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MONITORING MOLDOVA'S PUBLIC PROCUREMENT

Newsletter no. 1 (May 2021)

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THE INVOLVEMENT OF CIVIL SOCIETY IN MONITORING PUBLIC PROCUREMENT IS ESSENTIAL FOR GOOD GOVERNANCE



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In the Republic of Moldova, public procurement remains an area vulnerable to irregularities, fraud, and corruption. The large amount of money circulating in the public procurement system and the frequent interactions between the public and private sectors make public procurement extremely vulnerable and a priority area of concern for the integrity of public administration.

These facts justify the role of civil society in overseeing the way in which public money is spent, and how public procurement is conducted, in order to ensure transparency. Effective monitoring of public procurement requires civil society's knowledge on operations of the public procurement system, the legal and institutional framework, and the entire procurement process. These elements, together with the application of monitoring tools, can ensure the success of monitoring activities.

In this context, the Institute for Development and Social Initiatives (IDIS) "Viitorul" is implementing, in partnership with the US-based Partnership for Transparency (PTF), a project titled: "Strengthening integrity in public procurement". This project plans to launch a complex training program for CSOs and journalists, and provide additional subgrants to participating entities for monitoring public procurement. The project also aims to make recommendations for improving communications with authorities in order to strengthen the integrity of public procurement, improve the efficiency of public budgets, and enhance good governance in the Republic of Moldova.

SEVERAL INSTITUTIONS CARRIED OUT ILLEGAL PUBLIC PROCUREMENT DEALS (REPORT)

» Several state institutions, including those in the healthcare sector, have conducted illegal public procurement deals during the COVID-19 state of emergency, according to [a monitoring report](#) by the Association for Efficient and Responsible Governance (AGER).

A launch event for the report was hosted in April 22, 2021, and representatives of IDIS "Viitorul", Diana Enach, and Carolina Ungureanu, participated in the discussion. IDIS and AGER have been collaborating for several years in the public procurement sector, in particular in the joint creation of proposals for normative acts and other policies developed by decision-makers in the sector.

Under the guise of the necessary measures to combat the new coronavirus, a series of measures were introduced to loosen public procurement restrictions. For example, the deadlines for procurement were reduced, prepayments were made in advance, and direct contracts were concluded on public money. AGER's report detailed the ways in which these measures considerably reduced the transparency of procurement procedures. Roughly \$47 million was spent last year on purchases of goods and services aimed at preventing and combating the COVID-19 pandemic in the Republic of Moldova.

However, more than half of this money, over \$29 million dollars, was used with minimal transparency and spent on purchases made through direct contracts, said Maria Covalciuc, president of the Association for Efficient and Responsible Governance.

AGER representatives also say that two-thirds of the medical institutions that conducted public procurements did not make their reports public during the pandemic. Irregularities were also detected at the tender for the purchase of protective equipment for doctors.

Source: Radio Free Europe





A NEW DIGITAL TOOL FOR ANALYZING OPEN DATA FROM THE MTENDER SYSTEM HAS BEEN LAUNCHED

» On April 28, 2021, the Republic of Moldova's Ministry of Finance launched the Digital Business Intelligence (BI) analysis tool, based on open data available in Mtender, the electronic public procurement system.

Mtender generates numerous open data on public procurement, yet the potential applications of this information has not been fully utilized in the Republic of Moldova. The use of open data in accordance with international best practices makes possible the development of complex analytical tools and the implementation of an automated system of risk indicators. It also helps to identify any inefficient uses of financial sources. The tool was developed by the Open Contracting Partnership, the Ministry of Finance of the Republic of Moldova, and Positive Initiative, a local civil society organization (CSO).

At the outset of the event held to commemorate the launch, Moldova's Secretary of State of the

Ministry of Finance Gabriela Cuneva expressed gratitude to all those involved in this process. *"The idea of developing this tool in the Republic of Moldova has existed for many years. I am glad that today we have the opportunity to launch it and that we have been supported by partners in implementing this idea"*, said Cuneva.

