

CENTRAL ANTI-CORRUPTION BUREAU



**ANTICIPATED
CORRUPTION THREATS
IN POLAND**

WARSAW 2013

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INTRODUCTION

Corruption remains constantly present in social life. At different times and in different societies it changes as to the scope and degree of its impact on society and the economy. So far, no country has succeeded in solving this problem although many have made attempts to curb it.

Polls and reports prepared by audit institutions point to Polish society's perception of corruption as rather widespread. Although according to the Transparency International annual Corruption Perception Index Poland scores higher and higher (5.5 in 2011 compared with 5.3 in 2010), in the eyes of society corruption still remains one of the most important issues. Studies carried out by TNS OBOP Poland show that most of respondents (almost $\frac{3}{4}$) are still convinced that corruption occurs "very often" or "rather often". However, a survey conducted in 2010 indicated that for the first time in 10 years the percentage of people convinced that corruption occurs "very often" decreased significantly. In 2010, almost every fourth person (24%) was of this opinion while in 2007 almost every second. In 2003 and 2005, almost 70% of respondents shared this opinion.

Counteracting corruption includes not only repressive measures, but also prevention. An effective fight against this pathology requires a diagnosis of the conditions conducive to its emergence. The purpose of this study is to identify the areas of serious abuse, indicate the key sectors of the economic security of the State and the spheres of the activity of the State are

essential to create proper conditions for the uninterrupted economic and civilisation development of the country, and which may be affected by corruption. The above gave grounds for the conclusions referring to the anticipated threats and areas, in which they may occur. This study is a supplement to a periodical publication by the Central Anti-Corruption Bureau, titled *Corruption Map. The State of Corruption in Poland*, which presents statistical data referring to alleged corruption offences.

Threats can be expected where both the public authorities and the economic entities show the highest activity and where considerable funds are spent, so while the implementation of large projects. On the other hand, the economic crisis and economic slowdown always influence the increase in the level of economic crime, including corruption.

Diagnosis of the areas endangered by corruption have been made on the basis of own materials, data of other institutions, services and agencies. The Central Anti-Corruption Bureau requested for analysis, reports other studies, which could be used to select the areas in which the occurrence of corruption seems to be highly possible in the nearest future.

When analysing information on alleged corruption offences in previous years, you will notice that the evolution of areas prone to abuse results from system or economic changes.

Problems of public funds and in consequence restrictions on expenditure result in tougher competition and increased determination among entrepreneurs to obtain new procurements and contracts in the budgetary sphere. Entrepreneurs competing for a smaller number of contracts may often make attempts to handle matters positively for themselves and recruit reliable and solvent contractors. The risks associated with public spending can therefore occur in many areas of social life. The results of the 12th *Global Economic Crime Survey* carried out by Ernst&Young in the years 2011–2012 show that the risk of fraud and corruption in business is increasing. In general, 15% of managers admitted to have been ready to provide financial advantages to obtain or maintain business relationships – in the

previous survey of 2009–2010, 9% of respondents declared such an attitude.

Deteriorating economic situation, both in the country and the European Union, results in suspension of many investments and resignation from the implementation of planned projects. Lack of financial resources and the limitations of the budget of the institutions and publicly funded organisational units pose a potential threat of corruption in obtaining and awarding public contracts. As a consequence, the limitation of public funds on investments will reduce the number of awarded public procurements, which along with the overall economic slowdown may result in the businesses pressure to obtain lucrative public contracts advertised by government institutions. It may be anticipated that entrepreneurs will make attempts to reach out to people who prepare bidding documentation and decide on the selection of the winning bid.

Restrictions on investments funded from the state or territorial government budget can be a temptation for those who prepare the bidding documentation and take decisions on the procedure. They may offer certain entities to carry out the procedure in a favourable manner. The above is divided into two categories – corruption in the implementation of large investments such as highways or nuclear power, and corruption at the local level.

