

# **INSTEAD OF REFORMS, STATUS QUO** **CONTROL OF ASSETS DECLARATIONS AND** **CONFLICT OF INTEREST IN MONTENEGRO**

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Kingdom of the Netherlands

This analysis was prepared within the framework of the project "Towards More Efficient Fight Against Corruption" which is implemented by Institute Alternative and supported by the Embassy of the Kingdom of the Netherlands. All results of the project are exclusive responsibility of Institute Alternative and in no way reflect stands of the donor.

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57, George Washington Boulevard,

Podgorica, Montenegro

Tel/fax: + 382 (0) 20 268 686

E-mail: [info@institut-alternativa.org](mailto:info@institut-alternativa.org)

For the publisher: **Stevo Muk**

Editor: **Stevo Muk**

Author: **Ana Đurnić**

Research assistant: **Dragana Jaćimović**

Design and prepress: **Ana Jovović**

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## SUMMARY

The subject of this analysis is the work of the Agency for Prevention of Corruption in the area of control of income and assets declarations and determining conflict of interest of public officials.

The key problem is the **interpretation of the Agency that it can not deal with the cases of conflict of interest or assets of public officials, nor prosecute cases in this regard which occurred before 1 January 2016** when the Agency started operating. In this manner, the Agency “ties its own hands” and limits its operational space, thus providing legitimacy to all activities which occurred prior to 2016 regardless of whether they were legal or not.

Additional problem is that the two processes - determining conflict of interest and control of income and assets declarations, which are connected and complementary and are not placed “under the same roof” by chance, are artificially isolated from one another in the work of the Agency. **Namely, the Agency does not use income and assets declarations of public officials and civil servants to proactively determine the existence of a possible conflict of interest.**

In giving opinions on the potential or existing conflict of interest, there is a non-uniform practice of the Agency. According to the publicly available Opinion of the Agency on restrictions in the exercise of public function in public enterprises and institutions, **a councilor can not, under any circumstances, be a president or a member of the management or supervisory body of a public enterprise or public institution.** On the other hand, seven councilors of the Democratic Party of Socialists (DPS) in the Assembly of the Capital Podgorica simultaneously to their function of councilors perform the function of directors and deputy directors of public enterprises and institutions. They claim that the Agency has allowed this practice and that they have the Agency's Opinions which corroborate that.

**Out of the four types of control of income and assets declarations which are conducted by the Agency, the only one substantial - a complete verification of income and assets, which inspects origin of assets, is the least represented in the work of the Agency.** Out of the total number of about 7,000 income and assets reports which are annually submitted to the Agency by public officials and civil servants, the Agency fully checks less than 1%. Additionally, the Agency does not inspect the origin of assets acquired before 2016.

In order for the Agency to efficiently perform its function, it is necessary to establish a clear link between income and assets declarations of public officials and conflict of interest, i.e. use the data from the assets declarations to proactively determine conflict of interest. The provisions of the Law on Prevention of Corruption which, intentionally or accidentally, limit the transparency of the Agency's work, should be amended. The provisions which stipulate that the decisions which do not determine violation of the law shall not be published should be amended. Additionally, the obligation of publishing opinions on conflict of interest issued by the Agency should be prescribed. Furthermore, it is necessary to initiate public, open dialogue and conduct assessment of harmonisation of special regulations regulating conflict of interest in all sectors and then work on their harmonisation with the umbrella legislation - the Law on Prevention of Corruption.

## INTRODUCTION

Along with the formation of the Special State Prosecutor's Office, the establishment of an independent Agency for Prevention of Corruption was one of the key requirements of the Montenegrin EU accession reform process in the field of fight against corruption.

The Agency for Prevention of Corruption started its work on 1 January 2016<sup>1</sup>. From the day of its establishment, two anti-corruption institutions of preventive character ceased to exist – the Commission for Prevention of Conflict of Interest and the Directorate for Anti-Corruption Initiative. The competencies, employees, rights, obligations, cases and equipment of these institutions were fully taken over by the newly established Agency. It has been given jurisdiction to protect whistleblowers, control financing of political entities and electoral campaigns, determine and prevent conflict of interest of public officials, control their assets and income, as well as control lobbying and the adoption and implementation of integrity plans of Montenegrin authorities.

In this analysis, we focused on the Agency's performance in the area of prevention and determining conflict of interest, and control of income and assets declarations of public officials, especially in the fulfillment of interim benchmarks in the area of prevention of corruption defined in the Accession Document<sup>2</sup>.

According to the benchmarks, the establishment of the Agency for Prevention of Corrup-

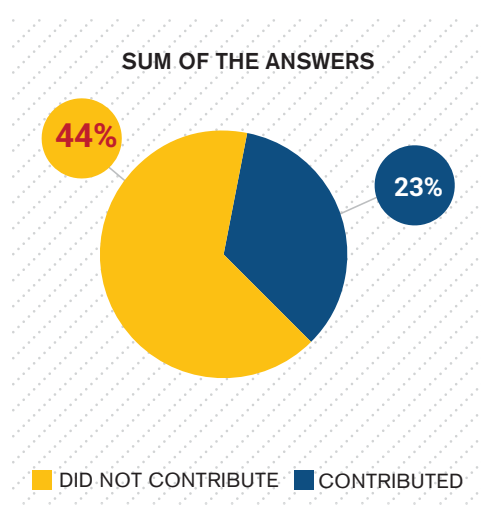


tion with stronger capacities, higher budget, and access to databases of other institutions, should have contributed to the effectiveness of the system of prevention of conflict of interest at all levels of public administration. This in practice means that the Agency should actively and proactively determine the existence of conflict between private and public interest of public officials and put an end to the practice of receiving income from the state budget by the Montenegrin officials, on the basis of performing several public functions which are incompatible.

<sup>1</sup> / Marović, Jovana, Muk, Stevo, Happy New Agency! – Establishment of the Agency for Prevention of Corruption in Montenegro, Institute Alternative, January 2016, available at: <http://institut-alternativa.org/en/happy-new-agency-establishment-of-the-agency-for-prevention-of-corruption-in-montenegro>

<sup>2</sup> / Accession Document: Joint Position of the European Union and Montenegro, Brussels, 12 December 2013, Conference on the EU accession.

This Agency was also supposed to provide effective control of income and assets declarations of public officials and civil servants, i.e. link with the databases of other institutions and check whether officials and civil servants have accurately reported everything they own. Additionally, the Agency was supposed to check whether the reported assets of officials and civil servants correspond to the factual state, i.e. their legal income.



Since the appointment of the Director of the Agency, who has close family ties with the current Prime Minister and the Vice President of the Democratic Party of Socialists<sup>3</sup>, suspicions that the Agency with such management will not be impartial in its work appeared in public.

With the work performed thus far, the Agency did not gain trust of the citizens. According to the public opinion poll, one quarter of citizens have never heard of the Agency, while 38% of them thought that in its work the Agency treats the officials from the ruling parties more favorably. 44% of Montenegrin citizens do not recognize the contribution of this institution in the fight against corruption. If we do not take into account those citizens who have never heard of the Agency, as many as 57% of those who have heard of the Agency do not consider that it has contributed to solving the problem of corruption.<sup>4</sup>

The aim of this analysis is to provide a critical overview of the work of the Agency, in particular with regard to the fulfillment of the interim benchmarks related to the conflict of interest and control of income and assets reports of public officials, to identify problems in the work of this institution and to provide recommendations for its improvement. The first part of the analysis deals with the evaluation of the work of the Agency to date when it comes to determining conflict of interest, while the other part deals with the effectiveness of control of income and assets declarations of public officials and civil servants. The final part of the analysis offers recommendations for improvement of the work of the Agency in these two areas.