Constantin Cearanovski, member of the board of directors at Positive Initiative, noted that the access to quality medicines, goods, and services in the field of health and social care largely depends on the efficiency and transparency of the use of public money at different stages of the public procurement process. He said, "the launch of data-driven monitoring

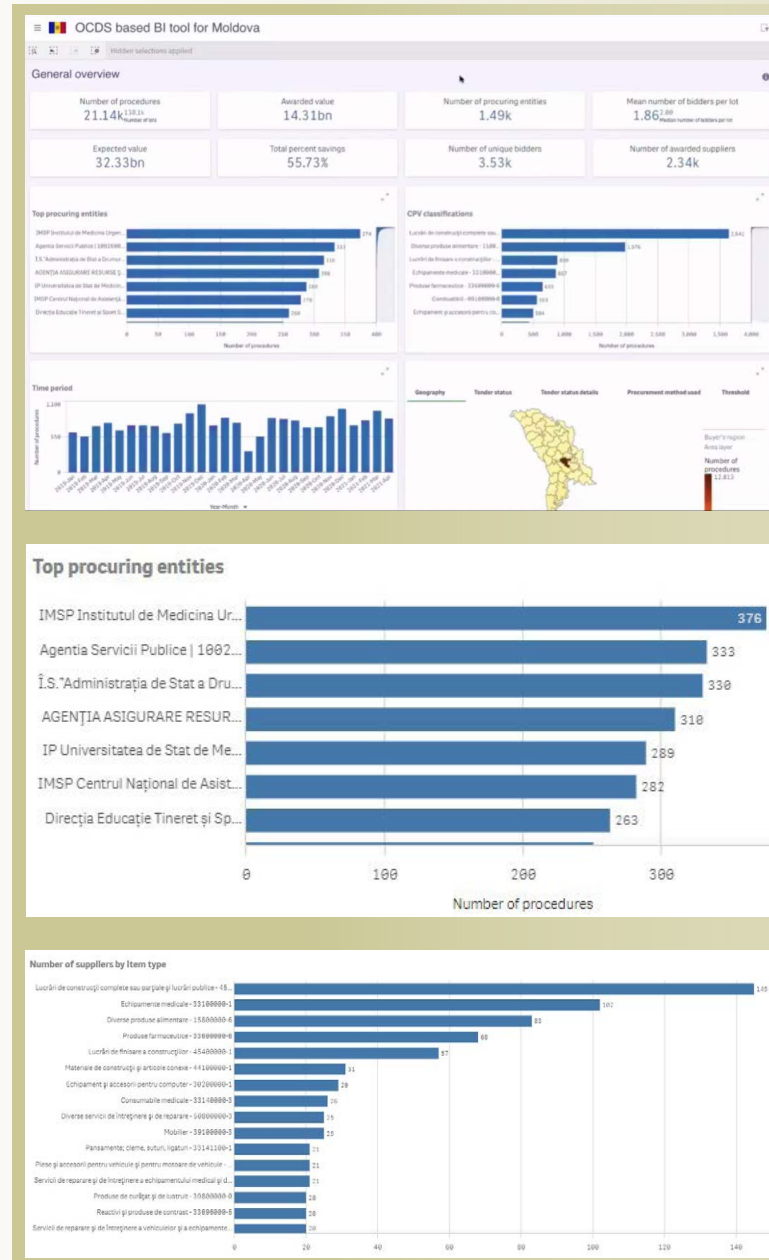
and analysis tool MTender is an important step in increasing efficiency and transparency in the use of public money".

In the same context, Octavian Costaş, Associate Director at the European Bank for Reconstruction and Development (EBRD), mentioned that any step to increase the transparency and efficiency of public procurement has a huge positive impact on citizens, the country, and the business environment. *"Today, we are witnessing a remarkable progress achieved through the joint efforts of the business environment, civil society, and the government following the national implementation of e-procurement through a modern, transparent, and efficient MTender procurement system"*, said Costaş.

In his speech, Ruslan Malai, director of the Public Procurement Agency, noted that the analytical portal will provide citizens with access to information so they can analyze and see how the state spends public money. *"The analytical system will facilitate and automate the work of the Public Procurement Agency. The data will be more easily collected in order to develop statistical analyses"*, he said.

