body with non-permanent activity, under parliamentary control exercised by the Senate of Romania, which monitors the activity of the Agency.

The composition of the Council is subject to the principle of representation of various categories of persons subject to verifications by the National Integrity Agency, as follows:

- a member nominated by each Senate parliamentary group, plus the group of national minorities in the Chamber of Deputies
- a representative of the Ministry of Justice
- a representative of the Ministry of Public Finance
- a representative of the National Union of County Councils in Romania
- a representative of the Association of Romanian Municipalities
- a representative of the Association of Romanian Towns
- a representative of the Association of Romanian Communes
- a representative of senior civil servants and a representative of civil servants appointed by the National Agency of Civil Servants
- a representative appointed jointly by the legally established magistrates' associations
- a representative appointed by legally established civil society organizations active in the field of human, legal or economic-financial rights.

The tasks of the National Integrity Council are as follows:

- proposes to the Senate the appointment and dismissal of the President and Vicepresident of the Agency
- notes the suspension from office of the President and the Vicepresident of the Agency
- by decision, approves the regulations on the organization and operation of the Council and the Council's committees as well as internal rules of conduct
- approves the regulations for conducting the competition or examination for the appointment of the President and the Vicepresident of the Agency, as well as the examination topic and the competence of the commissions for organizing the competition or the examination, the elaboration of the subjects, the correction of the works and the settlement of the contestations, by taking decisions in this respect
- analyzes the information and reports submitted by the President of the Agency on its work, quarterly or

whenever required by the Council, through its President

- formulates recommendations on the strategy and activity of the Agency for Asset Evaluation, Conflicts of Interest and Incompatibilities
- analyzes the annual independent external audit report of ANI
- submits to the Senate, annually and whenever it deems necessary, a report on the work of the Agency.

The National Integrity Council guarantees the independence of the National Integrity Agency.

In 2011, the CNI adopted an operational procedure that guarantees the independence of ANI, at the written or oral request of the Agency's management whenever necessary. The President may decide, by consulting all the members, what support to provide to the Agency through adopting a public position towards the situation notified by ANI.

During the six years since its adoption, the National Integrity Council launched the operational procedure to guarantee the Agency's independence in eight cases, by adopting public positions on a number of issues related to legislative changes that negatively affected the efficiency of ANI, enforcement of court sentences issued in final cases or implementation by the Agency of recommendations of the European Commission in the context of the Cooperation and Verification Mechanism.

2011

the year when CNI adopted an operational procedure which guarantees ANI's independence

ORGANISATIONAL STRUCTURE - HOW THE PRESIDENT AND VICEPRESIDENT ARE ELECTED

The President and Vicepresident of the National Integrity Agency are appointed for a four-year term, which cannot be renewed, following a competition organized by the National Integrity Council.

The President and Vicepresident of the Agency may be removed from office in the following circumstances:

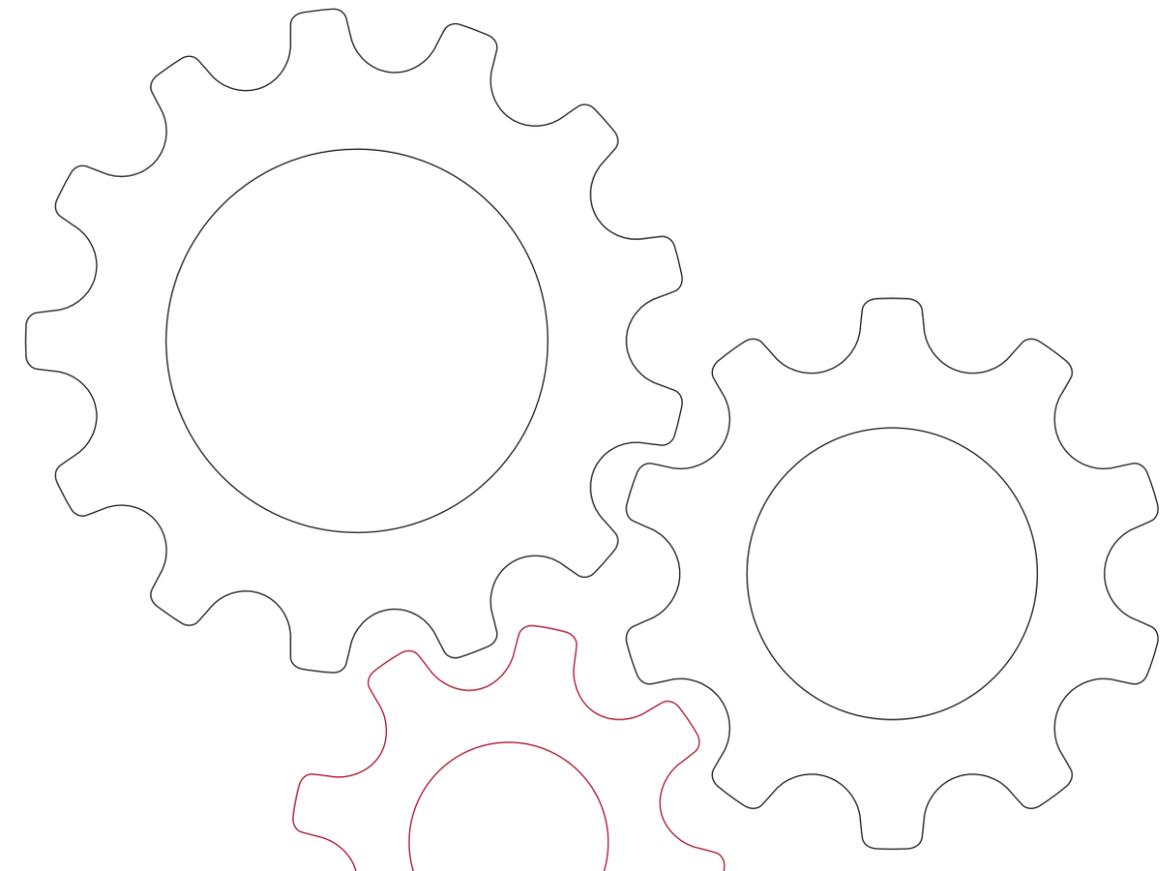
- resignation

- managerial incapacity
- final criminal conviction
- when in breach of legal provisions on conflict of interest or incompatibility, or when part of their wealth or specific goods are confiscated
- non-fulfillment of the mandatory appointment conditions

INDEPENDENT EXTERNAL AUDIT

The independent external audit is an essential tool in assessing the quality of ANI's management and monitors the degree of compliance with internal procedures and legal rules applicable by integrity inspectors and administrative staff. The Agency's activity is assessed annually through an independent external audit. Under the law, the auditor's selection is made through a public procurement procedure. The independent external audit report is drawn up in the first 3 months of the year and presented to the National Integrity Council.

In this sense, the independent external audit reports from 2008 to 2016 saw progress in the Agency's managerial processes development, while also addressing the Agency's functionality parameters and improving managerial control systems in decision-making, implementing this representing a priority for ANI.



NATIONAL ANTI-CORRUPTION STRATEGY 2016 - 2020

CVM report from early 2016 said that:

The National Anti-Corruption Strategy is the core instrument to encourage the prioritisation of preventative action by public administration at national and local level. Concrete prevention projects within ministries, some supported by EU funds and NGOs, continue to bring a useful contribution to fighting corruption within the administration.

”

The National Anti-Corruption Strategy (SNA) 2016-2020 considers that any file which reaches the DNA or ANI is a failure of the affected public institution's management. The National Integrity Agency is an active component in the implementation mechanism of the SNA. In this regard, ANI expressed its support for the fundamental values, principles and objectives of the Strategy through an adherence statement, adopted at the end of 2016. Also, based on a substantive risk analysis about the exposure to corruption, an integrity plan was drawn up that targets a set of joint measures, both internal to the Agency, to reduce and eliminate certain identified systemic risks, and external, to fight corruption through administrative mechanisms in the other state institutions.

