## CASE STUDY: UNREPORTED EMPLOYMENT IN THE PRE-ELECTION PERIOD

**I: INTRODUCTION:** The Law on Financing of Political Entities and Election Campaigns<sup>1</sup> stipulates the obligation for state and municipal authorities, institutions and public companies to submit all decisions on employment in the pre-election period, with complete documentation, to the Agency for Prevention of Corruption, which then publishes them on its website.<sup>2</sup>

However, this legal obligation was not met by at least 42 institutions, which recruited 275 people in the election period, but they failed to report that to the Agency for Prevention of Corruption.

II: AT LEAST 42 INSTITUTIONS FAILED TO RESPECT THE LAW: On the basis of the Law on Free Access to Information, since the beginning of 2016, MANS was collecting the data on employment in public enterprises in the 17 largest municipalities.<sup>3</sup> When it comes to employment in local administration, MANS encompassed seven municipalities: Podgorica, Niksic, Bijelo Polje, Pljevlja, Rozaje, Tivat and Ulcinj.

The collected data show that after the parliamentary election was called on 11 July 2016, at least 42 institutions failed to comply with the Law on Financing of Political Entities and Election Campaigns, as they never submitted the employment contracts to the Agency for Prevention of Corruption.

Those 42 institutions employed 275 persons in the election period, mostly on a fixed-term basis. A total of 119 consultancy agreements were signed, 75 temporary employment contracts, 67 fixed-term contracts, six permanent employment contracts and eight contracts on volunteering.

At least 42 bodies, institutions and enterprises failed to report employment in the election period At least 275 contracts were not delivered to the Agency for Prevention of Corruption

Bearing in mind the fact that according to the Law on Free Access to Information MANS was not collecting data on employment in all municipalities, that is for all local bodies, institutions and companies, it can reasonably be assumed that the actual number of unreported employment is significantly higher.

<sup>&</sup>lt;sup>1</sup> Parliament of Montenegro adopted the Law on Financing of Political Entities and Election Campaigns in December 2014; Official Gazette of Montenegro 52/2014, link: <a href="http://www.sluzbenilist.me/PravniAktDetalji.aspx?tag={A05058D4-06C4-457A-97A8-CA37FB140A28">http://www.sluzbenilist.me/PravniAktDetalji.aspx?tag={A05058D4-06C4-457A-97A8-CA37FB140A28}</a>}

<sup>&</sup>lt;sup>2</sup> Article 33 paragraph 2 of the Law on Financing of Political Entities and Election Campaigns stipulates the following: "The bodies and legal entities referred to in paragraph 1 of this Article shall be obliged to submit to the Agency all employment decisions that are made in accordance with the laws regulating the labor relations, rights and obligations of civil servants and state employees, and obligatory relations with complete supporting documentation within three days from the date of the decision," whereas paragraph 3 stipulates that "The Agency shall be obliged to publish the documents referred to in paragraph 2 of this Article on its website, within seven days from the date of delivery."

<sup>&</sup>lt;sup>3</sup> From January to September 2016, MANS was gathering documentation on employment in the public enterprises and institutions of the following municipalities: Podgorica, Budva, Rozaje, Bijelo Polje, Niksic, Pljevlja, Bar, Herceg Novi, Mojkovac, Tivat, Berane, Cetinje, Danilovgrad, Kolasin, Zabljak, Ulcinj and Kotor; the data for October have not been delivered.

With regard to the municipalities for which MANS collected the documentation, the data show that most of the local public companies that concluded employment contracts in the pre-election period, without reporting them, are public utility companies, especially those of Kolasin, Berane, Zabljak, Tivat, Herceg Novi, Bar, Niksic and Pljevlja. Those companies employed 28 persons in total, on the basis of various contracts.

The Water Utility Company in Herceg Novi<sup>12</sup> concluded temporary employment contracts with 20 people, while the Protection Service of the Municipality of Ulcinj<sup>13</sup> made contracts with 16 people. The National Library of Budva,<sup>14</sup> Budva Parking Service<sup>15</sup> and the Agency for Residential and Commercial Fund Pljevlja<sup>16</sup> each concluded 10 agreements on temporary jobs.

