



REPUBLIKA E KOSOVËS
REPUBLIKA KOSOVA
REPUBLIC OF KOSOVO

AGJENCIA KUNDËR KORRUPSIONIT
AGENCIJA PROTIV KORUPCIJE
ANTI-CORRUPTION AGENCY



ANNUAL REPORT 2009

1 January - 31 December

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I. INTRODUCTION

Anti-Corruption Agency (ACA) is an independent institution established in July 2006, which started with its function on 12 February 2007. Legal framework for establishment of the Agency is Law against Corruption (2004/34) which sets out the responsibilities and the scope of its activity.

The mandate of the Agency is focused in discovery and investigation of corruption cases, attempts to prevent and fight the corruption as well as raise the awareness of public in order to create a healthy society based on the rule of law.

The current law against corruption, foresees measures against the corruption within the scope of work of Strategy and Action Plan against Corruption, especially in the area of prior investigation on corruption, analysis and elimination of causes of corruption, inconsistency between holding a public position and profitable activities for officials, limitations in acceptance of presents related to official duty executed, monitoring of their property as well as their closely related people and restrictions regarding contracting parties participating in public tenders.

During year 2009, Agency was also added some other additional activities considering the newly approved laws as: Law on Anti-Corruption Agency, Law on Amendments and Supplements of Law on Prevention of Conflict of Interest and Execution of Public Function as well as Strategy and Action Plan against Corruption. As additional activities can be mentioned: monitoring of implementation of Strategy and Action Plan against Corruption as well as number of officials subject to provisions of Law on Prevention of Conflict of Interest and Execution of Public Function. In addition, it was approved the Law on Declaration, Origins and Control of the Property of Senior Public Officials by which is foreseen an increase in number of senior public officials who are under obligation of declaration of their property.

The funds for function of ACA, are provided by Kosovo Budget.

II. GENERAL SECTION

The corruption in Kosovo continues to be a phenomenon that influences in slow-down of economic development of Republic of Kosovo. Nevertheless, the legal and institutional framework for fighting and prevention of corruption has improved and going towards strengthening. ACA, as a specialized institution for fighting and prevention of corruption during year 2009 intensified its efforts to confront this negative occurrence by becoming a major impediment to its increase through many activities. This has had an incentive in cooperation of citizens and ACA, increase of the citizen trust in the work of ACA as well as overall improvement of the image of country institutions.

ACA has created a good experience in undertaking the concrete steps against dubious corruptive actions, increase of awareness of the public for a society without corruption with the institutional officials as well as with media and civil society.

After preparation and approval of the Strategy and Action Plan against Corruption, ACA has established healthy basis of cooperation with all responsible mechanisms regarding the implementation of these documents.

This is the third annual report that the Agency is submitting to the Kosovo Assembly, which in detail reflects activities and initiatives undertaken during year 2009. These activities were focused on three main pillars:

- Law enforcement, where are included proceeding of information on corruption to competent public prosecutors, compilation of new laws to supplement the legal framework in this area as well as implementation of Strategy and Action Plan against Corruption;
- Prevention or elimination of causes of corruption through declaration of property of senior officials, prevention of conflict of interest and registration of presents accepted by officials;
- Education of public officials and citizens on legal framework and actual mechanisms that deal with fighting and prevention of corruption, information and awareness of the public.

The report is a summary of annual activities of the Agency through which the public can see the progress done during the reporting period and be acquainted with problems encountered during implementation of tasks and activities by the Agency.

III. ACA COUNCIL

The work of ACA was monitored by ACA Council, which is a panel body consisting of nine representatives coming: 3 from Kosovo Assembly and one representative from the President's Office, Prime-Minister's Office, Supreme Court, Kosovo Public Prosecutor's Office, Association of Kosovo Municipalities and civil society. Members of the Council have a mandate of two years.

During the reporting period, the Council has held 7 meetings where issues on the work of ACA were discussed.

Based on the Law against Corruption, ACA every six months reports to the Council on content and extent of monitoring of property, conflict of interest, gifts and completed investigations as well as work and detailed activities undertaken by ACA, during the reporting period.

It must be stressed that the new Law on Anti-Corruption Agency does not foresee the existence of Agency Council and the same defines that ACA has to report on its work to competent Parliamentary Commission.

IV. INTERNAL ORGANISATION OF ACA

Internal organisation of ACA is regulated by Rules of Procedure as well as Decision on Internal Organisation and Systematisation of Agency that define in detail the responsibilities of every official in every division and department as well as procedures regarding the works to be done.

ACA consists of Director's Office, three departments, where each department consists of two divisions. (see annex 1). Currently, in the agency work 35 officials:

- ACA Director's Office, 5 officials;
- Investigation Department, 12 officials;
- Prevention Department, 10 officials, and
- Administration Department, 8 officials.

Following chapters present an overall view of the activities done by ACA during one-year reporting period, 1 January - 31 December 2009.

V. FIGHTING CORRUPTION

Activities in fighting the corruption of ACA are conducted by the Investigation Department.

Legal mandate of the Investigation Department consists of:

- investigation conducted regarding the alleged accusations for corruption in cases where no criminal procedure is initiated,
- proceeding of investigated cases to competent public prosecutor for further criminal proceedings,
- cooperation with all authorities national and international in charge of Law enforcement during investigation procedures done by these authorities,
- preparation of drafts to supplement legal framework in the area of corruption fighting and prevention,
- preparation of Strategy Against Corruption for the Government for approval by the Assembly and has the responsibility to make amendments and its implementation;
- increase the awareness and public information regarding the corruptive phenomena and negative consequences they bring along,

In accordance to the mandate given by Law against Corruption and other secondary legislation, the work of Investigation Department is especially centred in these directions:

1. Law enforcement, as follows:

- a) Conduct investigations for suspected cases of corruption,
- b) Cooperation with other institutions included in the fight against corruption;

2. Strategy and Action Plan Against Corruption, as follows:

- a) Preparation and approval of Strategy and Action Plan against Corruption,
- b) Monitoring of implementation Strategy and Action Plan against Corruption

3. Completion of legislation and education, as follows:

- a. Preparation of drafts for completion of the legal framework against corruption;
- b. Education - increase of public awareness about the corruption phenomena and its negative consequences.

1. LAW ENFORCEMENT

a. Conduct of investigations

Investigation Department, for the reporting period, had a priority on investigation of cases suspected of corruption, as those, which were reported, and those according to official duty when Agency came to information based on suspected corruptive activities.

Regarding the reported cases of suspected corruptive activities, their investigation and proceeding to competent public prosecutors during this reporting period, a general overview is given as follows.

Cases reported to ACA in year 2009

ACA for the reporting period, compared to the same period from last year, has received a considerably greater number of cases suspected for corruptive activities. While in year 2008, 130 cases were reported; during year, 2009 ACA received 175 cases, which in percentage give 34.61% more received cases than in the previous year.

This proves the increase in trust of citizens on the work of ACA and increase in awareness on reporting cases of corruption. To achieve this, ACA has worked continuously by eliminating bureaucratic obstacles and simplifying the case reporting and taking.

Structure of cases investigated for corruptive activities for year 2009

Investigation Department of ACA took cases reported by citizens who claimed to have been victims of corruptive activities of public officials and undertook investigation action according to official duty. During the reporting period January - December 2009, 175 suspected cases were registered for corruptive activities in public institutions of Kosovo.

Among the suspected people were registered officials and senior officials of public institutions categorised by Law against Corruption No 2004-34, with their structure as follows:

- From cases reported and those investigated according to official duty where the suspects were judges and other staff of *Courts of Republic of Kosovo* (Regular and Minor Offence Courts), 53 cases were registered.
- From cases reported and those investigated for corruptive activities of officials in category of *Other Institutions*, (Pristina International Airport, Post and Telecomm of Kosovo, Kosovo Electro-energetic Corporation, Kosovo Railways, Kosovo Privatization Agency, former-Socially Owned Enterprises, Kosovo Customs, former-Kosovo Protection Corps etc), as suspected for corruptive activities, 43 cases were registered.
- From cases reported and those investigated for corruptive activities of officials in category of public officials of *Government of Republic of Kosovo* (ministries and agencies that work within respective ministries) for reporting period, 34 cases were registered.
- *Local Government* (Municipalities of Republic of Kosovo), respectively, officials of local level as suspected for corruptive activities, for reporting period, 31 cases were registered.
- *Prosecutors' Offices of Republic of Kosovo* function in three levels: Municipal Prosecutor Office (7 prosecutor offices), District Public Prosecutor Office

(5 prosecutor offices), Public Prosecutor Office of Republic of Kosovo and Special Prosecutor Office of Republic of Kosovo. Regarding the number of reported or investigated cases as per official duty, it is specific compared to last year, almost the tripled number of reported cases in this category. While in the previous reporting year, there were 5 registered cases against prosecutors from public prosecutor offices, in this reporting period there were 14 registered cases suspected of corruptive activities.