<sup>3</sup> / The daughter of the Agency's Director Sreten Radonjić is married to the son of the Prime Minister and the Deputy President of DPS Duško Marković: <https://www.dps.me/me/clanovi/dusko-markovic> (accessed 05.14.2018.)

<sup>4</sup> / The views of citizens about corruption - Results of public opinion poll, the Agency Ipsos for the purposes of Institute Alternative, December 2017, available at: <http://institut-alternativa.org/stavovi-gradjana-o-korupciji-istrazivanje-javnog-mnjenja/>

## CONFLICT OF INTEREST – PROGRESS IN THE LEGAL SOLUTIONS, BUT STUCK IN PLACE IN PRACTICE

*The Law on Prevention of Corruption prohibits a public official who performs duties in the state administration and local government bodies to also perform the function of a councilor. With this provision, the scope of conflict of interest was extended when compared to the previous legal solution. This is a positive development in a legal sense. However, the Agency does not have a uniform approach in the application of this provision, which in practice, does not produce the desired effect.*

When compared to the previous Law on Prevention of Conflict of Interest, the new legislation provides for the extension of the scope of conflict of interest in the part referring to public officials who perform a public function in a public company or public institution. Namely, the new law stipulates that “a public official who performs duties in state administration and local government bodies may not perform the function of MP or councilor”<sup>5</sup>. The limitation related to performing the function of a councilor was not stipulated under the previous legislation.

However, despite this limitation under Article 12 of the Law on Prevention of Corruption, seven councilors of the Democratic Party of Socialists in the Parliament of the Capital Podgorica simultaneously perform the functions of directors in public companies and public institutions.<sup>6</sup> These councilors claim that they are not in conflict of interest and that they have a written Opinion issued by the Agency that confirms it. This Opinion of the Agency that councilors rely on is not publicly available, nor is available upon request for free access to information, on the grounds that the procedure for issuing opinions is confidential and that the Law does not stipulate the obligation of publishing opinions.<sup>7</sup> In this manner, the Agency protects DPS’s councilors and weakens public trust in its work since there is no evidence that those opinions in fact exist, nor that they stipulate what the councilors claim. In addition, the confidentiality of the procedure does not imply the confidentiality of the documents resulting from the procedure. Finally, the fact that the Law does not prescribe the obligation of publishing opinions does not automatically mean that it prohibits its publishing and that it imposes data secrecy, as interpreted by the Agency.

<sup>5</sup> / Article 12, paragraph 3 of the Law on Prevention of Corruption

<sup>6</sup> / Among the councilors of DPS in the Assembly of the Capital are Momčilo Vujošević, Director of the Official Gazette of Montenegro, Nebojša Kavarić, Director of the Health Center, Nataša Tomović Golubović, Director of the PEI “Đina Vrbica”, Đorđina Lakić, Director of the Compensation Fund, Nermin Abdić, Director of the Emergency Center, Jovan Rabrenović, Assistant Director of the Depot LLC, and Nenad Vujosević, Assistant Director of the Agency for Housing. Seven councilors of DPS are simultaneously directors, DAN, available at: <http://www.dan.co.me/?nivo=3&rubrika=Podgoricom&clanak=584162&-datum=2017-02-02>

<sup>7</sup> / Decision no. 03-04-735 / 2 of 03 March 2017 rejecting the request of the Institute Alternative of 20/02/2017, and by which we requested copies of the Opinions issued for the councilors of DPS in the Assembly of the Capital Podgorica.

On the other hand, there is a publicly available Opinion of the Agency regarding the application of Article 12 of the Law on Prevention of Corruption, which stipulates that **“a councilor can not, under any circumstances, be a CEO or a member of the management or supervisory body of public enterprises, public institutions or other legal entities owned by the state or municipality”**. The same Opinion stipulates that “the term CEO, member of the management of public enterprises, public institutions or other legal entities referred to in Article 12, paragraph 1 of the Law refers to all positions of directors or any other form of organization which includes managerial positions in public enterprises, institutions or other legal entities.”<sup>8</sup>

Publishing all Opinions issued by the Agency on the conflict of interest of public officials would contribute to its transparency and work towards gaining public's trust in the effectiveness of the work of the Agency. In addition, it would allow the public scrutiny of the Agency's work and impartiality, i.e. whether it decides uniformly in the similar cases, regardless of whether the case deals with the member of the ruling or the opposition parties, independent experts, NGO activists, etc. Finally, publicly available Opinions of the Agency would raise awareness of public officials about the different types of conflict of interest they may find themselves in and about their obligation to report them to the Agency and ask for an opinion if they suspect that they might be in a conflict of interest.<sup>9</sup>

The aforementioned practice was even almost legalised. The councilors of DPS in the Parliament of Montenegro submitted the initiative to amend the Law on Prevention of Corruption, which would exclude councilors from the restriction to perform two public functions.<sup>10</sup> Adoption of the proposed amendment is particularly problematic because it would **inevitably put councilors in conflict of interest**, as they would exercise control over the public enterprises and institutions they are simultaneously managing. Namely, as one of the competences of the Assembly, the Law on Local Self-Government stipulates that it shall consider the reports on the work of the public services founded by the municipality.<sup>11</sup> In this manner, the control mechanism of the municipal assembly at the local level would be rendered meaningless as the councilors could not be impartial in considering the above-mentioned reports of public enterprises and institutions they are managing.<sup>12</sup>

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<sup>8</sup> / Opinion on the implementation of Article 12 of the Law on Prevention of Corruption, Agency for Prevention of Corruption, available at: <http://antikorupcija.me/me/biblioteka/?page=10>

<sup>9</sup> / Expert report 07.14.2017, Jure Škrbec, Expert visit to Podgorica 5th to 9th June 2017, obtained through a request for free access to information, Decision of the Ministry of European Affairs No. UPI03 / 1-75 / 2 of 26.09.2017.

<sup>10</sup> / Bill on Amendments to the Law on Prevention of Corruption, available at: <http://skupstina.me/index.php/me/sjednice/zakoni-i-drugi-akti> (accessed 05.12.2018.)

<sup>11</sup> / Article 28, paragraph 1, item 24 of the Law on Local Self-Government ("Official Gazette of Montenegro" No.28 / 2018 of 10/01/2018)

<sup>12</sup> / Reaction to the Bill on Amendments to the Law on Prevention of Corruption, Councilors should not be heads of public enterprises and institutions, Muk, Stevo, Institute Alternative, April 15, 2018, available at: <http://institut-alternativa.org/reagovanje-na-prijedlog-zakona-o-izmjeni-zakona-o-sprjecavanju-korupcije/>

## ALL PRIOR TO 2016 IS FORGIVEN

The Agency falsely interprets the Law on Prevention of Corruption when it states that the Law can not be applied to the situations that occurred prior to January 2016, when it began operating. Transitional and Final Provisions of this Law stipulate that **the Agency shall assume the tasks of its predecessors - the Commission for Prevention of Conflict of Interest and the Directorate for Anti-Corruption Initiative**, as well as the rights, obligations, cases, equipment, means of work, documentation, registers and records of the Commission for Prevention of Conflict of Interest and the Directorate for Anti-Corruption Initiative.<sup>13</sup> Under the “tasks”, it is understood all that was in their jurisdiction, including conflict of interest which was under the jurisdiction of the Commission.

