

BLACK BOOK

OF PUBLIC MONEY WASTE

IN REPUBLIC OF MOLDOVA

2022

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FRIEDRICH NAUMANN
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Federal Foreign Office

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FOREWORD

The “Black Book of Public Money Waste in the Republic of Moldova,” now in its fourth edition, has become an annual tool for X-raying the way in which domestic resources and, in part, those offered to the Republic of Moldova for development by external partners, are managed. At the same time, thanks to the vigilance of investigative journalists the book acts as a “watchdog” that pinpoints deviations from the rules of transparency, integrity and good governance and thus alerts the authorities that their work is being watched in minute detail and can be investigated at the first sign of irregularity.

The current edition includes several investigations in areas not covered in previous editions: abuses of forest land, serious negligence in the management of young forests, unjustified tax exemptions that result in missed revenue for the budget, and empty investments in educational facilities with a shortage of students. Unlike previous editions when some of the investigations focused on road and building construction, this year we have a focus on areas such as ecology, education and even sport.

The publication of investigations in the “Black Book” in previous years gave impetus to resolutions of the problems reported and has generated response measures from the authorities, which is why we have decided to set up an “Impact of Investigations from Previous Editions” section where we will follow the reactions of decision makers. In the current edition, the section includes a story on the pellet factory in Pașcani, Criuleni that was restarted after the investigation following six years of stagnation despite significant investments of public money from Japan and the Republic of Moldova.

This project of the Friedrich Naumann Foundation for Freedom also supports investigative journalism in the Republic of Moldova whereby we encourage reporters, including young journalists, to investigate to high professional standards to provide a quality component to general media content.

SERGIU BOGHEAN,

Project Coordinator

Friedrich Naumann Foundation for Freedom
Romania and Republic of Moldova Office

**END OF CROSS-BORDER
PROJECT IN CĂRPINENI:
1.5 MILLION LEI FOR SOLAR
PANELS THAT
“HAVE NEVER WORKED”**

ANDREI BORDIAN,
MOLDOVACURATA.MD, 24 October 2022

In 2015, the hospital in Cărpineni commune, Hâncești District benefited from a European cross-border grant for the installation of a solar panel system to provide the institution with hot water and thus reduce the size of its electricity bills; however, the twelve roof panels that cost 1.5 million lei do not heat a single liter of water today. The commission overseeing the work insists that the panels were functional at the time of installation or its members would not have signed the papers. The director of the company that carried out the work says he has heard from the press that the panel system is faulty and is ready to go and check the installation if he receives an official request.



The installation of solar panels at Cărpineni Hospital is part of the Energy – Cross-border Value Project, 90% funded by the European Union and managed by Vaslui County Council. The project was implemented from 2013 to 2015 with the following partners: the district councils of Hâncești and Leova, the administration of the Ukrainian city of Izmail and the Agency for Sustainable Development and European Integration of the Lower Danube Euroregion. A similar project using solar energy has also been implemented at the hospital in Leova. That system is operational.

SYSTEM PERFECT ON PAPER UPON COMMISSIONING

The institution that managed the grant for the hospital in Cărpineni was the Hâncești District Council which received 70,842 euros from the project and had its own input of 7,872 euros. With a total budget of 78,714 euros—equivalent to 1.5 million lei—Hâncești District Council was to install twelve solar panels on the roof of Cărpineni Hospital to produce hot water.

On 3 July 2015, the Council signed a contract worth 897,593.23 lei with Climatec SRL “...for the installation of solar panels for the production of hot water at Carpineni Hospital.”

According to contract documentation, the work was completed on 21 October 2015, and the final acceptance report was signed by the members of the final acceptance committee one day earlier on 20 October 2015. On 28 October, Climatec SRL was paid 897,593.23 lei. The rest of the grant—around 600 thousand lei—was spent on employee salaries, per diems, travel, furniture, a computer, a printer, and promotional materials.

The president of the reception commission, **Constantin Vlas** who was then Vice-President of the District of Hâncești, says that everything was working properly at that time and that he only recently learned from media reports that the system is not working. He also noted that up until the summer of 2018 when he resigned, he had no indication from Cărpineni Hospital that the system was faulty. Constantin Vlas:

Some specialists of the Hâncești District Council monitored the progress of the works throughout the period for compliance with the requirements of the specifications. On completion, we went to the site with the specialists appointed for this commission. During the visit, all the installations were presented and the hot water system was put into operation. As chair of the committee, I signed the final acceptance for the work after the experts had given their opinion and signed the document. It is important to mention that the works were also inspected by our project partners from the Vaslui County Council as well as by the Regional Office for Cross-Border Cooperation in Iași, the institution that manages cross-border funds. If this system had been dysfunctional, the project partners—Hâncești District Council and Vaslui County Council—would have been liable for the return of the entire grant.

The hospital's director at the time, **Mihai Ciobanu**, recalls that although the panels worked at the beginning, they did not provide the energy needed to supply the hospital with hot water. "Either not enough panels were put in place, or the equipment was faulty. Without using the hospital's boiler, we didn't have enough hot water," he declared.

According to **Alexandru Rezan**, the Director of Climatec SRL that installed the panels, "The solar panel system was handed over in an absolutely functional state with the signing of the final

acceptance minutes. We find it strange, to say the least, that seven years after the commissioning of the project, we are learning about this problem from the press.”

Mihai Ciobanu says that he informed Climatec SRL about the deficiencies but was told that, “This is how it was designed and that there were mistakes in the project,” a statement that Alexandru Rezan refuted.

“Once there were difficulties in the management or maintenance of the system, the hospital management should have contacted Climatec SRL to solve the problem. So far, there has been no approach to us in any form,” Rezan stated.

EMPLOYEES AND PATIENTS CONFIRM SYSTEM FAILED TO HEAT WATER

An employee of Carpineni Hospital who insisted on anonymity told us, “As far as I remember, the water was heated by electric boilers. If all the bathrooms were using boilers, then the panels were not connected. The logical deduction would be that they weren’t working.”

Nina Solonaru, a civic activist from Cărpineni, claims that the panels failed to work from the beginning and that she has reported this fact several times.

Since 2015 when I returned to our locality, I have often been hospitalized for at least a week with my children in the local hospital. We often needed hot water for hygiene, but it was never there. I used to ask the hospital nurses why there was no hot water, knowing that solar panels had been installed. They would tell me they didn’t work and had failed to work from the beginning.

She also says that in 2019 the hospital was at risk of being closed because it failed to obtain an accreditation certificate from the National Agency for Public Health. The reason was that sanitary conditions did not meet national standards. Nina Solonaru:

At that time, a meeting was organized that was attended by the mayor, representatives of the local council, an MP and many Cărpineni residents who were outraged by this situation. In the midst of heated discussions, the mayor said that one of the reasons

the hospital was not getting accreditation was the lack of hot water. The mayor was then asked why the hospital did not have hot water if money had been spent on solar panels, and his answer shocked me: “Those panels never worked because in the basement, the workers didn’t connect the panels to the water network; in other words, the work was not carried out.’

Today, Mayor **Ion Cărpineanu** says the opposite, claiming that the panel network worked at the beginning and the tanks in the hospital basement had hot water.

“I THINK IT WAS A SHADY DEAL. THE WORK WASN’T CARRIED OUT”

The Department of Construction, Communal Household and Roads of Hâncești District Council informed us that, “Apart from the installation of the panels, repairs were made in the basement of the building, the necessary equipment (water tanks, electronic pumps, taps of various diameters) was installed, and the connection with the heating plant was made (40m round-trip heating network),” but like Climatec SRL, the department says that it has only just found out that the system isn’t functional. “For three years after the installations were taken over, inspectors came from Iași to check and the installation was working.”