In a short time, on the domestic market we can expect a tougher fight for obtaining contracts by large entities. It should be noted that along with the economic downturn of the country, the effects of the growing crisis will be noticeable first to owners of small and medium businesses, who are likely to make attempts to rig bids to stay on the market. Due to their high value and obvious public funding, large investments (e.g. roads) are exceptionally lucrative to potential investors. This may result in a number of non-legislative methods used to win such contracts. This is facilitated by the fact that many investments of this type are executed at a time, so the supervision over their course is hindered.

On the basis of the information and analysis gathered as well as the experience of the Central Anti-Corruption Bureau, one

can indicate the areas of public and economic life, which – from the point of view of the economic interest of the State – in the nearest future can be particularly affected by corruption-related irregularities. They include: infrastructure, informatisation of public administration, the use of EU funds, healthcare, defence sector, energy, environment protection and public corruption.



AREAS EXPOSED TO CORRUPTION THREATS





INFRASTRUCTURE



The end of EURO 2012, which was a time horizon for most major construction projects in Poland, and the crisis in the financial markets are likely to result in a slowdown of construction investments and reduction of the emergence of the new ones. Due to the above as well as the determinants regulating the relations between the awarding entity, the contractor and sub-contractors, other Polish construction companies are likely to go bankrupt. As a consequence, there is a risk to the execution of strategic investment projects such as highways or railway routes.

The bankruptcy of companies pursuing road contracts may result in the State Treasury loss due to:

- delays in commissioning construction of road sections,
- the need to satisfy the claims of injured subcontractors in connection with the joint and several liability of the investor and the contractor,
- problems with recovering outstanding fines and other charges recorded in the contracts of dishonest contractors.

Carrying out of tenders for the construction of roads and related infrastructure based on poorly formulated specification can result in:

- favouring of specific suppliers,
- receipt of products, which do not meet the requirements, or which will preclude the achievement of objectives set by the state institutions,
- creating investments with unreasonable or incorrect solutions.

Equally disadvantageous situation occurs on the railway market, and the problems may be adequate to the ones observed in the course of road constructions. A common tendency is lowering the value of the contracts by the bidders to be awarded the procurement, which may result in the contractors' future lack of financial liquidity and bankruptcy.

Corruption threats may occur first of all in connection with public procurements for modernisation of railway infrastructure (railway lines, stations, traffic control systems) and rolling stock. These investments are necessary, because the poor state of

infrastructure could lead to the closure of the railway lines and, in effect, limit the transport network. Moreover, the technical condition of tracks as well as access rates in trade transport make carriers seek for alternative means and shift transport to the roads. This affects adversely the competitiveness of rail transport and the profitability of railway companies. Another result is the deterioration of road safety and the destruction of roads.

A major concern is the delay of a substantial part of projects implemented with the use of EU funds. There is a risk that they will not be completed within the time limit, which may result in the withdrawal of EU aid. It can be expected that the desire to meet the deadline may encourage contractors to try to corrupt persons responsible for technical supervision and commissioning of the investment.

Planned privatisation of transport companies and the consequent threat of their acquisition by foreign capital may also have a very negative impact on the railway market.



INFORMATISATION OF PUBLIC ADMINISTRATION



Informatisation process is continuous and all publicly funded state bodies are subject to it, irrespective of the scope of their activity. Investigations carried out in the past years revealed that corruption threats may lead to the collapse of public IT projects, many of which have an important impact on the security of the State. The need to computerise public administration has become an opportunity for dishonest entrepreneurs and public officials to subordinate this sphere of public life to their private interests. It is their contacts that often result in violations. It is facilitated by the large number of projects and ineffective supervision. Due to corruption, the most innovative and affordable entities lose, and win the ones that have a better informal access to the representatives of the public authorities.

The choice of a particular computer hardware or software is not a one-time investment. It has long-term effects for the contracting entity and for the market – it associates the entities with the suppliers of hardware or software of strictly defined parameters. The scale of the needs, which an institution generates within the scope of the implemented solutions, does not only relate to the hardware and the software installed, but also, among others, the user support, service, application, hardware maintenance, software upgrade, creating and storing of copies of databases, as well as the organisation of the system for the data protection.

