

**Control of Assets and cases of Conflict of Interest of officials who exercise public functions - An important instrument in the fight against corruption**

REPUBLIKA E SHQIPËRISË



**ILDKP**

INSPEKTORATI I LARTË I DEKLARIMIT  
DHE KONTROLLIT TË PASURIVE





# Introduction

- Legal Basis and Purpose
- Responsible institutions and their role
- Achievements, difficulties and challenges for the future
- Institutional Cooperation



## Legal Basis and Purpose

- Law " On the Declaration and Audit of Assets, Financial Obligations of the Elected and certain Public Officials "

The control of the assets and the legitimacy of the resources for their creation for categories of officials who are more exposed to corruption, as the elected officials, certain categories of public administration officials and persons related to them.



## Legal Basis and Purpose

- Law “On the Prevention of Conflict of Interest in the Exercise of Public Functions”
- ***It is in the spirit of constitutional provisions :***
  - PMs can not perform any gainful activity that stems from the property of the state or local government, nor can gain from their wealth.
  - PMs can not simultaneously exercise any other state office, except for the member of the Council of Ministers. Other cases of incompatibility are specified by the law (as is the case of Law No. 9367 on the prevention of conflict of interest or other organic laws)



# Legal Basis and Purpose

- Identifying and resolving the conflict between public duty and private interests of a public official, to avoid the effects of private interests in the exercise of his duties, defining the rules, equipments, procedures, responsibilities and powers for identifying, handling and resolving conflict interests cases and preventing of corruption, otherwise administrative, disciplinary and criminal sanctions will apply.



# Legal Basis and Purpose

- In terms of strengthening the fight against corruption concrete measures are applied :
  - Approve of a package of changes to the Criminal Code and to the Criminal Procedure Code.
  - Changes and improvements of specific laws that regulate the operation of relevant institutions responsible for the fight against corruption
  - Strengthen of institutional capacity for investigating and prosecuting corruption.
  - Establishment of specialized structures with the commitment of cooperation of key institutions responsible in the fight against corruption.



# Legal Basis and Purpose

- **Article 257 Criminal Code:**
- **Refusal** to make a declaration or non declaration of assets, where administrative measures are previously taken, constitutes a criminal offense (fine or imprisonment up to 6 months)
- **Concealment or false declaration** of assets constitutes a criminal offense (fine or imprisonment up to 3 years).



## Responsible Institutions and their role

- The Central Authority responsible for the control of assets and conflicts of interest cases of officials that exercise public functions is the High Inspectorate of Declaration and Audit of Assets (HIDAA)
- HIDAA is an independent institution with its own budget, whose General Inspector is elected by the Parliament on proposal of the President between two candidates for a 5-year mandate, while the High Inspectors have the status of civil servant.
- Improvement of the collaboration with the Human Resources Directories (Responsible Authorities) in any public institution.





## Role and Responsibilities

- Providing assistance for the advising and support of legal initiatives for preventing conflicts of interest in public institutions
- Providing recommendations to Parliament for the evaluation of Project laws concerning the conflict of interest. Case of law "On Public Procurements" etc..
- Strengthening capacities for managing conflicts of interest in public institutions
- Monitor, control and evaluation of law enforcement to prevent conflicts of interest



## Role and Responsibilities

- Verification and administrative investigation of the accuracy, authenticity of the declaration of assets and legal sources of their creation and of conflict of interest cases
- Imposing administrative measures as laid down in law
- Proposals for disciplinary measures
- Criminal charges in cases of contraventions or criminal actions
- Reporting to Parliament about the performed activity on annually basis and whenever the parliament convenes.



# Achievements, difficulties and challenges for the future

- For the purposes of declaration and audit of assets, reporting cases to the Prosecutor Office and their disclosure, it has been disciplined any official to declare in due time.
- HIDAA realizes annual arithmetic and logical control of all declarations to determine the correct evaluation of the assets declared, financial resources and adequacy of coverage of property with legitimate sources and to detect cases of conflict of interest



# Achievements, difficulties and challenges for the future

- Based on legal requirements such as the random selection, because of function, problematic declarations by arithmetic and logical control, as well as legitimate information, HIDAA controls and does an administrative investigation for declarations made by any official
- From the control have resulted:
- 450 cases of fine penalties have been imposed for declarations out of due time.
- Notice at the Tax Office for some cases when the acquired assets are considered to be the consequence of hiding fiscal obligations



# Achievements, difficulties and challenges for the future

- 57 cases of high and medium rank officials are sent to the Prosecutor Office for concealment, false declaration or non-coverage with real legitimate sources
- *Typical cases made public and sent to Prosecutor Office:*
  - High rank official gains an wealth amount of 1.800.000 Euro by selling shares for which he contributed for Euro 500.
  - Two high rank officials did not justify with legitimate sources their wealth amounting to Euro 750.000 and Euro 250.000
  - High rank official false statements about gifts amounting to 300.000 Euro
  - Elected official has concealed an object with a value over 350.000 Euro



# Achievements, difficulties and challenges for the future

- There have been addressed, identified and solved over 450 cases of conflict of interest for all levels of officials, with measures like the disqualification of acts, dismissal from public functions, application of fines up to 3.000 Euro etc.
- There have been canceled some contracts for procurement of public funds due to conflict of interest where stockholders were persons connected with high and middle rank officials, as in three cases of Parliament deputies and other high rank officials.



## Achievements, difficulties and challenges for the future

- HIDAA has full access to verify movable and immovable property and liquidities in all public and private records. We have no cases of refusal for the required data from HIDAA.
- Informality remains a problem. The measures taken recently by certain state structures intend to decrease informality.
- Object of verification not only registered assets but also those not registered in public records



## Achievements, difficulties and challenges for the future

- Manual and electronic control. Cases of control of the Procurements for conflict of interest.
- Values of assets are declared under the real value. A typical case, the official declares a three-storey villa for the amount of 70.000 EUR and in field verification expertise showed that the value of the asset was EUR 350.000
- There have been identified cases of sources from interest-free loans gained in informal ways from physic persons. To verify these cases HIDAA applies the declaration form by requirement and administrative investigation for the declared data.





## Achievements, difficulties and challenges for the future

- HIDAA has published 4 Manuals and 5 Legal Commentaries for identifying, addressing and resolving cases of conflict of interest. Every year have been organized over 55 days of training with 750 officials at different levels with the financial support of international donors.
- Transparency of legal proceedings on the declaration of private interests and prevent conflicts of interests, publications.
- Correct cooperation with the media, NGOs and individuals. On 20 April 2011, HIDAA organized the “Open Day” event with the participation of media and public.



# Institutional Cooperation

- HIDAA has MoU's with 18 public institutions within the country, with purpose :
  - Strengthening of the Investigative Capacities
  - Coordination of their activity on exchanging update information to detect and investigate on different forms of economic crime and corruption.
- The Joint Investigative Unit for the investigation of corruption and economic crime has been created with signing of the memorandum between HIDAA- General Prosecutor Office, Ministry of Intern, Ministry of Finance, Informative State Services and High Control of State.



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**THANK YOU**  
**for your attention!**

**ILD KP**