Iurie Frunze, the current hospital director who has been in office for four years, says the system has never been operational during his mandate: “They’re only installed, but we’ve never used them. I haven’t seen even a liter of heated water, let alone a ton. The money may have been spent, but the work was never finished. They just put their signatures on the acceptance report and that was it. No company is taking care of these panels. They’ve been left like that, untouched. I think it was a shady deal. The work was not carried out.”

According to Mayor Ion Cărpineanu, “The panels would probably still work well today if the staff had been trained on how to manage them. They don’t want to get burdened with new technologies. Machinery is machinery; it may break down and need to be maintained. It is not that simple. I regret it’s not working now. The hospital belongs to the Hâncești District Council and we, as the mayor’s office, cannot intervene.”

Alexandru Rezan of Climatec SRL says, "The way the system is managed is quite simple. The staff responsible for management during the hand-over period were trained. If during the operation of the system the staff who needed training changed, we would have provided it without any problems if we had been asked." He added that if either the hospital or the Hancești District Council were to ask the company to remedy the problem now, its specialists would go to the site to assess the situation.

PANELS WORK VERY WELL AT LEOVA DISTRICT HOSPITAL

In 2016 as part of the same cross-border project, Leova District Council also received a European grant. Eighteen solar panels were installed in Leova District Hospital to heat water in hospital building 1.

According to Maria Dubceac, Head of the Finance Department of the Leova District Council, the 18 panels produce 6 tons of hot water every 24 hours. The cost of the project was 1,353,180 lei, and the work was carried out by a different business operator than the one used in Hâncești.

"Patients and healthcare workers enjoy improved working conditions. The system is operating within the parameters and capacity set out in the project," Maria Dubceac declared.

Andrei Malășevschi, Director of Leova District Hospital also confirmed that, "The panels work very well," and noted that employees and patients are satisfied with the results of the project.

EXPERT: "WITH SMALL INVESTMENTS, THE SYSTEM COULD BE REPAIRED AND PUT BACK INTO OPERATION"

Energy efficiency expert **Vladimir Ursu** says that a hospital that has such an efficient system and does not use it is just at a loss. The lifespan of such panels would be about 20 years. He believes that with a small investment, the system at the hospital in Cărpineni could be repaired and put back into operation, especially now in the midst of an energy crisis. Vladimir Ursu:

Most systems of this type can overheat. If there is a break and no

one takes hot water from the system, it can go out of service. Over a longer period, as the acidity in the system increases, it starts to deteriorate. I also acknowledge the possibility that too few panels were installed. Each system is designed for a certain amount of water. If we need more hot water, then a few more panels or data tubes are added.

The biggest problem, in my opinion, is that we don't have trained people at the institution that manages the solar panel installation. At least once a year, someone from the company that installed the panels has to come and check the pressure in the system and that the equipment is functioning properly even though this is usually done under an additional contract. Nevertheless, it's much cheaper to hire a company to maintain the panels than to burn gas or use electricity.

FORMER MEMBER OF PARLIAMENT'S "FARM BUILDING" WITH POOL AND TWO-STOREY HOUSE ON THE FOREST EDGE.

**FOREST FUND AREA REDUCED BY
FIVE HECTARES UNDER SIMILAR
SCENARIOS IN RECENT YEARS**

VICTOR MOȘNEAG, ANATOLIE EȘANU,
ZIARUL DE GARDĂ, 10 November 2022

An imposing two-storey house has been newly "planted" in the forest near the Village of Sociteni, Ialoveni less than 20 kilometers from the capital. From behind the high fence one can see only the top floor of the building and the tops of the ornamental trees. Officially, it is a "farm building." In reality, however, it is the estate of former Member of Parliament (MP) Nae-Simion Pleșca. Here the former elected representative of the people has retired from the hustle and bustle of the city to relax in the swimming pool and gazebo set up in the courtyard surrounded by forest. An audit by the Court of Auditors claims that the land now owned by Nae-Simion Pleșca was procured from the Forest Fund through a series of suspicious transactions. In similar scenarios in recent years, the Forest Fund of the Republic of Moldova has lost land with a cumulative area of about 5 hectares. Most of it is located around Chișinău where the price of a hectare of land is several thousand euros.



In March 2013, Sociteni Town Hall authenticated its ownership of a piece of land at the edge of the forest in the western part of the village. Three years later, on 23 February 2016, the town hall sold the land at auction to Ivan Oprea who at the time was a platoon commander in the National Patrol Inspectorate. On 1 March 2016, just a week later, Oprea sold the land to Sorin Pleșca, son of Nae-Simion Pleșca, then a member of the Moldovan Parliament. Nae-Simion Pleșca entered the legislature on the Liberal Democratic Party (PLDM) list, but in January 2016 he left the PLDM and supported the Filip government of the Democratic Party (PDM) which he later joined.

PLESCA FAMILY'S PURCHASE IN 2016: LAND ON THE FOREST EDGE

When he bought the land in Sociteni, Sorin Pleșca was 26 years old and employed as a senior inspector in the customs service. For the whole of 2015 he collected a salary of 76,000 lei. The land also appears in Sorin Pleșca's 2016 wealth statement, but the area indicated there is smaller than the plot actually is.

A week after buying the land, Sorin Pleșca came to the attention of the press for shooting his older brother dead. Afterwards, Sorin was

nowhere to be found for two weeks. He was initially charged with manslaughter, a crime punishable by up to three years in prison; however, on 26 May 2016, the prosecution dropped the case, and in December 2016, without any diplomatic experience, the MP's son was hired as Third Secretary in the Moldovan Embassy in Ankara, Turkey. Since 2020, Sorin Pleșca has been working at the Embassy of Moldova to Canada.

On 20 November 2017, the 8.5 acre plot in Sociteni was registered at the National Cadastre in the name of the company Dansor-Agro Consult in which Sorin Pleșca holds 99.64% of shares with the remaining 0.34% belonging to companies founded by his father, Nae-Simion Pleșca.

2022: "AGRICULTURAL CONSTRUCTION" WITH LUXURIOUS BUILDING AND POOL

On 25 July 2019, shortly after Nae Simion Pleșca left Parliament, two buildings—one with an area of 186 square meters and the other with an area of 51 square meters—were erected on that land and were registered at the cadastre as also belonging to the company Dansor-Agro Consult. Both are registered as "agricultural, agro-industrial buildings" as they were built on land which is officially farmland. "The audit has suspicions regarding the proper use of those constructions," according to a December 2021 report by the Court of Audits that verified the compliance of the administration and the management of the Forest Fund by the Moldsilva Agency.

Satellite images show that construction work on the buildings began in 2018 when Nae-Simion Pleșca was still an MP and his son Sorin was working at the Moldovan Embassy in Turkey. In 2019, the two buildings were standing and roofed, but the work was not yet complete and continued in the following years.

Now, an imposing house stands on the farmland at the edge of the forest, and the privacy of the residents is ensured by a concrete and wooden fence. The building is fully finished on the outside and the courtyard is landscaped with a lawn and ornamental trees. An outdoor seating area with a gazebo and swimming pool was built on the forest side of the courtyard.

The former MP's household is located across the road from the last row of houses in the western part of Sociteni Village and extends into the forest. Neighbours, who have confirmed that the former MP's family lives there, say there used to be an apiary in that area. A man from Sociteni told us, "The town hall privatised it and then sold it. When I came back from the army, there was a forest there. Then the apiary was dismantled and this is what the then mayor did..."

"In images captured on geoportal.md one can see that the new owners did not respect the boundaries delimited according to the geometric plan, and land from the State Forest Fund was taken abusively," the authors of the Court of Audits report also noted.

MAYOR AVOIDS DISCUSSING THE SUBJECT: "AN AUCTION WAS HELD, WHAT MORE CAN I TELL YOU?"