Specification prepared by the future bidder – in collusion with the staff of the contracting entity – is one of pathologies occurring in IT procurements. It allows to draft the specification in a manner favouring one supplier. In extreme cases, the employees of the contracting entity make their superiors believe that the particular product is needed.

A very common mechanism of abuse is tender for a small part of the entire order. Such contracts are later supplemented with subsequent annexes, which are concluded for many years and constructed in a way which makes their termination impossible

or too costly for the recipient. As a result, they may be much overvalued. Through informal contacts with the contracting entity (e.g. with an IT division employee), the representatives of the companies may influence not only the contracts being implemented, but also future agreements relating to information systems themselves, as well as the subsequent supervision (maintenance and modernisation). Information and communication systems providers often charge high margins, which is incomparable to a medium-sized market margins.

Substantial incompetence of persons responsible for informatisation of public administration is an important element influencing the way it is implemented in public institutions. Lack of knowledge of complex IT issues, the design and execution of a computer system or a copyright cause that the contracting entities do not protect their basic rights to license, source codes and warranty.

Corrupt conduct in the telecommunications sector can appear also in the relationships between economic operators requesting public procurement. It is mainly about price collusion, unofficial consortia, as well as the agreements of individual companies in this sector. Seemingly, in tenders they will participate as entities competing with each other, but actually they can be bound by informal agreements. Such actions distort the principle of competitiveness and equal access to public procurements by all operators that meet formal requirements imposed by the contracting entity.

Consulting companies also play a significant role in the IT market. It focuses mainly on intermediation to win a public procurement. It is important that the companies from both branches are often associated personally or financially.

A frequent effect of the collusion between an IT company and an intermediary is an agreement with a public entity structured in a way which ensures the contractor the highest and the longest-lasting profits from post-implementation fees, regardless of the scope of work actually carried out in connection with the system.

ANTICIPATED CORRUPTION THREATS IN POLAND

Manifestations of corruption associated with public procurements in the IT sector can occur at all levels of administration, however, due to the size of the funds involved in informatisation, the main area of interest should be procurements carried out by ministries and other central authorities. Particular attention should be paid to projects concerning, among others, construction of e-Government and the development of broadband Internet access.



THE USE OF EU FUNDS



One of the areas most endangered by crime is the field of EU spending in which corruption can occur at virtually each level and stage of the implementation of aid programmes. EU funds are present in all sectors of the economy and public life, and their beneficiaries are, among others, state institutions, economic operators and individuals. Due to the amount and importance of the funds for the public finances, they should be considered the area particularly vulnerable to corruption threats.

Public projects carried out with the use of European funds absorb enormous financial resources, therefore, they are a tasty morsel for unfair beneficiaries and dishonest officials. For at least two reasons, these projects can be quite a burden to the State budget. Firstly, they usually involve also national measures. Secondly, the State budget bears the risk in connection with unfair spending, which may result in the return of EU funds.

The threat of corruption occurs at all stages of the project implementation – from recruitment and selection, through the implementation phase, to end up with the control of implementation. EU spending in regional programmes seems of particular interest, primarily due to the amounts available to Poland within the framework of the National Cohesion Strategy adopted for the period 2007–2013, and which Poland will receive within the framework of cohesion policy for the years 2014–2020.

To a large extent, extortion may refer to the so called soft activities addressed to society, i.e. any kind of training courses, retraining, improvement of professional skills, etc. When beneficiaries apply for grants implemented outside the place of registration, it is more difficult to verify the actual number of participants or the execution of all activities included in the application.

Serious irregularities may also occur during the implementation of local government investment of considerable value, financed from own sources and co-financed from EU funds.