These data are given in a chart as follows:

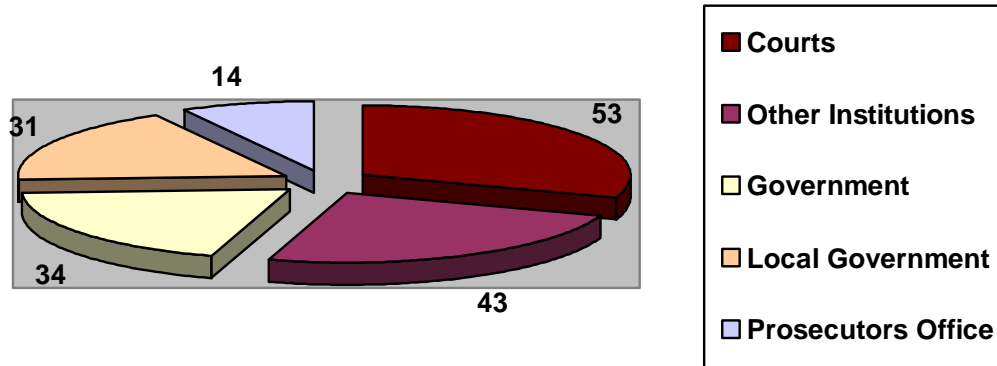


Fig. 1. Overview of reported cases to ACA for period January - December 2009

Cases proceeded to competent public prosecutor offices

ACA during reporting period after information received from citizens but also information secured by official duty, conducted investigation procedure on suspicion of corruptive activities of public officials. The cases, on which the factual claims were proved with gathered evidence during investigation phase, were proceeded to competent Kosovo Public Prosecutor Office and EULEX Prosecutor Office with 68 cases of information. Compared to previous year, when 53 cases of information were proceeded, this comprises an increase of 15 cases of information proceeded, which by percentage are 28%. Their structure is as follows:

- Number of investigated cases referring to officials as suspects or implicated in corruptive activities that come from *courts*, and which after evidence gathered were forwarded further to criminal proceedings to competent public prosecutor offices is 18 cases, which compared to previous year have increased for 63.63% of proceeded cases, where suspects were judges.
- A substantial increase had the number of cases proceeded to competent public prosecutor offices where suspects were *officials of local level*, which compared to previous year (11 cases) for reporting period proceeded to competent public prosecutor offices from this category were 17 cases suspected of corruptive activities, showing an increase of 54.54 % of proceeded cases.
- Against officials of *Government of Kosovo* (here included also ministries and agencies working under the umbrella of the government and ministries), after

conducted investigations and completed required documentation with respective evidence, were sent to competent public prosecutor office for further proceeding 17 cases, which compared to previous year (16) show a slight increase of 6.25% for cases sent to prosecutors office.

- Against officials of *other public institutions* (Pristina International Airport, Post and Telecomm of Kosovo, Kosovo Electro-energetic Corporation, Kosovo Railways, Kosovo Privatization Agency, former-Socially Owned Enterprises, Kosovo Customs, former-Kosovo Protection Corps etc.), after conducted investigation and evidence gathered regarding factual suspicion, 13 corruptive cases were forwarded for penal proceedings to competent public prosecutor, which compared to previous year do not show a change in the trend of the same number of proceeded cases.
- *Public Prosecutor Offices of Republic of Kosovo* (all three levels) during reporting period, from investigated cases, after evidence gathered to prove the suspicions raised, to competent public prosecutors 2 cases were forwarded for further penal proceedings, which compared to previous year (2 cases) represent the same number of proceeded cases.
- Compared to previous reporting year, when ACA had no cases proceeded to prosecutors office, where suspects were officials of the *Assembly of Republic of Kosovo*, this year, after investigations conducted on suspicion of corruptive activities and evidence gathered, 1 case was forwarded to competent public prosecutor, suspected of corruptive activities.

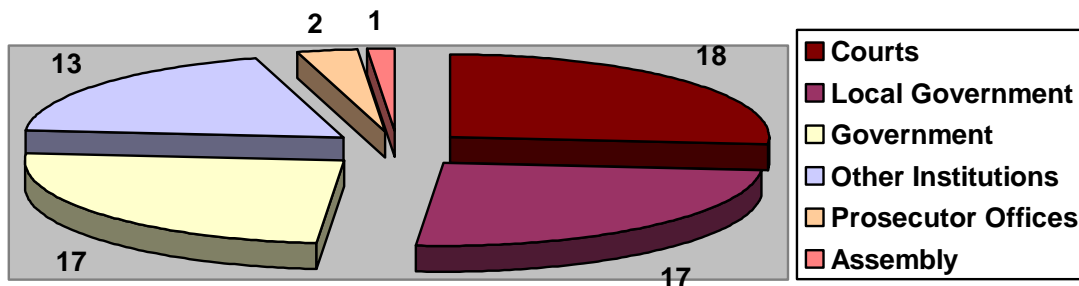


Fig 2. Number of cases proceeded to competent public prosecutor offices according to institutions January 2009-December 2009

Official suspected of corruptive activities

ACA, in cases where investigation procedure was conducted and resulted with evidence gathered, has submitted them to competent public prosecutor offices under suspicion for being included in corruptive activities, for 159 officials of abovementioned institutions. Compared to previous year, where this number was 113, there is an increase of 46 officials, which in percentage is 40.7 %.

Information proceeded according to structure of penal activities

The structure of penal activities proceeded to competent public prosecutor offices is as follows:

- Abuse of Official Duty and Authorisation

From overall number of information proceeded to competent public prosecutor offices, the largest number of them consist of corruptive activities foreseen by article 339 of Kosovo Penal Code, i.e. misuse of official duty and authorisation. According to figures of penal activity mentioned above, 38 cases of information of such nature were proceeded. Whereas, according to institutions, the distribution is: 13 Local Government, 9 Government, 7 Courts, 6 Other Institutions, 2 Public Prosecutor Offices and 1 Assembly of Kosovo.

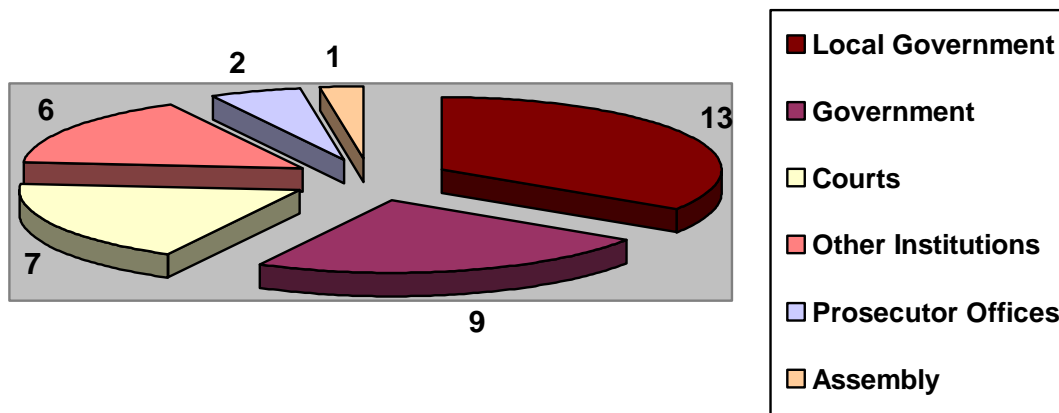


Fig 3. Abuse of Official Duty and Authorisation

- Issue of Unlawful Judicial Decisions

Suspected corruptive activities, which were forwarded to prosecutor office for further penal procedure, which are characterized as penal activity of unlawful issue of court decisions according to article 346 of Kosovo Penal Code, are typical for court activities and as such, 10 informations were forwarded, all of them about court officials.

- Falsification of official documents

During one-year reporting period, from information proceeded to competent public prosecutor offices for further penal procedure, one of the penal activities was also falsification of official documents, activity that is foreseen in article 348 of Kosovo Penal Code. While, distribution per institution is: Government 3 cases, Other institutions 2 cases, Courts 1 case and Local Government 1 case.

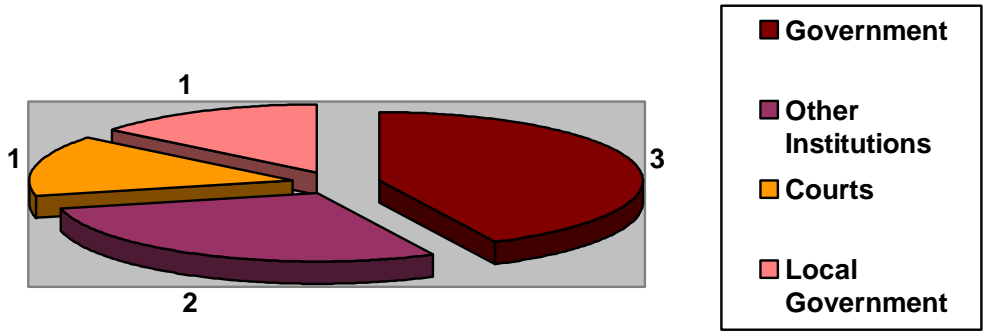


Fig 4. Falsification of official documents

- Misappropriation in Office

Information proceeded to competent public prosecutor offices on suspicion of criminal activity of embezzlement during exercise of official duty, according to article 340 of Kosovo Penal Code, is mainly characteristic for Local Government with 3 cases of such nature, other institutions with 2 cases and Government with 1 case.

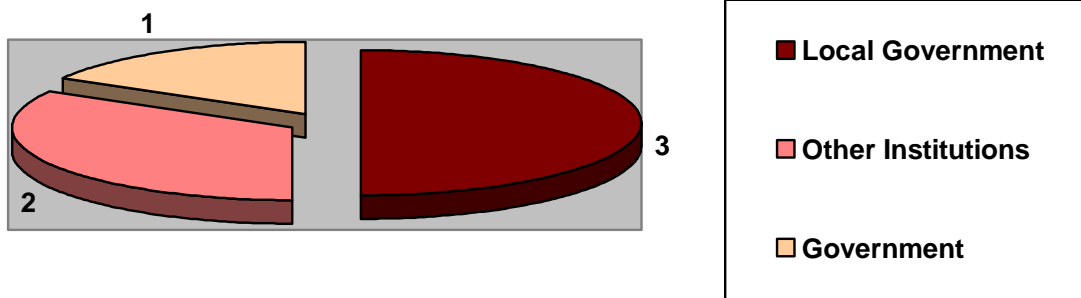


Fig 5. Misappropriation in Office

- Accepting Bribe

Violations encountered during investigation conducted and which are considered as criminal activity of bribe taking according to article 343 of Kosovo Penal Code, where during reporting period for further penal proceeding to competent public prosecutor offices were forwarded 5 cases, 4 coming from the Government and one case from other institutions.