THE NATIONAL INTEGRITY AGENCY'S STRATEGY TO PREVENT AND SANCTION CONFLICTS OF INTEREST, INCOMPATIBILITIES AND UNJUSTIFIED WEALTH (2016-2020)

The National Integrity Agency's Strategy is the governing document that sets the ANI's directions, positions the Agency's mission in the Romanian institutional set-up, and structures ANI's activity in the fight against corruption through administrative means.

Furthermore, the Strategy focuses on the evaluation and sanctioning of integrity incidents, prevention and awareness of breaches of rules on incompatibilities, conflicts of interest and unjustified wealth, ensuring transparency in the work of the Agency, as well as domestic and international cooperation with other relevant entities. At the same time, the Strategy aims at strengthening the administrative capacity of the Agency, ensuring that it has optimal financial, human and technical resources.

The Strategy includes the recommendations the Agency received from the European Commission in the context of CVM and the GRECO reports, the strategic objectives and measures contained in ANI President's Management Plan, as well as lessons learned and the experiences that ANI has acquired over time.

In this context, following the relevant experience from the previous strategic cycle, the organization's external opportunities and threats were identified and the strengths and weaknesses within the Agency were determined.

The ANI Strategy has four levels:

- (i) an evaluation of the previous strategy and resources
- (ii) a formulation of vision, priorities and strategic objectives
- (iii) the development of the action plan
- (iv) monitoring and evaluation.

Considering not only the National Anti-Corruption Strategy 2016-2020 goal, namely to promote integrity by rigorously applying the normative and institutional framework to prevent corruption in Romania, but also the control role that ANI exerts, part of the objectives and measures contained in *the Strategy for preventing and sanctioning conflicts of interest, incompatibilities and unjustified wealth*, on prevention and sanctioning of integrity incidents, can be found in the Integrity Plan of the Agency. We believe that the alignment of these programmatic documents will lead to better outcomes in terms of achieving the result indicators, both of the SNA and the ANI Strategy.

ASSET AND INTEREST DISCLOSURES

Corruption is a key threat to good governance, to democratic processes as well as to the free market, as described in the OECD report [2]. The asset and interest disclosures have the role of preventing certain acts of corruption, but also of being used for control purposes in subsequent investigations, as a result of the anti-corruption measures adopted by each state. However, a disclosure cannot serve as a single means of preventing and combating corruption, but rather must be correlated with other methods, although a well-developed and implemented disclosure system will have a strong impact on facilitating the process.

In order to have a functional asset and interest disclosure system, it is necessary to take into account certain conditions, such as supporting actors (managers of institutions, civil servants or civil society), the existing legal framework, but also the changes that may occur, limitations (social, administrative, etc.) or the identification of an optimal implementation framework. Currently, according to a World Bank study, over 130 jurisdictions in the world have the obligation to declare assets or business interests through disclosures.

The system of disclosing assets and interests in a country can target:

- Increased transparency and trust of citizens in the public administration, by disclosing certain information about the patrimonial state of politicians and civil servants
- Promotion of integrity to prevent situations where there is a risk of conflicts of interest, incompatibilities and unjustified wealth
- Monitoring of the variations that may occur in the asset of a public official, be it a politician or civil servant

Asset disclosures generally contain headings such as real estate bank accounts and loans, investment in art and jewellery, vehicles and financial placements. The study of such a disclosure can provide evidence of the unjustified wealth of a politician or civil servant and

may also contribute to criminal investigations by prosecutors. Interest disclosures focus on the business interests, engagements or connections that a person holding a public office may have, which could compromise a public utility action or decision - private interest is put before public interest.

In Romania, asset disclosures have been introduced since 1996 for certain categories of public offices, such as officials, magistrates or elective offices, but the procedure designed to regulate this obligation was one with serious shortcomings - the filled in disclosures were kept in sealed envelopes and were opened only if there were complaints about the wealth difference between what was declared and what actually existed. This procedure clearly prejudiced the principle of transparency. Consequently, the European Union highlighted the need to adopt and implement a functional system to disclose assets and interests, leading to the development of viable anti-corruption policies, monitored through the Cooperation and Verification Mechanism. Therefore, in 2007, the National Integrity Agency was established, the only institution in Romania competent in the management, archiving and verification of asset and interest disclosures.

CATEGORIES OF PERSONS UNDER OBLIGATION TO DISCLOSE ASSETS AND INTERESTS

The legal framework governing the system of asset and interest disclosures (Law No. 176/2010 and Law No. 144/2010) stipulates the obligation to submit these disclosures for 39 categories of persons, as follows:

- President of Romania, as well as presidential and state councillors
- Parliamentarians
- Romanian Members of the European Parliament and members of the European Commission from Romania
- Prime Minister, Government Members, State Secretaries, Undersecretaries of State and assimilated positions, State Councillors from the Prime Minister's working apparatus
- Members of the Superior Council of Magistracy
- Judges, prosecutors, assistant magistrates and their assimilates, legal assistants, as well as specialized auxiliary personnel from the courts and prosecutors' offices
- Judges of the Constitutional Court
- Members of the Court of Accounts and the staff with management and control positions within this Court
- Chairman of the Legislative Council and section presidents
- People's Advocate and his deputies
- President and Vicepresident of the National Supervisory Authority for Personal Data Processing
- Members of the Competition Council, the College of the National Council for Studying the Security Archives, the National Securities Commission, the Economic and Social Council, the Insurance Supervisory Commission, the Council of the Private Pension System Supervision Commission, the National Council for Combating Discrimination, the National Audio-visual Council
- Members of the boards of directors and of the governing committees of the Romanian Broadcasting Society and of the Romanian Television Society
- The President and Vicepresident of the National Integrity Agency, as well as the members of the National Integrity Council
- General Director and members of the Board of Directors of the National Press Agency AGERPRES
- The Director of the Romanian Intelligence Service, his first Deputy and his deputies
- Director of the Foreign Intelligence Service and his deputies
- Diplomatic and consular staff

- The Director of the Protection and Guard Service and the Special Telecommunications Service, their first deputies and their deputies
- Local elected officials
- Persons in management and control positions, as well as civil servants, including those with special status, working in all central or local public authorities or, as the case may be, within all public institutions
- Persons in management and control positions within the units of the public education system and units in the public health system
- The staff assigned to the dignitary's office in the central public administration, as well as to the prefect's office
- Members of boards of directors, executive boards or boards of supervisors, as well as persons holding managerial positions within autonomous regions of national or local interest, national companies or, where appropriate, commercial companies in which the state or an authority of the local government is a major or significant shareholder
- The Governor, the First Deputy Governor, the Deputy Governors, the members of the Board of Directors, the employees with leading positions of the National Bank of Romania, as well as the managerial staff of other banks where the state is a majority or significant shareholder

39 

categories of persons under obligation to submit asset and interest disclosures

- The staff of public institutions, including the staff employed with an individual labour contract involved in the privatization process, as well as the staff of the public institutions and authorities, including the personnel employed with an individual labour contract, who administer or implement programs or projects financed from external funds or from budget funds
- Presidents, vicepresidents, secretaries and treasurers of trade union federations and confederations
- Prefects and sub-prefects

RESPONSIBLE PERSONS

In addition to ANI, an important role in the implementation of legal provisions on asset and interest disclosures is held by the designated responsible persons within each public entity.

Together with the head of the institution, the person concerned is responsible for the proper operation of the system of asset and interest disclosures, having the following duties:

- to receive and to record asset and interest disclosures;
- to make available to staff, on request, the template forms of asset disclosures and interest disclosures
- to advise on the correct filling in of the disclosures, on submitting them in due time, as well as on the application of the legal provisions regarding the disclosure and evaluation of asset, conflicts of interest and incompatibilities
- to keep records of disclosures in special public re-

- Candidates for the positions of President of Romania, deputy, senator, county councillor, local councillor, president of the county council or mayor

In addition, the obligation to disclose assets and interests also rests with the other categories of persons, who are appointed by the President of Romania, the Parliament, the Government or the Prime Minister, except for those who hold positions in religious cults.