Diana Enachi, expert at IDIS "Viitorul", mentioned during her remarks at the launch event that, *"the launch of the BI module in public procurement has been very much awaited by those in civil society. The data analysis mode will greatly facilitate both our activity of analysis and monitoring of procurement, and will improve the quality of public policies in the sector, policies that will be developed on the basis of actual data. We also expect that the instrument will contribute to the efficiency of monitoring, control, and audit activities of relevant institutions."*

During the event, the head of the Public Procurement Directorate within the Ministry of Finance, Sergiu Căinăreanu, also spoke about a new national program for the development of the public procurement system for 2021-2024. This program plans to define the government's vision



and synchronize actions throughout the public procurement system at all levels. The program includes the development of the e-procurement system by increasing transparency at all stages of the procurement process. This will be done on the assumption that "everyone sees everything", and incorporate the development of effective control mechanisms, including systems for identifying risk indicators in public procurement, with the integration of tools and good practices for identification and prevention of fraud and corruption.

Source: Ministry of Finance



IDIS "Viitorul" and AGER:

PROPOSALS

FOR THE REGULATION ON CERTIFICATION IN THE FIELD OF PUBLIC PROCUREMENT

» The Public Procurement Agency's approval, without public consultations, of the [Order on the approval of the Regulation on certification in the field of public procurement](#) in December, 2020 was condemned by eighteen civil society organizations through a [public call](#). As a result, at the beginning of March 2021, the Public Procurement Agency published the [Draft Order on the Approval of the Regulation on certification in the field of public procurement](#), making it open for public consultations.

The Public Procurement Agency has, according to the Public Procurement Law no. 131/2015 (art. 10, letter e), the ability to elaborate, develop, and implement mechanisms for the certification of persons employed by contracting authorities and procurement service providers. These individuals are responsible for organizing and conducting public procurement procedures, as well as awarding public procurement contracts. Therefore, the elaboration of the draft regulation on certification in the field of public procurement is welcome, but the mechanism provided includes

deficiencies and ambiguities that need to be discussed with all actors in the sector, and subsequently remedied.

IDIS "Viitorul", together with Association for Efficient and Responsible Governance (AGER) has developed a number of recommendations to improve both the certification mechanism proposed by the Agency and the regulation on Certification in the Field of Public Procurement. The most important proposals for improving the regulation concern the following provisions embedded in the text:

1 | **DISCRIMINATORY REQUIREMENT IN RELATION TO CANDIDATES FOR THE CERTIFICATION PROGRAM, WHO, ACCORDING TO THE DRAFT REGULATION, CAN ONLY BE EMPLOYED BY A CONTRACTING AUTHORITY.**

» The rationale behind this provision, namely to offer the right to apply for certification only to persons employed by the contracting authorities, is not clear. This prevents others with knowledge and experience in public procurement from obtaining a certificate of professional qualification in the field of public procurement. There are specialists in public procurement who work for economic operators, and in civil society organizations, who have experience in the field as a result of training, monitoring, and providing procurement consulting services. Law no. 131/2015 provides for the activity of the procurement service providers that may be represented by any natural or legal person of public or private law that offers ancillary procurement activities on the market. Therefore, IDIS "Viitorul" and AGER propose **the right to be certified be granted not only to specialists in public procurement employed by contracting authorities, but also by private operators, civil society organizations, or freelancers.**

2 | **DIVISION OF THE STUDY PROGRAM INTO TWO LEVELS, PROVIDED THAT A PUBLIC PROCUREMENT SPECIALIST PERFORMS THE SAME TASKS, REGARDLESS OF THE ENTITY IN WHICH HE/SHE OPERATES.**

» IDIS "Viitorul" and AGER consider it appropriate to **implement a single level of certification for individuals who have in-depth knowledge and can demonstrate experience in the field of public procurement**, both within contracting authorities, economic operators, civil society organizations, as well as procurement service providers and freelance professionals.

3 | **INCLUSION OF A MEMBER OF CIVIL SOCIETY IN THE COMMISSION.**

» This would ensure a higher level of transparency, but also increased involvement of civil society in the process of monitoring the quality of training. The civil society member could be selected through an open competition organized by a third-party public institution.

Source: www.viitorul.org

READ ALL COMMENTS ON THE NOTE,
WITH RECOMMENDATIONS,
published on [the IDIS webpage](http://the.idis webpage).

LARS JEURLING:

"ACTIVE CIVIL SOCIETY IS KEY TO A BRIGHTER FUTURE IN MOLDOVA"

» Civil society has the power to influence political, economic, or public interest decisions by monitoring the work of government and public institutions, and taking a stance against policies that are contrary to citizens' interests. In light of this important role, civil society organizations (CSOs) should receive unrestricted access to public procurement information, which has a direct impact on local populations.

