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Report on the ad hoc delegation to **Slovakia**

7-9 March 2018



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1. Chronology of events leading to the ad-hoc delegation

Murder of journalist Jan Kuciak and his fiancé Martina Kusnirova

On Monday morning, 26 February at 8.41 am, the Slovak daily newspaper Dennikn published the news that Jan Kuciak together with his fiancé, was killed. It was reported that, after several days of calls from the family which were left unanswered, Martina's mother contacted the Police to inform them of this. The police were called on Sunday (25 February) late evening. The death is presumed to have happened between late Wednesday evening, 21 February and Sunday, 25 February. The exact date and hour has not (yet) been communicated to the public.

Jan Kuciak worked for www.aktuality.sk, a news portal belonging to the media group Ringier Axel Springer Media AG and, as one of the few journalists, was researching and investigating a number of politically sensitive cases, such as the Panama papers, economic crime, potential fraud in distributing EU funds on the national level, VAT fraud, carousel schemes, etc. According to his colleagues, he was a very gifted journalist with a great potential.

- **On Monday 26 February**, when the news of his murder reached the media, attention was directed to the obscure Slovak **businessman, Marian Kocner**. In the past, this person was linked to the local (national) mafia and is currently being investigated for a possible VAT-returns fraud and carousel speculations. Until recently, he owned an apartment in the same complex (Bonaparte), where the PM lives and where the Interior Minister owns a flat, and which was subjected to speculations about possible fraudulent VAT returns.

Apart from this apartment complex, Jan Kuciak wrote a number of articles, pointing to his speculative trading practices, especially regarding VAT. Following these reports, Kocner threatened Jan Kuciak, who **submitted a criminal complaint to the Police**. According to Jan's Facebook site, 44 days after the submission of the complaint he wrote that "my case doesn't even seem to have been assigned to any police officer to deal with".

When the journalist colleagues asked a question to the Interior Minister about Kocner's threats (to Jan), he dismissed it by commenting "he (Jan) is one of those who only looks for the dirt, like yourselves". **The case was closed with no witness hearing held.**

On Monday 26 February, the press and the public assumed Kocner may have been behind this crime.

- **On Tuesday 27 February morning**, Tom Nicholson, a Canadian journalist who lived in Slovakia for the past 20 years but had recently returned to Canada, published an article in Politico <https://www.politico.eu/article/jan-kuciak-gorilla-slovakia-journalist-dead-darkest-day/>, in which he suggests as a possible motive for the murder being the fact that Kuciak was in the final phase of researching and soon publishing an article on the **Italian mafia 'Ndrangheta** with its cells in (Eastern) Slovakia and its people in the PMs office Another article was published by EUobserver: <https://euobserver.com/news/141119>

This (the recent work of the journalist) was confirmed by his employer Aktuality.sk which published his last, albeit unfinished, article: <https://www.politico.eu/article/jan-kuciak-last-story-italian-mafias-tentacles-reach-into-slovak-politics/>

Another possible reason for the killing was suggested by a journalist, Radovan Branik, who claims that Jan Kuciak was murdered due to his work on a case which concerned corruption at the Highest Court in Slovakia. This version was denied by the publisher aktualne.sk.

Since the revelations, **wide public protests** have been held, not only across the country, but also in different cities **around the globe**. The press named around 60 places, where commemorative events were held, calling also for a proper investigation of the murder. Participation at these events was compared to that of November 1989's Velvet Revolution.

The PM, Interior minister and the Police president have all expressed their **highest commitment to investigating the case**, since the day the murder was made public (Monday 26 February). On Tuesday 27 February, the PM has offered 1 million Euro to those who could provide the police with information which will lead to uncovering who is behind the murders. In spite of the public pressure calling for the Interior minister and the Police chief to resign, they declare **their priority is to uncover the perpetrators**. Smer's Culture minister announced his resignation on Wednesday, 28 February.

In his TV appearance on 4 March, **the Slovak President** called for **either a major government reshuffle or for early elections** for which he suggested the date (autumn 2018). He will now start **discussion rounds with the political party leaders** to see how they envisage the future under the current climate of **public mistrust in the state institutions** which is, according to the President, "**nearly absolute**".

The Prosecutor General said they **will look again into the criminal complaint** submitted by Jan Kuciak. He expressed commitment to find the perpetrators of the crime which he calls "an attack on the fundamental values of the State."

- On Thursday 1 March, three days after the revelations of a possible connection, Slovak police questioned 7 Italian nationals, allegedly belonging to 'Ndrangheta, operating in eastern Slovakia. On Saturday morning, 3 March, they were released.
- According to the Interior minister, help from abroad was offered. The FBI, Scotland Yard and Europol all offered their experts. The Interior minister confirmed a "cooperation with the FBI". Europol sent experts to Bratislava to help in forensic investigations. The **Europol regulation provides for Joint Investigative Teams (JITs)** to be set up, but calls for "national legislation" to provide for that. It appears that **Slovakia does not have such legislation**.
- In a video on Aktuality.sk, the Interior minister says that "**in criminal law one applies the law in force at the time of the crime, so this (amending the legislation to allow for JITs) will not help us now**". As a result, the Europol team may be invited to participate in a partial investigation but will not have access to the file as a whole. However, the interior minister reiterated his full backing of the experts.

The participation of experts from the foreign agencies in the investigation seems essential for the mother of Kuciak's fiancé. She publicly expressed **her mistrust in the investigation being conducted by the Slovak police**. No reaction was given by those concerned.

A public petition on Changenet.org has collected around 19.000 supporters (as of 5 March), **calling for the investigation to be fully opened to the experts' help from abroad**.

2. Summary of the meetings

2.1 Introduction

The ad-hoc delegation was prepared at short notice with the help of the EP information office Bratislava and the Slovak Ministry of Foreign Affairs.

Initially a three day mission was planned, as suggested by the Conference of Presidents, starting as of Wednesday afternoon; because of the need to further discuss the composition of the ad-hoc delegation during the meeting of the Conference of Presidents on Wednesday, 7 March, the Secretariats of both committees had to reschedule the program of the meeting in order to fit in a two days schedule.

The meetings were taking place in an overall very constructive and positive atmosphere and allowed for enriching exchanges and pursuit of the fact-finding objective. However two weak points deserve to be noted: firstly, some time was lost because of consecutive interpretation, because it was not possible to secure simultaneous interpretation at so short notice; secondly, the Slovakian side wished to have a more restricted format of the meetings with government representatives which led to quite some background negotiation to secure places for the entire (20 persons) EP delegation. Only for the meeting with the Prime Minister and the Minister of the Interior three staffers of the CONT and LIBE secretariats were refused access what caused some frustration.

2.2 Round table of discussion with NGOs active in the fight against corruption

Participants:

Mr **Milan Šagát**, VIA IURIS - Civil society organisation in the field of justice, rule of law and democracy - <https://viaiuris.sk/en/>

Mrs **Zuzana Wienk** and Mr **Peter Kunder** - Fair Play Alliance, Civil society organisation in the area of transparency and anti-corruption - <http://fair-play.sk/abouts>

Mr **Gabriel Šipoš** - Transparency International Slovakia - <http://transparency.sk/sk/>

Mrs **Veronika Prachárová** – Slovak Governance Institute on Good Governance and Public Policy - <http://www.governance.sk/about-us/>

Mr **Ivan Kuhn** – Conservative Institute of M.R.Štefánik, Monitoring of EU Funds - <http://www.monitoringfondov.sk/>

Mr **Matej Hruška** – Bring to a Halt of Corruption – Foundation in the field of fight against corruption - <https://zastavmekorupciu.sk/>

During the exchange of views with the Members of the delegation, the following aspects have been pointed out by the participants:

- It was repeatedly mentioned that there is a high distrust in the institutions, the perceived lack of safety for journalists; allegations were made that the links around the murder of journalist are going very high up, to high level politicians;

- Law enforcement was underlined as the main problem. The NGOs representatives mentioned several aspects such as the selection of top prosecution which is perceived as politicised and that the same applies for police nominations; that the result of the anticorruption fight are not significant and that only minor corruption cases were investigated until now; the perceived immunity for politicians as no investigations or prosecutions were until now initiated against them. As regards laws on public procurement, it was mentioned that the Slovak legislation is in line with EU legislation, but the enforcement is problematic;



- Concerns on rule of law, and in general on the access to justice in relation to courts proceedings and prosecution and also the possible existing conflicts of interest, such as between the General Prosecutor Office and the organs which should control their activity, the fact that Minister of Interior can dismiss the Police President, the fact that there is no real independent inspection. In general, it was pointed out that transparency in the process of selection and nomination of the judiciary and law enforcement as well as of their control bodies is necessary in order to reduce the perceived distrust in their activity;
- There is an atmosphere created against the journalists, also NGOs are threatened, and in this context the previous attacks by the Prime Minister against journalists were mentioned; it was also pointed out the lack of a real dialogue with the representatives of the civil society; they gave examples of cases where criminal charges were brought against journalists for disclosing information that was provided to them based on the access to information legislation; they fear the media freedom can be jeopardised;
- Several practices were pointed out such as: the fact that in the register of companies where you can check the financial performance of the companies, some companies do not upload their financial statements; the fact that in the register of contracts, substantial parts of the contracts are covered, not being visible; the fact that this practice is also applied to contracts involving EU money where important parts are blackened;

Members underlined that Slovakia as such was not perceived until now as having major problems, they questioned how is perceived Slovakia as being different from other Member States and how the public reacts to the developments in the last weeks. Questions were also raised on the involvement of organised crime on the territory of Slovakia and as regards the reaction of the authorities.

