

BLACK BOOK

OF PUBLIC MONEY WASTE

IN REPUBLIC OF MOLDOVA

2021

BLACK BOOK

OF PUBLIC MONEY WASTE

IN REPUBLIC OF MOLDOVA

2021



**FRIEDRICH NAUMANN
FOUNDATION** For Freedom.
Moldova



CHIȘINĂU 2021

Coordinators:

Petru Macovei
Sergiu Boghean

Translation:

Liliana Ursu

Proofreading and editing:

Judy Goldman

Authors:

Victor Moșneag
Iurie Sanduța
Victoria Borodin
Ion Preașcă
Tatiana Djamanov
Lilia Zaharia
Viorica Zaharia
Piotr Garciu
Mariana Colun

Layout:

Angela Ivanesi

Chișinău 2021

Print: Bons Offices SRL

This work was published by the Regional Office East and Southeast Europe of Friedrich Naumann Foundation for Freedom (Sofia, Bulgaria) with the financial support of the Ministry of Foreign Affairs of the Federal Republic of Germany as part of the program "Expanding Cooperation with Civil Society in the Eastern Partnership Countries and Russia." Neither the Friedrich Naumann Foundation for Freedom nor the Ministry of Foreign Affairs of the Federal Republic of Germany are responsible for the content of this publication. The opinions expressed therein are exclusively those of the authors. They do not necessarily reflect the opinions of the Friedrich Naumann Foundation for Freedom or of the Ministry of Foreign Affairs of the Federal Republic of Germany. This publication may be reproduced, stored or sent in any form or by any means only with the written permission of the publisher.

Any questions on its reproduction in conditions other than those mentioned should be addressed to the Friedrich Naumann Foundation for Freedom at sofia@fnst.org



Federal Foreign Office

DESCRIEREA CIP A CAMEREI NAȚIONALE A CĂRȚII DIN REPUBLICA MOLDOVA

Black book of public money waste in Republic of Moldova, 2021 / Victor Moșneag, Iurie Sanduța, Victoria Borodin [et al.] ; coordinators: Petru Macovei, Sergiu Boghean ; translation: Liliana Ursu ; The Regional Office East and Southeast Europe of Friedrich Naumann Foundation for Freedom (Sofia, Bulgaria), Asociația Presei Independente (API). – Chișinău : S. n., 2021 (Bons Offices SRL). – 70 p. : fot.

Aut. indicați pe vs. f. de tit. – With the financial support of the Min. of Foreign Affairs of the Federal Rep. of Germany. – 500 ex.

ISBN 978-9975-87-903-3.

336.14:343.351(478)

B 56

CONTENT

Foreword	4
Biomass Heating: The Story of a Moldovan Failure Fueled by Japanese Millions	5
The Money Behind the Uniform	15
What Happened to Electronic Voting in the Chişinău Municipal Council?	24
The Blood Test War	31
Millions of Lei from the National Ecological Fund for a Treatment Plant with an Uncertain Future	38
Public Housing Built with a European Loan Distributed By Ignoring Selection Criteria in Many Districts	46
European Funds Donated to Gagauzia for Medical Equipment Go to a Company Expediently Established by a Comrat-Based, Pro-Russian Activist	52
Over Eight Hundred Million Lei in Six Years: Companies Targeted In Rigged Medical Tender Case Win Further State Contracts	58

FOREWORD

THE BLACK BLOK OF PUBLIC MONEY WASTE is in its third edition. This project is implemented in partnership with the Association of Independent Press (API) and has become a hallmark of our activities in the Republic of Moldova inviting all stakeholders to work together to achieve a more transparent and accountable state for its citizens and their resources. For years, cases have been reported when public money collected from citizens through taxes and fees along with money from international funds or investments has been spent in inappropriate ways. Sometimes, this is due to negligence and other times to incompetence, but we often also encounter cases of corruption.

To cover the situation in a balanced manner, this book includes cases from different levels of public administration in the Republic of Moldova and from different regions of the country. In total, we present eight independent investigative reports covering the installation of bio-mass power plants in public institutions, fictitious employment in state institutions, non-compliant distribution of public housing, and other topics of public interest.

This year, we further focus on elucidating fraud in the use of funds from international donors. Although the procedures for spending and verifying such resources are stricter than national ones, there is still abuse in the use of funds provided by our partners who invest in the development of our country.

THE BLACK BLOK provides truthful information about how public money—Moldovan citizens' money—is used. In a democratic state governed by the rule of law, representatives of public institutions are responsible for the transparent and efficient use of such resources through which they gain the trust of the people who pay taxes.

Working with the organizations and investigative journalists involved, we will continue to report annually on the most flagrant cases and examples of unjustified spending of public money and to present information on the efficiency of their use. This effort, however, requires the active participation of all citizens.

In this latest edition, thanks to the QR codes you will be able to access video versions of some of the investigations as well as their full texts published on the media platforms for which the journalists involved in the project work.

SERGIU BOGHEAN,

Project Coordinator Friedrich Naumann Foundation for Freedom
Romania and Republic of Moldova Office

BIOMASS HEATING: THE STORY OF A MOLDOVAN FAILURE FUELED BY JAPANESE MILLIONS

VICTOR MOȘNEAG
ZIARUL DE GARDĂ, October 2021

While the authorities are looking for alternative solutions to Russian gas, a pellet production plant 15 km away from Chișinău that was to provide heat to several public institutions has been out of order for six years.

A total of 153 million lei in grants offered by the Government of Japan was “buried” by Chișinău authorities in the construction of a pellet production plant and the installation of 25 biomass boilers. Although the boiler rooms and the factory were built, the project is practically non-functional six years after its official launch. The boilers are used in only a few localities, and the pellet production factory has swallowed almost 70 million lei and is drowning under excuses for the inability of all governments of recent years to find solutions to make it work.

“Initially, there were conflicting interests, then incompetence—long and short. The biggest problem is that they did not know how to steal funds from this project,” was the accusation of the Minister of Agriculture during the project implementation period who, in his turn, has been accused of managing it poorly and for personal benefit.



30 July 2015. Nicolae Timofti, the country's president, accompanied by several members of his government arrived in Pașcani Commune, Criuleni District 15 kilometers from the capital. The head of state was greeted by Vasile Bumacov, Technical Director of the Implementation and Administration Unit of the Moldovan-Japanese 2 KR Project. With the support of a grant of about 12 million US dollars from the Government of Japan, the first biomass pellet production plant was launched in the Republic of Moldova with great pomp on that day. The factory was to process agricultural residue into pellets for the production of thermal energy as a contribution to replacing traditional heating methods.

NON-FUNCTIONAL PELLET PRODUCTION PLANT

In 2021, hundreds of state institutions including schools and kindergartens have been at risk of running out of heat due to the gas crisis. Six years after its inauguration, the Pașcani Pellet Production Plant that was to offer a real alternative to natural gas heating in several dozen public institutions is still NOT functional. In fact, it has never functioned properly as the equipment worth millions inside has been operated just for testing.

Today, the security guard at this facility is the only one who talks about it as valuable. At least on paper, the buildings and the equipment inside cost about 69 million lei.

For several months, Ilie Bucuci has been Director of the Agricultural Mechanization Retraining Center (AMRC) of the Agency for Agricultural Development and Modernization (AADM)—an institution of the Ministry of Agriculture and Food Industry (MAFI)—which undertook factory management shortly after it was put into operation. The construction of the pellet factory was part of the Efficient Use of Solid Biomass Fuel Project managed by the then Implementation and Management Unit of the Food Production Growth Project which is now the AADM. He claims the factory is not functional because the project had a number of flaws from the very beginning. “When it was put into operation, our Japanese colleagues came to see how it worked. They started it. We also have a poster here showing how it worked on the first day, but that’s it. You see, everything is new here. It worked for an hour in 2015. It was tested every time our Japanese colleagues came to see what was wrong with it. They were looking for ways to show that it worked,” Bucuci said.

SIXTY-NINE MILLION LEI INVESTED IN CONSTRUCTION AND EQUIPMENT

The factory was built by Lincons SRL with the buildings alone costing about 18 million lei. The technology inside cost another 45 million lei. Ilie Bucuci said that in 2018, “The Chamber of Commerce and Industry was asked to check once again how much the buildings in question cost, i.e., the actual cost of the business. The technological cost was used as a basis for that evaluation. Though it cost 45 million on paper, it cost just 15 million in reality. This is what the Chamber of Commerce found from appraisers and experts.”

ZdG: You mean, this project did not cost 69 million lei in reality?

Ilie Bucuci: Absolutely, absolutely.

For the past six years, the authorities have not found a way to make the pellet factory operational and have instead just passed responsibility from one agency to another. In 2016 when the Liberal Democratic

Party of Moldova (PLDM) led by Vladimir Plahotniuc took over the government, a civil society contract awarded factory management to Energ Pellet, a company founded and managed by Alexandru Țurcan who was 27 years old at the time and is now the manager of Acvila Grup which is owned by the family of businessman Nicolas Nicula. Țurcan ran in the parliamentary election in July as a member of the Acasă Construim Europa (We Build Europe at Home) Party (PACE) led by former police officer Gheorghe Cavaliuc. Five months after signing, the contract was terminated and the factory was returned to state ownership.

“IT IS NOT REALLY WORTH KEEPING AS AN HISTORICAL MONUMENT.”

Now, another 20 million lei is needed to restart the project say the people who have been involved in project management and implementation over the years. Referring to the fact that the legislation for implementing the project included the cost of factory construction in the pellet price, AMRC Director Bucuci said:

We want to have it start working and become functional at any cost. It's a shame. It is not really worth keeping as an historical monument, especially nowadays when we have big problems with gas and are talking about alternative heating systems. One can see that when it was conceived and planned, the actual situation of the market was not taken into account. First of all, the raw material. Where would one get the raw material for such a factory with the capacity to work 24/24? The second item was the cost of the finished product which was to include the actual cost of the factory which was around 70 million lei and made the price of pellets not the most competitive one on the market.

In other words, when setting the market price of pellets, the cost of the factory was to be taken into account, and because it cost about 69 million lei, the price of pellets would have been much higher than the market average. For the factory to produce pellets at market price, a special law would have had to be passed, and that did not happen.

SECOND STAGE OF THE PROJECT: 85 MILLION FOR 25 BIOMASS BOILERS. ONLY NINE ARE IN USE.

The Efficient Use of Solid Biomass Fuel Project included more than the construction of the Pașcani Pellet Production Plant. The Government of Japan allocated another 85 million lei for the purchase and assembly of 25 biomass boilers of which 24 were to be installed in public facilities, especially schools, and one boiler was to be installed in the pellet factory. The biomass boilers were ideally to be fueled with pellets produced at the Pașcani plant; reality, however, again differed from the initial plans. Ilie Bucuci:

Of the 24 boilers, only nine are operational. The rest have not been put into operation as the work has not been completed due to relations among the mayors' offices, schools and line ministries [...]. The result is that the project does not really work. It was a very revolutionary idea then, and we are grateful to the Government of Japan for getting to the bottom of the problem. What happened at the political level is another question. How those localities where the boilers were placed were selected and how they were put into operation is another question. Around 80 million lei were invested there—a huge, very huge amount.

“NO... THERE IS NO LOGIC IN THIS WHATSOEVER. IT COINCIDED WITH THE CLOSURE OF THE INSTITUTION.”

The biomass boiler in Mașcăuți, Criuleni District is one of those 3.5 million lei project boilers that is not operational. In Mașcăuți, the boiler was to produce heating for the school and the mayor's office which are located next to each other. However, shortly after it was installed, the authorities decided to close the school and merge it with another educational facility, and the mayor's office was connected to gas. The biomass boiler thus became a project relic and has been non-functional ever since.

Valeriu Carțîn, Mayor of Mașcăuți, claims no one knew the school would be closed when the project started.

Well, are you saying we proceeded with building the boiler room knowing we were closing the school? No... there's no logic in this

whatsoever. It coincided with the closure of the institution. We went in stages and there was a delay, not on our part, but just when they were to install it. They installed it in summer and we took the children out in the fall. That was the District Council's decision.

The mayor said that if possible, he would like to move the boiler to the new school site, but he is skeptical about how feasible that would be and believes that it would be best to use it to heat the House of Culture instead as it is near the current boiler installation.

Valeriu Carțin: There is a solution for this need because they brought it [the boiler] in like this as a unit. We can take it out the way they brought it in.

ZdG: Have you made any requests in this regard?

Valeriu Carțin: No, I have not. Look, it's really not that simple. Okay, we take it out—we have the capability—however, I think that if we move it, something will happen to it; I don't think it will be possible. Instead, I think we need to use it for the House of Culture.

“I HAVE NOTHING TO TELL YOU. WE DON'T WANT TO TALK WITH THE PRESS.”

