



Republic of Slovenia



COMMISSION FOR THE PREVENTION OF CORRUPTION

ANNUAL REPORT 2008

Pursuant to Article 13 of the Prevention of Corruption Act (Official Gazette of the RS, no. 2/04) and Article 13 of the Rules of Procedure of the Commission for the Prevention of Corruption (Official Gazette of the Republic of Slovenia, no. 105/04), the Commission for the Prevention of Corruption at a meeting held on 29/05/2009 adopted the following

Report on the Work of the Commission for the Prevention of Corruption in 2008

Ljubljana, 29/05/2009

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1. INTRODUCTION

In accordance with Article 13 of the Prevention of Corruption Act (ZPKor; Official Gazette of the RS, no. 2/04) the Commission for the Prevention of Corruption (hereinafter: the Commission) has to report on its work to the National Assembly of the Republic of Slovenia by 31 May for the preceding year. The enclosed report adopted at the Commission session held on 29/05/2009 is the report on its work in 2008.

2. STATUS ISSUES

In the first half of 2008 the Commission was faced with proceedings for the adoption of the Restrictions and Prohibitions for Holders of Public Office Act which has already been approved in second reading. The final adoption of the Act would mean that the Commission was again abolished with its tasks allocated to several hundred bodies throughout the country which, with the envisaged absence of any coordination, would spell the end of the systematic and uniform supervision over assets of holders of public office in Slovenia and their engagement in conflicts of interest and would thus present a final dissolution of the system of implementation of the Resolution on Corruption Prevention in the Republic of Slovenia (Official Gazette of the Republic of Slovenia, no. 85/04). The draft Act did not see the third reading. Towards the end of the year the Commission, in cooperation with the Ministry of Public Administration, began to prepare a draft of a new systemic regulation in corruption prevention which will also comply with the Decision of the Constitutional Court, no. U-I-57/06-28, suspending the application of the Incompatibility of Holding Public Office with Profitable Activity Act (Official Gazette of the RS, no. 20/06) and extending the application of the Prevention of Corruption Act (Official Gazette of the RS, no. 2/04).

3. SUPERVISION OF ASSETS OF PUBLIC OFFICE HOLDERS

3.1. Records of public office holders

In 2008 the Commission supplemented the database of public office holders with newly appointed councillors of the National Council of the Republic of Slovenia and the newly elected deputies in the National Assembly of the Republic of Slovenia.

The Commission submitted the forms for declaring assets and instructions for filling out those forms to all new public office holders. The Commission also created a flier for deputies in the National Assembly where they were informed on specific features from the Commission's field of work regulated by the Prevention of Corruption Act and the Deputies Act.

All public office holders of the National Council and the National Assembly reported on their assets although some individuals had to be given a notice regarding meeting their obligation and an additional deadline was set for them to submit data on their assets.

One of the national councillors failed to submit data on assets even in the additional deadline and only did so after a notice from the Commission to the Secretary of the National Council.

Some members of parliament also had to be reminded and were given additional deadline for reporting on their assets. Two members of parliament failed to submit data

by the extended deadline and the Commission acted in line with Article 39 of the Prevention of Corruption Act and called upon the Commission for Public Office and Elections to lower their salaries by one tenth for each month of delay. After this notice the two deputies immediately met their obligation.

A request for salary reduction by one tenth for each month of delay was also submitted to the Ministry of Labour, Family and Social Affairs as the state secretary at the Ministry failed to submit data on her assets despite notices and additional deadlines. After this notice she immediately met her obligation.

There were no major changes in holders of public office in local government. The Municipality of Izola failed to submit on time the list of municipal councillors elected on repeated elections, the Commission thus submitted a notice on this to the municipality. The Commission then submitted the asset declaration form and instructions to all newly elected councillors and they have all met their obligation within the set deadlines.

There are still 71 public office holders who have not reported their assets by 29/05/2009. They are all municipal councillors and the Commission had already used all legal tools at its disposal to obtain data on their assets.

3.2. Supervision of wealth

In 2008, in addition to analyses based on reports the Commission also performed a detailed analysis of assets of public office holders in the rank of state secretaries and public prosecutors.

In comparing the data from the reports with the data from public records (companies/business register, records of the Surveying and Mapping Authority, records of the Ministry of Transport and the Ministry of the Interior) the Commission found no significant deviations between the submitted and the actual situation. There were only some differences regarding the real estate ownership. Certain pieces of real estate are not entered in records of the Surveying and Mapping Authority while public office holders stated them in their asset declarations meaning that the reason for discrepancies were the inadequate real estate public records.

There were some differences with regard to the movable property, notably cars, which were a result of different vehicle value estimates. Records of the Ministry of the Interior include data on all registered vehicles owned by public office holders. Some of the vehicles were not stated in public office holders' assets reports because their estimated value was less than € 15,000. That is the threshold for submitting changes in assets set out in indents one to five of the first paragraph of Article 36 of the Prevention of Corruption Act. Therefore, although deviations existed they were not a result of violations committed by public office holders.

3.3. Incompatibility

The Commission received a number of questions regarding incompatibility from both local and national authorities.

The Office of the President of the Republic asked for explanation whether public office holders appointed by the President of the Republic can carry out educative and research

activities at the Faculty of Law and the Comparative Law Institute of the Law School, perform editorial work for scientific publisher of the Faculty of Law as well as participate in educating and preparing bases and programmes of scientific conferences of the Law School in addition to holding their office. Further, the Commission was asked about the possibility for performing a supplementary activity as a second employment or contractually.

The Commission's position on both issues was affirmative as such activities are permitted under the second paragraph of Article 19 of the Prevention of Corruption Act (Explanation no. 110).

The Commission also received an inquiry for a general opinion regarding compatibility of membership in parliament and membership in the supervisory body of an enterprise. In the general opinion no. 147 the Commission stated that holding an office of a member of parliament and a member of a supervisory board of an enterprise matches incompatibility. This is set out in the Deputies Act (Official Gazette of the Republic of Slovenia, no. 112/05) in conjunction with Article 31 of the Prevention of Corruption Act and the Decision of the Constitutional Court no. U-I-57/06.

Further, a Public Inter-municipal Housing Fund of a certain municipality requested opinion on compatibility of office of a member of the parliament and membership in the Fund. In the general opinion no. 148 the Commission took the position that a deputy of the National Assembly may be a member of an inter-municipal housing fund and a member of the Council of Founders of a public fund. The Commission prepared the general opinion in accordance with Articles 20 and 31 of the Prevention of Corruption Act, Article 12 of the Deputies Act and the Decision of the Constitutional Court no. U-I-57/06.

In the period discussed, the Commission issued a number of decisions regarding incompatibility of the office of a member of parliament and performance of a lucrative activity and incompatibility of the office of a member of parliament with membership in supervisory boards of enterprises. The deputies eliminated all incompatibilities within the set deadlines.

At the local level the Commission issued a decision on incompatibility of holding an office of a non-professional mayor and a function of chairman of the supervisory board of a public utility. A decision on incompatibility was also issued to the managing director of a public enterprise holding a public office as a professional functionary and who was on the other hand also a director and a procurator of various enterprises. The two incompatibilities were eliminated within the set deadlines.

3.4. Restrictions in gift receiving

Five municipalities failed to submit the 2008 list of gifts by the end of 2008. A catalogue of gifts received in 2008 as well as the list of 5 authorities that have not yet met their obligation was published on the Commission's website. In analysing gifts received by holders of public office in Slovenia the Commission found no substantial irregularities.

In 2008, the Commission received a report revealing that a private enterprise funded an excursion abroad for mayors of certain municipalities in the Gorenjska region and that the mayors thus received a gift which they should not have accepted nor have they reported it to the Commission. Based on the available documentation and discussions with the mayors in accordance with Article 11 of the Prevention of Corruption Act the Commission found that each mayor received a gift in value of at least € 709. The value of

the gift thus exceeded the amount permitted under Article 24 of the Prevention of Corruption Act on which the Commission informed the municipalities of the mayors' office. In the same matter the Commission found reasons for suspicion that persons other than the mayors committed a criminal offence prosecuted ex officio. In line with the above and pursuant to Article 14 of the Rules of Procedure of the Commission and Article 145 of the Criminal Procedure Act, the Commission assigned the case to the Police which confirmed findings of the Commission by filing criminal charges.

3.5. Restrictions of operations

In 2008, the Commission made two addendums of the list of enterprises subject to restrictions of business and published the list in the Official Gazette of the Republic of Slovenia (Official Gazette of the Republic of Slovenia, no. 55/2008 and no. 91/2008). The Commission also issued three positive decisions on awarding public contracts to enterprises included in the list. The approvals were published on the Commission's website.

The Commission explained to one of the Slovenian universities that the restriction of operation under the second paragraph of Article 28 of the Prevention of Corruption Act applies to the university as well as all its faculties in considering entering into business with any business entities where the founder and managing director of the latter (Explanation no. 117) is also a member of the university's Board.

The Criminal Police submitted the Commission information on irregularities at a primary school, which awarded an enterprise where the school's principal participates in its capital in an amount exceeding 20% with a public contract. The Commission established that the contracts made between the primary school and the company owned by the principal were void. Based on the issued decision the principal of the primary school submitted to the Commission a document on the termination of all contracts with the enterprise.

In the general opinion no. 120, the Commission determined the amount of low-value public contracts. Neither the Public Procurement Act (Official Gazette of the Republic of Slovenia, no. 128/06; ZJN-2) nor the Republic of Slovenia Budget for 2008 and 2009 Implementation Act (Official Gazette of the Republic of Slovenia, no. 114/07 and later) include provisions on low-value contracts. The general opinion sets out that the amount of low-value contracts under the first paragraph of Article 28 of the Prevention of Corruption Act corresponds to the amount of public contracts for which a bid collection procedure has to be performed according to Para 2 of Article 24 of the Public Procurement Act; for ordering goods and services this amount is set to € 40,000 and for ordering construction work € 80,000, respectively. The restriction of operation stipulated by the first paragraph of Article 28 of the Prevention of Corruption Act does not apply to one twelfth of those values which thus equals € 3,333 for ordering goods and services, and € 6,666 for ordering construction work.

4. INTEGRITY PLANS

Based on the provisions of the Prevention of Corruption Act all national and local administrative bodies were obliged to adopt integrity plans within the deadlines specified in Article 43 of the Prevention of Corruption Act and the relevant guidelines and inform the Commission thereof. A number of national and local administrative bodies continued

to prepare integrity plans also in 2008 despite the decision of the Constitutional Court to exempt the matter from obligatory application of the Prevention of Corruption Act, as the issue was not regulated by the Incompatibility of Holding Public Office with Profitable Activity Act (Official Gazette of the Republic of Slovenia, no. 20/06). The Constitutional Court decided on the constitutionality of the latter with a decision no. U-I-57/06-28.

In 2008, the Commission advised and guided Slovenian bodies that requested for assistance in implementation of integrity plans. Upon the initiative and at request of the Council of Europe, representatives of the Commission participated in a number of projects of the Council of Europe and advised and coordinated the work of foreign administrative bodies in setting up integrity plans as models of good practice in corruption prevention¹. Those foreign administrative bodies followed the Slovenian example and the Council of Europe expressed interest in strengthening the cooperation between the Council and the Commission regarding the introduction of integrity plans.

A major Council of Europe project in which the Commission participated was the MOLICO project where representatives of the Commission together with representatives of courts of the Republic of Moldova implemented integrity plans at all 51 courts in the country. Given the findings of the Government of the Republic of Moldova that the implemented integrity plans on the courts significantly contributed to prevention of corruption and other unethical acts, the plans became obligatory under law for all administrative bodies.

Representatives of the Commission presented the experience of Slovenia and the Commission regarding implementation of integrity plans on several scientific and expert conferences abroad². Representatives of the Commission participated with the integrity plans concept in other various activities of the UN, OECD and the Council of Europe in corruption prevention. In addition to Moldova they were particularly engaged in setting up systems to improve integrity in the Russian Federation, Serbia, Ukraine, Montenegro and Romania.

In January 2008 the European Commission and the European Public Administration Network (EUPAN) organised the closing meeting of the working group for preparation of the "EU Catalogue of Good Practice in Setting up Integrity, Fight against Corruption and Administrative Measures Aimed against Organised Crime". Representatives of the Commission attended the meeting and contributed substantially to catalogue preparation, namely as regards integrity plans. Among other the catalogue presents also a creation of an integrity plan as a successful method for assessing the risk of corruption, setting up a high level of integrity and preventing corruption. Presentation of the catalogue of good practice is due to be presented to the OECD in 2009³.

