

Oil Workers Rights Protection Organization

**OBLIGATIONS AZERBAIJAN TOOK BEFORE EUROPEAN COUNCIL –
“CORRUPTION AND POVERTY”**

4

October

BAKU-2004

We express our gratitude to Royal Norwegian Embassy in Azerbaijan due to financial support to project.

Project Coordinator: Mirvari Gehramanli

Author writings in this special bulletin
are published in following papers:

“Yeni Musavat” (Zamin Haji, Sevinj Telmangizi)

“Baku Kheber” (Metanet Muslumgizi)

“Tezadlar” (A.Mammadli)

“Bizim yol” (Razi Abasbeyli, Mahammad Ersoy)

“Sherg” (S.Muslumgizi)

Those writings are given with abridgment in special bulletin.

Editor of special bulletin: Zamin Haji

Responsible secretary: Javanshir Huseynov

“Corruption – is illegal possession of officials of material and other wealth, privileges or reductions by using its status, status of organ it represents, official authority or possibilities arisen from those status and authorities, as well possession of officials by illegally offering or promising or giving them material and other wealth, privileges or reductions noted by natural and legal persons”.

**(Law of Azerbaijan Republic
“On fight against corruption”,
Article 1).**

SOCIETY

PUBLIC CONTROL MEANS ARE DEFINITE IN FIGHT WITH CORRUPTION

Sevinj Telmangizi

Mirvari Gehramanli: “Public pressure is possible through civil society and mass media”.

Azerbaijan is one of “important” places in list of corrupted countries. Despite state takes some demonstrative steps to prevent it, maintenance of public control in solution of this problem is important. Studies made by mass media, also realization of different monitoring are important in this field. We also will stand mostly on these motives in our writing: what are control means of society consisted of, its rate of effectiveness and etc.

Our first interviewer was head of “Azerbaijan against Bribery” Analysis Group. In her talk with us, Mrs. Gehramanli said that this problem causes discussions in society, steps of government, but its root, reason of its creation is forgotten always. Noting that full removal of corruption is impossible, she said that creation of public opinion, public reproach is necessary in this issue: “For this, monitoring should be held, its results should be declared to the community, web sites should be opened, mass media should widely cover this case. Main goal is to lift attention that community will pay to this issue. Public pressure, public reproach is possible only due to activity of civil society and mass media”.

Our interviewer considers that nondependent government and NGOs will not be able to create transparency in this case. Mrs. Gehramanli said that the same difference exists between opposition and power papers. For example, she believes in difference between surveys conducted on corruption by “Yeni Musavat” paper

and “Xalg gazetesi”: ““Yeni Musavat” will provide transparency in more high level than “Xalg gazetesi””.

It needs to remind that working group organized by Mirvari Gehramanli, held monitoring on financial transparency in construction of Baku-Tbilisi-Ceyhan oil line. So, we asked our interviewer about results of sensitiveness that our society showed to this issue. M.Gehramanli said that full transparency was provided in mentioned project and this time, people whose rights were violated had chance to defend themselves: “From another side, we could create public reproach, directed attention of the community to real truth. We destroyed the argument “people had advantage from this project”, that was sounded very often in due time. As a result of monitoring, people were educated, we directed attention of NGOs in Azerbaijan, world community, international organizations, banks to this issue once more. Banks having allotted credit to those projects were obliged to hold monitoring. It also played big role for future projects”.

In order to strengthen attention of civil society to this case, financial funds allocated to this issue by international organizations, funds play important role. One of organizations that approach this case sensitively in Azerbaijan is “SOROS” Fund. In talk with us, executive director of Azerbaijan office of Fund Ferda Asadov said that corruption is widespread in Azerbaijan and it became a phenomenon creating big problems. He talked of specificity of works done by organization that he represents in this field: “At our Fund, we conduct work in several directions regarding this issue. First, it needs to conduct enlightenment work about activity of society and reasons of corruption and circumstance of its creation. We have considered on this purpose public financial transparency program and act in frame of it. Within this program, as one of measures preventing corruption, we see implementation of initiative of British government called “Mine industry transparency” in Azerbaijan. We assist to NGO coalition implementing that initiative. As you know, this project serves disclosure of obligations of oil companies before Azerbaijani government and receptions of Azerbaijani government from oil companies.

F.Asadov talked also about form of implementation of grant projects directed to this field by “SOROS” Fund. He said that NGOs started to pay much more attention to this case. He said that NGOs closely review documents of this process and advance very correct proposals for their improvement: “These proposals do not have only denial, confession character but there are good proofs behind that. It means that we achieve our goals in certain level. Saying goals we consider that civil society could professionally try for improvement of this process, for protection of transparency. Undoubtedly, there are many problems.

F.Asadov had difficulty in answering the question about amount of financial assistance made by Fund in this frame. But he said that “SOROS” Fund has implemented several projects in education work for long years. As an example he

mentioned publication of paper called “Anticorruption”: “Comments to Law “On fight against corruption”, seminars for provision of correct understanding of Law by society, were organized. We have allotted certain funds for creation of “International transparency” NGO in Azerbaijan. We have implemented a number of projects in frame of additional public financial transparency program, also held surveys on transparency of process of discussion of state budget, published books for education of community. We consider recent publication of educational materials disclosing these two budgets’ items and to inform it to society.

Economist Gubad Ibadoglu stated that according to State Program, membership of Commission on Fight against Corruption is formed with representation of legislation, executive and judicial agencies. But Mr. Ibadogly thinks that participation of mass media, public organizations, economists, lawyers is important here: “It was necessary at least for provision of transparency there, to earn public support for ongoing processes”. Fight against corruption is not job of only government but also of state in general. State has different institutes. These cover mass media, public organizations, organizations beyond direct executive legislation and judicial power that have to be involved in this issue. Generally, program has to consider measures to make civil society active in fight with corruption”. G.Ibadoglu said that mentioned program did not show forms of public participation of citizens in process. It is shown there that during implementation of cooperation in corruption fight, it will be cooperated with NGOs, also international and regional organizations, international experience will be studied in this direction and measures will be realized on this: “I think that forms of public participation of citizens in this process have to be preferred definitely. Transparency can be effective power, supporting and inspiring state management, for decrease of corruption in political scene. Constitutional means – division of power and parliament methods, effective public control on executive power and bureaucracy may be basic here. In some countries, anticorruption service called “hot line” act. One of main importance of this event is to lift activity of citizens and to explain possibility of removal of corruption. Independent prosecutors are appointed in some countries who directly deal with corruption. This practice is applied in those countries in which corruption is in high level or high-ranking officials are connected to that, prosecution agencies do not have necessary resources and confidences. Beside creation of special anticorruption organs, countries can appoint independent ombudsman or other public attorneys”.

Role of mass media cannot be excluded in corruption fight. Chair of “Yeni Nesil” Journalists Union Arif Aliyev thinks that one of biggest enemies of corruption is transparency, light of media projector. He thinks that mass media should show maximum professionalism in this issue: “There are enough organizations, public institutions acting in this field. Just, their activity is not effective. But one another problem interfering in removal of corruption by media is that there are corruption elements in media and they are getting stronger. Let’s take that openness of financial sources is component of corruption fight and media can play important

role here. But it is reality that financial sources of media agencies are not announced, and even they are dependent on corrupted circles mostly. Corrupted persons, structures have enough media structures. And it interferes solution of this problem. One of this is to release media from corruption, another is to strengthen role of media in removal of corruption”.