Under the false interpretation that it can not deal with the cases that occurred before 2016, the Agency gives legitimacy to everything that had happened prior to this date, regardless of whether it was legal or not, which in fact abolishes all potentially illegal actions from the previous period. In addition, it renders meaningless the long-term reform process aimed at improving the performance of the institutions in the preventive fight against corruption, instead of erasing everything that previously happened and starting from scratch.

Guided by this logic, the Agency’s representatives claim that this is the reason why the aforementioned Opinions related to the councilors were issued. Namely, they claim that both tasks were not assumed after 2016 and that therefore the councilors are not in conflict of interest<sup>14</sup> regardless of the fact that their functions are still active and produce effect.

On the same basis, the Agency declared lack of competence in acting upon the request of the NGO KOD related to determining conflict of interest in the case referring to the drafting of the Spatial Plan of the National Park “Prokletije”. Namely, in 2015 the Ministry of Sustainable Development and Tourism assigned the task to the companies founded and owned by the then Prime Minister Milo Đukanović and his brother Aco Đukanović. NGO KOD requested from the Agency to examine whether the then Prime Minister Milo Đukanović had been in conflict of interest when he signed the Decision on Developing the Spatial Plan of Special Purpose of the National Park “Prokletije”. The Notification which the Agency submitted to the NGO KOD states that the Agency is not competent to deal with their request because the procurement procedure regarding the Spatial Plan of the National Park “Prokletije” was implemented in the period from 2013 to 2015, before the beginning of the application of the Law on Prevention of Corruption<sup>15</sup>.

<sup>13</sup> / Article 107, paragraph 3 of the Law on the Prevention of Corruption.

<sup>14</sup> / Information from the interviews with officials of the Agency, held on 16 November 2016 at the premises of the Agency.

<sup>15</sup> / Notification submitted to the organization KOD on the request concerning the spatial plan of the National Park „Prokletije“, the Agency for Prevention of Corruption, available at: <http://antikorupcija.me/me/biblioteka/arhiva-novosti/1803161327-obavjestenje/> (accessed 5/12/2018)



## ZERO PROACTIVITY - THE AGENCY FAILS TO USE THE INCOME AND ASSETS DECLARATIONS TO IDENTIFY CONFLICT OF INTEREST

*Although it has the possibility to examine the income and assets declarations of public officials and determine whether s/he is in conflict of interest, i.e. whether s/he performs two or more incompatible functions or receives income which is contrary to the Law on Prevention of Corruption, the Agency fails to do so. The most obvious example of this is the case of the Minister of European Affairs Aleksandar Andrija Pejovic, for whom the Agency has determined the performance of incompatible functions and receiving unlawful income only in the procedure initiated by the NGO Center for Civic Education (CCE), although it had previously controlled his income and assets report. This renders meaningless the procedure of submission of income and assets reports and this whole control mechanism at the disposal of the Agency. Instead of being complementary activities which were not placed "under the same roof" by chance, the procedures of determining conflict of interest and the procedures of examining income and assets reports are artificially isolated processes in the Agency.*

All ministers, including the Minister of European Affairs, are in the annual plan of control of income and assets reports, i.e. on the list of public officials whose income and assets reports the Agency regularly controls. As planned, the Agency controlled the income and assets report of this minister both in 2016 and 2017. However, the Agency failed to determine the existence of conflict of interest since it did not deal with it on this occasion as it does not deal with it at all when controlling income and assets reports.<sup>16</sup>

In February 2018, the NGO CCE submitted a request to the Agency to initiate the procedure for establishing the conflict of interest and limitations in the exercise of public functions of the Minister of European Affairs. The CCE request stated that the minister is simultaneously **Chief Negotiator** for negotiations on the accession of Montenegro to the European Union with the function of ambassador, i.e. that he simultaneously performs two public functions and receives parallel incomes on the basis of these functions.<sup>17</sup> Pejović is also a member of the Central Committee of the Democratic Party of Socialists (DPS) and the President of the Commission for International Cooperation, European and Euro-Atlantic Integration of DPS, while at the same time being registered a person who has the status of ambassador at the Ministry of Foreign Affairs. Although the Minister receives income on the basis of the

<sup>16</sup> / Information from the interview with the officials of the Agency held on 16 November 2016 at the premises of the Agency. Mladen Tomović, coordinator of the Department for Prevention of Corruption, the Agency for Prevention of Corruption, Načisto, TV Vijesti, available at: <https://www.youtube.com/watch?v=VIMW8mpVEaU>

<sup>17</sup> / This is contrary to Article 104 of the Constitution of Montenegro, which provides that "Prime Minister and members of the Government may not perform function of the MP or other public function or perform some other professional activity." Pejović also violates Articles 7, 9 and 23 of the Law on Prevention of Corruption, i.e. performs two public functions, CEE, available at: <http://cgo-cce.org/en/2018/02/01/premijer-i-ask-treba-da-primijene-ustav-i-zakon-u-slucaju-pejovic/#.Wy55wFUzbIU>

majority of these functions and the records about it are available in his income and assets reports, the Agency failed to examine the potential conflicts of interest while controlling his income and assets report.

Acting upon the request of NGO CCE, the Agency determined that the Minister violated the Constitution and several laws, as he had the status of ambassador simultaneously to performing the function of minister and that he subordinated public interest to private as he received addition to the basic income in the monthly net amount of €3,168.25 as the ambassador at the Mission of Montenegro to the European Union since May 2017.<sup>18</sup> On this basis, Pejović received €28,518.00. The Decision of the Agency upon the request of CCE resulted in Pejović's resignation as the minister, which led to ceasing of his function as the Chief Negotiator.

### **Without political accountability for violations of the Law**

In Montenegro, even when the irregularities and violations of the law are determined, there is no political accountability of public officials. Had Minister Pejović been removed from office, it would lead to the application of a four-year ban from public office on the basis of the Law on the Prevention of Corruption<sup>19</sup>. This was avoided by his resignation.