The results of Commission's successful cooperation with the Council of Europe, the Republic of Moldova, the Republic of Serbia, the Republic of Montenegro and others in setting up integrity plans and in particular the results in their implementation raised also the interest of other countries. The Commission received an invitation from the Ministry of Interior and the Public Prosecutor's Office of Georgia within the GEPAC project implemented by the Council of Europe to consult and coordinate in setting up integrity plans in those bodies.

Representatives of Albania, Austria, Kosovo and Macedonia also expressed interest in the integrity plan methodology. Representatives of governmental bodies of those countries

¹ Countries of Southeastern Europe

² Because of limited financial resources of the Commission, its representatives attended only meetings where participation costs were covered by the organiser.

³ It already took place at the seat of the OECD in Paris on 04.05.2009.

were informed on implementation and value of integrity plans during their working visits to the Commission and other institutions of the Republic of Slovenia.

In autumn 2008 a representative of the Commission presented integrity plans to the UN member states at a conference organised by the World Bank and the UNODC – United Nations Office on Drugs and Crime.

Given the practice so far and the results achieved in implementation of integrity plans, the Commission's efforts are aimed at further improving the methodology of their setting up both from the scientific approach aspect as well as from the aspect of including IT in certain processes. The Commission's aim is to improve and simplify certain processes in the methodology of integrity plan creation thus contributing to further development of this corruption prevention method both in the Republic of Slovenia and beyond.

5. IMPLEMENTATION OF THE RESOLUTION ON PREVENTION OF CORRUPTION IN THE REPUBLIC OF SLOVENIA

As was the case in previous years, the Commission was the only body which, within its limited ability, consistently implemented the Resolution on Prevention of Corruption in the Republic of Slovenia (Official Gazette of the Republic of Slovenia, no. 85/04; hereinafter: the Resolution) also in the first eight months of 2008. Towards the end of the year the Commission reached an agreement with the Ministry of Public Administration that the two bodies would start working on a revision of the Resolution and the Action Plan for its implementation. More than four years have lapsed since the two documents were adopted (the Resolution in 2004 and the Action Plan in February 2005) and as they were neither properly implemented nor promptly supplemented and adapted to the situation in the Republic of Slovenia in the period between 2004 and 2008, the need has become apparent for a general review of their applicability given the new economic and social situation in the country, which should identify the necessary changes of the Resolution to be put forward to the National Assembly of the Republic of Slovenia.

The review first required a detailed analysis of implementation of the current Resolution and Action Plan and establishment of a system for their future implementation. The Government of the Republic of Slovenia was the first to start the analysis and some ministries have already completed it. It is also clear what the future principle in implementation of national strategic anti-corruption documents will be, namely all governmental bodies will appoint contact persons who will be in charge of implementing measures for corruption prevention under their jurisdiction under the leadership and coordination of the Ministry of Public Administration and the Commission. The Commission will take over the coordination of work of other bodies and organisations and will ensure general coordination with the Government of the Republic of Slovenia in line with the Resolution and report to the National Assembly of the Republic of Slovenia on implementation of the Resolution.

It is envisaged that the new regulation on corruption prevention will include a special section on the implementation of the Resolution according to which, upon the Commission's proposal, the National Assembly of the Republic of Slovenia could claim political responsibility of holders of power in the country for their failure to meet or for poorly meeting their obligations set out in the Resolution.

6. SITUATION REGARDING CORRUPTION IN THE REPUBLIC OF SLOVENIA

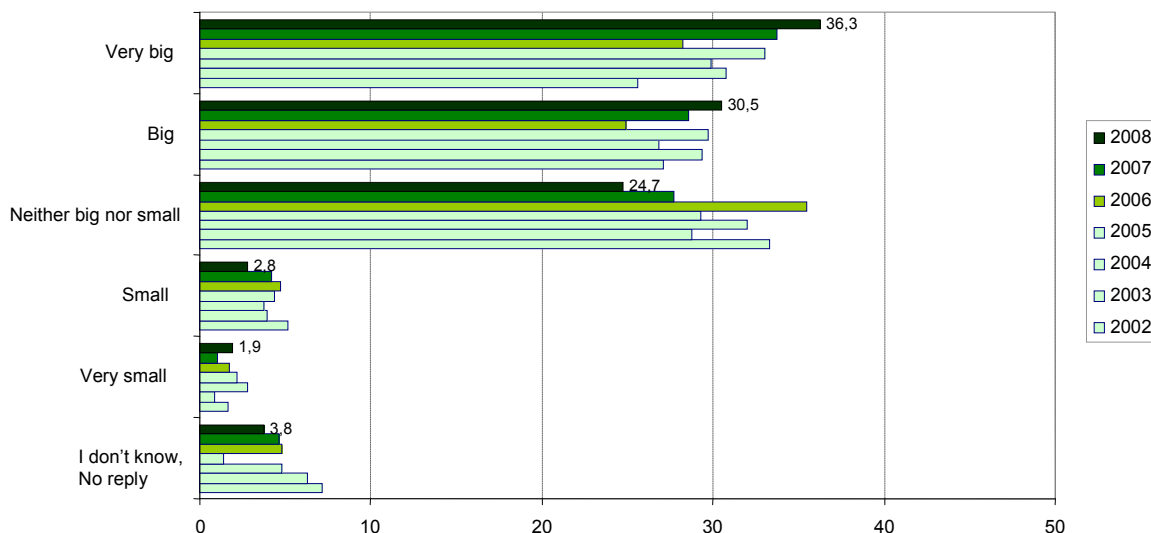
Towards the end of 2008 the Commission undertook the initial procedures for carrying out a survey on public opinion on corruption in Slovenia, namely for obtaining the opinion of citizens on their perception of issues in the area. Due to the Commission's lack of financial resources in 2008 the survey was completed in 2009 and the results are available on the Commission's website www.kpk-rs.si. The basic characteristics and findings of the survey were the following:

6.1. Perception of citizens of the Republic of Slovenia

Persons included in the survey base their assessment on the level of corruption in public services primarily on media reports and less on personal experience with corruption. The answers to the basic question "*Did you or persons close to you have any experience with corruption in the last year?*" point to a relatively low level of personal perception of corruption in Slovenia taking into account the fact that for the sixth year in a row roughly 95% of surveyed people had no personal experience with corruption. Of course this fact says nothing about the actual level of corruption in different segments as it stems from the personal encounter with an act of corruption and assumes "systemic exclusion" of the individual.

The empirical individual thus mostly does not encounter the phenomenon directly but detects it through formal and informal information channels which form his or her position and opinions related to the issue. In spite of their complex and arbitrary nature these opinions may be a significant if not the key contributor to the social and political climate in a society. The opinion of Slovenian citizens on the level of corruption in Slovenia is as follows:

HOW BIG A PROBLEM IS CORRUPTION IN SLOVENIA TODAY?

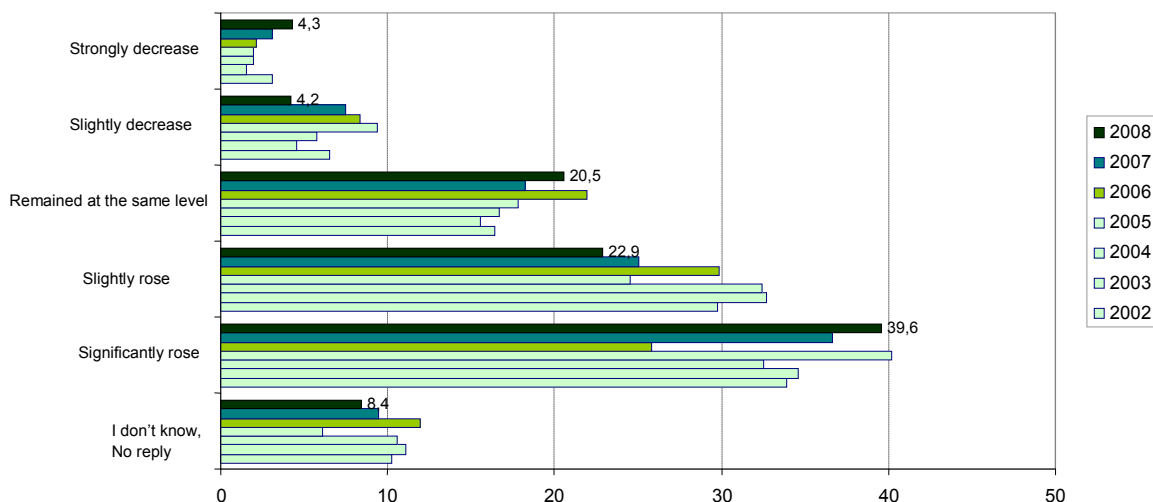


FDV - CJMMK Stališča o korupciji, 2008, N=911

A key question of the survey shows that – in people’s opinion – corruption in Slovenia is relatively widespread and that its level has risen in recent years, notably in 2006. If we add up the percentages of replies “big problem” and “very big problem” and compare the sum with those from the last three surveys we see that the share rose from 53% to 62% and even to 67% in the most recent survey. This is affirmed by the average score on the scale from 1 to 5 (1 – very small problem / 5 – very big problem) with the average recorded being 3.77 in 2006, 3.94 in 2007 and 4.00 in the most recent survey. The change in the last year was not as great as the year before but what is indicative is the trend towards increased negative attitude towards corruption in Slovenia.

For majority of respondents the reference period for occurrence of corruption in Slovenia is the period after the year 1990. The sum of replies *slightly rising* / *strongly rising* includes 63% of respondents. Compared to the previous surveys the share of those saying that the corruption level is rising grew particularly in the last two surveys and again reached the share of critical responses characteristic for the surveys performed before 2006. Regardless of the trend it is obvious that on average the public perceives the period after 1990 as more corruptive than the preceding one. The assessment on the increase of the corruption is prevalent among older active respondents and in the age group of over 60, among less well-off and people with lower education. With regard to employment status the perception on the escalation of corruption is prevalent among self-employed, unemployed and retired persons.

IN COMPARISON TO THE PERIOD BEFORE 1990 DID CORRUPTION IN SLOVENIA TODAY...



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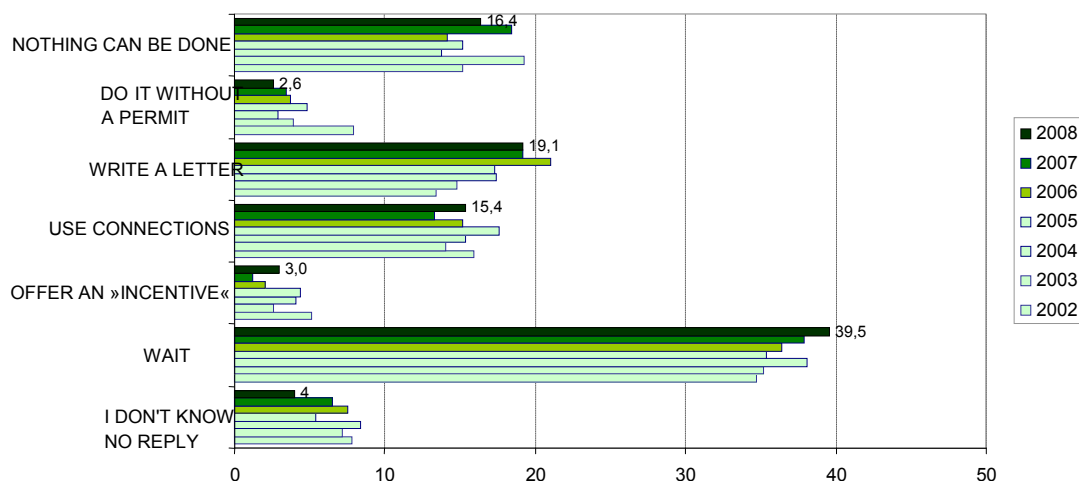
The survey also measured the respondents' willingness to accept corruption as means to achieve goals in a direct manner (person's conduct in a hypothetical case) and indirectly by assessing the probability of corruption in individual areas. In order to obtain a direct indicator of corruption potential a question was selected that faced the respondents with the following hypothetical situation: what should a person in need of a state permit do, if the civil servant instructs him or her to be patient? The respondents could select different actions, namely:

- Wait, things will settle
- Offer an incentive to the civil servant
- Use connections
- Write a letter to the head of the office
- Do what he or she intends without the permit
- Nothing can be done

Individuals' replies to the question on the action they will take point to a low general readiness of individuals to participate in corruption – 39% of respondents thought that passive attitude was the best course "wait for things to get settled", 15% of respondents thought that connections should be used to achieve the goal, 3% would offer an incentive, 3% thought that the intended should be done with "no appropriate permit", 16% saw no solution to the problem and roughly one fifth (19%) would inform the head of the office. A noticeable change in time worth mentioning was the change in the reply nothing can be done where the share grew from 14% to 18% from 2006 to 2007 while last year the share of the reply again slightly fell (from 18% to 16%) pointing to slightly more optimism, in particular as regards the feeling of being powerless as an individual if complications occur in an administrative procedure.