INTERVIEW

“MAIN TERM IN FIGHT WITH CORRUPTION IS POLITICAL WILL OF HEAD OF STATE”

Zamin Haji

Interview with economist-expert Azer Mehtiyev

- Sometimes high-level rate of taxes are considered reasons of corruption in economics. Do you think that taxes in Azerbaijan are so high that they contribute to bribery?
- From economic point, biggest damage of corruption is that it violates competition environment in society. What about tax, official tax rates are not so high in Azerbaijan. Just, owners pay unofficial taxes to state officers in order to create their work and these are very high amounts. In this sense, to decrease tax rates will not work in Azerbaijan as anticorruption tool. Because, officers are not afraid to demand bribe that we called “unofficial payment” from owners.
- Why do owners obey immediately to officers wanting bribe, why do not they conduct any fight?
- First, owner does not believe in state in our country. Second, main term of stable internal development in any country is superiority of laws and existence of independent judicial system. But in Azerbaijani courts owner can never solve its problems lawfully and it has to give bribe. Plus, taking into consideration that those courts are dependent on the executive bodies from which complaint is given. Reception of owner of legal adoption is impossible even by giving bribe. So, owners do not want to have headache and pay money to executive bodies – “1st instance of bribe”.
- To create economic, legal mechanisms or political will of head of state – How do you think, which of these is more important to fight corruption in Azerbaijan?
- There is no need to discover America. Economic and other mechanism can prevent corruption in civil countries. But in our country, thesis “we live the way we are managed”. I think that political will of the first person of

country is first term to decrease at least half of corruption in Azerbaijan. As typical example of this, we can show Georgia where Mikhail Saakashvili showed political will and got successes in fight with corruption. Without political will economic mechanisms are useless. Because majority of steps taken in Azerbaijan, decisions and executive orders based in corruption. For instance, one of Executive orders praised by the power – Decree enacted in 2002 on development of ownership was based on corruption.

- How would you comment Law adopted in beginning of this year “On fight against corruption”?

- I did not get philosophy of that law and it is not known why they adopted it. I am satisfied there only of title of law. What is substance, how corruption be will fought – I did not see these.

- What can you say about level of corruption in international projects in which Azerbaijan take part?

- Let us start from oil projects. For instance, initiative called “Disclose what you pay” and transparency in mine industry of British Premier Tony Blair directed to oil companies have ground. All saw in international arena that transnational corporations interfere in work of separate states, and sometimes rule them. And existence of corruption elements in this issue reached such level that as head of state, Tony Blair tries to take off negative image of his country. Or USA prohibited its companies to give bribe for gaining effective conditions in other countries. Before it was permitted. They understood that it is big strike to development of democracy in the world. But as in all fields in Azerbaijan, in international projects, in foreign credits too there is no transparency. Even our government had created Observation Council on transparency in mine industry but no measure was taken. They just demonstrated to foreigners that see, we have Council.

ECOLOGY

BAKU IS ILL CITY FROM ECONOMIC POINT OF VIEW

A.Mammadli

By information of Baku city Greenery planting Enterprises Main Production Department, there is 12202 hectares of green field in capital. This figure is following on districts of capital: Sebayel – 1173,61 hectare, Yasamal – 971,94h, Nerimanov – 792,8h, Nesimi – 701,65h, Binegedi – 1957,51h, Surakhani – 1486h,

Nizami – 941,2h, Khatai – 949,14h, Ezizbeyov – 975,15h, Sabunchu – 1094,94h, and Garadag – 790,1! These figures are from report of 1998.

How many trees have been cut in Baku over the last years?

Have acquaintance with area of forest strips destroyed in separate places of Baku during last 4-5 years:

- In Nizami district, in place of 7h of green field, about 22 wedding palaces and 15 restaurants, cafés (mostly Baku Oil-Fuel Plant) “Khari bulbul”, “Khan gizi”, “Flamingo” and etc.) were built including area around 8 km automarket (“Khemse”, “Serin” and etc.).
- Khatai district – 119h pine forest behind famous automarket (“Garabaglar” and “Deniz-J” small enterprise played special role), 15h forest around “Water Construction” hospital, right and left sides of Ukraine square, in direction of Ganja Avenue
- 0,6 h fir forest, 20h pine forest around “H.Aslanov” metro station.
- Sabunchu district – 34h pine forest between Bakikhanov settlement and 8 km settlement has been given to owners of more than a thousands of villas, also houses, domestic service establishments were built and etc.

Park in Nerimanov district (in old Chapayev street) of capital was changed to “Shusha”, “Chanag-Gala” and etc. restaurant-entertainment centers, pine forest around “Bollug Bazari” in Binegedi district was occupied by “Jidir duzu” wedding palace and etc.

These are foundation of ecological tragedy. Today up to 300 wedding palaces supposed to be in Baku. But almost all of them were built due to destruction of green strip of city. Has Head of executive power of Binegedi district seen disappearance of 17h pine forest in left part of Sumgayit direction of Bilejeri Bridge?

So, over the last 5 years, more than 250h of pine and olive forests were destroyed in Baku. According to forestry rules, taking into consideration that about 610-620 trees are planted in 1h of area and average age of one tree is 40-50 years (average age of trees is 40-50 years in all areas where villas and restaurants were built) and price of every tree (by its age) is 494,000 AZM, then financial damage made to ecology of Baku during last year is:

$250h \times 610 \times 494,000 \text{ AZM} = 75.335.000 \text{ 000 AZM!}$

This number may seem average-approximate and not so big to heads of executive powers of districts and other officials. Then pay attention to following figure: Average price of 1 hundred hectare of land area in capital’s districts mentioned above is \$5,000 (there is for \$3,000 and \$10,000 too. We take into consideration lowest average figure). Let us count price of 250h land area that was destroyed and put into auction: $250h \times 100 \text{ (hundred hectare)} \times \$5000 = 125.000.000 \text{ US\$}$. Let

everyone conclude itself. But no one should break the mirror while seeing itself wrong in it, it should correct its wrong part (Read: in this writing).

Who are responsible for these losses?

According to official documents and information we have, all these happen not because that they are uncontrolled but because some state officers “control” very well cutting of forests and trees. And in this “control”, there are fingers of EP Heads of districts, Chief of Baku city Ecological and Natural Resources Department, former mayor of Baku city, Chief of Baku city Greenery planting Enterprises Main Production Department, municipality chairs.

Inquiry was sent to Prosecutor’s Office of Republic and Baku city Prosecutor’s Office.

We were obliged to send a inquiry to General Prosecutor of Republic Zakir Garalov and leadership of Baku city Prosecutor’s Office about fate of “KAMAZ” cars loaded with forest material which was pictured on September 28 and protocol was recorded by State Traffic Police officers. In the meanwhile, we want to note that because of irresponsibility of Baku city ETS Department’s leadership, hard, untreatable damages are made to ecology of city. According to information entered in our editorial, big-tonnage cars, loaded with forest material, which were detained, are admitted every time after paying money. Loads which charged from Gabala, Ismayilli, Yardimli, Masalli and other districts of country, famous with natural forests and transported to Baku’s furniture, parquet and other wood materials workshops, are real reflection of damage made to the nature. But none of these persons dealing with this job, are not punished so far. Because punishment mechanism is compensated with force of money.

For what kind of help did Head of Khatai EP I.Mehdiyev ask capital mayor? According to official information given in 1998 by Baku city Executive Power Yasilasdirma Enterprises Main Production Department, there is 909,14h green field in Khatai district. Big part of this area is consisted of planted pine and olive gardens. These gardens have been destroying for many years and changed to individual yards, restaurants, cafes, wedding palaces. One of these problematic fields is territory called 2315th block in Babek avenue in Khatai district. From 1994 till today, during these 10 years, 49,7h forest field in this area filled many pockets, changed to scene of death of many trees. This area that was discussed for many years in official levels, after special order recently given by Baku city EP Head Hajibala Abutalibov, was analyzed by Khatai district EP Head Ibrahim Mehdiyev.

I.Mehdiyev was very sad of facts he faced. A bit later about this. For now, it needs to note that I.Mehdiyev wanted urgent help from city mayor H.Abutalibov regarding fate of 49,7h forest area. All these are reflected in letter of I.Mehdiyev addressed to city mayor on June 10, 2004. It becomes clear from the letter that

former head of Khatai district EP Gunduz Jelilov walked 2315th block of district in 1994 and saw uncontrolled forest area at once. He called immediately his subordinates. After brief consultation, letter #1122 was born on May 10, 1994. That letter was addressed to Head of Baku city EP Rafael Allahverdiyev. In the letter, G.Jelilov requests over and over from R. Allahverdiyev to give some part of forest area in 2315th block to “Tural-7” small enterprise. As if “Tural-7” small enterprise will realize here drafting and construction of domestic service complex. So, sentimental heart of R.Allahverdiyev was so engaged in this letter of G.Jelilov that he gave Executive order #799 on May 30, 1994 and 0,097h land area was allocated at mentioned area to “Tural-7” small enterprise. Then, construction passport #9774 was prepared...