In the village of Micăuți, Strășeni District, the biomass boiler is located in the immediate vicinity of the school; however, the school prefers to use natural gas for heating and the biomass boiler has never even been connected. The director of Micăuți Middle School refused to discuss the subject, telling us only that she preferred heating her institution using gas. Vasile Dolghii, the village mayor who has been in office since 2011, also avoided talking about it and said, “You should address me in writing and I will give you an official answer. Send your questions in writing. I have nothing to tell you. We don't want to talk with the press.”

“WHATEVER WE HAVE—STRAW, SUNFLOWER STEMS, ETC.—AND THAT'S VERY GOOD.”

Ivanca Commune in Orhei District is one of the few localities involved in the project that uses its biomass boilers. In Furceni, a

village that is part of the commune, the boiler has heated the kindergarten since the project was implemented, and starting this winter it will also heat the local school. In Brănești, a locality that is also part of Ivancea Commune, the biomass boiler is also functioning, and the mayor says that biomass boilers can be real solutions for providing heating. Ivancea Mayor Boris Ochișor:

There was no difference (between gas and biomass boilers) when gas was cheap. It was about at the same level. However, looking at today's situation with energy efficiency and with gas, it is clear that [a biomass boiler] is welcome. We are very happy. There are no problems with the raw material. There are many providers. We have preferred to get our supply from someone who is here in our district and makes pellets. It's good, it's ok, the price is good. That's why we have no problems at all. We use whatever we have—straw, sunflower stems, etc.—and that's very good. Why should we set them on fire somewhere on a hill when we can use them and do a good thing? Why spend on gas if we can take what we have and not throw it in the trash but use it, especially since there is a crisis now and we do not know what will happen next.

MOST MAYORS' OFFICES THAT BENEFITED FROM THE PROJECT WERE RUN BY LIBERAL DEMOCRAT MAYORS.

The construction of the pellet plant in Pașcani and the installation of the 25 biomass boilers happened under the umbrella of the then ruling PLDM, and at least 16 mayors who were selected to benefit from the project were from this party. In other cases, the principals of the schools that were to benefit from the project were also affiliated with this party.

Mayor Valeriu Carțin of Mășcăuți Commune, however, claims that he did not feel he won the project only because he represented PLDM. "I was [PLDM] but that didn't matter. In fact, I don't know if the other 23 were all from PLDM. Draw your own conclusion. I can't say because you won't believe me, but I didn't see the political affiliation." he stated.

VASILE BUMACOV: “THEY DIDN’T KNOW HOW TO STEAL FUNDS FROM HERE.”

Vasile Bumacov was the Minister of Agriculture during project implementation and one of its craftsmen and promoters in AADM where he became technical director after leaving the ministry. He says he is not to blame for the fact that most of the biomass boilers and the pellet factory in which over 150 million lei were invested are non-functional today. He is sure that if he had stayed at MAFI, the project would have been functional.

“I developed it, I implemented it [the project], I did everything and I delivered it [the factory] to them when it was ready. I left the ministry, however. While I was at the ministry, the center worked and so did the factory—that is, it was getting ready to start working. I left the ministry and it all ended. Do you realize how much effort it took to ruin everything, clean up all the dirt, build it, and how much effort it would take for it to function? It is not a problem to make it work. It doesn’t function because of the incompetence of the agriculture ministers who followed me. Initially, there were conflicting interests, then incompetence—long and short. The biggest problem is that they didn’t know how to steal funds from the project. That’s the biggest problem. They were looking, but they couldn’t see how they could make money here.”

“DO YOU KNOW HOW MUCH THE FIRST CAR PRODUCED COST? THEY BECOME CHEAPER AS TIME GOES ON.”

Former MAFI minister Bumacov claims that the cost of the project should not be discussed because the money was provided free of charge by the Japanese Government and because the project in Moldova was a pilot project that was later successfully replicated even in Japan.

“A pilot project like this is not mass produced; it is a new product, it can never be cheap, and that must be clear. It was generously provided free of charge by Japan to Moldova. What’s the talk about it being expensive? There was a tender organized. This was done based on a tender. The Japanese company won. It was monitored by JICA (Japan Agency for International Cooperation). The accusation by someone who had no relationship with this factory—who never worked there,

who has not even ever implemented a project—that the Japanese threw away expensive equipment is stupid.”

ZdG: The accusation is that it actually cost less than what the official papers said it cost.

Vasile Bumacov: Do you know how much the first car produced cost? They become cheaper as time goes on.

“I WARNED THEM: BE CAREFUL BECAUSE THERE ARE MAYORS WHO SPEAK VERY NICELY BUT WHO WON’T DO ANYTHING.”

The former Minister of Agriculture claims he was not involved in selecting the mayors’ offices to benefit from the construction of biomass boilers and that the fact that most of them represented PLDM was just a coincidence. Vasile Bumacov:

”There is an official letter from Japan confirming that all the selections were made by the Japanese. I didn’t participate in any of them. I was minister then, and I didn’t want problems or people to talk. If I had gone with another party, those from PLDM would have made noise, and if I had gone with PLDM, the others would have made noise. I had a deal with the Japanese. As long as I was a minister, I wouldn’t get involved, but I warned them: Be careful because there are mayors who speak very nicely but who won’t do anything. You’ll give them boilers, you’ll install everything for them, but they won’t connect them to the school or to the kindergarten. It happened exactly like that.”

Bumacov was sure that if the factory had been managed Agrofermotech, a company operated by his former colleagues and business partners, it would have been functioning since its launch. That company, which is also affiliated with Bumacov, was the one that helped to install the pellet factory equipment. Bumacov:

Everything was going to go smoothly. When they finished the work here, the Japanese made an official statement that they thought that such new and advanced equipment could be managed only by the team that had worked with them all along—those who had worked all together here day and night. That’s what they suggested. However, people immediately came to Sclifos, the Manager of Agrofermotech,

and warned him never to appear, and the man never came. I haven't been able to do anything since. Imagine, someone new comes here. No matter who comes, they won't be able to do anything without Scrifos. Who's going to handle this whole thing? Or, they will do something wrong and the equipment will stop working, other components will stop working, and we will have to pay big money to repair them.

Agrofermotech was founded in 2001, the year in which the 2KR project was inaugurated, by business partner and former colleague of Vasile Bumacov Sergiu Scrifos (40%); the father of Dan Prisacaru, Vasile Bumacov's son-in-law Anatolie Prisacaru (40%); and by Valentin Gaberi (20%), the son of Gheorghe Gaberi who later became Deputy Minister of Agriculture and Director of the National Agency for Food Safety when Vasile Bumacov was Minister of Agriculture.

“YOU REALIZE HOW STUPID WE LOOK HERE...”

In a telephone conversation with ZdG, Sergiu Scrifos, the administrator of Agrofermotech, confirmed that he had been called on by representatives of a state institution to relinquish management of the pellet factory. He believes that the project is not functioning because the state hasn't funded it and that many conflicting interests and fights over factory management have occurred over the years.

Ion Sula and Eduard Grama, the Ministers of Agriculture who succeeded Vasile Bumacov, have passed responsibility for the project's non-functionality onto the shoulders of their predecessor. “This project was made during Mr. Bumacov's time and can be blamed on Mr. Bumacov,” Grama contends.

“You realize how stupid we look here. The Japanese came and made everything for us for free, and we sit and look at each other and seek culprits,” Vasile Bumacov countered.

The implementation of the Efficient Use of Solid Biomass Fuel Project under which the pellet factory was built and the 25 biomass boilers were installed in total cost 153.4 million lei. All the money came from grants provided by the Government of Japan. The way this project was managed is currently being investigated by the General Prosecutor's Office as part of a criminal case.

THE MONEY BEHIND THE UNIFORM

IURIE SANDUȚA,
RISE MOLDOVA, October 2021

Moldovan border police staff have been involved in employment scandals in recent years. RISE Moldova followed the case of a former head of a section in the National Anticorruption Center who subsequently retired from the Border Police. On paper, he worked for the Border Police for less than a month and left with a one-time payment of almost 100,000 lei upon resignation. An informant from the Border Police claimed her new colleague had never actually showed up in the office but was still paid with public money. She reported this case to the Internal Protection and Anti-Corruption Service of the Ministry of Interior as well as to the National Anticorruption Center. She was then threatened and dismissed and is now on her way to the European Court of Human Rights.



FROM CUSTOMS TO ANTICORRUPTION

Virgiliu Mîțu became a member of the Customs Service staff in 1999. He worked for more than ten years there; the last position he held was that of Director of the General Customs Fraud Division. After internal reforms in 2010, he was dismissed but was returned to office in the same year after a court ruling. Mîțu had asked for leave at various times over several years and for material aid. Meanwhile, the Customs Service was searching for its former employee from the fraud division to recover approximately 20,000 lei that was to be collected by a bailiff from the customs institution.

In July 2011, the former head of the General Customs Fraud Division moved to a public position at the National Anticorruption Center (NAC). In the same year, he bought two cars worth about half a million lei: a BMW and a Honda SUV. In addition to the two cars, in subsequent years he declared he owned three houses and a number of land plots, some inherited and others donated.

Toward the end of 2015, Mîțu, was seconded from his position as head of a division in the NAC to the position of advisor to the then Minister of Transport and Road Infrastructure Iurie Chirinciuc. The

NAC released Mîțu in the following year. Specifically, he was dismissed in June 2016; however, he challenged his dismissal in court and asked to be reinstated with payment of his salary for the period during which he had been forcibly absent from work.

In reply, the NAC explained to us that Virgiliu Mîțu had been released following an internal reorganization that had actually eliminated his job. Shortly afterwards, Mîțu told the judges that he had changed his mind and dropped his suit. The reason was that he had come to an agreement with the NAC and hence returned to the center on 2 August 2016.

National Anticorruption Center: “The order issued by NAC on 23 June 2016 was rescinded based on the amicable settlement of the civil case *Mîțu Virgiliu vs. the NAC* that reinstated his service. Consequently, he took another position with special status at the center according to his education and professional qualifications.”

On 29 September 2016 less than two months after his return, he left. This time, he was transferred to the Border Police, another public institution.

FROM ANTICORRUPTION TO BORDER POLICE

On 30 September 2016, Mîțu became a staff member of the Border Police (BP). His new position was Head of the Physical-Tactical Training Section of the Vocational Training Division of the General Human Resources Directorate. When RISE Moldova asked the current head of the BP Rosian Vasiloï how Mîțu had obtained the position of head of section without a public competition Vasiloï replied, “A competition is not carried out for transferred employees.” RISE Moldova asked BP to provide us with more information about Mîțu’s employment, but our request for that information of public interest was refused.

According to the organizational chart, Virgiliu Mîțu had a number of superiors. The vocational training division in which Mîțu was employed was led by Angela Poddubnaia. She told us she had never even met her colleague. What follows is a summary of our discussion with Poddubnaia and Mîțu’s and the BP’s replies.

Rise reporter: Were you in office when Mr. Mîțu was employed?

Angela Poddubnaia: Yes, of course.

Rise reporter: Were you supposed to work in the same building with him?

Angela Poddubnaia: In the same office, but nobody saw him. He was employed only on paper; he never came to the office and was never introduced to the team.

Rise reporter: We have talked with a number of BP staff and they told us they had never seen you in the office. Could you tell us if you were present at work and in which office you worked, and can you present evidence that shows that you were at work?

Virgiliu Mîțu: Regarding your discussion with certain General Border Police Inspectorate (GBPI) employees who told you they had not seen me in the office for even a day, I recommend that you make an official request to the GBPI to provide you with information about my entries to and exits from GBPI headquarters during the period in question as entries and exits are registered electronically at a control point by means of an electronic chip incorporated in each employee's work ID card. You can also request copies of the timesheets that employees fill in and submit every month.

Rise reporter: Please provide us with a copy of the order for Mr. Mîțu's employment in a public position with evidence showing that Mr. Virgiliu Mîțu appeared at work during his employment from 30 September 2016 to 24 October 2016 [for example, his work time sheets]. What was the total amount paid to Mr. Mîțu between 30 September 2016 and 30 November 2016 for the position he held at the Border Police [including any allowances received]?

Border Police in a letter signed by BP Head Rosian Vasilo: We cannot provide private information [...]. We reiterate that your request contains a range of information containing private data on Mr. Virgiliu Mîțu that contradicts the provisions of the Law on Private Data Protection [...].

Rise reporter: How did you find out Virgiliu Mîțu was employed by the Border Police?

Angela Poddubnaia: I found out accidentally. I met with my colleagues from finance. I had a lot of work then and they asked me,

“Why are you so tired if you have a deputy?” “Which deputy?” I asked. “You have a new staff member, a colonel...” I started trying to find out more, but she (Ludmila Strat) told me to shut up and get to work if I didn’t want to have problems.