Structural comparisons show that the "corruption" (*use connections ...*) and "protest" (*write a letter*) potentials are present in particular with younger and highly educated respondents and those familiar with experiences of others. With regard to status the highest share of stated corruption potential (such as *using connections*) was among self-employed.

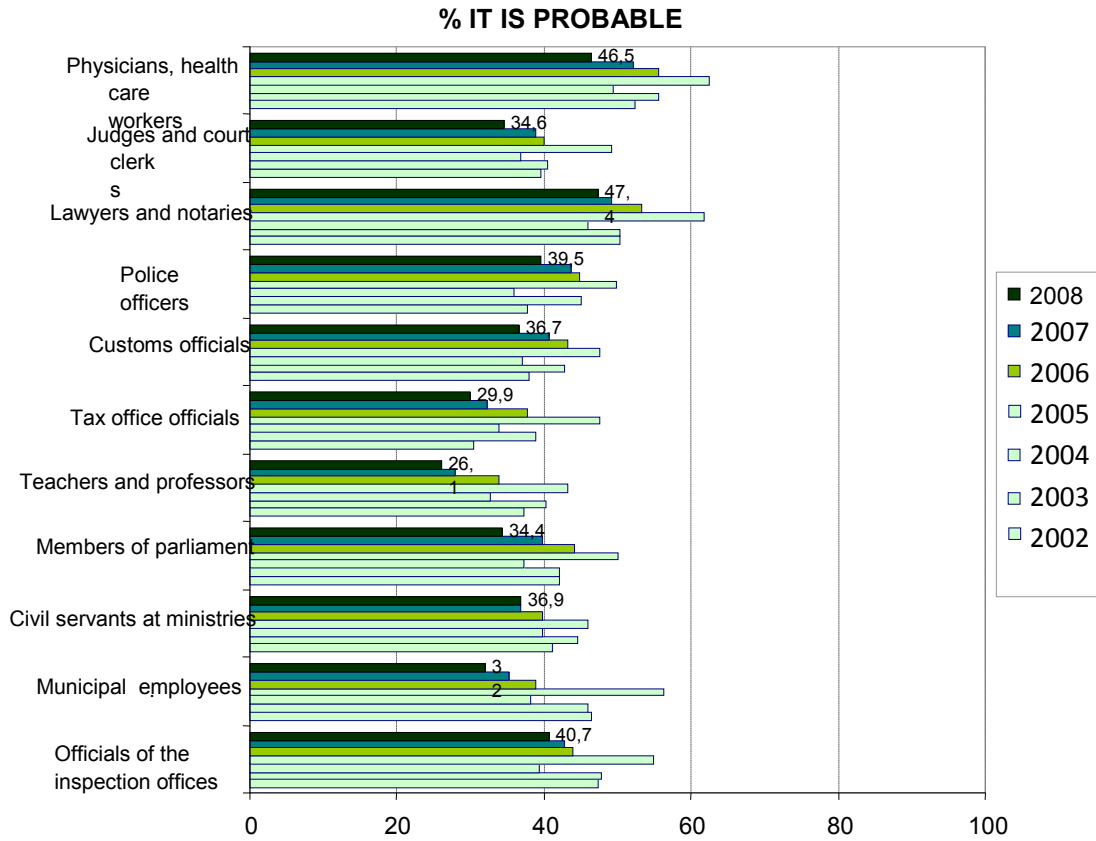
WHAT SHOULD A PERSON IN NEED OF A PERMIT DO, IF THE CIVIL SERVANT INSTRUCTS HIM/HER TO BE PATIENT AND WAIT?



FDV - CJMMK, Stališča o korupciji, 2008, N=911

The respondents also assessed the *probability of having to offer cash, gift or service to make officials perform their duties* in individual areas. The characteristic of previous surveys was that the most respondents believed *health care* to be the area with the highest probability of corruption. While the current survey showed the highest probability of corruption to *lawyers and notaries*. They are still closely followed by *physicians, inspectors, police officers, civil servants at ministries, customs officials* and then *judges, court clerks* and *members of parliament*. *Teachers and professors* and *tax office servants* are placed at the bottom of the list with regard to the probability of corruption. The results point to a relatively uniform trend of a decreasing probability of corruption in nearly all categories with the exception of *civil servants at ministries* where the result was the same as the year before. The biggest fall from the previous survey was recorded for *physicians*, where in 2005 the share of corruption probability was 62% and distinctly lower in the last survey -46%. A positive move in the last survey measured as a reduced "share of probability of corruption" was recorded for *members of parliament* and *police officers*. As mentioned before the most indicative was the systemic move towards a decrease of probability of corruption at virtually every observed level in the last few surveys.

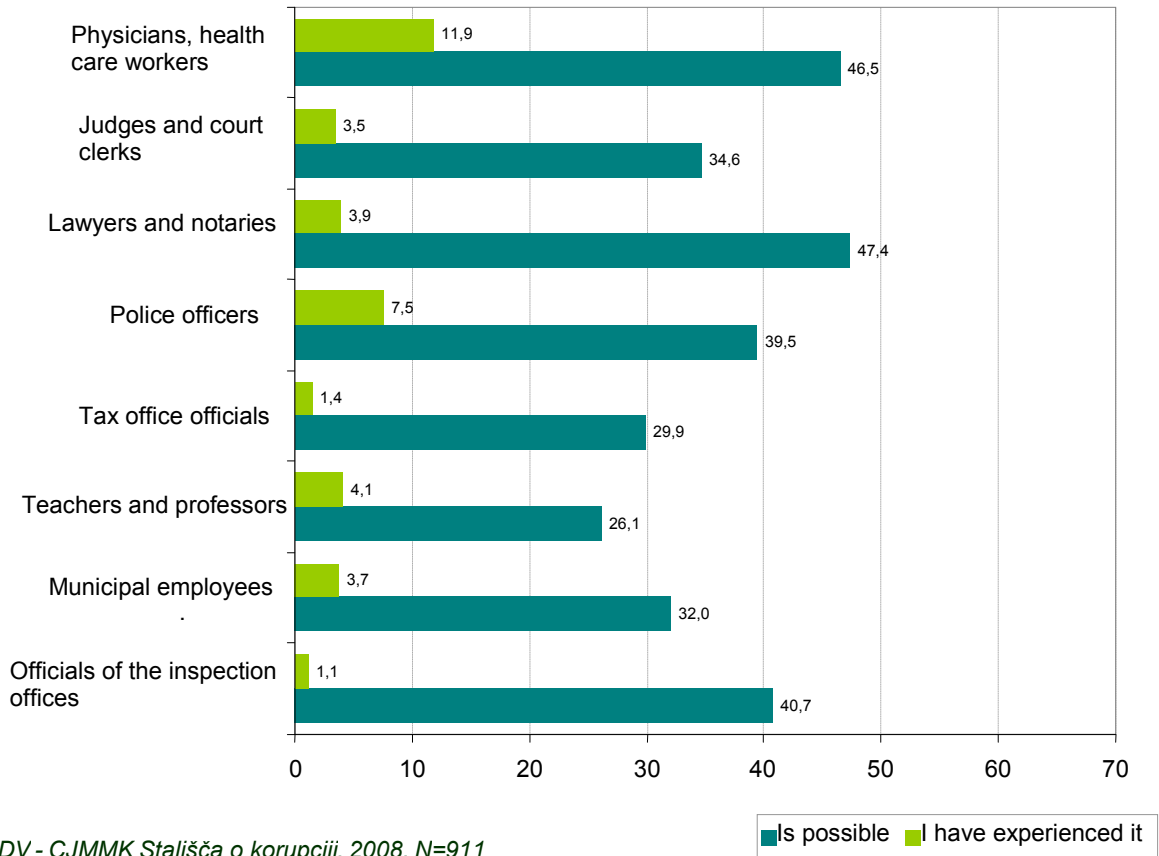
DO YOU BELIEVE IT PROBABLE OR IMPROBABLE THAT AN INDIVIDUAL WOULD HAVE TO OFFER CASH, GIFT OR SERVICE TO THE OFFICIALS LISTED BELOW IN ORDER FOR THEM TO DO SOMETHING THAT IS OTHERWISE THEIR DUTY



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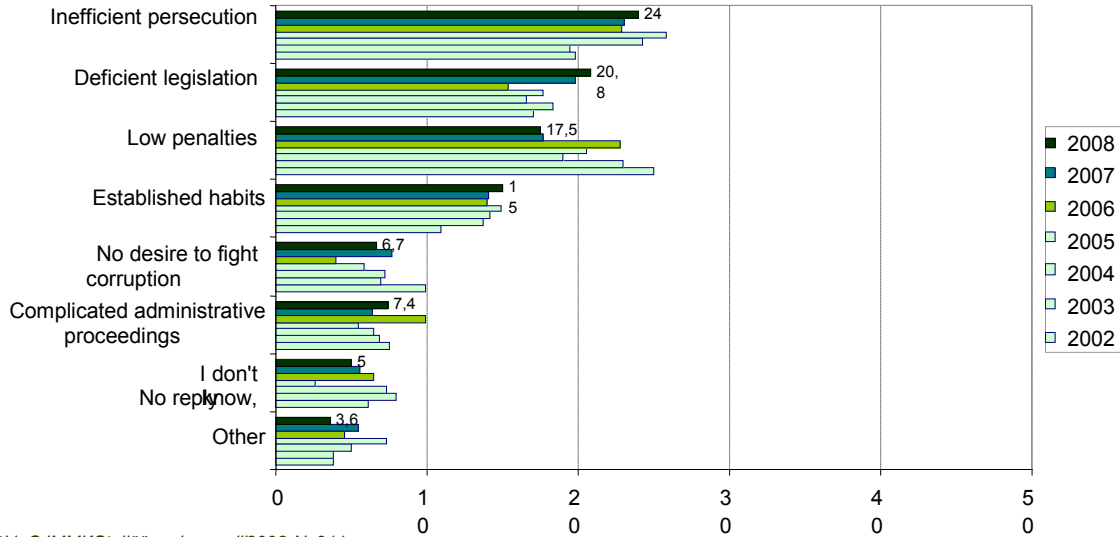
The comparison of replies to the question about personal experiences with corruption and replies to the question on probability of corruption in a certain area shows distinct differences between assessments and empirical statements. In all assessed areas the share of respondents who thought corruption in a designated area was probable strongly exceeded the share of those who actually had an experience with corruption in the area. The established difference is of course not unusual. It can partly be explained with the respondents' social and demographic attributes (i.e. the chance they would participate in an act of corruption) and partly the difference stems from the application of different criteria in the assessment of the level of corruption. Concretely: the majority of respondents who had experienced an act of corruption refer to acts related to the empirical corruption, while the assessment of probability of corruption includes other (systemic) levels of corruption which are not a part of the respondents' immediate experience.

PROBABILITY OF EXPOSURE TO CORRUPTION AND ACTUAL EXPERIENCE



The most probable cause of corruption in Slovenia according to the respondents was, as always, *inefficient fight against corruption*". 24% of respondents are convinced about that. *Insufficient legislation* (21%) and *low penalties* (18%) are mostly blamed for poor situation in the area. The respondents also believe that a reason for corruption are the habits people established (15%). The previous survey for example recorded a distinctive increase in response on *passive acceptance of corruption* (from 4% to 8%) which was at a relatively low level compared to other responses, but nevertheless significant. In the last survey the share again returned to a downward trend and is currently around average of previous surveys.

WHAT IS THE MAIN CAUSE OF CORRUPTION IN SLOVENIA?