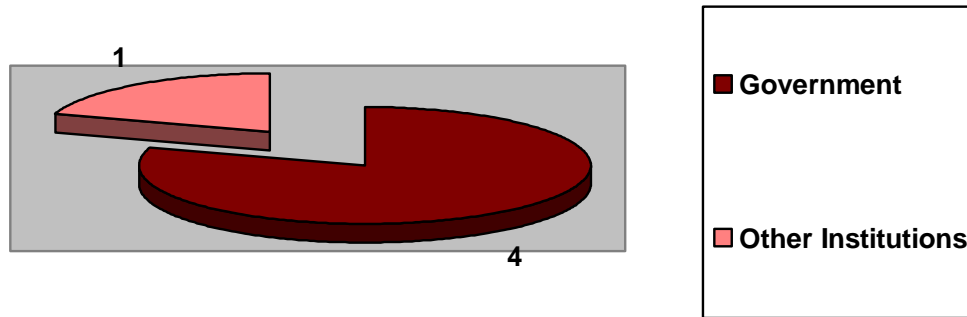


Fig 6. Accepting Bribe

- Entry into Harmful Contracts

Suspected activities of this nature proceeded to competent public prosecutor offices for further penal procedure due to specifics of penal activity - entry into harmful contracts, foreseen by article 237 of Kosovo Penal Code, are typical for public enterprises, which generate income from their business. Thus, with proceeded cases of such nature it is other institutions, where 1 case is proceeded to public prosecutor office.

- Misuse of Economic Authorisations

Violations found during conducted investigation in public institutions of Republic of Kosovo which belong to abuse of authorisations in economy foreseen by article 236 of Kosovo Penal Code, are not among the most typical of corruptive character. However, the activities undertaken with penal activities of corruption usually consist of more than one element of penal activity, thus the functional specifics of public institutions or other economic bodies, especially the last ones, violate the defined business rules in order to have an unlawful profit. During this reporting period, 1 case of such nature was registered, and sent to prosecutor office for further penal proceeding and belongs to Other Institutions.

Characteristics of violations found during investigation

ACA conducted investigations regarding the suspicion of corruptive activities, penal activities from chapter XXIX of Kosovo Penal Code - Criminal Offences against Official Duty, since the same are not specified as criminal offences of corruption, but the shape of these offences is typical to definition of corruption that is given by Law against Corruption.

Different reports of national and international institutions compiled in the area of rule of law, respectively index of corruption in Kosovo, give an overview that criminal offences of corruption comprise the lowest number of offences investigated by prosecution but at the same time comprise the criminal offences where least judgments were issued, this due to complexity of criminal offence, manner of execution and perpetrators of these criminal offences.

Characteristic of cases investigated which are related to misappropriation in office is that this criminal offence, which is included in all categories of the institutions of Republic of Kosovo, characterised with violations of law in order to benefit or cause damage to other people or business, misappropriation of authority to profit for themselves or other people, neglect of official duty.

Activities or lack of activities mentioned refer to violation of procurement procedures where openly and against the Law on Public Procurement, contracts were awarded to economic operators favouring the same, while eliminating the economic operators who met the required criteria in tender dossier.

Falsification of official documents is present with officials of Government, Other Institutions, Courts and Local Government. During investigation, evidence was found, showing mass falsification of official documents for the purpose of awarding the public contracts to certain economic operators, by using even fictive names of professional staff and falsifying employment contracts with individuals who have never been employed with the economic operator, falsifying reports on execution of works which in fact were not completed while the disbursement of funds was done by contracting authorities. Also, problematic appears the issue of certificates issued on fulfilled obligations towards the state where was found that such documents were falsified continuously.

Misappropriation in office, during reporting period, was found and is mostly present with officials of Local Government, Other Institutions and Government, where we have embezzlement by senior officials of these institutions, of financial assets given under management. This is also present at local government, regarding municipal property, where cases are noted where the same was leased against the present law, without public notification as required by Law on Public Procurement. This was done in order to gain the funds from lease, misappropriated by respective public officials.

Accepting bribes, results to be from 5 cases proceeded to prosecution 4 of which belong to government and 1 to other institutions. Mainly, this happens with procurement procedure, respectively announced tenders by these categories where bribe is requested in exchange to award the public contract. Such cases were found when an economic operator was in an administrative aspect proclaimed unsuitable for a lot, where in exchange for bribe, the same operator was awarded the other lot.

Entry into harmful contracts is present with the officials of Other Institutions, respectively public enterprises that relate to different supplies, where during investigation was found entry into less favourable contracts with economic operators, with big differences in same price and quality, causing considerable losses to the enterprise.

Regarding the criminal offence of Misuse of Economic Authorisations, 1 case was found belonging to the category of Other Institutions. During investigation was proved that the business organisation in order to unlawfully benefit has presented falsely and hidden the movement of assets and its economic activity and has failed to pay tax obligation and other fiscal obligations.

Cases proceeded according to year of suspected corruptive offence

For reporting period, cases for which during investigation ACA has found evidence proving the corruptive offence suspicion which were further proceeded to competent public prosecution, belong to different years according to when they were committed.

Their distribution per year committed is given in the table below.

No	INSTITUTION	KIND OF CRIMINAL OFFENCE	YEAR
1	Other Institutions	Accepting Bribe	2007
2	Other Institutions	Misappropriation of Office or Authority	2006
3	Local Government	Misappropriation of Office or Authority	2008
4	Courts	Unlawful Issue of Judicial Decision	2006
5	Local Government	Misappropriation of Office or Authority	2008
6	Prosecution	Misappropriation of Office or Authority	2007
7	Government	Accepting Bribe	2009
8	Government	Misappropriation of Office or Authority	2008
9	Local Government	Misappropriation of Office or Authority	2008
10	Prosecution	Misappropriation of Office or Authority	2003
11	Government	Misappropriation of Office or Authority	2007
12	Courts	Unlawful Issue of Judicial Decision	2008
13	Courts	Unlawful Issue of Judicial Decision	2007
14	Government	Falsification of official documents	2008
15	Local Government	Misappropriation of Office or Authority	2009
16	Other Institutions	Misappropriation of Office or Authority	2009
17	Courts	Misappropriation of Office or Authority	2005
18	Courts	Misappropriation of Office or Authority	2004
19	Courts	Unlawful Issue of Judicial Decision	2005
20	Courts	Unlawful Issue of Judicial Decision	2006
21	Courts	Unlawful Issue of Judicial Decision	2006
22	Courts	Misappropriation of Office or Authority	2007
23	Courts	Misappropriation of Office or Authority	2006
24	Courts	Unlawful Issue of Judicial Decision	2007
25	Courts	Unlawful Issue of Judicial Decision	2004
26	Courts	Misappropriation of Office or Authority	2005
27	Courts	Misappropriation of Office or Authority	2005
28	Courts	Unlawful Issue of Judicial Decision	2006
29	Government	Misappropriation of Office or Authority	2009
30	Local Government	Unlawful embezzlement	2004
31	Local Government	Unlawful embezzlement	2007
32	Other Institutions	Unlawful embezzlement	2008
33	Local Government	Unlawful embezzlement	2009
34	Other Institutions	Misappropriation of Office or Authority	2009
35	Local Government	Misappropriation of Office or Authority	2008
36	Kosovo Assembly	Misuse of office, influence exertion	2007
37	Local Government	Misappropriation of Office or Authority	2009
38	Government	Misappropriation of Office or Authority	2009
39	Courts	Misappropriation of Office or Authority	2006
40	Government	Accepting Bribe	2008
41	Local Government	Misappropriation of Office	2009
42	Local Government	Misappropriation of Office	2007

43	Local Government	Misappropriation of Office	2006
44	Courts	Unlawful Issue of Judicial Decision	2004
45	Local Government	Misappropriation of Office or Authority	2008
46	Government	Misappropriation of Office or Authority	2007
47	Government	Misappropriation of Office or Authority	2008
48	Other Institutions	Misappropriation of Office or Authority	2008
49	Government	Accepting Bribe	2008
50	Other Institutions	Falsification of official documents	2008
51	Other Institutions	Entry into harmful Contracts	2007
52	Local Government	Falsification of official documents	2009
53	Courts	Falsification of official documents	2006
54	Local Government	Misappropriation of Office or Authority	2008
55	Government	Misappropriation of Office or Authority	2009
56	Government	Unlawful embezzlement	2008
57	Government	Misappropriation of Office or Authority	2008
58	Other Institutions	Unlawful embezzlement	2009
59	Local Government	Misappropriation of Office or Authority	2009
60	Other Institutions	Falsification of official documents	2009
61	Government	Falsification of official documents	2009
62	Government	Misappropriation of Office or Authority	2009
63	Government	Accepting Bribe	2009
64	Other Institutions	Misappropriation of Office or Authority	2007
65	Government	Falsification of official documents	2006
66	Other Institutions	Abuse of Economic Authority	2008
67	Local Government	Misappropriation of Office or Authority	2009
68	Other Institutions	Misappropriation of Office or Authority	2009

Table 7. Cases according to respective institutions and years corruptive cases committed

Closed Cases

From the total of presented cases, after being reviewed, investigations were conducted with respective cases and 103 cases were closed. Reasons for closing the cases are as follows:

- 7 cases were closed since Agency in accordance to legal framework has no authority to investigate the mentioned cases;
- 73 cases were closed since after investigations were conducted no evidence was found to prove the claims for corruptive activities of officials;
- 23 cases were closed since they were proceeded under criminal procedure to competent authorities.

Anonymous Cases reported to ACA

In accordance to article 16.2 of Law Against Corruption that refers to people who under confidentiality have revealed information on existence of corruption, and in order to prevent harmful consequences to them, ACA has made possible to citizens to anonymously report suspected cases of corruption, in order to preserve their identity as reporting parties and encourage citizens to report such cases. During this reporting period, the number of cases reported anonymously and those proceeded to prosecution from this category is:

- a. overall number of information received anonymously by Agency is 34 cases,
 b. number of anonymous cases proceeded to competent public prosecution is 17 cases.