Victor Goloman, Mayor of Sociteni Commune whom we met in front of the town hall, initially told us that he did not remember the transaction through which the land had become the property of the Pleșca family and that the lot had been transferred before he became mayor. After we reminded him that the auction was held in 2016 during his time in office, the mayor informed us that he was busy and asked us to come back later. We subsequently reached him only by phone, but again he did not provide details. "An auction was held, what more can I tell you?" was his only reply, then he hung up saying he was busy. He never answered our calls afterwards. Sociteni Town Hall owns three other pieces of land that the Court of Auditors found had been converted over time from forest land to farmland.

PLEȘCA: AN "AGRICULTURAL, AGRO-INDUSTRIAL CONSTRUCTION IN THE CONTEXT OF DEVELOPING THE BEEKEEPING BRANCH"

Nae-Simion Pleșca left Parliament after the February 2019 elections because he was defeated in his constituency by Dan Perciun, MP from the ACUM Bloc, and subsequently he did not run for any party. Asked by *ZdG* about the transaction in 2016 as a result of which he obtained the land on which he later built an estate, the former elected

representative of the people said he did not remember many details of that period. "I don't know the history of the land. They don't sell forest land at auction. My guess is that it was farmland belonging to the local government. How can you sell forest land at auction? Historically I don't know what was there," Nae-Simion Pleșca initially told us. He later recalled and added, "There has never been a forest there, as far as I know. Historically, the village apiary was there; that's what I understood."

Asked how he found out about the sale of that land, the former MP again did not remember details: "What, you don't know? When there's an auction, it's always announced. Someone participated then. I found out, I don't remember from where, but I found out."

The former MP claims that the land at the edge of the forest where a house with a pool in a courtyard stands is allegedly an, "...agricultural, agro-industrial construction, in the context of developing the beekeeping branch. The pandemic then happened and other stuff, but that's valid." We asked him if he had bees on his property. "Sure, we want to develop this stuff," he replied.

As for the money spent to build the building, Nae-Simion Pleșca says it allegedly came, "...from that agency, from the company [that owns the land and the buildings]. There are several founders there. That's about it." What Nae-Simion Pleșca did not mention is that the founders he referred to are also his family's companies. Next to the Plesca estate is Forest Fund land leased by other families known to the public: Alexandra Usatîi, wife of former Health Minister Andrei Usatîi, and Silvia Volosații, wife of Boris Volosații, former director of Gheorghe Asachi High School in Chișinău, now a Romanian MP. Each has a hectare of forest under lease.

COURT OF AUDITORS: "LOCAL COUNCIL DECISIONS REDUCED FOREST FUND AREAS BY 5 HECTARES"

According to the information gathered by the Court of Auditors, the Forest Fund has lost additional land under similar scenarios. The Audit Report on Compliance of Administration and Management of the Forest Fund by Moldsilva Agency published by the Court at the end of 2021 notes that in recent years, through, "...decisions of local councils,

Forest Fund areas have been reduced by 5 hectares. Failure to register State Forest Fund land in the Real Estate Register has resulted in its fragmentation and arbitrary appropriation by third parties,” the Court of Auditors further stated.

After reviewing data in the Central Real Estate Cadastre and Cartographic Map Data Bank, the Court’s audit team identified 17 Forest Fund land plots that had been assimilated by local public administrations (LPAs), in most cases with a change of use. They have become either “farm” or “construction” land. Four land plots continue to be owned by LPAs, but 13 others have become private property, like the land on which Nae-Simion Plesca’s estate now stands.

SIMILAR SITUATIONS IN OTHER LOCALITIES, ONLY WITHOUT CONSTRUCTION

The report says, “...9 out of 17 land plots removed from the Forest Fund were subject to several real estate transactions to create the illusion of good faith on the part of the final owners”; cadastral documents consulted by ZdG confirm this. This is what happened with several land plots on the edge of Durlești Forest located near the exclusive Poiana Domnească neighborhood. These plots open onto the M1 Chișinău–Leușeni highway and have been subject to a series of transactions and are now under their third- or even fourth-party ownership. The Durlești Town Council allowed, “...location of collective residential houses with a vertical height regime of S+P+2E+Restricted storey” on two of these plots in 2021 and 2022. At the beginning of November of this year, the land was already surrounded by a temporary fence, but construction work had not yet started.

Two of the Durlești Forest land plots removed from the Forest Fund ended up under the ownership of Mihail Gofman who at the time was Deputy Head of the National Anticorruption Center’s Money Laundering Prevention and Combating Service. In the same forest, Gofman has also leased several plots from Moldsilva. In fact, the Gofman family house is located in the Poiana Domnească neighborhood.

Mihail Gofman claims to have bought the land from individuals. “What is the problem? It was construction land there when we bought

it. These are games someone is trying to play. I don't know what and I don't know how. As far as I know and have researched, there was no forest land there."

FIGHT FOR HECTARE OF FOREST LAND AT POIENIȚA VESELĂ

The fight is still on for some Forest Fund land. The Court of Auditors' report found that during the audit period, a one-hectare wooded lot located about 10 kilometers from the capital just off the Chișinău-Hâncești road in the forest sector called Poienița Veselă was listed as "farmland." The property is owned by Ruseștii Noi Town Hall but was leased out by Moldsilva until 2037 to Ecaterina Beșliu-Basoc, who since 2003 has been head of the Land Relations and Cadastre Service of Ialoveni District Council.

The Court's auditors established that on 30 September 2021 changes were made to the chapter on "manner of use," replacing the term "agricultural" with "forest," but they specified there was no, "...note/report of the responsible person from Ialoveni Territorial Cadastral Service that had recorded the non-conformity of the data entered in the real estate register. The audit expresses suspicions regarding the veracity and accuracy of data on which the primary registration of the real estate was based."

As forest land, the land cannot be sold, and officially and legally, one can build only buildings that can be easily deconstructed on it. However, obtaining the status of agricultural land opens the way to capital "agro-industrial" construction as in the case of Nae-Simion Pleșca.

MAYOR: "THEY WORKED HARD ON THIS ISSUE BUT GOT NO SIGNATURE FROM ME"

Valentina Meșină has been the mayor of Ruseștii Noi for three years. She says that during this period there have been several attempts to take over the land or change its use.

There have been several attempts. I know what land plot you mean. There have been so many attempts but we have always rejected

everything related to Poienița Veselă and not just this land. For three years no one has been able to do anything there since I have been in office because I have rejected any attempt to make changes, especially where the mayor's signature is required. Because I didn't acquiesce, there were also attempts with the villagers, with our neighbors, but in the end I stood my ground. Nobody could do anything. Surely, if it were converted to agricultural land, it would be easier to build there. They worked persistently on this issue, but they got no signature from me.

The mayor is unhappy with the fact that although the land on which the forest is located officially belongs to Ruseștii Noi Town Hall, the locality does not benefit from any money from Forest Fund leases as all the money goes to Moldsilva.

THE PERSON WHO LEASED THE LAND: "I SPOKE COLLEGIALLY WITH THE PEOPLE THERE AND TOLD THEM THE TIME WOULD COME WHEN THEY WOULD BE ACCOUNTABLE."

For her part, **Ecaterina Beșliu-Basoc** who holds the lease on the hectare of woodland until 2037 says she does not know who is behind the attempts to take over the land and change its use.

I learnt about it about a year ago. Why these things were done I don't understand. I have had a lease contract with Moldsilva since 2008; I pay annually according to the contract. Who has an interest there or not, I don't know. I personally have no interest. It is the state's forestry fund, not Ruseștii Noi Town Hall's. Why this was done, I think we should ask the Ialoveni Cadastral Service. I think the forest should be managed by Moldsilva, not by the town hall. I don't have access there. I spoke collegially with those there [Ialoveni Cadastral Department] and told them that the time would come when they would be accountable. It doesn't matter who I talked to. I don't have access there to get in there to change. I work at the District Council, but Ialoveni Territorial Cadastral Service is different, it is part of the Public Services Agency in the Cadastral Department. I can only look. I don't know who wants the land. When I took it, nobody wanted it. Now, someone must have an interest there.