Most of the projects are related to investments in infrastructure and public utilities, associated with the construction of roads, tramlines, local power plants and municipal waste disposal facilities. There may be considerable delays in the implementation of parts of indicted investments, which result, among others, from errors at the development stage as well as the contractors' additional financial claims arising from their previous, lower valuation. Past experience shows that it will continue to be an area endangered by corruption irregularities.

In the case of EU spending, the problem lies both in unreliable officials and dishonest beneficiaries. The issue of poorly prepared officials is also of significance as they often take decisions based on unclear procedures.

Criminal mechanisms may involve grant extortion with the knowledge and consent of officials, often with their active participation. Particular attention should be paid to control of the investment implementation, with focus on the use of the funds, as they may be exposed to corruption even to a larger extent than the award of procurement itself. This may cause the risk of issuing of faulty and unfavourable to the public interest decisions due to insufficient effectiveness of supervisory activities of the competent authorities.

The beneficiaries may also abuse EU funds, often motivated by corruption. It involves among others:

- inflated invoices,
- falsification of documents,
- violation of tendering procedures,
- qualifying the beneficiary's ordinary operating expenses as a cost of the project,
- spending funds for purposes other than those indicated in the application.

A common phenomenon is the undervaluation of the object of the contract or splitting the contract to avoid the application of the Public Procurement Act. This type of practice may be initiated either by the contracting authority or the contractor.

When analysing the process of EU spending, attention should be paid not only to the accuracy of procedures applied the managing and implementing authorities as well as the integrity in the performance of professional duties by the employees of audit institutions, but also to the legitimacy of the allocation of the funds. Proper spending of EU funds enables the development and, at the same time, strengthens Poland's position among EU member states. In this area, irregularities involve the need to return the misappropriated funds by Poland and may cause ultimate reduction in funding.

The approaching completion of the EU funding programmes for 2007–2013 may cause that the beneficiaries will be granted funds in an irrational manner, without due procedures to achieve the highest level of the use of the awarded funds. This problem can particularly relate to programmes or activities in which allocation of resources (funding agreements) is at a low level. There is a risk that in some cases the procedure of project delivery can be accelerated, which may influence the quality of control activities connected with the verification of the eligibility of expenses and the compliance of the investment with the project. This problem may relate particularly to the railway industry, in which the allocated resources (concluded funding contracts) have been used in 50%.



DEFENCE SECTOR



In this area, in addition to typical corruption threats to which administration and public institutions are exposed, there are many risks arising from the peculiarities in the defence field. In this sector, free market restrictions are and will always be much larger than in less strategic areas. It requires relatively frequent exclusions from the application of the Public Procurement Law, which creates great opportunities for corruption.

Procurements implemented in the sector of national defence are encumbered with a particular risk of irregularities. This is due to a limited transparency of activities (arising from the requirements of the state defence and the protection of classified information), a significant value of procurements and highly specialised nature of orders, which makes it difficult to identify the threats.

Taking into account the overall process of acquiring weapons and military equipment, special risks are associated with the early stages of identifying needs and defining requirements. They create (especially considering the exclusion of disclosure) big opportunities of introducing requirements which result in favouring certain contractors, which in practice significantly reduces the chances of an effective prevention of irregularities.

In this context, a growing tendency to limit access to information about current investigations should be noted, which is manifested by the protection of the tender documentation in compliance with the protection of classified information regulations. Moreover, such practices reduce the transparency of procedures and can be used to award contracts with the exemption of the Public Procurement Act (PPA). The use of this mode also involves offset exemption.

In Poland, the threat of corruption in the application of the exclusions will be smaller after the implementation by Poland of the Defence Directive restricting the possibility of exemptions from competitive public procurement principles in the field of defence and security. Failure to implement the directive exposes Poland to complaints submitted to the Court of Justice, and the

State Treasury, related to losses incurred or implied where public procurements are awarded on existing principles.

