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TRANSPARENCY IN HEALTH ENGAGEMENT PROJECT

WORKSHOP ON BEST PRACTICE MODELS OF ASSET DECLARATION SYSTEMS
TO MAXIMIZE TRANSPARENCY

29 OCTOBER 2018

Session 2 – Best practice/s from similar asset declaration systems

Issues related to the transition from manual to electronic submission of the declaration

- Comparative assessment of the following models:
 - Romania/NIA
 - Argentina
 - Macedonia
 - Georgia

NIA Romania – The National Integrity Agency

- The National Integrity Agency (NIA) was established with the Law No. 144 from 2007. NIA is an autonomous administrative authority, with legal personality, operating at national level, a unique structure, with headquarters in Bucharest. The role of NIA is to verify wealth and interest statements, control the filling-in on time of the statements, assess the failure to follow legal provisions regarding conflicts of interest, incompatibilities and wealth and act according to the law if necessary and formulate complaints to the criminal investigation bodies if there is evidence or solid clues regarding the existence of such activity. NIA conducts administrative type of investigations and is subject to judicial control.
- The NIA has access to all documents/records from public authorities or any public or private person (tax registers, personal ID databases, motor vehicle register, real estate register, F.I.U databases, land register etc). The agency performs evaluation activities ex-officio or upon notification by any individual or legal entity. The assessment of wealth, conflicts of interests and incompatibilities is performed during the mandate of public dignities and within three years after its end.

NIA Romania – The National Integrity Agency

- The operative activity is conducted by the integrity inspectors through an informatics system of integrated management for assets and interests declarations (SIMIDAI). This system has a series of operational modules including random allocation distribution module, intelligent data analysis, less workflow (creation, documents route monitoring and statuses), investigational check-list, early warning, monitoring, audit, registry module etc. The SIMIDAI stands for a strategic priority of the Agency and it is aimed at improving the operative level of the activity conducted by the integrity inspectors.
- The portal of declarations of assets and interests (<http://declaratii.integritate.eu>) has 3.570.323 assets and interests disclosures published on the Public Portal of Assets and Interests Disclosures.
- NIA is chaired by a President, Vice President and Secretary General. It has 83 employees and 117 vacant positions.
- The final budget for 2011 of NIA, approved by Parliament for 2011: 2.000.000 Euro

NIA Romania – The National Integrity Agency

- Law on the establishment, organization and functioning of the National Integrity Agency, as amended by Government Emergency Ordinance No. 49/2007
- Sistemul Informatic de Management Integrat al Declaratiilor de Avere si de Interese – S.I.M.I.D.A.I.
- Promoting Transparency and Accountability in Public Institutions, IMPLEMENTING THE INTEGRITY CONCEPT
- Silviu Ioan POPA, Advisor to the President National Integrity Agency, Republic of Romania
- https://www.unodc.org/documents/corruption/WG-Prevention/Art_6_Preventive_anti-corruption_bodies/Romania.pdf
- https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup4/2012-August-27-29/Responses_NVs_2012/20120417_Romania_English.pdf

Argentina

- Declarations are handled by different entities for each of the three branches of Government
- There are two agencies that play a central role for all: the Anticorruption Office and the Tax Administration Agency
- **The Anticorruption Office (AO)** – which operates as an independent agency reporting to the Minister of Justice – exercises the receipt, maintenance and custody functions for the declarations of higher ranking officials of the executive branch. The AO checks the asset declarations to monitor the evolution of assets, detect incompatibilities, conflict of interest and illicit enrichment. The AO has dedicated staff for all the tasks assigned, from updating the register of filers to monitoring the content of disclosures. Once the disclosure form is submitted by the filer, the AFIP then forwards the disclosure data electronically to the Anticorruption Office so the latter can publish the disclosure data on its website. In addition, the filer must print two copies of the disclosure form and submit them to the personnel/human resources department where they work.