What are the challenges civil society organizations in Moldova are facing today? How can CSOs contribute to the improvement of transparency and effectiveness in public procurement?

Ana-Maria Veverita from IDIS Viitorul spoke with **Lars Jeurling, a management team member and project adviser at the Partnership for Transparency (PTF)***, and he shared his thoughts on the outlook of CSOs in Moldova and their role in increasing transparency in public procurement.

* Based in Washington, DC, PTF's mission is to advance innovative civil society-led approaches to improve governance, increase transparency, promote the rule of law, and reduce corruption in developing and emerging countries. Since 2000, PTF has supported more than 250 separate projects aimed at promoting the involvement of CSOs in decisions, processes, and laws that enforce transparency and accountability in public procurement.



AMV: What is the current status of civil society in the Republic of Moldova?

LJ: Over the course of the past ten years, I have seen a definite progress in the development of civil society and CSOs in Moldova. Strong, competent organizations like IDIS, AGER, and Positive Initiative have emerged and developed in spite of, or perhaps as a response to, political instability, economic setbacks, and persistent corruption. Compared to many countries PTF is working with, Moldovan CSOs play a more prominent, active and positive role. The achievements by some of the most successful CSOs are and will be used as examples for many other countries PTF works with.

AMV: Public participation represents a fundamental aspect of good governance and has the potential to improve economic growth and development in any country. What are the key challenges hindering civil society organizations (CSOs) from Moldova in their work to achieve these aims?

LJ: In my opinion, the main remaining challenges are related to maintaining independence

from government at a time when many countries previously dominated by the Soviet Union are moving in the opposite direction. Another important challenge is securing stable and long-term sources of funding, preferably from domestic sources, reducing the dependence on international funding. Also, developing trust in relationships with both government and the private sector by demonstrating that CSOs are both competent and objective when monitoring and advocating. Thus, CSOs should continue to increase their competence and experience by participating in training and networking both domestically and internationally.

AMV: What makes Moldova different from other countries in which PTF has experience?

LJ: Moldova is a poor country facing tremendous development challenges compared to most European countries. Corruption, state capture, inefficiencies, and lack of public trust in the state administration are major, persistent problems, as they are in many countries formerly under Soviet dominance. This is a particular problem in Moldova because of the small size of the economy and the country. These factors make the effects of corruption and an inefficient state administration more serious and threaten the stability and future of the economy and country. However, on the positive side, the vibrancy of Moldova's civil society and its dedication to tackle these problems make me think that Moldova can expect a better future.

AMV: In your opinion, is Moldova's public procurement system a tool or a solution for the country's governance challenges?

LJ: The existing system of laws, regulations, and institutions—including the Mtender system—is a set of important tools for improving governance and transparency. The digital government service – MTender, which was created by the Ministry of Finance in Moldova, supports the public procurement process by planning everything from the purchase to payment for public con-

tracts. It shortens the time for tendering for public bodies, and the waiting time for payment for suppliers and contractors. However, it is not a complete solution to the challenges posed by corruption. Much remains to be done, particularly with regard to system implementation. The data on which the system depends is often not available, and sometimes deliberately withheld by contractors and contracting entities.



Active, competent, and objective monitoring by civil society can make an important difference in the public procurement process. CSO impact can be partly quantified by observing the declines in prices paid when procurement is properly conducted and monitored by CSOs.

The Moldovan government's commitment to improving the system and its implementation has varied with successive administrations, making the support provided both inconsistent and insufficient. There are overlapping and unclear responsibilities among the overseeing state institutions which, along with persistent corruption, makes the enforcement of laws and regulations ineffective. Contracting entities are often not sufficiently trained to handle procurement effectively. There are several reports issued by domestic and international bodies, such as the World Bank MAPS assessment, which document these deficiencies.

AMV: What is the role of civil society in promoting accountability and transparency of public procurement?

LJ: Active, competent, and objective monitoring by civil society can make an important

difference in the public procurement process. CSO impact can be partly quantified by observing the declines in prices paid when procurement is properly conducted and monitored by CSOs. However, this is dependent on the condition that CSO involvement is accepted by contracting entities and contractors as trusted and competent monitors and partners. There are many examples among the countries PTF is operating in of CSOs doing a superficial and inadequate job, or even worse CSOs are paid by or otherwise controlled by vested interests in the form of corrupt contractors, oligarchs, or contracting entities or by political groups bent on undermining private sector contractors.