- gisters
- to ensure that the disclosures are displayed and kept on the institution's website or its own notice board, within 30 days of receipt, by anonymizing the address of the buildings declared, with the exception of the place where they are located, the address of the institution managing the financial assets, the personal numerical code and the signature
- to send to the Agency certified copies of the submitted disclosures as well as of the special registers within no more than 10 days from their receipt
- to draw up, after the deadline for submission, a list of persons who have not submitted their disclosures, which shall be forwarded to the Agency by August 1st of the same year, immediately notify these persons, requesting a point of view within 10 business days.

ASSET AND INTEREST DISCLOSURES ARE SUBMITTED AS FOLLOWS:

- annually no later than June 15
- within 30 days from the date of appointment or election to the public office
- in the case of suspension from public office, within 30 days from the date of termination of the suspension
- no later than 30 days after the date of being released from public office
- for candidates for the positions of President of Romania, deputy, senator, member in the European Parliament, county councilor, president of the county council or mayor

1.3 mil.
asset and interest disclosures
submitted in the 2016 election year

RECTIFICATION OF ASSET AND INTEREST DISCLOSURES

Under the conditions expressly provided by law, the previously submitted asset and interest disclosures may be rectified as follows:

- on the initiative of the person responsible for the implementation of the provisions regarding the asset and interest disclosures - the responsible persons may recommend modifying the disclosures within 10 days of their receipt. Recommendation on the correction of disclosures shall be made in writing and shall be transmitted to the declarant by registered letter or handed over based on signature at reception. The declarant can rectify their submitted disclosures within 30 days of the recommendation being sent
- on the declarant's initiative: within 40 days of the initial filing of the asset and interest disclosures
- rectified disclosures may be accompanied by supporting documents

- the corrected disclosures, together with any supporting documents submitted, shall be sent without delay by the responsible person, in a certified copy.

Annually, about 350,000 persons have the obligation to fill in asset and interest disclosures, and in election years, the number of submissions comes up to 1 million. For example, in 2016, when there were two rounds of local and parliamentary elections, about 1.3 million disclosures were filed with ANI.

In its 10 years of activity, the National Integrity Agency processed and published around 7.5 million asset and interest disclosures on the Portal of Asset and Interest Disclosures. The measures taken by ANI had the effect of doubling the number of disclosures submitted over the last 5 years (about 5 million) compared to the period 2008 - 2012, when approximately 2.5 million disclosures were submitted.

WHAT ASSET AND INTEREST DISCLOSURES IN ROMANIA INCLUDE

ASSET DISCLOSURE

The introductory section of the asset disclosures shall include identification data relating to the person who is the subject of the disclosure. This information refers to the name of the declarant, position, the personal numeric code and his/her residence.

The first category of assets disclosed in the form includes real estate, namely land and buildings and addresses thereof, type of property (agricultural, urban, etc.), the year of acquisition, the area, share held by the declarant, the way of acquisition and full ownership.

The second rubric refers to movable goods such as motor vehicles/cars, tractors, agricultural machinery, boats, yachts and other means of transport that are subject to registration by law. The declarant must fill in the form with the nature of the good, the brand or trademark, the number of items, the year of manufacture and the manner of acquisition. Other goods that must be declared are precious metals, jewelry, art and worship pieces, collections of art and numismatics, objects which are part of the national or universal cultural heritage, whose total value exceeds EUR 5,000. The declarant will describe the goods, mention the year of ac-

ASSET DISCLOSURE

I, the undersigned _____, holding the position of _____ at _____, PIN _____, having the residence _____, aware of the provisions of article 292 from the Criminal Code regarding the false statements, I declare that together with my family⁽¹⁾ I own the following:

⁽¹⁾ By family it is understood spouse and dependant children.

I. Real estate

1. Lands

NOTE:
It will be declared including those abroad.

Address or area	Category*	Acquisition year	Surface	Share	Acquisition method	Owner ⁽²⁾

^{*} The indicated categories are: (1) agricultural; (2) forestry; (3) land within built-up area; (4) body of water; (5) other categories of land outside localities that are in the civil circuit.
⁽²⁾ At "Owner" it is mentioned, in the case of own goods, the owner's name (owner, spouse, child), and for the co-property goods, the share and the name of the other co-owners.

2. Buildings

NOTE:
It will be declared including those abroad.

Address or area	Category*	Acquisition year	Surface	Share	Acquisition method	Owner ⁽²⁾

^{*} The indicated categories are: (1) flat; (2) house; (3) vacation house; (4) commercial locations (production).
⁽²⁾ At "Owner" it is mentioned, in the case of own goods, the owner's name (owner, spouse, child), and for the co-property goods, the share and the name of the other co-owners.

II. Movable assets

1. Vehicles/cars, tractors, farm machinery, boats, yachts and other means of transport that are subject to registration by law

1

quisition, and the estimated value of these assets.

The third category refers to movable assets whose individual values exceed EUR 3,000 and were disposed of the previous year. The asset disclosure contains headings relating to financial assets such as bank accounts, investment funds, credit cards, etc., but also investments, direct investments and loans granted with the aggregate market value of over EUR 5,000. An important part of the disclosure are liabilities of the declarant, such as debts, mortgages or guaranteed leases with aggregate values exceeding the threshold of EUR 5,000.

INTEREST DISCLOSURE

Interest disclosures in Romania serve for both ensuring transparency while exercising a public office, as well as for the evaluation activity carried out by integrity inspectors in order to identify potential incompatibilities and conflicts of interest.

The introductory section of the interest disclosure include identification of the person subject to the disclosure, such as name, personal numeric code, home address of the declarant and position held.

The interest disclosure includes sections on:

- The capacity of shareholder in companies, national companies, credit institutions, economic interest groups and membership associations, foundations or other non-governmental organizations
- Membership in governing, management and control bodies of companies, autonomous regies, national companies, credit institutions, economic interest groups, associations or foundations or other NGOs
- Membership in professional associations and/or trade unions
- Membership in governing, management and control, bodies of political parties, whether remunerated or unpaid, the position held and the name of the party
- Contracts, including legal assistance, legal advice, consulting and service contracts, completed or in progress during office, guarantees or significant public funding received from the state budget, local and

foreign funds, agreements with companies with state capital or where the state is the majority/minority shareholder.

INTERESTS DISCLOSURE			
I, the undersigned, _____, holding the position of _____ at _____, PIN _____, having the residence _____, aware of the provisions of article 292 from the Criminal Code regarding the false statements, I declare the following:			
1. Associated or shareholder in companies, commercial/national companies, loan institutions, groups of economic interest, as well as member in associations, foundations or other non-governmental institutions:			
Company - name and address -	Quality held	No. of shares or social parts	Total value of shares and social parts
1.1			
2. Member in management, administration and control within commercial companies, autonomous administrations, commercial/national companies, loan institutions, groups of economic interest, as well as member in associations, foundations or other non-governmental institutions:			
Company - name and address -	Quality held	Value of the benefits	
2.1			
3. Member in professional associations and/or unions:			
3.1			
4. Member in management, administration and control bodies, remunerated or unremunerated, within political parties, position held and name of the political party:			
4.1			
5. Contracts including those of legal assistance, consultancy and civil, obtained or pending while exercising their functions, mandates, public dignities financed by the state budget, local or from external funds or closed with commercial companies with state capital where the state is majority or minority shareholder:			
S.1. Contract beneficiary: Name and surname / name and address	Contracting company: name and address	Procedure by which it was given the contract	Type of contract
Owner: _____			
		Date of signing of the contract	Duration of the contract
			Total value of the contract

HOW TO FILL IN AND SUBMIT THE ASSET AND INTEREST DISCLOSURES?

By law, certified copies of asset disclosures and interest disclosures must be sent to the Agency. In addition, as part of a European-funded project, the National Integrity Agency has implemented electronic forms (e-forms), which aim to facilitate the process of completing the information on assets and interests for the relevant categories of persons. These allow the declarant to fill

in standardised online forms with electronic signature, or offline, handwritten forms. The forms will be then signed, and a barcode will be generated. The most important tools that support the declarants are the guidelines for completing the asset and interest disclosures, which can be found on the Agency's website.