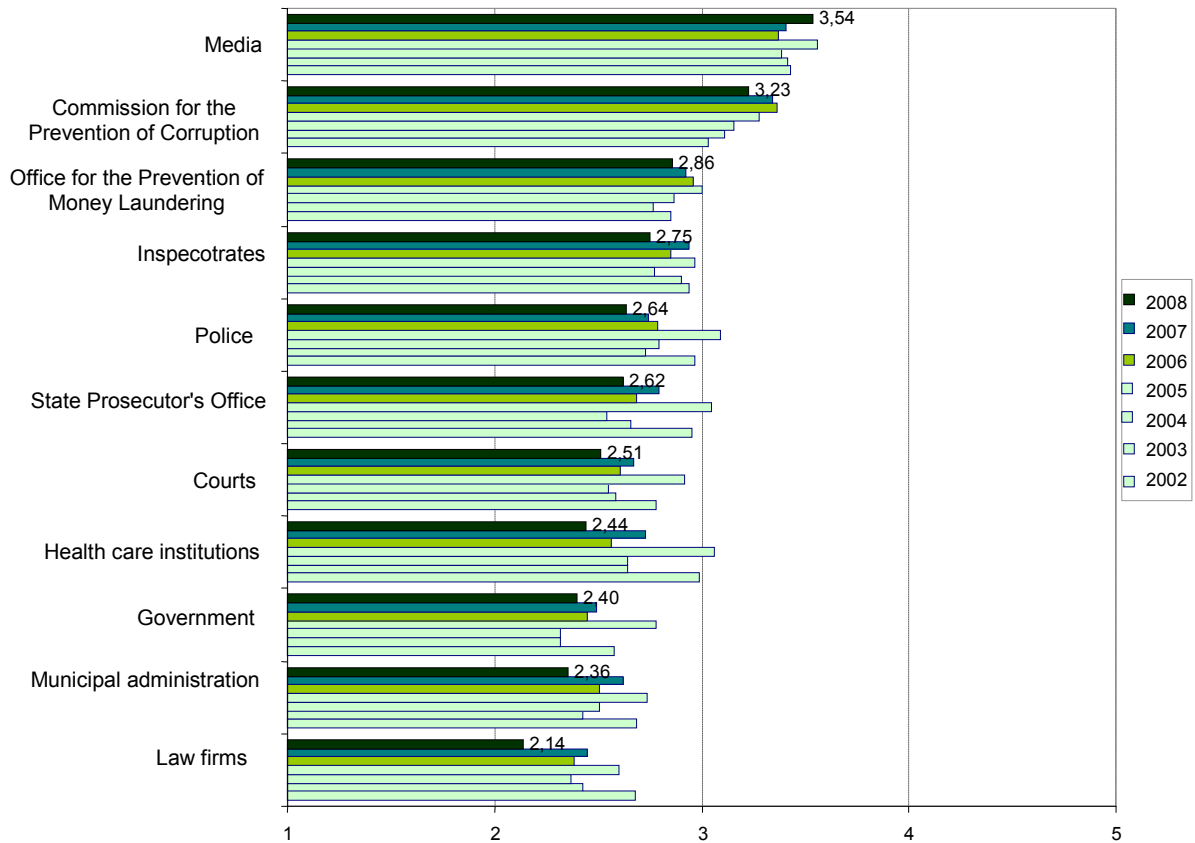


The standpoints on causes of corruption are distinctly structured. As was the case in previous surveys the “absence of repression” is stated as a reason for corruption, mostly by elderly and lower educated respondents, while higher educated persons and those from middle age categories believe that corruption is related primarily to the inefficient prosecution. An above-average share of higher-educated persons state *complicated procedures* as an important factor of corruption.

Perception of corruption in Slovenia also includes perception of who receives acknowledgment for fighting corruption in Slovenia. In the opinion of respondents the recognition goes to the media and the Commission. The standpoints on this issue remain fairly constant and shares of responses have not changed much in time. The media constantly holds a high position which was expected, in particular given the specifics of the pre-election period when the survey was conducted. The Commission also holds a high position where we can see that in the 2002-2007 period there is an upward trend in the acknowledgment of the fight against corruption. Compared to the last year’s findings, this year’s survey shows a slightly lower result but the Commission has retained a relatively high average level in assessment of its role in the fight against corruption. Lawyers and municipal administrations are at the bottom of the list of those contributing to the fight against corruption according to the survey. The government has retained the third position from bottom up and thus remained at the same level as last year while in view of the last year’s results, health care institutions marked a considerable drop in the list.

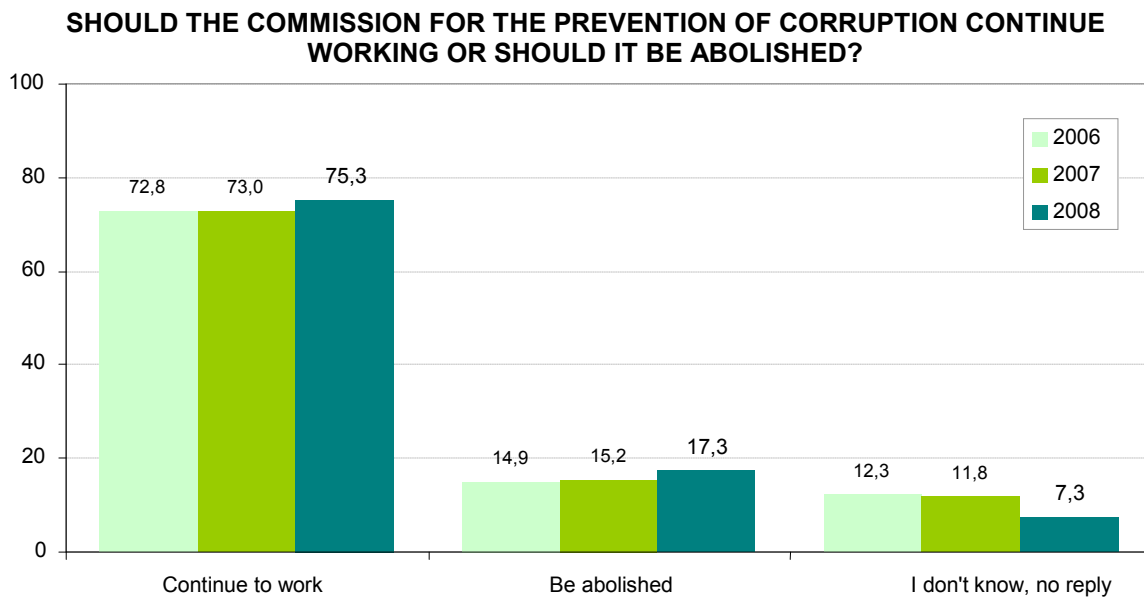
HOW MUCH DID THE LISTED INSTITUTIONS CONTRIBUTE TO THE FIGHT AGAINST CORRUPTION IN SLOVENIA?

(Average on the scale from 1 – did not contribute at all, to 5 – contributed considerably)



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Given the incidence of the phenomenon of corruption a question of course is raised on the role of the Commission for the Prevention of Corruption and the level of trust it has in the Slovenian public. The Commission was much in the spotlight in 2008 – notably on account of the politicians’ interventions – from the tendencies of its abolishment in the first half of the year to the attempts to diminish its role, claiming that it is dispensable. The public response was quite the opposite and relatively uniform.



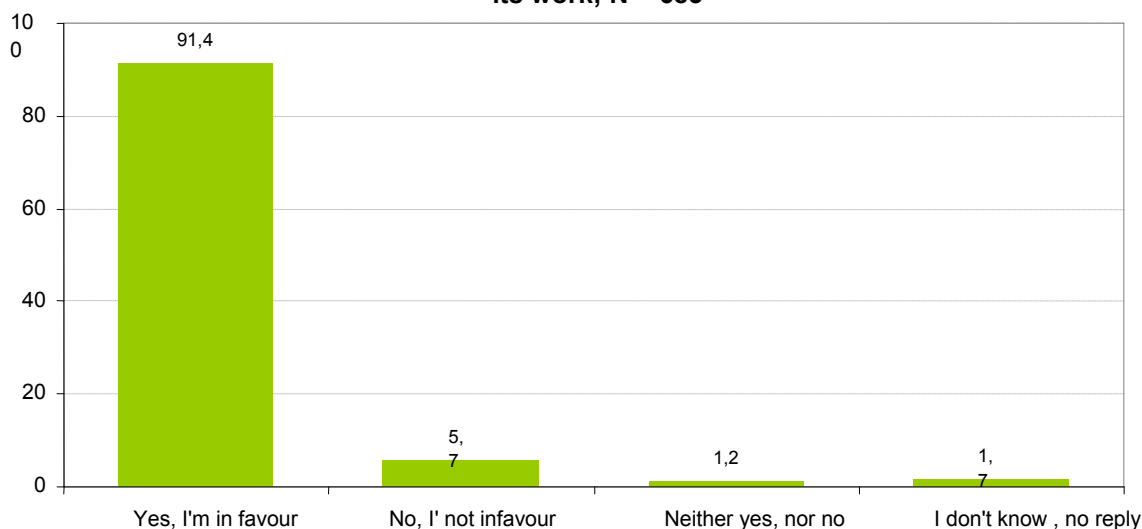
FDV - CJMMK, *Stališča o korupciji*, 2008, N=911

Both the previous and the last year's survey show undisputable majority support to the continuation of work of the Commission. As many as 75% of respondents gave affirmative replies about the Commission's continuation of work. There are no major structural differences as virtually every population subcategory distinctly supports the Commission. It should be mentioned, however, that the support is even higher among persons with a higher level of education (80%).

This year we have posed an additional question related to the assessment of the work and role of the Commission to all those surveyed who have expressed a need for a continued existence of the Commission: *Are you in favour of expanding the area of work and enhancing the powers of the Commission for the Prevention of Corruption?*

ARE YOU IN FAVOUR OF EXPANDING THE AREA OF WORK AND ENHANCING THE POWERS OF THE COMMISSION FOR THE PREVENTION OF CORRUPTION?

Those that expressed the need that the Commission should continue its work; N = 683



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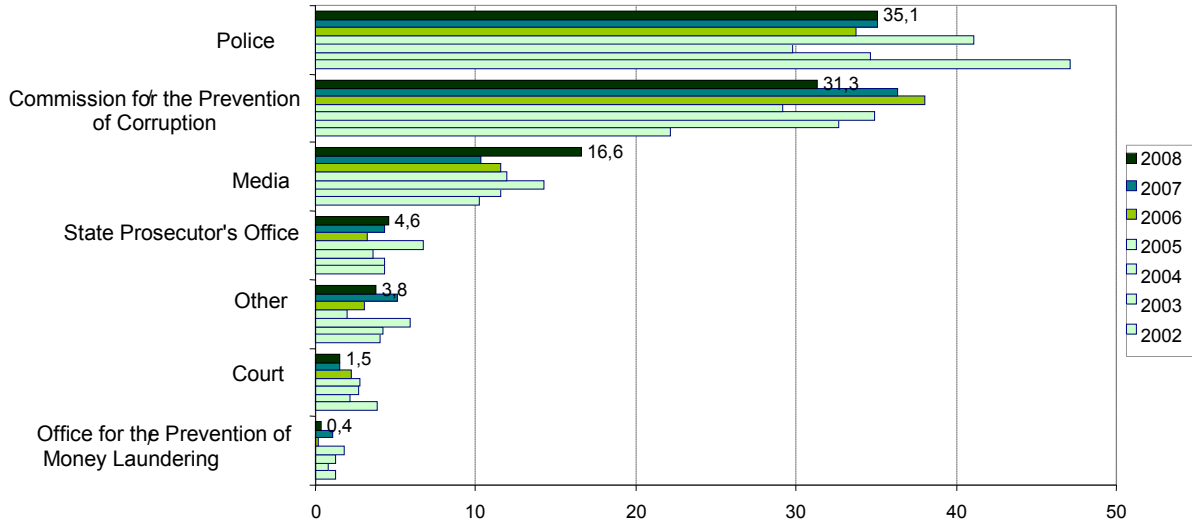
The results point to a distinctly prevailing position in favour of expanding the area of work and powers at the level of the entire sample as well as its parts. In addition to supporting the existence of the Commission the public thus supports the expansion of the Commission's powers in the fight against corruption with a considerable majority.

A question also posed every year measures the public trust in institutions designated to prevent corruption (and at the same time indicates knowledge of these institutions). This year's survey shows that in the respondents' opinion the most suitable institutions to report corruption to are *the Police* (35%) and *the Commission for the Prevention of Corruption* (31%). The latter lost 5 percentage points from the last year's survey while the police retained its score. In comparing, the *media* have gained much (from 10% to 17%) and have half the share of 'votes' of the aforementioned institutions as regards where the respondents would report corruption. It is interesting and to some extent expected that the media became the reference of the public perception as a relevant factor in the fight against corruption more distinctly exactly during the election time (year). If we look at the previous surveys the same was the case in 2004.

Other institutions remain more or less unrecognised. State Prosecutor's Office, courts and the Office for the Prevention of Money Laundering remained relatively unimportant institutions in the perception of corruption-aware citizens.

TO WHOM WOULD YOU REPORT A CORRUPTION CASE, IF YOU LEARNED ABOUT IT?