- The NGOs indicated that for them the problem is political, that the civil society and journalists are pointing where the problems are but there is no impact on politicians, no important resignation being registered after major corruption scandals or in the aftermath of this tragedy; it was underlined that the situation does not concern only the parties in power, other governments also faced similar problems;
- A possible failure of the system was mentioned, and the fact that security clearance was given to persons that were close to organised crime structures;

- The NGOs mentioned that there are multiple OLAF reports at the government, also they mentioned the three reports by the Audit Office concerning APA. In this context the NGOs raised concerns over EU funds, in particular structural funds, being misused by oligarchs or organised crime structures;
- In connection with the murder of the journalist and his fiancée, it was underlined the importance of cooperation between law enforcement agencies in Slovakia and international agencies and in particular with Italian services. In this context allegations were made that the government had the information before this tragedy that the mafia was present and active on the territory of Slovakia;
- As a concluding remark it was mentioned by the participants that there is space for institutional improvement in order to strengthen law application and enforcement.

2.3 Meeting with representatives of the protesters

Participants:

Juraj Šeliga

Katarína Nagy Pazmany

Peter Nagy

Karolína Farská



The shock of the murder of the journalist Jan Kuciak and his fiancée outraged the Slovak society. Representatives of the civil society decided to organise a spontaneous demonstration to show their solidarity with the murdered couple. The protest march was organised on Friday 9 March in over 30 Slovak cities and towns and gathered over .participants.

The organisers of the protest met with the EP delegation on the eve of the demonstration to pass their message to the Members of Parliament. Their main concern was whether the investigation would be independent and they hoped that the EU would make sure that the

investigation would be carried out in an impartial manner. They also have hoped that the EU would condemn the Prime Minister's behaviour towards journalists.

The Members of the European Parliament's delegation informed that they are on a fact-finding mission and that the EP will not conduct an enquiry on the murder of the couple, but a parliamentary debate on this issue will be organised the following week during the next session of the Parliament.

2.4 Meeting with journalists

Participants:

Mr **Attila Lovász**, Vice General Director of RTVS - Radio and Television of Slovakia

Mrs **Xénia Makarová**, TREND magazine

Ms **Adriána Majer inová**, journalist

Mr **Peter Bárdy**, Editor-in-chief, Aktuality SK

Mr **Peter Demecs**, journalist, Új Szó

Mr **Matúš Kostolný**, Editor-in-chief , Denník N

Mrs **Beata Balogová**, Editor-in-chief of SME

Mr **Vladimír Amrich**, Hospodárske noviny

Mr **Robert Kvas ovský**, editor in chief TASR

Mr **Miroslav aplovi** , head of foreign news desk, Daily Pravda

During the exchange of views with the Members of the delegation, the following aspects have been pointed out by the participants:

- They asked for guarantees that this case will be monitored, given its grave consequences; it was repeatedly mentioned that they did not thought that kind of murder is possible in their country;
- As regards that protections of journalists, it was mentioned that the young journalist murdered has made a complaint last year that he has been intimidated, but no answer was provided to him by authorities for more than 40 days; they mentioned that there were several cases of intimidation of journalists, and charges were pressed against online media platforms; it was mentioned that two years ago the journalists considered themselves free, now, they are scared;
- Concerns were raised as regards the independence of the media and the question of media ownership; in this context it was noted that media ownership is not very transparent and that there are several cases where the so called oligarchs are owners of parts of media, hidden like minority holders; also financial groups are owners of media, and their core business is not the provision of a media service, which made some journalists to leave certain newspapers; it was also underlined that independent media rejects party advertisement;
- Concerning the murder of their colleague they mentioned the following: that Italian Anti-Mafia authorities have warned like one year ago about the presence of mafia on Slovak territory and in particular in the East Slovakia which is the poorest part of the country; the journalists also raised the attention to the presence in the office of the Prime Minister of persons closely connected to organised crime and that security clearance has been given to such persons; they also raised the issue of the presence of a NAKA officer on Monday morning when it was not yet known about the work of Kuciak on aspects linked the presence of Italian mafia on Slovak territory; they pointed out to the importance of having international cooperation of foreign agencies in order to have this investigation leading to a

result; they also underlined that journalists are also in close connections with their foreign colleagues to try to find more about the context of this crime;

- It was mentioned that in Slovakia the problem is not the legislation in place, but the fact that law enforcement authorities are not working properly, for example no top official put to jail for corruption in this country despite numerous allegations; media legislation is a copy of the German legislation, the independence of public service media depends on other factors, not only legislation;
- On misuse of EU funds, they made allegation that there are organised criminal groups involved in this; in this context they have pointed that in connection to agricultural subsidies, they are paid via APA, but conditions are vague, you never have to prove the fulfilment of criteria (ownership of land or if the land is cultivated etc.); It was also underlined that EU funds are perceived as an opportunity for corruption and made allegations that that the practices of Italian mafia are now used also by Slovak organised crime; also as a general comment it was noted that EU funds are part of political bargain, and that in this context the nominations to public offices are an issue, and the need to bringing more independence and transparency in the process.

2.5 Meeting with the Mr Andrej Kiska, President of the Slovak Republic

The series of meetings with government representatives started with an exchange with the President of the Slovak Republic, Mr Andrej Kiska, in the Presidential Palace. The President welcomed the Delegation and outlined his role in the current situation: he is very proud of his country and is confident that the investigators will find out the reason behind the killings. The investigators need trust and time and he as President wants to make sure that the situation in the country keeps calm and quiet. He announced his intention to sign the next day a memorandum on the situation and how to solve it.

Mr Moraes introduced the delegation and presented its mandate, stressing that despite the different political background of each MEP, the collective aim was to evaluate the current situation in Slovakia independently. The European values are under threat in many Member States and it is important to set the tone and to show that the European Parliament sends a serious delegation quickly in order to underline the European solidarity and the importance of the values shared by all Europeans.

Ms Gräßle reflected on the lack of trust towards the state institutions, notably towards the police and the law enforcement institutions, which was expressed throughout the meetings of the morning with the representatives of civil society and journalists. She was very concerned by these allegations which stand in sharp contrast to the perspective from Brussels where Slovakia was simply passing under the radar, creating the impression that there was no reason for concern. Confronted with allegations that EU money “is stolen” or seen as a gift, she is



alarmed and willing to ensure a thorough follow-up.

The President replied that indeed the people lost trust in their state and that he sees it as his task to help to start a new process. Indeed, it appears that Slovakia is the Member State with the lowest trust in Justice in the EU. That's why it is important to show to people that there is a real change in government.

That EU money may be stolen is a question which arises in all Member States - some have a higher, some have a lower record. The President also underlined that things have started moving in the right direction, for instance in the Ministry of Justice, but more needs to be done to regain trust. Notably the political mechanisms of control will have to be reinforced and consequences need to be drawn whenever something went wrong.

Mr Moraes consented that many structural issues in the judiciary and in law enforcement seem to be in need to be addressed and that the delegation is here to hear on these.



President Kiska assured the delegation that all state institutions will openly answer all the questions of the delegation. He expressed his strong European commitment. With regard to the European Funds he fears however that sometimes they are overly complicated which might lead to a situation that the money is not even looked after any longer.

On Mr Czarnecki's question of best and worst case scenarios for the coming days, the President replied that he does not want to predict, but that he sincerely hopes that the coalition partners realize that the atmosphere is very strong. He

expects a real re-organization of the government; if this will not happen, he sees a scenario of re-election. At any rate, Slovakia will stay a stable country with a strong pro-European orientation, even after a future election.

2.6 Meeting with Mr Peter Kažimír, Minister of Finance and Mr Peter Pellegrini, Deputy Prime Minister for Investment and Informatization

The delegation met with the key people in the Slovak government responsible for managing EU funds - the Deputy Prime Minister and the Minister of Finance.