SANCTIONING AND PREVENTING INTEGRITY INCIDENTS

Evaluation is based on a series of principles: legality, confidentiality, impartiality, operational independence, timeliness, good governance, right to defense and the presumption of lawful acquisition of asset.

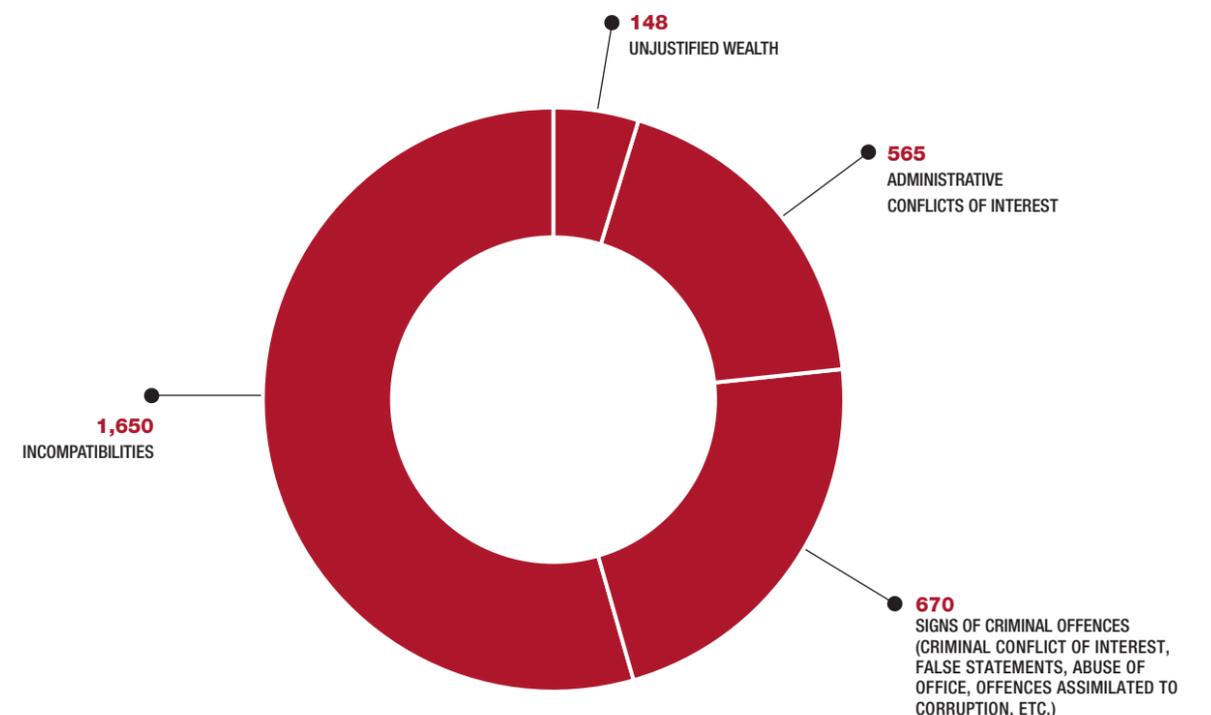
A. IDENTIFYING AND SANCTIONING INTEGRITY INCIDENTS

THE RESULTS OF THE EVALUATION

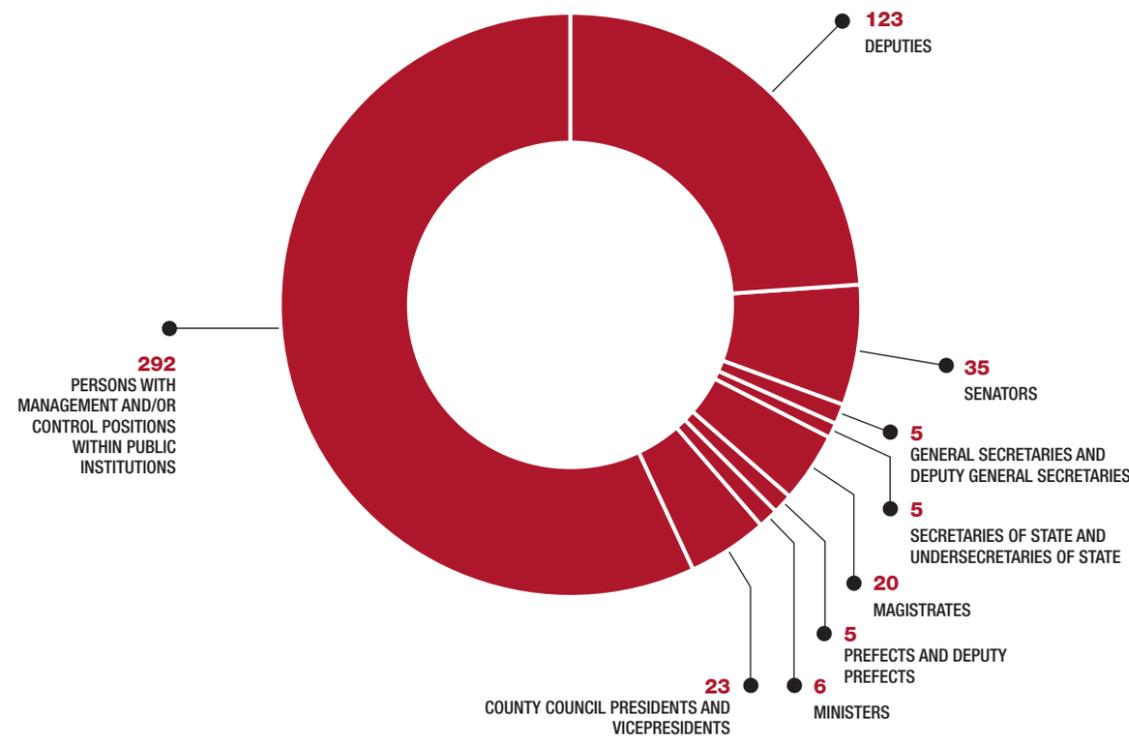
In its 10 years of activity, the National Integrity Agency has investigated about 14,000 cases, of which some files were pursued as integrity incidents, while others were rejected. Thus, for approx. 2,400 com-

pleted files, ANI found a number of 2,363 integrity incidents, as follows: 1,650 cases of incompatibility, 565 cases of administrative conflicts of interest, 148 cases of unjustified wealth. At the same time, the integrity inspectors have identified signs of criminal offences (criminal conflict of interest, false statements, abuse of office, offences assimilated to corruption, etc.) in 670 cases, which were submitted to the Prosecutor's Office.

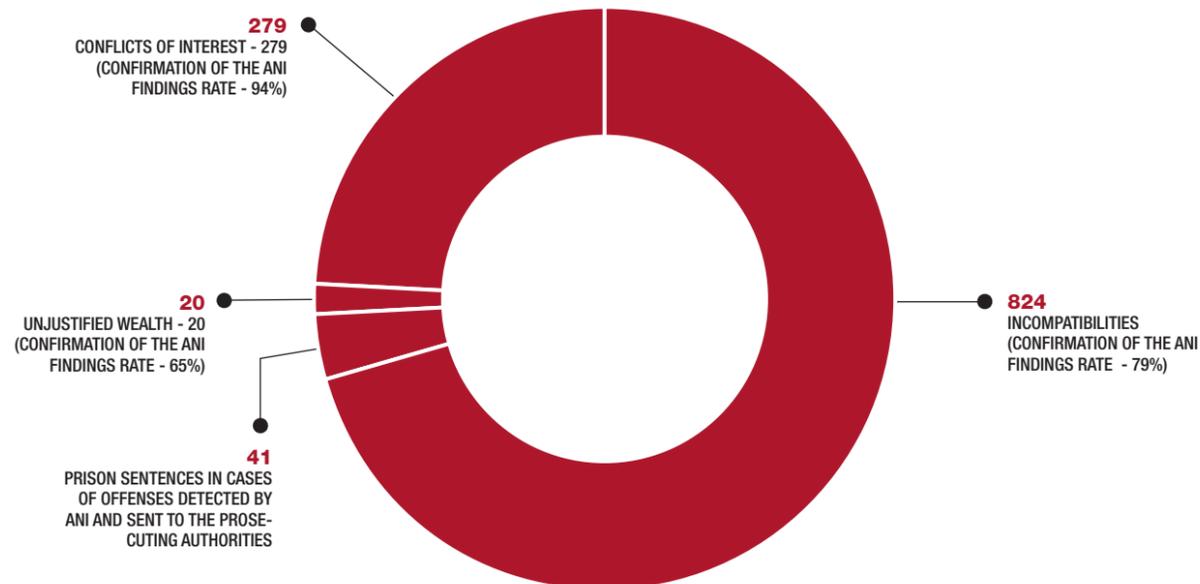
Ascertainments of the National Integrity Agency



658 cases evaluated by ANI targeted 514 persons holding important official positions



Final cases (cases in which ANI findings were maintained)



INCOMPATIBILITY

Incompatibility is defined as the situation where a public official's activities are incompatible with their position, by law.