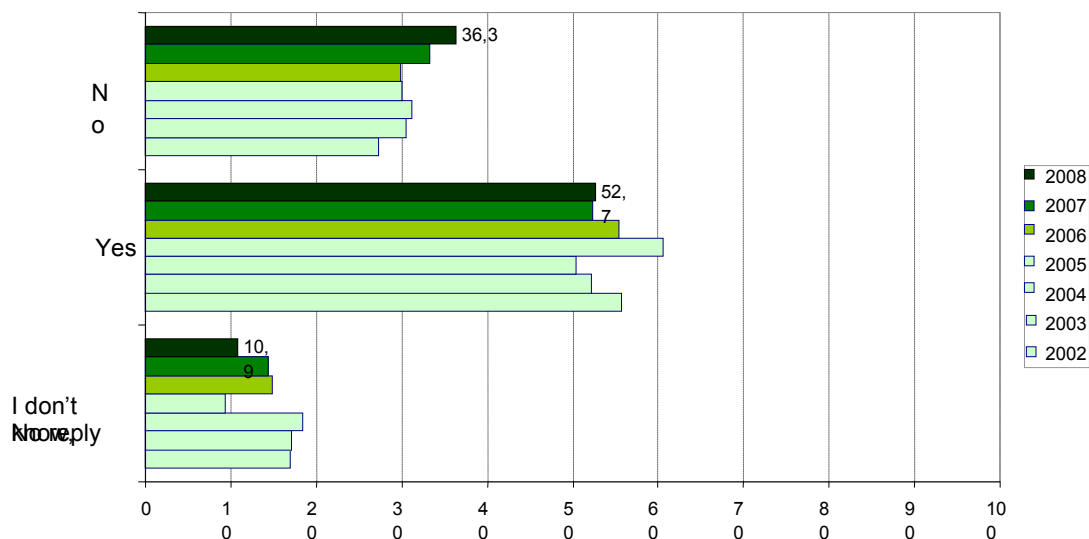
Replies from those who would report a corruption case, N (2008) = 480



FDV - CJMMK, Stališča o korupciji 2008, N=911

An important issue of the subjective perception of corruption and efforts to lower its prevalence is a general readiness to report detected corruption cases. The comparison in time shows no major difference. Still the major share of surveyed people – more than half (53%) – stated that they would be ready to report corruption cases, if they learned about them. Minor changes, in particular in comparison with the previous two surveys, show the trend towards increased apathy regarding active fight against corruption. The share of those *ready to report corruption* stayed at the same level as last year (53%) while the share of those who would not report corruption rose by 3 percentage points to 36% (as was the case in 2006).

WOULD YOU REPORT A CORRUPTION CASE, IF YOU LEARNED ABOUT IT?



FDV - CJMMK, Stališča o korupciji, 2008, N=911

The major part of respondents (35%) stated that they would not report corruption because they are afraid of possible negative consequences, 26% thought the report would have no effect as the case could not be proven and 15% believed that the report would not result in any subsequent proceedings. An increasingly smaller share of respondents (3%) presents those that do not know where to report such a case. A comparison with the last year's survey shows an obvious change in positions to these issues. The main reason, fear of revenge, slightly dropped (4%) while rather considerable weight was given to the argument the report would have no effect as the case could not be proven (from 20% to 26%) as well as the reply because it is customary in these parts (from 4% to 7%). On the other hand there was a relatively big decrease in case of the reason for non-reporting because no investigation would be launched anyway (from 21% to 15%). It is therefore a change in the "argumentation of apathy"; if the public previously thought that no investigation would be launched, the public today believes that there would be an investigation but that it would not be completed. The public may thus be under the influence of a number of media stories, notably those that occurred last year, which were more of a "political performance" rather than a matter of procedural law as expected by the public. The public response therefore still points to a specific apathy regarding the fight against corruption and insufficient trust in law enforcement which should, according to the people, be more active in resolving the issue.

The following important findings stem from results of the survey:

- The parliamentary elections in 2008 have affected the survey's results to a slight but notable extent, in particular as regards the assessment on the work of the media;
- The respondents have an increasingly bad opinion on the state of corruption in the country – compared to the year 2007 as well as to the year 1990;
- the percentage of respondents who had a concrete experience with corruption in 2007 is still low, it amounts to 4.1% (lower only in 2003 and 2007 – 3.9%)

and 4.0%, respectively) – hence 37 people out of 911 respondents personally encountered corruption;

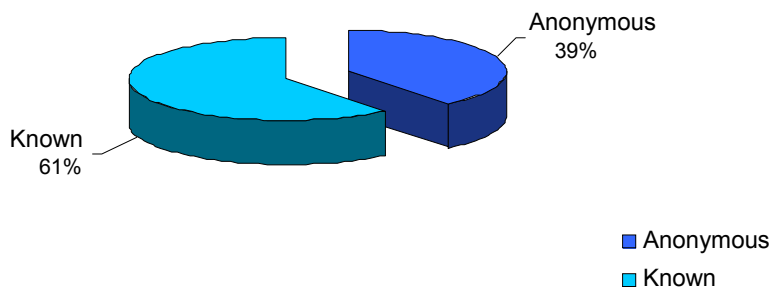
- The percentage of respondents who would offer a bribe to an official in the case of complication in a procedure rose again – to 3% (the lowest so far was in 2007 – 1.2%, while previously the range was between 2.1% in 2006 to 5.1% in 2002);
- For the first time since 2002 physicians were not the potentially most corrupted category (with 46.5% they no longer deviate from the assessed probability of corruption of other professional groups also in absolute terms) but were replaced by lawyers and notaries public;
- According to the respondents, the probability of having to offer bribes to government officials fell in all categories in 2008 (inspectors, civil servants in administrative units, members of parliament, teachers and professors, tax officials, customs officials, police officers, lawyers and notaries public, judges and court clerks, and physicians and other health-care workers), except for civil servants at ministries who had the same result as in 2007;
- The most important reasons for corruption in the country in the opinion of the respondents were inefficient prosecution and deficient legislation;
- As regards their contribution to the fight against corruption all institutions of the government and local authorities scored lower than in 2007, except for the media which scored better;
- Support to the Commission increased, notably also in the direction of expanding its competencies and powers;
- The surveyed persons would continue to report corruption cases primarily to the Police, the Commission and the media;
- The share of those who would not report corruption rose by 3%.

6.2. Reporting on suspected corruption

Although the Commission has no investigative powers, it receives a number of complaints and reports containing indications of corruption activities. The Commission received 661 reports in 2008 of which 299 were substantively examined. In the same period the Commission processed 159 reports from 2007 and 7 from 2006 bringing the total of processed reports to 465.

Chart:

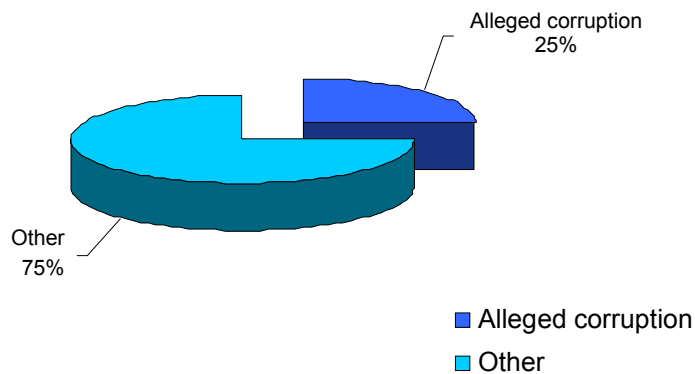
REPORT SOURCE (N=465)



More than 60% of reporting persons revealed the Commission their personal data while 39% filed the report anonymously. The majority of the reporting persons was ready to provide the Commission with additional explanation or submit additional documents relating to the contents of the report if the need for that occurred.

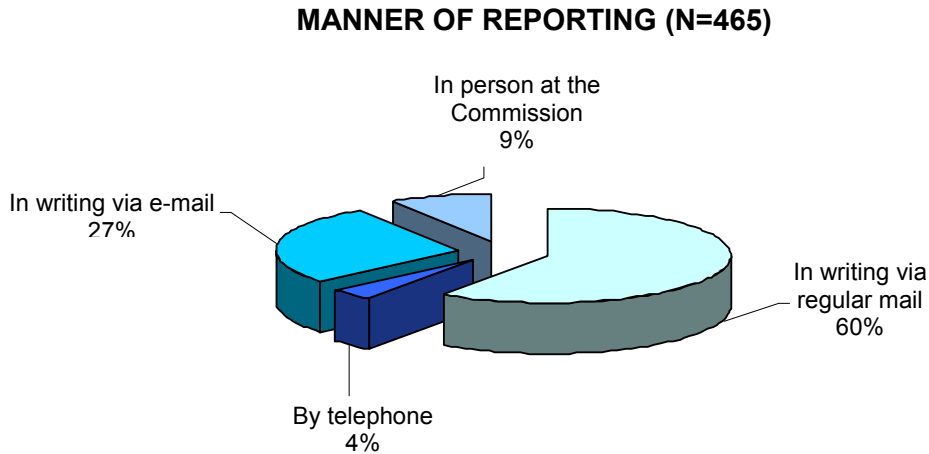
Chart:

REPORT CONTENTS (N=465)



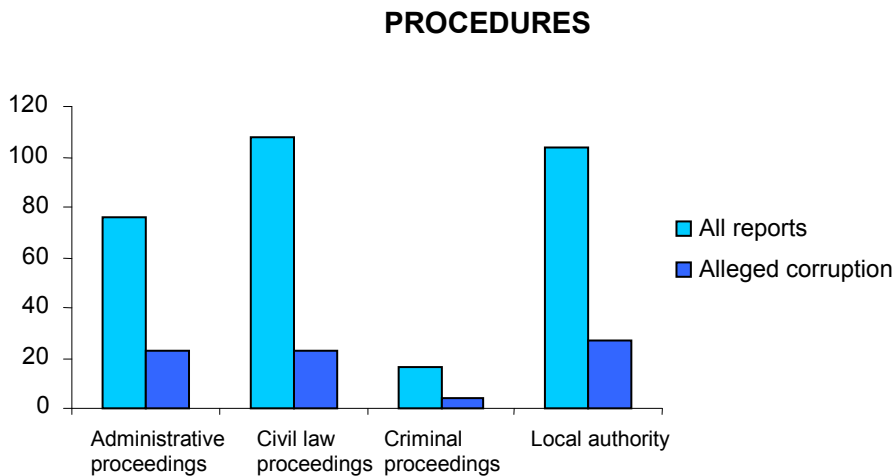
In the majority of cases (60%) the respondents turn to the Commission and report alleged irregularities via regular mail. Reports via e-mail follow with 27% while reports by telephone and in person are given by 4% and 9% of respondents.

Chart:



Based on the substantive analysis of the received reports, the Commission assessed that the contents of the report and the available documentation point to a possible corruption activity in 116 cases.

Chart:

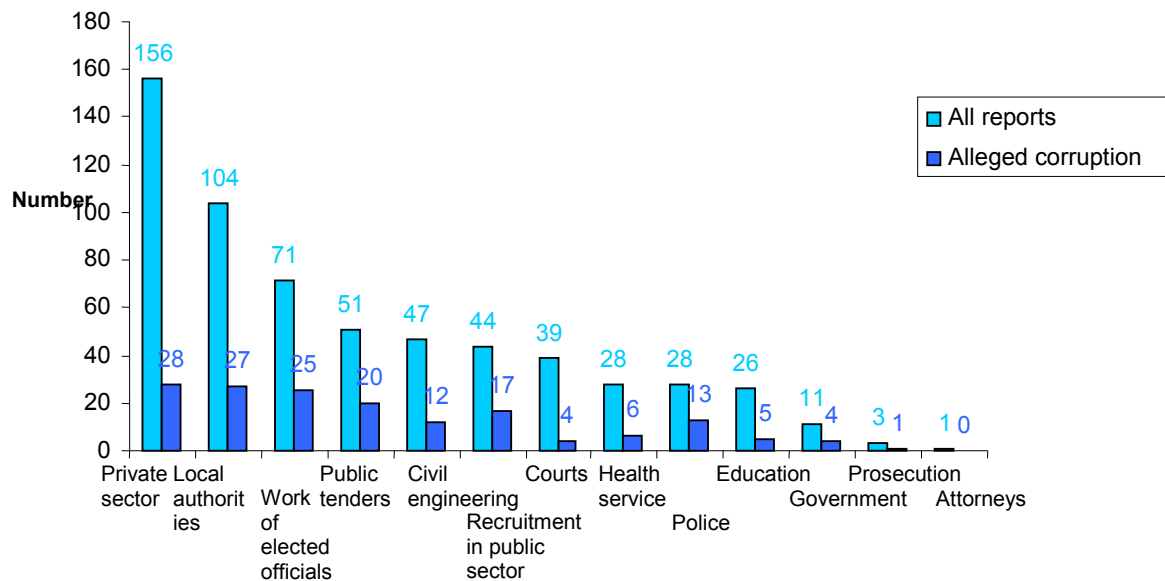


The largest number of reports of alleged corruption related to handling of administrative and civil law proceedings and as regards the measurement of corruption by individual areas of work of public institutions the largest number (27) reports of alleged corruption activities related to the work of local authorities. They were followed by alleged corruption in the work of officials (25 cases), public tenders (20), civil engineering (12), recruitment in public sector (17), work of courts (4), health care workers (6), the police

(13), work of the Government of the Republic of Slovenia (4) and others. Given that corruption does not threaten only the work and integrity of state institutions, through received reports the Commission measures corruption also in the private sector. In 2008 the analysis of contents of reports pointed to 28 such cases.