Grigore Cravenco, seconded as Head of Ialoveni Territorial Cadastral Service this year, informed us that since he has been in charge of the institution, he has not received any requests from any state institution to clarify the status of the one-hectare lot near Poienița Veselă Forest. He also mentioned that at this time there were no ongoing investigations to examine the issue mentioned in the Court of Auditors' report.

WHAT THE FOREST CODE SAYS AND WHAT MOLDSILVA SAYS: "THIS POINT IS NOT INDICATED IN THE RECOMMENDATIONS"

The law prohibits the reduction and fragmentation of Forest Fund areas. In fact, the reduction of Forest Fund areas is allowed only in exceptional cases: i) for the prevention or liquidation of the consequences of natural disasters, catastrophes or technical damage as well as for the solution of problems concerning state security; and ii) for construction of special purpose objects including national public roads, high voltage electricity transmission lines, gas or oil pipelines. Furthermore, the Forest Code of Moldova states that the final removal of land from the Forest Fund, with or without clear cutting, is allowed only under a Government decision adopted in accordance with the law.

Officials from the Economic, Financial, Accounting and Property Department of Moldsilva told us that the issue raised in the Court of Auditors' report specifying that the Forest Fund has lost about five hectares of forest in recent years had not been examined by their institution. "As far as we have checked, this point is not indicated in the recommendations. It is only in the report. We have made an action plan following the recommendations, and they are all being implemented. The deadline is the end of 2023," Moldsilva representatives told us.

THE PANDEMIC IS OVER BUT UNCERTAINTIES ABOUT TAX RELIEF FOR DISINFECTANTS REMAIN

ION PREAȘCĂ,
MOLD-STREET.COM, 10 November 2022

At the start of the Covid-19 pandemic in the spring of 2020, the authorities offered tax relief to a group of companies to produce disinfectants and antibacterial gels. The amount of that tax relief has been assessed by the Court of Auditors at almost 1 billion lei. The Court also claims that some companies benefiting from tax relief paid taxes of only a few thousand lei to the state budget, but the beneficiary companies say the real situation is different from the one shown in the Court of Auditors Report. Our investigation has revealed miscommunication among some state institutions that has led to errors in recording tax benefits and to ambiguous interpretations.



PRESSING NEED FOR DISINFECTANTS

In March 2020 when Parliament declared a state of emergency in the Republic of Moldova, the government was quite unprepared to deal with the Covid-19 pandemic. There was a shortage of medicines to treat this infection, of tests, of basic personal protection equipment like masks and also of disinfectants. While most of the medicines and medical equipment had to be imported, supplies of the raw material for disinfectants and antibacterial gels—undenatured ethyl alcohol—were sufficient in the country. The demand for disinfectants was very great; some local producers not only increased domestic sales but also exported large volumes, earning good returns.

EXCISE DUTY EXEMPTIONS GRANTED WITHOUT ANY COORDINATION

As a rule, at the behest of the Ministry of Health and the Ministry of Agriculture and Food Industry (MAIA), at the beginning of each year the government approves a list of companies specifying the quantities of undenatured ethyl alcohol for pharmaceuticals and medicines they

will receive that will be exempt from excise duty. That was the case in February 2020 when the government adopted a decision granting seven institutions and companies the right to use 23,584.4 decalitres of undenatured ethyl alcohol for medicinal purposes without paying excise duty.

After the declaration of the state of emergency on 26 March, in Disposition No 6 the Commission for Exceptional Situations (CSE) decided that during the state of emergency, undenatured ethyl alcohol under Tariff Heading 220710000 intended for use in antiseptic products (disinfectants, biocides and antibacterial cosmetics) should be exempt from excise duty up to the volume set by the Ministry of Finance at a business operator's request. However, ten days later the CSE repealed this decision.

So MAIA—headed at that time by Socialist party member Ion Perju—dealt with granting those benefits. More precisely, it fell to a special committee established by a ministry order in 26 December 2017 to examine applications from business operators and to decide which company and what volume of alcohol could be exempted from excise duty. The Court of Auditors subsequently claimed that a review of the documents submitted by MAIA, "...reveals that while certain supporting documents were attached to some of the business operators' requests to the MAIA for excise duty exemptions, others generally lacked such documentation."

The auditors' report further stated that, "Moreover, some applications were accompanied by supporting documents such as the fact that ethyl alcohol would be used to clean windows, ceramics, cookers and other products that did not belong to the category of cosmetics and perfumery. Regardless of the fact that all the requests were examined by members of just one committee, their decisions were final as there were no objections to the accuracy of requests for benefits."

In a response to **Mold-Street.com**, MAIA stated that at that time, the committee examined the applications submitted by companies and based on the material submitted:

...the volumes of ethyl alcohol were determined and fixed in minutes, and the list of business operators and the amounts of undenatured ethyl alcohol determined were forwarded to the State Tax Service for coordination. In this way, the committee established the volumes of

ethyl alcohol for the following business operators: in 2020 Viorica-Cosmetics SA, Viantic International SRL, RoditalLux SRL, Ekokemika SRL, Ros Cosmetics SRL, MC Pharmaceuticals SRL, Farmaco SA, Marigold SRL, Magichim SRL, Spirits and Distilled Trade SRL, Catol Lux SRL, Quadro-Service SRL, Golub Stil SRL, Chemix Grupp SRL and Leonardo Cellars SRL; in 2021 Rodital-Lux SRL, Viorica-Cosmetics SA, Farmaco SA, Catol Lux SRL, Chemix Grupp SRL, Leonardo Cellars SRL, Ekokemika SRL, Viantic International SRL, Ros Cosmetics SRL, MC Pharmaceuticals SRL, Magichim SRL and Depofarm SRL.

MAIA did not, however, supply details about of the quantities of alcohol.

The Court of Auditors found there was in fact no coordination and no list of beneficiary companies and that the communication process between MAIA and the tax authorities on granting excise duty exemptions on undenatured ethyl alcohol was flawed.

According to the report of the Court of Auditors, in 2020 MAIA submitted 12 letters to the State Tax Service (STS) requesting approval for excise tax exemptions worth 666.6 million lei for 15 business operators involved in the manufacture of perfumery and cosmetic products. “Audit checks show that not all of the Ministry’s letters were registered with the STS and coordinated as required. On 26 March 2020 through the Document Management Service, MAIA submitted Letter No. 25-82/1635 to the STS requesting coordination of excise duty exemption for a volume of 465,400 decalitres of undenatured ethyl alcohol, in a total amount of 466.1 million lei, to be granted to 6 business operators.” These companies were MC Pharmaceuticals for 11,500 decalitres, Viorica-Cosmetics SA for 440,000, Marigold for 6,300, Magichim for 600, Farmaco for 5,000 and Spirits and Distilled Trade for 2,000.

Now the two institutions are still clarifying what happened and why there hadn’t been any communication about it.

AROUND ONE BILLION LEI IN EXCISE DUTY EXEMPTIONS

The question marks do not, however, end there. The special committee set up by MAIA had no legal basis for offering such tax benefits. From March 2020 to September 2021, no regulatory act was drafted or approved by the ministry for receiving requests from business

operators, for reviewing and making decisions on the volume of undenatured ethyl alcohol to exempt from excise duty, or on the manner of reporting on the use of undenatured ethyl alcohol.