Civil society has two ways of affecting reform and reducing corruption in procurement: working with government and lobbying for policies by overseeing regulatory and parliamentary bodies, and by making their findings public.

AMV: How does this non-mandatory role of civil society play out in practice?

LJ: It varies from country to country. In countries like Russia where CSOs are not allowed to operate freely, particularly those supported by foreign sources, the role of civil society remains limited. However, in countries like Ukraine and Moldova where CSOs are allowed to operate rather freely the role of civil society can be substantive. This is evident in the way CSO activity and impact have increased in recent years.

In general, civil society is moving in the right direction in countries where CSOs can operate freely. However, the current world trend

leans toward more authoritarian regimes, including in Eastern Europe. This paints a worrisome picture for the future of civil society in those countries, and not just in the realm of procurement.

AMV: What power does civil society have to fight corruption in procurement?

LJ: Civil society has two ways of affecting reform and reducing corruption in procurement: working with government and lobbying for policies by overseeing regulatory and parliamentary bodies, and by making their findings public. Both avenues depend on CSO cooperation with the government. In order to work within government regulations, the openness of government entities to recommendations from civil society, and the trust of these bodies in the objectivity and honest purpose of the CSOs, is key. With regard to sharing findings resulting from monitoring government processes, the success of this method depends on how freely civil society findings can be conveyed to the general public. Moldova appears to allow the independent sharing of information, but government cooperation with civil society could be improved.

AMV: How can CSOs contribute to the improvement of transparency and effectiveness in public procurement? Do you have any success stories/lessons in this regard that Moldova can learn from?

LJ: Ukraine has made considerable progress thanks to a reform of the procurement system, including setting up an E-procurement system ([ProZorro](#)) in combination with active and competent CSOs lead by Transparency International Ukraine and supported by the Open Contracting Partnership. The ProZorro system is used extensively by CSOs and journalists for monitoring procurement. This monitoring has resulted in more transparency and significant savings in the cost of goods and services procured.

The Baltic states have an active civil society with significant involvement and experience in procurement monitoring. A specific example is from Latvia: Delna, a local CSO, monitored the procurement and construction of the National Library over a six-year period, with support from PTF. This work resulted in significant improvements in procurement and construction effectiveness, and reduced corruption in the process, as compared to other projects procured and executed at that time.

AMV: In the field of transparent contracting, what steps must be taken by countries working to improve transparency in state-citizen relations?

LJ: They must implement improved legislation, regulations, and institutions based on international standards. This should be supplemented by effective implementation of legislation and regulations, including those related to the operation of the system (e.g., stamp out corruption in the judicial system which is where criminal corruption cases are or should be finally settled). Further, capacity building and training of contracting entities and contractors will help these entities take the steps necessary for a more transparent process. Finally, increased public awareness, capacity building of CSOs, and ensuring CSO access to information to allow effective monitoring will help information reach those who can make use of it to hold official entities accountable. Moldova is making progress on most of these fronts, but there is some way to go, particularly on implementing reform in practice.

AMV: What should be the first steps Moldova's government takes to strengthen an efficient public procurement system in the country?

LJ: The government's first steps should focus on implementation, particularly making sure that the various government entities involved in procurement understand what they are supposed to do. They must also ensure these



The government's first steps should focus on implementation, particularly making sure that the various government entities involved in procurement understand what they are supposed to do. They must also ensure these entities follow the laws, regulations, and best international practices guiding procurement.

entities follow the laws, regulations, and best international practices guiding procurement. The key element to strengthening the public procurement system is increased and consistent commitment to an efficient, transparent, and non-corrupt system.

AMV: How do you see public participation in the procurement system in Moldova over the next ten years?

LJ: Provided that Moldova avoids following the trend toward a more authoritarian, less democratic, less transparent, and less open society, and does not close itself to the outside world, civil society is poised to play an increasingly important role in many areas, including procurement.