Chart:

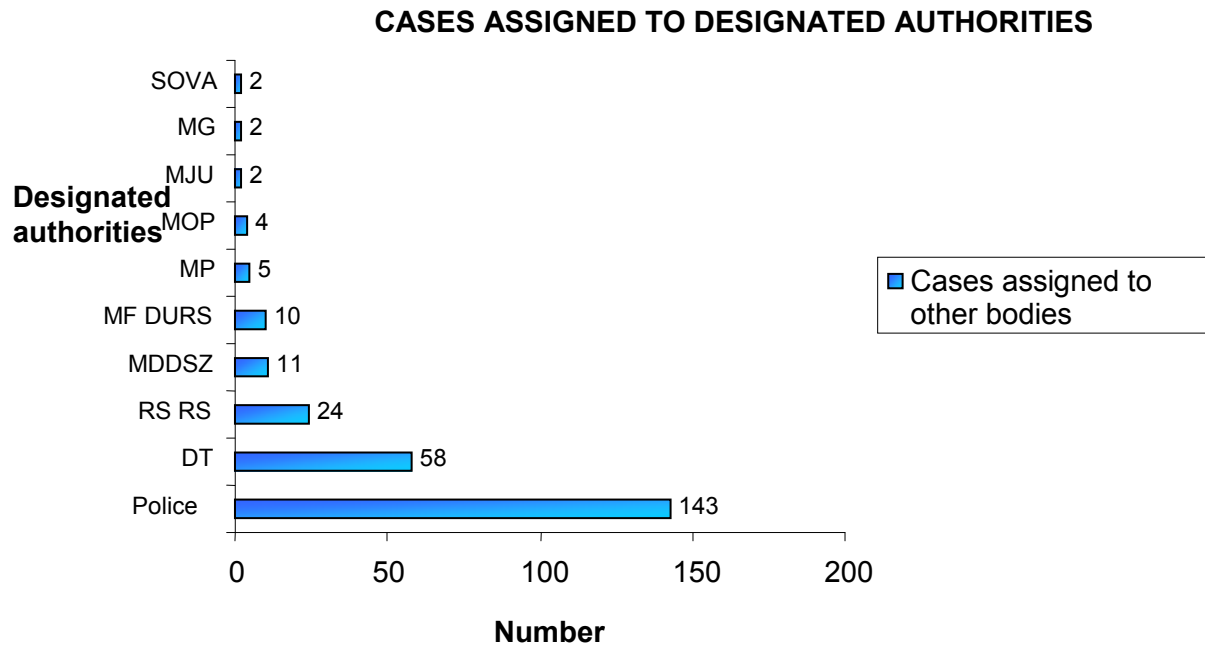
REPORTS BY AREA (N=465)



As mentioned, the Commission has no investigative powers and cannot take on the competencies of other authorities; therefore in cases of detected suspected irregularities within the competence of some other authority, the Commission assigned the reports to the latter in line with the applicable law⁴. The Commission assigned 208 cases to the competent authorities. 143 of those cases were assigned to the designated Police departments, as the cases' substance pointed to suspected criminal offence prosecuted ex officio. 55 of those cases involved detected suspicion of the criminal offence of corruption. The number of cases assigned to competent State Prosecutor's Offices was 58, 24 cases were assigned to the Court of Auditors of the Republic of Slovenia, followed by cases the Commission assigned to the Ministry of Labour, Family and Social Affairs, the Ministry of Finance or the Tax Administration, the Ministry of Justice, the Ministry of the Environment and Spatial Planning, the Ministry of Public Administration, the Ministry of the Economy etc. The chart below shows only the most frequent and numerous assignments of cases to competent authorities.

⁴ Some reports were assigned to several authorities simultaneously.

Chart:



SOVA – National Security Office

MG -Ministry of the Economy

MJU - Ministry of Public Administration

MOP - Ministry of the Environment and Spatial Planning

MP - Ministry of Justice

MF DURS - Ministry of Finance, Tax Administration

MDDSZ - Ministry of Labour, Family and Social Affairs

RS RS - Court of Audit

DT - State Prosecutor’s Office

Police

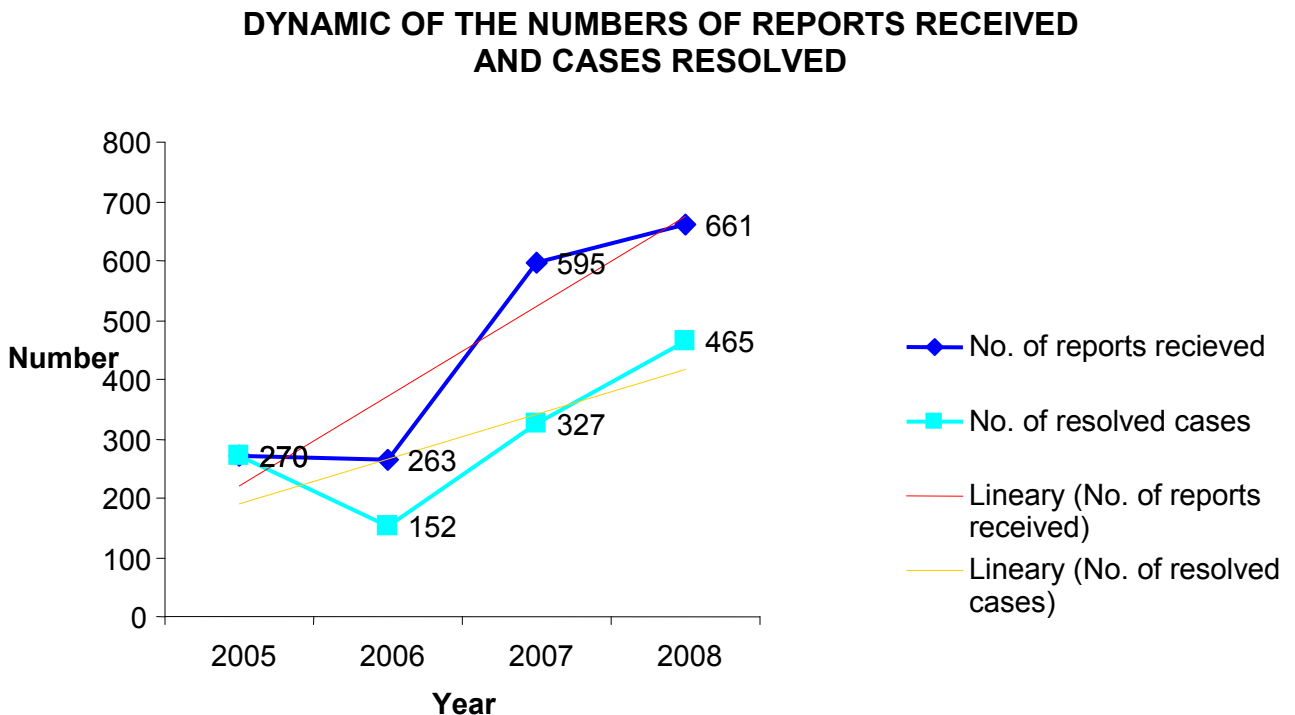
In 2008, based on reports and inquiries the Commission prepared and published 40 general opinions, 2 opinions and 7 explanations on incompatibility of offices, restrictions of business, gifts, supervision of wealth of elected officials, conflict of interest and corruption according to definition.

Among the general opinions one relates to restrictions of operation, two to incompatibility of offices, five to conflict of interest and 32 to corruption in line with the definition.

Of the 32 general opinions relating to corruption by definition from the Prevention of Corruption Act, 25 general opinions referred to acts corresponding to the definition of corruption (of which two general opinions referred to acts of police superiors) and 7 general opinions on acts that do not meet the definition of corruption.

It was also interesting to compare data regarding all reports received by the Commission in all years of its work; the comparison points to a growing number of reports as well as an increasing workload of the Commission regarding such reports.

Chart:



6.3. Extent of the problem

Both the number of reports received by the Commission in 2008 and several years of statistics show that citizens of Slovenia are more and more inclined to report acts which in their view contain elements of corruption. Another increase in reports submitted to the

Commission - from 595 in 2007 to 661 in 2008 - after an absolute peak in the number of submitted reports in 2007 show that corruption really presents one of the top issues for the Slovene citizens. That is probably one of the reasons for a constantly large support to the Commission and now also for the support to the ideas on expanding the Commission's competencies and powers. It is characteristic, however, that people express their opinion on poor situation regarding corruption in the country much more at a general and abstract level, in particular when they compare the situation in 2008 with that in the preceding year or that in 1990. However, their replies to a more concrete question on potential corruptive nature of individual categories of government officials are much more optimistic.

It is obvious that people are generally not satisfied with the response of the government to corruption and its efforts to limit the phenomenon. Poorer general assessment of all national and local authorities regarding their contribution to the fight against corruption, the majority putting forward only three addressees – the media, the police and the Commission – as those to which reports against corruption are worth submitting and again highlighting two typical government functions – inefficient prosecution and deficient legislation – as the main reasons for corruption are statements clearly showing that the respondents still attribute the main role in the fight against corruption to the government and they are not very satisfied with its work. The assessments on inefficient prosecution are particularly worrying and in the Commission's view also substantiated. Given the large number of irregularities in the society known to people or uncovered by the media, it is highly perturbing that adequate police and criminal proceedings are initiated in only a small number of cases. Since also in 2008 the law enforcement agencies continued to work in a selective manner, making mistakes that were easily recognised even by the laic public, political and – for the first time – personal motives could be detected. Given the absence of expected further proceedings, it is only natural that people express doubts about the government's efficiency in detecting and prosecuting criminal offences with elements of corruption. As this assessment has been appearing almost from the first such survey made in 2002, it is truly amazing that not even the smallest step forward has been made with that regard. Especially remarkable is the discrepancy between the declarative statements of the highest representatives of law enforcement authorities and their work in practice; the low public assessment of their work is of course a fact not overlooked by the 2008 survey.

The share of people ready to offer bribes to solve their problems rose from 1.2% in 2007 to 3% in 2008. Although worse results have been recorded in some of the previous years, there is a particularly worrying fact that younger and highly-educated respondents were very much open to bribery while similar international surveys show that self-employed persons have the highest proportion of those willing to offer bribes which is at least partly understandable as they are in a socially weak and "lonely"⁵ position. A high corruption potential expressed by younger population indicates that perhaps there is a real danger that in our country we are late with appropriate education as well as with suitable examples in the most sensitive period of growing up of our teenagers. This could result in an unpleasant fact that the Slovenian youth enters the adult world believing that corruption presents legitimate means to solve problems. That calls for instant action and the Commission has already initiated the corresponding activities. A high corruption potential of the highly-educated undoubtedly points to a certain resignation over the situation in the society and consent to methods which, if the situation in fighting crime in the society was normal, should be the most unknown and unpopular among such population.

⁵ Because they are not a part of a wider social group with an employer as other people employed in the public or private sector.

In 2008, the Slovenian police brought criminal charges for 18 (19 in 2007 and 44 in 2006) corruption-related criminal offences and none of them was a notorious case of the so-called "high-level"⁶ corruption. The criminal police was also engaged in some dubious proceedings, notably on prompt informing of the public on their current work, which led to great public expectations that remained unfulfilled resulting in serious and justified doubts in the motives of the Police and, because of their assistance in these proceedings, also state prosecutor's operation. It is therefore not surprising that people became highly critical not only about the work of the Police but also the State Prosecutor's Office as in the opinion of the public the two bodies deem almost unworthy to report corruption to (only 4.6% of respondents would do so) and further non-anonymous persons reporting corruption to the Commission do not even consider allowing their identity to be presented to the Police or the State Prosecutor's Office despite all procedural guarantees. The Commission is worried about its finding revealing that serious problems in the work of the Slovenian state prosecutors began to show which is undoubtedly a result of increased actual centralisation of work of this body and a reduced level of independence of individual prosecutors, including those holding senior positions, which among other made Commission's cooperation with individual state prosecutor's offices in 2008 significantly more difficult. The Commission believes that such situation could lead to resignation of some of the most experienced and qualified prosecutors which would be an additional blow to efforts for a state with a lesser level of corruption.