When it comes to consultancy agreements, the public institution Zahumlje Niksic<sup>17</sup> concluded 26 such agreements, the Tourist Organization of Kotor<sup>18</sup> 15, Radio Television Budva<sup>19</sup> 12 contracts, the Cultural Center Bar<sup>20</sup> signed contracts with 10 persons, the Tourist Organization of Mojkovac<sup>21</sup> with nine, Museums and Galleries of Budva<sup>22</sup> with six, the Cabinet of the Mayor of Ulcinj<sup>23</sup> with five, the Tourist Organization of Pljevlja<sup>24</sup> with four and the Day Care Center for Children with Disabilities Niksic<sup>25</sup> with three persons.

Author: MANS Investigation Center Podgorica, November 2016

<sup>&</sup>lt;sup>4</sup> Decision of "Komunalno" Kolasin to NGO MANS No. 464/2, 13 September 2016.

<sup>&</sup>lt;sup>5</sup> Decision of "Komunalno" Berane to NGO MANS No. 3093, 13 September 2016.

<sup>&</sup>lt;sup>6</sup> Decision of "Komunalno i vodovod" Zabljak to NGO MANS No. 194, 16 September 2016.

<sup>&</sup>lt;sup>7</sup> Decision of "Komunalno" Tivat to NGO MANS No. 15-UP-111, 13 September 2016.

<sup>&</sup>lt;sup>8</sup> Decision of "Komunalno stambeno" Herceg Novi to NGO MANS No. 3084/1, 9 September 2016.

<sup>&</sup>lt;sup>9</sup> Decision of PE Utility Services Bar to NGO MANS No. 6133, 23 September 2016.

<sup>&</sup>lt;sup>10</sup> Decision of JKP Niksic to NGO MANS No. 6453, 19 September 2016.

<sup>&</sup>lt;sup>11</sup> Decision of "Komunalne usluge" Pljevlja to NGO MANS No. 02-2560, 17 October 2016.

<sup>&</sup>lt;sup>12</sup> Decision of "Vodovod i kanalizacija" Herceg Novi to NGO MANS, 19 September 2016.

<sup>&</sup>lt;sup>13</sup> Decision of Protection and Rescue Service Ulcinj to NGO MANS No. 12-50/16-2, 19 August 2016.

<sup>&</sup>lt;sup>14</sup> Decision of PE National Library of Budva to NGO MANS No. 299, 13 .September 2016.

<sup>&</sup>lt;sup>15</sup> Decision of Parking Services Budva to NGO MANS No. 471, 16 September 2016.

<sup>&</sup>lt;sup>16</sup> Decision of Agency for Residential and Commercial Fund Pljevlja to NGO MANS No. 03-554/1, 14 September 2016.

<sup>&</sup>lt;sup>17</sup> Decision of PE "Zahumlje" Niksic to NGO MANS, 9 September 2016.

<sup>&</sup>lt;sup>18</sup> Decision of Tourist Organization of Kotor to NGO MANS No. 1539/16-1, 20 September 2016.

<sup>&</sup>lt;sup>19</sup> Decision of "Radio televizija Budva" to NGO MANS No. 486/3, 13 September 2016.

<sup>&</sup>lt;sup>20</sup> Decision of Cultural Center Bar to NGO MANS No. 1421, 28 September 2016.

<sup>&</sup>lt;sup>21</sup> Decision of Tourist Organization Mojkovac to NGO MANS No. 377, 15 September 2016.

<sup>&</sup>lt;sup>22</sup> Decision of PE Museums and Galleries of Budva to NGO MANS No. 692/1, 19 September 2016.

<sup>&</sup>lt;sup>23</sup> Decision of Cabinet of the Mayor of Ulcinj to NGO MANS No. 266-241/16, 27 September 2016.

<sup>&</sup>lt;sup>24</sup> Decision of Tourist Organization of Pljevlja to NGO MANS No. 16-459, 17 October 2016.

<sup>&</sup>lt;sup>25</sup> Decision of PI Day Care Center for Children with Disabilities Niksic to NGO MANS No. 480/16, 11 October 2016.