Solutions regarding the needs and the planning of the purchase of weapons and military equipment are significant problems. They may sometimes lead to procurements which are deemed unnecessary from the point of view of the interest of the Armed Forces. Past experience shows that procurements for the purchase of military equipment and weapons, which are usually of high values, may be endangered by corruption as early as the stage of planning. Plans tend to be formulated as to require adjustments, which provide additional possibilities for corruption. Irregularities can also relate to hardware and equipment parameters, e.g. issuing consents to reduce the requirements, activities connected with the delivery, tests, research as well as the control of equipment and weapons. It must be stressed that low quality and incorrectly tested equipment endangers the health and security of soldiers.

It is important to implement appropriate protective measures which allow to identify the threats and shield widely understood planning, preparation and implementation of procurements as well as legislative work related to the area of defence, against irregular lobbying. Arrangements for the offset evaluation criteria and the evaluation of the implementation of the offset contracts may also be endangered by corruption. Irregularities may occur with regard to the implementation of the transfer of military technology to Polish military industry. Corruption may also occur in the context of trading strategic information.

Potential threats may be connected with lack of copyright protection for technical documentation or source codes of products developed in the course of research and development works conducted and financed from the state budget on behalf of the State Treasury, which restricts the possibility of using technical solutions and patents created due to public funds, and may generate additional costs instead of potential profits.



HEALTHCARE



Difficulties in healthcare financing, which restrict the access of patients to many medical services, cause that this sector may become another area exposed to corruption and activities detrimental to the economic interest of the State. Mechanisms connected with the implementation of tasks in healthcare still give a wide leeway for interpretation. As a result, this may lead to corrupt conduct and the expenditure of public funds contrary to their purpose.

Threats observed in this area may relate to:

- the distribution of public funds by the voivodeship divisions of the National Health Fund (NFZ) for contracting medical services, reimbursement of medicines, orthopaedic supplies and additional materials,
- implementation of public procurements for the purchase and delivery of medical equipment as well as outsourcing of medical services, often to private healthcare institutions,
- medicine registration process, i.e. illegal influence on legislative processes and obtaining specific medical indications for medicine use, the size of the package, placing the medicine on the refundable medicine list,
- sponsoring doctors and organisations for professional medical environments by pharmaceutical companies.

Corruption in the medical sector may be considered in many aspects. Apart from medicine refund and contracting medical services by the National Health Fund, other areas of activity – connected with transplantation, debts and possible privatisation of hospitals – are essential for the correct performance of the system.

Lack of regulations to supervise the export of medicines from Poland to third countries, and thus no effective counteracting this problem, creates a threat to the economic interest of the State. Limitations or unavailability of selected medicines on the market can result in the need for emergency import procedures, which will generate additional costs to the State budget – costs independent of the planned expenditure reimbursement.

The threat of corruption and mismanagement may also occur at the interface between the activities of doctors, pharmacists and wholesalers. This involves the engrossment of medicines from pharmacies – on the basis of false or improperly issued prescriptions – and then exporting them abroad, which is associated with unjustified expenditure on refunds, and thus the loss of the State budget.

Lack of transparency in NFZ contract procedures and lack of regulations excluding the conflict of interest between the activities of the NFZ employees and their activities outside the NFZ may result in partiality in taking decisions by the voivodeship divisions of the NFZ. The economic interest of the State is also at risk as in spite of lack of substantive justification for financing of a particular entity, it sometimes receives support exclusively due to their relationships with other officials. On the other hand, contracts are withdrawn from the entities which do not have such connections, or the scope of the contracts is limited to a large extent.

Also conflict of interest at the interface between health institutions, voivodeship authorities and voivodeship branches of the NFZ increases the probability of corruption. Stakeholders can influence the decisions of the NFZ on the amount of contracts allocated to them, as well as the voivodeship authorities on the change of staff to those who will take the NFZ decisions for the benefit of their company.