It was only in September 2021 that the Regulation on the Determination of the Amount of Undenatured Ethyl Alcohol for Use in the Perfumery and Cosmetics Industry Exempt from Excise Duty was approved for the first time (MAIA Order No. 8 of 9 September 2021). On the basis of this regulation, the Committee for the Examination of Applications Submitted by Business Operators was formed and approved by MAIA Order No. 22 of 5 October 2021. The committee includes representatives from MAIA, STS, Customs, the National Agency for Public Health and the National Agency for Food Safety. Nevertheless, from 2020 to 2021 MAIA received requests from business operators for excise tax exemptions totaling about 1.06 billion lei without any regulations in place and without clarity about the functionality of the process for granting such exemptions.

Following an examination of the requests, exemptions totaling 896.1 million lei were accepted: about 666 million lei in 2020 and 229.5 million lei in 2021. Data from the Court of Auditors show that in 2020, the amount of exemptions granted by MAIA was 24 times greater compared with 2019, and in 2021 it was 8 times greater, although the trend was downward compared with 2020.

ONE COMPANY = 83% OF THE VOLUME

Data from the Court of Auditors reviewed by **Mold-Street.com** reveal that in 2020, for example, about 83% of the total amount of undenatured alcohol exempt from excise duty went to Viorica-Cosmetics SA, which is part of the Daac Hermes group controlled by Vasili Chirtoca, at that time a Chişinău Municipal Councillor in the Socialist party. The share of this company was about 5 times greater than the shares of the 14 other companies that benefited from the tax relief.

In response to a **Mold-Street.com** query, the administration of Viorica-Cosmetics SA denied the data from the Court of Auditors claiming that the tax benefits it enjoyed were in fact almost 11 times smaller. “Viorica-Cosmetics SA benefited from the incentives only within the limit of the volume of undenatured alcohol used in its production

processes which constituted only 9.3% (51,311 decalitres) of the total quantity, with an estimated amount of excise duties of 51.85 million lei,” according to the reply signed by Executive Director of Viorica-Cosmetics SA **Marin Macari**.

WERE THE BENEFITS ONLY ON PAPER?

We have received almost identical responses from other companies. **MC Pharmaceuticals SRL**, which received a quota of about 27,000 decalitres of undenatured alcohol (about 4% of the total), claims to have used only 3,515 decalitres, or 13% of its quota. “The disinfectant procured by Moldovan companies was not marketed in the quantities forecast, and subsequently goods amounting to 416,151.6 lei excluding VAT were returned to MC Pharmaceuticals SRL,” the company’s administration stated. At the same time, they noted that Romanian customers also purchased only 10% of the contracted quantity of disinfectant.

Chemix Grupp’s management says it applied to MAIA for its annual volume of undenatured ethyl alcohol without excise duty in the amount of 8,092 decalitres but was offered a quota of 6,000 decalitres. Chemix Grupp noted that it purchased only 2,959.91 decalitres—half the quantity—and that it was used exclusively for the production of antiseptics:

In fact, according to the requirements of the Ministry of Agriculture, upon receipt of a quota, a business operator is required to submit by the end of January of the following year a report on alcohol expenditure without excise duty to the tax office as well as to the Ministry of Agriculture. This was done on time, and the information is available at the responsible institution. Moreover, in August 2022, we had an inspection by the Tax Inspectorate on the consumption of the quota received for alcohol without excise duty in August, following which it was found that the quota received was used correctly as intended.

At the same time, some companies also deny having paid lower taxes, although they had benefited from excise tax exemptions worth millions of lei, and claim they no longer enjoy such tax benefits. **Marin Macari** of Viorica-Cosmetics SA:

According to the legislation in force, exemptions from excise duty on the purchase of undenatured alcohol are applied according to Article

124 (16) and cannot be compared with other taxes and duties deducted by business operators from the budget. In this case, it is necessary to mention that in 2020, Viorica-Cosmetics SA paid taxes and duties in the amount of 18,787.20 thousand lei, more than is shown in the report of the Court of Auditors [12.28 million lei]. Besides, Viorica Cosmetics SA did not enjoy all the benefits provided for in the established quota of 550,000 decalitres; rather, only for the quantity used in the production process which accounted for 9.3% (51,311 decalitres) of the total quota.

Chemix Grupp also claims to have paid more to the state budget than is indicated in the Court of Auditors report.

Oddly, STS has not detected any major infringements by the 15 companies that enjoyed the tax benefits: “As a result of the measures taken, four business operators were found to have shortages of goods in the amount of 57,735.30 lei and surpluses in the amount of 3,358.60 lei, and one business operator was found to have exceeded the purchase of undenatured ethyl alcohol set for 2020 by 50 decalitres,” their response states. Hence, it appears there is faulty record keeping by the authorities of the volumes of undenatured alcohol intended for use in the perfume and cosmetics industry for which excise duty exemptions were offered.

BENEFITS REMOVED

Earlier this year, all manufacturers in the cosmetics and perfumery industry saw this tax benefit removed. As a result, the production of disinfectants has been halted and only stocks left over from previous years are currently being sold, according to Viorica-Cosmetics SA. On the other hand, producers in free economic zones still enjoy this benefit which does not stimulate fair competition and does not contribute to the state budget.

KINDERGARTEN REPAIRED WITH STATE BUDGET MONEY: A ȘOR PARTY POLITICAL PROJECT.

**FLOODED BASEMENT,
FOUL SMELL IN BATHROOMS
AND BUSINESS AS USUAL FOR
THE PARTY**

**NATALIA ZAHARESCU,
ZIARUL DE GARDĂ, 24 November 2022**

On 3 December 2021, Orhei District Council announced that, “The largest preschool institution in the City of Orhei has been put into operation after extensive renovations.” The press release referred to Kindergarten/Creche Curcubeu No. 12 in the Lupoaița Sector of Orhei Municipality. The event took place after Marina Tauber, MP from the Șor Party, had obtained the most votes in the first round of local elections in Bălți on 21 November. On 4 December, the day after the kindergarten celebration, Marina Tauber was removed from the electoral race by a court ruling.



Marina Tauber did not participate in the ribbon cutting as can be seen in the photos published by Orhei District Council, but she sent a message quoted in the institution's communiqué. "The MP from the ȘOR Party, Marina Tauber, is proud that the representatives of the ȘOR Political Party in Orhei have managed to fulfill yet another promise made to its citizens. I want all children in our beautiful country to have conditions like those in this kindergarten and all children to enjoy a happy childhood and harmonious development. The ȘOR Party will continue to invest in education projects," her statement reads.

The Orhei District Council communiqué also pointed out that the renovation work on Curcubeu Kindergarten started in July. The cost amounted to 20 million lei, and most of the money, namely 16 million lei, was allocated from the state budget as a result of amendments proposed and voted in Parliament by members from the Șor Party.

Although the ribbon was cut in November 2021, the children started attending class only in January 2022 according to the facility's director Emilia Știrbu in a report for Orhei TV. The fact that the kindergarten was not functioning after its inauguration was reported in December 2021 by Orhei's independent municipal councilor Sergiu Aga, Obiectiv Media reported. "The Șor Party put it into operation

during the election campaign, although it really is not functional even today,” the councilor said then.

ȘOR PARTY MAYOR’S COMPANY WINS LANDSCAPING CONTRACT

The tender for the repair of the kindergarten was organized by Orhei City Hall. The contracting authority organized a single procurement procedure divided into two parts: repair work on kindergarten buildings including thermal insulation of the walls and landscaping.

The company selected for landscaping the kindergarten yard was Strongboss Construct SRL which belongs to Șor Party member Victor Coniuc, Mayor of the Village of Crisova, Orhei District . The company was registered in November 2019 in the Village of Pohorniceni, Orhei District in the name of his mother-in-law. The Facebook page of the company shows Victor Coniuc’s phone number, and the mayor’s declaration of assets for 2021 shows that his wife is a salaried employee of this company. Strongboss Construct SRL won with a bid of 2,479,345 lei. San Construct Grup SRL submitted a lower bid, but it was rejected.