Rise reporter: Why did you decide only in 2019 to make the first complaint and report this case? You seem to have found out much earlier.

Angela Poddubnaia: Do you know what it is like in our work? From the threats I received I knew I would have big problems if I opened my mouth, but the pressures increased starting in 2018. Then I went and talked to the people in SPIA (the Internal Protection and Anti-Corruption Service of the Ministry of Interior).

On 21 May 2019, Poddubnaia made a complaint to the SPIA claiming that Ludmila Strat, Head of the General Human Resources Directorate of BP, had fictitiously hired a person in Poddubnaia’s division to subsequently arrange for a police pension for him. SPIA started an investigation that involved Ludmila Strat as well. In the following months, however, several work investigations about Angela Poddubnaia were also initiated, and finally in September 2019, she was dismissed from office. After that, Poddubnaia went to the NAC to disclose the, “...illegal practice inside her institution.”

She told the NAC officers that Virgiliu Mîțu had been fictitiously hired to obtain salary rights and a one-time allowance upon resignation and retirement from the BP: “Payment of a monthly salary in the amount of 5266 lei and of the one-time allowance upon resignation in the amount of 95,843 lei [...] without him showing up at work [...]. After I notified SPIA about this violation, the Head of the General Human Resources Directorate of GBPI Ludmila Strat [...] started to persecute me which I communicated to ex-Minister Jizdan and to Minister Năstase.”

Ludmila Strat refused to answer our questions: “The official position of the institution is to be expressed by the press subdivision.”

Following the disclosures made by Angela Poddubnaia, NAC prosecutors opened two criminal cases related to the alleged fictitious employment of the former head of a section in the NAC. Ludmila Strat and Virgiliu Mîțu were potential witnesses in those cases; however,

both cases were dismissed last year. Angela Poddubnaia said, “The guys from NAC told me that he [Mîțu] worked for them and that they knew him. Then I realized things would be arranged as many others have been in the past...”

The investigation of Ludmila Strat by SPIA was also dismissed. Angela Poddubnaia, on the other hand, went to court requesting that her dismissal be cancelled and that she be returned to employment at the BP. The court of first instance ruled in her favor. She was reinstated, and the Minister of the Interior granted her the special rank of chief commissioner. Meanwhile, the BP appealed that judgment, but in early March 2021, the appellate judges upheld it. Then the BP appealed to the Supreme Court of Justice where things took an unexpected turn.

THE SUPREME BATTLE

15 March 2021: The BP filed an appeal against the decision of the Chișinău Court of Appeals. On 28 May 2021, the institution presented its reasoning for the appeal and requested that the appellate court decision be quashed and a new decision be issued rejecting Angela Poddubnaia’s suit.

7 July 2021: Angela Poddubnaia requested that the second appeal be rejected.

8 July 2021: The BP filed a new request to withdraw their appeal of 15 March 2021, i.e., they decided to drop the case.

23 and 26 July 2021: The BP filed requests for the “...withdrawal of the request for withdrawal of the appeal” arguing that their request for the withdrawal of their appeal on 8 July 2021 was erroneously filed.

4 August 2021: The Supreme Court issued the final verdict. They decided to dismiss the appeal judgment and to rule in favor of the Border Police. Hence, Poddubnaia’s employment was again terminated.

About the Supreme Court decision, Angela Poddubnaia said, “Of course, it shocked me. I was not human all night afterwards. The next day I read the decision again and noticed that many aspects had not been taken into account. We are now preparing material for the European Court of Human Rights and will send it soon.”

VIRGILIU MÎȚU'S POSITION

Asked by RISE Moldova for comments, Virgiliu Mîțu told us to send him the questions in writing. The following is a summary of our questions and the replies sent by Mîțu.

Rise reporter: Why in 2016 did you want to transfer from the NAC to the Border Police for a short period?

Virgiliu Mîțu: Between 30 September and 24 October 2016, I worked in the Border Police Department of the Ministry of Interior, being employed by transfer from the National Anticorruption Center. Both my transfer and my dismissal were absolutely legal, and as for my appearance at work, it happened according to my work schedule.

Rise reporter: According to our information, you worked for the Border Police for 25 days, then you retired and benefited from a one-time BP resignation allowance. Would it have been possible for you to follow the same route if employed by the NAC? If so, why did you prefer the BP?

Virgiliu Mîțu: As for the transfer, I did not want to transfer; on the contrary, I wanted to continue working for the NAC, but a labor dispute with my employer determined my transfer to the Border Police. Note that during my dispute with the NAC, I received an offer to transfer to the Border Police Department and that the purpose of the transfer was to continue law enforcement work within the Special Investigations Division of the Border Police Department, as Deputy Head of Division [...].

On 28 September 2016, based on the request [...] by the Border Police, I submitted a resignation letter to the NAC and was subsequently employed by the Border Police Department in the position for which I had passed the appropriate level of medical investigations and to which I was to be appointed. However, on 29 September 2016 for reasons unclear to me, the order for my appointment to the position of Deputy Head of the Special Investigations Division was not signed and I was offered an appointment to a temporary position that was much lower than the one for which I had accepted the transfer. Forced by that situation, I accepted the offer, and the order for my employment was presented to me on 3 October 2016 [...].

By accepting the transfer, I wanted to continue my career as a law enforcement officer, but due to the circumstances, I had to resign from the Border Police [...].

When submitting my resignation letter [to the BP], I did not ask to be paid any compensation or allowances. I found out I had been paid a resignation allowance after I had resigned [...]. Note that during the entire time I worked in law enforcement bodies from 1991 to 2016, I never requested or received resignation allowances. The payment of the allowance was made through the Border Police because according to their legal provisions, this was my last job in a law enforcement body, and when I submitted my resignation, I had the status of a border police officer.

Rise reporter: The National Integrity Agency's website posts three declarations of your assets and personal interests in 2016. None of them shows the income you obtained from the Border Police. How do you explain this?

Virgiliu Mîțu: I don't know why only three of the declarations I filed during 2016 are posted on their website though I have five proofs of receipt of my declarations of assets and personal interests for 2016. Concerning my last declaration of assets and personal interests which I filed on 28 October 2016 following my resignation from BP, it shows my income and assets obtained up to the date of the declaration. The salary for October was transferred to my card account on 2 Nov 2016, while the resignation allowance was paid to me in 2017.

Rise reporter: Some of the investigation papers refer to the fact that your employment with the BP was fictitious. How do you comment?

Virgiliu Mîțu: It is strange that someone involved in an official investigation considers my employment fictitious as those who have the capacity to carry out such investigations have certainly had access to the documents that underlay my employment with the Border Police Department as well as to the documents that were prepared while I held my position there. Therefore, I cannot explain the allegations of such characters who do not know what fiction is.

THE ATHLETES' CASE

While documenting Mîțu's case, we also found out about other similar criminal cases.

The Prosecutor's Office for Combating Organized Crime and Special Cases is considering another criminal case against the Border Police known as the "Athletes' Case."

The documents obtained by RISE Moldova show that between 2017 and 2019, a number of athletes were fictitiously employed in various positions by the Border Police in the Chișinău International Airport sector. Their job descriptions indicated they were, "...to represent the subdivision at various events and sports activities." In reality, law enforcement found out that instead of being at work, the athletes were either abroad or were officially employed in the private sector. In this case, the prosecutors estimate damages of over half a million lei to the public budget.

WHAT HAPPENED TO ELECTRONIC VOTING IN THE CHIȘINĂU MUNICIPAL COUNCIL?

VICTORIA BORODIN,
ZIARUL DE GARDĂ, November 2021

Five years after the installation of the electronic voting system in the Chișinău Municipal Council meeting room, councilors continue to vote by raising their hands even though the system is fully operational. The equipment and software cost 1.2 million lei but are not used because the legislation in force does not provide for such a voting procedure. At least, that is what the municipal council secretary says. A draft amendment to the legislation was tabled in the previous parliamentary session but was not taken up; now, another draft is needed to allow councilors to use the new system. For the time being, however, those involved do not seem to be in a hurry to get things going, and in any case, councilors are currently meeting in a different, larger room due to the pandemic.



FIRST PROMISE: ELECTRONIC VOTING STARTING 1 JULY 2016

On 17 March 2016, the Chişinău Municipal Council (CMC) approved a decision to procure and implement electronic voting. According to that decision, starting on 1 July 2016, voting at CMC meetings was to take place, “...using electronic means of recording the presence of councilors and counting votes,” but except for a few tests, this has never happened.

The municipality was to select the companies to implement the 650,000–700,000 lei project in 45 days; however, procurement started only on 26 August 2016, i.e., more than a month after the deadline on which the system was supposed to have been implemented.

According to the specifications, the municipality was to purchase three lots of equipment:

Lot no. 1: a system comprising 51 buttons for voting, 60 microphones for councilors and 1 for the CMC chair, 1 set of at least 60 contact-free cards, a control unit for communicating with at least 51 voting terminals and 51 microphones, and 4 computer software programs;

Lot no. 2: a video streaming system consisting of a channel

accumulator, 3 conference video cameras and 2 computer software programs;

Lot no. 3: a streaming service consisting of two cameras, a video encoder, two camera stands, two microphones, a server and a web portal for accessing the live stream and a recording archive.

Three businesses participated in the tender: Netlink-Grup SRL, DAAC System Integrator SRL and IT-Lab Grup SRL. They, however, submitted only their business licenses and not their operating licenses, so that tender was canceled.

COUNCILOR VASILE CHIRTOCA'S COMPANY, WINNER OF SECOND TENDER

Vec SRL participated in the second tender organized on 25 November 2016 along with the previous three operators. Lots no. 1 and no. 2 were awarded to DAAC System Integrator SRL for a total of nearly 1.3 million lei. Due to a lack of funds, however, City Hall subsequently decided not to procure lot no.2. IT-Lab Grup SRL won the contract for 386,000 lei for lot no.3, and City Hall spent another 137,000 lei for installing the equipment. That brought the total bill for a system whose implementation is in the air for the time being to over 1.25 million lei.

DAAC System Integrator SRL is part of DAAC Hermes holding controlled by municipal councilor Vasile Chirtoca. A little over two months before bidding on the electronic voting system, DAAC System Integrator SRL, in which Chirtoca holds 50% of shares, won another tender organized by Chișinău City Hall for the delivery of a set of servers worth 635,555 lei. In 2016, Chirtoca was in his first term as councilor joining the CMC with the Communist Party. In 2019, he ran with the Socialists Party as no. 2 on their list.

IT-Lab Grup SRL, the company that was awarded lot no. 3, was founded and is administrated by Alexei Cioban who is also listed as the founder of LLCs IT Lab Services and IT-Lab System and as administrator of Gametech Plus SRL founded by Chen Pinhas from Israel. In 2015, *ZdG* wrote about the connections of the companies managed by Cioban and tenders worth millions of lei organized by the state-owned, joint-stock company Moldtelecom. Data from the Public Procurement

Agency show, however, that the only tender organized by Chişinău City Hall and won by IT-Lab Grup SRL is the one for the delivery of lot no. 3 of the electronic voting system.

COUNCILOR: "IT'S A BIT OF A CONFLICT OF INTERESTS."

Victor Lutenco, a former city councilor and Chair of the Commission for Overseeing the Electronic Voting Process, cannot say for sure whether Vasile Chirtoca's company was favored in the competition but does say the terms of reference for the equipment do not contain "unusual" requirements and that the equipment could be imported and assembled by any company. "At least for my part, DAAC System Integrator SRL was not favored. Whether it was favored by the municipality or by the terms of reference that contain certain technical criteria, I don't know. I can hardly imagine though how this could happen," Lutenco said. He does, however, admit there could be a potential conflict of interest somewhere: "There could be a bit of a conflict of interest there, but I think not to the extent that Mr. Chirtoca should resign."

In his turn, **Vasile Chirtoca** says he did not know that his company was participating in the tender: "I didn't even know. The tender was announced by City Hall which was then led by Dorin Chirtoacă who has never liked me. I didn't even know about the tender. I didn't know that the company in which I have a 50% share participated in the tender. The general manager decides which tenders to participate in," Councilor Chirtoca told us.

THEY TESTED THE ELECTRONIC SYSTEM THEN RETURNED TO RAISING HANDS

After the late procurement of the electronic voting system, City Hall officials set a deadline for its implementation of 1 April 2017 that again was not met. Subsequently, electronic voting was mentioned only during the local election campaign in November 2019. Because the system was not fully functional, at the end of November the municipality had to procure certain additional parts worth about 6000 lei from DAAC System Integrator SRL.