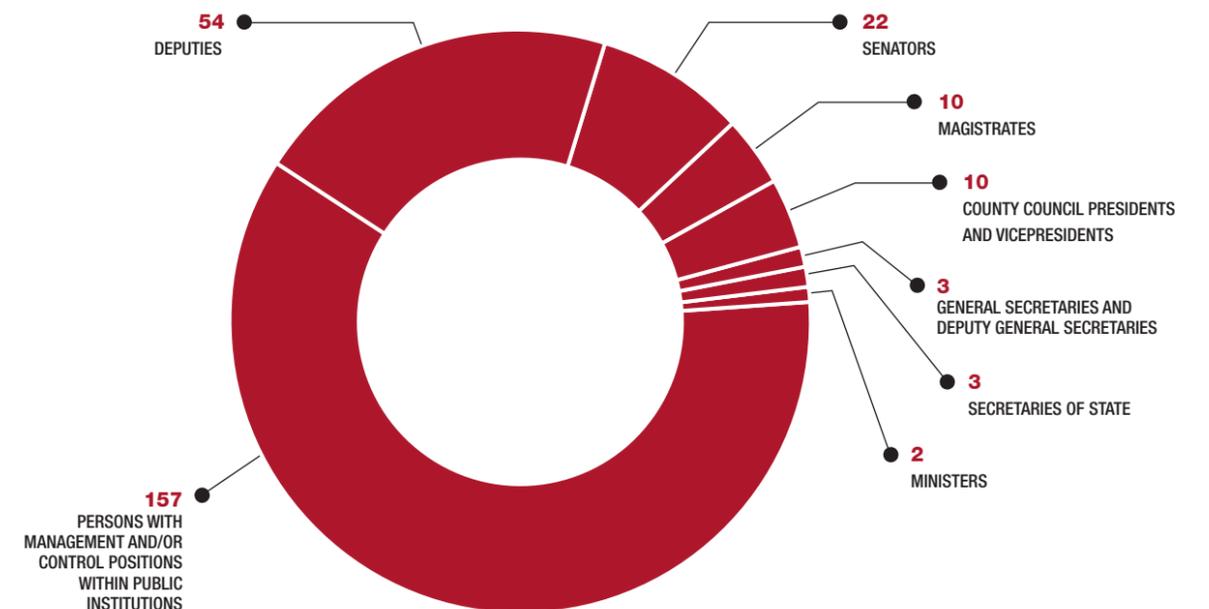
The legal regime of incompatibilities is governed by Law no. 161/2003 on measures to ensure transparency in exercising public dignities, public positions and in business, prevent and punish corruption, but was complemented by other regulations for specific categories of positions or public office. For example, the Constitution contains a number of provisions regarding incompatibilities applicable to the President of Romania, members of Parliament and the Government, while Law no. 7/2004 on the Code of Conduct for civil servants establishes incompatibilities for civil servants and Law no. 303/2004 on the statute of magistrates sets incompatibilities for this category.

A common confusion relates to the distinction between conflict of interest and incompatibility. Thus, if the incompatibility involves holding two or more positions simultaneously (without this implying a decision-making), where conflict of interest is concerned, the

person occupying a public office would be making or participating in a decision which generates a benefit for them, or for persons close to them.

In the 10 years since its establishment, the National Integrity Agency found 1,650 cases of incompatibilities among persons obliged to disclose their assets and interests.

261 cases of incompatibility of high officials were found by ANI



THE MOST COMMON CASES OF INCOMPATIBILITY

- Civil servants employed in other fields of activity in the private sector which are directly or indirectly connected with duties performed as a public official, according to the job description
- Civil servant in a public institution who is a suspended civil servant from another public institution
- High official in the national healthcare system and company manager
- Deputy/Senator and company manager
- County Council President/Vicepresident/Mayor/Deputy Mayor and company manager
- Mayor/Deputy Mayor and employee
- County Council President/Mayor/Deputy Mayor and senior management or executive position in the private sector
- County Council President and Vice President/Mayor/Deputy Mayor and owner of a company (individual, individual enterprise, member/owner of a family enterprise)
- County Council President and Vice President/Mayor/Deputy Mayor and position of local representative at general meetings of companies of local interest or state representative at the general meeting of a company of national interest
- Deputy and member of the Board of Directors of schools
- County councilor/local councilor and position held in a company that is in a contractual relationship with the County Council/City Hall
- County/local councilor and local public official or employee with an individual employment contract regardless of its duration, in the apparatus of the City/County Council in question or in the Prefect's Office

ADMINISTRATIVE CONFLICT OF INTEREST

A public official is in conflict of interest when, by virtue of the office or the public position they hold, they make a decision or participate in making a decision on a matter in which they have a personal interest. Administrative conflict of interest is defined by art. 70 of Law no. 161/2003, as "when the person exercising a public dignity or a public position has a personal interest related to financial aspects, which might influence the objective performance of his duties under the Constitution and under other laws."

565

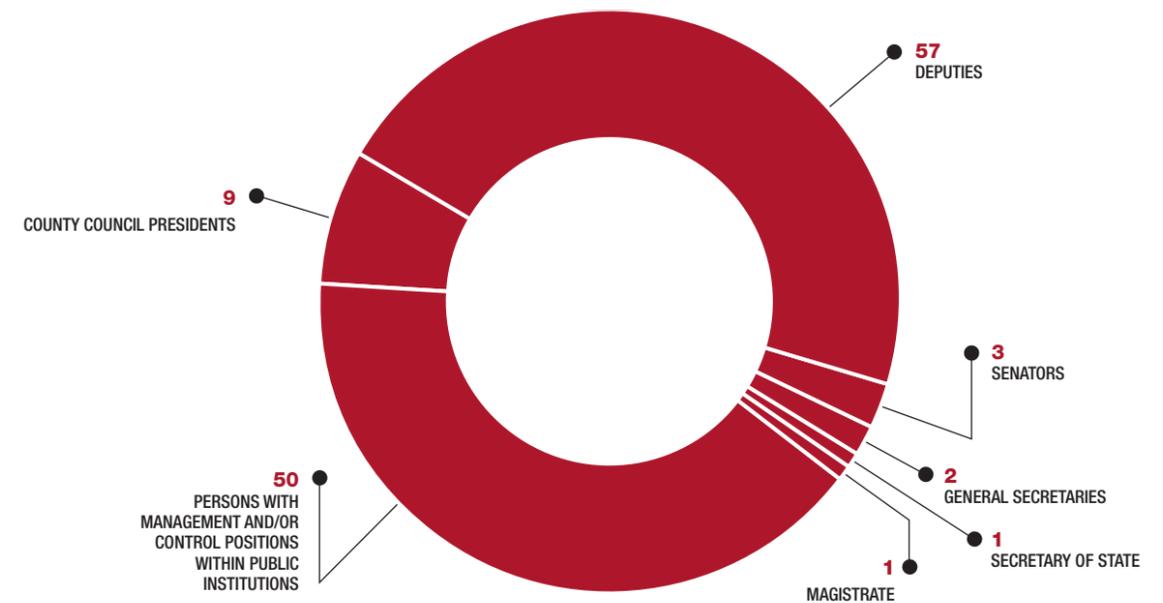
cases of administrative conflicts of interest, ascertained by ANI during its first decade of operation

However, conflict of interest is defined separately in various special laws, based on categories of positions the various persons may occupy. For example, local officials have specific regulations in Law. No. 393/2004 on *local elected officials* and the Local Public Administration Law no. 215/2001, while for MPs, there is Law no. 96/2006 on the *statute of deputies and senators*. There are several types of conflict of interest, but they are not differentiated by legislation: potential, current and consumed.