In addition, he is "protected" by the Law on Civil Servants and State Employees. The Law provides for the right of officials to receive monthly remuneration in the amount of income received in the last month of performing the function for the period of one year from the day of termination of function, providing that s/he can not be reassigned to another job which suits the level of education and skills. Thus Pejović will receive remuneration amounting to €1,620.00 per month.<sup>20</sup>

## **THE AGENCY "MISSED" OBVIOUS CONFLICT OF INTEREST TWICE**

The Agency issued the Decision that Zoran Jelić, Member of the Senate of the State Audit Institution, is not in conflict of interest for being engaged as a member of the Audit Committee of the First Bank of Montenegro from 17 March to 28 December 2017 on the basis of which he received monthly remuneration in the amount of €650.00 or €5,850.00 in total.<sup>21</sup>

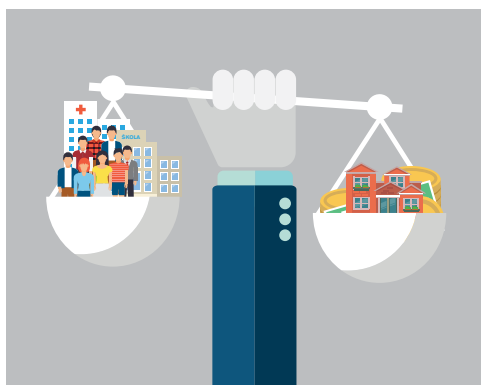
<sup>18</sup> / Decision of the Agency for Prevention of Corruption, no. UPI -02-01-10/17, available at: <http://antikorupcija.me/me/novosti/1802190819-saopstenje-za-javnost/>

<sup>19</sup> / Article 42, Paragraph 4 of the Law on Prevention of Corruption.

<sup>20</sup> / After the resignation, Pejović will receive 1,620 euros a month, Portal Vijesti, available at: <http://www.vijesti.me/vijesti/pejovicu-nakon-ostavke-1620-mjesecno-981204>

<sup>21</sup> / The Agency's Decision adopted upon request of Institute Alternative to initiate the procedure to determine possible violations of the Law on Preventing Corruption in part related to completeness and accuracy of data in the income and assets reports and for determining conflict of interest and restrictions in the exercise of public functions, 12 and 19 March 2018, available at: <http://institut-alternativa.org/en/agency-for-the-prevention-of-corruption-working-for-dps-again/>

In the Decision of the Agency it is stated that “pursuant to the Article 9 of the Law on Prevention of Corruption, Zoran Jelić may be engaged in scientific, educational, cultural, artistic and sports activities and acquire income and disclose to the Agency accurate and complete data on the income acquired through the exercise of such activities or tasks, because this is not prohibited by the Law on the State Audit Institution.”



However, **membership in the Audit Committee of the First Bank of Montenegro can not, under any circumstances, be considered to be any of the activities listed in the Decision of the Agency.** On the contrary, membership in the Audit Committee is unquestionably a **professional activity**, which is prohibited under Article 35 of the Law on State Audit Institution. We pointed this out in the request we submitted to the Agency. In support of this claim is

Article 39 of the Law on Banks which prescribes a wide range of activities and responsibilities of the Audit Committee Members, as well as the fact that Jelić received monthly remuneration in the amount of €650.00 on the basis of this engagement. However, **the Agency failed to address this fact in its Decision, which is indisputable and obvious and would in itself be sufficient to establish a conflict of private and public interests of Zoran Jelić.**

The Agency found in its Decision that Zoran Jelić did not violate the Law on Prevention of Corruption by not disclosing in his income and assets report that he owns a share of the company “ET COM”. According to the data from the Central Registry of Commercial Entities, Zoran Jelić is one of the founders of this company.

The Decision stipulates that Zoran Jelić proved in the procedure conducted before the Agency that the founders of this company initiated the procedure of voluntary liquidation in 2003 which was supposed to be completed by the liquidator. The liquidator was then supposed to request removal of the company “ET COM” from the Central Registry of Commercial Entities. The liquidator, however, failed to do this until the Agency had initiated the procedure against Jelić, upon the IA's request. Thus, the Decision on voluntary liquidation was enforced on 22 March 2018 - 15 years after it was issued. Up until then, the company “ET COM” was registered in the Central Registry of Commercial Entities, which means that it formally existed and that Jelić, as one of its founders, did not report his ownership of the company in his income and assets report. However, the Agency claims that Jelić thus did not violate the Law on the Prevention of Corruption in a way that he did not report complete and accurate data in the income and assets report.

The Agency also failed to initiate the procedure against Jelić when he was employed as a civil servant in the Employment Agency of Montenegro during 2016 while at the same time

serving as an MP of the Democratic Party of Socialists, although he reported both incomes in his assets declarations. The Law on Civil Servants and State Employees prohibits political engagement of civil servants, therefore the violation of the law in this area is more than obvious. Control of all the MPs is envisaged under the Plan for the Verification of Income and Assets Declarations of the Agency, which means that the Agency controlled his report, as well. However, the Agency never established a case or initiated the procedure for determining conflict of interest against Mr. Jelić on this basis, although it had access to all his income and assets declarations and, therefore, the income acquired on the basis of performance in both functions.<sup>22</sup>

## WHEN FOR THE SAKE OF PARTY'S PROTECTION, TRANSPARENCY IS NOT A PROBLEM

The Agency does not publish its decisions which do not determine violations of the Law on Prevention of Corruption. In order to justify this practice, it cites Article 39 of the Law, which stipulates that no such decision is published without the consent of the public official to whom it refers.<sup>23</sup> During the course of two years, the Agency refused to implement the recommendation of Institute Alternative to request officials' consent for publishing every decision it issues, as well as to publish information about who gave consent and who refused to do so.<sup>24</sup> In this manner, the Agency would not have acted contrary to the Law and would have significantly improved the transparency of its work.

However, the Agency refused to implement this recommendation, but did not consistently do so. Namely, it published the decisions referring to three public officials, out of which two are formally tied to the Democratic Party of Socialists (DPS). The two are Zoran Jelić, former MP of DPS and now a Member of the SAI's Senate<sup>25</sup> and Mirko Đačić, president of the Municipality of Pljevlja, where DPS holds the power.<sup>26</sup> The third decision determining lack of

**22** / Public Administration Reform: Authorities remain silent while Jelić breaks the law, Institute Alternative, Centre for Investigative Journalism, available at: <http://institut-alternativa.org/en/public-administration-reform-authorities-remain-silent-while-jelic-breaks-the-law/>

**23** / The decision referred to in Article 38, paragraph 2 of this Law, shall be published on the website of the Agency, where a decision establishing that a public official has not violated provisions of this Law relating to the prevention of conflicts of interest in exercising public functions, restrictions in the exercise of public functions, gifts, sponsorships and donations and reports on income and assets of public officials does not publish his name and function without the consent of the public official that the decision relates. Article 39, paragraph 2 of the Law on Prevention of Corruption.

**24** / Press release: Agency to inform the public whether officials report and account for their income and assets, Đurđević, Ana, Institute Alternative, 8 March 2017, available at: <http://institut-alternativa.org/en/press-release-agency-to-inform-the-public-whether-officials-report-and-account-for-their-income-and-assets/>

**25** / Decision - Zoran Jelic, the Agency for prevention of corruption, 5 April 2018, available at: [http://antikorupcija.me/media/documents/Odluka\\_-\\_Zoran\\_Jeli%C4%87.pdf](http://antikorupcija.me/media/documents/Odluka_-_Zoran_Jeli%C4%87.pdf) (accessed 05.12.2018.)

**26** / Decision - Mirko Đačić, the Agency for prevention of corruption, 13 March 2018, available at: [http://antikorupcija.me/media/documents/Odluka\\_-\\_Mirko\\_%C4%90a%C4%8Di%C4%87.pdf](http://antikorupcija.me/media/documents/Odluka_-_Mirko_%C4%90a%C4%8Di%C4%87.pdf) (accessed on 12.05.2018.)

conflict of interest which the Agency published refers to Igor Tomić, member of the Council of RTCG.<sup>27</sup> The decisions were published no later than one day after they were adopted, while the decision referring to Zoran Jelić was published on the same day it was issued - on 5 April. The question is whether the Agency could have obtained formal, written consent for the publication of the decision in such short timeframe, or the protection of officials close to the DPS was a priority in relation to respect of the Law.