Finally on 19 December 2019, municipal councilors voted using the electronic system, but the exercise was just a test. Counselors were issued an ID card corresponding to a device installed at each table that then registered their presence at the meeting. “If you want to leave the room for a few minutes, the system will automatically read this, and you will be removed from the list of active participants. When items on the agenda are put to a vote, the green button stands for ‘pro,’ the red button for ‘con,’ and the yellow button for ‘abstain.’ All the results will appear on the screen,” CMC Acting Secretary **Adrian Talmaci** explained.

After that test, councilors reverted to voting by hand, and Mayor **Ion Ceban** announced a new deadline for the implementation of the electronic system. “Starting today, we will test the functionality of electronic voting in the CMC. We will test. This does not mean the system will be considered fully functional. The regulation on the use of electronic voting is being finalized. I urge you to be patient in everything related to this process. We have to test so that this system will be functional starting in January 2020,” the mayor said at that time.

EQUIPMENT PURCHASED BUT LEGISLATION UNCHANGED

This deadline was not met either, and at the meeting on 10 March 2020, some city councilors asked for explanations. “I urge you to raise the issue of electronic voting promised to us in the election campaign but which we still do not have even today, 121 days after Mayor Ceban’s declaration. So far, we have had no answer as to why we do not have electronic voting. I demand that Ceban clarify this issue,” Councilor **Andrei Năstase**, head of the municipal faction of the Dignity and Truth Platform Party, demanded.

“Where is the electronic voting system promised for so long to the citizens of Chișinău? What were over a million lei spent on? When will capital residents have the opportunity to see who voted for which draft act?” Councilor **Dumitru Ivanov** of the municipal faction of the Action and Solidarity Party (PAS) asked.

In reply, CMC Acting Secretary Talmaci argued that although the electronic voting system had been installed, it could not be used because the current legislation did not provide for such a procedure. Acting Secretary Talmaci:

Moldovan legislation currently does not provide for electronic voting. In order to implement electronic voting in the CMC, Chişinău City Hall is currently drafting a law to require Parliament and the Government to introduce a rule on the implementation of electronic voting in the Law on the Status of Chişinău Municipality. As for the mechanism, some problems have been found with the equipment that was bought and was tested in January and February that must be resolved, and we hope we will be able to test it again at the next meeting. Nevertheless, legally, we will not be able to rely on those results because Moldovan legislation does not provide for electronic voting.

Another test of the system never took place, however, as a state of emergency was declared in Moldova due to the COVID-19 pandemic. Since then, because the meeting room in City Hall is too small, the councilors have been meeting and voting by hand in the meeting rooms of the Buiucani and Centru praetors' offices.

The issue of implementing the electronic voting system in the CMC came to the attention of Members of Parliament in the spring of 2020. On 21 April 2020, PAS parliamentarians Veronica Roşca and Radu Marian filed a draft amendment to the Law on Local Public Administration and to the Law on the Status of Chişinău Municipality that provided for holding CMC meetings by electronic means. However, that initiative was not taken up by Parliament which means that the draft act must be re-registered, examined and adopted in the current session.

ADRIAN TALMACI: SOME COUNCILORS WILL NOT ACCEPT THE ELECTRONIC SYSTEM AND ARGUE, “THE LAW STIPULATES I MUST RAISE MY HAND, NOT PRESS A BUTTON.”

“We have made a request to the Government asking for this gap to be closed. Voting by electronic means will be instituted after the law is amended by Parliament and the corresponding adjustment is made to the Regulations for the Status of CMC operations. Unless these changes are made, some councilors will not accept electronic voting arguing that the law stipulates raising hands, not pressing buttons,” CMC Acting Secretary Talmaci told us in October 2021. The municipality has not

yet requested that the new Government amend the legislation, but MP Radu Marian has informed us that Parliament will discuss the reintroduction of the draft legislation submitted during the previous session.

CRISTINA VORONEANU: IN 2016, WE DIDN'T KNOW HOW LONG THIS PROJECT WOULD BE BURIED.

Cristina Voroneanu is the project and research coordinator of My City Hall Civic Association. She claims that project implementation has aroused suspicion and has become somewhat ridiculous:

We launched [the project] in 2016, taking care to establish communications between Chișinău councilors and residents. When the CMC decided to switch to electronic voting, we were very happy. We really wanted electronic voting to be implemented, but back then in 2016, we didn't know how long this project would be buried. I kept on asking at what stage the project was, but there was always something that prevented the full implementation of the system. The way the implementation of the electronic voting system keeps being postponed is certainly suspicious and even ridiculous. The legislative issues could have been foreseen and clarified in advance.

Under the current law, the CMC can decide to make decisions by secret ballot or by roll call.

WHAT HAPPENED TO ELECTRONIC VOTING IN PARLIAMENT?

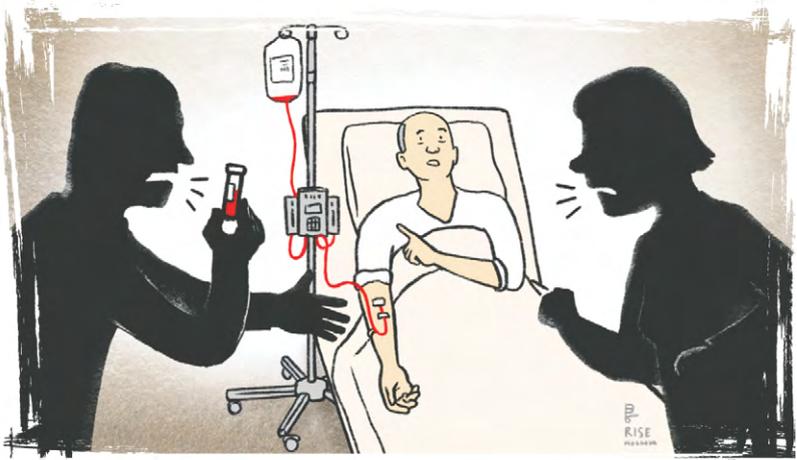
Parliament has also recently switched to electronic voting, though the system was installed after a delay there, too. The project was funded by the United Nations Development Program with part of the cost covered by public money. In this case, no legislative changes have been made as the Permanent Bureau of Parliament approved an instruction governing the rules for the use of the system. At the beginning of October 2021, however, MPs registered and voted on a draft law for amending Parliamentary Rules of Procedure in the first reading that will establish legal rules for the use of electronic voting in plenary meetings.

THE BLOOD TEST

WAR

ION PREAȘCĂ,
RISE MOLDOVA, November 2021

Tests for laboratory examinations of blood collected from donors worth almost two million lei have expired in warehouses and are to be destroyed. This happened because of a conflict between the National Blood Transfusion Center and the company that won the public tender. The conflict jeopardized the country's transfusion security and blood supply in 2020 and 2021, and the Head of the Blood Transfusion Center has been arrested suspected of rigging tenders and favoring certain companies.



On 7 June 2021, officers of the Internal Protection and Anticorruption Service of the Ministry of Internal Affairs along with anti-corruption prosecutors apprehended three officials from the National Blood Transfusion Center (NBTC) and from the Public Procurement Agency. The main figure in the case is Svetlana Cebotari, the Head of NBTC and former Minister of Health in the Pavel Filip Government. In addition to rigging tenders and favoring certain companies, she is also accused of presenting false documents in court. “During the court hearing and after consulting with the NBTC lawyer, the NBTC director presented false documents to prove that tests from the medical reserve were used instead of the tests from the winning company,” the Ministry of Internal Affairs communicated.

TENDER WITH ELEVEN POSTPONEMENTS AND MODIFICATIONS

One of the charges in this case is based on a complaint filed by businessman Tudor Ceaicovschi, the head and owner of GBG-MLD SRL. The company filed a lawsuit against the NBTC a few months ago claiming that the institution should pay an estimated 2.4 million lei for the cost of a first tranche of tests already delivered and should also be required to accept the second batch of tests then in storage.

It all started in January 2020, when the public tender for the

procurement of consumables for the implementation of the National Transfusion Safety and Country Self-Provision with Blood Products Program was announced according to the needs for that year. It provided for the procurement of tests for blood collected from donors to avoid infection with viruses such as HIV/AIDS, Treponema (syphilis), Hepatitis B and Hepatitis C. The beneficiary was to be the NBTC, but the procurement procedure was organized by the Center for Centralized Public Procurement in Health (CCPPH).

The tender for two types of blood tests—one for 175,800 tests for initial screening and the second for 9,408 tests for the second screening stage—took place with numerous modifications and postponements. In total, we counted eleven changes to deadlines for submitting bids and conducting public procurement as well as for other specification requirements.

The last deadline was 3 August 2020, and bids were submitted by only two companies: Becor SRL and GBG-MLD SRL. Both companies are important players in the market for medical supplies and equipment. GBG-MLD (owned by businessman Tudor Ceaicovschii) made an offer only for the first type of test while Becor SRL (51% Sunstring Limited from Cyprus, 49% Iurie Bezer) competed for both types.

On 21 August 2020, CCPPH announced that Becor was the winner offering 5.7 million lei for the first type (175,800 tests) and 7.4 million lei for the second type (9,408 tests). The offer of GBG-MLD SRL for the first type was, however, 2 million lei less at 3.5 million lei but was nonetheless rejected. The reason invoked by CCPPH and NBTC was that GBG-MLD had offered, "...products that did not meet the tender requirements."

Five days later, GBG-MLD SRL filed a complaint with the National Agency for Appeal Settlement (NAAS), requesting an annulment of the decision that designated Becor the winner of the tender and a, "... re-evaluation of the bids submitted, to be followed by a new decision."

MONOPOLY IN THE BLOOD PRODUCTS MARKET

In addition to the lower price argument, GBG-MLD also claimed that the tests it had offered were produced by the American company Abbot and fully complied with the tender's technical requirements

while the tests offered by its competitor Becor SRL, produced by the Swiss company Roche, did not. In addition, GBG-MLD alleged the tender had been rigged and the specifications had been drawn up in such a way that, “...other producers would be ineligible for procurement from the beginning.” GBG-MLD:

The technical specifications were designed for Roche products, and we have challenged them a few times. These intentional restrictions on competition were established at NAAS meetings. Note that even at the stage of evaluating bids, the procedure continued to promote particular interests by favoring the distributor of Roche Molecular Diagnostics products and maintaining Roche’s monopoly in the implementation of the National Program for Transfusion Safety and Country Self-Provision with Blood Products.

The NBTC working group that decided on the winner of the tender rejected the monopoly allegations claiming that GBG-MLD had actually offered tests, “...of an older generation than those used in the national blood transfusion system in the last three years, thus jeopardizing transfusion safety in terms of biosafety for harm-transmissible infection markers in donated blood.”

NAAS, however, accepted the GBG-MLD claims finding that Becor, “...had offered some tests that did not meet the minimum requirements set out by CCPPH in the tender notice,” and on 25 September 2020 canceled the procurement for the first type of test.

One week later, CCPPH invited the companies to negotiate without prior publication of an announcement on the procurement of the 175,800 tests for NBTC. The two companies participated again, and on 2 October 2020 after two rounds of evaluation, the GBG-MLD offer was declared the winner at a cost of 3.5 million lei. Becor’s offer that was 1.5 million lei more expensive was rejected.

Becor has already challenged that outcome, arguing that the GBG-MLD offer did not meet the technical specifications. One of the arguments put forward was that all the reagents offered by GBG-MLD, “... need to be shaken manually at least 30 times to resuspend the particles then examined in the light (which is very subjective), and one must manually add septum to prevent evaporation.”

On 29 October 2020, NAAS rejected the appeal finding that Becor, “...based its claims on its own interpretations (assessments) of the properties of reagents, calibrators, and solutions offered by the winning business company.”

So 10 months after the procurements and appeals, Becor had a contract for 7.42 million lei for the second test type while GBG-MLD had one for 3.42 million lei for the first type.

TRANSFUSION CENTER REFUSES THE TESTS

The problems, however, did not end there. At the end of 2020, GBG-MLD delivered a first tranche of 54,000 of the total of 175,800 tests in the contract to which it added another 2000 tests free of charge; however, NBTC refused to pay the company the one 1 million lei that it owed and to accept the free tests worth over 2 million lei. The NBTC also requested termination of the contract signed with GBG-MLD. It charged that the company had failed to meet its contractual obligations, but neither CCPH nor the Ministry of Health supported this action.

All this was happening while the NBTC was short of blood tests and had to requisition them from other health facilities in the country. Tudor Ceaicovschi, Director of GBG-MLD:

We delivered 56,000 tests, they used them, but Madam [Svetlana Cebotari, Director of NBTC] did not want to sign the invoice. The data on our devices show that the tests were validated and used, but she was saying in different ways that they would not sign the invoices and other documents. [...] Although an entire commission came from CCPH, from the supplier, and from NBTC and showed that the tests had been delivered and used, Madam refused to sign the invoice.

