

By Štefan Hudec\*

“Slovenskoooo, hey-ya Slovenskooo!” shouted Slovakian soccer fans around the country in October 2009 when the Slovak national team defeated Poland and qualified for the 2010 World Cup. Slovakia hadn’t achieved such an accomplishment since it became an independent state in 1993, when Czechoslovakia ceased to exist.

Soccer may be the country’s most popular sport and a source of national pride, but even so, many Slovaks boycott the domestic matches because they perceive them as being rife with corruption. Many have even stopped going to the matches or following them on TV and in the news.

“The selling of matches is a common practice in Slovak soccer, together with bribing the referees,” says 31-year-old football fan Martin Hanulík, who stopped watching the national league’s games in 2009 both because of the team’s inconsistent performance, and because of his suspicion that the results were manipulated. Martin points at the scandal in the Slovak Football Federation (SFZ — *Slovenský Futbalový Zväz*) as an example.

Slovakian soccer’s second-highest official, Vladimír Wänke, was arrested in March 2007 after accepting €332 (US\$421) from the owner of the Eldus Močenok soccer club in a player registration deal. According to the rules, the SFZ must follow a process to approve every transfer of a player in the league. Wänke requested the money in exchange for speeding up the registration.

Prosecutors say Wänke regularly used his position to demand not only financial bribes, but also payment in wine and apples. In April 2009, the Special Court for Combating Corruption, in Pezinok, sentenced him to three years in jail. However, it is believed that he was one of several individuals taking bribes and that other corruption cases in Slovak soccer remain hidden.

## Growing Corruption

Twenty years after the Velvet Revolution, corruption is still a major problem in this Central European nation of 5.5 million people. Overpriced and questionably managed tenders, government contracts awarded to party supporters and nepotism are common characteristics of political life. Softer forms of corruption — bribes of expensive alcohol paid to doctors in exchange for special medical treatment; or to professors to gain admission to

prominent universities — are common for many Slovaks. In early 2010, a new rector was appointed to the University of Trenčín following a scandal involving diplomas awarded in suspicious circumstances.

Slovakia has made enormous economic progress in the last decade, which brought the country the nickname “Tatra Tiger” (The Tatras is the biggest mountain range in the country and a famous sky resort). The country joined the European Union and NATO in 2004 and in 2007, the annual GDP growth reached 10.4 percent — the highest rate among the OECD (*Organisation for Economic Co-operation and Development*) members.

Nevertheless, the nation still struggles with corruption and an ineffective judiciary. The situation has worsened in since 2007 when it was ranked 49 on Transparency International (TI)’s world corruption list. In 2009, it was ranked 56, among the lowest of European Union members.

### Communist Instinct and a Bottle of Cognac

Experts suggest that the widespread corrupt behavior that existed under communist rule (1948-1989) accustomed Slovaks to manipulating the system to receive benefits such as a flat, a new car, special medical treatment or a visa. “It was a part of people’s everyday life,” says political science professor and former dissident Miroslav Kusý.

Even Prime Minister Robert Fico revealed that before the Velvet Revolution in 1989, he had given a bottle of cognac to a physician for treating his father. At a 2008 press conference, he claimed it was acceptable to use public funds to reward his supporters or sympathizers if their proposals conformed to the law and the rules. “We will not consider it unacceptable if, in the case of two equal projects of the same quality and the same final effect, a minister gives preference to a mayor who supports the ruling coalition,” said Fico, quoted by Slovak Spectator newspaper.

According to Kusý, corruption boomed after the communist regime fell, and it is reaching enormous dimensions. “It’s not anymore about a pack of cigarettes or small gifts like during the old times; now, it’s a matter of thousands, even million of Euros.”

Almost every month a new scandal arises that involves government officials. The biggest one concerns a mysterious U.S.-based company, Interblue Group, in a dream deal with the Slovak government.

In November 2008, Slovakia sold its free carbon credits to Interblue far below the real market price. According to opposition parties and media reports, Slovakia could have sold the credits for up to €75 million (US\$95.2 million). Interblue Group, a corporation created only a few weeks before the transaction, bought the emissions at a price of €5.05 (US\$6.4) per tonne, while neighboring Hungary and the Czech Republic sold their extra carbon credits for at least €10 (US\$12.2) a tonne. Astonishingly, Interblue's headquarters are an ordinary house with a two-car garage near Snohomish, a small town in Washington State.