- Potential conflicts of interest refer to the situation where a public official has personal interests
- Actual conflict of interest arises when the official is forced to make a decision that would benefit them or close connections
- Consumed conflict of interest describes the situation in which the public official was already involved in the decision where they had a personal interest, in violation of the law.

In the first decade of the Agency, the integrity inspectors ascertained 565 cases of administrative conflict of interest.

123 cases of administrative conflict of interest of high officials were found by ANI



THE MOST COMMON CASES OF ADMINISTRATIVE CONFLICT OF INTEREST

- Public servant who settled requests, made decisions or participated in decisions about natural or legal persons with which they have patrimonial relations.
- Public servant who has completed administrative or judicial acts in favor of a first degree relative, namely son/daughter or parent, or for his/her spouse, to employ them in parliamentary offices.
- Deputy/Senator who has completed administrative or judicial acts in favor of a first degree relative, namely son/daughter or parent, or for his/her spouse, to employ them in parliamentary offices.
- County Council President and Vice President/Mayor/Deputy Mayor who has employed a first degree relative (son/daughter, parent) or his/her spouse in the County Council/City Hall.
- County Council President and Vicepresident who has participated in a decision that produced an advantage for their spouse or first degree relatives
- County Council President or Vicepresident who signed contracts between the County Council/institutions subordinated to the Council and companies/associations/foundations where them, their spouse or first-degree relatives hold a position or capacity in.
- Mayor/Deputy Mayor, who signed contracts with any companies/self-employed persons/individual enterprises/associations/foundations from which that person (mayor/deputy mayor), their first-degree relatives or spouses have material benefits.
- County councilor/local councilor who attended and deliberated on a decision of the county/local council by which that person or relatives up to the fourth degree have benefitted.

THE EVALUATION PROCEDURE FOR CONFLICTS OF INTEREST AND INCOMPATIBILITIES

The evaluation procedure in case of a conflict of interest or incompatibility can be initiated either following an ex officio notification or following a complaint made by a natural or legal person and consists of the verification of the interest disclosure by the integrity inspector. If elements of a conflict of interest or incompatibility are identified, the integrity inspector shall notify the person under evaluation, and ask them to present a point of view, either personally or in writing.

If within 15 days from the information receipt confirmation by the evaluated person, or following their expressed point of view the integrity inspector further notes the existence of elements of conflict of interest or incompatibility, they will file in an evaluation report. In the absence of the above-mentioned confirmation, the integrity inspector may develop an evaluation report after completion of a new communication procedure.

The evaluation report shall be communicated within five days of completion to the person subject to evaluation and, where appropriate, to the prosecuting authorities or disciplinary authorities.

The assessed person may appeal the evaluation report on their conflict of interest or incompatibility within 15 days of receiving it, in an administrative court.

If the incompatibility report is not contested within the legal term of 15 days in an administrative court, the Agency should notify competent authorities to initiate disciplinary procedure, 15 days from the expiry of the above-mentioned term. Moreover, if the case may be, within six months the Agency may notify the administrative court, seeking annulment of the documents issued, taken or made in violation of legal provisions on incompatibilities.

Regarding the evaluation report for conflicts of interest, if undisputed within the legal term of 15 days in admin-

istrative court, within six months the Agency notifies the competent authorities to initiate the disciplinary procedure and, where appropriate, the administrative court, seeking annulment of the documents issued, taken or made in violation of legal provisions regarding conflict of interest.

All legal or administrative acts in violation of the legal provisions regarding conflict of interest, concluded directly or through intermediaries, if related to this situation, are null and void. Even if the person no longer holds that position, an action to declare the absolute nullity of legal or administrative documents concluded in violation of the legal provisions regarding conflict of interest can be introduced by the Agency. Moreover, the court may order the motivated reinstatement and recover of the parties' former state.

If, after the evaluation of the interest disclosure and other data and information the integrity inspector found the absence of a state of incompatibility or conflict of interest, they will produce a report in this regard, which is passed on to the evaluated person. This report may include, if appropriate, a mention of errors in terms of inadequate preparation of interest disclosures and suggestions for correction.

UNJUSTIFIED WEALTH

The concept of unjustified wealth covers significant differences between the acquired assets and income. This is a difference in excess of EUR 10,000 or the equivalent in lei of this amount between the assets acquired while exercising public positions and dignities and revenues in the same period.

The evaluation procedure for unjustified wealth is started ex officio or following a complaint made by a natural or legal person, and allows the integrity inspector to evaluate asset disclosures, data, information and changes in existing assets. If the evaluation work results in significant differences between the acquired assets and income, the integrity inspector shall invite the person under evaluation to send in a point of view and defend their situation by submitting data or information they deem relevant. They also have the right to be assisted or represented by a lawyer or to send a written point of view.

If significant differences are found after the defence of the evaluated person, and after a motivated request by the integrity inspector of documents and information from institutions and public authorities, natural or legal persons, they shall draw up an evaluation report and communicate it to the evaluated person and to the Asset

Investigation Commission in the competent Court of Appeal. These commissions are made up of two judges of the Court of Appeal appointed by the president, including one as President, and a prosecutor from the Prosecutor's Office attached to the Court of Appeal, appointed by the first prosecutor of the Prosecutor's Office.

If the Commission finds that the investigation of asset acquisition is not justified, it notifies the Court of Appeal and its ruling can be appealed to the High Court of Cassation and Justice. If a final and irrevocable disposition is issued by the court to confiscate unjustified wealth, the National Integrity Agency will have the court decision published in the Official Gazette, and asks the National Agency for Fiscal Administration to start confiscation proceedings.

At the same time, the person for whom significant differences between the assets and income gained have been ascertained, irrevocably, is considered incompatible and receives an interdiction to hold public positions or offices for a period of three years.

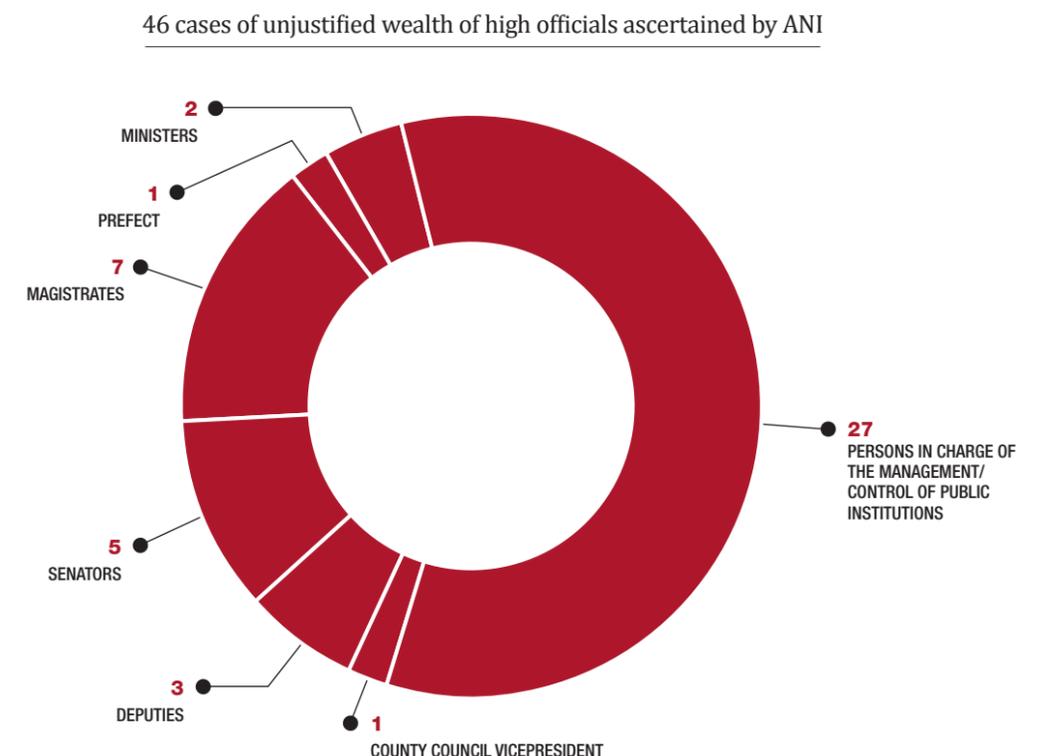
If, after the evaluation of the interest disclosure and other data and information the integrity inspector found the