Consequently, the company went to court, and the dispute was fast tracked because the rest of the tests to be delivered would expire at the end of September 2021. In its turn, NBTC also sued GBG-MLD claiming material damages of 4,400 lei, “...caused by the illicit use of the room,” in reference to a room where the equipment supplied by GBG-MLD for processing blood tests had been installed.

EQUIPMENT DEPENDENCE

The examination and deliberations during the trial revealed how a health facility may become dependent on equipment delivered by a manufacturer and, as a result, create risks to transfusion safety. At the time of the tender notice, the NBTC had equipment previously delivered by Becor, which, however, could not process the blood tests it was to receive from GBG-MLD. Hence, the latter delivered and installed the equipment, reagents and consumables needed to perform the tests free of charge. Silvia Roșca, Deputy Director of the NBTC, testified in court that the equipment delivered by GBG-MDL had malfunctioned on a daily basis jeopardizing the results of the tests, including the fact that the cover on the device in which the blood was tested was not secure. GBG-MDL representatives acknowledged the malfunctions but claimed that they had been remedied operatively and that in the end, the accuracy of the results was not jeopardized.

The parties eventually signed a reconciliation agreement. GBG-MDL waived some of its claims provided that the NBTC pay 1 million lei for the 54,000 tests delivered and accept an additional 13,000 tests. The remaining 109,000 tests, worth 2 million lei, (60% of the total volume of public procurement) would remain in the company's warehouse and would be written off. **Ecaterina Șuntova, representative of GBG-MDL:** "You cannot do anything with them. This is the company's loss because we paid the manufacturer for them. [...] We have accepted this compromise to have our first invoice signed, that is, to have the money transferred for the first batch. Had we gone to court, it would have taken a long time. We accepted this to at least get something."

Unfortunately, the agreement between NBTC and GBG-MLD was not to the liking of Becor, the other bidder. The company appealed the first instance ruling that confirmed the reconciliation agreement to the Chișinău Court of Appeals requesting it be quashed and the case be retried on the merits. The appellate judges postponed the examination of the appeal until 15 November 2021. **Alexandru Levinschii, lawyer for Becor SRL:** "We consider that the process could not result in the conclusion of an agreement without at least some discussion among all parties and without obtaining their consent to such an agreement."

We have capitalized on a right that the law gives us. [...] I had a lot of suspicions regarding that case from the very beginning.”

Meanwhile, in March 2021 when GBG-MLD was on the verge of going to court to demand that the NBTC pay the cost of the tests delivered at the end of 2020, the company won a new tender for the delivery of 260,300 blood tests worth about 4.3 million lei. The beneficiary of the public procurement was the NBTC, except that this time no problems or conflicts arose.

FATE OF HEAD OF THE TRANSFUSION CENTER

The criminal investigation continues against Svetlana Cebotari, the suspended head of NBTC who has been accused of abuse of office and fraud. Prosecutor Grigore Clevadi says that Cebotari now has only the obligation to appear before the criminal investigative body. Borislav Babenco is Svetlana Cebotari’s lawyer and told us that his client considers herself innocent and that the criminal case must be in someone else’s interests. He claims that by filing that complaint against his client, GBG-MLD solved its financial problems. He also claims that information from the case file to which he did not have access was published in the press during the investigation. “During the criminal investigation, we will try to prove our innocence, even if we do not have to prove our innocence. We consider it an abuse by the state. My client, on the contrary, acted in the interests of the state,” defense attorney **Babenco** stated.

MILLIONS OF LEI FROM THE NATIONAL ECOLOGICAL FUND FOR A TREATMENT PLANT WITH AN UNCERTAIN FUTURE

TATIANA DJAMANOV,
RADIO ORHEI, November 2021

The construction of the Wastewater Treatment Plant in the Village of Ivancea, Orhei, is the last stage of a project worth over 27 million lei financially supported by the National Ecological Fund. A significant amount has already been spent on all stages of the project, including sewerage networks and wastewater pumping stations; however, in the seventh year of project implementation, local residents have cesspits in their yards, and many of them are outraged that the sewage treatment plant was built too close to their houses and to the village creek. The work has been stopped twice and has currently stopped again because it has taken place on a different land plot from the one reserved by the town hall and approved by the competent authorities. The General Prosecutor's Office has started a criminal case on this issue, and the court has required Mayor Boris Ochișor to pay a misdemeanor fine. The mayor claims, however, that no violations were committed during plant construction and that he was personally guided only by the desire to complete the project and not to waste money from the ecological fund.



PROMISING START OF THE PROJECT

In 2014, the town hall and local council of Ivancea selected and assigned a land plot with the cadastral number 6440205.379 for the construction of a biological sewage treatment plant (BSP). Both health and environmental authorities approved the location of the BSP on that plot, requiring that sanitary buffers be established with regard to housing and to Moța Creek on the village outskirts which flows into the Răut River. When the State Ecological Inspectorate gave the green light to the execution of the Wastewater Disposal and Treatment in Ivancea Village, Orhei District Project developed by a specialized Chișinău-based company, it referred to the same land plot specifying that the BSP would be located 51 meters away from the creek and have a sanitary buffer of 150 meters.

Of the 27,099,020 lei necessary for the implementation of the project, the National Ecological Fund (NEF) allocated a non-reimbursable amount of 23,034,167 lei (85%) as sponsor while Ivancea Town Hall as the beneficiary was to provide the rest of the money, i.e., 4,064,853 lei (15%). In 2015, Polimer Gaz Conducte SRL was selected through a public procurement tender and began the work to establish 15 kilometers of sewerage networks and 3 wastewater pumping stations.

FORMER MAYOR: “WE STOPPED WORK THAT HAD NEVER BEGUN.”

In 2019, the implementation of the project ran into a big problem. In July, the contractor informed the beneficiary that the land on which, “...the treatment plant was to be built as provided by the project technical documentation is different...” from the land allocated by the Ivancea Local Council. The work was in fact proceeding on a land plot with cadastral number 64402050.382 instead of on plot 6440205.379 that had been originally approved.

In response to a petition from the locality, in August 2019 the Environmental Protection Inspectorate identified same problem. That institution warned that the BSP, “...was being established on a different land plot that not been approved by the competent bodies...” and that was closer to housing and to Moța Creek. The local government was asked to comply with the opinion of the State Ecological Agency and the legislation in force, to comply with the 150-meter sanitary buffer, to review the technical data regarding BSP location and to modify the BSP project outline. A month later, the same requirements were reiterated by the Ministry of Agriculture, Regional Development and Environment in a response signed by Secretary of State Iuliana Cantaragiu who is currently Minister of Environment.

Oleg Gașper was mayor at that time and told us that as soon as the discrepancy was detected, work was stopped: “I went to the spot, I checked and became convinced that a land plot other than the one I had assigned was being used for the project, and I stopped the work. In fact, the work had not even begun. I couldn’t do anything else, I didn’t have time.” He didn’t have time because Gasper lost the local election in October 2019 to Boris Ochișor. Currently, Mr. Gașper is a town councilor and explains that some of the villagers are outraged by the immediate proximity of the treatment plant due to their fear of the odor and pollution that could come from the BSP.

Tatiana Vacarciuc is President of the Ivancea Civic Association and represents the community at the initiation and implementation of local utility projects. She told us that people were afraid that when it started operating, the plant would emit a noxious odor, so they solved

the household wastewater problem in the old style: “They use cesspits. To dispose of the sewerage, they pay and the truck comes. They do the same at the village school, and so do the tenants of the four two-story blocks of flats and of the five-story block of flats. No, there is no odor now. Everyone tries to keep it clean.”

WORK EXECUTED ON THE PROBLEMATIC PLOT: CHECKS, FINES AND SUSPENSION AGAIN

In 2020 after a long period of calm, events related to the location of the Ivancea Wastewater Treatment Plant started to heat up once again. In August, outraged villagers complained again to the Environmental Protection Inspectorate because the contractor had reappeared on the “other” plot that was twice as close to the creek and the village as originally planned and had started work again in earnest. In early September, environmental inspectors found an operational construction site on the plot that had not been removed despite their previous requests.

The second verification that work had again started on the wrong plot took place when Boris Ochișor had been commune mayor for almost a year. That inspection report also noted that the order establishing the BSP on land plot 64402050.382 was signed in January 2020, i.e., after Boris Ochișor had taken over the mayor’s office.

In October 2020, the Orhei Environmental Protection Inspectorate prepared a report on the contravention committed by the mayor and fined him 7,500 lei. Mayor Ochișor challenged the report in Orhei District Court in March and in September in the Chișinău Court of Appeals. He lost both times. Another 17,413 lei are to be recovered from the beneficiary for the damage caused to the environment. The Ministry of Environment informed us about this and noted that if extrajudicial recovery was not successful, it would go to court again.

In October 2020, the Agency for Technical Supervision also demanded that the construction of the BSP be halted. Director Serghei Cocîrlă of Polimer Gaz Conducte informed Mayor Boris Ochișor then that the work had been stopped as prescribed by that agency, “...until the beneficiary obtains new approval from the state ecological agency

for the execution of the project Wastewater Disposal and Treatment in Ivancea Village by including therein the [new] land plot with the cadastral number 64402050.382 assigned for the construction of the BSP.”

POLIMER GAZ CONDUCTE: “I RECEIVED AN OFFICIAL LETTER FROM THE BENEFICIARY.”

I asked Serghei Cocîrlă why he had returned to the problematic field in the summer of 2020. He replied that the beneficiary had previously informed him in writing that the problem had been solved and that everything was in order. Otherwise, Cocîrlă added, Ivancea Town Hall would not have received a new tranche of money from the NEF: “At the beginning of 2020, the Ivancea Local Council corrected its mistake and allocated land for the treatment plant as provided for in the project. I received an official letter to that effect. [...] That everything was in order was confirmed by the fact that in 2020, the National Ecological Fund resumed financial disbursements to Ivancea Town Hall which received the money.”

In September 2020, the local budget was indeed supplemented with 6,148,200 lei from NEF for the project; however, the local council did not decide to allocate land for the BSP in early 2020. It was only in June 2020 when the plot with cadastral number 64402050.382 was assigned by the local council and included in the category of agricultural lands. Furthermore, only in January 2021 did the council decide to change the designation of the plot placing it in the category of construction land. This decision also did not explicitly state that the change was made in view of locating the BSP.

CRIMINAL INVESTIGATION AGAINST THE MAYOR. LOCAL COUNCILOR: “THE COURT CONFIRMED THE ILLEGALITIES.”

The land designation was changed after criminal investigations were started against Mayor Boris Ochișor in December 2020 under Art. 327 of the Criminal Code, “Abuse of Power or Abuse of Office.” The criminal investigation is being conducted by the National Anticorruption Center (NAC). When asked for information about the

stage of the investigation and its findings, the NAC replied, “Taking into account the presumption of innocence and the confidentiality of the criminal investigation [...], the information requested will be presented after the ongoing criminal investigation is completed.”

The criminal investigation was started based on a report submitted to the General Prosecutor’s Office in September 2020 by Local Councilor Victor Marahovschi. He told us that the BSP had been built with serious violations and that the culprits had to be held accountable. In his opinion, it is a serious problem when money from the state budget is used for something that can harm the environment and human health:

The plant was built illegally in just two months without any approval for the land used which is too close to the locality and the creek, and now they are trying to legalize and obtain the missing approval documents. For example, the sanitary approval for the decision to change land designation that was obtained later is for construction in general, and not specifically for the BSP. The Town Hall had to change the project and make changes to the execution of the project, but it did not. And after all this, even after the court confirmed the illegalities, this year, about three days before parliamentary elections, the Ecological Fund decided to grant another 8.5 million lei for the treatment plant.

MAYOR: “I ESTABLISHED THE PLANT ACCORDING TO THE PROJECT.”

Mayor Boris Ochișor says that it was only in October 2020 when the Environmental Protection Inspectorate intervened and filed a report against him that he found out that the BSP was being built on a different land plot than the one assigned by the local council and approved by competent bodies. He told us that then everything had been put in order and the work had been carried out correctly according to the project plan. As proof, he presented the Decision of the Local Council of January 2021 on modifying the designation of the land plot with the cadastral number 64402050.382. Regarding the mistakes in the documents, Boris Ochișor also claims the former mayor is

responsible, and if the treatment plant had not been built, no money would have come from NEF:

The former mayor did not have all the documents in order. From 2015 to 2019, they installed 8 kilometers of sewerage networks underground, but the treatment plant was not constructed. That's why we decided to make the treatment plant and received 7 million lei for it. We placed the treatment plant according to the project plan; we did not violate any provisions of the project. It is not clear about the land: the project shows where the treatment plant is now, while the plot had been assigned 200 meters away from that spot. That's what I found out later, after they came and made a report against me. I didn't know about this.