Subsequently, in November 2021, Strongboss Construct SRL obtained another 1,014,535 lei from Orhei City Hall for “additional landscaping work” at the same kindergarten. This time there was no public tender, just a request for quotations in which only Strongboss Construct SRL participated.

Asked by *ZdG*, **Victor Coniuc** said he had founded Strongboss Construct SRL, but he registered it in his mother-in-law’s name after he was elected mayor of Clișova. Although he was elected as a candidate of the Șor Party, Coniuc claims the company was not favored and won the tender transparently. Moreover, he said the company had worked at a great loss because construction materials had become more expensive, so the cost estimates were higher than those presented in the tender. “We had losses everywhere. We wrote a letter to the government asking for more money, at least to get us back to zero, but they told us that if we didn’t complete the work, the company would be put on the black list. We had to take loans from the bank to complete the work,” **Coniuc** said.

Regarding the tendering procedure whereby they were offered

another one million lei for additional work in which only his company participated, he says that initially he did not want to participate. “I didn’t even want to get involved, but then I thought it was all connected. The first tender was for gazebos and paving, and the second was for the stadium, summer stage, fence, and benches. We provided everything that was in the estimate, so there were no questions. Because they didn’t allow us to extend the deadline, we had to work at night,” the mayor said.

As for cutting the ribbon in the middle of the election campaign, the Mayor of Clișova said he had no involvement. “I had to do my work so that my wife’s company [registered to his mother-in-law] wouldn’t be guilty afterwards, wouldn’t pay anything extra, and so I was at a loss.” At the same time, he claims his political affiliation did not influence the results of the tenders. “Even if I ran as a candidate for the Șor Party, I wouldn’t say that I am devoted to the Șor Party, that I am bound to it. We’re not exactly on good terms.”

“Don’t you think you were favored?” I asked him.

“No, on the contrary, they were telling me come on, hurry up, the deadline is approaching,” the mayor said.

Strongboss Construct SRL has so far won tenders mostly in Orhei District. In fact, according to data from the Public Procurement Agency portal, the tender for Kindergarten no. 12 in Orhei was the first win for this company. Several others followed as the company was chosen to carry out work for various institutions and villages in Orhei District. Outside Orhei District, the company has won only two tenders, both in Telenești District.

TENDER PROCEDURE CHALLENGED TWICE

The company that won the tender for the repair of kindergarten buildings with thermal insulation was Eurogalex Prim SRL, founded in 2008 by Dumitru Ciocoi (75%) and Gabriela Ciocoi (25%). The company’s bid of 11,441,646 lei was designated the winner after the procedure initiated by Orhei City Hall was challenged twice.

On 8 February, Aeroc SRL filed a complaint with the National Agency for Settlement of Disputes (NASD) claiming that after Orhei City Hall published the dates of the tender on 21 January 2021, on 1

February it amended the tender specifications adding work that had been omitted initially. NASD partially upheld the appeal and ordered Orhei City Hall to amend the tender documents and extend the deadline for submitting bids.

A second challenge was filed by the company Profmarket Prim SRL after Hiperteh SRL had been designated the winner of the tender on 4 April 2021. Profmarket Prim noted several infringements of the regulations and specifications by Hiperteh SRL as well as prices for some of the materials to be used that were too low. NASD upheld the challenge and annulled the decision to award the public procurement contract. Orhei City Hall was required to re-evaluate Hiperteh SRL's offer.

As a result, Eurogalex SRL was designated the winner, although as was true in the case of the landscaping work, the second lowest bid was from San Construct Grup SRL which had participated in both lots.

Oxana Gandrabur, founder of San Construct Grup, told ZdG they had been asked for some clarifications and to sign some contracts with suppliers who usually conclude such contracts only after the order for the material is placed. "Something was requested that we could not do. I don't know how legal that request was," the contractor said. She added that those were the only tenders she had participated in in Orhei. "This tender was published several times, then it was cancelled. There were a number of uncertainties," Oxana Gandrabur recalled.

FLOODED BASEMENT AND BAD SMELL IN BATHROOMS

Although the kindergarten is beautifully organized and well cared for on the outside, there are several irregularities inside that are detrimental to the health of children and staff. In April 2022, five months after the ribbon-cutting ceremony organized by Orhei local authorities, on his Facebook page independent municipal councilor Sergiu Aga posted footage filmed in the basement of the kindergarten that looked flooded and unsanitary.

"This space is a quagmire that can become a hotbed of infection," the councilor commented at the time. According to him, although children had been admitted to the kindergarten starting in January, it was not actually operating.

Ziarul de Gardă went to Orhei and talked to Kindergarten Director Emilia Știrbu who told us that when Councilor Sergiu Aga filmed the flooded basement:

...the drainage had not been finished. Now the drainage has been installed completely and there is no standing water left. When the councilor was there, we had just opened. It will soon be one year since we opened. They had just finished the work and because winter had come, there was some work left that they finished in the spring, that's why they couldn't do it then. But the fact that the paving hadn't been laid somewhere didn't mean that 200 children were staying at home and not in kindergarten. Until the repair, the conditions outside were... really not workable, while we were working like that.

She admitted that although the ribbon had been cut and it had been announced that the kindergarten would be put into operation as early as November 2021, the work had not been completed. "That is what happened: Winter first paused construction, and then we finished the work when it got warm."

The director gave assurances that the repair was of high quality. "I can tell you there was capital repair work done. They covered absolutely everything starting with the roof and ending with the paving. All the systems are working. We have the conditions necessary for functioning; we have absolutely no problems with anything. Walls were plastered and sealed. Electricity was changed inside. The ceiling, the floor, the walls, the sanitary units, absolutely everything was fitted and everything you see outside, pavilions were changed and new ones installed," the director added.

BATHROOMS SMELL AWFULLY BAD

Images currently filmed and photographed inside the kindergarten that have been sent to us show that the situation has not changed in the meantime. What has appeared that is new is a metal door closing off the basement entrance. Inside, the basement continues to be flooded.

Also, footage from a children's bathroom shows that windows are kept open even though the heating is on; the reason is the odor coming from the drains according to the *ZdG* source. The footage shows that a plastic pipe connected to the sewage system serves as the ventilation

system, but this is not effective according to the ZdG sources who claim that the bathroom “smells awfully bad.”

The owner of Eurogalex Prim SRL that carried out the work is Dumitru Ciocoi. He admits that the problem of bad smells in the bathrooms did exist, but that was because the ventilation system had been designed that way. “That’s how the blueprint was; we did it according to the blueprint . But then we advised that all of them [the ventilation pipes] should be vented out into the attic because the smell was coming out inside.” The contractor says the situation has been remedied, although ZdG sources say the foul smell persists in the children’s bathrooms.

I WON’T SET FOOT IN ORHEI CITY HALL

Dumitru Ciocoi also complained that the prices of building materials had risen sharply:

We lost so much money there... We hit the period of price changes, and we had signed the contract before they increased. We really wanted to give it up, but we couldn’t. Legally, we couldn’t do anything. We worked at a loss so the company wouldn’t have to suffer. We invested here the profit made on other projects. They didn’t want to extend the term. I said that in what concerns Orhei City Hall, I wouldn’t set foot there. I asked them to pay for additional work, but the procurement people wouldn’t allow it because they are from the [Șor] party. It’s their business, but our company suffered. Moreover, we were under a lot of pressure to get the work done quickly. The contract was until 31 December and could not be extended because the money, I understood, had been budgeted just for that year.