General Overview of cases treated during year 2009

Cases treated, including cases reported, cases closed and proceeded cases to competent public prosecution, are as follows:

No	INSTITUTION	Reported Cases during year 2009	Transferred Cases from year 2008	Closed Cases	Proceeded Cases to Prosecution	Cases in Procedure
1	COURTS	53	01	30	18	08
2	OTHER INSTITUTIONS	43	07	27	13	10
3	GOVERNMENT	34	06	18	17	04
4	LOCAL GOVERNMENT	31	05	15	17	03
5	PROSECUTION	14	02	13	02	01
6	PARLIAMENT	0	01	00	01	00
	TOTAL	175	22	103	68	26

Table 8. General Overview of cases investigated during period January - December 2009

Overall number of cases proceeded since ACA became functional

ACA since its functionality to the present report, from all cases investigated where evidence was found to prove the suspected corruptive activities, proceeded to competent public prosecution and EULEX prosecution 168 informations. From this number, a feedback from prosecution confirmed that 60 informations were in investigation procedure, 5 of them were indicted, 5 of them were arrested as suspects for corruptive offences as a result of cooperation among ACA public prosecution and Kosovo Police, while 36 informations were confirmed as declined while for 62 informations sent to competent Prosecution there is no feedback. These data are given below:

No	Place	Cases proceeded	Arrests	Investigations	Indictments	Declined Cases	No Feedback
1	State Prosecution	02	/	02	/	/	00
2	District Public Prosecution, Prishtina	67	2	27	3	6	29
3	District Public Prosecution	09	/	/	2	4	03

	, Peje						
4	District Public Prosecution , Gjilan	04	/	/	/	2	02
5	District Public Prosecution , Prizren	09	/	2	/	7	00
6	District Public Prosecution , Mitrovicë	05	1	2	/	2	00
7	Municipal Public Prosecution , Prishtinë	02	/	2	/	/	00
8	Municipal Public Prosecution , Ferizaj	02	/	2	/	/	00
9	Special Prosecutor of Kosovo	08	/	1	/	4	03
10	EULEX Prosecution	34	1	20	/	11	02
11	(Kosovo, UNMIK, EULEX) Police	26	1	02	/	/	23
Total		168	5	60	5	36	62

Table 9: Overview of proceeded information from functionality of ACA

b. Cooperation with other institutions with mission to fight against corruption

ACA has had additional engagement in efforts to strengthen the cooperation with national and international institutions in Republic of Kosovo. During this reporting period, ACA has additionally cooperated with EULEX Justice Component, respectively EULEX Prosecutor, has intensified the cooperation with Kosovo Police, Kosovo Customs and Independent Judicial and Prosecutor Committee. For this purpose, the Agency has signed memorandums of cooperation with EULEX Prosecutor, Financial Intelligence Centre, Kosovo Customs, Ombudsperson, Independent Judicial and Prosecutor Committee. Whereas, it is soon planned to sign memorandums also with State Prosecutor, Kosovo Police, Kosovo Tax Administration and Regulatory Committee of Public Procurement.

For reporting period, it is important to mention lack or refusal of cooperation in the area of fight against corruption, respectively not making available the requested documentation in accordance to article 15 of Law Against Corruption 2004/34.

This happened in two cases, with the Municipality of Prishtina and Independent Judicial Council of Kosovo, on which the Agency requested help from public prosecution and these hindrances were eliminated.

2. STRATEGY AND ACTION PLAN AGAINST CORRUPTION

a. Preparation and approval of Strategy and Action Plan against Corruption

Based on Law against Corruption, ACA in cooperation with other institutions has compiled the Strategy and Action Plan against Corruption as documents by which concrete measures for fighting corruption are foreseen.

Strategy against Corruption

ACA started preparation of Strategy against Corruption during the first quarter of 2008, initiating preparation of the concept of this strategic document. In June 2008, ACA organized the first meeting of inter-institutional working group where all responsible institutions were invited to participate.

Having the need for transparency and in order to ensure a large participation, process included institutions such as: Prime Minister's Office through the Office for Good Governance, representatives of most of the ministries, independent institutions, media and international experts. Process of text compilation of Strategy started in April 2008. Working group had five meetings in Prishtina, while the Draft-Strategy document was finalized during a workshop held on 30 and 31 July 2008 in Ohrid, Macedonia.

Strategy against Corruption is a basic document of policies against corruption of Republic of Kosovo, and as such represents a basic document for prevention and fighting the Corruption in a three-year period from 2009 - 2011.

The Strategy identifies and lays out priority sectors where fight against corruption must be focused and each institution included in the category of priority sector must implement it. Strategy against Corruption is focused in 7 priority sectors as Political Sector, Local Government, Central Public Administration, Monitoring Agencies of Law enforcement and Judicial Sector, Public Finances and their Management, Private Sector/Business Activities in Civil Society while a separate chapter is dedicated to International Cooperation.

ACA sent the final document of Strategy against Corruption for approval to Government in September of 2008, which through Government was proceeded for approval to Assembly of Republic of Kosovo. Assembly of Republic of Kosovo in the first plenary session did not approve the Strategy against Corruption justifying that the same lacks Action Plan. Having this in mind, ACA in cooperation with other institutions prepared the Action Plan, which together with the Strategy was approved on 12 October 2009, by Assembly of Republic of Kosovo.

Action Plan

In order to implement the Strategy against Corruption, ACA initiated the beginning of preparation of Action Plan by forming the internal working group, which during December 2008, in cooperation with other institutions, started the preparation of Action Plan. The working group held 16 meetings in Prishtina, where 2 meetings were held with all sectors, while 14 other were held with each sector separately. This document was finalized during a workshop held on 8 and 9 May 2009 in Struga, Macedonia.

Action Plan is a document, which in itself contains objectives and specific activities for every institution. These activities are of different nature as:

- Law Enforcement Activities;
- Prevention Activities; and
- Activities on Education and Public Participation

b. Monitoring of implementation of Strategy and Action Plan against Corruption

Article 23 item c of Law against Corruption and Action Plan against Corruption foresees that ACA is responsible for implementation of Strategy against Corruption as well as monitoring of implementation of Strategy and Action Plan. ACA except monitoring of action implementation by institutions is also responsible for its own implementation of Action Plan.

To make possible the implementation of objectives foreseen in Strategy against Corruption and Action Plan, ACA requested from responsible institutions, which are directly responsible for implementation and reporting of respective activities, to determine the contact points, which will report regarding the implementation of Strategy and Action Plan.

ACA in cooperation with Project of European Commission aiding institutions, which deal with prevention and investigation of corruption (SACIK), prepared the matrix for monitoring, evaluation and reporting of implementation of Strategy and Action Plan. In order to define the reporting format, ACA during November and December of year 2009, held 3 trainings with all contact points of responsible institutions.

Based on this, ACA on 06.01.2010 addressed an official letter to all Permanent Secretaries of Ministries, heads of other sectors and contact points, which were included in Action Plan, to date 15.01.2010, submit to ACA reports on implementation of Strategy and Action Plan as well as review the objectives and activities presented in Action Plan.

In reporting process were included 41 subjects, including central and local institutions, private sector and civil society, 38 of which have submitted reports regarding implementation of Strategy and Action Plan which amounts in percentage of 92.11% reported subjects. Below are presented institutions, which have reported.

No	SUBJECTS	REPORTING	
		PO	NO
POLITICAL SECTOR			
1.	Prime Minister's Office	YES	
2.	Ministry of Public Administration	YES	
LOCAL GOVERNMENT			
3.	Ministry of Local Government	YES	
4.	Municipality Association	YES	
CENTRAL PUBLIC ADMINISTRATION			
5.	Ministry of Energy and Mines	YES	
6.	Ministry of Education Science and Technology	YES	
7.	Ministry of Environment and Spatial Planning	YES	
8.	Ministry of Internal Affairs	YES	
9.	Ministry of Labour and Social Welfare	YES	
10.	Ministry of Economy and Finance	YES	
.			
11.	Ministry of Health	YES	
.			
12.	Ministry of Public Administration	YES	
.			
13.	Ministry of Transport and Post-Telecommunication	YES	
.			
14.	Ministry of Agriculture, Forestry and Rural Development	YES	
.			
15.	Ministry of Trade and Industry	YES	
.			
16.	Ministry of Justice	YES	
.			
17.	Ministry of Foreign Affairs	YES	
.			
18.	Ministry for Communities and Return	YES	
.			
19.	Ministry of Culture, Youth and Sport	YES	
.			
20.	Kosovo Tax Administration	YES	
.			
MONITORING AGENCIES FOR LAW ENFORCEMENT AND JUDICIAL SECTOR			
21.	RCPD	YES	
22.	Kosovo Public Prosecutor	YES	
23.	Ombudsperson	YES	
24.	Kosovo Police	YES	
25.	Police Inspectorate	YES	
26.	General Auditor	YES	
27.	Kosovo Judicial Institute	YES	
28.	Anti-Corruption Agency	YES	
29.	Prime Minister's Office	YES	
PUBLIC FINANCES AND THEIR MANAGEMENT			
30.	Kosovo Privatization Agency	YES	

31.	Central Bank of Kosovo	YES	
32.	KEK	YES	
33.	Telecommunication Regulatory Authority	YES	
34.	Kosovo Customs	YES	
CIVIL SOCIETY			
35.	Kosovo Professional Journalist Association	YES	
36.	KDI	YES	
37.	ÇOHU	YES	
INTERNATIONAL COOPERATION			
38.	Anti-Corruption Agency	YES	

Table 10. Overview of Institutions, which reported on implementation of Strategy and Action Plan

Whereas, 3 subjects included in this report, did not report at all on implementation of Strategy and Action Plan, although ACA gave them extensions and was always prepared for cooperation. Percentage not reporting is 7.89% of subjects.

Below are presented the subjects, which did not report.

No	SUBJECTS	REPORTING	
		YES	NO
Monitoring Agencies for Law Enforcement and Judicial Sector			
1.	Kosovo Judicial Council - KJC		NO
PRIVATE SECTOR/BUSINESS ACTIVITIES			
2.	Kosovo Business Alliance		NO
CIVIL SOCIETY			
3.	Non-Governmental Organisation INPO		NO

Table 11: Overview of institutions, which did not report on implementation of Strategy and Action Plan

3. COMPLETION OF LEGISLATION AND EDUCATION

a. Preparation of proposals for completion of legal framework against corruption

Within legal mandate by Law against Corruption, ACA during reporting period gave a valuable contribution to completion of legal framework against corruption, as well as other segments that are indirectly related to this area.

ACA was actively engaged on Amendment and Supplementation of Law against Corruption, Law on Prevention of Conflict of Interest in Public Office and gave a valuable contribution during review of these laws in Parliamentary Committee for Legislation and Courts, in all phases to its final approval. These two laws were approved by Assembly of Republic of Kosovo and decreed by President of Republic of Kosovo.

In addition, ACA participated in preparation of Draft-Law on Declaration and Origin of Property, in inter-government working groups and Parliamentary Committee for Legislation and Courts, a law that is now approved by Assembly of Republic of Kosovo.