Orhei Radio: Have you already reviewed everything?

Boris Ochișor: Of course, I did even back then.

Orhei Radio: And do you have all the public health and environmental protection permits? Do you have the entire package of documents?

Boris Ochișor: The Technical Surveillance Agency came and stopped the work because they looked and found that the location was not correct. After they changed the designation of the land, they gave us permission to work. They came and measured, as it must be not less than 20 meters away from the river. We have even more than that and they allowed us to continue working.

Mayor Boris Ochișor told us that the work could be resumed even now if it were not for the debt of 3.5 million lei to the contractor Polimer Gaz Conducte. Therefore, his hope is that at least some of the 8.5 million lei approved by NEF this year will come as soon as possible.

ECOLOGICAL FUND: "THE PROBLEM IS THE BENEFICIARY, NOT THE SPONSORING AGENCY."

On 6 July 2021, the Board of Directors of NEF decided to grant the last financial tranche in the amount of 8.5 million lei for the Wastewater Disposal and Treatment in Ivancea Village Project, and on 20 July, Ion Perju, the former Minister of Agriculture, Regional Development and Environment and Mayor Boris Ochișor signed the financing agreement.

Vladlena Toian, Head of Development Funds Service in NEF, confirmed to us that larger amounts of money had been approved and transferred to the Ivancea project in the last two years. This was done due to higher costs related to the location of the BSP and to the need to complete the project during which agreements to continue its implementation had had to be concluded almost annually. The last such agreement was signed on 2 December 2020 and will be valid until 2 December 2021, Toian said.

Ms Toian told us that she had heard about the issues with the land for the BSP only in December 2020 when the plant had already been established, and that she did not know that if according to the financing agreement the Town Hall was required to inform NEF about it:

If I'm not mistaken, I heard about the confusion with the land plots in December last year from our lawyers who had received a petition; however, the treatment plant had already been built. A separate agreement was concluded for each financing tranche, and I cannot say whether or not there is a condition in each of them that the beneficiary should communicate such situations to the sponsor. And the problem is not with the sponsor, but with the beneficiary that assumes this responsibility when agreeing to the project.

In her opinion, things could be clarified after the completion of the project when the beneficiary will have to organize the commissioning of the plant and obtain signatures from environmental protection, public health and the other institutions that gave the green light to the project in 2014.

PUBLIC HOUSING BUILT WITH A EUROPEAN LOAN DISTRIBUTED BY IGNORING SELECTION CRITERIA IN MANY DISTRICTS

LILIA ZAHARIA,
MOLDOVA CURATĂ, November 2021

After a recent audit, the Court of Accounts found and asked the General Prosecutor's Office to clarify that many people who have benefited from public housing in the past five years in Soroca, Fălești, Nisporeni and Călărași districts should not have received those apartments because their incomes were too high or because they already owned property. Local public administrations were responsible for distributing the housing. Some district presidents say they deliberately ignored allocation regulations in order to attract qualified specialists to their areas. Others argue that the regulations have gaps and do not allow for proper verification of the applications.



LOAN AMOUNTING TO 13.4 MILLION EUROS

In 2012, the Republic of Moldova concluded a Framework Loan Agreement with the Council of the Europe Development Bank (CEB) for the construction of housing for low-income beneficiaries in a number of districts. The total amount of the project was 20.4 million euros of which 65% was a loan from CEB with a repayment period of no more than 20 years, including a five-year grace period.

Another 7 million euros—35%—were local public authority investments that included both financial and non-financial inputs (provision of unfinished buildings, value of land, cost of project documentation, etc.). The aim of the project was to complete the construction of 14 unfinished blocks of flats in the cities selected to provide approximately 700 units to 2,500 people from vulnerable and low-income families. The distribution of such dwellings was the responsibility of the district councils which in their turn formed commissions for evaluating applications and selecting beneficiaries.

PRIORITY FOR PEOPLE WITH SEVERE DISABILITIES AND FOR SINGLE-PARENT FAMILIES

The government led by Vlad Filat then set up an entity under the Ministry of Regional Development and Construction called the Implementation Unit of the Project for the Construction of Houses for Socially Vulnerable Layers II that was to oversee the project and ensure that the housing really benefited people in need. According to the allocation regulations, several social categories had priority: people with severe disabilities, deinstitutionalized persons (orphans aged 18 to 21), families with three or more minor children and single-parent families raising at least 2 minor children, families with children with severe disabilities, young families with at least one spouse employed in the budget system and persons under the age of 35 employed in budgetary institutions in education, health, and social aid.

COURT OF ACCOUNTS: “INELIGIBLE PERSONS BENEFITED FROM APARTMENTS.”

Court of Accounts auditors established in a report presented in the autumn of 2021 that not all local public authorities had taken the regulations into account as apartments had been awarded to people whose salary incomes exceed the legally established limit or who already owned property.

Family doctor Sergiu Albu in Făleşti is a case in point. On his application the doctor presented certificates of his income and that of his family members from a single source, i.e. from the Făleşti Health Center. He showed a personal income of 2,600 lei per month and of 5,200 lei per month for his wife. According to court findings, however, “Having looked at the data in the tax database (reports.fisc.md), the audit found that this family obtained income in a total amount of 1,088,200 lei from 2015 to 2017 from five different jobs, or 30,200 lei per month.”

Dr. Albu confirmed that he had presented only the information from his main job on the application arguing he had obtained his other income over time and that he did not know he had to present

information about it. “During that time, I worked in a private medication company. I was a main employee. After the referral of the Ministry of Health, I came to the Făleşti Health Center and I was employed part time. Because the salaries were low, we’ve been working in two private companies at the same time. When we filed the application for public housing, we were asked for information only from our main job and not from other places,” he explained.

Iraida Bânzari was the President of Făleşti District and president of the commission examining files in 2016. He admitted they had deliberately ignored the regulations in order to attract doctors to the district at any cost:

Regarding doctors, we made the call to offer apartments to anyone, even without reviewing the documents. We have no doctors so we offered apartments. I personally went to Chişinău with the Head of the Public Health Center when the doctors were being distributed to the districts, and I conveyed the message to them to come to Făleşti because we would offer them apartments. We then had a total lack of doctors. Indeed, we convinced the Albu family to come to Făleşti. They worked in Chişinău and we asked them because they are our former pupils to come and work in our district.

COMMISSION MEMBERS LOOKED AT FILES WITHOUT ACCESS TO TAX AND CADASTRAL DATABASES

Similar cases were discovered in Soroca, Călăraşi and Nisporeni. Angela Leahu, Head of the Economy Department of the Soroca District Council where seven cases of non-compliance with housing distribution were found, claims that a gap in the regulations is to blame. According to her, the members of the selection and distribution commissions did not have access to tax and cadastral databases to check if the information presented by the applicant was true: “We have distributed dwellings according to the regulations, but some people tried to hide their incomes. However, according to the regulations, the commission cannot assess their assets. What the beneficiary submits to us, that is what we evaluate.”

POSSIBLE CONFLICT OF INTERESTS IN NISPORENI

Public housing was also granted to Maria Movileanu, a social worker in the Village of Cioești who is in fact the daughter-in-law of Xenia Axente, the Head of the Social Aid and Family Protection Department who was also a member of the commission examining applications. Ms Axente confirmed that Maria Movileanu works in Cioești and has been assigned public housing because she is paid from the public budget and has a low income. In addition, she says that officially Maria Movileanu is not married to her son; they only cohabit though they have two children. Asked if she did not foresee a possible conflict of interest as she was a member of the distribution commission in 2018, Ms Axente replied that she did not even remember if she had attended the meeting in which they voted: “According to the regulations, she is as legally entitled as anyone else. I didn’t vote; it seems to me that I didn’t even go to that meeting. I don’t remember, I’ll check and I’ll see.”

MoldovaCurata.md previously reported that Mayor of Nisporeni Grigorii Robu and District Chief Prosecutor Iancu Zaporojan had also benefited from public housing although their annual incomes would have excluded them from the needy-family category.

REGIONAL PROSECUTOR’S OFFICES NOTIFIED

The Court of Accounts has sent its findings to the district councils concerned requesting revisions of their lists of public housing beneficiaries as well as to the General Prosecutor’s Office (GPO). In its turn, the GPO referred them to the regional prosecutors’ offices to examine the alleged illegalities. Igor Vieru, lawyer for the Implementation Unit of the Public Housing Construction Project, claims that after the completion of the project, it was the responsibility of district councils to distribute the apartments correctly. He admits that the regulations drafted by the Ministry of Regional Development and Construction had some gaps and that the commissions in the district councils indeed had no way to properly monitor the incomes of the beneficiaries because they did not have access to the databases. The lawyer specified that work was now underway to complete and improve the regulations to

remedy the situation. “The agency in charge has tools to easily verify information in all databases, but district councils do not have such powers,” he noted. Mr. Vieru added that since these situations have been reported by the auditors, potential beneficiaries of public housing should complete a sworn statement that the information they present in their applications is true.

Public housing has been built in the districts of Glodeni, Rezina, Cantemir, Cimișlia, Cahul, Călărași, Briceni, Sângerei, Hâncești, Soroca, Nisporeni, Leova, Fălești and Ialoveni. Currently, the beneficiaries pay small amounts for their apartments depending on their locations. The money collected goes to repay the European loan.

These homes are offered on a lease basis concluded for a period of five years. If in the meantime beneficiaries improve their financial situations or take possession of a property, they shall notify the local authority and eventually vacate public housing.

**EUROPEAN FUNDS DONATED
TO GAGAUZIA FOR MEDICAL
EQUIPMENT GO TO A COMPANY
EXPEDIENTLY ESTABLISHED
BY A COMRAT-BASED,
PRO-RUSSIAN ACTIVIST**

**VIORICA ZAHARIA, MOLDOVA CURATĂ
PIOTR GARCIU, LAF.MD**

May 2021

In July 2020, the Comrat Executive Committee bought two ultrasonography devices with European funds at a much higher price than the distributor offered them. The company with which the Bashkanat (local governor's office) made the transaction was set up two weeks before the conclusion of the contract and collected a total of 756,000 lei for the devices. If it had procured them directly from the official distributor in Moldova, the Bashkanat would have paid only 600,000 lei. The governor's office thus enriched an intermediary company that seems to have been established specifically for this purchase with 156,000 lei.



On Sunday 13 September 2020, a few dozen health workers gathered in front of the headquarters of the Executive Committee of Gagauzian Autonomy for a ceremony to deliver two ultrasonography (USG) devices purchased with European Union money for Gagauzian hospitals. It was announced at the event that the two devices would be used by the covid centers in the hospitals of Comrat and Ceadăr-Lunga. Autonomy Bashkan Irina Vlah said then that two devices had cost around 1 million lei.

HOW MUCH THE DEVICES COST AND WHERE THE MONEY WENT

We learned from the Comrat Executive Committee that on 13 May 2020, two months after the first case of COVID-19 in Moldova, the Autonomy's Health Directorate sent a letter to the management of the European Union Support to Local Public Authorities in ATU Gagauzia Project (SLPA) requesting that the money saved from project implementation be used for the procurement of two USG devices.

On 3 July 2020, SLPA management authorized the use of 756,000 lei to procure the devices. The EU Delegation to Chișinău informed us that the procurement had been left entirely to the Comrat Executive.

SUPPLIER SET UP TWO WEEKS BEFORE THE PROCUREMENT

Three days after this approval, i.e. on 6 July 2020, the USG devices were purchased from the company Ikar-Global for 756,000 lei according to the website of the Public Procurement Agency. Ikar-Global was founded on 19 June 2020, after Comrat already knew that the devices would be procured. The founder was Iurii Cara, a man from Comrat, and the company's legal address was 37 V. Vîsoțki Str., Comrat.

Two weeks after establishing this company which obviously had no portfolio, the Bashkanat awarded Ikar-Global the contract. We found out on the portal Mtender.gov.md, a platform managed by the Ministry of Finance, that no public tender had even been organized and that the procurement took place based on the “negotiations without publication” procedure, i.e., it was negotiated directly with Ikar-Global. The “evaluation criteria” specifically indicated what parameters the USG devices should have and from which manufacturer they should be (Mindray in China). There is only one distributor of Mindray equipment in the Republic of Moldova: the joint venture Dutchmed-M SRL. When interviewed by Moldova Curată, its representatives informed us that Ikar-Global had purchased the USG devices from them for 300,000 lei each for a total of 600,000 lei.

To check this information, we called Iurii Cara, the founder and administrator of Ikar-Global pretending to be interested in buying similar equipment. Cara confirmed he had bought the devices from a local distributor and that his company generally did not deal with such procurements, that in fact that procurement had been a one-time event: “I bought them from the official distributor in Moldova. This was a singular case, the only time when we had to deal with such equipment.”