## ATTACK ON THE INDEPENDENCE OF THE PUBLIC BROADCASTER

In the period from September to 20 October 2017, the capacities of the Agency were put in the service of „removing“ independent, impartial and obviously unfit members of the Council of the Radio Television of Montenegro in order to replace them with the staff close to DPS, and place RTCG back under the control of this party.

Acting upon anonymous requests, the Agency adopted decisions that the members of the Council - Goran Đurović and Nikola Vukčević, violated the Law on Prevention of Corruption, which is why the Administrative Committee proposed, and the Parliament adopted, proposals on their dismissal from their positions in the Council<sup>28</sup>.

The decisions issued by the Agency showed non-uniform application of the law, evasion of legal norms, and lack of harmonization of special laws governing conflicts of interest with the Law on the Prevention of Corruption.

When it comes to Goran Đurović, the Agency determined that he violated the Law on Prevention of Corruption on the basis of not transferring his management rights in the company „Natura LLC“ when he entered into public office. This business entity deals with «mixed farming».<sup>29</sup> The Decision of the Agency pointed out to the inconsistencies and lack of harmonization of special laws regulating conflict of interest in the Montenegrin system with the umbrella legislation - the Law on Prevention of Corruption. Namely, the Law on National Public Broadcaster of Radio and Television of Montenegro does not treat this situation as conflict of interest, since the commercial entity „Natura LLC“ is not engaged in the production of radio and television programs.<sup>30</sup>

<sup>27</sup> / Decision - Igor Tomić, the Agency for prevention of corruption, 9 May 2018, available at: [http://antikorupcija.me/media/documents/Tomic\\_sukob\\_interesa.pdf](http://antikorupcija.me/media/documents/Tomic_sukob_interesa.pdf) (accessed 05.12.2018.)

<sup>28</sup> / In the RTCG Council appointed are the following: Sloba Pajović, former councilor of DPS in the Assembly of Bar, Igor Jovetić from the University of Donja Gorica, of which Milo Đukanović, President of DPS, is one of the founders and owners, and Goran Sekulović, author of the book „Prime Minister of the Winning Spirit“ about head of DPS Milo Đukanović.

<sup>29</sup> / Central Registry of Business Entities (CRPS), available at: <http://www.crps.me/>

<sup>30</sup> / Council members can not be persons who, as stake holders, shareholders, members of managing bodies, members of supervisory bodies, employees, etc., have interests in legal entities engaged in producing radio and television program so that the membership of such person in the Council could lead to a conflict of interest, Article 26, Paragraph 1, item 5 of the Law on National Public Broadcaster Radio and Television of Montenegro (Official Gazette of Montenegro, no. 054/16 of 08.15.2016.)

In its Decision<sup>31</sup>, the Agency did determine that there is no conflict of interest prescribed under the Law on National Public Broadcaster of Radio and Television of Montenegro, but established violation of general prohibition from the Law on Prevention of Corruption which prohibits exercise of managerial and other functions in legal entities to public officials.<sup>32</sup>

Lack of harmonization of legislation enables its non-uniform application, and thereby its violation. Due to this Decision of the Agency, the need for public dialogue and activities that will go towards harmonization of all regulations governing conflicts of interest in Montenegro emerged.

The Decision the Agency issued in relation to the other member of the Council, the director Nikola Vukčević, showed that it does not properly apply the Law on Prevention of Corruption either. The Agency first issued the Decision determining that Vukčević was in conflict of interest because simultaneously to performing public function he realized financial gain from the business entity «Galileo Production LLC» for directing the movie «Roma and some foreign stories»<sup>33</sup>. The movie was not broadcasted on RTCG and Vukčević proved during the procedure that he does not have ownership interest or managerial position in this business entity. The Administrative Court annulled this Decision of the Agency and referred it back to the Agency for deliberation.<sup>34</sup> In the judgement of the Administrative Court, it is stated that what the Agency charges Vukčević for is not considered as conflict of interest and that the Agency failed to prove that Vukčević subordinated public interest to private by engaging in artistic activities which are allowed pursuant to the Article 9 of the Law on Prevention of Corruption. On the basis of the judgement of the Administrative Court, the Agency issued new Decision which states that Nikola Vukčević could have entered into conflict of interest if he had decided whether the movie in question would be broadcasted on RTCG<sup>35</sup>, which did not happen. The Agency however overlooked the fact that in such hypothetical situation it envisages under this Decision, Vukčević would have had the obligation to address the Agency and request its opinion on whether this situation constitutes conflict of interest.

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**31** / Decision on Conflict of Interest - Goran Djurovic, the Agency for prevention of corruption, available at: [http://antikorupcija.me/media/documents/Odluka\\_-\\_Goran\\_%C4%90urovi%C4%87\\_zayWjtK.pdf](http://antikorupcija.me/media/documents/Odluka_-_Goran_%C4%90urovi%C4%87_zayWjtK.pdf) (accessed 05.14.2018.)

**32** / Article 11 of the Law on Prevention of Corruption

**33** / The decision states that Vukcevic violated Article 7 of the Law on Prevention of Corruption, in conjunction with Article 26 of the Law on national public broadcaster, in a way that while simultaneously performing public functions, realized financial gain on a contractual basis from the commercial entity "Galileo Production" LLC Podgorica, which specializes in the production of films, videos and television programs, in June 2016, where he as a public official subordinated public to private interest. Decision on Conflict of Interest - Nikola Vukcevic, the Agency for Prevention of Corruption, 10.10.2017, available at: [http://antikorupcija.me/media/documents/Odluka\\_-\\_Nikola\\_Vuk%C4%8Devi%C4%87.pdf](http://antikorupcija.me/media/documents/Odluka_-_Nikola_Vuk%C4%8Devi%C4%87.pdf) (accessed 05.14.2018.)

**34** / Judgement of the Administrative Court, no. 11171/17 as of 15.12.2017, available at: <http://sudovi.me/uscg/odluke/>

**35** / Decision on Conflict of Interest - Nikola Vukcevic, the Agency for prevention of corruption, 01/16/2018. , available at: <http://antikorupcija.me/media/documents/odluke.pdf>

The Agency would issue an opinion, which is binding for public officials<sup>36</sup> and potentially prescribe obligation of exemption from decision-making, and he would be required to bring his actions in line with such opinion of the Agency<sup>37</sup>. Bearing in mind that the obligation of giving a declaration on conflict of interest and seeking opinion of the Agency is prescribed as a preventive mechanism of the Law on Prevention of Corruption, the Agency should have taken this into consideration when issuing a new Decision.

For other member of the RTCG Council which is in the same situation as Vukčević, the Agency issued the Decision that he is not in conflict of interest. Namely, the Agency decided that Igor Tomić is not in conflict of interest for receiving monthly remuneration in the amount of €185 from the non-governmental association Cultural Center "Homer" Podgorica on the basis of service contract. The reason Tomić is not in conflict of interest, according to the Agency, is that "Homer" is not engaged in the production of radio and television programs<sup>38</sup>. The situation is, therefore, exactly the same, and the decision of the Agency different for the different public official, which indicates that the Agency is not consistent in its work.