ACA gave its contribution through professional comments, recommendations and participation in working groups during amendment of Penal Code of Kosovo, especially regarding criminal offence related to official duty, proposing changes, addition of new offences and strictness of penal sanctions for these offences. ACA officials actively participated in the government subgroup meeting for anti-corruption within the Reform of Kosovo Public Administration organized by Ministry of Public Administration.

By invitation of Ministry of Internal Affairs, ACA participated in contributing to preparation of Strategy against organized Crime as well as Strategy for Crime Prevention.

To support ACA in professional capacity building in all its departments, European Commission supported the project "Support to Institutions against Corruption in Kosovo", SACIK. The project aims through trainings to help ACA in professional capacity building in investigation, prevention, legislation and education.

In addition, ACA took part in many meetings of national and international character. These include meetings with representatives of the Project of European Commission for help to Institutions which fight against corruption (SACIK), meetings with OSCE representatives and participation in regional and international conferences aiming increase of cooperation of institutions dealing in prevention and investigation of corruption, as the conferences organized in Prishtina, Oslo - Norway, Sofia - Bulgaria, Doha -Qatar, Seoul-South Korea, Paris-France etc.

In order to implement its legal mandate and greater function of ACA, during reporting period, ACA had an important activity in preparation of internal documents, where 6 internal Decisions were issued.

b. Education - public awareness on corruption phenomenon and its negative effects

In order to make aware the public, citizens and institutions, ACA during reporting period, with help and support of UNDP and OSCE organized in Kosovo Municipalities a campaign against corruption entitled " Joint Efforts in fighting and prevention of corruption in Kosovo" which was aiming increase of cooperation with citizens in fighting and prevention of corruption.

This campaign was held in 14 municipalities in national level, with the concept of having debates with officials of these institutions on all levels. In these debates participated representatives of Police, Prosecution, Courts, Media NGO-s etc, debating on cooperation, reporting of suspected cases of corruption and strengthening the efforts for fighting and prevention of corruption.

Except this, ACA participated in many debates organized by other public institutions as well as nongovernmental organizations, which aim to increase the awareness of the citizens on consequences caused by corruption to their welfare.

VI. PREVENTION OF CORRUPTION

Activities in the area of corruption prevention are done by Prevention Department of ACA.

Legal responsibilities of the Prevention Department are:

- Authority exertion of Agency in the area of conflict of interest, gift acceptance and monitoring of property;
- Preparation of warnings for officials according to article 29.1 of Law against Corruption;
- Gathering information about people who are under obligation to declare;
- Preparation of proposals for initiation of procedure for discharge of officials by competent authority according to article 29.2 of Law against Corruption,
- Proposal for publication in Official Gazette of subjects in violation of Law against Corruption who for a certain period are exempted from participation on public tenders in Kosovo territory;
- Preparation of form and content of the catalogue (standard) of gifts to be retained by public administration bodies;
- Preparation of list to register the gifts that are kept by public administration bodies;
- Preparation of a special Form of declaration of property which contains information foreseen by articles 40 and 41 of Law against Corruption;
- Preparation of list and kind of evidence according to article 41.3 of Law against Corruption which the official must make available,
- Preparation of notices for officials according to article 43.1 of Law against Corruption;
- Preparation of proposals for procedure initiation for discharge of officials according to article 43.4 of Law against Corruption;
- Preparation of part of Report that deals with monitoring of property, conflict of interest and gift acceptance;
- Completion of other tasks in accordance to mandate of this department.

Legal mandate of Department for Prevention is based on three pillars:

1. Monitoring of property and checking
2. Monitoring of gifts, and
3. Prevention of conflict of interest.

1. MONITORING OF PROPERTY AND CHECKING

a. Monitoring of Property

According to legal provisions of Law against Corruption, completed forms must be submitted to ACA until 31 March, for previous year. Number of senior officials, which were under obligation to declare their property in year 2009 was 800. From that number 619 or 77.37% declared their property, while 173 officials did not declare their property within the first deadline. 8 (eight) other senior officials were released from duty and were not under obligation to declare their property.

Assigning contact points

For a better efficiency at work and implementation of law, ACA assigned contact points through institutions of Republic of Kosovo.

ACA during February, prepared a training with contact points. The goal of the training was preparation of officials from contact points for their duties and obligations pursuant to present law, way of filling in forms and declaration of property of senior officials and their submission to Agency.

Preparation of lists of senior officials and distribution of forms

ACA requested from institutions, i.e. contact points, preparation of lists for senior officials based on article 2 of LAC. After lists received from Institutions of Republic of Kosovo, ACA prepared the forms for declaration of property and gifts pursuant to article 39 of LAC where is said that Agency monitors the property of senior officials based on information submitted by the senior official in a special form, designated by ACA.

Declaration of property in the first term

Regarding the overall process of declaration of property to 31 March 2009, there is a table giving a detailed percentage of senior officials who have declared their property, divided per institution.

No	Institutions	Number of officials obligated to declare property	Number of officials released from duty who are not obliged any more to declare property	Number of senior officials who declared their property	Number of senior officials who did not declare their property	Percentage of declaration (%)
1	Assembly	123	0	74	49	60.1
2	Presidency	4	0	4	0	100
3	Government	282	8	212	62	77.3
4	Courts	296	0	239	57	80.7
5	Prosecution	95	0	90	5	94.7
	Total	800	8	619	173	78.1

Table 12: General Overview on property declaration until 31 March 2009

Declaration of property in the second term

Pursuant to article 43.1 of LAC, if the senior official does not submit the referred information in article 41 and 42 of LAC within foreseen time by this law, ACA issues a warning and sets a new term, which cannot be shorter than 15 days from the day of warning issued.

Based on this, ACA after verifying the lists of officials who did not submit the property declaration forms until 31 March, issued a warning on 03 April 2009 and set the date of 30 April 2009, as final legal term for submitting declaration forms. Number of senior officials who have declared the property until this date is 776 or 97.9 %.

Regarding the general condition of the process of declaration of property until 30 April 2009, table below gives a detailed number and percentage of senior officials who have declared their property, as per institution.

No	Institutions	Number of officials obligated to declare property	Number of officials released from duty who are not obliged to declare property	Number of senior officials who declared their property	Number of senior officials who did not declare their property	Percentage of declaration (%)
1	Assembly	123	0	121	2	98.3
2	Presidency	4	0	4	0	100
3	Government	282	8	270	4	98.5
4	Courts	296	0	287	9	96.9
5	Prosecution	95	0	94	1	98.9
	Total	800	8	776	16	97.9

Table 13. General Overview on property declaration until 30 April 2009

Issue of administrative measure to officials who did not declare property

In cases when the senior official does not submit the required information within time foreseen by law, ACA informs the body where the senior official works, and in accordance to paragraph 3 article 43 of LAC, requests that salary or remuneration is reduced by 1/5 for every month (this administrative measure continues for 3 months), until ACA is informed that senior official has submitted the requested information. Number of senior officials for whom this administrative measure was requested to be taken was 16.

The names of the Senior Officials who did not declare their property in year 2009 and for whom was requested a decrease of salary or remuneration for 1/5 for every month are given in the table below.

No	Name and Surname	Institution	Position of official
1	Elheme Hetemi	Assembly of Republic of Kosovo	MP
2	Mihailo Shqëpanoviç	Assembly of Republic of Kosovo	MP
3	Elez Hoxha	District Court Prishtina	Judge
4	Drita Hoxha	District Court Prishtina	Judge
5	Bedri Krasniqi	District Court Prishtina	Judge
6	Sudan Gorani	District Court Pejë	Judge
7	Demush Krasniqi	Municipal Court Malishevë	Judge
8	Zlatica Vukasinoviç	Municipal Court Leposaviq	Head of Court
9	Snezhana Kostić	Municipal Court Leposaviq	Judge
10	Zoran Paviç	Municipal Court Leposaviq	Judge
11	Tatjana Virijeviç	Municipal Court for Minor Offences Leposaviq	Head of Court
12	Slobodan Stefanoviç	Municipal Prosecutor Gjilan	Prosecutor
13	Ismet Abdullahu	Ministry of Health SH.SH.M.B Ferizaj	Director
14	Skender Kandiqi	Ministry of Health SH.SH.M.B Pejë	Director
15	Mahmud Lilaj	Ministry of Health SH.SH.M.B Gjakovë	Director
16	Rudina Bukoshi	Ministry of Foreign Affairs	Director

Table 14. List of officials for whom reduction of salary measure was requested to be taken

Request to initiate the procedure for discharge from duty

Even after administrative measure was issued with reduction of salary or remuneration by 1/5 for every month (this administrative measure lasts for 3 months), 6 (six) senior officials did not fulfil this legal obligation. ACA pursuant to article 43.5 has requested initiation of procedure for discharge from duty and on this institution to inform ACA on final decision.

Names of senior officials who have not declared their property for year 2009 and for whom was requested initiation of discharge procedure are given in the table below.

No	Name and Surname of senior official	Institution	Position of official
1	Mahmud Lilaj	Ministry of Health SH.SH.M.B Gjakovë	Director
2	Demush Krasniqi	Municipal Court Malishevë	Judge
3	Snezhana Kostić	Municipal Court Leposaviq	Judge
4	Slobodan Stefanoviç	Municipal Prosecutor Gjilan	Prosecutor
5	Zlatica Vukasinoviç	Municipal Court Leposaviq	Head of Court
6	Sudan Gorani	District Court Pejë	Judge

Table 15. List of names of senior officials for who discharge from duty was requested.

After request from ACA to undertake this measure, six (6) senior officials have declared their property and have submitted their declaration form to the Agency.

Obligation of new officials in institutions to declare property

Institutions of Kosovo have reported to ACA changes in the list of senior officials. A number of 30 new senior officials were under obligation to declare their property. From these officials, 16 declared their property while 14 others are in the process of declaration.

Declaration of property by officials of ACA

It is legal obligation that also ACA officials declare their property. All officials of ACA (35 in total) have fulfilled this legal obligation.

b. Check of Forms for Declaration of Property

Technical/logical check

During the period from 15.06.2009 to 30.06.2009 ACA has ended the process of technical/logical checking of 800 (eight hundred) forms for declaration of property.