The Deputy Prime Minister underlined that Slovakia is a democratic country and until 2 weeks ago it was a success story which no one has questioned. He drew the attention of the Delegation to the recently published country report prepared by the European Commission which assessed the country positively. He did admit that there is however a problem of trust of



the society towards the activities of the authorities following the tragic event.

The Minister of Finance presented the structure of management of EU funds by various Slovak bodies and informed the delegation that Slovakia follows closely the EC recommendations regarding audit standards. Referring to the question of VAT fraud asked by one of the Members, he gave detailed information about the actions of the Slovak government since 2012 aiming at reducing the VAT gap, which was shrunk from 41% to 26% %, which is still beyond EU average. The Minister deplored that the EU has no harmonised tools to fight VAT fraud, but thanks to mutual cooperation with the Czech Republic and Hungary, Slovakia managed to nearly eliminate VAT return fraud. Out of 5.5 billion Euro of collected VAT annually in Slovakia, it is estimated that only 90 million Euro is still lost due to VAT return fraud. He admitted however that the fraud pattern is changing towards fraud on the VAT value.

The Minister underlined that Slovakia is one of the few countries in which every public contract has to be published online. He was also proud to inform the EP delegation that a cash ban has been introduced for transactions above EUR 5000.

2.7 Meeting with Mr Juraj Kožuch, Director of the Agriculture Paying Agency (APA)

As the allegations addressed by the late Mr Kuciak dealt with EU agricultural direct payments, the Delegation met with the representatives of the Slovak Agriculture Paying Agency (APA).

The APA was established on 1 December 2003. It implements the measures within the programmes financed by the European Agricultural Fund for Rural Development, European Agricultural Guarantee Fund, the European Fisheries Fund, EU market regulations and State Aid schemes in the field of agriculture.

Main tasks of APA include collecting applications for funding from RDP and direct subsidies for approved assistance schemes, evaluation of eligibility for funding, payment of funding, audit into compliance with conditions for use of requested funding and monitoring of compliance with contract conditions. In addition it also provides for market organisation through CAP facilities, administration of national subsidies.

The Director of the APA informed about the fact that they have just completed the 2017 audit. Some shortcomings have been identified, notably with regard to insufficient IT support, but overall the procedures have been satisfactory. He indicated that one of the key findings is the high error rate, which is due to the lack of knowledge of the recipients on how to apply and obtain EU agricultural funds. He informed the Delegation that 35 million Euro has been excluded from direct payments on the basis of cases indicated to the APA by the European Commission.

Replying to a question referring to Eastern Slovakia (the region described in the article of late Mr Kuciak), Mr Kožuch informed the Delegation that 6 entities did not receive payments for the equivalent of 1600 hectares.

He indicated that there is a problem of overlapping of claims when claims are made by several people for the same plot of land. He admitted that there are no checks on who is owning the land but an extra sanction of 1% is imposed.

Mrs Gräßle asked for an explanation of how to did it happen that the number of beneficiaries receiving direct payment of more than EUR 100 000 per year has doubled since 2015.

2.8 Meeting with Mr Robert Fico, Prime Minister of Slovakia and Mr Robert Kaliák, Minister of Interior



Prime Minister Fico opened the meeting by explaining that Slovakia is in process of the most massive investigation of its history. More investigators than ever are associated to this case and the cooperation stretches out to FBI, Europol, Italian and Czech police forces and will be further expanded if necessary. The editor in chief of the news portal “Aktuality” is receiving information on the investigation to the extent which is at the limit of the law. Nobody can call into doubt the professionalism of the police. If the murder was effectively linked to the investigation

by Mr Kuciak, this amounts to an attack of democracy.

The Prime Minister underlined that Slovakia has a functioning government coalition and criticized openly the President of the Republic who, the Prime Minister said, without caring of the motives of the murder, is calling for early elections and the downfall of government.

He showed to be very concerned for the demonstration announced for the next day (9 March 2018).

The Minister of the Interior, Robert Kaliák stressed that this kind of murder happened for the first time in Slovakia. The decision to associate the chief editor of “Aktuality” to the investigation has been taken in the interest of transparency. He serves as a watchdog of transparency in the investigation, without being involved as such in the investigation per se.

Mr Kaliák described the measures taken in order to enhance the security of journalists: all the journalists have been invited to declare if they want protection. Any chief editor credited in Slovakia can ask the police for protection when he is working on a sensitive case. This protection will be granted at technical level without any political approval (normally it would have required the approval by the Minister for the Interior).

In their introductory statement, the co-chairs of the EP delegation outlined their mandate. They also raised the broader issue of independence of the judiciary and effectiveness of law enforcement reacting on the allegations the delegation was confronted with during the exchanges with the representatives of the civil society. They mentioned the frustration experienced by journalists who believe that not enough action is taken against corruption. They also raised the question of the lawsuit filed by a special prosecutor against the Minister of the interior on the same day which they found to be highly unusual.

In reply, the Minister of the Interior started by highlighting the high economic growth and the low rate of unemployment in Slovakia. Against this background, he stated that the fight against corruption is taken seriously and that many measures have been taken in the past years, notably a special unit for prevention of corruption has been set-up and a new law on whistleblowing is in the process of being adopted. He sees Slovakia in a positive upwards direction in the fight against corruption.

On the lawsuit against him, he downplayed its importance by qualifying it as a fight between two political parties and going back to facts of the year 2010. He also underlined that Slovakia is special because so much information is publicly available and estimated that 80% of the contents presented by the late journalist were information he received from the ministry of the interior.

The Prime Minister added that Slovakia is ranking very high in freedom of media (ranking 17th place in the world and the best within the Visegrad group): in Slovakia, journalists can write whatever they want without any responsibility. He also expressed the view that the draft of Mr. Kuciak's last article contained nothing new and that all the information he revealed was already published earlier. Therefore, the police is working on different hypothesis with equal footing. The first presumption remains however that the killing is linked to his investigation.

On the fight against corruption, Mr Fico mentioned further measures such as the audit of every ministerial employee and offered a report giving a comprehensive overview on all the measures taken in the fight against corruption during the past three years.

Concerning the President of the Republic, Mr Fico expanded that on 20 September 2017, President Kiska met with Mr Soros in New York in the latter's private office leaving behind all the officials of the foreign ministry and that the question what they were talking about was a very legitimate one.

Connecting with the demonstrations announced for the following day, he mentioned that the organizing NGOs had received last year thousands of Euros. He continued that Slovakia is not known for violent demonstrations, but that he fears that the protesters will want to invade the Prime Minister's office and that he will be confronted with the very serious question of asking the police to interfere or to let them break it down. He suspects that the protesters are looking for raids and injuries, stating that his information from the police is that the demonstrations will be bloody. He also mentioned that the opposition parties were producing boards with horrendous signs, like the government are murderers. He judged the situation very serious of how to face the events announced for the following day and expected very high participation because pensioners and students enjoy free travel by public transport. He did not abstain from expressing outspoken anger with President Kiska, because the political struggle between the government and the opposition should take place in parliament, not in the streets. The opposition was not able to win the elections for 12 years, but now he has to face the situation that they tear down a functioning country. Departing from the description that Slovakia is a parliamentary democracy with a strong parliament and a weak president, he considers the President irresponsible to step out of his constitutional role.

The members of the delegation asked a series of questions, covering the suspicion of mafia activities in east Slovakia, the organization of the investigation in the killings, the absence of protection of the murdered journalist despite his request, and the allegations that the mafia had infiltrated the Prime Minister's office notably through his assistant.

Mr Fico replied that the very idea the Mafia might have an interest in eastern Slovakia is absurd because there is nothing out there, but he admitted that the possibility to buy agricultural land and to take direct payments under the agricultural policy might be interesting for some. He raised the question whether it is right to take subsidies for non-cultivated land which might give ground for speculation.

With regard to his assistant, he considered that he is not responsible for what she did before she joined his cabinet and that she stepped down meanwhile.

With regard to the alleged absence of a positive reply to the request by Mr Kuciak, the Minister of the Interior explained that his request was linked to a recorded phone call with a businessman, but what has been recorded did not meet the criteria of a criminal offense and could not be considered as a thread of violence. On the reproach that the police did not do anything for 44 days on the late

journalist's request, Mr Kaliák stated that it took the prosecution 22 days to refer the matter to the police, but that this is not in his hands since the prosecution is entirely independent in Slovakia and not submitted under the control of the Minister of the Interior.

On Mafia activities in Slovakia, the Minister pointed out that Slovakia was not mentioned at all in a comprehensive report of 2013 describing the attitudes of the Mafia all over Europe. If there are Mafiosi in Slovakia, they do not show signs of organized crime. The four families which are quoted as having ties with the N'drangheta "know" people of the Italian Mafia, but there is no proof that they are part of the Mafia. Also, there has been some confusion around persons having the same name, but different birthdates.