Why did “Tural-7” occupy additional land area?

Much time passes and someone reminds R.Allahverdiyev that “Tural-7” does not use allocated land area correctly. That is why, R.Allahverdiyev enacts Executive order #21 on March 7, 1997. By that Executive order, some part of land area allocated for “Tural-7” is given to “PPP” Production-Commercial Firm for construction of office and health zone. Then, technical passport #10113 is prepared, working project of office building to be built by “PPP” is agreed with letter # 18/04-Q-871 dated from December 22, 1997 of Architecture and Town-planning Main Department. But...

But then it becomes clear that there is a market of land. For example, it turns out that leadership of “Tural-7” small enterprise uses anarchy and occupies 2400 sq.m of area instead of 360 sq.m.. One-stored wedding palace and other additional domestic service houses were built there. Naturally, the question is about the wedding palace which is used today too.

Most interesting and surprising is that Khatai district EP Head G.Jelilov receives letter of consent #18/03-8/445 dated from July 6, 1995 from Deputy Head of Baku city EP H.Fataliyev and according to his Executive order #233 of July 1, 1995, gives known uncompleted buildings in 2315th block in Babek Avenue to “Deniz-G” small enterprise.
(To be continued).

COURT

JUDICIAL REFORMS OR JUDICIAL SCANDAL IN AZERBAIJAN?

Metanet MUSLUMGIZI

Issue regarding implementation of obligations Azerbaijan took before European Council, will be discussed during coming days. On second day of session of PACE that will start on October 4, experts of this organization will present their reports on implementation of obligations Azerbaijan took before European Council. One of obligations is reforms implemented in judicial system. Creation of independent judicial system in Azerbaijan, creation of corps of judges able to restore equity in country is not paid attention. Authorities declare that works are realized in Azerbaijan towards fighting corruption. Certain administrative activity is carried out in this direction, structural works are done. But these are so less that it would be very naivety to think that these measures will prevent corruption. Because most serious condition for prevention of corruption is judicial system itself and it is one of corrupted ones in Azerbaijan.

Human rights defender Mirvari Gehramanli thinks that when implementation of obligations Azerbaijan took before PACE is discussed, important issues on judicial system are forgotten. Mrs. Gehramanli says that this issue is not discussed in community in necessary way. "Azerbaijani officials announce that they solve political prisoners problem. By signing Pardon decrees, authorities set free people from one door, from another door they arrest innocent people and imprison them. And it is because there is no free and really independent judicial system in Azerbaijan. As courts works by order, number of political prisoners increase rapidly. Courts play important role in analysis and removal of all problems in country. Judicial system is #1 reason for violation of Law on freedom of assembly. Absence of independent judicial system is biggest problem of Azerbaijani citizens. Rights of thousands of people were violated in elections, all Azerbaijani citizens were deprived of their rights. Citizens applying to courts faced only illegality. Until such an judicial system exists in Azerbaijan, implementation of any obligation will be impossible. There will be political prisoners in Azerbaijan, human rights will massively be violated, there will be corruption and laws will not work". Main line of solution of all these mentioned issues is equity in judicial system. Judges corps acting today in Azerbaijan, passed from test examination in September of 2002. Lawyers passing from test, were confirmed by President then. Today, judges of district courts have been appointed for 5 years, higher instance courts 7 years, and judges of higher instance judicial system for 10 years. But in developed countries, judges are not appointed. It is felt in their activity. Every independent judge feels responsibility for every verdict it signs. But in our courts main principle is "not to lose an office". Independent lawyer Fuad Agayev thinks that Azerbaijani legislation is rich with norms contributing to corruption. Mr. Agayev said that legislation base enlarges extremely version opportunities of judges and it brings to human rights violation: "There is need for serious changes in legislation acts, also in judicial reforms with participation of community, independent experts dealing with this field, professionals. There is need for openness in activity of Judicial Law Council regarding definition of judges. To

achieve radical changes in judicial system is also important for decreasing sources of corruption, restricting its scale”.

F.Agayev said that in order to get Azerbaijani judicial system from paralyzed situation, first, it needs to implement serious reforms in first stage in investigation agencies that come before court.

ANALYSIS

FIGHT WITH POVERTY OR POORS?

Mahammad Ersoy

World Bank (WB) and International Currency Fund (ICF) analyzed first annual report on implementation of state program for decrease of poverty and economic development by Azerbaijani government which was started on February 20, last year. According to WB and ICF experts, report shows that certain results are gained on implementation of goals of the program. But no work has been done in report concerning definition of problems with realization of program, discussion of alternative measures on decrease of poverty. Besides, report does not cover measures on long-term strategy for management of oil revenues. According to updated indexes of 2002 shown in resume on housing, 46,7% of Azerbaijani population lives lower than level of poverty and its 8,8% is under excessive poverty. Level of poverty (47,8%) of housings in cities is higher than rural level of poverty (45,4%). This number is most beautiful fact proving decrease of employment and incomes in economics. Most of poor part of population lives in Baku, but level of poverty (40%) here is lower than average level of country. Bad circumstance of infrastructure in villages and small towns, low level of provision of gas and electricity, low entry level into major service types interfere involvement of investment and accelerates rush of population to capital. According to individual indexes and characteristics of housing, children aged under 15, families with 3 and more children are under highest risk. Report of government considers also new information based upon resume of labor market on level of unemployment. According to information, only 62,9% of able population in Azerbaijan is employed. Unemployment is higher among women than men regarding 25-59 ages of population groups. Development forecasts of economy shows that highest growth speed in 2005 will be in oil sector – 40%. However, growth of non-oil sectors of economy is considered 9,7% for 2004-2005 and it is very shameful index. Share of state expenses in non-oil GDP will lift up to 33,4% in 2005. As usual, official Baku did not have grounded answer this time too on complaints addressed to itself and it would be more exactly if we say that it could not answer. It needs to take into consideration that there are too many facts concerning violation of transparency in oil sector. Unfortunately, for removal of facts regarding those mistakes, implementation of fight in separate levels or declaration of official attitude on any little facts cannot change anything. It is for

many years that all international financial organizations cooperating with Azerbaijan demand that there is serious need for reconstruction of mechanisms of collection and spending of oil revenues. Just this moment is reason for demands regarding prices increase of which started recently. Azerbaijan State Oil Company sells output that it produces for \$9 to local production subjects. Despite, today price of a barrel of “AzeriLat” oil is about \$50 in world markets. Existence of this fact entitles to say that owners of local production subjects of country buy oil for \$9. it is documented that product is sent to Electric Stations to provide electricity to population of provinces. But in reality, product allocated for fuel is sold to abroad. By robbery....

ARMY

DINING-ROOM DEBT TO HOMELAND

METANET

Names of generals are mentioned in corruption scandal

“Olaylar” Information Agency says that Republic’s Military Prosecutor’s Office charged recently a number of high-ranked officers under subordination of general-major Gabil Mammadov, former commander of Army Corps in Barda. It is mentioned in information that, funds, reduced from salaries of officers of military divisions under control of army unit, was spent for construction of soldier dining-room and improvement of other domestic conditions. Criminal case was started according to applications written by some officers of mentioned military division to Military Prosecutor’s Office.

According to information in which military officers who are involved in responsibility, say that they implemented all assignments on the order of general-major Q.Mammadov, former corps commander will be invited to investigation. Criminal case is to be presented soon to Garabag Garnizone’S Military Prosecutor’s Office.

Before discussing the issue in detail, it needs to remind that general-major Q.Mammadov was appointed as military attaché in Azerbaijani Embassy to Kazakhstan a few months ago. General-major Q.Mammadov was eliminated from office of commander of corps. According to information diffused then, it was told that relations between G.Mammadov and Safar Abiyev were cold. Some unofficial information state that even G.Mammadov was detained in arrest for two days in closed circumstance. After information about G.Mammadov, who was considered one of youngest generals of Azerbaijan Armed Forces, stopped, he was advanced for representing country in abroad. But some circles say that appointment of this high-ranking military officer who was in very close contact with Minister in due

time, as military attaché in another country is not promotion but “cultural exile”.