After the technical/logical check of the forms submitted by senior officials, it results this:

- 376 or 47% of the forms have deficiencies in completion,
- 25 or 3.1% of the forms have not declared personal number,
- 130 or 16.2% of the forms have not declared active functions,
- 8 or 1% of the forms have not declared family composition,
- 14 or 1.7% of the forms have not declared immovable property,
- or 5.8% of the forms have not declared cash kept in banking institutions,
- 83 or 10.3% of the forms have not declared annual income,
- 69 or 8.6% of the forms have declared that there are no changes from last year.

Regarding the technical/logical completion of form for declaration of property in the table below are given data in detail per institution.

No	Institutions	Number of people	Active functions	Family composition	Immovable property	Cash	Annual income	Same to last year	Total
1	Assembly	4	6	2	4	8	14	16	54
2	Presidency	0	0	0	0	0	0	0	0
3	Government	10	72	4	6	14	33	13	152
4	Courts	7	37	0	0	18	20	34	116

5	Prosecution	4	15	2	4	7	16	6	54
	Total	25	130	8	14	47	83	69	376
	Percentage of total	3.1%	16.2%	1%	1.7%	5.8%	10.3%	8.6%	47%

Table 16: General overview on technical/logical check of the forms.

Complete Check

ACA has also continued through this year with the complete check of the forms for declaration of property of senior officials. Initially, there was a comparison of property declaration forms between years 2007-2008 to those of 2009. This check was done with all senior officials with exception of officials declaring their property for the first time. During the check, some inconsistencies were found among the forms for declaration of property with 20 senior officials and ACA continues to require clarification from senior officials regarding the declared information on the form.

Officials that declared the function in other positions

During the check of the property and gift declaration forms, ACA registered 39 senior officials who declared working also in other positions, except official duty. From 39 senior officials, 21 are from Government of Republic of Kosovo, 17 are from Assembly of Republic of Kosovo and 1 is from Public Prosecutor of Republic of Kosovo. This list of names of senior officials, ACA has taken under treatment in order to avoid the conflict of interest.

Cooperation with institutions

During year 2009, ACA had an increase in cooperation with other institutions that have the mission in prevention and fighting of corruption as well as with relevant institutions that can offer necessary information for corruption prevention.

Aiming to have a more detailed control about senior officials, during year 2009, we repeated our request to 9 municipalities of Republic of Kosovo about information regarding immovable property of senior officials.

In addition, ACA requested information from Financial Intelligence Centre regarding bank accounts of government cabinet, but this institution did not provide the required information. In addition, a written request was made to Ministry of Interior Affairs to provide an electronic database for registration of vehicles from 01 September to 30 April 2009. Ministry of Interior Affairs did not offer the requested information explaining that the access to these data is restricted by current legislation and is allowed only for investigation bodies.

2. MONITORING OF GIFTS

a. Gift Catalogue

Pursuant to article 35 of LAC, all institutions are obligated to maintain a gift catalogue and send copies of previous year catalogue to ACA no later than the last day of March in the next year for the previous year.

Procedure for keeping the gift catalogue and its submission to ACA

In year 2009, 4 (four) of 21 (twenty-one) institutions had the obligation to register the gifts for previous year and brought the copies of gifts within the legal period. Whereas, other institutions notified in written, that their officials did not accept any gifts during previous year.

Institutions that declared acceptance of gifts

Institutions which submitted copies of gift catalogues for year 2008 are: President's Office of Republic of Kosovo (24 formal gifts), Assembly of Republic of Kosovo (16 formal gifts), Ministry of Security Force (1 gift of occasion) and Ministry of Local Government Administration (5 formal gifts).

Data on declaration of gifts from 21 central institutions of Republic of Kosovo, presented in the table below.

No	Institutions	Gifts Declared	Formal	Occasional
1	Assembly	16	16	0
2	Presidency	24	24	0
3	Government	6	5	1
4	Courts	0	0	0
5	Prosecution	0	0	0

Table 17. General overview on gift declaration.

Distribution of gift catalogue

In function of Law enforcement on accepting gifts, ACA requested from all independent Agencies of Republic of Kosovo, Constitutional Court of Republic and Municipalities of Republic of Kosovo to assign each of them one contact official in their institution for registration and keeping the Gift Catalogue. These institutions have cooperated with ACA and have assigned the contact official, where the same has been done also in 25 Municipalities of Republic of Kosovo.

Institutions that have not cooperated with ACA

During the reporting period, 5 municipalities of Republic of Kosovo were registered not to have cooperated with ACA even after the second notice sent. They are: Municipality of Ferizaj, Leposaviq, Zubin Potok, Zveqan and Shtërpçë.

Training with contact points

ACA held the first training with all assigned contact point officials. Purpose of the training was to provide instructions about keeping and registering the gifts in the gift catalogue through institutions of Republic of Kosovo. In addition, we are in the process of assigning contact points in newly founded institutions.

3. PREVENTION OF CONFLICT OF INTEREST

a. Legal framework for prevention of conflict of interest

Legal framework where ACA based its work in prevention of conflict of interest is Law for prevention of conflict of interest and exertion of public office no.02/L-133 approved by Assembly of Kosovo in November 2007 as well as Law on Amendment and Supplementation of Law no. 02/L-133 for prevention of conflict of interest in public office, no. 03/L-155.

ACA, for prevention of conflict of interest, conducted the activity in order to identify, review, analyze, warn and avoid cases of conflict of interest.

Identification of cases of conflict of interest

ACA, for prevention of conflict of interest, uses the property declaration forms. During control of property declaration forms of senior official cases are identified where officials declare their participation in businesses or other engagements. Furthermore, cases of conflict of interest are identified also through information media and other sources.

Review of cases of conflict of interest

Cases identified as possible conflict of interest were treated by gathering notes and necessary information. To secure this information, ACA had a good cooperation also with other institutions of Republic of Kosovo, especially we would like to distinguish Kosovo Agency for Business Registration (KABR), which is within the Ministry of Trade and Industry.

Notification of officials on conflict of interest position

When ACA has verified the facts on existing conflict of interest, has notified in written official on being investigated about conflict of interest position. Mentioned officials are given the opportunity to prove the opposite. Otherwise, in cases

where they agree with the notification of ACA, they have cooperated and been informed on the procedure to avoid conflict of interest.

Characteristics of reporting

'Law for prevention of conflict of interest in exercise of public office defines the conflict of interest as a condition of disagreement between public office and private interest of an official'.

We acted on this basis. Usually, during year 2009 most often situations of conflict of interest were, when senior public officials exercised the public office as well as a managing position at different private enterprises.

Conflict of interest found but not yet avoided

Within the cases of year 2009, ACA warned one senior official in Prime Minister's Office (PMO) about existing conflict of interest. Although all legal deadlines have been exceeded, ACA still has no reply on avoiding the conflict of interest or any legal action that ACA according to law has proposed to the institution where the senior official works to release the same from his office. This refers to Director of Procurement Office of PMO Mr. Isa Hajdari.

Cases of conflict of interest presented in figures

For year 2009, ACA registered altogether 47 cases of conflict of interest. In 15 cases, written warning notices were issued and requested from the officials to confront with facts of which 6 cases avoided conflict of interest and 9 are in the procedure. 27 cases, after suspected on conflict of interest and later reviewed by ACA, resulted with no elements of conflict of interest and were closed.

In addition, during year 2009 there was a better cooperation with institutions of Kosovo. ACA in 5 cases received official notification where the opinion of ACA was requested to assess the situation of possible conflict of interest. This was mostly with the employment cases in institutions and transfer from one position to the other. In these cases, we gave our opinion containing the assessment based on the law, if such situations represent or not a conflict of interest.

Overall number of cases reviewed on conflict of interest in different institutions for year 2009 is presented in the table below.

No	Institution	Cases suspected of conflict of interest	Cases that avoided conflict of interest	Cases where opinion was given	Cases closed without conflict of interest	Case in procedure
1	Assembly of Kosovo	17	3	/	9	5
2	Government of Kosovo	25	3	/	18	4
3	Other	5	/	5	/	/

Institutions					
Total:	47	6	5	27	9

Table 18. Table presentation of cases of conflict of interest - 2009

Compared to previous year, cases suspected are higher for 2 cases, but there are less cases of conflict of interest found for 13 cases.

ACA discovered that this was as a result of widespread understanding about the Law on prevention of conflict of interest in exercise of public office. However, at the same time also due to work of ACA in public awareness (of senior officials) on the role and aim of preventing the conflict of interest through the year in different meetings, debates and presentations, etc.

Other activities on prevention of corruption

- ACA continued this year its activity in the area of prevention of public fund embezzlement in public procurement. Concerning this, action was taken in prevention of embezzlement and lack of implementation of rules and procedures of tendering. ACA every time when made aware of tendency to violate the Law on Public Procurement in institutions of Republic of Kosovo, took measures to prevent favouring or discrimination of economic operators by contracting authority.
- ACA with official invitation monitored procurement procedures through year 2009 in Kosovo Electro-Energetic Corporation and Ministry of Health. The presence of ACA officials made possible not to allow violations of legal provisions, not to have favouring of economic operators. In addition, ACA gave recommendations to contracting authorities based on the law, which later served as basis for action in certain cases.
- ACA reacted in a case where the contract between economic operator and contracting authority was not respected (case of Municipality of Podujeva).
- ACA reacted also in some other cases.

VII. PUBLIC RELATIONS

Activities of ACA about public relations are made through the Official for Public Relations and Media within the Director's Office. Concerning its activities during reporting period, Office for Public Relations and Media focused in these directions:

1. Meetings with journalists and citizens;
2. Press Conferences and Statements;
3. Media monitoring;
4. Official web site;
5. Awareness Campaign;
6. Cooperation and other activities.

I. Meetings with journalists and citizens

During reporting period, there was a great interest about the initiatives and activities of ACA by journalists and public, where was demonstrated readiness to cooperate closely in fighting the corruption as a matter of concern present in Kosovo society.

Representatives of the media, civil society and other citizens during year 2009 visited the offices of ACA to get detailed information regarding corruption trends or incentive of cooperation.