Argentina

- Candidates for public office must submit the disclosure form directly to either the Anticorruption Office or the AFIP
- Argentina is using electronic filing of the declaration forms, grant's public access to submitted disclosures
- The AO only verifies the content on an ad-hoc basis, for example upon complaint or through investigations
- Argentina transitioned to online submission and management of asset declarations when it became clear that with the number of public officials required to file an asset declaration (currently approximately 36,000)
- As a result, the system became highly automated, including online declaration forms; online submission and submission compliance processes; and electronic data storage, records management and reporting (World Bank 2013)

Argentina

- The software, developed in-house by a consultant, can be downloaded from the Anticorruption Office's website or access it on a CD-ROM
- The software requires filers to complete all required fields before the form can be submitted, reducing the number of formal errors or incomplete or incorrectly filed declarations. It also automates the detection of discrepancies between a filer's declared income and changes in income and assets over time. The system also enables the systematic verification of the top 5% of most senior officials as well as electronic verification and targeted audits of disclosures based on categories of risk of the remaining 95%.
- The Asset Declaration Unit is able to verify around 2,500 declarations a year

Argentina

- The system provides added safeguards for the protection of personal and sensitive data, such as addresses, bank account numbers, copy of tax declarations, by using a dual submission process (of private and public annexes)
- The software automatically splits the data into two files, corresponding to the public and private annexes
- The private declaration is kept under seal except by court order, while access to a hard copy of the public annex is given in situ in the premises of the Asset Declaration Unit
- The introduction of technology had a significant impact on the effectiveness of the asset declaration scheme, In the year following the implementation of the automated submission system, submission compliance rates increased from 67% to 96% and the estimated cost to the government per declaration decreased from US\$70 to US\$8

Argentina

- The number of conflict of interest investigations as well as the number of financial disclosure requests rapidly and dramatically increased
- All data is encrypted and the information is kept confidential. Properly completed declarations are digitally signed and electronically filed with the Secretaria de Contraloria y Desarrollo Administrativo (SECODAM) which electronically acknowledges receipt of the declaration
- SECODAM is responsible for verifying the asset declarations and for initiating investigations when illicit enrichment is suspected
- The information from the report is organized as a matrix of facts that can be analyzed along vertical and horizontal dimensions, making it possible to track the history of assets through examination of the acquisitions, sales, donations and inheritances of the public servant
- It also allows examination of bank records to ensure that savings and expenditures are consistent and in line with the public servants' known sources of income. SECODAM then also cross-checks the reported information using information collected by other public institutions

Argentina

- The use of technology for managing income and asset declarations
www.U4.no U4 Expert Answer 9 Transparencia Mexicana recently launched a platform which is intended to help citizens identify who their electoral candidates are and invite them to disclose assets, interests and tax declarations, let candidates know how they can disclose their information and review the information about the candidates who have disclosed it.

Macedonia

- The SCPC collects the asset declaration forms, updates the register and publishes the data on the web
- SCPC collects the statements of interest
- The register of the asset declarations is well established, updated and transparent. It is easily accessible and searchable for the general public
- For validation of the asset declarations, the SCPC cooperates with the Tax Revenue Office. The officials are obliged to submit asset declarations in parallel to the SCPC and to the Tax Revenue Office which is entrusted the task to validate the data in the declarations. https://dksk.org.mk/imoti_2/
- New Law

Georgia

- Since 2010, Georgia has a full online system for the submission and publication of asset declaration covering more than 3000 senior public officials
- Verification of the veracity of disclosed data has been subject to scrutiny by the public only
- The government plans to establish an administrative verification mechanism until end of 2014

Georgia

Verification procedure – financial aspect – five possible stages:

- × Submission check (“Did the official submit the declaration?”)
- × Formal Check (“Are all the necessary fields of the declaration filled out?”)
- × Plausibility check (“Is the data of the declaration inherently coherent?”) - NEW
- × Audit (“Did the official hide any income or assets?”) - NEW
- × The Civil Service Bureau is already verifying (timely) submission of declarations
- To some extent it checks also the formal completeness of the data
 - The existing online system can guide the official in properly keying in relevant data in each necessary field.