In conclusion, the Prime Minister expressed his firm commitment to make sure that what happened will never occur again and offered to make available to the delegation the report detailing all the anti-corruption measures adopted during the past three years.

2.9 Meeting with Ms Gabriela Matejová, Minister of Agriculture and Rural Development

Following on the meeting with the Slovak Agriculture Paying Agency APA described in chapter 2.7, the Delegation met with the Slovak Minister of Agriculture and Rural Development, Ms Gabriela Matejová.

The Minister informed the Delegation that in Slovakia there are 8 million plots of farmland with an average of 12 co-owners of each arable plot. Each plot has its registered number both in the Slovak cadastre and the evidence of the Slovak Ministry of Agriculture (the numbers for the two databases are different).

25% of the plots are administered by the Slovak Land Fund, which is a heritage of the times of communism. The Minister admitted that the situation improves slowly. She underlined that 450 000 hectare which does not have clear ownership is managed by the Slovak Land Fund.

The Members asked who gets the money and how much. The Minister informed that there are 4500 lease contracts and that 1% of value of land increased to 2.2%. The Minister admitted that the authorities are also paying for land which is not used.

The Member indicated that there is an error of 6.7% in the second pillar and wanted to know what the problems of rural development in Eastern Slovakia are.

2.10 Meeting with the leaders of the opposition

Upon the request of the Conference of Presidents, the Delegation met with the representatives of the Slovak opposition to listen to their opinion about the current situation in the country. The representatives of the Slovak opposition with whom the Delegation met were the following:



- Mr Richard Sulík, MEP, ECR; Chairman of Freedom and Solidarity Party;
- Mr Igor Matovič, Chair of OĽANO - ECR
- Mr Alojz Hlina, Christian Democratic Movement, EPP
- Mr Pavel Nechaľa, Member SPOLU party, EPP candidate
- Mr Pál Csáky, MEP, Hungarian coalition, EPP

The leaders of the opposition informed the Delegation how they see the political situation in Slovakia. They underlined the wrongdoings of the authorities, the problem of corruption which affects the EU funds as well, the problems with the Slovak and Italian mafia. They asked for an international investigation in the death of Mr Kuciak. They also asked for more involvement of OLAF in the fraudulent cases.

2.11 Meeting with Mr Tibor Gašpar, President of Police, Mr Peter Hraško, Director of Slovak National Criminal Agency, Mr Pavol Vorobjov, Director of Slovak Financial Intelligence Unit

Participants:

Mr **Tibor Gašpar**, President of the Police

Mr **Peter Hraško**, Director of Slovak National Criminal Agency

Mr **Pavol Vorobjov**, Director of Slovak Financial Intelligence Unit

In his intervention the President of the police underlined the following:

- this is the first case in 25 years of experience, it has never happened; they have set up an investigation team which is established at NAKA, as specialised force of police;
- they are working on several scenarios, one is mafia, but also others, they work on the scenario that this murder was linked to the work of the journalist; the existing data is evaluated extensively, they collect data from cameras, municipalities, they look in police databases, interviewed almost 200 people;
- on international cooperation they mentioned that they invited experts from abroad, some from international agencies and that they are working towards creating a joint investigation team especially with IT police; the Special Prosecutor's office is working on that;



Mr Hraško, completed the information on international cooperation mentioning that:

- they approached the neighbouring countries, Czech Republic, Hungary and Germany; they are also in contact with Italian police and asked for the creation of a joint investigation team, the special prosecutor is competent for the creating of the JIT; they have also asked for support from FBI, Scotland Yard offered us their capabilities. As regards Europol, it was mentioned that they are cooperating with them from the beginning, on aspects such as the identification of image files'

In the exchange that followed several points were raised such as:

- Following questions from Members on protection of journalists, it was mentioned that the police has started communication with the editing house after the tragic event and that they offer journalists protection if they file a demand; it was mentioned that before this crime, journalists never asked for protection;

- On questions related to the mistrust in the authorities and the possible implication of political interventions, it was underlined that as regards the nomination of the President of the police, they contribute to a legislative proposal on this, to have more transparency in the process, e.g. by providing for a hearing of the nominee in the national parliament and to separate the powers of the President of the Police from the Minister of Interior which according to existing legislation can revoke at any time the President of the Police;
- On questions relating to a possible warning priory received by Slovak police it was emphasised that it is the Slovak police that asked actively information from other countries police on mafia;
- They mentioned that they worked on cases related to mafia members from 2003; and a number of communications through various channels and that they have inquired Italian authorities about specific persons;
- On question related to misuse of EU funds and whether there are cases investigated by the police, it was reiterated that their legislation respects the EU standards and even goes beyond; the police anti-corruption unit with competences related to the damaging of financial interest of EU has brought 419 charges (accused persons), started criminal prosecution in 404 cases which amount to 78.988.103 EUR documental damage;
- As regards the question on the presence of a NAKA officer at the site of the murder on Monday, it was underlined that NAKA has several departments, fighting organised crime, corruption, drugs, and that the respective officer was there at the decision of the President of the Police as he was part of the anti-corruption unit and based on the information they already had at that moment;
- On questions linked to the protests that day and possible violence and which would be the envisaged reaction of the police; it was mentioned that the police would to the utmost in order not to have an escalation;
- As regards the investigation, it was mentioned that it is done by an investigator which is independent, it is a chief investigator, the role of the President of the police being to ensure international cooperation is in place and to provide the means. It was underlined that the Minister of the Interior does not get any result of the investigation, neither the President of the police and that they receive only the information to which they are entitled to receive according to their competences; only the prosecutor which deal with the case receives information, he is the master of investigation;
- On questions related to corruption, and the statements made by one of the prosecutors belonging to the special prosecutor office the day before on high level corruption, the President of the police underlined that police works based on evidence which they have to bring. He raised also concerns on the respective prosecutors as in the past he was accused of producing minutes that were not signed;
- He reiterated that they are open to work with foreign investigators within the competences assigned by the legislation.

2.12 Meeting with Ms Lucia Žitňanská, Minister of Justice



In the meeting Members raised questions on how the justice system is working, on its effectiveness, on the perception in Slovakia as regards the independence of the justice system, and in particular of the investigation and prosecution and the relation to EPPO. Questions also were raised on corruption, and whether there is confidence in government to deal robustly with this

phenomenon, on media legislation and the transposition and application of the 4th AMLD.

The Minister of Justice in her answers:

- pointed out that by coincidence they presented a report on the efficiency of the Slovak justice system realised with the support of colleague in Council of Europe, CEPEJ (The European Commission for the Efficiency of Justice). This report contains scoreboards prepared by this CEPEJ experts;
- underlined that the independence is in the constitutional framework and that the constitutional and legislative set up is fully in conformity with the EU standards. She also mentioned that there is a huge disproportion between the set up and public perception, and that there is an internal dichotomy, building of capacities, quality of work and trust. She mentioned that this can be solved by building credible institutions which is a very difficult task, as the development in Slovakia has not always been linear, due to the legacy of previous regimes in cultural stereotypes.
This is why they decided to cooperate to CEPEJ, to do their best based on their recommendations to build capacity. It was underlined that in relation to prosecution, the Ministry of Justice does not have any supervisory role, they are competent only on co drafting legislation, the General Prosecutor being competent to build capacity in the field of prosecution;
- as regards police, the Ministry is involved as part of the work on criminal legislation and she mentioned the discussion on how the function of police president should be placed within the system and where inspection, that controls their work, should also be placed. In this context she underlined that her ministry recommends complete independence from the Ministry of the Interior, which is crucial in order to strengthen credibility of police and investigation;
- on joint investigation to be set up, she mentioned that it is the duty of the General Prosecutor to initiate this and discuss it with the Ministry and that the General Prosecutor office is preparing such a joint investigation team. As a follow up of the question on a possible joint investigative team with Europol, she mentioned that this is in the competence of the General Prosecutor office;
- on EPPO, they are currently preparing a draft law for the process of nominating prosecutors for Slovakia and in one week or two, this draft law will enter in public consultation. The first stage will be the selection procedure, a jury will be set up, comprised mostly of members of

the General Prosecutor office and as regards the outcome, the General Prosecutor will submit to the cabinet the nomination, and the government will approve the nomination;

- media legislation, she mentioned that this out of the ministry portfolio, but from a personal point of view Slovakia has a standard type of legislation, this legislation is now under discussion, to prevent market concentration as there are shifts in the owners of media, the media being owned more and more by business that focus on investment opportunities, media not being their core business. In this context she underlined that if this core business is linked to the state or dependent on state funds or legislation, that might distort the environment and create opportunities for everything;
- on question relating to the investigation, she did not comment as the Ministry does not have investigative powers;
- on the transposition and application of the 4th anti money laundering Directive, it was mentioned that the act which transposes the 4th Directive will enter into force on 15 March and that the Minister of the Interior is competent for it. She mentioned that the Ministry of Justice is competent for the act on final beneficiary, this piece of legislation was adopted ahead of the AML directive. On this she pointed out that under the new law on final beneficiaries, there is the obligation to register public sector partners and the final beneficiary and that the file contains a chart on how the final beneficiary was traced, the information being public. They have also a portal where all contracts with public partners must be published;
- as regards reform in the area of judiciary, the project with CEPEJ was mentioned and that the evaluation report contains proposed measures and the project will continue for 2 years, to improve access to justice, an effective justice being their goal.