ACA officials were always ready to offer professional help to all interested parties where there were doubts about corruptive cases.

II. Press Conferences and Statements

ACA during reporting period played an important role in publicizing and issue of press statements regarding property declaration of the senior officials in all written and electronic media.

During this period, 22 press statements were distributed and a lot of public attention followed them. In addition, many announcements were placed to public and concerning this ACA organized and coordinated round table discussions in municipalities of Kosovo to achieve one of its objectives in raising the public awareness against corruption.

These were held in most of municipalities in Kosovo, which primarily had to increase the awareness of senior municipal officials, prosecutors, judges, police, representatives of public enterprises, local media and civil society.

Within year 2009, ACA officials took part in more than 70 debates on electronic media (TV and Radio). In most of these activities, the public and media relations office offered the required support for a more professional presentation and was ready to reply to different professional requests coming from journalists on initiatives and activities of the Agency.

III. Media monitoring

January 2009

- During this month 16 publications of corruptive affairs were done, where journalists focused on all public institutions;
- Audit reports were the points on which the journalists were mostly focused. Also on corruptive affairs in KEK about astronomic salaries, smuggling of goods in Kosovo Customs and arrest of officials in this institution.

February 2009

- In this month 23 publications of suspected corruptive cases in public institutions, especially criticizing prosecutors and courts in Kosovo. In addition, civil society and media criticized the management of PTK on abuse. Media did not forget the Project of Hade village dislocation.
- Other stories deal with corruptive affairs in hospitals and KEK etc.

March 2009

- During this month, 24 stories were published referring exclusively to activities of ACA on property declaration issue.
- In this month, a lot was written on purchase of 6 vehicles in year 2004 for the Presidency and Assembly of Kosovo.
- In addition, it was written about abuse in courts where indictments were made for a judge and a prosecutor.

April 2009

- During this month, 25 stories on ACA activities were published.
- After statement, that ACA was focused on property declaration of some officials. Also, discharge of some officials by Government after the ACA Report, made a lot of noise in public opinion.
- Other stories were mostly focused on misuse of office as theft in police, conflict of interest of a Member of Parliament in Assembly of Kosovo, etc.

May 2009

- Totally 21 stories in newspapers.
- All media reported on arrest of a doctor in Fushë Kosovë for theft of equipment after ACA investigations, suspension of two inspectors in Municipality of Prishtina.
- Articles mostly focused on suspension of two senior officers in police due to evidence room issue.

June 2009

- During this month, there were 20 articles about investigation against judges and prosecutors imprisoned for bribe accepting; case of suspended judges and prosecutors in the last months were in the focus of media for their lack of work in different cases. - The report of Transparency International was treated, which puts Kosovo by level of corruption at grade 3,4 (while grade 5 is extreme corruption).
- It was written about return of doctor Agim Xhafa to work after the scandal with equipment of QKUK.

July 2009

- During this month, 63 articles were published. Journalists focused on all public institutions. Arrest of justice institution employees, 11 lawyers 1 judge and 1 insurance official, suspected of misuse of office and fraud.

- Audit reports in MEST, MPA, MSP, Assembly of Kosovo and municipalities of Kosovo found many irregularities after leaders of these institutions welcomed these reports were by as very correct. Other issue in the media was the tender on meat products, etc.

August 2009

- 47 articles published on suspected cases of corruptive activities in public institutions starting from prosecution and courts of Kosovo where there are doubts on closed corruptive cases.
- Audit reports for MAFRD, MIA, and Customs of Kosovo.
- Arrest of police commander in Obiliq, Sejdi Zeqiri for misuse of official position as well as arrest of two officials of border police for abuse of official duty. Media publicized bonuses of senior officials of PTK and many other things related to management of this organization.

September 2009

- During this month, 7 articles registered referring to General Auditor reports on violations in all public institutions.

October 2009

- In this month, 25 articles published starting from abuse in Forestry Agency of Kosovo, where the audit finds serious violations on which ACA initiated investigations. Arrest of 12 suspected police officers on two criminal offences: bribe acceptance and abuse of official duty.
- Media reported on issue of false diplomas of high pedagogical school in Gjakovë.

November 2009

- Total of 17 articles in newspapers where mostly during the month about audit done.
- Other articles dealt with other public enterprises. Media as well publicized the case of a Hungarian company awarded the tender on civil status certificates although at a higher price.

December 2009

- During this month there were 5 articles about abuse in public enterprise Termokos, audit at MEM found many violations. The audit in municipalities found many irregularities in tenders on municipal property.

In the picture below graphically are presented data about 283 articles on corruptive affairs divided by months.

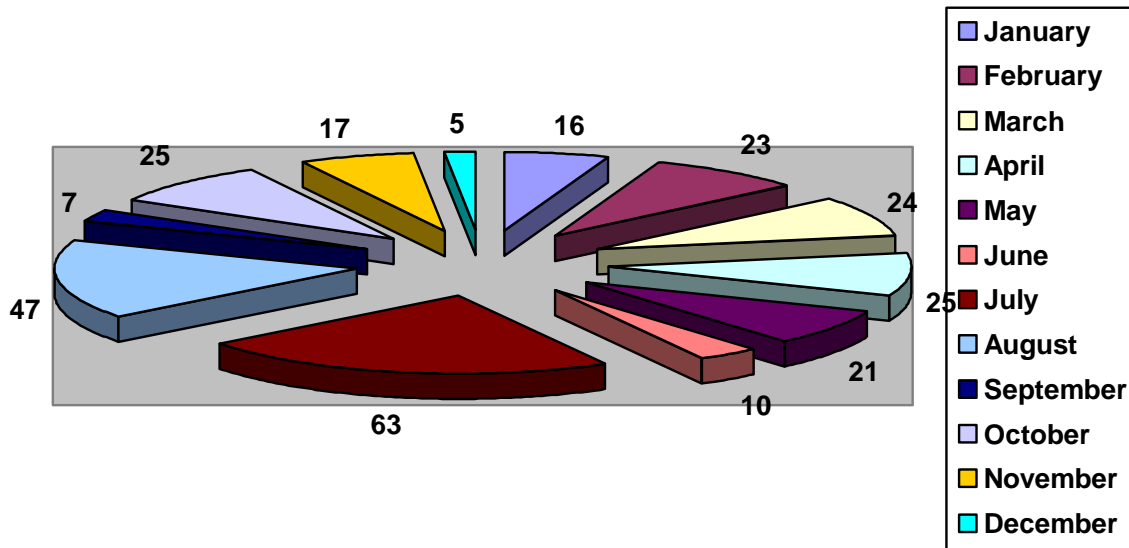


Fig. 7. Number of articles in media about suspicion of corruptive activities sorted by months of year 2009

Regarding the work of ACA totally published 156 articles, interviews, comments, opinions. Over 90% of them were positive about the work of ACA and are presented in the picture below.

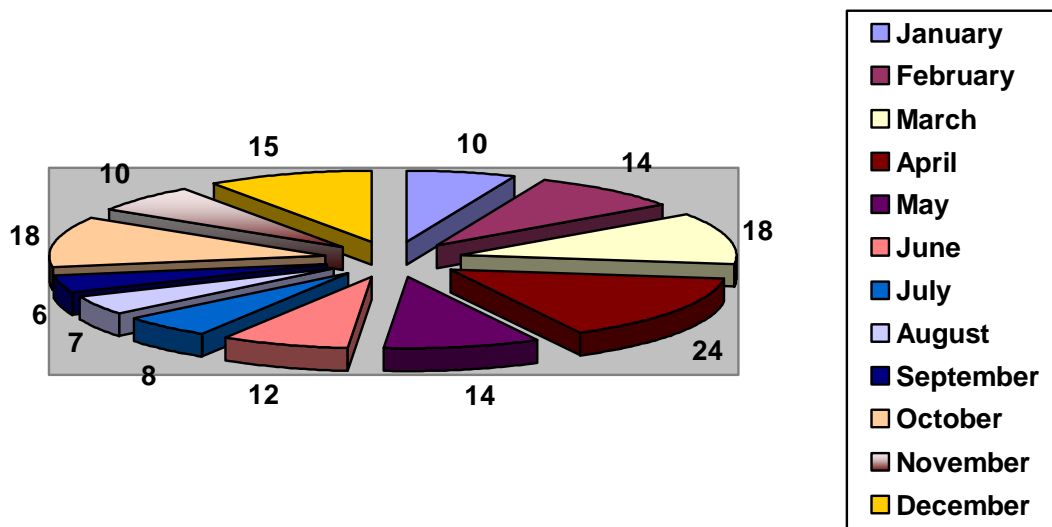


Fig. 8. Articles of media about ACA sorted by months of year 2009.

IV. Official web site

ACA continued to maintain its official website. Through it, the public was presented the whole activity of the Agency. All interested to use this site are able to get detailed information on activity of ACA, its legal documents and its upcoming activities.

Official website of ACA is this www.akk-ks.org .

V. Cooperation and other activities

ACA continued to have a good cooperation with many institutions and national and international organisations.

By invitation of Director of ACA, Mr. Hasan Preteni, on 16 June came for a two-day visit a delegation of 7 officials of High Inspectorate for Declaration and Control of Property of Republic of Albania, led by Head-Inspector Adriatik Llalla. Aim of this visit was stronger cooperation and exchange of experience between these two institutions.

VI. Organization of Regional Conference in Prishtina

With efforts to strengthen its role and initiate regional cooperation, ACA in cooperation with UNDP office in Kosovo, in December 2009, organized the regional conference "Exchange of anti-corruption experience". In the conference participated many representatives of anti-corruption agencies from Slovenia, Monte Negro, Albania, Croatia, (FRY) Macedonia, Turkey and Regional Anti-corruption Initiative (RAI). Conference was financed by Japanese Government through the project managed by UNDP.

This event, organized within the project framework of UNDP "Kosovo Anti-Corruption Partnership", offering a possibility to exchange and discuss initiatives and missions of the agencies from regional countries in fight against corruption, establishment of liaison mechanisms and multi-disciplinary approach of cooperation among them.