Lack of effective corporate governance over the financial situation of hospitals, which in extreme cases may result in uncontrolled privatisation processes, can be a basic problem. The law stipulates that the founding bodies are obliged to pay off the debts of their subsidiaries. In the absence of measures, the company assets may be used to pay off the liabilities, which would mean an indirect debt acquisition of the hospital. The threat of corruption appears also at the interface between the interest of the investors and the founding bodies. The founding authorities may discharge the debt by converting the institutions to commercial law companies and then burden them with entities which will acquire their assets for debts, obviously at a reduced

price. As a consequence, this would mean a direct takeover of the hospital.

Due to lack of system solutions, independent public health facilities (SPZOZ) are not competitive to non-public healthcare (NZOZ). Moreover, in practice NZOZ sometimes transfer part of their own costs to SPZOZ and in this way take lucrative contracts. This situation applies to e.g. handling of medical complications. With no other income, SPZOZ are de facto forced to sign all contracts offered to the NFZ. In extreme cases, by monopolising selected services NZOZ can dictate prices – in such situations SPOZOZ may miss staff and equipment to render some services.

Threats to the economic interest of the State and corruption may occur also in the field of transplantation. Lack of legal instruments to exercise effective supervision can encourage the growth of illicit transplantation of tissues and organs. Potential dangers may arise from the fact that private tissue and organs banks as well as transplantation clinics (which often work on materials obtained in an illegal manner) can lead public agencies to collapse by providing orders to foreign entities.



POWER ENGINEERING



The implementation of energy projects requires special protection because of their amount (up to tens of billions of dollars) as well as their importance for entities in other sectors of the economy.

Threats to the economic interest may be connected with the organisation and conduct of the tendering procedure aiming to determine the contractors of the biggest energy investments carried out by the PGE S.A. capital group within the framework of the implementation of the Polish Nuclear Power Programme. Potential damage can have an economic dimension and it can also affect the standing of the National Power System – KSE (in case of delays in the implementation of the investment there may arise a deficit, which could adversely affect the standing of other sectors of the economy).

A further issue is the credibility of the bidders in procurements for the execution of projects, especially in the context of smooth implementation or possible payment of contractual damages. Threats may also be associated with the activities of consulting companies responsible for analysis and having impact on the project specification as well as environmental organisations which may block the investments.

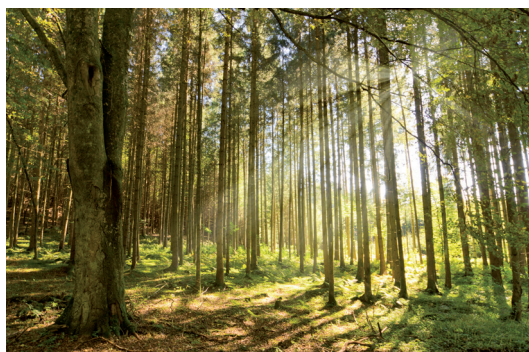
Corruption may also be connected with lobbying, which aims to influence the selection of a particular technology of the construction of a nuclear power plant, which in turn can affect the choice of the contractor. Corruption may also affect the legislative process associated with the formation of the energy law, which will regulate the operation of nuclear power stations.

Potential corruption threats include also illegal activities associated with granting concessions for searching for and exploration of energy minerals (oil, natural gas, lignite). Particular attention should be paid to the licensing for unconventional gas resources (shale) and its extraction in the future.

Other threats in the renewable energy sector are mainly associated with decisions issued on the location of wind farms to be created and the obtaining of a permit from energy companies to connect the farms to the national energy grid.



ENVIRONMENTAL PROTECTION



The amendment to the Act on maintaining order and cleanliness in municipalities imposed new duties on local authorities, i.e. the obligation to adopt an updated local waste management plan, which defines the regions of waste management and identifies regional systems for the conversion of municipal waste as well as the obligation to ensure the rendering of services by the municipalities for the collection of municipal waste from property owners, which will mean the need to select an entity receiving municipal waste from businesses by way of tender.