2.13 Meeting with Mr Jaromír Ižnár, General Prosecutor

Participants:

Mr **Jaromír Ižnár**, General Prosecutor,

Mr **Dušan Kováčik**, Special Prosecutor

Mr **Peter Šufliarsky**, Deputy General Prosecutor for Criminal Matters

In the exchange with the Members of the delegations, the following aspects have been raised by the General Prosecutor and the Special Prosecutor:

- the event that happened is inadmissible in a democratic society, such event should not happen, they underlined the extreme attention that is given by prosecution and police to this case;
- they mentioned that this case should not be used for political objectives, and that not all information relating to this case



can be disclosed as information can arrive also to the potential perpetrator;

- it was underlined that pressure should not be put on the investigation and the police team working on this, that this can undermine the investigation, and that politicians should express their voice in a reasonable limit;
- on specific cases of corruption and whether there were any convictions that followed, it was mentioned only the difficulties linked to investigate such cases. The competent authorities were mentioned, NAKA and the National Unit on Fighting against corruption and that this field is under the competence of the Special Prosecutor. Efforts are done on this, but without being very successful;
- on questions related to the allegations of one prosecutor the day before on high level corruption, they mentioned that these are only allegations which are not proved and expressed their concerns on the trustworthiness of this prosecutor as he was accused before for not respecting procedures and that he committed several procedural errors. In this case also it was underlined that he should not have come in front of the media but to press charges as he knows the procedures that apply. This prosecutor has been recently acquitted of the charges against him by an independent commission. The interlocutors emphasized that they disagree with the conclusion of this commission.

2.14 Meeting with Mr Karol Mitrík, Chair of the Slovak Supreme Audit Office and Ms Ľubica Gazdová, the Director of the Control Section of the Supreme Audit Office (SAO)

Following the monitoring of the use of EU funds in Slovakia, especially the agricultural funds, the



Delegation met the management board of the Slovak Supreme Audit Office. The Chair of the SAO, Mr Mitrík, underlined the independence of the institution he represents and was proud to inform that all of their findings are publicly accessible.

One of the aims of the SAO is the audit of EU funded projects in Slovakia, which constitute around 30-40% of all of the audited projects.

In 2016 the SAO conducted a massive audit exercise aiming at covering all managing authorities and intermediate

authorities. The selection criteria were the amounts of funds managed and whether the Paying Agency had new subjects.

4 managing authorities were audited and only the APA was found to be problematic. For the APA the results were the following: APA did not have clearly identified procedure for allocation of funds in place; the value for money principle needs to be implemented better; the evaluators didn't have the background to fulfil the criteria; no sufficient assurance of the APA to manage these funds. The error rate in direct payments in Slovakia of 6.7% was not found by the SAO to be acceptable. They contacted and passed the results of their findings to the Slovak General prosecutor and NAKA.

Follow up of this audit will be done in 2019.

The Members of the Budgetary Control Committee posed questions on the allegations of EU funds being stolen, but due to lack of time both sides agreed that this topic will need to be discussed more profoundly at one of the next meetings if a CONT follow up mission will be organised.

2.15 Visit to Ve ká Ma a



The Delegation travelled to the village of Velka Maca, 45 km north-east of Bratislava. It was the location in which Mr Kuciak and his fiancée had bought a house and were renovating it. It was also the place in which they have been assassinated.

The Delegation met with the mayor of Velka Maca, Mr Stefan Lancz, and together with the Mayor laid flowers in front of the house of Mr Kuciak.

It was a very touching moment for all the participants of the Delegation, as it personified the human dimension of this tragedy.

2.16 Press Conference



The program of the delegation ended with a press conference which was held in the premises of the EP information office in Bratislava.

The press conference was co-chaired by the Chairs of the two Committees - Ms Gräßle and Mr Moraes.

It was very well attended and covered by the Slovak and international media.

3. Key findings

3.1 Fundamental rights related issues

As a follow up of the two days meetings with various stakeholders comprising government representatives, law enforcement authorities, journalists, civil society organisations and other stakeholders, from the perspective of respect for fundamental rights and values on which the European Union is based, the following key findings could be mentioned:

- there is a high distrust in the institutions, the various interlocutors underlined that the constitutional and legislative set up is in conformity with the EU standards, but there is a huge disproportion between the legislative set up and reality in practice, as well as public perception, due also to a gap between building of capacities, quality of work and trust; building credible institutions was mentioned as one of the possible solutions to raise public trust in the institutions;
- various interlocutors pointed out that law enforcement constitutes the main problem; in the exchanges held the need for institutional improvement in order to strengthen law application and enforcement was repeatedly mentioned;
- concerns were raised on the access to justice in relation to courts proceedings and prosecution and also the possible conflicts of interest in the existing legislation which might jeopardise the independence of investigation and prosecution; aspects such as the selection of top prosecution or police nominations were underlined as being perceived as highly politicised. In the meetings held were underlined possible gaps such as the hierarchical link between General Prosecutor Office and the organs which should control their activity, the fact that the Minister of the Interior can dismiss the Police President, the fact that there is no real independent inspection. The Police President and the Minister of Justice mentioned in this regard the steps which are taken in view of a new legislative proposal that will bring more transparency in the process, e.g. by providing for a hearing of the nominee for Police President in the national parliament and to separate the powers of the President of the Police from the Minister of the Interior. As regards reform in the area of judiciary, the Minister of Justice mentioned the project with CEPEJ and that the evaluation report contains proposed measures to improve access to justice and that the project will continue for 2 years in view of an effective justice system. In general, it was pointed out by various stakeholders that transparency in the process of selection and nomination of the judiciary and law enforcement as well as of their control bodies is necessary in order to reduce the perceived distrust in their activity; Members have raised that the perception of the public on the independence of justice system, and in particular the importance of the independence of investigation and prosecution also from the perspective of the selection process for the nominations for EPPO;
- concerns as regards the result of the anticorruption fight as only minor corruption cases were investigated until now; according to the various stakeholders met, no cases of high level corruption were finalised by a conviction; it was also to be noted the perceived immunity for politicians as no investigations or prosecutions were until now initiated against them; against this background, it was stated that the fight against corruption is taken seriously and that measures have been taken in the past years, notably a special unit for prevention of corruption has been set-up and a new law in whistleblowing is in the process of being adopted;
- the representatives of the civil society and of journalists pointed that there is an atmosphere created against journalists, that there is a certain pressure exercised by the

politicians and that there is a perceived lack of safety for journalists; it was also pointed out the lack of a real dialogue of the Government with the representatives of the civil society; concerns were raised as regards the independence of the media and the question of media ownership and in this context it was noted that media ownership is not very transparent in Slovakia; as regards protection of journalists, authorities mentioned the measures that are taken to enhance the security of journalists as follow up of the murder of the journalist and his fiancée ;

- concerns over the involvement of mafia and the presence of organised crime in the country were raised by several interlocutors; question marks were raised on the fact that persons close to organised crime structures were in public office and that security clearance was given to them; Members have repeatedly asked about any preventive measures taken to tackle organised crime and whether there were previous warnings about the presence of mafia on their territory;
- In connection with the murder of the journalist and his fiancée, authorities expressed their full commitment to this investigation. In the discussion held, it was underlined the importance of cooperation between law enforcement agencies in Slovakia and international agencies and in particular with Italian services. It was mentioned by representatives of the authorities that Slovakia started cooperation with neighbouring countries and that they are also in contact with Italian police and asked for the creation of a joint investigation team. The competence for the creation of joint investigative teams lies with the Special Prosecutor Office. It was also mentioned that support has been asked from FBI and that Scotland Yard offered their capabilities. As regards Europol, it was underlined that they are cooperating with them from the beginning, but Europol has for the moment only a support role. The Members of the delegation raised several times the possibility of having a joint investigative team set up with Europol (based on Europol regulation which provides for an agreement by which such teams can be set up).