This interview is part of the project "[Increasing the integrity in public procurement](#)". It is implemented by Institute for Development and Social Initiatives (IDIS) "Viitorul", in partnership with the Partnership for Transparency (PTF). The project aims to support procurement reforms in Moldova that will increase transparency and fairness of public procurement through empowering citizens to hold relevant institutions accountable. This will be accomplished through training civil society organizations to serve as watchdogs by monitoring public procurement.

NAC REPORT: THE HIGHER THE VALUE OF PUBLIC PROCUREMENT DEALS, THE HIGHER THE RISK OF CORRUPTION



» According to the strategic analysis of the appeals system developed by the National Anticorruption Center (NAC), each year 10 percent of the total number of procurements are contested.

At the same time, in the last three years (July 2017-June 2020), the value of appeals filed reached the total amount of 12.5 billion lei, which is about 50 percent of the total value of all purchases. Calculations of the monthly dynamics of appeals show a steady increase over time. An average of thirty-two appeals was registered in 2017, but this number rose to seventy appeals filed in 2020. Predictive analysis indicates this trend will continue, resulting in increasing numbers of appeals filed, as shown in the ["Strategic analysis on the functionality of the mechanism for submitting appeals, their examination, and decisions taken by the National Agency for Settlement of Claims \(NASC\)".](#)

The analyzed data show that every tenth public procurement procedure is contested at NASC,

totalling 1,955 appeals from September 8, 2017 to June 30, 2020. As discussed above, the number of appeals has increased year over year, at the rate of a 35 percent annual increase. However, 2020 was an exception, the number of appeals increased from that of the previous year by only 5 percent. Like much else in 2020, the decrease of this percentage can be attributed to the COVID-19 pandemic.

Worrying, however, is the estimated value of the contested procedures, which reached the figure of approximately 12.5 billion lei (6.5 million lei per procedure on average). The numbers, respectively, constitute 50 percent of the total amount of procurement.

According to the analysis, from year to year more and more economic operators resort to the appeal mechanism. According to the annual performance reports, the number of appeals registered with NASC reached the figure of 726 with the estimated value of the contested procedures amounting to 2.49 billion lei. At the end of 2019, the number of contested procedures was 1,026 with an estimated value of over 4.75 billion lei.

Although this significant increase may indicate the confidence of economic operators in the appeal mechanism, the trend should be a sign of concern for the authorities, in particular for the Ministry of Finance and the Public Procurement Agency. According to NASC's decisions, more and more public procurement procedures are organized in violation of legal norms. These breaches of the law are a corruption-generating factor leading to the inefficient and even fraudulent management of public money.

Source: www.cna.md



LARGE VARIATIONS IN THE PURCHASE PRICE OF MEDICINES AND PROTECTIVE EQUIPMENT TO COMBAT COVID-19

» The rapid spread of COVID-19 created an urgent need to supplement supplies of medicines and medical equipment to provide medical institutions around the world with the necessary supplies to combat the pandemic. As a result, all countries, including the Republic of Moldova, have started emergency stockpiling medicines, disinfectants, medical masks, medical gowns, and other medical supplies.

In Moldova, in order to replenish the stocks of medical institutions involved in the fight against COVID-19 it was necessary to make many urgent acquisitions out of public budgetary resources, despite significant donations from internal and external partners. Local authorities not only struggled to assess accurate stock levels, but also encountered challenges which slowed the process of planning and urgently procuring medical products. In order to quickly provide the necessary supplies at a high volume for medical and health institutions, a series of decisions were taken. Despite the fact that

these decisions simplified and accelerated the procurement procedures, the speed and scale of the process introduced new risks of non-transparent and inefficient use of public money belonging to the citizens of the Republic of Moldova.

According to the "[Analysis of urgent medical acquisitions carried out during the COVID-19 pandemic in 2020](#)", developed by Positive Initiative, the purchase price of one of the most in-demand drugs to treat COVID-19, Azithromycin, varied between 7.4 lei and 22.4 lei per unit. Extremely

large variations in the purchase price were also reported for personal protective equipment (PPE) such as visors/protective screens. If some medical institutions paid 15 lei for a unit, then others paid the price about six times higher of 95 lei per unit. Medical thermometers also registered variations of purchase prices, though not as high, from 40 to 75 lei for a unit.

