

By Zoran Radulovic

“Corruption is not a part of the tradition of the people in Montenegro.” That’s how Montenegrin government officials reacted to the U.S. State Department’s 2005 human rights report, which said, “Corruption was a problem; the small, close-knit society discouraged reporting corruption and provided criminals access to law enforcement officers.”

On July 31, 2006, the Montenegrin Parliament refused to adopt a new draft law, which was supported by the Council of Europe, on preventing conflicts of interest. In fact, parliamentarians from the ruling and opposition parties both rejected the law in equal numbers, a rarity here.

News analysts, non-governmental organizations and representatives of international institutions were openly disappointed. “Montenegro remains the only country in the region with the law on conflict of interest in accordance neither with the similar laws in the countries of the Region, nor with the EU standards,” said a press release by the United Nations Development Program.

In fact, the existing conflict of interest law allows parliamentarians and delegates to make extra income by managing state companies and doesn’t penalize them for failing to report the extra income. Some officials even declare these second jobs, which often produce payouts three to five times higher than their salaries, as part of their public obligation.

One such official, opposition leader Dragan Soc, severely criticized a proposal to stiffen penalties for officials who flaunted the law. Soc is among the 25 percent of officials who reported their income and property for 2005 in August, five months after the official deadline. Soc was caught in a scandal five years ago when, as justice minister, he arranged a supply of computer equipment for his ministry against regulations. Parliament refused the state prosecutors’ request to remove Soc from immunity.

Parliament also refused the prosecutor’s request to revoke immunity for opposition representative and former President of Parliament Vesna Perovic. Perovic is suspected of demanding a “donation” of about 84 million dinars (US\$1.27 million) from a Russian/Montenegrin firm as part of a deal with a municipality where her political party dominated.

Parliament has similarly protected current Health Minister Miodrag Pavlicic. Prosecutors have waited more than a year for Parliament to implement their request to revoke Pavlicic's immunity. Pavlicic is suspected of violating the law on public procurement by enabling a Swiss consulting firm to make an extra profit of more than 8.4 million dinars (US\$127,229). His predecessor, Zarko Micovic, is also accused of misusing international donations: He was charged in spring 2005 after a three-year investigation, but the trial has yet to begin.

The influential government officials in charge of the privatization process – Privatization Council Vice President Veselin Vukotic and Branko Vujovic, director of an agency overseeing economic restructuring and foreign investment – are still awaiting trial for illegitimately choosing an adviser in the privatization of a company that monopolized the oil derivatives trade, as well as concessions on oil and natural gas research in the Montenegrin part of the Adriatic Sea. The privatization contract was worth more than 252 million dinars (US\$3.8 million).

This is the only privatization scandal to reach the courts so far, although the media and non-governmental organizations have repeatedly pointed out the numerous irregularities around the privatization of big public companies.

Montenegrins accept that local judiciary systems are riddled with corruption: Even judges and legal authorities speak of it openly.

"The fact is that there is no case of corruption in the judiciary ending with a verdict. But that can no longer be the only indicator of this phenomenon in Montenegro," said Zoran Pazin, president of the regional court in Podgorica,.

Criticism of the judiciary by State Prosecutor Vesna Medenica and Montenegrin police officials garnered much attention in 2006. They reproached judiciary representatives for "devolving their work and disabling the rule of law" by dragging out investigations for several years. Medenica said the court deferred her demand for an investigation of 23 people reportedly responsible for 252 million dinars (US\$ 3.8 million) worth of crimes for two years.

Police point to data showing increased arrests as evidence of their commitment to fighting corruption. In most of the 1,800 felonies the department reportedly prosecuted in 2005, "we note elements of corruption," said a police official. Many police say they believe an anti-corruption action plan referred to the government

for adoption in June 2006 will help, although experts warn implementation might take years.

Until then, “big corruption” fills the headlines of the local newspapers. The investigation of the state airline was a major story in 2006: Two officials’ abuse of their positions allegedly caused more than 840 million dimars (US\$12 million) in damages to the company and state. Almost no one pays attention to “small corruption.” Smuggled cigarettes are still freely sold on the streets at an estimated tax loss to the state of 3.36 billion dinars to 6.73 billion dinars (US\$50.9 million to US\$102 million) per year. Customs officials and police are too busy blaming each other to crack down on trade.

Yet “small corruption” pervades daily life. Every third kilowatt of electricity delivered to consumers by the state remains unpaid. Some companies and households haven’t paid electricity bills for years in exchange for giving a local politician their votes. Many tourists visiting Montenegro stay at buildings that are not registered as guest accommodations so their owners don’t have to pay taxes. Inspectors close their eyes in exchange for bribes of 4,200 dinars (US\$64) and up, depending on the size of the building and number of guests.

In the education system, grades are bought and sold. Medical patients must “treat” the doctor before any treatment, regardless of health insurance. Special care during childbirth costs 42,000 dinars (\$US636), while surgeons get 42,000 dinars to 126,000 dinars (US\$636 to US\$1,900) for more complicated operations. Sometimes a bribe is necessary just to get a bed in a hospital room. Drivers offer bribes of 840 dinars to 1680 dinars (US\$13 to US\$26) to traffic police to avoid charges. Traffic policemen reported attempted briberies twice this summer, but the defendants in both cases were foreign tourists.

Development corruption is particularly pernicious, but no cases have been proven in court. Many of the country’s poor build suburban houses without proper construction permits. Huge business centers, housing complexes and seaside hotels are also erected without permits. It is not unusual for local officials to formally open public facilities without building or use permits. Even the Ministry of Environmental Protection and Urban Planning is located in an illegally-constructed building. The developer sold the space to the government, then built a structure that exceeded the lot’s dimensions by several thousand square meters—without consequence.