VII. Award of prize for journalism

Among activities of December was award of prize for journalism on occasion of International Anti-Corruption Day on the 9th December. Association of Professional Journalists of Kosovo, Anti-Corruption Agency and United Nations Development Program (UNDP), organized the awarding ceremony of prizes for journalists who reported best on the topic of fighting and prevention of corruption in Kosovo during year 2009.

ACA, expressed its readiness to have a better cooperation with other national and international institutions and organizations.

VIII. ADMINISTRATION / BUDGET

Activities of administrative support in ACA are done through Department of Administration, activities consisting of:

1. Preparation of Annual Budget;
2. Monitoring of Expenses Incurred;
3. Management of human Resources;
4. Other Supporting Activities.

1. Preparation of Annual Budget

ACA prepared and implemented the annual budget assessing financial requirements for expenses in the years to follow. The budget approved by Assembly of Kosovo for ACA, for year 2009, was 504,553.48 €, while divided through economic categories, on a table as follows:

No	Economic Categories	Approved Budget	Revised Budget	Difference
1.	Salaries and Wages	212,601.48 €	212,601.48 €	0,00
2.	Goods and Services	226,952.00 €	226,952.00 €	0,00
3.	Utilities	20,000.00 €	20,000.00 €	0,00
4.	Capital Expenses	45,000.00 €	45,000.00 €	0,00
5.	Total :	504.553.48 €	504.553.48 €	0,00

Table 20: Allocation of funds through economic categories

2. Monitoring of Expenses Incurred

During year 2009, from budget approved by Assembly of Kosovo, ACA used 79.44% of foreseen budget. Budget for:

- Category **Salaries and Wages** used to degree of 77.23%. This happened since funds on hazard at work for all CA officials were not allowed by MEF although on this issue ACA addressed a lot of official correspondence to this institution;
- Category **Goods and services** used to degree of 81.08% from budget planned for this category. See table below;
- Category **Utilities** used to degree of 45.22 % of planned budget;
- Category **Capital Expenses** used to degree of 96.39 % of planned budget.

These data are presented in the table below:

No	Description	Approved Budget	Allocation	Expenses	Expenses expressed in %
1	Salaries and Wages	212,601.48	212,601.48	164,380.66	77.23
2	Goods and	226,952.00	226,952.00	184,017.50	81.08

	Services				
3	Utilities	20,000.00	20,000.00	9,044.77	45.22
4	Capital Expenses	45,000.00	45,000.00	43,377.38	96.39
	Total	504,553.00	504,553.00	400,820.31	79.44

Table 21: Use of budget through economic categories

It must be mentioned that during year 2009, ACA spent only 1993.85 € of petty cash.

3. Management of human Resources

ACA, during reporting period had several vacancies for following positions:

- o Director of Administration Department;
- o Head of Division for Monitoring of Property and Gifts;
- o Senior Officials for Monitoring of Property and Gifts;
- o Senior Officials for Intelligence and Investigation;
- o Senior Officials for IT;
- o Senior Official for Budget and Finances;
- o Administrative Official.

All positions were published in daily newspapers, in Albanian and Serbian language, while on radio only in Serbian language. Decisions on selection and interview commissions were done as foreseen by UNMIK Regulation no. 2001/36, then the commission with full responsibility continued its work. In all these positions we employed six officials, all employed were given a three-year contract, with three-month probation period. Contracts and decisions were sent to the salary system in MPA.

One-year work evaluation was done for all Agency officials resulting the same to be still part of ours staff.

For this period, a number of requests were made from Personnel Division to MPA for approval of new titles of positions within ACA.

During this time, we had a number of trainings held and study visits in and out of country, in order to advance and make more efficient the work of Agency officials.

No	Type of Training	Organized by	Place	Number of participant officials
1	Efficiency in administration, ethics and office protocol.	KIPA	Prishtina	2
2	Law Preparation Techniques	KIPA	Prishtina	2
3	Efficiency in administration, ethics and office protocol.	KIPA	Prishtina	1
4	Introduction to Prevention	MIA-KP	Vushtrri	1

	of Financial Crime			
5	Electronic Governance	KIPA	Prishtina	1
6	Efficiency in administration, ethics and office protocol	KIPA	Prishtina	1
7	Introduction to Prevention of Financial Crime	MIA-KP	Vushtrri	1
8	Introduction to Prevention of Financial Crime	MIA-KP	Vushtrri	1
9	Development and implementation of public policies	KIPA	Prishtina	1
10	Basic Course on Financial Crime Investigation	MIA-KP	Vushtrri	1
11	Management and organization of Office	KIPA	Prishtina	1
12	Information Technology	KIPA	Prishtina	1
13	Falsification Investigation	MIA-KP	Vushtrri	1
14	Falsification Investigation	MIA-KP	Vushtrri	1
15	Management and organization of Office	KIPA	Prishtina	1
16	Ethics and Anti-Corruption	KIPA	Prishtina	1
17	Purchase Module	MEF	Prishtina	1
18	Management of IT and communication within Ministries	KIPA	Prishtina	1
19	Strategy Planning	KIPA	Prishtina	1
20	Investigation of Smuggling and violation of customs revenue	MIA-KP	Vushtrri	2
21	Webpage maintenance	KIPA	Prishtina	1
22	Approval Module	RK/ MEF	Prishtina	1
23	Revenue Module	RK/ MEF	Prishtina	1
24	Legal aspect of fight against corruption	USAID	Prishtina	6
25	Electronic procurement and best practices in PP	FLSA	Durrës	2
26	Approval Module	MEF	Prishtina	1
27	Purchase Module	MEF	Prishtina	1
28	Legal work relations of civil official	KIPA	Prishtina	1
29	Budget Management	LDC	Ohrid	3

Table 23. List of trainings attended by ACA officials during year 2009.

4. Other activities

ACA created a database for registration and archive of all financial activities. The premises are secured in coordination with companies or agencies responsible for security. However, the premises do not offer sufficient and good working conditions. Management of postal services ensuring timely delivery of correspondence to defined destination. Management of goods and supply of required materials.

IX. PROCUREMENT

On procurement activities based on plan and Law on Public Procurement of Kosovo, during year 2009 ACA spent the amount of 156,680.83€.

Activities of Procurement office for reporting period were as follows:

- Preliminary and final planning after budget approval by Assembly of Kosovo for fiscal year of 2009,
- Initiation of procurement activities,
- Contract Award,
- Publication of Notifications,
- Dossier Preparation,
- Submission of Tender Dossiers,
- Tender acceptance, their opening, continued control procedure, evaluation and comparison of tender, award and signature of contracts in full accordance to terms of contract

During year 2009, 39 procurement activities were prepared and conducted as seen below:

No	Type procurement	of	No. of activities	Procedure Code	Amount
1	Supply		6	Minimal Value Procedure	3,638.30€
2	Services		12	Minimal Value Procedure	4,379.44€
3	Supply		7	Price Quotation Procedure	19,853.05€
4	Services		3	Price Quotation Procedure	11,757.88€
5	Supply		1	Open Procedure	60,994.73€
6	Services		1	Open Procedure	1,636.97€
7	Supply		3	Procedure negotiated without publication of contract award	45,980.00€
8	Services		6	Procedure negotiated without publication of contract award	8,440.46€
	TOTAL		39		156,680.83€

Table 24. Procurement activities of ACA according to procedure

Activities of ACA according to procurement procedures were conducted as follows:

- 18 supply procurement activities with minimal value procedure;
- 10 supply and service procurement activities with price quotation procedure;
- 2 supply and service procurement activities with an open procedure;
- 9 activities with negotiated procedure without publication of notification on contract award for supply and services approved by PPA;

- 1 procurement activity cancelled by contracting authority since there were less than 3 responsible tenders or participation requests;
- 1 procurement activity refused by PPA;
- Supply with fuel during reporting period continued through procurement activity conducted in year 2008.

Results expressed in a table below:

NO	TYPE OF PROCUREMENT	NO.OF ACTIVITIES	PROCEDURE CODE	PLANNED FUNDS	SPENT FUNDS	%
1	Supply	6	Minimal Value Procedure	4,290.00€	3,638.30€	84.81
2	Service	12	Minimal Value Procedure	6,080.00€	4,379.44€	72.03
3	Supply	7	Price Quotation Procedure	28,000.00€	19,853.05€	70.90
4	Service	3	Price Quotation Procedure	15,100.00€	11,757.88€	77.87
5	Supply	1	Open Procedure	78,180.00€	60,994.73€	78.02
6	Service	1	Open Procedure	4,000.00€	1,636.97€	40.92
7	Supply	3	Procedure negotiated without publication of contract award	46,200.00€	45,980.00€	99.52
8	Service	6	Procedure negotiated without publication of contract award	14,100.00€	8,440.46€	60.00
Total				195,950.00€	156,680.83€	79.96%

Table 25. List of procurement activities as per percentage used.

Department for Supervision and Monitoring at Public Procurement Regulatory Committee of Kosovo, monitored and supervised several procurement activities made during year 2008 in procurement office of ACA where the evaluation was positive.

X. CHALLENGES AND DIFFICULTIES

Challenges and difficulties ACA confronted are mentioned as:

- Lack of good inter-institutional cooperation and coordination;
- Lack of detailed training on contemporary corruption investigation and prevention techniques;
- Insufficient cooperation with other similar institutions in the region states on aspects of intelligence and investigation of corruption cases;
- Inadequate financial treatment for ACA officials.

- Concerning issue of several officials leaving the Agency due to low income and going to other institutions.
- Lack of adequate premises for activities of ACA.

XI. CONCLUSION

During exertion of legal mandate, ACA was confronted with many difficulties, which made difficult its overall function.

It must be mentioned inadequate support, difficult function conditions, insufficient financial stimulation of officials and lack of specialized trainings, which have challenged full achievement of ACA goals.

Despite this, based on its efforts and full commitment, it achieved to a considerable degree to confront the corruption phenomenon by increasing the number of investigated cases, cases proceeded to competent prosecutor and prevented cases. Increase in reported cases of corruption also verifies the citizen trust increase for work of ACA.

With completion and strengthening of enforcement of legal framework and full implementation of Strategy and Action Plan against Corruption 2009 - 2011, with support of national and international institutions, with general reform of judicial system, fight against corruption in year 2010 will be even stronger.

XII. ANNEX I: ORGANIGRAM