It is an especially welcoming fact that for the first time since 2002 the respondents were less critical about the conduct of the Slovenian physicians. This is undoubtedly the consequence of the fact that nearly everything has been said on the issue and that people are nowadays better equipped to assess the actual situation in health care in Slovenia. As a result and despite receiving a better score than the year before, the group of lawyers and notaries public took the top spot as the most critical category.

In short, the situation regarding corruption in Slovenia in 2008 can be assessed as follows: people are becoming increasingly critical of the phenomenon although they are becoming progressively doubtful about the success of the governmental institutions. Due to the latter they are also less inclined to report corruption and doubt in advance in success of any initiated proceedings. They still find the media the most convenient and trustworthy mean for uncovering irregularities in the society, with certain exceptions,⁷ and are nevertheless able to relatively realistically and objectively comprehend problems in the society and the players affecting their occurrence and resolution. According to the Commission's assessment, the gap between the negative attitude of the Slovenian people and the inadequate operation of the entire state apparatus in the fight against corruption is drawing near the critical line. When that line is reached there will be a serious danger of rash and poorly thought-out legal, institutional and practical solutions which may cause more damage to the rule of law than the damage caused by the current level of corruption in Slovenia.

⁶ Corruption by the main holders of public offices in the country.

⁷ For example, the purchase of armoured vehicles for the Slovenian Army.

7. COOPERATION OF THE COMMISSION FOR THE PREVENTION OF CORRUPTION WITH OTHER GOVERNMENTAL BODIES, LOCAL AUTHORITIES AND NON-GOVERNMENTAL ORGANISATIONS

In the first eight months of 2008, the Commission cooperated with the Government of the Republic of Slovenia and individual ministries only in resolving certain concrete issues. The exception was the Ministry of Public Administration which cooperated with the Commission in publishing of flyers on the issue of international corruption.

In the last four months of the year, the Commission was for the first time allowed to present to certain ministries (notably the Ministry of the Economy and the Ministry of Public Administration) systemic issues and possible solutions in the ministries' area of competence and agreed with them on the communications methods and contact persons to enable the unhindered and fastest possible communications in resolving concrete or general corruption issues in the area of competence of the Commission and the ministries. Certain ministries have already begun to utilise the Commission's advisory and educational functions.

The Commission did not organise any particular lectures for municipalities in 2008 but it did, however, cooperate with them regularly and on a daily basis in resolving the issues related to assets of public officials, incompatibility of offices and restrictions of operation.

In 2008 the Commission cooperated well on a number of cases with few regional state prosecutors' offices, the Court of Auditors, the public attorney's office and the Information Commissioner.

In 2008 the Commission had the most difficulties to maintain cooperation with the body with which, given the nature of its activities, should had cooperated the best – the Slovenian Police. In spite of the Commission's numerous efforts, it has again failed to establish contact with the leadership of the police which completely disabled the flow of even the most important information at the strategic level. Fortunately, the Commission managed to establish good cooperation at least with some regional police directorates that seriously engaged in investigation of cases assigned by the Commission.

In 2008 the Commission organised a number of lectures on the dangers and forms of corruption in a number of schools of different levels, notably secondary schools and faculties. The lectures have shown a lack of knowledge of the Slovenian youth on the meaning of terms such as ethics, integrity and corruption, but on the other hand their good response and readiness to respect appropriate principles in those fields – once they are presented to them appropriately. Due to the need for constant education in this area and based on the excellent experience with lectures in 2008, the Commission agreed on a pilot project – "Ethics Club" – in the school year 2009/10 with the principal of one of the Slovenian secondary schools⁸. If the project's results will be promising, the Commission, upon the agreement with the Ministry of Education and Sports, will include the project also in other secondary schools in Slovenia.

In 2008 preparations were initiated to establish the first Slovene association dealing with ethics, integrity and corruption prevention called "Integrity". The association was established on 04/11/2008 with active engagement by the members of the Commission. After the establishment, members of the Commission excluded themselves from participation in the association's bodies. The association has already⁹ become the

⁸ Rudolf Maister School Centre in Kamnik

⁹ On 10/03/2009

national contact point for the biggest international non-governmental organisation dealing with corruption - the Transparency International.

8. SUPERVISION OVER THE COMMISSION'S WORK

Under the Prevention of Corruption Act (Official Gazette of the Republic of Slovenia, no. 2/04), the Commission is obliged to report quarterly to the Commission of the National Assembly Established under the Prevention of Corruption Act (hereinafter: the National Assembly Commission) on the contents and scope of supervision over public officials' assets and findings and opinions of the Commission related to incompatibility, gifts and operations (Articles 32 through 39 of the Prevention of Corruption Act).

In addition to the Annual Report 2007, the Commission submitted to the National Assembly Commission four quarterly reports (for the periods: 22/12/2007-21/03/2008, 22/03/2008-22/06/2008, 22/06/2008-22/09/2008, 22/09/2008-22/12/2008) and on 22 December 2008, upon a special request of the National Assembly Commission, the Commission submitted also addendums to all reports mentioned. The National Assembly Commission adopted all reports and addendums. The Commission also presented the National Assembly Commission with a list of gifts received by the Commission's members.

Further, the Commission's members also submitted the information on their assets to the National Assembly's Commission within the legally set deadline. As it was the case in previous years, the National Assembly Commission did not have any comments or objections to the work of the Commission also in 2008. In the last four months of 2008 the National Assembly Commission significantly intensified its work, which greatly assisted the Commission in forming the contents of the regular quarterly reports.

9. COMMISSION'S INTERNATIONAL ACTIVITIES

9.1. Council of Europe, GRECO

The Commission continued to represent the Republic of Slovenia in the Group of States against Corruption – GRECO. In June 2008 the Addendum to GRECO Report on the Republic of Slovenia for the second evaluation round assessing the country's implementation of GRECO's binding recommendations from previous reports was adopted. The recommendations reported on in view of their implementation and the basic findings of GRECO were the following:

Recommendation ii

GRECO recommended that the police specialised anti-corruption unit should be positioned close enough to the top of the Police services, with clear and short lines of responsibility and accountability, guaranteeing quick and direct contacts with the prosecution service.

Findings: "GRECO takes note of the information provided; however, in the absence of concrete information on how the new positioning of the anti-corruption unit has simplified the process of starting investigation in corruption cases, it cannot change its previous conclusion."

Recommendation iv

GRECO recommended to establish a regular assessment in order to: 1) ensure that the organisation of the public administration (as provided by legislation or executive decree) does not create opportunities for corruption; 2) evaluate the effects of the new recruitment and career system on the nomination and retention of highly qualified persons and 3) ensure that the provisions of the Law on access to information be implemented. The results of this assessment should be made public.

Findings: "GRECO takes note of the measures reported to monitor public administration. In particular, the adoption of "integrity plans" for public institutions and their general supervision by the Commission for the Prevention of Corruption, appeared to be a promising step to potentially address the first part of the recommendation, i.e. to ensure that the organisation of the public administration does not create opportunities for corruption. For this reason, GRECO can only regret that, with the suppression of the requirement to continue introducing integrity plans, a valuable tool in the fight against corruption in public administration will now be lost. Furthermore, although the efforts undertaken to enhance efficiency and transparency in public administration (through performance appraisals of staff and publicised information on their profiles) are to be acknowledged, these alone cannot fully satisfy the comprehensive aim of the recommendation. Finally, no information has been provided on evaluating the effects of the career system on the retention of highly qualified persons."

Recommendation v

GRECO recommended that a conflict of interest restriction that provides for consistently applied and enforceable standards be adopted for all those who carry out or have carried out functions on behalf of the public.

Findings: "GRECO takes note of the ongoing legal changes, in particular, the intention of the Government to replace the legislation in force, i.e. the Prevention of Corruption Act, by the Draft Restrictions and Limitations for Public Office Holders Act. Since GRECO has not been provided with the text of the draft amendments, it is not in a position to assess whether its concerns have been sufficiently addressed (i.e. that the coverage of the relevant provisions on conflicts of interest is broader than an incompatibility standard and applies to all those who carry out or have carried out functions on behalf of the public). In any case, as the draft amendments have not yet been adopted, GRECO cannot anticipate and assess the final result at this stage.

Moreover, GRECO points out that the recommendation attached key importance to consistent application and enforceability of the applicable standards. In this connection, GRECO welcomes the monitoring and advisory role that the Commission for the Prevention of Corruption has played in this field. However, GRECO has now learned that the Draft Restrictions and Limitations for Public Office Holders Act foresees the abolishment of the Commission. In this context, GRECO is mindful that the consistency in implementation pursued by the recommendation risks being undermined if institutional changes occur. Likewise, GRECO recalls that it had already expressed its concern that the dismantling of the Commission might amount to a substantial weakening of the control of

incompatibilities standards (see Greco RC-I (2003) 1E Addendum). Finally, it is not unequivocally clear which body would exercise the crucial role of the Commission in this area (if it were to be abolished) and to what extent the institutional changes planned would lead to improvements in implementation.”

Recommendation vi

GRECO recommended that any requirement for the filing of a financial declaration have an effective mechanism for enforcement, for instance that intentionally false statements made on the reports be actionable under the criminal code, that information required to be reported is related to restrictions of office including any new conflict of interest standard, and if reports are required, that they provide a basis for counselling in ways to avoid potential conflicts of interest.

Findings: “GRECO is pleased to learn that the Commission for the Prevention of Corruption is using financial reports for preventive purposes through providing counsel to filers on how to avoid potential conflicts of interest, in line with the outstanding part of the recommendation. GRECO also commends the efforts undertaken by the Commission to establish cooperation routines with other authorities with a view to facilitating the gathering and cross-checking of financial information in a swift and effective manner.”

Recommendation vii

GRECO recommended that the draft anti-corruption strategy be adopted and that its provisions to promote education, training and counselling on codes of conduct and other standards of public service be implemented without delay; GRECO also recommended that the Commission for Prevention of Corruption be provided with some authority to review, in a public fashion if appropriate, the manner in which each employing entity is providing preventive services as well as enforcing the codes.

Findings: “GRECO welcomes the sustained efforts of the Commission for the Prevention of Corruption to raise awareness and promote practical application of ethical standards in public administration. However, GRECO recalls the concern expressed in its Second Round Evaluation Report (paragraph 48) as to the lack of enforcement of such standards, which continues to be prevalent since breaches of the provisions contained in the General Code of Conduct for Public Officials are not coupled with a sanctioning system. GRECO further notes that the situation remains as uncertain as it was at the time of adoption of the RC-report: legislative and institutional reform in this area, including the potential dismantlement of the Commission (which has been to date the institution entrusted with the implementation of the areas targeted by recommendation vii), are currently being discussed. Consequently, on the basis of the information at its disposal, GRECO cannot change its previous conclusion.”

Recommendation viii

GRECO recommended that officials from the investigative and judicial authorities make full use of the provisions of the Law on Liability of Legal Persons and receive specific training, to complement their skills, on how to better apply these provisions.

Findings: "GRECO welcomes the training sessions held to further familiarise officials from the investigative and judicial authorities with corporate criminal liability, which appear to have had a positive impact in the application of the provisions of the Law on Liability of Legal Persons in practice. In this connection, GRECO notes with satisfaction the sharp rise in prosecution and adjudication of criminal cases involving legal persons."

Based on the above findings GRECO requested from the Republic of Slovenia to report on implementation of recommendations nos. iv, v and vii by 31/12/2008. Due to the envisaged legal changes in the area in question, the Commission asked for extension of the deadline and GRECO agreed¹⁰.

9.2. Organisation for Economic Co-operation and Development - OECD

The Commission continued to represent the Republic of Slovenia in the OECD's Working Group on Bribery in International Business Transactions. The Commission coordinated a joint cooperation of experts from Slovenian governmental and non-governmental institutions with regard to implementation of recommendations addressed to Slovenia a year earlier,¹¹ and their activities were orally reported to the OECD's Working Group in June 2008. The implementation of these recommendations will be very important in the process of Slovenian accession to the OECD. The Commission received some additional questions on behalf of the Republic of Slovenia which will be answered together with a presentation of the report on implemented basic recommendations on 18 and 19 June 2009 when the OECD's Working Group will also prepare the final report on the Republic of Slovenia level of meeting the conditions in the fight against corruption before deciding on full membership of the country in the OECD.