3.2 Budgetary control related issues

Having prepared the ad-hoc delegation with a preparatory meeting in Brussels on 6 March with representatives of DG Home, DG Justice and DG AGRI, the CONT members of the delegation left Brussels having received reassurance of the absence of any audit finding which would set Slovakia apart from any other Member State: the financial corrections are not high in Slovakia, the first pillar payments under the Common Agricultural Policy (CAP) have a very low error rate, by contrast the error rate of the second pillar is relatively high with 6.7%, but according to Commission services there have not been any signs of fraud and collusion, and even if there would be, the services do not investigate them as this is not in their competence, but would pass the information on to OLAF. The Commission services presented results from a study on the infiltration of organised crime in the legal economy. It was also mentioned that Italian Anti-Mafia Prosecution Office and recent reports of the Italian police warned about recent and emerging signals of interests and investment by Italian organised crime groups in Slovakia. It also mentioned that Slovakia did not properly transpose the 4th Anti Money Laundering Directive. The Commission said that for the majority of their work, active involvement of the Member States is needed.

Against this backdrop, the ad hoc delegation was confronted with the following affirmations made by the representatives of the civil society:

- allegations for corruption are not being followed-up and do not lead to sentences;
- whoever is in power will steal, notably the EU money because in Slovakia there are no other assets;

- “organized structures” are working on the EU funds in Slovakia, they are connecting to people who select the programmes and some people get the money without having anything to do with the land; serious criticism in this regard has been expressed in a report by the supreme audit office on the functioning of the agricultural paying agency;
- EU funds have always been seen as a gift and as a package of money which goes to oligarchs;
- some groups are organized to live on EU funds, they know how to get the money before even the calls for tender are being made;
- EU funds are a major opportunity for corruption which is seen as risk free since in the worst case the money has to be paid back, but no other sanction is to be feared;
- the EU money is seen as a means to reward people close to the ruling party;
- EU funds for the media have entailed considerable competitive advantages for the owners of certain media.

Some allegations were confirmed in the [Country report Slovakia 2018](#) published on 07.03.2018¹ and in The OLAF 2016 report².

Against these allegations, it may be regretted that the Commission discontinued the yearly publication of its anti-corruption report.

Concerning the use of the cohesion funds, no particular findings were highlighted. The management and control systems on EU cohesion funds are fully operational in Slovakia and the Commission is said to have been satisfied with reporting from Slovakia. However the Supreme Audit Office of Slovakia made three very critical reports on the Agricultural Paying Agency (APA) who is also competent for the structural funds. Serious weaknesses were reported on the lack of expertise of the APA's personnel, on the assessment criteria of proposals and on accounting. Further follow-up will be needed, in particular on the question if program selection has been used as a reward for partisans of the ruling parties.

With regard to the first pillar of the CAP, the APA affirms 100 % control over direct payments. However it appeared that it cannot be excluded that somebody claims money for land which is owned by somebody else. The reason lies in a law which dates back to the monarchy and according to which for 8 million of parcels, 12 owners exist per plot and hence the ownership situation is very difficult to assess. The Slovak Land Fund is in possession of 23% of the arable land. This comprises land owned by the state and unowned land for which the owners are not known. For approximately 450000 ha of land the owners are not known. The land is not used by the Land Fund but has to be leased to users (it is the users who get the direct funding; under the “Greening”, they get also to some extent direct payments for land which is not used). 4500 of such lease contracts exist, covering from a few up to several thousands of hectares. The price of lease has been fixed at 2.2% of the value of the land. Further analysis will also be needed on the steep increase in the number of beneficiaries of direct aid of more than EUR 100000 per year since 2015.

With regard to the second pillar of CAP the APA has reported to Brussels irregularities with regard to the program selection. Further clarification will be needed. The 6.7% error rate under the second pillar of CAP will also deserve further examination.

¹ <https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-slovakia-en.pdf>

² https://ec.europa.eu/anti-fraud/sites/antifraud/files/olaf_report_2016_en.pdf

Concerning organized crime and EU funds, further analysis is required if the national rules on seizure of assets following criminal activity are sufficient or if they make the country more attractive for money laundering.

Lastly, the criticism against disbursement of EU funds for the media and the alleged negative consequences need to be further analyzed.

Annexes

Committee on Civil Liberties, Justice and Home Affairs (LIBE) Committee on Budgetary Control (CONT)

Mission to Slovakia
7 March - 9 March 2018

Draft programme

Wednesday, 7 March 2018

Recommended flight 19:10-20:50 (SN Brussels)

A bus transfer to Bratislava will be organised at 21:15

For other flights transportation has to be organised individually by the participant

21:15	<i>Bus pick up Vienna airport and transfer to the Mercure Bratislava Centrum Hotel, Zabotova 2, Bratislava</i>
22:30	<i>Arrival at the hotel</i>

Thursday, 8 March 2018

7:15	<i>Bus pick up from hotel and transfer to the EP Information Office, Palisády 29, SK-811 06 Bratislava</i>
7:30 - 8:50	<p>Round table of discussion with NGOs active in the fight against corruption</p> <ul style="list-style-type: none">• Mr Milan Šagát, VIA IURIS - Civil society organisation in the field of justice, rule of law and democracy https://viaiuris.sk/en/• Mrs Zuzana Wienk and Mr Peter Kunder - Fair Play Alliance, Civil society organisation in the area of transparency and anti-corruption http://fair-play.sk/abouts• Mr Gabriel Šípoš - Transparency International Slovakia http://transparency.sk/sk/• Mrs Veronika Prachárová - Slovak Governance Institute on Good Governance and Public Policy http://www.governance.sk/about-us/• Mr Ivan Kuhn - Conservative Institute of M.R.Štefánik, Monitoring of EU Funds http://www.monitoringfondov.sk/• Mr Matej Hruška - Bring to a Halt of Corruption - Foundation in the field of fight against corruption https://zastavmekorupciu.sk/ <p><i>Venue : EP Information Office, Palisády 29, Bratislava</i></p>

8:50 - 9:10	<p>Meeting with the organizers of the public demonstration For a Decent Slovakia</p> <ul style="list-style-type: none"> • Juraj Šeliga • Katarína Nagy Pazmany • Peter Nagy • Karolína Farská <p><i>Venue : EP Information Office, Palisády 29, Bratislava</i></p>
9:10 - 10:45	<p>Meeting with journalists</p> <ul style="list-style-type: none"> • Mr Attila Lovász, Vice General Director of RTVS - Radio and Television of Slovakia • Xénia Makarová, TREND magazine • Adriána Majerčinová, journalist • Peter Bárty, Editor-in-chief, Aktuality SK • Peter Demecs, journalist, Új Szó • Matúš Kostolný, Editor-in-chief , Denník N • Beata Balogová, Editor-in-chief of SME • Vladimír Amrich, Hospodárske noviny • Robert Kvasňovský, editor in chief TASR • Miroslav Čaplovič, head of foreign news desk, Daily Pravda <p><i>Venue: EP Information Office, Palisády 29, Bratislava</i></p>
11:15 - 12:00	<p>Meeting with Andrej KISKA, President of the Slovak Republic</p> <p><i>Venue: Presidential palace, Hodzovo namestie 1, Bratislava</i> <i>Format: 8+</i></p>
12:15- 12:45	<p><i>Lunch</i></p>
12:45 - 13:45	<p>Meeting with Peter KAŽIMÍR, Minister of Finance and Peter PELLEGRINI, Deputy Prime Minister for Investment and Informatization</p> <p><i>Venue: Štefanovičova 2968/5, Bratislava</i> <i>Format: 8+</i></p>
14:00 - 15:00	<p>Meeting with representatives of The Agriculture Payment Agency (PPA) Juraj KOŽUCH , Director General</p> <p><i>Venue: Hraničná 12, Bratislava</i> <i>Format: 8+</i></p>
15:15 - 16:15	<p>Meeting with Robert FICO, Prime Minister of Slovakia and Robert KALIŇÁK, Minister of Interior</p> <p><i>Venue: Námestie slobody 1, Bratislava</i> <i>Format: 8+</i></p>
16:30 - 17:30	<p>Meeting with Gabriela MATEČNÁ, Minister of Agriculture and Rural Development</p>

	<i>Venue: Dobrovičova 12, Bratislava</i> <i>Format: 8+</i>
17:45 – 19:00	Meeting with the leaders of the opposition <i>Bus transfer to the hotel</i>