“I THINK IT’S FAIR. IT WAS A VICTORY FOR THE ȘOR PARTY”

Orhei Mayor **Pavel Verejanu** blames the public procurement authorities for not being allowed to increase the budget for the repair of the kindergarten after the increase in the price of construction materials. At the same time, he denied that Strongboss Construct SRL, the company of the Clișova mayor’s mother-in-law, had allegedly been favored and claimed the tender had been conducted fairly and

transparently. As for the flooded basement of the kindergarten, the mayor says that its repair had not been foreseen in the specifications and that flooding is caused by groundwater: “There is a problem there that we will remove in time, but we need financial resources.”

We asked Pavel Verejanu about the fairness of the fact that this project was exploited politically and electorally by the Șor Party, given that the money was allocated from the state budget. “I think it is fair. It was a victory for the Șor Party following the amendments passed in Parliament by the Șor Party faction. We, as executors, are still representatives of the Șor Party. Why should we not be happy about our results? After all, we have very nice results,” the Orhei mayor added.

KINDERGARTEN WAS PREVIOUSLY REPAIRED WITH ROMANIAN GOVERNMENT MONEY

In 2015, Orhei City Hall announced that on 24 February 2015 grant contracts were signed with Romania for the repair of several kindergartens in the city, including Kindergarten No. 12. According to an Orhei City Hall communique, the plan was to change the heating system and the windows and to organize the playground. In this context, Kindergarten Director Emilia Știrbu said that only one building in the facility had been repaired with Romanian money and that many years had passed since then: “Cracks appeared and there were problems.”

STATE BUDGET MONEY FOR POLITICAL PROJECTS OF THE ȘOR PARTY

On the night of 16 December 2020, MPs from the Socialist Party of Moldova (SPM) and from the Șor Party who had formed an unofficial coalition in Parliament met, first as the Economy, Budget and Finance Committee and then in a plenary of session during which they voted on a number of amendments to the State Budget Law for 2021 on transfers from the state budget to local budgets. The two parties distributed budget money worth hundreds of millions of lei to localities where they had mayors and to the districts they controlled. The meetings were not announced in advance, so only Șor and SPM MPs attended them.

Over 14 billion lei were then planned to be transferred from the state budget to local budgets. Of all the districts, Orhei received the largest amount at over 550 million lei, exceeded only by Chişinău Municipality which was allocated 2.8 billion lei and the Gagauz Autonomous Region which received almost 600 million lei.

MPs from the Şor Party thus proposed amendments to obtain funding for projects that would later become “campaign engines.” They included the repair of Kindergarten no. 12 in Orhei, for which 16 million lei were allocated from the state budget. The rest of the money was allocated from the budgets of Orhei District Council and Orhei City Hall.

Economist Alexandru Fală from the Expert-Grup Association is one of the authors of a study on political patronage in the management of public funds published in 2021. He points out that such situations can be classified as examples of political patronage:

They wrongly attribute this success to themselves. We know very well this practice of the Şor Party, when they use money from the public budget to carry out certain projects and then trumpet everywhere that it is thanks to their efforts. However, in reality, this is not the case. The localities run by representatives of this party do not hesitate to use such practices. Some Şor Party mayors benefited from political patronage in the distribution of resources for capital expenditures from transfers from the state budget to local budgets in 2021 and then they attributed the merits to themselves and to their party.

**AFTER YEARS OF
ABANDONMENT,
A SCHOOL CONSTRUCTION
SITE IN DUBĂSARII VECHI
IS CLAIMED BY FORMER
KOLKHOZ* PRESIDENT**

JULIETA SAVIȚCHI,
MOLDOVACURATA.MD, 11 November 2022

A construction site has been abandoned for almost 30 years in the centre of the Village of Dubăsarii Vechi in Criuleni District spoiling the appearance of the locality. It was to be partially demolished but has instead become the subject of a dispute between the town hall and the former kolkhoz president who claims after many years of silence that this construction and the land it stands on belong to him. Until the court rules, nothing will change. The construction was supposed to become a school. It is located close to the Nistru River bank and has two hectares of land attached to it. Millions were once invested in the construction, but it was never completed. In the meantime, an annex to the old school building is being built next door.

***collective farm in the former Soviet Union**



CONSTRUCTION SITE THAT NEVER BECAME A SCHOOL

In the early 1990s, the former *kolkhoz* in Dubăsării Vechi started an ambitious project: a new school that by size would become one of the largest in the district. After Moldova proclaimed independence, the *kolkhoz* was disbanded and a joint-stock company was created in its place founded by senior members of the former *kolkhoz*. They gradually gave up the joint business.

Left untended, the site is now overgrown with weeds and has become a risk for teenagers and a blight on the appearance of the village. Over the years, a modern stadium, an amusement park and even a public toilet have been built nearby, something rarely seen in villages.

Ion Novac, the last director of the collective farm in Dubăsării Vechi, told us that he was just one year short of completing the project. “The collective farm was liquidated, and those who subsequently held power in the locality did not show any interest in it. Children in villages still need quality education that encompasses different areas of interest. From what we have heard, there is some interest in

this building, especially in the land,” **Novac** told us.

INITIATIVE BLOCKED BY A COURT CASE

After 30 years of no one taking any interest in continuing the construction or in clearing up the blighted site, in 2021 the building that never became a school suddenly became a point of interest. First, the town hall took possession so that it could continue to manage it, but a competitor soon emerged. **Vitalie Casian**, Mayor of Dubăsarii Vechi:

A year ago, we registered the building as town hall property, but we ended up in a dispute with someone claiming they were entitled to this building as a share of the former collective farm. We have made an expert review of the level of completion of the construction, and a technical expert examined the condition of the four buildings that form the building site. It was recommended that two buildings be demolished and that the other two could be kept or not at the discretion of the town council. We have the decision of the town council to demolish two buildings. Now we are initiating the procedure for drafting the technical project for demolition, on the one hand, and we are in a lawsuit on the other hand.

He claims that to turn the construction site into a functional building, a lot of money would be needed and that the town hall is facing an acute shortage of funds. However, the land adjacent to the construction in the centre of the village near the Nistru River is worth millions, perhaps even more than the derelict buildings.

FORMER KOLKHOZ PRESIDENT CLAIMS CONSTRUCTION SITE BELONGS TO HIM

The business claiming the site is Agronosvem Ltd whose founder and administrator is Ion Novac, the former kolkhoz president himself.

The first court hearing was due to take place on 7 July 2021. Since then, eight hearings have been scheduled, but none has resulted in any outcome as the case is still at the stage of preparation for examination. The next hearing is scheduled for 8 December 2022.

Ion Novac told us he had all the papers to prove that the

construction site that was started on his initiative belonged to him. “Privatization took place according to the law. There are a lot of papers; it is a lot to talk about. It is not the town hall’s property. But whatever happens, whoever owns it, the project has to be completed; the school has to be built,” the former kolkhoz president told us.

Judging by the financial reports filed with the State Tax Service, it is unlikely that Agronovsem SRL will be able to complete the construction if it wins the case. The company’s turnover has been declining in recent years, and last year was only 20,000 lei, with a gross loss of 11,700 lei. Ion Novac initially agreed to provide us with documents that would justify his claims to the abandoned site, but he later changed his mind and said he would present them only in court.

SCHOOL ANNEX WORTH MILLIONS

While the local authorities have not been able to find money in recent years to complete the school, last year district authorities found 8 million lei in the district budget for the construction of an annex to the old school—now Nicolae Donici High School—with 12 classrooms where 240 pupils will learn. The total number of pupils in the high school currently is 470.

The tender was announced by the management of Nicolae Donici High School on 17 June 2021, a month and a half after a new director, Virginia Bâzgu, took over the management of the facility. “It was the initiative of the whole village. Classes are overcrowded. The primary school is in another building that could be used as a kindergarten. There are many children and the village needs another kindergarten, while primary school could be brought to us. If the annex is built, I think it will fit everyone,” Bâzgu told us.

