

Who is who in spending the Hungarian public funds?

Sandor Lederer

K-Monitor Watchdog for Public Funds

lederer@k-monitor.hu,

www.k-monitor.hu

Abstract. We're developing a Hungarian database and a network map that makes political decisions of public bodies on various alternatives of law-making, granting public procurements, tenders, privatization procedures and EU funds searchable, analyzable and transparent.

1 Content

Major anti-corruption NGOs of Hungary, HCLU, K-Monitor and Transparency International Hungary have decided to develop a database that makes the elites networks and the spending of taxpayers money transparent, easily searchable and analyzable. The database would spread information about the winners of public procurements and other tenders (EU and national funds), and presents to the public who are behind these companies and what are the relationships between them. Based on the idea of popular community sites, the project intends to elaborate the first electronic who is who and network map of the Hungarian policy-making and economic elite, and make a research based on the received information. We intend to develop a new site and database that contains all the necessary and relevant information about Hungarian politicians, policy-makers, business people and companies as well as the connections and transactions between them. The three NGOs intend to make a database and a network map that makes decisions of public bodies on various alternatives of law-making, granting public procurements, tenders, and privatization procedures searchable, analyzable and transparent. We believe that as a result of tracking and analyzing the coherence between personal and economic relationships, policy-makers might be more likely to pay attention to the risks embedded in these systems and networks. The planned database and network map would be a great help as information about economic relationships is hardly available and difficultly searchable on the Internet, and as investigative journalists tend to focus on one case at a time, so the complex connection between these and the actors usually remain undisclosed. The proposed project would also create a user-friendly website for citizens to get information about the companies and the owners of these companies, who win the most on public procurement tenders, privatization procedures and EU funds. The project would combine the available information on the winners and the information on the owners and leaders of these companies.

Based on the former experiences of K-Monitor, HCLU and TI, there are many cases where neither investigative journalists nor competent authorities make any steps to get to the core of the story. The reasons for this can be very different: the lack of information, interest or capacity of the journalists as well as the lack of reporting at the side of the police authorities can block the investigative process. Therefore, we have the intention to elaborate a common working method in which the three NGOs request data of public interest and make litigations where needed together. Besides advocacy work, the NGOs also intend to do monitoring work and influence decision-makers in the following areas: public procurements, party financing through phantom NGOs and winding up processes, revolving door phenomenon, freedom of information, and employee conflict of interests.

Main functions of the website: Public procurement and EU funds database. Thanks to these services we would be able to tell: About a specific institution: which companies took part in the transaction, to what extent, and which direct or indirect proprietors and executives can book the success of the transaction. About a specific company: what is the sum of the public procurement or fund they gained at a specific institution, with which companies do they usually share the tender and who are those that the proprietary circle is composed of. About a specific person: through which companies they took part in successful transaction directly or indirectly, with who they can be traced being in relationship with through different companies, and typically with which companies that called for tender they managed to accomplish successful biddings. The service is also capable of tracking the revolving-door effect. Who is who: personal profile of Hungarian politicians and business people containing information about positions in companies and political parties, other memberships, family relations, friendships, etc. and an evaluation scale. Company database: profile of Hungarian or in Hungary operating companies. Party database: profile of Hungarian parliamentary parties. Maps: several adjustable maps filtered by the information given in the above mentioned database, profiles and the permanently updated media article collection. Analyzable database serving as a basis for the following research. Monitored data (either by developed IT robots or human resources): Public procurement database IT robot; NGO database (birosag.hu) IT robot; Company database (CompLex) IT robot; EU funds (nfu.hu) IT robot; Privatization procedures (articles, Hungarian National Property Management) human; Personal information (local governments, public offices) human; Networks (articles) human

Monitored relationships: Person to person relationships: ex- and current company associates, ex- and current business partners, ex- and current party members, ex- and current workmates, friends, relatives, schoolmates, etc. Person to company relationships: ex- and current company owners, ex- and current officers, ex- and current employees, ex- and current subcontractors, ex- and current sponsored organizations, relatives, party memberships, etc. Company to company relationships: ex- and current business partners, owners and sponsor. Monitoring: the newly developed database will be a ground for the three NGOs for further monitoring work in the following corruption-related areas: public pro-

curements, revolving door phenomenon and winding up methods (monitored by TI), freedom of information and the everyday practice of public institutes (monitored by HCLU), and employee conflict of interest (monitored by K-Monitor). Data will be analyzed, and annual reports will be written by the NGOs about these areas surveyed. These reports and the bill-amendment proposals will be sent to relevant policy-makers (ministries and parties). Legal advocacy: Our legal advocacy work would be made up of the followings: Requesting data of public interest in connection with policy making, public institutions and companies related to politicians. Complaints and petitions submitted to the parliamentary commissioners and the Constitutional Court. Litigation for the undisclosed data. Reporting to the police after the investigative work based on our database. Legal monitoring of regulations relevant to transparency, lobby and conflict of interest issues as well as regulations that are in favor of politicians companies. Lobby activity: press releases based on the information from our research and legal advocacy work as well as sending opinions to the Parliament on draft amendments. The new database will make it possible for investigative journalists and the media as well as researchers and other NGOs to find relevant data and coherence easily and so to do their own lobby and advocacy work based on the information provided by us. The database will enable private companies as well to make their own investigations easily and ring the bell if they think that the rules of fair competition have been violated.

2 About the Author

Sndor Lderer holds an MA in international studies and is a co-founder of K-Monitor Institute. Sndor graduated from Corvinus University Budapest in 2006 after which he immediately started working with K-Monitor. The association was founded as a watchdog organization with the aim of drawing constant attention to issues of corruption in Hungary. K-Monitor seeks to bring a new level of transparency in the field of governance for the purpose of fostering democracy and the rule of law. The association has created a website that makes all the corruption-related articles of online Hungarian media accessible, searchable and analyzable. The database is permanently updated with new articles and archive information as well. K-Monitor also has a whistleblowing blog and the association takes part in several researches. Sndor has started his PhD in History at Etvos Lornd University Budapest in 2009 and was a member of College of Social Sciences between 2002 and 2004. He's fluent in English and German.

Contact: E-mail: lederer@k-monitor.hu Phone: +00-36-1-789-5005 Website of the association: www.k-monitor.hu