Friday, 9 March 2017

7:30	<i>Bus pick up and transfer</i>
8:00 - 9.00	Meeting with Tibor GAŠPAR, President of the Police Peter HRAŠKO, Director of Slovak National Criminal Agency Pavol VOROBYOV, Director of Slovak Financial Intelligence Unit <i>Venue: Račianská 45, 812 72 Bratislava</i> <i>Format: 8+</i>
9:00 - 10:00	Meeting with Lucia ŽITŇANSKÁ, Minister of Justice <i>Venue: Župné námestie 13, 813 11 Bratislava</i> <i>Format: 8+</i>
10:15 - 11:15	Meeting with Jaromír ČIŽNÁR, General Prosecutor <i>Venue: Generálna prokuratúra, Štúrova 2, Bratislava</i> <i>Format: 8+</i>
11:30 - 12:30	Meeting with Mr Mitrik , Chair of the Slovak Supreme Audit Office and Ms Ľubica Gazdová, the Director of the Control Section of the Supreme Audit Office <i>Venue: Priemyselná 2, 824 73 Bratislava</i>
12:30 - 15.15	Visit to Veľká Mača, Slovakia Commemorating event in front of the House of Mr Kuciak in the presence of Mayor of Veľká Mača
15:30- 16:00	Press conference (Chair)
16:00 - 17:20	<i>Transport to the Vienna airport</i>

**COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS
BUDGETARY CONTROL COMMITTEE**

**Mission to Bratislava, Slovakia
7 - 9 March 2018**

List of participants

MEMBERS OF THE EUROPEAN PARLIAMENT (protocol order)

Name	Group ³	Committee	Country
Ingeborg GRÄSSLE.	PPE	CONT	DE
Claude MORAES	S&D	LIBE	UK
Ryzsard CZARNECKI	ECR	CONT	PL
Sophie INT'VELD	ALDE	LIBE	NL
Benedek JAVOR	Greens/ALE	CONT	HU
Marco VALLI	EFDD	CONT	IT

STAFF OF THE POLITICAL GROUPS

Name	Group
Balazs Szechy	PPE
Tim Allan	S&D
Magda Majerczyk	ECR
Christian Kroekel	ALDE
Frantisek Nejedly	Verts/ALE
Barbara Gatto	EFDD

³ EPP Group of the European People's Party (Christian Democrats)
S&D Group of the Progressive Alliance of Socialists and Democrats in the European Parliament
ECR European Conservatives and Reformists Group
ALDE Alliance of Liberals and Democrats for Europe
GUE/NGL European United Left - Nordic Green Left
Verts/ALE The Greens – European Free Alliance

STAFF OF THE EP SECRETARIAT - CONT/LIBE

Name	Function
Evelyn WALDHERR	Head of Unit CONT
Angela BALAN	Administrator LIBE
Michal CZAPLICKI	Administrator CONT
Ivana URBANOVA	Assistant LIBE

INTERPRETATION

Name	Function
Peter BAJCIK	Interpreter
Ivana MUSILOVA	Interpreter

PRESS OFFICERS

Atila AGARDI	EPP press officer
Irina LIETZEN	DG COMM

Authorisation to send an ad hoc delegation to Slovakia

The Conference of Presidents, by written procedure

- recalled the exchange of views in plenary on 1 March 2018 on the murder of journalist Ján Kuciak and his partner Martina Kušnírová; and recalled that the President had noted that there had been an agreement for the sending of an ad hoc delegation to Slovakia;
- authorised the sending of an eight Member ad hoc delegation to Slovakia, to be composed of one Member from each political group and preferably drawn from the Committee on Civil Liberties, Justice and Home Affairs (LIBE) and the Committee on Budgetary Control (CONT), for a fact-finding mission in those committees' respective remit, at the earliest possible date and for up to three days;

recalled that Article 21(1) of the Implementing provisions governing the work of delegations did not provide for the addition of committee chairs nor for allowing for accompanying Members;
- invited the LIBE and CONT Committees to submit a joint proposal for the programme of the mission.

THE NEW ACTION PLAN - II. UPDATE OF ACTION PLAN

In February 2017, Financial Administration (FA) processed as a sponsor together with its partners (Ministry of Interior, Ministry of Justice, General Prosecutor's Office) the Action Plan includes proposed measures for approval by the Government:

↓ Area of Tax Administration:

Measure	Proposer	Sponsor	Impact	Impact on IS
1. Change of the legislation in order to improve tax compliance.	FA	MF SR (FA SR)	Legislation	Y
2. Elaboration of principles ne bis in idem a ultima ratio.	FA	MF SR (FA SR)	Legislation	N
3. Implementation of responsibility for the accuracy of the data referred to tax payers in tax returns, reports and statements.	FA	MF SR (FA SR), MJ SR, GPO SR	Legislation	Y

↓ Tax control:

Measure	Proposer	Sponsor	Impact	Impact on IS
4. The introduction of the summary record of tax audit.	FA	MF SR (FA SR)	Legislation, trainings, ICA	Y
5. The operational information exchange between Financial Administration and Police Force by enhanced analytical support.	FA	MJ SR, MF SR (FA SR), MI SR, GPO SR, PF (NCA)	Legislation, ICA	Y
6. Extension of process tools of Financial Administration.	FA	MF SR (FA SR)	Legislation	N
7. The introduction of legislative changes concerning the sharing economy.	FA	MF SR (FA SR)	Legislation	Y

↓ Tax Code and other legal areas

Measure	Proposer	Sponsor	Impact	Impact on IS
8. Extension of institutions for the protection of state interests in the field of taxation.	FA	MF SR (FA SR), MJ SR	Legislation, ICA	Y
9. Extending the responsibilities of Financial Administration in relation to compulsory registry.	FA	MF SR (FA SR)	Legislation	Y
10. Lowering the cash payments limit.	FA	MF SR (FA SR)	Legislation	N
11. Withdrawal of trade license for repeated violations of the Law on Accounting.	DFATF(=department of fight against tax fraud)	MF SR (FA SR)	Legislation	N
12. Define the extension of the competence of Crime Office of the Financial Administration (COFA)	COFA	MF SR (FA SR), MJ SR, MI SR	Legislation, ICA	Y

↓ **Criminal Law**

Measure	Proposer	Sponsor	Impact	Impact on IS
13. Extension of the criminal offense of obstruction of tax administration proceedings and extension of sanctions.	FA	MJ SR, MF SR (FA SR), MI SR, GPO SR, PF (NCA)	Legislation	N
14. The introduction of financial investigations in tax offenses.	MJ SR	MJ SR, MF SR (FA SR), MI SR, GPO SR, PF (NCA)	Legislation	N
15. The introduction of the possibility of using undercover agents - a person other than a member of PF - for the most serious forms of tax crime.	MJ SR	MJ SR, MF SR (FA SR), MI SR, GPO SR, PF (NCA)	Legislation	N
16. The introduction of changes in criminal law, which will lead to more effective detection of proceeds of crime and the measures necessary to streamline hedging and subsequent confiscation of criminal proceeds.	MJ SR	MJ SR, MF SR (FA SR), MI SR, GPO SR, PF (NCA)	Legislation	N

↓ **Commercial Law**

Measure	Proposer	Sponsor	Impact	Impact on IS
17. Avoiding unfair mergers of companies.	MJ SR	MJ SR	Legislation	N
18. Strengthening the personal liability of companies in which there is not a statutory body established.	MJ SR	MJ SR	Legislation	N

↓ **Other law-related areas**

Measure	Proposer	Sponsor	Impact	Impact on IS
19. Monitoring the traffic movement of goods EKAER.	COFA	MF SR (FA SR); MTCRD SR	Legislation, ICA	Y
20. Establishing a central registry of accounts (CRA).	NCA	MF SR, MI SR, MJ SR, SBA, NBS	Legislation, ICA	Y
21. The introduction of legislative changes for improvement of collection of excise duty on mineral oils – Excise Duties.	COFA	MF SR, COFA	Legislation, ICA	Y

Measures to Combat Tax Fraud – Stage I with effect as of 1 October 2012

- 1. Introduction of the obligation for high-risk persons to deposit a financial guarantee upon registration for VAT purposes.*
- 2. Deletions of registration for VAT purposes of persons, who cannot be contacted, do not communicate with a tax administrator, or fail to comply with their legal obligations.*
- 3. A mandatory monthly tax period for new VAT payers applicable for the period of twelve months.*
- 4. Reduction in the number of quarterly VAT payers (reducing the turnover threshold starting from which the monthly tax period is mandatory).*
- 5. Joint and several tax liability (two VAT payers in a chain, one does not transfer the tax to the state budget, while the other claims the right to deduct VAT).*
- 6. The obligation to register as a VAT payer prior to the first sale of immovable property.*
- 7. Extending the domestic reverse charge mechanism.*
- 8. Introduction of more stringent conditions for the application of a special arrangement of trading in second-hand goods (used car dealerships).*
- 9. Introduction of more stringent conditions applicable to a tax representative in the case of import of goods.*
- 10. Introduction of the obligations to provide evidence of intra-Community deliveries of goods.*
- 11. Reduction of the limit for a document that serves as a simplified invoice in the case of cash payments made through ERR.*
- 12. Tax guarantees in the case of import of goods from third countries.*
- 13. Only a person with no tax arrears will be allowed to establish a limited liability company.*
- 14. Transferring a majority share in a limited liability company will only be possible subject to a confirmation by a tax administrator that neither the shareholder transferring that share nor the acquirer of the majority share has any tax arrears.*
- 15. An obligatory penalty in the form of prohibition to conduct business activity (for five to ten years) where a “tax crime” has been committed.*
- 16. Introduction of a new element of crime of “tax fraud”.*
- 17. Introduction of a new element of crime of “obstructing the performance of tax administration”.*
- 18. Introduction of more stringent criminal sentences in the case of “tax crimes” committed in a substantial and large extent.*