Georgia

- The plausibility check could be performed by a computer by and large: each year, a computer program would calculate whether the declared expenses are higher than the declared income
- The plausibility check could cover all public officials
- The audit aims to use all possible means beyond the declaration itself to detect financial irregularities of an official related to his/her declaration. The audit requires a financial expert to look into state databases (e.g. property registry, tax, etc)
- An effective audit also requires looking into banking data (based on consent), and sometimes requesting information from private entities related to the public official's finances
- Given the time-consuming procedure, an audit can target only a certain percentage of public officials each year (e.g 5-10%). Selection criteria are: substantiated individual complaints (including anonymous ones); media reports; random lottery and red flags (including failure of plausibility check)

Georgia

- Verification procedure – conflicts of interest aspect
- The conflicts of interest aspect fully profits from the financial verification:
 - Any hidden income or asset, from which a conflict of interest could arise, should turn up during the audit as much as possible
 - As for the compliance with conflict of interest regulations itself, the law needs to define superiors who would be primarily responsible for verification
 - In addition, the central oversight could flag any apparent violation and notify the superior for the further action
 - Competent oversight body
- There are mainly three options possible on who will take on this new function:
 - The Civil Service Bureau's competency will include the audit
 - The Civil Service Bureau will cooperate with the tax administration on the audits
 - The Revenue Service will be solely responsible for receiving and verifying declarations

Georgia

- Presenting New Online Module for Public Official Income Declarations and Georgia's Open Data Platform – www/datalab.ge
- DataLab holds more than 800 public information datasets from over 165 central and local public institutions that cover a diverse range of important issues, such as: public administration, finance, transport, society, economy, local government, crime, social issues, health care, education and environment

Challenges and difficulties during and after the implementation of the online asset declaration system

- Comparative assessment of the following models:
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Romania

- NIA's Integrated Management Information System of the Declarations of Assets and Interests (SIMIDAI) is a good practice example on controlling assets of high number of officials
- Verifications based on indications about suspected violations/unexplained wealth, e.g upon the notice/request of an authorized public body
- For example, in Romania such notifications shall indicate the evidence and information that it is based on as well as the sources where such can be requested. Plus the notifications must be dated and signed – i.e. apparently it cannot be anonymous (notifications that do not meet the said requirements are to be dismissed)

Romania

- Well-developed IT systems enabled creation, maintenance and use of the registers (ACA), strengthening the controlling functions (ACA, KNAB, NIA)
- It also supports a more intensive development of the administrative investigation methods (SCPC, CPC, KNAB, ACA and NIA)
- In this regards the agencies have mandate to initiate misdemeanor and criminal cases (SCPC, CPC, KNAB, ACA and NIA)

Argentina

- The implementation of the system initially faced challenges, such as the weak digital culture across the federal public administration, modest resources, lack of internet access of staff working in remote areas as well as some initial technical difficulties (Kossick 2002)
- At the inception of the system, to overcome public officials' resistance to new technologies, the government developed an online instruction portal, provided training sessions, created a toll free call center and set up training centers to provide guidance to filers (World Bank 2012)
- In Argentina, the current hardware has not been renewed since the inception of the electronic system in 2000, resulting in slower processor speeds in the face of the increasing database of the 33.000 officials who are required to electronically file their asset declarations

Macedonia

- There is no clear list of state officials
- The number of public officials and officials is not published
- The SCPC has no access to other agencies' databases in order to check the validity of the declarations
- For validation of the asset declarations, the SCPC cooperates with the Tax Revenue Office
- The officials are obliged to submit asset declarations in parallel to the SCPC and to the Tax Revenue Office which is entrusted the task to validate the data in the declarations

Georgia

- Access to public information in Georgia, especially in open and machine-readable form, remains a challenge. The basis for this is, to some extent, the absence of relevant legislative base and standards

Discussion