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**36** / Opinions on the existence of conflicts of interest in exercising public functions and limitations in the exercise of public functions and the decision on the violation of the provisions of this Law relating to the prevention of conflicts of interest in exercising public functions, restrictions in the exercise of public office, gifts, sponsorships and donations and reports on income and assets of public officials, which Agency gives or issues in accordance with this Law, are binding for public officials. Article 7, paragraph 4 of the Law on the prevention of corruption.

**37** / Article 8 of the Law on Prevention of Corruption

**38** / Decision on conflict of interest - Igor Tomovic, the Agency for prevention of corruption from 9th May 2018, available at: [http://antikorupcija.me/media/documents/Tomic\\_sukob\\_interesa.pdf](http://antikorupcija.me/media/documents/Tomic_sukob_interesa.pdf)



## **Administrative Committee – Inconsistent enforcement of the decisions of the Agency for Prevention of Corruption**

The Administrative Committee dismissed both members of the Council - Đurović and Vukčević. Pursuant to the decisions of the Agency, the authority where the public official exercises his/her function can dismiss, suspend or impose a disciplinary action upon said public official<sup>39</sup>. Dismissal of a public official, according to the Law, entails a ban from public office in the period of four years from the date of the dismissal<sup>40</sup>. It is not clear as to why have the members of the Administrative Committee opted for the most severe sanction prescribed by the Law. Additionally, it is problematic that the Administrative Committee proposed the dismissal, and the Parliament dismissed Vukčević while the procedure before the Administrative Court based on the Decision of the Agency was ongoing. The Law on Prevention of Corruption prescribes that the procedure of dismissal, suspension or imposition of a disciplinary action is initiated only upon the basis of „a final, i.e. **valid** decision of the Agency“<sup>41</sup>. Due to this kind of formulation, it remains unclear when the procedure of dismissal or imposition of a disciplinary action on the basis of the decision of the Agency can be initiated. Namely, all the decisions of the Agency are final and the administrative dispute can be initiated against them<sup>42</sup>. The decision is therefore final when the Agency issues it and it becomes valid when the deadline for initiating administrative proceeding has passed, if the public official in question does not initiate it or by adopting a valid court judgment of the competent court if the official initiates administrative dispute. Vukčević initiated administrative dispute in this case and in the moment of his dismissal the Agency's decision was still being reviewed before the Administrative Court. The Administrative Committee hurried up to dismiss Vukčević while the procedure was still ongoing which was made possible due to this vagueness in the Law on Prevention of Corruption. The future amendments of this Law need to address this issue.

The Agency found that four additional members violated the Law on Prevention of Corruption on the basis of not submitting 2016 income and assets reports within the legal deadline<sup>43</sup>. However, the Administrative Committee did not further act upon the decisions of the Agency although five months have passed since the Committee was familiarized with them<sup>44</sup>.

When it comes to Goran Đurović, the Agency did not establish conflict of interest on the basis of the Law on National Public Broadcaster RTCG, but the violation of the Law on Prevention of Corruption. The Administrative Committee dismissed him nonetheless, thus ignoring the Law on National Public Broadcaster RTCG in order to enforce the Law on Prevention of Corruption. In this manner, the legal postulate that the dismissal must be carried out by the same procedure and regulation on the basis of which the appointment had been made was not respected.

<sup>39</sup> / Article 42, paragraph 1 of the Law on Prevention of Corruption

<sup>40</sup> / Article 42, paragraph 4 of the Law on Prevention of Corruption

<sup>41</sup> / Article 42, paragraph 1 of the Law on Prevention of Corruption

<sup>42</sup> / Article 40 of the Law on Prevention of Corruption

<sup>43</sup> / 18th Session of the Administrative Committee, held on 3 November 2018, available at: <http://skupstina.me/index.php/me/radna-tijela/administrativni-odbor/item/1251-odrzana-18-sjednica-administrativnog-odbora>

<sup>44</sup> / Škrelja: Others will have their turn, as well, Portal Vijesti, 19 April 2018, available at: <http://www.vijesti.me/vijesti/skrelja-i-ostali-ce-doci-na-red-984928> (accessed: 05/14/2018)



## CONTROL OF INCOME AND ASSETS DECLARATIONS - STATISTICS AHEAD OF THE ESSENCE

*Out of four types of control carried out by the Agency, the complete verification, which checks the basis for acquiring property (origin of assets) is the only one essential but the least represented type in the work of the Agency. The Agency conducts complete verification of less than 1% of submitted income and assets declarations on an annual basis and in these procedures it verifies only property acquired after 2016. The case in which the Agency determined that a public official or civil servant could not have bought a property s/he owns with his/her real and legitimate income is not yet known.*

The Agency for Prevention of Corruption performs four types of verification of income and assets reports, i.e. software verification, administrative verification, verification of the completeness and accuracy of the reported data, and the complete verification of income and assets.<sup>45</sup> Three out of the four types of verification performed by the Agency are entirely technical. They are carried out by the Agency's software and IT experts, who do not go into the contents of income and assets of public officials and civil servants, nor check for possible discrepancies.

Types and number of verifications of income and assets declarations carried out in 2016 and 2017<sup>46</sup>

### 1. SOFTWARE VERIFICATION

Checks whether all the required fields in the income and assets declarations are filled out.

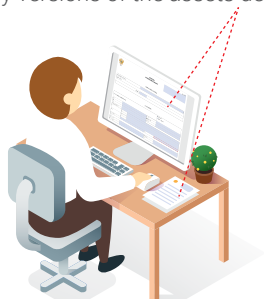


The number of software verifications of submitted income and assets declarations



### 2. ADMINISTRATIVE VERIFICATION

Checks the consistency between electronic and hard-copy versions of the assets declarations.



The number of administrative verifications of submitted income and assets declarations



<sup>45</sup> / Articles 36-41 of the Rules of Procedure of the Agency for prevention of corruption in the area of prevention of conflict of interest of public officials, 13 January 2016.

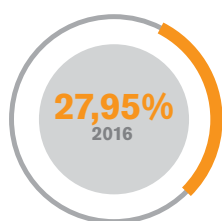
<sup>46</sup> / Reports on the work of the Agency for 2016 and 2017.



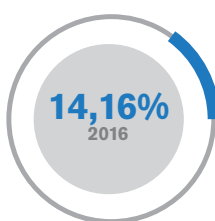
### 3. VERIFICATION OF THE COMPLETENESS AND ACCURACY OF THE REPORTED DATA

The authorized officer of the Agency carries out the verification of the completeness and accuracy of the data from the submitted report, comparing this data with the data from the databases of the Tax Administration, Ministry of Internal Affairs, the Commission for Securities, and the Real Estate Administration.