In addition to medicine and PPE, other items such as goggles that have seen extremely large variations in purchase prices. The price analysis reveals that some medical institutions paid 12 lei for a unit, while others also paid about 229 lei per unit. One explanation for the discrepancies is that the technical specifications of the glasses varied as well. However, the differences are too great and the economic justification is missing, making this an invalid justification. These large price variations are also recorded for purchases within the same medical institution or for the same quantities, different only being the periods of time in which the purchase took place.

According to the open data available on the platform www.tender.health, so far, the contracting authorities have purchased goods (both medical products and other goods) totaling 696.8 million lei (including VAT) over a series of 5,106 public procurement contracts. More than a third (264.5 million lei or 38 percent) of the total value of acquisitions belongs to the Center for Centralized Public Procurement in Health (CAPCS).

The platform www.tender.health allows for the analysis of data on procurement in the health sector, specifically focused on COVID-19 response in the Republic of Moldova. It presents data on public procurement carried out by 322 contracting authorities (including CAPCS and medical institutions, as well as other public authorities).

Learn more from the [Analysis of urgent medical acquisitions carried out during the COVID-19 pandemic in 2020](#).

Source: www.positivepeople.md





THE MINISTRY OF EDUCATION PAID 3.15 MILLION LEI TO A COMPANY FOR WORKS THAT WERE NOT PERFORMED - FINDING OF THE COURT OF ACCOUNTS ABOUT THE REPAIR OF AN INSTITUTION IN BĂLȚI

» The Center of Excellence in Food Services and Food Processing (CESPA), which is a vocational and technical education institution in Bălți, has become, with the help of the Ministry of Education, Culture, and Research (MECC), an instrument of "evaporation" of public money. The Republic of Moldova's Court of Accounts found that MECC paid 3.15 million lei to a construction company for reconstruction works that were never executed. The 22.2 million lei contract was signed in 2017, under the agreement that the work would be completed two years later. However, the contract remains unfulfilled. It was only when the Court of Accounts unearthed the inconsistencies and irregularities within the contract that the MECC was forced to request the return of the money from the contracted company. The Anticorruption Prosecutor's Office has started a criminal case investigating the embezzlement of large amounts of foreign wealth.

The details of the public procurement tender have not been made public because MECC has withheld documents requested by Curată, for the purposes of investigation. On March 7, 2017, the Ministry of Education concluded a contract with the company Oztor LLC for the reconstruction and modernization of the CESPА building in Bălți. The value of the contract amounted to 21,128,809.46 lei. The owner of the Oztor company is Vasile Ozun; he is also a businessman and mayor of Bogzești village, in the Telenești district. Ozun was elected at the last local elections as a representative of the Democratic Party, the party in power at the time. Ozun's companies [consistently win contracts](#) for construction works awarded by institutions subordinated to the Ministry of Education, but also by other state structures.

On May 10, 2018, an additional agreement was concluded, amounting to 1,038,174, 43 lei. Thus, the total value of the reconstruction works of CESPА amounted to 22,166,690 lei. The works were to be executed, according to the contract, until December 31, 2018 at the latest.

The company started working and executed most of the reconstruction project, according to the minutes of reception. The work was accepted and signed by the representative of MECC, and by the company that was hired as a technical supervisor, "[Conseloc](#)" SRL.

However, an [audit](#) by the Court of Accounts in 2020 showed that the MECC failed to meet its obligations to properly monitor the performance of the contract. According to the audit, this "led to the finding that of a volume of work which was confirmed as executed in the minutes of the receipt of works, signed by the technical manager and the MECC representative, was not actually/ physically executed, and amounts to 3.15 million lei, of which a volume of 0.54 million lei will not even be possible to be executed".

"Also, MECC, as a contracting authority, did not comply with the legal framework (arts. 14 and 76 of the Law on Public Procurement) in order



to apply material liability clauses to the contractor for the late execution of works in virtually all departments", states the report of the Court of Accounts.

The Moldova Curată portal asked the Ministry of Education, after the issuance of the Report of the Court of Accounts, how this could have happened, how the MECC paid for work that did not take place. MECC responded with the following statement:

"All the minutes of the execution of the works were sent to the Ministry being signed by the contractor, the beneficiary, and the technical manager, and, therefore, all the minutes of the execution of the works were signed by the ministry and financed. The technical manager had to carry out the technical supervision of the object



in accordance with the normative acts in force and to draw up prescriptions in case of violation of the requirements of the project, norms, and rules in construction and collection, and to sign the minutes of execution of works on the spot."