GAGAUZ EXECUTIVE REFUSES TO EXPLAIN HOW IT CHOSE THE SUPPLIER AND WHY IT ALLOWED OVERPAYMENT

The question arises: Why did the Bashkanat not buy the equipment directly from the official distributor? It would have saved 156,000 lei that went instead into the pocket of an intermediary. The representative

of ME Dutchmed-M confirmed for Moldova Curată that the company also made direct deliveries, not only through intermediaries, but that no one from Gagauzia had submitted such a request to them.

We spoke with **Mariana Pîrău**, the Bashkanat Main Specialist in Financial Management who had organized the procurement:

Moldova Curată (MC): Why did the Executive Committee not try to buy those devices directly from the Moldovan distributor? They have the lowest price.

Mariana Pîrău (MP): Why do you need this information?

MC: Well, I told you, I'm a journalist and I'm researching a story.

MP: Why are you interested specifically in this procurement?

MC: If I were interested in another procurement, you would have asked me the same thing, right?

MP: Since I am a civil servant, I cannot disclose much information to you. So, please excuse me, I will not answer your questions. All the information that can be provided to you is already published on the Tender.gov.md website. I won't tell you anything else. The equipment was purchased as part of a European project but the European Union and we have signed an agreement not to disclose.

MC: What not to disclose?

MP: Not to disclose all the project information.

The EU Delegation to Moldova had, however, urged us to find out all the procurement details from the Gagauz Executive without mentioning any confidentiality clause, so we sent an official request to the Executive Committee of Gagauzia to find out why a public procurement tender with several participants had not been organized, why they had selected Ikar-Global that had no experience in delivering medical equipment and had been set up ad-hoc before the procurement, as well as why an overpayment of 156,000 lei had been made by procuring from an intermediary and not directly from the distributor.

In reply, we received a document with some chronological data on the procurement that did not answer our questions. We also tried to talk to Iurii Cara, the administrator of Ikar-Global telling him ahead of time that we were journalists, but he refused to talk. After the procurement of the USG devices and some computers made on the same day

by the Comrat Executive Committee, his company has not appeared in any subsequent public procurement tenders.

COMPANY RECEIVING THE EUROPEAN MONEY BELONGS TO PRO-RUSSIAN ACTIVIST

On 6 July 2020, the day when Ikar-Global concluded the contract for supplying USG devices with the Bashkanat, the Facebook page of the organization Narodnyi Antikrisisnyi Shtab (NASH) which means People's Anti-Crisis Headquarters, posted a picture in which its founder Iurii Cara appeared distributing aid in the form of products and basic necessities to low-income families in Gagauzia. The organization became known last spring and is positioned as a civic platform whose main purpose is to help people. In Gagauzia, it mainly deals with food distribution campaigns for the needy. In recent weeks, the organization has launched free minibus lines for retirees in several locations in Gagauzia. Each activity is shown in photos posted on the Internet.

Although they initially announced that they represented an apolitical organization, NASH leader Victor Petrov ran in the elections that took place on 19 September 2021 and became a member of the People's Assembly of Gagauzia. In addition, during the Moldovan presidential election campaign in the autumn of 2020, at a press conference Petrov read out a declaration in which he claimed he would not admit western interference in Moldovan elections. During the conference, NASH activists stood behind him, including Iurie Cara. "We are shocked by the recent data on the activities in the country of the network of non-governmental organizations directly involved in supporting the pro-European candidate," Petrov said.

OPINION: "THERE IS A RISK INDICATOR IN THIS PROCUREMENT: A POSSIBLE AGREEMENT BETWEEN THE PUBLIC AUTHORITY AND THE BUSINESS COMPANY."

Diana Ranga-Enachi, an economist at IDIS Viitorul, said that the Public Procurement Law allows the authorities to use the negotiation procedure without publication as only, "... a strictly necessary measure

for reasons of maximum emergency due to unpredictable events.” Economist **Ranga-Enachi**:

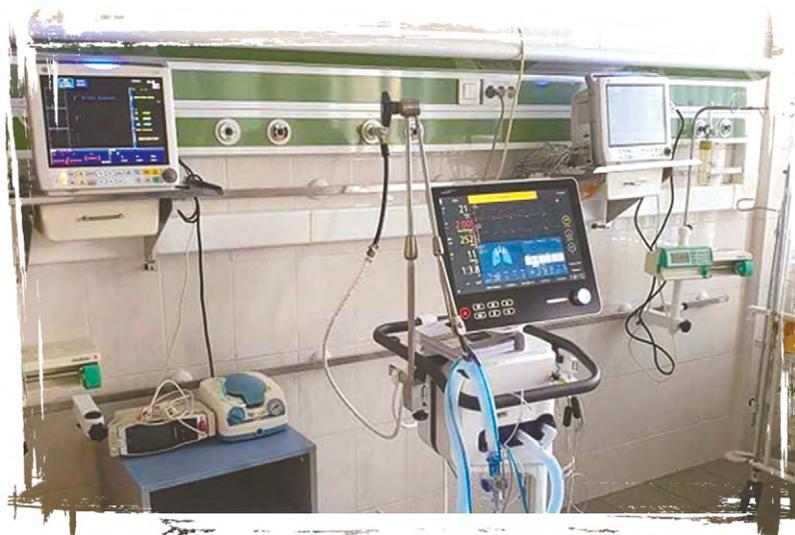
Accordingly, given the emergency generated by the Covid-19 pandemic, the legislation allows the authorities to apply this procedure to goods purchased to prevent and contain the Covid-19 infection. However, looking at the procurement process, I can say there is an indicator of risk: namely, a possible agreement between the public authority and the business operator with whom the contract was signed. My finding is based on several arguments. First, the indication of a specific manufacturer in the technical specifications that from the start excludes other manufacturers who may have equipment with the same functions. Second, hiring a company with zero experience in the distribution of medical equipment in general and in public procurement in particular. And third, the invocation of the “confidentiality” of data on the said procurement by the representative of the public authority.

This story was produced as part of the project Demand for Transparency in Times of Crisis: Joint Action by CSOs and Journalists, funded by the Black Sea Trust for Regional Cooperation.

OVER EIGHT HUNDRED MILLION LEI IN SIX YEARS: COMPANIES TARGETED IN RIGGED MEDICAL TENDER CASE WIN FURTHER STATE CONTRACTS

MARIANA COLUN,
MOLDOVA CURATĂ, November 2021

Six years after the completion of the criminal investigation into the case of the rigged medical tender in which 30 defendants appeared including former Minister of Health Andrei Usatîi, it is still in the court of first instance. Most court dates have been postponed for various reasons, and as there has as yet been no final sentencing, the companies targeted in the case—GBG-MLD and Intermed SRL of businessman Tudor Ceaicovschi—can still participate in procurement tenders because there are no grounds to put them on the list of companies banned by the Public Procurement Agency. For that reason, in the last six years these companies have won contracts worth over 825 million lei. In some cases the tenders were organized by Ceaicovschi’s “partners” who were themselves on the dock. Regarding the criminal case, the businessman told us it was “made-to-order” but did not specify by whom.



8 April 2015. The National Anticorruption Center (NAC) announced that former Minister of Health Andrei **Usatii** had been detained for 72 hours for rigging a tender for the procurement of medical equipment in 2014. The NAC alleged that the specifications and technical parameters for several procurement tenders had been arranged to correspond to goods sold exclusively by the companies GBG-MLD SRL and Intermed SRL owned by businessman Tudor Ceaicovschi who was also detained in the same criminal case. In addition, the heads of the following healthcare facilities were detained for allegedly exceeding their duties and for bribery: Emergency Hospital, Taraclia District Hospital, Cahul Health Center, Agency for Medicines and Medical Devices, Institute of Cardiology, Oncology Institute, Republican Center for Medical Diagnosis (RCMD), Medical Service of the Ministry of Interior, and the Department of Penitentiary Institutions (currently National Agency of Penitentiaries).

On the same day, GBG-MLD SRL signed a purchase contract with Florești District Hospital worth 50,100 lei for radiographic film and radiology reagents. Despite the ongoing criminal

investigation, since Tudor Ceaicovschi's detention until now, GBG-MLD SRL and Intermed SRL have won over 1,400 public contracts. Many of the successful tenders were organized by institutions previously or currently led by other defendants in the case in which Ceaicovschi also appears.

THIRTY DEFENDANTS AND DAMAGE TO THE STATE ESTIMATED AT 150 MILLION LEI

The rigged medical tender case started on 6 November 2014 when officers at the NAC took action regarding alleged illegalities committed in the procurement of medical equipment by a number of public healthcare facilities. The investigators established that the tenders had been rigged by intentionally making the specifications and parameters for the equipment to be procured identical to those of the medical equipment sold in the country exclusively by the companies managed by Tudor Ceaicovschi.

After searching their homes, cars and offices, 16 people were initially detained at the Department of Penitentiary Institutions of the Public Procurement Agency in the Ministry of Interior as well as in other state institutions. Subsequently, some of those detainees were arrested and held at the NAC detention center while others were placed under house arrest. Tudor Ceaicovschi is the only one who remained behind bars until October 2015 when he was placed under house arrest.

NAC officers searched a number of banks in the capital city and found amounts of 190,800 euros, 51,200 US dollars and 60,000 lei, all in cash, in the deposit boxes of some of the detainees. The money was attached to the case file. Law enforcement estimated damages of 150 million lei to the state. To recover it, the prosecutors ordered the seizure of property including bank accounts, cars, land and houses.

In total, 30 people have the status of defendant in this case, 29 of whom have pled not guilty. The defendants are accused of fraud, active corruption, false statements, exceeding their official powers, and exceeding their official duties.

NEARLY 600 MILLION LEI FOR GBG-MLD SRL IN SIX YEARS

In the last six years, GBG-MLD SRL has been the winner of 1,333 procurement competitions organized by state institutions. After Tudor Ceaicovschi's apprehension in 2015, the company won 75 tenders worth 12.5 million lei, and in 2016 the businessman earned eight times more (88.1 million lei). In 2017, this amount doubled to 116.8 million lei. In 2018, GBG-MLD SRL signed contracts worth 117.5 million lei with state institutions and in 2019 signed contracts worth almost 47 million lei, while in 2020 that amount tripled to 147.7 million lei.

Ceaicovschi's company supplied ventilators to some of the country's healthcare facilities at the beginning of the coronavirus pandemic. Based on the principle of negotiation without prior publication, Hâncești District Council, Cahul District Council, Sângerei District Council and the Soroca Mayor's Office concluded contracts totaling 3.2 million lei with GBG-MLD SRL. So far in 2021, GBG-MLD SRL has won tenders worth 58 million lei. The most important public tender won by GBG-MDL SRL in the last six years was in December 2020 when the company delivered medical devices to the RCMD. That 58.8 million lei contract was signed with the Center for Centralized Public Procurement in Health.

Another 6.4 million lei entered the company's books in March 2018 after it won an RCMD tender for the procurement of reagents, calibrators and medical consumables. This institution is led by Andrei Testemițanu who was detained along with Tudor Ceaicovschi in April 2015. In the last six years, the RCMD has signed procurement contracts worth 50.4 million lei with GBG-MLD SRL for the delivery of reagents and medical consumables, but that total was surpassed by the Center for Centralized Public Procurement in Health which has designated GBG-MLD SRL the winner of tenders worth 223.9 million lei in just the last four years.

Two other institutions led by defendants in the case have transferred 11.2 million lei and 5.3 million lei respectively to GBG-MLD SRL for medical equipment, consumables and reagents: the

Institute of Cardiology led by Vitalie Moscalu and the Cahul Health Center led by Alexandru Hagioglo.

INTERMED SRL ALSO WON OVER 200 MILLION FROM THE STATE

In the last six years, Intermed SRL—Tudor Ceaicovschi’s other company in the case—has won 147 public tenders for a total of over 237 million lei.

In 2015 after Ceaicovschi’s was detained, the company won 8 tenders worth 342,000 lei, but in 2016, it won tenders worth 12 million lei. In 2017 and 2018, the value of contracts signed by Intermed SRL with the state averaged around 10 million lei, and from 2019 until now, the amounts have consistently increased reaching 26.80 million lei in 2020 and 98 million in 2021.

As was true for GBG-MLD SRL, in the last 6 years Intermed SRL was designated the winner in procurement competitions for reagents, spare parts, laboratory consumables, crockery, radiological film and para-pharmaceuticals organized by institutions led by Ceaicovschi’s co-defendants: RCMD for nearly 28 million lei , the Cahul Health Center for 1.3 million lei and the Institute of Cardiology for 1.9 million lei.