We could get some information yesterday on criminal case mentioned above. Investigation started with testimony of colonel-lieutenant Balay Nesibov, serving at mentioned corps, his deputy, major Shaig Khalilov, colonel Kamran Guliyev. According to source of information, 300 million AZM has been collected from officers of military division for construction of soldier dining-room. This amount is supposed to be spent to construction of that dining-room. Information also cover that after appeals made to higher instances on this case, Military Police Department carried out inspection in Barda corps. Inspections are made under control of chief of department, colonel Rovshan Maharramov.

Indeed, collected funds was spent to construction of soldier dining-room that serves officers who gave money. But illegal side of the case is that mentioned service establishment has to be constructed due to funds of state budget not of militaries.

According information we received from another source, Defense Minister Safar Abiyev recently signed an order “On punishment of officials”. They say that actions of some high-ranking persons who admitted illegal acts are analyzed with implementation of this order.

Some sources say that beside G.Mammadov, complaint applications are entering higher instances about general-lieutenant Talib Mammadov, former chief of Espionage Department of Defense Ministry. Now there is no concrete information on actions of general-lieutenant Talib Mammadov, who is now in the office of military attaché in Azerbaijani Embassy to Pakistan, against which complaints are made.

OPINION

FIGHT AGAINST CORRUPTION IN AZERBAIJAN IS NOT SATISFACTORY

Metanet Muslumgizi

“Transparency International” anticorruption organization recently announced index of world countries on level of corruption and fight against that.

Azerbaijan is in 141st place in the list covering names of 146 countries. According to index, it shows that Azerbaijan has highest level of corruption. Finland, New Zealand, Denmark, Island, Singapore, Swede and Switzerland lead in the list.

According to attitude of indicator experts concerning Azerbaijan in the report, this country is one of 5 countries for level of corruption and weak fight against it. Mark of Azerbaijan is 1,9 and it is considered one of lowest indexes in 10-mark system. After announcement of report, official circles did not react these indexes concerning Azerbaijan unambiguously. They said that figures shown in document

of “Transparency International” organization are wrong and conducted surveys are not based on fair results.

Taking into consideration importance of issue, we decided to talk to Rena Safaraliyeva, Executive Director of “Transparency Azerbaijan” Society of “Transparency International” organization acting in Baku.

- Since what time you have been acting in Azerbaijan?

- We act since October of 2002. We acted for one year as National Contact Group of “Transparency International” organization. Our activity satisfied organization and received National Department status. Organizations studies level of corruption in world countries, its reasons and fight against this problem.

- In how many countries over the world organization has offices?

- Organization, created in 1993 in Berlin, has national offices in more than 90 countries. These offices, due to aid of prestigious international organizations of the world, conduct surveys in those countries on corruption.

- Information of which organizations does Organization base on in compilation of index?

- No local organization takes part in compilation of index. It is very important moment.

- Why have you chosen just such kind of activity principle?

- You know, local organizations face serious pressures in many countries for disclosure of crimes committed in governmental structures. That is why our organization bases upon results and remarks of only international organizations.

- Azerbaijani authorities did not have unambiguous attitude towards report of organization. They stated that report was not compiled fairly. What is your attitude on this issue?

- There cannot be any question about unfairness. Because, as an organization, we do not conduct any inquiry to compile report. Prepared documents are compiled in base of finalization of inquires, studies held by other organizations. For example, survey of World Bank has been elaborated on Azerbaijan. We used results of that study too in our report. It is not right to say that information of WB is unjust. We have no doubt in information of our sources.

- For how many years does organization study situation of corruption in Azerbaijan?

- Name of Azerbaijan is entered in reports of this organization since 1998. Index announced now, reflexes situation of 2002-2003. current situation will be covered in next reports.

- As an expert, how do you evaluate current situation of corruption in Azerbaijan?

- Even before adoption of Law in Azerbaijan on corruption, legislation base had a few grounds to fight corruption. But now, law has been adopted and large possibilities are created for fighting this problem. But as Law will

come into force by January of 2005, it is early to talk about its fight. Generally, fight is not satisfactory.

- Why do you think so?

- I consider that relevant persons have better answer to this question.

LESSON

LESSON OF CHIABERASHVILI OF GEORGIA

Sevinj TELMANGIZI

Our officers are not capable for this

Georgian government showed an example for next time. President Mikhail Saakashvili gifted in the conference he held a few days ago his watch to Tbilisi Mayor Zurab Chiaberashvili as he showed determination in fight against corruption. It turned out that Z.Chiaberashvili sent Zurab Adamiya, head of administration of district of Isani-Samgori of capital, to resignation. Because, before that, Z.Adamiya wanted to gift Tbilisi Mayor \$1,5,000 amounted “Omega” watch, produced in Switzerland. Information on dismissal of officer was provided in press conference held for this purpose. Mayor has stated that head of district administration whose salary is 160 laari (about \$90) per month cannot receive this precious watch through honest way. “We cannot work with this regime further. So, there will be serious replacements and personnel reform. I have been appointed here not to admit what happened in time of Shevardnadze”.

Officer Adamiya told journalists that he wanted to present that gift to Mayor on Day of City. And the watch he wanted to gift, was presented to Adamiya by his relative. “I did not know that watch was so precious as it is not golden” officer has told.

As we heard, Azerbaijani officers reacted this news with laughter. Personnel of Ilham Aliyev who is main hero of hundreds of such events every day, consider both Adamiya and Z.Chiaberashvili incapable. “One cannot give bribe in required manner and another cannot take it”. It is view of our officers on mentioned case. From another side, our officers wait for \$50-100,000-“Rolex”, not \$1,5,000-“Omega”. And those not realizing this desire of them are punished. In different forms...

Hikmet Hajizade, member of Board of Musavat Party, thinks that attitude of Azerbaijani officers, ministers, also executive power heads on this issue will be different. “Our officers would say that one is not enough, bring two. One for myself, another for my son”.

Our interviewer said that he supports this model of fight against corruption. He says that for providing more active form of fight, state has to possess political will, also state program has to be adopted.

H.Hajizade considers that such kind of propaganda steps should be taken in Azerbaijan too: “Gifts are one form of corruption and they have to be removed. I welcome this step. It is very correct to use it as propaganda”.

We would like not to lose our hope and give one another chance to Azerbaijani officers: we closed our eyes and imagined that Baku Mayor Hajibala Abutalibov receives a precious watch from one of heads of district executive power... And we opened our eyes immediately. Because we were imagining dangerous views.

LAW

“INDEPENDENT LAWYERS OF PRINCIPLE ARE NOT ADMITTED TO THE BAR”

Metanet MUSLUMGIZI

Famous lawyers call Law “On Advocacy and Advocacy Activity” shameless and conservative document.

Law “On Advocacy and Advocacy Activity” came into force since August 4. Adoption and coming into force of Law is one of obligations Azerbaijan took before European Council. Despite new law came into force, there are very serious protests are sounded today too regarding it. It needs to remind that there are 354 advocates and 220 licensed lawyers in Azerbaijan today. Possession of such number of advocates of Azerbaijan which has up to 9 million of population, is against to international norms.

After law comes into force, on its demand, new Bar has to be created. For this, first of all, Organization Committee should be formed. OC should be consisted of 6 persons, and 3 candidates of that have to be advanced by Justice Ministry and 3 by The Bar. Creation of new Bar has to be ended within 3 months. Despite much time has passed since August 4, there is no sign from creation of OC. Head of Legal Enlightenment Society Intigam Aliyev said that serious mistakes are admitted in creation of new Bar. “This bill is shameful and conservative document. Normal advocacy activity is impossible with this document. The Bar has to be formed within 3 months. But first Organization Committee has to be created for this. OC has not been created so far because of unknown reasons. Advocacy institute has to be independent and strong. Licensed lawyers have to take part in creation of the Bar. Most of licensed lawyers are independent and of principle. They are not admitted to The Bar. Reps of the power know well that these men are not ruled “with transmitter”.

Charter prepared by Chair of the Bar Azer Tagiyev is very shameful document. This document is prepared in such level that it is not differed from document of any firm or shop. I say with pity that European Council has conservative position in processes concerning preparation and adoption of this law. Except EC, other

international organizations also react loyally to incorrect attitude of the power in adoption of this law”.