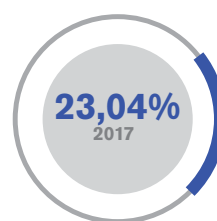
THE NUMBER OF VERIFICATIONS OF THE COMPLETENESS AND ACCURACY OF THE DATA IN THE SUBMITTED INCOME AND ASSETS DECLARATIONS



1.473  
PUBLIC OFFICIALS



174  
CIVIL SERVANTS

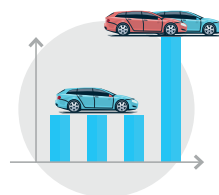


1620  
PUBLIC OFFICIALS  
AND CIVIL SERVANTS

The 2017 Report on the Work of the Agency, contrary to the first report, does not provide the data on the number of verifications of the completeness and accuracy of the data in the income and assets declarations for public officials and civil servants separately

### 4. COMPLETE VERIFICATION OF INCOME AND ASSETS REPORTS

is the only verification phase where the basis for the acquisition of assets, i.e. the sources of acquisition of movable and immovable property is controlled. A prerequisite for the initiation of the procedure of complete verification is that a public official/civil servant did not report complete and accurate data or that there has been a disproportionate increase of assets



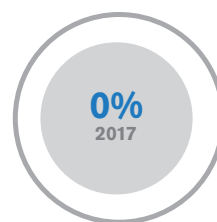
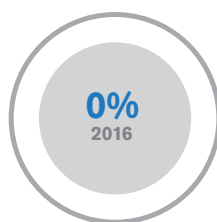
THE NUMBER OF COMPLETE VERIFICATIONS OF SUBMITTED INCOME AND ASSETS DECLARATIONS



PUBLIC OFFICIALS



CIVIL SERVANTS



The fourth type of verification - complete verification, which is the only one substantial, is rendered meaningless by the bylaw of the Agency adopted by its Director. Namely, it stipulates that the precondition for carrying out this verification is that there are indications based on the facts that the person to whom the data relate submitted incorrect or incomplete data or that there has been a disproportionate increase of assets<sup>47</sup>. This means that, **if a public official possesses certain assets which are being duly reported for years, but without the acquisition of the new one, the Agency will not check the basis for acquiring the existing assets**. The Agency has thus limited itself in its work, and this is why the small number of complete verifications conducted is not surprising.

The Agency has carried out complete verification for only 25 public officials, or 0.85% of the total number of assets declarations submitted in 2017. After the verification of completeness and accuracy of the reported data, it determined that their assets increased by more than €5,000 and asked to submit evidence of the basis for the acquisition of the newly obtained assets. In none of these cases, there has not been established any irregularities. In 2016, the Agency conducted 49 such controls or 0.43%. There was none complete verification for civil servants conducted in 2016 or in 2017.

Even when it controls the basis for the acquisition of assets, the Agency does so only for the assets acquired after 2016, when it began operating. The Network for Affirmation of NGO Sector (MANS) submitted the request for initiating the procedure of determining the origin of €250,000 worth of assets of the public official Branko Vujović, president of the Council of the Agency for Supervision of Insurance, and of his family members<sup>48</sup>. In the response to MANS, the Agency stated the data on declaration of assets of this public official in 2016 and 2017 and stressed that it is undertaking measures and actions in order to verify the basis for acquiring property from the date of application of the Law on Prevention of Corruption - 1 January 2016, in accordance with its jurisdiction<sup>49</sup>. With this interpretation, the Agency abolishes everything that happened before 2016, thus nullifying current reform efforts in this area.

Limitation in the exercise of this complete verification is access to the databases of banks, which the Agency does not always have, because the bank accounts of public officials can be accessed only if they give their consent to it. The consent provides access to the data

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<sup>47</sup> / Article 41, paragraph 3 of the Rules of procedure of the Agency for prevention of corruption in the area of prevention of conflict of interest of public officials

<sup>48</sup> / Property of the Government official Branko Vujović: Questionable 250,000 euros, NGO MANS, 30 November 2017, available at: <http://www.mans.co.me/imovina-vladinog-funkcionera-branka-vujovica-pod-znakom-pitanja-250-000-eura/>

<sup>49</sup> / Response of the Agency for prevention of corruption at the request of the NGO MANS, UPI-02-04-359 / 2, from 25.12.2017.

only during the time while obligations of public officials and civil servants last<sup>50</sup>. Namely, the Agency may access the data only during the period of performance of public function, and therefore the Agency can not keep track of trends in revenues of officials<sup>51</sup>.

## HALF OF THE GOVERNMENT DOES NOT GIVE CONSENT FOR ACCESSING THEIR BANK ACCOUNTS

The possibility for public officials and civil servants to give consent for accessing their bank accounts is a novelty when compared to the previous Law on Prevention of Conflict of Interest. Giving this consent is not mandatory for public officials and civil servants<sup>52</sup>, and therefore, it is not used to a large extent in practice. Although statistics of the Agency for Prevention of Corruption argues that the majority of public officials (73%) and civil servants (76%) "has nothing to hide" and that about 70% of them gave consent to access bank accounts, when it comes to the high-level public officials<sup>53</sup>, this statistics is devastating.

When it comes to 2017, nine out of 19 ministers did not give consent, seven of them gave consent, while the annual 2017 income and assets declarations of Prime Minister, one Deputy Prime Minister and three ministers are not yet available at the website of the Agency<sup>54</sup>.

When it comes to 2016, at the level of the Government and the ministries, the Prime Minister Dusko Marković and nine out of the 19 ministers did not give consent to the Agency for Prevention of Corruption to check their bank accounts. Among those who did not want the Agency to gain access to their bank accounts are two out of three Deputy Prime Ministers - Zoran Pažin, Deputy Prime Minister for Political System, Internal and Foreign Policy and Minister of Justice and Rafet Husović, Deputy Prime Minister for Regional Development<sup>55</sup>.

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**50** / Article 24, paragraph 3 of the Law on Prevention of Corruption

**51** / The verification is implemented in the following manner: the Agency submits a written request asking the 14 commercial banks in Montenegro access to all bank accounts, ie. cash and credit debts, inflows/outflows of funds on current/foreign currency accounts, that these persons have with banks. Report on the work of the Agency in 2016, p. 17.

**52** / Article 24 of the Law on Prevention of Corruption

**53** / In 2016 - 73% of public officials and 76% of civil servants, and in 2017 - 71% of public officials and 75% of civil servants. Reports on the work of the Agency for 2016 and 2017.

**54** / Reports are not available for the Vice-President Milutin Simovic, who is also the Minister of Agriculture and Rural Development, Srđan Darmanović, Minister of Foreign Affairs, and Mevludin Nuhodžić, Minister of the Interior. Registry of income and assets reports, available at: <http://antikorupcija.me/me/registri/> (accessed 12. 5. 2018)

**55** / Among nine ministers who did not give the aforementioned consent, in addition to Minister Pažin, include Minister of Defense, Predrag Boskovic, Minister of Finance, Darko Radunović, Minister of Foreign Affairs, Srđan Darmanovic, Minister of Education, Damir Šehović, Minister of Economy, Dragica Sekulić, Minister of Transport and Maritime Affairs, Osman Nurković, Minister of Health, Kenan Hrapović and Minister of Labour and Social Welfare, Kemal Purišić. Press release: Almost Half of the Government Members Does not Give Access to Their Bank Accounts, Institute Alternative, available at: <http://institut-alternativa.org/en/announcement-almost-half-of-the-government-members-does-not-give-access-to-their-bank-accounts/>

Seven out of 16 leaders of parliamentary political parties, which simultaneously perform a public function, also did not give consent to check their bank accounts to the Agency for Prevention of Corruption. Among them is the former Prime Minister and leader of the Democratic Party of Socialists, Milo Đukanović, who has been holding public office for almost 30 years<sup>56</sup>.