9.3. Other international activities

In addition to the Commission's international activities mentioned earlier in the report, its representatives participated in various United Nations' activities related to corruption prevention. Upon the invitation of the UNDP (United Nations Development Programme) they have assisted in the presentation of the best organisational solutions in the fight against corruption in Uzbekistan, and upon the invitation of the UNODC in Vienna the Commission's officials presented the possibilities for technical assistance to countries of SE Europe in the fight against corruption.

Throughout the year The Commission continued to actively engage in the EPAC (European Partners against Corruption) activities and attended the conference in Manchester. EPAC is an EU project aimed at connecting all anti-corruption institutions in the European Union. As the Commission's contribution to the project is highly appreciated, the Commission was entrusted with the organisation of the EPAC conference¹² in 2009, which will be crucial for future coordinated activities of anti-corruption organisations in the EU and Europe-wide, while a representative of the Commission was elected co-chair of the EPAC.

¹⁰ The Commission submitted the report to GRECO in April 2009 and on 11/05/2009 GRECO already received a new report on implementation of recommendations.

¹¹ They are stated in the Commission's report for 2007.

¹² Nova Gorica, 4-7 November

After a lecture organised especially for members of the Council of Europe Parliamentary Assembly, a representative of the Commission, as an associate member of their delegation, addressed the deputies of Duma on characteristics of European efforts in the fight against corruption.

Upon an invitation of the Bulgarian government the Commission's representative held a lecture in Sofia to all members of the government and the foreign diplomatic corps in Bulgaria on the basic characteristics of the contemporary fight against corruption.

Commission continued with its close cooperation with the Ministry of the Interior of the Republic of Austria in organisation of an increasingly renowned International Summer Anti-Corruption School in Vienna attended by participants from 37 countries.

Representatives of the Commission held lectures as invited experts at a number of conferences organised by OLAF (European Anti-Fraud Office), OECD, Transparency International, DBB etc.

In 2008 the Commission signed agreements on cooperation with the following bodies: the Commission for Establishing Conflict of Interest of Montenegro, the Anti-corruption Initiative Directorate from Montenegro and the National Agency for Integrity from Romania.

10. FINANCE AND HUMAN RESOURCES

In 2008, the Commission's expenditure of budget funds totalled € 693,967.50 (€ 599,271.11 in 2007, € 627,650 in 2006, € 659,936 in 2005) while the right to budget expenditure was granted to the Commission in erratic intervals, which resulted in a critical financial situation from April to August as the Commission had no resources to cover the costs of salaries. The rights to expenditure granted towards the end of the year enabled the Commission a normal conclusion of the 2008 financial year.

Overview of expenditure of the budget user (P.U. 1315) by paid transactions:

P.U.1315	01/01/2008-31/12/2008 in €
p.p. 5432 Salaries	480,580.28
p.p. 5435 Cost of material	197,838.70
p.p. 5438 Investments and investment maintenance	11,562.72
Total budget expenses	689,981.70

The Commission posted to a special budget item the balance of expenditure of "special" funds in the total amount of € 3,985.80.

P.U.1315	01/01/2008- 31/12/2008 in €
p.p. 7450 Tangible assets – proceeds from sale of state property	3,985.80
Total:	3,985.80

The budget item 5432 was intended for planning of wages and salaries' budget. All civil servants and officials performed activities related to tasks of the Commission. The Commission's staff grew for one member in 2008 who returned on 01/02/2008 after completing work as a consultant in PACO Serbia – Project against Economic Crime in the Republic of Serbia. From 1 February to 31 December 2008, the Commission had 11 employees (7 civil servants and 4 officials).

The staff shortage required strong efforts to implement the set goals stemming from legal obligations. The lack of human resources meant that the implementation of goals required the staff to take upon an increased workload as well as engagement of contractual experts. The return of an employee from abroad armed with international experience after completing an extensive project assisted the Commission in implementing its tasks in an even more expert manner and with an improved efficiency.

Budget item no. 5435 was intended for planning expenses for goods and services. All material costs incurred were directly linked to the implemented tasks of the budget user. Material costs included expenses for outsourced contracted experts (account: 402902, 402912 and 402999) whose services were necessary in order to perform the Commission's tasks, in particular in handling reported corruption cases. The material costs remained within the planned amounts. Due to a constant control of material costs, the Commission managed to be very thrifty in its expenditures. Costs of hosting amounted to € 731 in the entire year and the cost of domestic and foreign business travel to € 11,676. The posted cost of business travel exclude business travel costs paid by international organisations. Given the small number of employees and the scope of performed tasks, business of the budget user was efficient and economic also under this item.

Budget item no. 5438 was intended for planning investments and investment maintenance. Three payments were made under this budget item. Two of them related to costs of replacing the server and the third payment related to payment of a security cabinet for safekeeping asset reports of the elected officials.

The budget user has posted to a special budget item no. 7450 the balance of receipts from previous budget years (€ 535.80 from written-off and sold computers) and from the current year 2008 (written-off and sold vehicle for € 3,450) amounting to € 3,985.80. Expenditure was posted in the same amount of € 3,985.80. Funds were partially used for purchase and replacement of IT equipment and related services, while the remaining part was used for servicing the Commission's car.

11. OTHER

In 2008, the Commission ordered the implementation of the traditional annual survey on Slovenian citizens' standpoints on corruption, which was implemented by the Faculty of Social Science.

The Commission was promptly informing the public on its work via press conferences and press releases as well as through its website – www.kpk-rs.si.

In 2008 the Commission received 9 requests for access to public information. Five requests were granted, three rejected and one dismissed. There were no appeals lodged against the Commission's decision.

Representatives of the Commission attended a number of conferences, consultations and seminars in the Republic of Slovenia on different corruption-related topics.

12. CONCLUSION

In the first half of 2008, the Commission once again went through a familiar situation: the threat of abolishment by adoption of the Restrictions and Prohibitions for Holders of Public Office Act, which, despite receiving an almost unanimous rejection by the expert and the general public, went through the second reading in the National Assembly of the Republic of Slovenia that should have been followed by the third reading and a final adoption of the law. However the third reading was postponed to one of the following sessions and then never took place. That leaves the Decision of the Constitutional Court of Slovenia no. U-I-57/06-28 still unimplemented.

The proceedings to adopt a regulation that would again abolish the Commission of course caused problems in the Commission's work, not so much on account of pressure experienced by the Commission's staff¹³ as due to the non-compliance to the Prevention of Corruption Act by other governmental authorities, local authorities and individual elected officials, in particular as regards the obligations set out in the Act (reporting on new officials, gifts, elimination of incompatibility etc). It should also be noted that due to very serious issues with the budget which almost led to the staff of the Commission not receiving their monthly salaries, the Commission had serious staff deficiency problems¹⁴.

In the beginning of 2008 the National Assembly of the Republic of Slovenia finally ratified the UN Convention against Corruption (Official Gazette of the Republic of Slovenia, no. 22/08), however the country did not notify the competent UN organisation¹⁵ which body in Slovenia is designated to perform preventive tasks under Article 6 of the Convention. Due to that Slovenia did not receive several invitations and was thus unable to get sufficiently actively¹⁶ involved in the process of forming a special UN mechanism for monitoring the implementation of the Convention. Nevertheless, the adoption of the Convention presents an important step forward in the fight against corruption and excludes Slovenia from the group of countries which have not yet adopted this international document in their national legislation.

¹³ Who became accustomed to such threats from previous years.

¹⁴ The Commission operated with only 20% of posts of civil servants occupied.

¹⁵ UNODC- UN Organization on Drugs and Crime

¹⁶ Representatives of the Commission were partly able to do so due to their international functions.

In 2008 the fight against corruption was largely marked with the case related to the purchase of armoured vehicles for the Slovenian Army. An incomprehensive delay in the initiation of the Police proceedings and constant passiveness of the State Prosecutor's Office even upon serious legal arguments for initiating the investigation have at the very start caused problems to the law enforcement agencies of other countries dealing with the case as well as to the Commission which after several years of work on the case concluded its activities by adoption of a general opinion and assignment of the case to the Police¹⁷.

Difficult conditions of the Commission's work in 2008 were undoubtedly also a result of the proximity of parliamentary elections as certain individuals as well as political parties publicly presented the established suspicion of corruption in the purchase of armoured vehicles as a political conspiracy to affect the results of the upcoming elections and not as a case in the exclusive competence of law enforcement agencies. Certain governmental bodies supported such interpretation of events, which made the investigation of the case and the individual investigative activities of the joint investigative team of Slovenia and Finland that began to operate more concretely in the Republic of Slovenia towards the end of the year even more difficult. Presentation of the case as a conspiracy bore also some other consequences which the Commission finds particularly worrying. It has been shown that the Slovenian public can still be manipulated even with such clear-cut cases; the Commission thus considers activities related to raising awareness of the Slovenian people and their understanding of the basic pillars of the rule of law in prevention and fight against corruption a priority. It was probably also due to presenting the case as a mere conspiracy that resulted in the fact that in 2008 the Republic of Slovenia recorded the best score ever in the so-called perception index of Transparency International, with a value of 6.7. Finland, which was burdened with the same case which was there obviously not presented as a conspiracy, as it obtained a much worse result in the same measurement in 2008 (9.0) than the year before (9.4).

The general situation regarding prevention and the fight against corruption continued its deterioration also in 2008. Particularly worrying were the activities of the Police and the State Prosecutor's Office which at first raised great expectations of the people that the quality of detecting and prosecuting corruption as well as other criminal offences in the country would finally improve. When these expectations remained unfulfilled they were followed by a serious decrease of trust. An issue particularly damaging for the Police's reputation was the matter of selective processing of cases; in 2008 it became perfectly clear that certain criteria existed according to which the Police decided on how to handle the cases, including deciding on whether they would process a certain case or not.

The situation from 2007 repeated in 2008 and nearly all bodies which tried to perform their work in prevention and the fight against irregularities in the society¹⁸ objectively and impartially were immediately ascribed political motives from various sides. It seemed that the idea of sovereign and politically independent bodies of social supervision in Slovenia is utopian, particularly in circumstances where the political parties presented as being objective and trustworthy only those institutions where they exerted control- either through their human resources or in some other way. This naturally had a serious effect on human resources activities of those bodies as well as on the perception, relevance and respect by the people of Slovenia. Towards the end of the year it has finally begun to show that the Government of the Republic of Slovenia may have come to understand the definition, substance of operation and value of independent public bodies which should

¹⁷ After the Commission informed the Office for the Prevention of Money Laundering on the case a year earlier.

¹⁸ The Commission, Information Commissioner, Competition Protection Office, Human Rights Ombudsman etc.

not feel changes in power upon elections. Even more, contacts of top government representatives with representatives of those bodies finally began to yield positive results, notably in a more coordinated approach towards all forms of illegal behaviour in the society.

Notwithstanding the slightly positive trends towards the end of 2008, we will have to wait for the genuine results of the changed conditions of work for all bodies of social supervision in the country, and this is not only due to the fact that corruption sticks to any authority. The level of trust in the work of governmental institutions in providing the constitutional principle of equality in the country has never been so low and it will take some time before the trust is again established at least at a minimally acceptable level. The governmental bodies themselves are partly to blame for the loss of trust, yet more damage was done by some actions of certain political parties, which viewed those bodies, their activities and legal norms as unnecessary obstacles in achieving exclusively political goals or as unnecessary hindrances for manifestation of the most brutal forms of political power. In such situations people grow increasing expectations towards the repressive bodies, but the latter were unable to meet these expectations also in 2008.

The economic crisis in 2008 caused additional problems in enforcement of the principles of the rule of law as for purely economic reasons people became more susceptible to borderline activities and the applicable law and moral principles understandably took the back seat. Resolution of such crises is not an objective danger for worsening of the situation regarding corruption only due to increased legal and moral insensitivity of the people but also due to the need for quick fixes which may have beneficial economic consequences but may cause plenty of collateral damage in corruption prevention. This places increased demands upon the Commission, in particular in the area of prompt alerting of the executive branch of the government about the dangers of certain strategic as well individual measures and actions.

In 2008 the Republic of Slovenia found itself in a situation which was worse for corruption prevention than ever before. Regulations previously changed in the direction of systemically enabling corruption, non-compliance with international conventions and recommendations in the field, government authorities not performing their work consistently, a constant and distinctly biased, non-objective criticism by political parties, absence of any risk of consequences for even the worst violators of the law, their selective treatment and the economic crisis have all led to the situation where in the future all government bodies dealing with forming and implementing legal norms will be able to perform their tasks only with maximum efforts strictly applying the principles of legality, equality before the law and political impartiality as preconditions for at least a minimum improvement of the situation in the area of not only corruption prevention but also of other deviant activities in the Republic of Slovenia.

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