Advocate Adil Ismayilov stated that there are a number of serious deficiencies in the law. For instance, according to law, persons fired from job for violation of labor discipline, cannot be members of The Bar, but persons having committed hard crimes in due time, can be member of this structure. Advocate considers that inclusion of such an article in the bill is inaccessible: “It turns out from demand of this law that person who had been fired from its job in due time because of violation of labor discipline, can never act as advocate. But imprisoned one can. Lawyer Aslan Ismayilov mentioned that head of legal department of President’s Office Fuad Alesgerov changed bill on advocacy to very unpleasant document: “Person leading the country has to know this and we have to say it openly”.

Considering Law “On Advocacy and Advocacy Activity” as anti-constitutional document with serious mistakes, head of Azerbaijan Lawyers Association Ennagi Hajibeyli was against appeal to Ilham Aliyev. He said that all details causing dissatisfaction on the bill were explained widely in due time after appeals were addressed to President and all prestigious international organizations.

Mr. Hajibeyli said that that appeal is unanswered so far and there is no need for appeal: “Today, The Bar of Azerbaijan is gifted to Azer Tagiyev. But I think that nothing will change even if he is not Chair of The Bar. There are 220 licensed lawyers in Azerbaijan. We have applied to them first. Imagine that instead of taking part in discussions for removal of such serious problems, they look for “khod” to Chair of The Bar Azer Tagiyev. As we showed such weak attitude, they drove law to such shameful situation and now try to create new Bar according to that document with mistakes.

They have compiled law in such way that licensed lawyers cannot be represented in Board of The Bar. And this, puts independence of that structure under doubt”. Independent lawyer Isakhan Ashurov said that elementary human rights, accepted and applied very long ago in the entire world, are violated also in creation of advocacy activity. “We do not demand any extraordinary. Principle of depriving citizen from right to advocacy because of violation of labor discipline is nonsense”.

CAMPAIGN

FIGHT AGAINST DRUG ADDICTION THROUGH BRIBE

Razi Abasbeyli

We received information that it is a few days that doctor examinations started to define if employees of tax and customs systems are drug addicted. According to anonymous sources giving information on this, mass examination has started already in tax agencies. Employees of this system confirm the information. There are already dissatisfactions on started campaign. Even elder tax officials are involved in exams. But in customs system cosmetic works are done still.

It occurred because of a number of international obligations of Azerbaijan, concerning fight with drug addiction and drug traffic. Source giving information says that there were doctor exams before too. But it was not so mass and connected to drug addiction. Current examinations are intensified a bit. Indeed there is nothing bad in side of the work we see. But unexpected implementation of this only in tax and customs system creates question. Naturally you take into consideration that all these works are based in money. Also it needs to take into consideration that majority of tax employees have recently passed from attestation. Anew attestation of them is not possible. Replacement of personnel and collection of money for this can be implemented only by these doctor examinations. No one can give guarantee that doctors holding examinations will not diagnose full healthy tax employee with drug addiction. Then, it will be wanted money for not being fired. Doctors will not deal with this job or they will not be able to deal. Names of those who have to be “drug addicted” will be confirmed in the top. Then results of examinations held on them, will be sent to higher structures of tax system. Those not wanting to lose its job will be obliged to “see” those persons. As a result, new bribe sources will be created. Maybe money given by someone for not carrying name of drug addicted will be lower that money of person who is ready to give bribe for taking its place. In any case, it is next procedure. As Azerbaijan is Eastern country, it also will have impact. So, information about drug addiction of people in higher offices can be delivered to their families. For preventing this, they will be obliged to “sweat” much more. Such mass examinations are soon to be held in customs system too. But most interesting is that financial sources of these examinations are not shown in any document. Maybe these expenses will be shown in any report in future. Then, expenses of such examinations that are not considered will be covered by state budget. Despite, millions of dollars credits have been received and spent for so many years from foreign financial organizations to fight drug addiction. And many of them were allocated with state guarantee. Now both they and expenses spent now will be paid by state budget. And state budget belongs to starving poor ones...

TOBACCO

WHAT HAPPENS IN “EUROPEAN TOBACCO BAKU”?

A.Mammadli

(Continued from previous issues)

“but”s of Executive Order #413

So, on August 20, 1999, collective of Baku Tobacco Combine applies to court of Khatai district regarding repeal of Executive Order #413 of July 8, 1999 of State Property Committee and results of investment tender dated August 16, 1999 on sale of stocks of Combine.

Writ written on behalf of 900-person collective, is signed by Chair of Privatization Commission of Combine T.Agayev, collective members – I.Ahmadov, Ch. Mammadov, Sh. Nesirov, N.Abbasova and others. It is written in document: “We state that according to Executive Order #118-s of July 6, 1999 of Azerbaijan Republic Ministers Cabinet, “R.J.Reynolds Tobacco-Baku” Ltd., founders of which are “R.J.Reynolds” and Azerbaijan Republic Agricultural Ministry, has been repealed. We remind that, in charter fund of that “R.J.Reynolds Tobacco-Baku” Ltd., 50% share belonged to “RJR”, 5% to “Star LTD”, 45% to Agricultural Ministry in form of stocks of Baku Tobacco Combine. Since the day of its creation, all management of Ltd. was carried out by “RJR”, possessing 50% share in charter fund. Immediately after start of its activity, Ltd. fired illegally all employees of Baku Tobacco Combine and foreign investor of society dealt with ‘production and management’ personally. In Article 1 of above-mentioned Executive Order, Ministers Cabinet assigned Agricultural Ministry and SPC as duty to provide return of all actives of Baku Tobacco Combine laid in charter fund of “R.J.Reynolds Tobacco-Baku” Ltd. and inclusion in balance of Baku Tobacco Combine. But above-mentioned assignment of MC, was not implemented by AM and SPC. It was assigned to SPC in Article 2 of Executive Order to provide inventory of Baku Tobacco Combine and evaluation of its property according to normative acts of Azerbaijan Republic. But SPC did not fulfill articles 1 and 2 of Executive Order and immediately, after two days of enactment of Executive Order, on July 8, 1999, enacted Executive Order #413 on foundation of Baku Tobacco JSC. According to followings, we consider invalid and illegal foundation of Baku Tobacco Joint Stock Company by Executive order #413 of July 8, 1999 of State Property Committee.

1. SPC has violated articles 1 and 2 of executive order #118 of July 6, 1999 of Ministers Cabinet.

- SPC did not provide return of all actives of Baku Tobacco Combine laid in charter fund of “R.J.Reynolds Tobacco-Baku” Ltd. and inclusion in balance of Baku Tobacco Combine. 87 various funds and appliances estimated 8 billion 400 million 800 thousand AZM were disappeared from Combine when it was under subordinate of Ltd. and appliances amounted 8 billion 357 million 840 thousand AZM was destroyed on purpose. And those appliances cannot be restored.

Deputy Chair of SPC B.Nuriyev applied to leadership of “Star-Taxi LTD” company with letter dated from July 12, 1999 and demanded to take all appliances, materials and their remains put in joint venture by foreign investor, from territory of Baku Tobacco Combine. But SPC could apply to foreign investor with such letter after implementation of duty arisen from

article 1 of executive order – return of appliances along with funds disappeared and destroyed and deliverance in balance of combine. Besides, SPC knows that Nizami district court, by its decision of December 22, 1998, imposed arrest on 2 billion estimated property of “RJR” Company, foreign investor of joint venture, on the purpose of giving salary for compulsory progul of workers and employees who were restored to their jobs.

SPC, estimated volume of charter capital – whole property complex of JSC that it created in base of combine, 30 billion 593 million 964 thousand 960 AZM. It is interesting, without conducting any inventory and evaluation, basing on what source, SPC defined above-shown amount. And according to calculations of combine experts, all property of combine is estimated 60274042 AZM.