CEAICOVSCHI'S COMPANIES DESIGNATED WINNERS OF SINGLE-PARTICIPANT COMPETITIONS

Data on tender.gov.md show that in the last six years, both Intermed SRL and GBG-MLD SRL have been designated winners of tenders on which only one participant bid, a risk factor that may indicate that the tenders had been rigged, experts say. Among the institutions that have violated the principle of competition in designating the winners of public tenders are those previously or currently led by current and former defendants in the rigged medical tender case: the Emergency Medicine Institute, RCMD, the Oncology Institute, the Cahul Health Center, and the Agency for Medicines and Medical Devices.

EUROPEAN COURT OF HUMAN RIGHTS REQUIRES GOVERNMENT TO PAY 10,000 EUROS IN DAMAGES TO TUDOR CEACOVSCI

In June 2018, the European Court of Human Rights found that Moldovan authorities had violated Tudor Ceacovschi's rights when the administration of the detention center where he was held refused to follow Ceacovschi's doctor's hospitalization order. The Strasbourg magistrates also found that the national courts did not have sufficient and relevant grounds for ruling on extending the pre-trial detention of the businessman.

TRIAL STILL NOT OVER SIX YEARS AFTER CASE IS SENT TO COURT

The case file reached the judges' desk in November 2015, one year after the start of the criminal investigation. Six years after being sent to court, it is still at the judicial investigation stage in a court of first instance. Most court hearings were either postponed or interrupted for various reasons including the defendants' lawyers failure to appear for health reasons and the lack of space in the courtrooms of Buiucani District Court where the trial has taken place.

A response from the Anticorruption Prosecutor's Office states that the lengthy examination of the case has been largely due to, "...the pandemic situation in public health in recent years; requests for postponement submitted by the parties and also to the 2019 removal from the original criminal case of defendant Ina Vorona that generated a resumption of the judicial investigation from the beginning."

THE VORONA EPISODE: DEFENDANT FULLY ADMITTED HER GUILT

On 5 July 2019, Judge Victor Boico of Buiucani District Court ruled against Ina Vorona, the administrator of Intermed SRL which

was founded by Tudor Ceaicovschi's wife Zinovia Ceaicovschi. Vorona was found guilty of abusing her office with serious consequences in five institutions: Taraclia District Hospital, Cahul Health Center, Agency for Medicines and Medical Devices, Institute of Emergency Medicine, and the Institute of Cardiology. She was fined 30,000 lei and deprived of the right to hold a position in company administration or to perform activities related to company administration for a period of three years. The defendant fully admitted her guilt, and her case was removed from the original case.

During the trial, evidence was presented that in October 2014 Tudor Ceaicovschi knew that the Institute of Cardiology needed to procure an angiographer and convinced the Minister of Health to let him procure and import this equipment while the Minister instructed responsible persons to organize a tender and to make the necessary preparations for its installation. Meanwhile, between 12 and 21 October 2014, representatives of the ministry coordinated with Ceaicovschi on the price Intermed should indicate in its offer.

On 19 November 2014 before public tender had been issued, representatives of the Institute of Cardiology had telephone conversations with Mr. Ceaicovschi in which they discussed the technical characteristics that the angiographer had to have. Moreover, the court noted in its judgement that knowing the company he managed was going to be designated the winner, Ceaicovschi started arranging the room the angiographer would need about 40 days before the tender was actually issued.

"Ina Vorona, knew about the actions of her accomplices [...], but signed the necessary documents for participation in the tender and submitted them to the responsible authority, the Public Health Facility Institute of Cardiology. On 1 December 2014, public tender no. 14/02207 was issued for the procurement of medical equipment," the judgement reads.

The contracting authority offered the specifications to four business operators including GBG-MLD SRL and Intermed SRL, but by the deadline, only Intermed SRL had submitted an offer.

The judgement also states that, “The technical specifications of the medical equipment proposed by Intermed exactly met those provided in the tender, so the members of the tender commission were thus misled regarding the observance of legal procedures by Intermed SRL in meeting the parameters indicated by the contracting authority in the specifications.” On 15 December 2014, that procurement contract was registered with the Public Procurement Agency.

“The actions of Ina Vorona and of public persons as well as of those in positions of public trust in the above circumstances caused material damage of 63,484,775.8 lei to the public institutions that manage the state budget. According to Art.126 of the Criminal Code, this amount represents damages in particularly large proportions and thus merits serious consequences,” the judgement stated. The prosecutors proved Ina Vorona’s guilt in four other similar episodes.

SEIZURE OF TUDOR CEAICOVSCHI’S PROPERTY PARTIALLY LIFTED

When they sent the criminal case to court, law enforcement took the precaution of seizing the assets of Andrei UsaŃi, Serghei Ţurcanu, Victor Cernat, Gheorghe Ciobanu, Victor Donea, Alexandru Spînu and Tudor Ceaicovschi among others. A court hearing took place as scheduled on 18 January in which the request of defendant Tudor Ceaicovschi and of interested party Zinovia Ceaicovschi to lift the seizure of their assets was partially granted as the judges ruled to lift the seizure on their frozen money but rejected the request to lift the seizure of real estate as unfounded. Investigative sources have said a seizure of one million lei was thus lifted.

Until the hearing on 22 October 2021, the state was represented by Prosecutor Mirandolina SuŃiŃaia, and later the criminal case was pursued by a group of state prosecutors led by Eugenia Zubco. As we did not find information on any challenges to the ruling on lifting the seizure of Ceaicovschi’s property

on the court information portal, we tried to get this information from Mirandolina Sușițaia. “What is the problem? What ruling are you talking about, as there has been a number of them?” she asked. When we specified it was about the seizure of Tudor Ceaicovschi’s property lifted by the ruling issued during the only uninterrupted court hearing held as scheduled, Mirandolina Sușițaia avoided answering and suggested we ask the Anticorruption Prosecutor’s Office.

WHY TUDOR CEAICOVSCHI’S COMPANIES ARE NOT INCLUDED ON THE BAN LIST

Even though Tudor Ceaicovschi of Intermed SRL was convicted for abuse of office that resulted in serious consequences, the company has not been placed on the list of businesses banned by the Public Procurement Agency. The lack of sentencing, i.e., formal recognition by the court of guilt, is allegedly to blame. “Deprivation of the right to pursue a particular activity under the provisions of Article 63 (1) (b) of the Criminal Code is a penalty applicable to a legal entity after examination of the criminal case on the merits and recognition by the court of his guilt, which has not taken place in this criminal case,” according to the Anticorruption Prosecutor’s Office.

Asked to explain why Ceaicovschi’s companies are still participating in public tenders, the National Agency for Appeal Settlements (NAAS) also blamed the law:

According to the Law on Public Procurement, any business operator is entitled to participate under the law in a public award procedure. Therefore, all bidders that meet the eligibility requirements may participate in public procurements, and the contracting authority may award contracts to them. At the same time, the same law stipulates that the contracting authority is obliged to exclude from contract award procedures any bidder or candidate that in the last five years has been convicted by a final court decision for participation in the activities of a criminal

organization or group; for corruption, fraud, money laundering, or terrorist offenses or in connection with terrorist activities, terrorist financing, child labor and other forms of human trafficking.

Hence, in order to legally exclude a bidder from participating in a public procurement and taking into account the principle of presumption of innocence, a final court sentence must be issued. In addition, we would like to mention that the contracting authority that initiates and conducts a public procurement procedure is the one competent to assess the fulfillment of eligibility conditions and to remove a bidder from the procedure. In this connection, we would like to note that while completing dispute settlement activities on public procurement procedures, NAAS did not receive any complaints about the failure of GBG-MLD, Intermed SRL and Intermed-Service SRL or of their decision-makers to meet the eligibility conditions based on the requirements of the Public Procurement Law.

HEAD OF THE REPUBLICAN CENTER FOR MEDICAL DIAGNOSIS REMOVED FROM CRIMINAL PROSECUTION

Since the RCMD has purchased medical devices and consumables totaling over 92 million lei from Tudor Ceaicovschi's companies in the last six years, and since the head of that institution, Andrei Testemitanu, was also detained in April 2015 in the rigged medical tender case, we called him for a comment. "In 2015, I was slandered by your fellow journalists, and I have had no pleasure in talking to journalists after that. Many years have passed but I will never forget how the family that has benefitted Moldovan medicine was slandered. My case was closed and apologies were offered," Mr. Testemitanu stated and hung up.

Criminal investigative sources have told us that the case against Mr. Testemitanu was indeed dismissed. Their findings show that the prosecutors gathered evidence indicating that medical procurement procedures were violated by Constantin

Avasîloaie, Andrei Testemițanu and Anatolie Crețu with contributions from Tudor Ceaicovschi and others; however, they could not prove that their actions actually caused material damage to individuals or to legal entities.

HEAD OF CAHUL HEALTH CENTER: “WE HAVE NOT BOUGHT CONSUMABLES DIRECTLY FROM MR. [REDACTED] CEAICOVSCHI’S COMPANIES FOR MANY YEARS.”

We tried to get reactions from all the defendants in the case who run institutions that in recent years have designated GBG-MLD SRL and Intermed SRL as winners of public tenders. We could not reach Vitalie Moscalu, Director of the Institute of Cardiology, for a comment. His colleagues said that he would be away for several days.

Alexandru Hagioglo, Director of the Cahul Health Center, specified that the institution he had been running had not procured consumables directly from Ceaicovschi’s companies for quite some time. “We no longer procure directly; it is the Centralized Public Procurement Center in Health and the Public Procurement Platform that organize tenders for us. We take what they give us. They mail us the contract, we sign it, and send it back. I am not a member of the procurement group,” Hagioglo specified.

TUDOR CEAICOVSCHI: “THE CASE WAS MADE-TO-ORDER AND IS NOT BASED ON REAL, RELEVANT FACTS.”

We also tried to get a comment from Tudor Ceaicovschi. After several postponements and as he was going abroad, he redirected us to a colleague of his who sent this comment by email:

The fact that GBG-MLD and Intermed have won many tenders in recent years confirms that the products they sell are of high quality and state-of-the-art. At the same time, the continuity of the successful activities of these companies also confirms that

the case of so-called rigged tenders was made-to-order and is not based on real and relevant evidence. Note that so far, no one accused in the case except Ina Vorona has pleaded guilty. In this context, Ms. Vorona's guilty plea is dubious and was probably made under pressure. We cannot comment on this. We do not understand her actions.

Mr. Ceaicovschi did not specify on whose order the case was allegedly initiated. We were unable to contact Ina Vorona for a comment.

EXPERT: "ADJUSTED TECHNICAL SPECIFICATIONS ARE OFTEN JUSTIFIED BY INVOKING THE NEEDS OF THE CONTRACTING AUTHORITY."

Maria Covalciuc, Director of the Association for Efficient and Responsible Governance (AGER), believes that the favoring of Ceaicovschi's companies by some contracting authorities has discouraged other business companies from participating in public tenders. According to this expert:

Placing business companies on the ban list is a difficult procedure; the responsibility for starting this action lies with either the Public Procurement Agency—if it takes action—or the contracting authority, or the NAAS. With regard to the companies mentioned and the rigged public tender case, we conclude that representatives of the contracting authority as well as of the Public Procurement Agency were involved and did not find any breaches. Therefore, only a court decision may lead to including them in the list. In its absence, the presumption of innocence makes it impossible to remove them or impose a ban on their subsequent participation in other procurement procedures.

In this connection, only other business companies that intend to participate in such procurements and observe adjusted or "dedicated" technical specifications, as we call them, may file an appeal with NAAS, but they have to argue very well or their appeal will not be accepted and competition will merely be simulated.

Unfortunately, adjusted technical specifications are often justified by the needs of the contracting authority which is why it is very difficult for other business operators to prove that specifications have been modified so that the contracting authority's favorite wins. The fact that in recent years one and the same business operator has participated in procurement procedures and contracting authorities have awarded them contracts not only has harmed the public budget but has also discouraged other business operators that simply no longer want to break into this vicious circle.



Biomass Heating: The Story of a Moldovan Failure Fueled by Japanese Millions



Millions of Lei from the National Ecological Fund for a Treatment Plant with an Uncertain Future



The Money Behind the Uniform



Public Housing Built with a European Loan Distributed By Ignoring Selection Criteria in Many Districts



What Happened to Electronic Voting in the Chişinău Municipal Council?



European Funds Donated to Gagauzia for Medical Equipment Go to a Company Expediently Established by a Comrat-Based, Pro-Russian Activist



The Blood Test War



Over Eight Hundred Million Lei in Six Years: Companies Targeted In Rigged Medical Tender Case Win Further State Contracts

BLACK BOOK

OF PUBLIC MONEY WASTE

IN REPUBLIC OF MOLDOVA

2021



FRIEDRICH NAUMANN
FOUNDATION For Freedom.

Moldova