Director of the Agency for Prevention of Corruption, who should serve as an example to public officials, also did not give consent to access his bank accounts in 2016. His 2017 income and assets report is not yet available at the website of the Agency<sup>57</sup>.



Registar izvještaja o prihodima i imovini funkcionera -

Redni broj	Prezime i ime / Funkcija	Vrsta državnog službenika	Državni službenik	Datum izvještaja	Svrha podnošenja	Dao saglasnost
1.	Radonjić Sreten					
1.	Direktor(Aktivna)		Ne	27.03.2017	Redovan godišnji izvještaj, do kraja marta tekuće godine za prethodnu godinu	Nije dao

## CONCLUSION

Reform efforts in the fight against corruption that occurred in the past six years, since the opening of negotiations of Montenegro with the European Union are invisible. When the Agency for Prevention of Corruption began operating on 1 January 2016, it should have continued, improved and built upon the work of previous institutions, as well as enabled running start to the shaky reforms in the area of preventive fight against corruption. Instead, the management of the Agency decided to start from scratch, abolish everything that happened before January 2016, and establish new practices and interpretations of the law.

The key problem in the work of this institution is its interpretation that it can not deal with the cases of conflict of interests, assets of officials, nor prosecute cases in this regard, that took place before 1 January 2016. This gives legitimacy to any activity that happened before 2016, regardless of whether it was legal or not.

<sup>56</sup> / The data refer to 2016. Presidents of the political parties who do not allow the Agency to check their bank accounts are: Milo Đukanović, President of the Democratic Party of Socialists, Nebojša Medojević, President of the Movement for Change, Ranko Krivokapić, President of the Social Democratic Party, Ivan Brajović, President of Social-Democrats, Andrija Popović, President of the Liberal Party, Miodrag Lekić, President of Demos and Rafet Husović, President of the Bosniac Party. Press release: Almost Half of the Government Members Does not Give Access to Their Bank Accounts, Institute Alternative, available at: <http://institut-alternativa.org/en/announcement-almost-half-of-the-government-members-does-not-give-access-to-their-bank-accounts/>

<sup>57</sup> / Register of income and assets reports, the Agency for Prevention of Corruption, available at: <http://antikorupcija.me/me/registri/> (accessed 12. 5. 2018)

Two related, complementary processes, i.e. identifying conflict of interest and control of income and assets report, are artificially isolated from each other in the Agency and its work. When controlling someone's income and assets report, the Agency does not verify whether the person is in a conflict of interest as well, although it could do that on the basis of data from the report.

When issuing opinions about potential or existing conflict of interest there is a lack of uniform practice of the Agency. Publicly available opinion of the Agency related to the article of the Law on the Prevention of Corruption setting out the limits to the exercise of public functions in public companies and institutions stipulates that councilors can not under any circumstances be neither presidents nor members of the management or supervisory bodies of public companies and public institutions. On the other hand, seven councilors of the Democratic Party of Socialists (DPS) in the Assembly of the Capital Podgorica simultaneously to performing functions of councilors perform functions of directors and deputy directors of public companies and institutions. They claim that they have the opinion of the Agency which allows for such practice. Individual opinions which Agency submits to officials are not publicly available, so it is difficult to determine the truth.

Out of the four types of control of income and assets declarations performed by the Agency, the complete verification, which checks the basis of acquiring assets and which is the only substantial control, is the least represented in the work of the Agency. Out of the total number of about 7,000 annually submitted income and assets declarations of public officials and civil servants, the Agency fully checks less than 1%. In addition, the Agency does not verify the origin of assets acquired before 2016. As a prerequisite for a complete verification, the Agency prescribed conditions what should be determined by the verification itself, i.e. that the public official/civil servant did not report accurate and complete data or that there has been a disproportionate increase in the value of assets.

In order for the Agency to be effective in preventing corruption - determining conflicts of interest and controlling assets, it is necessary to make certain efforts on its own, but it also requires the consensus of other state authorities, the Government - primarily the Ministry of Justice and the Parliament, in order to change restrictive solutions from the Law on Prevention of Corruption.

## RECOMMENDATIONS

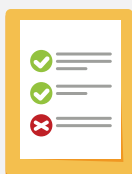
The Agency should establish a uniform approach in determining the conflict of interest of public officials, be impartial and objective in its work, and treat all public officials equally.



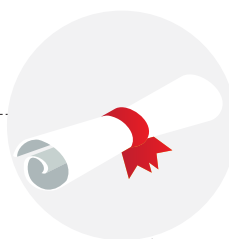
The Agency should use data from income and assets declarations of public officials and civil servants in order to proactively identify and determine conflict of interest.

The Agency should conduct an assessment of the level of harmonization of specific regulations governing conflict of interest in all sectors, launch a public, open dialogue with all stakeholders, and then, together with the Government and the Parliament, work on the harmonization of these regulations with the umbrella legislation - Law on the Prevention of Corruption.

The Agency should publish opinions issued at the request of public officials in case of suspicion of a conflict of interest, as well as in relation to the restrictions in the exercise of public functions.



The Ministry of Justice should propose amendments to the Law on Prevention of Corruption. Under these amendments, restriction in Article 39, paragraph 2 of the Law which stipulates that the decisions of the Agency which do not establish a violation of the Law are not published, should be removed.



The Agency should amend its Rules of Procedure and remove the precondition for carrying out a complete verification of income and assets declarations, since it limits performance of such control only to situations when the public official does not report accurate data on assets or when the value of assets is increased by more than €5,000.00.

The Agency should publish opinions it issues at the request of public officials in case of suspicion of a conflict of interest in relation to the restrictions in the exercise of public functions.



The Agency should focus on complete verifications of income and assets declarations, instead of spending capacities and resources on technical checks which do not take into account the basics of acquiring property.

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- Decision - Zoran Jelić, Agency for Prevention of Corruption, April 2018;
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- Portal Vijesti, Škrelja: Others will have their turn, as well, 19 April 2018;
- Rules of Procedure of the Agency for Prevention of Corruption in part of prevention of conflict of interest of public officials ("Official Gazette of Montenegro" no. 4/2016 as of 19 January 2016);
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#### WEBSITES:

- Agency for Prevention of Corruption, Registry of income and assets declarations: [www.antikorupcija.me](http://www.antikorupcija.me)
- Central Registry of Commercial Entities: <http://www.crps.me/>

## **ABOUT INSTITUTE ALTERNATIVE**

We function as a think tank or a research centre, focusing on the overarching areas of good governance, transparency and accountability. Our research and advocacy activities are structured within following programme strands: Public Administration, Accountable Public Finance, Parliamentary Programme, and Security and Defence. On the basis of our programmes, we monitor the process of accession negotiations with the EU, actively participating in working groups for chapters 23 and 32. Our flagship project is the Public Policy School, which is organised since 2012. Institute Alternative was granted with the licence to conduct research activities in the field of social sciences by the Ministry of Science in 2013.

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