2. While founding JSC, SPC brutally violated Articles 1,2,3,4,7.2,7.8,7.9,7.10 and 8 of Provision “On Rules of Changing of State Enterprise to Joint Stock Company” which was confirmed by AR Law #208-1 Q dated from November 29, 1996. Two days after relevant executive order of MC, while SPC was founding “Baku Tobacco” JSC on July 8, 1999, privatization commission in Baku Tobacco Combine was not created and above-mentioned documents were not presented to SPC for this. Without those documents how it is possible that SPC founds JSC. We remind that in the base of decision of general conference that labor collective of Baku Tobacco Combine held on July 20, 1999, privatization commission was created with order # 02 of July 22 of 1999 of director. But it turns out that this commission is useless, because as it was shown above, JSC had been created already on the purpose of privatization. According to those shown above, we consider that while founding “Baku Tobacco” JSC in base of Baku Tobacco Combine, SPC brutally violated executive order 3118 of July 6, 1999 of MC of AR, article 5 of addition # 2 of “State Program of privatization of state property in Azerbaijan Republic in 1995-1998”, as well relevant articles of above-mentioned Provision, and violated our constitutional rights by damaging state concern. Besides, SPC introduced ‘Baku Tobacco” JSC which was illegally created by it, to investment tender and held auction. We state that as foundation of JSC is illegal, every decision given on it is illegal too”.

It would be interesting also to review letter written by Deputy Chair of SPC B.Nuriyev to director of “Baku-Tobacco” Combine B.Budagov on August 17, 1999:

“To Director of “Baku-Tobacco” Combine Mr. B.P.Budagov!

According to “State Program of privatization of state property in Azerbaijan Republic in 1995-1998”, “Provision of reductive sale of state enterprises changed to Joint Stock Company, to labor collective” confirmed by Decree #498 of September 24, 1996 of Azerbaijani President and instruction confirmed by Executive order #425 of July 15, 1997 of Chair of State Property Committee, 15% of stocks of every JSC is directed to reductive

sale (closed subscription) to labor collective members. According to legislation, privatization commission of every enterprise is responsible for implementation of reductive sale of stocks to labor collective members, correctness of information shown in final documents to be submitted to SPC on results of this sale and their timely turnover. Closed subscription had to be held in 'Baku-Tobacco" JSC ON July 16-26, 1999 by executive order #433 of July 15, 1999 of SPC, general conference of members of labor collective had to be held on July 29, 1999, final documents of closed subscription had to be presented to SPC for being confirmed until August 2, 1999. Taking into consideration request of labor collective, submission of documents to SPC is delayed till August 19, 1999. Sincerely, Deputy Chair B.NURIYEV".

Lastly, B.Budagov confirms authorized representative of combine on privatization of combine and gives power of attorney to SPC (power of attorney # 01/19-24 dated from 16.08.1999). It is understood at SPC that collective is not intended to give up the way they took. That is why, first, director B.Budagov is taken off the way in election of Board according to foundation documents of "Baku-Tobacco" JSC. In one word, he was put in situation "play off" (then, inspections start in combine, criminal case is opened on B.Budagov, he is deprived of freedom on the verdict of court. We heard that he is recently pardoned). But collective does not want to leave lonely those dealing with illegalities. It applies again to leadership of SPC which admitted illegalities in privatization. In the response letter #15-1/7328 dated from November 2, 1999 of deputy chair of SPC B.Nuriyev addressed to collective, more interesting moments are appeared: "To members of labor collective of "Baku-Tobacco" JSC! Your appeal addressed to State Property Committee has been reviewed. In response to questions put in the appeal, we state followings:

1. According to decision made by court of Nizami district of Baku city on November 24, 1998 regarding the case #2-949, B.Budagov has been restored to office of director of Baku-Tobacco Combine on the order #RK-690 dated from November 30, 1998 of SPC. As proprietor of enterprise was changed on August 20, 1999 (section "ch" of article 68 of Labor Code), B.Budagov has been fired from office of director of Baku-Tobacco Combine.
2. As B.Budagov was appointed to office of director of Baku-Tobacco Combine by the decision of court, according to Law "On enterprises", he is entitled to sign labor contract with employees.
3. According to article 63 of Labor Code, when proprietor of enterprise is changed, labor contracts signed between previous proprietor and all employees except head of enterprise, its deputies, main accountant and heads of other structural departments implementing direct management function, and their terms are kept valid by new proprietor.

4. Purchase-sale contract dated from August 23, 1999 of stocks of “Baku-Tobacco” JSC sold in investment tender, does not have any term on provision on employment of employees in enterprise for 3 years.
5. According to section 7.5 of “Rules of Changing of state enterprise to joint stock company”, JSC created in base of state enterprise by State Program is considered legal successor of previous enterprise. Regarding this, “Baku-Tobacco” JSC is responsible for all obligations of Baku-Tobacco Combine.
6. “Baku-Tobacco” JSC is successor of all rights and duties of Baku-Tobacco Combine. We request you to take into consideration. Sincerely, deputy chair B.NURIYEV”.
 - Then, what was the reason for collective dissatisfaction from “Sorex”?
 - What was the demand of Collective of “Baku-Tobacco” JSC from leadership of Board on August 20, 2004 and why this demand was canceled?
 - Which claim was submitted to Khatai district Court by collective on investment tender and why this claim was taken into consideration?”(To be continued)

LOTTERY

“GOLDEN BAG” OF HEYDAR BABAYEV

Razi Abasbeyli

Old and new machinations of State Committee on Securities

Much time has passed from the day “Azerlotoreya” state company put “Golden bag” lottery on sale. Statistics in Internet site of State Committee on Securities. Say that 2 million of lottery tickets, estimated totally 5 billion AZM were put on sale. In the start of this lottery game, volume of winning fund was considered as 2,675 billion AZM, biggest winning 100 million AZM, and lowest 2500 AZM. First party of lottery ticket was published at “NMP-print” publishing house in Russia on the order of “Azerlotoreya”. But 2-3 weeks after “Golden bag” was put into sale, strange things started to be observed. Lack of this lottery in lottery market increased and after more two weeks, its price lifted from nominal 2500 AZM up to 3500 AZM. It is prohibited to sell state lottery higher than nominal price. But from the beginning of April, one of every 3 lottery seller was selling “Golden bag” lotteries for 3500 AZM. They were usually sold secretly. These sellers are retailers of “Lotto Yayim” company. According to exclusive contract signed with “Azerlotoreya”, “Lotto Yayim” is primary wholesaler of state lotteries. Because of unknown reasons, “Azerlotoreya” had brought to Azerbaijan only 1 million of tickets. In the beginning of May of this year, chair of board of “Azerlotoreya”

Jemil Sultanov said that it was because of technical reasons, because it is difficult to publish and bring at once all of ordered 2 millions of “Golden bag” lotteries and remained 1 million tickets will be brought to Baku in beginning of summer. But still there is no disclosure on remained 1 million tickets having not brought to Baku. Beginning from mid of August, “Golden bag” lotteries cannot be found even if for expensive prices. Leadership of “Azerlotoreya” and their supporters should know that work of state company has to be established not in base of concerns of someone, but of state and population, purchaser of that lottery. “Azerlotoreya” that sold 1 million tickets, has not reported even for one time on number of tickets and winners of big winnings. Size of big winnings was defined as following: 100 million AZM on one ticket and again on one ticket 50 million AZM, on 3 tickets 25 million AZM and on 10 tickets 10 million AZM. Also, after “Golden bag” lottery was put on market, no information was given on its working and holding time. Since the beginning of 2002, “Azerlotoreya” is only operator - monopolist of all lotteries held in Azerbaijan except stimulating “promotion” lotteries. One of founders of “Azerlotoreya” is SCS. There are some information in the society saying that chair of this Committee Heydar Babayev is one of richest men of country. By the way, Auditors Chamber still denies to give disclosure to the press on inspections they held in “Azerlotoreya”. No information is given about collection and spending of funds that this company receives from sale of all types of lotteries. It is just stated that (information for June, editorial), revenues of company received from games held so far is 18 billion AZM. That is all.

PUNISHMENT

CORRODED CHIEF WAS DISMISSED

METANET

Recently, chair of Qualified Repair-Construction Department of SOCAR Tofiq Babayev was dismissed from his office. He was leading the department conducting repair works to prevent corrosion of deep sea foundations. As a reason of dismissal of T.Babayev, it is shown that he acted beyond official authorities and embezzled state funds. Recently we touched some details on our paper concerning working principle, based on these criterions, of this person. T.Babayev used to admit illegalities against his subordinates in department he was heading. He made citizens not wanting to leave their job sign applications on leaving the job. It is told that higher instances are applied on this issue.

