By Paul Radu

In December 1989, millions of people around the world flipped on their televisions and watched live broadcasts of the popular Romanian uprising – a grassroots revolt that brought down a corrupt and brutish Communist dictatorship and harbingered a new era for the lands behind the Iron Curtain.

It’s time to tell the rest of the story.

The fact is that for the 22 million people living in Romania, the troubles are not over. Former agents and informants of the Romanian Securitate (secret police) still hold key positions of influence in the government, the judiciary, the media, and all areas of public life. Indeed, many individuals responsible for the current high-level corruption scandals in Romania are former Securitate officers and Communist regime officials.

Today, some of the same characters that figured so prominently into the Ceaucescu power structure are once again on live TV. But this time they are parading between their fancy mansions and the headquarters of the National Anti-Corruption Directorate (DNA—Directia Nationala Anticoruptie) in Bucharest.

Corruption is endemic in Romania. Despite the country’s desperate fight to become a member of the European Union in January 2007, one glance at the DNA’s Web site highlights the level of corruption. For example, the prime minister of the former Social-Democrat government, now the president of the chamber of deputies, was brought up on corruption charges in 2006. He had company: A deputy prime minister of the government in power, a senator, a high-ranking officer of the Romanian Secret Service, four other members of the Romanian Parliament, two army generals and a number of other government officials were also charged. Their offenses range from the use of their offices against public interest, to active and passive corruption.

The 2005 annual report is illustrative: The DNA boasts that out of the 744 defenders sent to trial that year, 127 had positions of power or leadership in the Romanian government.
A number of prominent politicians and public servants – including the current head of state, Traian Basescu – have been the subject of investigations during recent years, and a number of these cases have reached the Romanian courts. However, not one of the high-level Romanian politicians that have been charged has seen jail time.

Usually, the accused claim that the corruption investigations are politically motivated. But the latest European Union monitoring report notes that the number and quality of non-partisan investigations into allegations of high-level corruption has substantially increased during recent months.

The progress noted by EU officials, however, has yet to be noticed by ordinary Romanians. Despite the much-publicized government crusades against corruption, the latest polls indicate that 48 percent of the population believes the level of corruption not changed since the Liberal-Democrat government took power at the end 2004. Some 24 percent of people said they are convinced that corruption has increased. Only 15 percent of Romanians responded that corruption has diminished.

Corruption has hit ordinary Romanians in the pocketbook, leaving them with one of the lowest monthly wages in Europe. The biggest corruption scandals occurred with the privatization of huge industrial assets, banks and other resources that took place during the past decade. Many of these privatizations were a boon for a handful of well-placed officials in the various post-communist Romanian governments – but were a raw deal for the ordinary Romanian citizens.

The battle over Romania’s substantial national resources – including gold, oil and natural gas – fueled high-level corruption and triggered a frantic political fight. One of the biggest scandals involved RAFO, a formerly state-owned oil refinery located in the northeast part of Romania. In 2001, the then-ruling Social Democrat Party awarded the refinery to Corneliu Iacobov, then a branch vice-president. During the following three years, the refinery amassed a crushing debt of 83.6 billion lei (US$29 billion) in unpaid taxes. It was ultimately sold to a British company for an undisclosed amount.

I investigated the transaction and proved that the London-based company was owned by associates of Corneliu Iacobov, who were very close to the former Romanian president, Ion Iliescu and to two of his key advisors, a general with the intelligence services and a senator. The latter admitted he was cashing in significant amounts of money from companies involved in the RAFO affair.
The plot thickened when it was revealed that the very same people behind the corrupt RAFO sale were also behind the biggest financial disaster in Romanian history. Bancorex was one of the main state-owned banks when it collapsed under the weight of bad loans paid to politically connected clientele, who never bothered to pay their debts. The collapse resulted in a 55.76 trillion lei loss (US$20 trillion), which was passed on to Romanian taxpayers. The state has yet to cover the debt. Nevertheless, even the former Prime Minister Adrian Nastase is now under investigation on the suspicion that he bought land in the center of Bucharest for far less than its fair market value – from the same group of people involved in the RAFO affair.

The oil wars may come to haunt the current government as well. Calin Popescu Tariceanu, the prime minister of Romania, is implicated in a scandal surrounding Rompetrol, a publicly owned company listed on the Romanian Stock Exchange. The company is being investigated for alleged illegal transactions, as well as for unpaid debts to the Romanian Treasury.

Both the Rompetrol and RAFO case are reported on daily by the Romanian news media. But the reporting frequently is biased, depending on the interests of the various media owners. Balanced and fair reporting is rare in Romania. Freelance, independent investigative journalists have a difficult time getting published. I have worked with my colleagues in the Romanian Center for Investigative Journalism on creating a chart depicting media ownership in Romania. We found many examples of biased coverage and that many of the more than 700 Romanian newspapers only defend the business interests of their publishers. The interests of Romanian readers, alas, receive scant consideration.

The apathy is mutual. Readers care little more about newspapers than the publishers do, and so newspaper circulation plummets daily. Ordinary Romanians are far more concerned about getting into the political and economic environment in which corruption is an epidemic.

“We realized that corruption and bribery have become an industry,” said Manuela Preoteasa, one of the experts behind the publication of the 2004 Bribery Handbook.

Yes, there is actually a published guide about how to bribe your way around Romania. The handbook not only presents the customary amounts of bribes paid
to public servants, but also offers practical tips on how to go about it: “You want to get married and you quickly need the medical certificates proving you are in good health? You go to Miss Flory in this Bucharest clinic and leave your ID and 50 lei (US$18) in an envelope. The next day, in the evening, you pick up the envelope from the same Miss Flory with the certificates and without ever having been examined. It’s guaranteed you won’t find any sexually transmitted disease mentioned in the needed papers!”

Amid the depressing state of affairs, though, there are a few glimmers of hope. The Ministry of European Integration has initiated an “Unmask the Bribery Campaign,” targeted at the petty corruption and bribery experienced by Romanians on a daily basis. The initiative is meant to educate ordinary citizens. But until Romanians see and feel that justice is being done in the big corruption cases, any initiative targeting petty operators will have limited credibility. Government action against the thus far untouchable empire of graft and embezzlement must go further than splashing pictures on a TV screen.