Prime Minister Fico described the reports about the scandal as an “ungrounded attack on the government,” but nevertheless he sacked the Environment Minister, Jan Chrbet, who was politically responsible for the deal. The sale is still under investigation by the Slovak Anti-Corruption Office. According to the daily *SME*, the case has also drawn the attention of U.S. Federal Bureau of Investigation and of the Swiss authorities, the latter after the company moved from the garage in Snohomish to the tax haven canton of Zug in Switzerland. The Swiss Federal Prosecutor's Office confirmed it investigates Interblue Group on suspicions of money laundering.

The sale of emission allowances could lead to a bizarre ending. *Hospodárske Noviny*, Slovakia's leading economic daily, revealed that Interblue has connections to the firm R. F. Development, which was owned by Prime Minister Fico. He sold his shares in 2004, but his wife, Svetlana, was active in the firm until 2007. The Prime Minister's office described this accusation as absurd, but the government has refused to explain how the price for the extra carbon credits was decided.

Another major scandal involved the state-owned Slovak Land Fund. It started in 2007 when the private company GVM, closely tied to former Prime Minister and current co-leader of coalition government Vladimír Mečiar, obtained a lucrative land deal in the Tatra Mountains, an area famous for its skiing. GVM contacted eight former landowners near the East Slovakian town of Michalovce whose property had been confiscated during the communist era. Now older and retired, they became eligible for compensation as part of the restitution process. GVM promised some landowners that they would receive compensation from the Slovak Land Fund, under the condition that they would immediately sell the land to the corporation.

The Slovak Land Fund eventually signed a contract to give the former landowners in the High Tatras. The owners then sold the land to GVM for a total of only €391,000 (US\$ 496,235). However, according to property experts, the real

price should have been at least €45 million (US\$ 57.1 million).

A similar case occurred two years later, also involving GVM, and the new Slovak Land Fund's management was fired again. The political dimension of the scandal was even greater, because the Prime Minister's cousin, Jaroslav Rybanský, was head of the restitution and oversight department that oversaw the deal.

Where the Money Comes From ...

Corruption among government officials and politicians is already a hot topic in the June 2010 elections. Many officials own property with values that exceed their real income.

The most visible example is the leader of extreme right Slovak National Party (SNS), Ján Slota. His official income should not exceed €583,300 (US\$740,000), but his ostentatious lifestyle suggests otherwise. He regularly flies private jets, owns a yacht, a villa in Croatia and several luxurious cars.

Before every election, the political parties promise to introduce a bill requiring individuals to prove their sources of income. After several failed attempts, the Parliament adopted new legislation in March 2010. Any Slovak can now demand to know the source of any person's assets over €450,000 (US\$571,000; 1,500 times the country's minimum wage). "It's a law that will deal with cases where someone built an equity empire through criminal activities in 5 or ten years," said Prime Minister Fico, who promoted the bill.

However, the former Minister of Justice and Member of the opposition Christian-Democrat Movement (KDH — *Kresťansko-Demokratické Hnutie*), Daniel Lipšic, described the law as toothless and very mild. He explained in a TASR (*Tlačová Agentúra Slovenskej Republiky*) news wire that the more sophisticated of corrupt politicians could easily bypass the law through various gifts, loans and fictitious purchases of shares offered at incredibly low prices.

The current ruling parties — Smer, HZDS and SNS — are not the only parties with reputations for corruption. The first "victim" of this year's election battle is former Prime Minister Mikuláš Dzurinda, who brought Slovakia into the European Union and NATO and is leader of the opposition Slovak Democratic and Christian Union (SDKU-DS *Slovenská Demokratická a Kresťanská Únia* —

*Demokratická Strana*). He was forced to pull out from the June 2010 Parliamentary election over accusations of money laundering and non-transparent financial operations of his party.

The fight against corruption promises to be a long one. Change must come not only from politicians, but from a change in the mindset of ordinary people. “Many Slovaks are themselves actively involved in corruption, so they excuse politicians and don’t report the faulty behaviors of their own,” claims Zuzana Wienk, an expert at the investigative watchdog group Fair-Play Alliance.

In addition, many Slovaks are afraid to talk openly about corruption or report it to the authorities because of fears of retribution. These fears are not unreasonable at all, as a group of employees at Lesy SR, the state forest company, found out when, in June 2009, they wrote a letter criticizing the non-transparent and ineffective handling of state property. Though there was a “management reshuffling” in response, the employees of the communication department, who helped prepare the letter, were fired at the end of 2009 because the company was “being reorganized.”

*\*Štefan Hudec writes for about international news for the Foreign Desk of SME, a leading daily in Slovakia. His stories focus on European politics and countries struggling with human rights issues, such as Cuba, Burma and China. A graduate of Comenius University and the University of Limerick, he is working towards a PhD, studying the integration of Turkey into the E.U.*