Measures to Combat Tax Fraud – Stage II with effect as of 1 October 2013

- 19. Introduction of a tight tax supervision regime over high-risk entities.*
- 20. Conclusion of bilateral agreements on the exchange of information relating to tax matters and updates to existing and conclusion of new double tax treaties.*
- 21. An analysis of payments made for goods and services, and other forms of payments made by taxpayers towards entities having a place of business in non-cooperative, or OFF SHORE jurisdictions.*
- 22. Introduction of the obligation for a contribution administrator to deposit financial contributions made by shareholders of a limited liability company in a bank account.*
- 23. Resolving the cases of “ex officio” deletion of companies (in the case of tax arrears or tax audit).*
- 24. Introduction of courts’ specialisation in the area of tax crime.*
- 25. Securing property claims of the state in criminal proceedings.*
- 26. Introduction of the legal liability for legal persons.*
- 27. An analysis of the possibility to introduce a mechanism of financial investigation which a LEA would be obligated to commence under specifically defined conditions.*
- 28. Introduction of the obligation to use only non-cash payments in business transactions above a certain limit (EUR 10,000).*
- 29. Legal basis to permit the use of information obtained through international cooperation of financial intelligence units in tax proceedings.*
- 30. Establishment of a system to analyse risks and select entities for tax audit, including IT supports.*
- 31. A uniform tax audit manual (including a tighter tax supervision regime with respect to excise duties).*
- 32. A programme to combat corruption in the Financial Administration.*
- 33. Establishment of specialised tripartite teams (tax specialist, investigator, prosecutor) to deal with serious tax crimes.*
- 34. A change in the organisational structure of the police force in order to set up specialised task forces to combat serious economic crimes.*

Measures to Combat Tax Fraud – Stage III with effect as of 1 October 2014

- 35. Introduction of the obligation to provide information on domestic supplies of goods and services to a tax administrator in an electronic form (recapitulative statement).*
- 36. Introduction of a taxpayer rating system and obligation to indicate the rating on tax documents(measure cancelled)*
- 37. Establishment of a disqualified persons register.*
- 38. Establishment of an insolvency register.*
- 39. Revision of fiduciary duties of statutory body members in commercial companies.*
- 40. Introduction of more stringent conditions in the Bankruptcy and Arrangement with Creditors Act (a time limit for the declaration of bankruptcy in the case of excessive indebtedness, resulting in the imposition of property and criminal sanctions on company statutory bodies).*
- 41. A legal basis to differentiate two types of limited liability companies - those with the mandatory amount of registered capital exceeding a certain limit (e.g. EUR 25,000) and those with the registered capital of one euro but more stringent conditions for the formation and preservation of registered capital.*
- 42. An analysis of the possibility to make the evidence taking concerning financial circumstances of a perpetrator one of the obligatory elements in criminal proceedings (with linkage to the forfeiture of property).*
- 43. A comprehensive review of elements of crime of “tax crimes” (including a possibility to introduce a new element of crime of “establishment of a fraudulent limited liability company”).*
- 44. An analysis of the possibility to establish a special institution to manage seized assets (Asset Management Office).*
- 45. Establishment of an economic “FOAF” network (containing economic, personal and financial links among business entities).*
- 46. An online access for FA SR to the road toll system.*
- 47. Interconnecting IT systems of building administration offices and tax offices.*
- 48. A common information exchange platform between FPIUs and liable persons.*
- 49. Setting up a central account register.*
- 50. Ensuring an online access for the Financial Administration to the CEMVO register (central register of motor vehicles) and the REGOB database (population register).*

Actualization of measures to combat tax fraud

1. *Implementing Criminal liability of legal persons*
2. *Comprehensive review of the merits of 'tax offenses ' including responsibility for crimes. Criminal liability of the statutory during audits conducted according to defined tools and audits for which the taxpayer did not allow its performance.*
3. *Implementing the possibility to use the agent (other than police officer) while dealing with the most serious forms of tax crimes.*
4. *Implementing the possibility to use so called „cover taxpayer” (business company) for the purposes of criminal proceedings while dealing with the most serious forms of tax crimes.*
5. *Dealing with issue concerning the differences in proving the amount of illegally shortened tax during tax and criminal proceedings while accepting tax administration competences and prolongation of the peremptory period.*
6. *Implementing the obligation for taxpayer to present to the tax administration the electronic accounting archive including VAT records. Mainly in cases when the company is deleted from the trade register after its cessation without liquidation through merger with another company. Implement the obligation for each company to have its statutory stipulated.*
7. *Implementing the right to bring in the person to the tax administration according to act no. 563/2009 (Tax Code) with the assistance of customs officers as well not just with the assistance of police officers.*
8. *Implementing a series of key measures in order to eliminate tax evasions on excise taxes which include: measures concerning registration process, auditing the subject of excise taxes, changes in process of analytical and operational type of activities*
9. *Redefine the institute of objection set out in act no. 563/2009 (Tax Code) in order to protect institute of objection against its misusing by taxpayers for delays and obstruction in tax proceedings and tax audits.*
10. *Analysis of implementing the ETCS (electronic transit control system) – system for monitoring cross-border goods transport*
11. *Reduce tax arrears by means of:*
 - *implementing the mailing system of automatic notifications for taxpayers*
 - *publishing tax debtors on the official website of the tax administration*
12. *Redefine the institute of the interim measure.*
13. *Implementing the possibility to cancel the sole-trading license (in case the taxpayer is violating Accounting Act and Tax Code)*
14. *Establishment of the high-risk taxpayers register.*

15. *Trend analysis of VAT deductions from simplified invoices according to the data indicated in VAT control statement.*
16. *Introduction of the change of the obligation of the restraint an unusual financial transaction by the change of the deadline from 48 hours to 120 hours and from 24 hours to 72 hours (by the Act No.: 297/2008 Coll.).*
17. *Introduction of the reliability test for the employees of the financial administration (Ministry of Finance of the Slovak Republic) within the fight against corruption.*
18. *Amendment to the Act No.: 171/2005 Coll. on gambling and on amending and supplementing some laws.*
19. *Amendment to the Act No. 479/2009 Coll. on public authorities in the field of taxes and fees and on amending and supplementing some laws.*
20. *The building of the system on the regular education of the policemen, procurators, judges and the financial authority officers by the use of the educational activities within Slovak Republic, abroad, possibly the use of the foreign lectors.*
21. *Providing the elaboration of the guidelines (methodical aids) to the procedures during detection and documenting of the economic (tax) offences for the policemen, procurators, judges and the financial authority officers.*
22. *The categorization of the tax crime and related legalization of the criminal activity incomes to the curriculum of the Police Force Academy in Bratislava.*
23. *To analyse the possibilities of the Exchange of the Information including the introduction of the electronical cooperation among the Financial Directorate of the Slovak Republic and all banks, the access of Financial Directorate of the Slovak Republic to the toll system – connection of the information systems, on-line Access of the Financial Directorate of the Slovak Republic to Central Register of motor vehicles, database of the Register of natural persons.*
24. *Analysis of the possibility of the creation of „Integrated analytical centre of the Financial Administration and the Police Force“.*
25. *Monitoring and evaluation of the use of the Institute of Securing the financial means (the securing of the booked equities) and the implementation of the punishment of the foreclosure of the property, respectively seizure case regarding to the tax frauds.*
26. *Assessing the need for building a dedicated specialized organizational and personnel basis for effective implementation of elements of the financial investigation within proving of the income from criminal activity.*
27. *Analysis of the complexity of applying the protection of financial and other rights and interests of the state in area of taxes.*
28. *Analysis of the possibility of submission of the acquiring document at import of vehicles only original contracts and invoices on the basis of which the vehicles were indeed purchased abroad, including all requirements.*

29. Changing the organizational structure of the police force focusing on the detection of economic criminal activity at level of the regional and district directorates of the police force.

30. Personnel strengthening of departments of the police force intended for the detection of economic (tax) criminal activity and legalization of income from criminal activity.