Those responsible for ensuring the execution of the work are "Conseloc" SRL Technical Supervisor Anatolie Costiș, and the beneficiary—the director of CESPА from Balți.

FOR THE UNFINISHED WORKS, NEW EXECUTION DEADLINES WERE SET, BUT NOT OBSERVED

Costiș said that he heard from Moldova Curată that there are problems related to the execution of the works at CESPА. In an interview with Moldova Curată he claimed, *"I worked unofficially for a few months with this company ["Conseloc" SRL] and I signed minutes for works that had been executed. Then I left them because I was not paid. I don't know what happened next"*. Moldova Curată was not able to contact the administrator of ["Conseloc" SRL](#), Claudia Rusu. There is no telephone number in the public contact details of the company. It is not known how this economic



"I worked unofficially for a few months with this company ["Conseloc" SRL] and I signed minutes for works that had been executed. Then I left them because I was not paid. I don't know what happened next"

agent was selected to provide technical supervision services. Further, from [the public database of the Public Procurement Agency](#), where all contracts with the state should be registered, the mention of this procurement is missing.

The Ministry of Education also informed Moldova Curată that in 2019, at the request of CESPА, the Public Services Agency, and three other state institutions evaluated all the goods and reconstruction works done at CESPА. "Following the evaluation, minutes were drawn up in which the works to be completed are indicated. MECC submitted these minutes to the contractor "Oztor" SRL for the execution of unfinished works, with a deadline of execution of works until March 15, 2020",

as stated in the MECC response sent to the Moldova Curată portal. Then another deadline was set for August 1, 2020, but this was also not met.

THE EXECUTION OF THE WORKS IS THE SUBJECT OF A CRIMINAL CASE

After the intervention by the Court of Accounts, MECC claims that it requested the Agency for Technical Supervision (AST) to verify the volume of works executed at CESP, as well as the project documentation, the offer estimate, and the minutes of reception of the executed works. The request was repeated in January 2021.



It is not clear why the Ministry of Education, which paid the last installments of the contract with "Oztor" SRL at the end of 2018, did not perform a control of the execution of works on time, but began to act only after the control of the Court of Accounts.

In a [reply](#) to Moldova Curată, AST shared that the NAC, the Anti-Corruption Prosecutor's Office, and the Court of Accounts have made the same request: to verify the volumes of work executed at CESP. On September 10, 2020, AST initiated "an unexpected control of the volumes and costs of construction works," but that "in connection with the large volume of work, the insufficient number of employees in the Directorate of Volumes and Costs of Construction Works, and the epidemiological situation in the country, the specialized control will be performed within a reasonable time". In other words, an AST check will be unexpectedly carried out and it is not known when it will end. The AST control is also awaited by the Anticorruption Prosecutor's Office, which,

on October 5, 2020, started a criminal case based on the report of the Court of Accounts, according to articles 42 and 191 of the Criminal Code: embezzlement of foreign assets in particularly large proportions.

MECC DEMANDED THE MONEY BACK FROM "OZTOR" SRL

It is not clear why the Ministry of Education, which paid the last installments of the contract with "Oztor" SRL at the end of 2018, did not perform a control of the execution of works on time, but began to act only after the control of the Court of Accounts. Thus, MECC informed Moldova Curată that it was only on September 21, 2020 (the CC Report was approved in July 2020) that it submitted "the claim for restitution of funds determined during the audit mission, as being unfoundedly paid, in the absence of de facto executed works," to the construction company.

"From the moment of termination of the contractual relations, based on which the amount of 3,154,602 lei was transferred to the account of LLC "Oztor", the amount of 3,154,602 lei was not covered by works actually executed, and constitutes an unjustified enrichment of LLC "Oztor". In response, the economic operator carried out the indicated works. The MECC [informed](#) Moldova Curată that thus far, "Oztor" LLC has not executed any works, has not returned the amount of 3,154,602 lei, and has not paid the interest on arrears. The institution claims that in October last year, it submitted a claim to the company that performed the technical supervision, "Conseloc" LLC, however, no answer has yet been received.

When it receives the expertise report of the works from the technical supervision agency, MECC will submit requests in the court regarding the collection from LLC "Oztor" and "Conseloc" of the damages caused, the Ministry of Education announced.

More details on www.moldovacurata.md