Chair of Oil Workers Rights Protection Committee Mirvari Gehramanli said that even if T.Babayev is fired from job, he has admitted numerous mistakes during his work in mentioned department: “This issue has to be discussed seriously. Innocent

people underwent violation of their rights in those processes. First, their rights have to be restored. Besides, funds are embezzled in structure. This money belongs to state of Azerbaijan, not personal budget of any officer. Embezzlement of them has to be analyzed”.

Mrs. Gehramanli said that information enter Group on Fight against Corruption, headed by her, on illegal cases happened in mentioned department and these cases are analyzed now by group members. According to human rights defender, after completion of surveys, Group will provide wide information on this.

REFUGEES

WHY IS “GACHGINKOM ALP” BEING CHANGED TO RICHEST MAN OF COUNTRY?

M.Ersoy

He is one of those leading among persons embezzling moneys of Oil Fund

20% of Azerbaijani lands is occupied, Azerbaijan has 1 million refugees. Many are bored of hearing this phrase. Despite it is not so easy to forget occupation of 20% of territory of country, our government continue to build houses for refugees, its 10-year tradition. Among almost majority of economic news of current year, we face information on construction of houses for refugees. Perhaps you have not forgotten, Ilham Aliyev had told once that he would continue policy of his father. A short while after being President, he signed Decree on February 4 of this year. On start of construction of settlement for 3860 IDP families inhabited in 4 tent stations.

I bring into your consideration that for implementing this Decree of I.Aliyev, up to \$70 million will be spent from funds of State Oil Fund. It is officially informed that separate ministries and structures received already concrete assignments on creation of infrastructure and work places. There are 12 tent stations in Azerbaijan now. 52,000 people are located there. By 3 Presidential Decrees enacted in 2001-2002, 5 stations were repealed. 4500 families or 17,000 people were moved from them to their “new homelands”.

After realization of this decree, only 3 tent stations will remain in country. And 4115 families or up to 17,000 people live there. According to information of “DovletGachginKom”, every family moved to new settlement will receive 12 hundred hectares of yard, 1 h land to plant and non-permanent 1 million AZM grant. In order to prove embezzlement of money of refugees moved to construction and new settlements, we mention only one fact. By relevant executive orders of President, \$143 million has been allotted so far from Oil Fund for construction of new settlements for refugees. Funds are transferred from Fund to account of Gachginkom in with equivalent of US dollar. Gachginkom changes this fund to

national currency equivalent with fantastic exchange indexes and starts construction of settlements. And it is not a small embezzlement. If to add it total volume of bribe wanted from refugees living in tent, for moving new house and other existing illegal incomes, figure indexes of bigger moneys occur. Also, differed from government, we cannot say that refugees live now in certain tent in Azerbaijan. Because there are now little houses built from mud in place of stations consisted of tents in due time. Primary familiarization with newly built settlements shows that communal conditions of mud houses are not worse than them. These new houses will naturally be unnecessary after release of our lands. Areas, in which settlements are constructed, are very unavailable for life from point of infrastructure. In areas, in which settlements are located, it is impossible to deal even with housekeeping. According to relevant legislation, constructed settlements which are temporal as if, are state property. These settlements can be sold, or given in this or another form to citizens in future.

ACCUSATION

BANKER IS ACCUSED

METANET

On September 28, decision of deprivation of liberty for 3 months was made at Khatai district Court, under chairmanship of Judge Rauf Aliyev on Novruz Ismayilov, Chair of “Borchali” Commercial Bank’s Observation Council. Criminal case was opened against N.Ismayilov with 8 articles of Criminal Code. Criminal case is based on accusation for hooliganism, embezzlement, possession, tax evasion, enjoying office, acting beyond official authorities, official forgery, falsification and preparation of official documents and enjoying false documents. Investigation of case is carried out at Investigation Department of Primary Analysis Department of Tax Crimes.

By the investigation, N.Ismayilov found sponsor in order to complete uncompleted construction of administrative living building belonging to “Borchali” Association in address of 108, Fatali Khoysky and entered that money received from that sponsor in treasure of association by signing false, unnumbered cashier income orders. But according to information, this person did not entered the funds amounted \$375,000 in treasure of “Borchali” Association and this sum was embezzled. Information shows that different sum of funds received from other citizens were embezzled by illegal ways.

At present time, fate of funds received from citizens under name of depositing in bank, is analyzed. Besides, issue concerning embezzlement of property of citizens wanting to deposit funds in bank.

And fate of funds received from citizens and embezzled by acting beyond official authorities, will depend on results of coming trial.

We contacted Khatai district Court on this issue. Judge R.Aliyev who has signed decision depriving N.Ismayilov for 3 months from his liberty confirmed information and said that this process was held in closed form and arrested person and his lawyer took part there.

INVALIDS

INVALIDS ARE NOT PAID ATTENTION

Sariyya Muslum gizi

Today, there are more than 350,000 invalids in our country. More than 150,000 of them are women. Let us see how they are cared about? On this purpose we applied to economist Gubad Ibadoglu.

On 3 directions, allocations are made from state budget for invalids. 1 – paying of pensions; 2 – render of compensations that are substitute to social reductions; 3 – solution of health problems of invalids. Works done are not sufficient. It means that state cannot organize social defense of invalids well. One of its reasons is that all allotted funds are not addressed, and it gives chance to organs (Ministry of Labor and Social defense of Population, Social Defense Fund, Ministry of Health) dealing with its division to enjoy the funds. Second reason is connected to fact that state assumes too much social obligations that cannot cope with. I offer that except state organs, normal conditions should be created for public organizations dealing with social defense of invalids. Special programs on invalid women and children, youth should be funded by budget. Not only state but also society should deal seriously with invalids' problems. Rich persons should be differed in this direction. They have to deal with different charity activities. Such kind of fund can be created in name of famous Azerbaijani man who used to deal with charity, H.Z.Tagiyev. For confirming words of economist, I decided to listen to one another expert.

Doctor of economic sciences Nazim Imanov:

- Invalids are called “unlucky” abroad. To care about them is moral debt and duty of all community. Unfortunately, today, both invalids and other groups needing social defense are not shown sufficient care in Azerbaijan. Surely, main responsibility is of government. Because it just government that is responsible for implementation of social defense programs on behalf of state.

Unfortunately, there are still several serious mistakes in activity of relevant state structures.

There is such information in press that corruption is faced in allocation and spending of funds belonging to invalids and other people needing social defense. Beside these, aid that government can render is limited. It is impossible to spend more than that. It is time to prepare a project of certain program for invalids.

PROVINCE

UNIVERSAL ILLEGALITY IN GANJA STORE

Razi Abasbeyli

Problematic store of Ganja on which it has been talking for so long time in press and its collective rights of which is violated applied to our editorial and Center for Analysis of Public Problems in Media. It is written in appeal of this collective that on February 16 of 2001, Khatai district court made decision on protection of rights of collective. Then, members of “Ganja Universam” Joint Stock Company were fired from job by former chair Elsever Ibrahimov on March 15, 2001. It is shown in all official documents that previous chair of company handed JSC in Elsever Ibrahimov through notary. Chair of State Property Privatization Department of EDM Kerem Hasanov sent a letter to collective and showed there that handing of state property between two natural persons was carried out in notary. Official confirmation process of this absurd moment is still continued. At present time, second side Elsever Ibrahimov sits still at store. After this, on the purpose of implementation of court decisions, on March 29, 2002, “Ganja Universam” JSC was repealed with executive order #122 and previous status of enterprise was restored. On March 19, 2002, director was appointed to store. Now, repealed JSC still continues its activity with forced ways. Up to 50 people lost their jobs. Decision #980 of May 29, 1998 of State Property Committee on foundation of “Ganja-Universam” JSC in base of store was abolished and results of check auction on sale of JSC’s stocks were announced invalid. On December 2 of 2001, High Court confirmed validity of decision given by Khatai district court. After this, Department for privatization of State Property enacted executive order #122 on March 29, 2002. by this document “Ganja-Universam” JSC was repealed and previous status of store was restored. On May 3, 2002, store was registered again. Now, none of these moments are not paid attention by Elsever Ibrahimov. Even if all legislation acts and court decisions are in favor of collective.