Establishment of new waste management principles through, among others, the acquisition of full responsibility for the waste by municipalities will have a great importance for the protection of the environment. This eco-friendly regulation may generate new corruption phenomena at the interface between entrepreneurs dealing with waste disposal and municipal officials gaining contracting monopoly on these local services. The local authorities will have an actual monopoly on the selection of the recipient of waste in the area. The selection of one company by tender to receive waste for several years may cause loss of competition.

The shape of the amended Act on the maintenance of order and cleanliness in municipalities may be the result of an interaction of a number of interest groups, for example private companies receiving waste from residents, who can lose the most on new solutions. The possibility of elimination of some entities from the market may lead to corruption, involving attempts to manipulate the results of tenders for the selection of the recipient of waste. Making entries to the register of regulated activities dependent on a financial advantage may become another field of corruption. It may also be a way of eliminating businesses from the market.

From 1 January 2012, the award of concessions for exploration, searching for and extraction of medical and thermal waters as well as brines is the responsibility of voivodeship

marshals, therefore in the course of the concession granting the possibility of the impact of the relations between the local authorities and entrepreneurs should be taken into account.

Corruption may also affect administrative procedures carried out in matters concerning air protection, the protection of the environment against waste, noise and electromagnetic radiation, as well as greenhouse gas emissions trading scheme (the value of which will amount to PLN 38 billion in the years 2013–2020).

Works on the new law on forests aim to accelerate and facilitate the sale of unnecessary, from the point of view the State Forests, fragments of forest and other property. In the course of the disposal of the property, lack of adequate procedures and supervision may cause irregularities of corrupt nature. Corruption risks may also occur in connection with the sale of timber carried out by the State Forestry “State Forests”.



PUBLIC CORRUPTION



When anticipating corruption threats, it should be taken into account that a permanent element of corrupt conduct – human factor – is prone to temptation of additional earnings.

Corruption may be determined by the scope of competence conferred on officials. There are many reasons for the above, among others:

- unclear procedures (e.g. depending on the voivodeship, the use of different formal criteria when assessing the applications or evaluating the project according to an unclear “criterion of current needs”);
- carrying out and documenting public procurement procedures in a dishonest way and in breach of regulations in force (e.g. preparing specification favouring a particular contractor or abusing the modes of limited competitiveness);
- rendering consultancy and training services for the benefit of entities applying for support by officials responsible for carrying out the public procurement procedures; such assistance mainly refers to the completion of applications, preparation of projects or financial analysis; it also happens that officials affect the acceleration of administrative procedures or the outcome of the qualifying procedure; public officials also render services to entities applying for support in other voivodeships;
- dishonest conduct and documenting of the delivery of implemented tasks.

A very important problem is unreliable performance of duties by officials responsible for monitoring the implementation of investments. This includes, among others, not calculating and not recovering contractual damages from contractors. The above refers to employees of national and local audit institutions (units of local governments, employment agencies, regional financing institutions, etc.).

The following may also constitute threats:

- project control related to the risk of issuing decisions which are faulty or detrimental to the public interest,

- obtaining licences and administrative decisions on investments at the stage of preparation and implementation of projects.

The existing organisational solutions adversely affect the implementation of tasks by the national inspectorates, for example pharmaceutical and veterinary ones. In both cases, regional inspectorates are subject to a double subordination – on the one hand, to the chief inspector (substantive supervision), and on the other, to voivodes exercising administrative supervision. This has an adverse impact on the credibility of the institution. Moreover, subordination to voivodes may result in exerting pressure in the execution of tasks and staffing. This may reduce the effectiveness of inspection in the law enforcement inspection against entities related to decision-makers at the central and local level.



SUMMARY

Due to the economic interest of the State, the following activities should be undertaken:

- the creation of anti-corruption policy of the State aiming to implement uniform anti-corruption solutions in institutions,
- implementation of solutions oriented at cooperation, including the exchange of information between state institutions, law enforcement agencies and services responsible for combating crime,
- protection of legislative works over regulation projects of particular importance to the economic interest of the State.

Poland's response to corruption



call **800-808-808**