3.6 mil. Euros

confiscated from unjustified wealth, as sentenced by courts of law in the 10 years of ANI operation

absence of unjustified differences between the acquired assets and income, they will draw up a report in this regard, which is sent to the evaluated person. This report may include, if appropriate, a mention of errors in terms of inadequate preparation of interest disclosures and suggestions for correction.

The National Integrity Agency has completed 148 cases of significant differences between the acquired assets and income from 2007 to the present.



115 mil. lei

(about 28 million Euros)
is the total unjustified difference found by ANI in the 148 cases

INDICATIONS OF CRIMINAL OFFENCES

The National Integrity Agency's has the competence to identify and apply administrative sanctions for incompatibilities, conflicts of interest and unjustified wealth. However, in evaluating the integrity incidents, ANI inspectors may find indications of criminal offenses, such as conflicts of interest, false statements, abuse of office, etc. Thus, by law, the Agency shall notify the Prosecutor's Office to verify indications of the offence being committed.

Within 10 years, about half of the indications of criminal offences identified by ANI inspectors focused on criminal conflict of interest, stipulated by the previous form of article 301 of Law no. 286/2009 on the Criminal Code. ANI findings submitted to prosecuting authorities led to the pronouncement by the courts of 41 prison sentences, 39 of which relate to the offence of conflict of interest. The conflict of interest definition was changed through a legislative amendment to the Criminal Code, so it was replaced by the phrase "using their position to favour certain individuals" by the Amending Law of 24 July 2017 and redefined as follows:

(1) *The act of a public employee in the line of duty who has performed an act by which he obtained a patrimonial benefit for himself, for his spouse, a relative or kin up to second degree inclusive, be punished with imprisonment from one to five years and deprivation of the right to hold public office for a period of three years.*

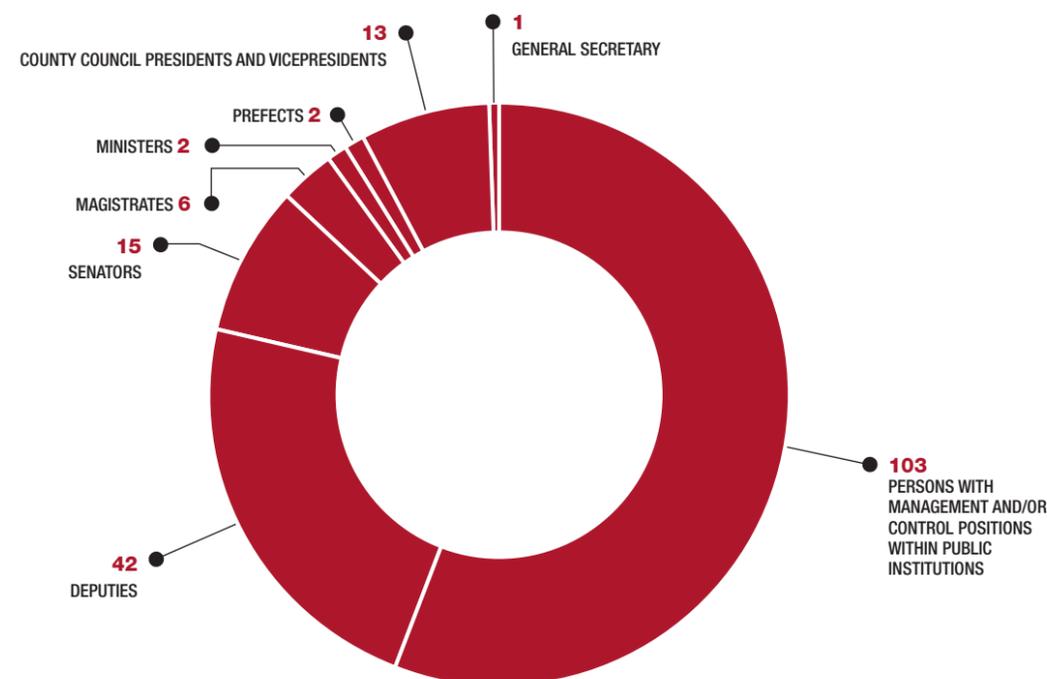
(2) *Para. (1) does not apply in cases where the act or decision relates to the following conditions:*

a) *issuance, approval and adoption of normative acts;*

b) *the exercise of a legal right or to fulfil an obligation imposed by law, subject to conditions and limitations contained therein.*

In its first decade of activity, the National Integrity Agency found that in 670 cases, there have been signs of possible criminal offences, such as conflict of interest, false statements, abuse of office, offences assimilated to corruption etc. Of these cases, 227 were related to high positioned officials who are required to submit asset and interest disclosures.

In 225 cases, ANI found indications that 187 high officials committed criminal acts



VERIFICATIONS AND SANCTIONS

Verifications of asset and interest disclosures in order to identify possible infringements of integrity laws may either be initiated at the notification of a natural or legal person, or ex officio, on a note prepared by the integrity inspector and approved by the integrity inspectors' management or based on a referral report prepared by the President of the Agency.

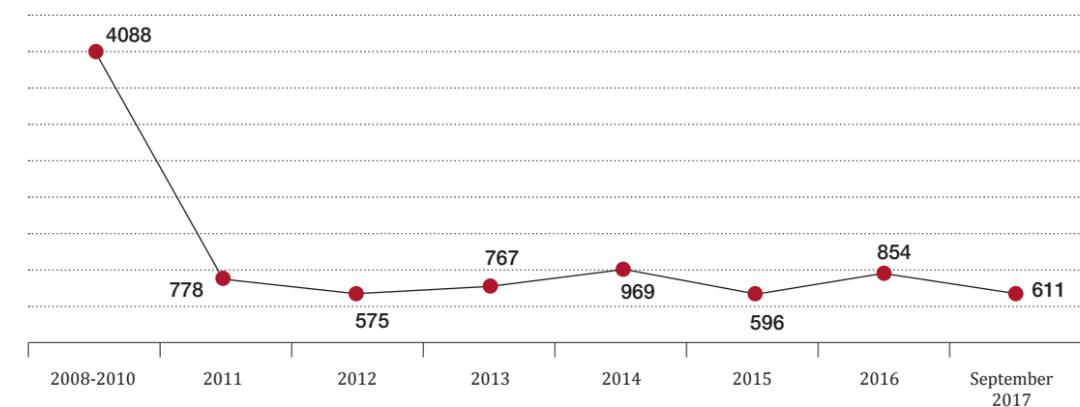
During the evaluation, the integrity inspector may require all public institutions and authorities, other legal public or private entities, and individuals to provide documents and information necessary to carry out the evaluation work, under the obligation of confidentiality. These persons have the obligation to communicate no later than 30 days, data, information, documents and the required

documents, regardless of their support, and any other data, information or documents in their possession that could lead to a resolution of the work. In cases of unjustified wealth, extrajudicial expertise may be required only upon the agreement of the person being verified.

Moreover, in the evaluation activity, integrity inspectors have access to the following databases:

- Tax records
- Database of the population registration office
- Land registers
- Database FIU
- Car Registry
- Real estate Registry
- Other property records

Evolution of the fines applied by ANI to date



ADMINISTRATIVE FINES

In its 10 years of operation, ANI applied over 9,000 administrative fines.