LETTER

“Lankaran Aliyev privatized TEC. He does what he wants at Education enterprise. He is supported by deputy Minister of Defense general Chingiz Mammadov. As more than a half of teaching staff of enterprise demand law, they are deprived of the whole of 13-14th salary or 50% of it. Lankaran Aliyev takes illegally more than 100 million AZM from officer and ensign staff. When soldier is obliged and leaves the division, 20-40 “shirvan” money is taken from him and his commanders that “while leaving you passed through fence and blacked it”.

\$250-400 is demanded from every soldier for serving at TEC. High-educated youth are demanded \$1000-10,000 for getting rank of lieutenant, \$200-300 is wanted for rank of ensign.

Officers, ensigns are not given houses allocated for them. Teachers are not provided with buses for going to Uchtepe to teach and take exams. Fuel is sold and its money is embezzled. Lankaran Aliyev who does not allocate money for arrangement of shooting field, allocates \$2000 for repair of sauna in Uchtepe. Foods of soldiers and students are theft and sold. Changes are made to test results of those students giving money. Soldier not giving money is not let home on Saturday and Sunday, despite it is permitted by law. With his illegal actions, L.Aliyev creates hatred against officer staff, army and commanders, decrease level of military training and causes moral and psychological decline.

There was a rebellion once at this school because of these actions of L.Aliyev. If persons responsible for this education enterprise do not want another rebellion they should take measures.

In December of 2003, I applied to Defense Minister Safar Abiyev regarding illegalities at TEC.

I had many problems after appeal. I was dismissed from office of head of dean and transferred to post of main teacher. I have applied to court. My writ is being analyzed now at Sebayil district court. I demand L.Aliyev, chief of TEC, to answer for illegalities happening at the school”.

Main teacher of Training-Education Center of Defense Ministry, colonel Elnur Mammadov.

PRESS FACT

SELECTIONS FROM MEDIA

“Ilham Hasanov, chair of Collegium of Appeal Court on Criminal Cases and Administrative Offences, has said that no one wants to say hello to a judge having taken bribe in Germany. But in Azerbaijan judge not taking bribe faces similar case”. (“Baku Kheber” paper, October 9, 2004)

“Georgian President Mikhail Saakashvili applied tax amnesty to Georgian businessmen. “We will not interfere any businessman because of its old mistakes. Because before there was not a system in country for their normal activity” Saakashvili has said. He also mentioned that just because of this, businessmen did not pay taxes. Goergian President has promised

that by the January 1 of next year, no one will inspect unpaid tax amounts:
“Let those moneys put in economy”.” (“Azadlig” paper, October 9, 2004)

“Existence of bribe in uncontrolled place is natural. Everyone considers itself authorized in its place. Russian Education Minister stresses that fight against bribe is necessary, our education minister denies corruption facts in education. Today, not only at high schools but also in secondary schools education is in dangerous situation”. (Milli Mejlis Deputy Shahlar Asgerov, from interview he gave to Azerbaijani mass media, October, 2004)

“Corruption on state purchases in Azerbaijan exists on 3 directions. 1st direction: According to Law “On State purchases”, any state structure has to carry out work or service purchase in base of tender or another form of contest. But these procedures are not observed and they directly bargain with any contractor they want. 2nd direction: state structure implements purchase by contest according to law, but transparency is not provided during contest and choice of winner is carried out according to private bargaining. 3rd direction: State Agency on Purchases has authority to punish state structures violating demands of law but private bargaining makes Agency be indifferent to this”. (“Azadlig” paper, October 20, 2004)

“Person controlling import of potatoes and onion has absolutely firm ties with Chair of State Customs Committee Kemaleddin Heydarov. If not so, 34 wagons full of potatoes would not be kept for days in Yalam customs post. According to information of private TV channels, customs officers do not let import of potatoes brought by owners from Southern region. Owners say that for admission of potatoes, customs employees demand additional \$60 for each ton”. (“Yeni Musavat” paper, October 19, 2004)

“State Program on Decrease of Poverty and Economic Development for Investment Policy” considers \$22,8 and its 45% is consisted of import financial sources, 46,2% foreign sources, 8,6% additional financial sources. \$10 million (97,0%) of funds allocated from internal sources will be spent to make enterprises, playing important role in economics of country, healthy (its details are not shown in program before being privatized. But absence of information on expenses spent indeed in this direction does not admit its monitoring and suspects implementation of duties defined in this area by program. Another negative case is that no information is given about spending (sum of credits and fields they are directed) of funds allotted for development of ownership in 2003. and it shows that there is no transparency in investment sphere and also it makes difficult holding of monitoring

and correct evaluation of situation”. (Information of Information and Resource Center on Azerbaijan’s Oil Industry, October 19, 2004)

“Taxes Ministry had conducted inspections at Azerbaijani Embassies in Russia, China, Georgia, Belgium, Turkey and Ukraine, at Istanbul Main Consulate. It has turned out that as a result of incorrect application of rates of state duties in a number of consulate operations at these diplomatic representatives, 192,4 million AZM was embezzled from state budget”. (“Turan” Information Agency, October 6, 2004)

“PACE Reporter on Azerbaijan Andreas Gross expressed his worry on existence of corruption in education system of Azerbaijan. According to him, most of students give bribe to get mark in country’s universities: “It is very dangerous for education system and damages image of Azerbaijan in international arena”. Gross has also said: “Azerbaijan is rich country. It needs to divide its wealth fairly. Today, that wealth goes to pockets of some people”. (“Turan” IA, October 8, 2004)

“According to official information, there are 136 natural and 96 private monopolist subjects in country today. But these monopolies are not fought in frame of current antimonopoly legislation. There are deficiencies in legislation. But even current base is not used. According to state program on fight against corruption, government prepares now “Antimonopoly Code”. At first sight it seems that government is intended to start fighting corruption. But indeed, view of fight is created. Because real owner of those business structures are just separate officers”. (From interview of economist expert Gubad Ibadoglu, “Yeni Musavat” paper, October 11, 2004)

“Recently Azerbaijan was included in list of 6 countries of the world that have undergone corruption most of all. And Aliyev has appointed many of his close persons as heads of different sport federations. But of course, a country with such volume of oil should have much money and population has to live happily. But it is not so indeed. It is enough to mention that oil moneys are in hands of the Aliyevs not of Azerbaijani population”. (“The Observer” weekly, October, 2004)

“Azerbaijani state has changed to toy in hands of a group of high-ranking bribers. Laws do not work and officers cannot do anything within their authorities. Everything is obeyed to desire of a group to collect personal capital”. (From interview with President of Public Forum for Azerbaijan Eldar Namazov, “Yeni Musavat” paper, October 15, 2004)

“Aghdask resident Adem Sayadov has stated that during land reform, head of district land department Shirin Humbatov wanted 2 million AZM bribe from him”. (“Yeni Musavat” paper, October 22, 2004)

“Deputy Alimammad Nuriyev thinks that provisions of law on fight against corruption on secret deposit of information contained in income declarations presented by officers, definition of responsibility against officers not submitting declaration in time or giving false information on purpose, will interfere effectiveness of fight against corruption. A.Nuriyev says that it is not right that Commission on Fight against Corruption will act by Council of Management of State Construction and in order to provide its independence, also earn trust of community, Commission should obey directly to President or Milli Mejlis”. (“Baku-Kheber” paper, October 27, 2004)

“False firms acting in Baku International Auto station take 70-80,000 AZM for 29,500AZM-sheet while giving traffic sheet to owner. They take \$150 for 40-person buses. For confirming route, \$1000-5000 is demanded from every car. More forgeries are admitted in Sumgayit-Baku auto station located in “January 20” circle. Only 10% of 600-700 cars leaving the station a day, are entered in official registration documents”. (“Baku-Kheber” paper, October 27, 2004)

“During last 10 months, former high-ranking officers of Georgia gave \$500 million that they had illegally back to state. Georgian Premier Zurab Zhvania said this. Premier mentioned that \$100 million was returned to state in cash and remained 400 million is value of property illegally possessed by officers”. (“Yeni Musavat” paper, October 29, 2004)