

Transparency International EU

The global coalition against corruption

A wine case full of cash in Bohemia and the need for Integrity Pacts

Admin · Friday, July 24th, 2015

Three years ago Czech politician David Rath was caught red handed with seven million crowns (around 260,000 euros) of stolen cash stuffed in a wine box. After a lengthy trial the former health minister and governor of Central Bohemia was found **guilty** of taking bribes, manipulating public tenders and harming the financial interests of the EU. Rath was at the heart of a group of prominent officials who had been abusing public procurement contracts in the healthcare and construction sectors.

The trial marks an important step in the right direction in addressing the Czech Republic's problems with corruption. However, the misappropriation of funds, as highlighted in [this case](#), is of serious concern and demonstrates just how vulnerable European structural and cohesion funds are to abuse.

The court case also found the head of a regional hospital, Katerina Kottova, guilty of taking bribes and manipulating public tenders in hospital procurement. Each year huge sums of public money are spent on public procurement in areas such as healthcare and construction. Opportunities for bribery by potential contractors and the misappropriation of public funds are rife. The misuse of funds intended for healthcare harms those in need of medical care and demonstrates precisely why anti-fraud measures are vital.

Transparency International has developed the [Integrity Pacts](#) tool for preventing corruption in public procurement projects. They are essentially an agreement between the government agency offering a procurement contract and the companies bidding for it. The pact states that the companies will abstain from bribery, collusion and other corrupt practices for the duration of the contract. To ensure accountability, Integrity Pacts also include a monitoring system, typically led by civil society groups (often one of our national chapters).

Integrity Pacts can help safeguard EU funds, ensure that infrastructure projects and other public works are delivered efficiently, and stave off avenues for illicit gain. Transparency International, and the European Commission are working together to roll-out Integrity Pacts for structural and cohesion funded projects in several EU member states. Details of the pilot phase of the project can be found [here](#).

Not only do Integrity Pacts ensure clean procurement practices, they also provide enhanced access to information, increasing the level of transparency in public contracts. This leads to

greater trust in public decision-making, less litigation over procurement processes and more bidders competing for contracts. Integrity Pacts can stop hospital funds being abused and public officials stealing money to hide in wine boxes.

This entry was posted on Friday, July 24th, 2015 at 1:36 pm