Administrative fines that the National Integrity Agency can apply are:

- Fine of 50 - 2,000 lei for failure to submit asset and interest disclosures within the legal terms provided by law, and for failure to disclose incomes or disclosing this income with reference to other documents (in this case a verification procedure may be initiated)
- Fine of 50 - 2,000 lei for non-compliance by persons designated from public institutions to implement the law on asset and interest disclosures and by the manager of said institution

- Fine of 50 - 2,000 lei for failure to apply disciplinary sanctions or terminate civil service when the evaluation report remains definitive
- Civil fine of 200 lei for each day of delay, if the obligation to respond to the Agency is not respected (e.g. requests for transmission of relevant documents for the evaluation file). In this case, the ANI integrity inspector shall notify the court

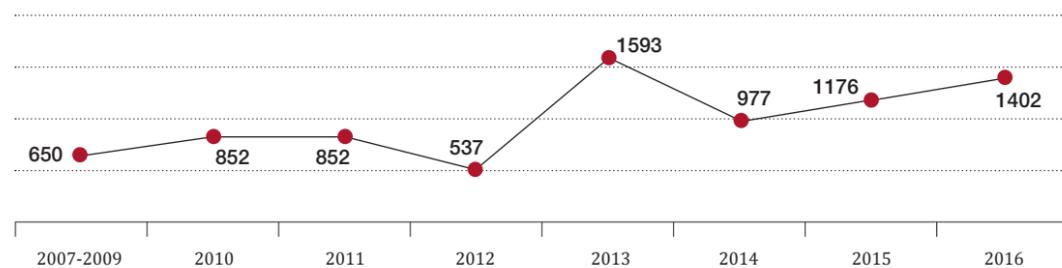
B. PREVENTION OF INTEGRITY INCIDENTS - DEVELOPING A MIX OF PREVENTIVE TOOLS

POINTS OF VIEW

One of the most important prevention tools was the issue of points of view, at the request of natural or le-

gal persons, explanations which aimed to clarify the legal provisions on conflicts of interest, incompatibilities and how to fill in disclosures on property, income or positions owned, as well as interpretations of pertaining laws. Thus, in the 10 years of operation, over 8,700 people received support from ANI through the points of view expressed by the Agency.

Evolution of points of view issued by ANI to date



In recent years, there was an increase in the number of civil servants or officials asking for the Agency's views on the interpretation of the laws on conflicts of interest or incompatibilities, but at the same time, a decrease in the number of people who either do not submit, or are late in submitting asset and interest disclosures.

PRESS RELEASES

Moreover, the continuous popularization of ANI findings had a deterrent effect in terms of committing integrity incidents by people who have the obligation to declare their asset and interests. Thus, during its 10 years of activity, the Agency published over 1,400 press releases on cases finalised by the integrity inspectors.

GUIDES

The Agency has developed two general guides for (i) filling in the asset and interest disclosures, and for (ii) the legal regime of incompatibilities and conflicts of interest, guidelines that are updated annually and posted on the Agency website. At the same time, interested persons may submit complaints to the Agency, by accessing a specially designed form, available on the website.

TRAINING SESSIONS

Simultaneously with the evaluation activity, the Agency had an important role in verifying asset and interest disclosures and increasing the level of awareness of people covered by the law in terms of fulfilling this obligation. To this end, the Agency organized several training sessions at its headquarters, dedicated to optimizing the process of filling in the asset and interest disclosure by using online and offline electronic forms. Only in May 2017, over 300 designated persons within public institutions and authorities were trained. However, over the years, in the implementation of SNA, ANI has collaborated with the Ministry of Justice to develop and implement several training sessions on preventing corruption and promoting integrity and transparency. In October 2014, 12 such training sessions and 20 seminars were held, attended by 700 civil servants.

Regarding the work on unjustified wealth, ANI's efforts to train people involved in this process have resulted in numerous training sessions devoted to judges of the Asset Investigation Commissions with the Courts of Appeal or with the Administrative and Tax sections of the Courts of Appeal.

READY FOR THE NEXT DECADE WITH THE WEAPONS OF THE FUTURE: PREVENTION AND EDUCATION



I. There is a consensus among key international actors on how to fight corruption - it cannot be defeated by purely repressive measures, but need complementary actions, awareness and prevention, as they are described by international standards. *The National Integrity Agency's Strategy to Prevent and Sanction Conflicts of Interest, Incompatibilities and Unjustified Wealth 2016 - 2020* clearly expresses the need to strengthen the prevention and awareness among people who have the obligation to submit asset and interest disclosures, during this strategic cycle. Development and diversification of education measures among people working both in the central, and the local administration becomes a priority in the next decade of activity for the Agency. Also, the National Anti-Corruption Strategy 2016 - 2020 has a specific objective for this period, (4.1), *increased anti-corruption education of staff within public authorities and institutions at the central level*. In view of the above, a systemic approach to this challenge, treated in a collaborative way (collaboration between ANI and other state institutions, be they institutions involved in fighting corruption, institutions of central or local government, NGOs or higher education institutions) can bring additional validation of the fight against corruption over the past 10 years in Romania and its sustainability by preventing potential integrity incidents that stem from poor knowledge of the integrity framework and relevant laws. However, ANI activity will continue in the same pace as in the last 10 years, with an equal emphasis on investigating cases.

II. In the last 10 years, the number of asset and interest disclosures increased exponentially from year to year. The current disclosing system is one of the most comprehensive in Europe, in terms of the categories of persons who are obligated to submit and total annual disclosures submitted. However, the system can be improved to streamline the method of submission, management and storage of these disclosures.

One solution designed to address this challenge is to increase the number of disclosures completed and signed electronically. The National Anti-Corruption Strategy 2016 - 2020, considers that one indicator of achievement of the specific objective on improving the identification, sanctioning and prevention of cases of incompatibilities, conflicts of interest and unjustified wealth is for a minimum number of 20,000 disclosures to be submitted electronically. Benefits generated by completing and filing electronically spring from the quick publication of these disclosures on the Portal of asset and interest disclosures, reducing the processing time of such disclosures and providing better clarity of the information submitted (due to the existence of predefined categories on the form). One contextual risk identified in the implementation of this action refers precisely to the lack of explicit legislative provisions regarding the electronic filing of these disclosures.

III. In 2017, the Agency has launched several postgraduate courses on compliance and proper implementation of the framework of integrity for public officials. Collaborating with universities made clear the need to diversify such programs dedicated to people working in public service. Through the issues raised during these courses or training sessions, participants confirmed their interest in the topic of integrity. A multiplier effect of such measures can only be achieved by strengthening collaboration with academia and civil society, following the initiation of common interest projects. This challenge will help in the development and construction of a typology of righteous public officials.

IV. Worldwide, the National Integrity Agency is considered a best practice in the fight against corruption through administrative mechanisms by international organizations such as the World Bank, OECD and UNDP. Technical assistance programs offered by these organizations included mostly ANI inspectors' expertise and descriptions of the experiences of our country in the last 10 years. Continuing to export the good practice model provided by ANI is a challenge for the next 10 years. This model may continue if some organisational requirements are met: adequate recruitment and training of human resources and continuous improvement of personnel in the field, maintaining an attractive level of remuneration for the Agency staff (both operational and support staff) and li-

aising with international entities mentioned above by attending conferences, workshops and international seminars.

V. The experience of recent years revealed the need to launch and implement various projects that have a real impact on public administration in Romania. Given the economic climate of recent years, this need can be translated as an opportunity to attract various funding to implement said projects. Considering the scarcity of human resources ANI currently experiences, we can consider that achieving optimal results in this direction of development is a challenge. The solution identified to maximize this opportunity is to set up a department specialized in project implementation as part of the agency and specialised support staff to handle this type of activity. This department will be focused on the implementation and monitoring of projects financed from the EU funds and ensure effective implementation of these projects where the National Integrity Agency will act as a beneficiary or partner.