Marina Novac, who was the interim director of the high school, told us that the Criuleni District Administration had previously proposed that she organize a tender for the construction of the annex, but she had refused. “We consulted various specialists and came to the conclusion that the idea was inappropriate. Previously, this building [the old school] housed about 700 pupils. There is also a sports hall. The birth rate in the village, like everywhere else in Moldova,

is falling. I got the impression that it might be money laundering and I refused,” Novac said.

ALTHOUGH SHORT OF CASH, THEY ACCEPT A MORE EXPENSIVE BID

Five businesses took part in the electronic tender announced by the management of the high school in Dubăsarii Vechi. The lowest bid was 6,476,977 lei excluding VAT by the company Anadem-Construct from Chişinău which was designated the winner.

The result of the tender was, however, contested by Igostaff Construct SRL from Doroţcaia whose bid was 400,000 lei higher. They noted several irregularities in the Anadem-Construct tender such as inadequate bank guarantees and a mismatch between the work plan and the technical specifications. On 16 September 2021, the Agency for the Settlement of Disputes accepted the Igostaff SRL complaint and required the high school to re-evaluate the Anadem-Construct bid. The school’s management complied and signed the contract with Igostaff Construct without going to court.

The contract for the construction of the high school annex worth 8,245,830 lei was concluded on 10 October 2021. After the signing, the construction site was dedicated with pomp and ceremony, attended by representatives of the high school management and officials of Criuleni District Council.

So far, the walls of the annex have been raised, but in the middle of a work day at the beginning of November 2022, we did not find a single worker on the construction site. Nevertheless, Director Virginia Bâzgu is satisfied with the way the work is going: “Everything is going according to schedule, the business operator has received its money. We don’t have any claims. The contract stipulates that the work must be completed by the end of 2023.”

Mayor **Vitalie Casian** was a little more reserved: “The business operator is facing financial problems. Last year the construction work and materials were within the amount announced in the tender and provided for in the contract, but now everything has become several times more expensive and this money may not be enough. The risks are high.”

Igor Tatarus, Director of Igostaff Construct SRL, assured us that the work was going according to the plan and was even ahead of schedule. The contractor admitted he was facing problems due to higher prices and did not know if he would have to ask for additional money to complete the construction.

NON-EXISTENT FORESTS.

IN SEARCH OF TREES THAT HAVE NOT GROWN

VICTOR MOȘNEAG, ANATOLIE EȘANU,
ZIARUL DE GARDĂ, 12 August 2022

Terebna, Edinet district. In 2015, several hectares of acacia saplings were planted on a hill on the edge of the village. Today, only the furrows that were dug with a tractor to plant the trees are still visible. Similar cases have been found in other parts of the country. The non-existent forests became a reality because, most of the time, once the saplings were planted, nobody took care of them. Now, the central authorities are announcing the most massive afforestation campaign in the history of the Republic of Moldova: 100 thousand hectares over the next ten years. In this context, ZdG tried to find out how and if those in charge of the new afforestation program have learned from past mistakes, so that state money is no longer wasted and foresters' work is not in vain.



In 2021, compared to 2015, the area of land covered by forests decreased by 8,503 ha, the Court of Auditors recently noted. A first step in the implementation of the National Afforestation Program which promises to plant 100 thousand hectares of land, was taken in May this year, when the Ministry of Environment and the Food and Agriculture Organization of the United Nations (FAO) signed an agreement in Chişinău, whereby the international institution provides our country with assistance worth 325 thousand US dollars for the development of a project to be applied to the Green Climate Fund.

AUTHORITIES' INTENTION: 100 THOUSAND HECTARES OF FOREST IN NEXT TEN YEARS

In June this year, during a broadcast on public television, the Minister of Environment Iuliana Cantaragiu said the project would require about one billion euros, money that the state budget lacked. “We are now in the process of dialogue with development partners who could help us in this regard,” Cantaragiu said and claimed that the central authorities were in talks with local public authorities to identify land for afforestation.

Although this is the largest national afforestation campaign ever announced in Moldova, it is not the only one. Over the past 30 years, there have been several campaigns in the country with a similar aim – to afforest land around villages, much of which is owned by municipalities.

MAYOR: “THEY PLANTED BUT WHY TREES DIDN’T GET ROOT, I CAN’T SAY”

Terebna, Edineț district. In 2015, several hectares of acacia saplings were planted on a hill on the edge of the village. Today, only the furrows that were dug up with a tractor to plant the trees remain, barely visible. Not a single tree has grown, and what should already be a beautiful forest is now just a weedy hill. The planting work was carried out by the Edineț Forestry Enterprise under the Moldsilva Agency. After the ‘afforestation’ work, the land was returned to the management of the local public authority, in this case Terebna Town Hall.

The then mayor of Terebna **Vitalii Vicol** who ran the town hall from 2015 to 2019, says the issue of the failed Terebna afforestation has also come to the attention of prosecutors, only the finality is unknown. “They planted, but why trees didn’t take root, I can’t say. There were materials at the prosecutor’s office, they dealt with those from “Moldsilva” who were in charge of the planting there... I personally, as mayor, was not called anywhere and nobody asked me about it,” the former mayor told us.

The current mayor **Valentin Țițanu** also confirms that none of the planted acacia trees have taken root. Now the town hall wants to try again to afforest the hill: “There is some land there that is going downhill, it’s slipping and we want to plant it.”

AGAIN IN TEREbNA, AN EXAMPLE THAT ONE ACTUALLY CAN

Again in Terebna, on a hill in the immediate vicinity of where afforestation failed, we have a positive example of afforestation. Planting took place in 2008 and there is now a real acacia forest. “At that time, over 100 people were involved all day and it went well. It also depends on the seedlings, if they are of good quality. For it to be good, it has to

be okay in every way: the land, the ploughing, the planting, the seedlings and the watering. We were very happy at the time, because it was degraded land. Now there are some trees... 50 hectares is very good for us. As the price of gas has gone up now, in a few years we can get permission to cut them down and then regeneration will be done,” says the current mayor, who was also in charge of the town hall at the time.

The forest, however, would not have grown if, after planting, it had been left untended. “There were problems with the shepherds, but we protected, we guarded, we rogued. Now it’s a grove of acacia trees, hats off. There was trouble taking the shepherds’ grazing ground but we called them, we discussed it, we made some provisions and we warned them. After the trees had grown, after about 5-6 years, they would say to me ‘Mr. Mayor, it’s so good’. In autumn the animals eat the pods, the trees are already big, the animals can’t bite them away, the grass grows, they get shade. It’s very good. That’s how it is with us, when you have to do something – it’s bad, it’s hard but then, when you see it done, it’s good,” **Valentin Țîțanu** told us.

ACCOUNTANT: “THE WHOLE QUESTION IS MONEY; SECURITY DEPENDS NOT ONLY ON DESIRE”

Twenty km away from Terebna, in the territory of Brătușeni commune, we found other... non-existent forests.... At the north-eastern border of the commune there was now an over 25-hectare acacia forest. In reality, however, seven years after planting, the trees barely occupy half of this area, the rest being a huge forest with a few trees from place to place. The rate of establishment of the acacia trees was better only on the edges of the field, where the saplings were planted on tractor-made furrows. Here the acacia trees are already more than three meters tall. On the other sides of the field, even though they were planted on furrows, the rate of root-taking of the saplings was much lower, and no further additions were made. In the middle of the field, however, where the seedlings were planted in pits without mechanized tillage, the field remained virtually bare.

Again in Brătușeni, on the meadow near a pond, poplars were planted, but here, too, only a few trees survived. Most of the saplings

either didn't take root or were eaten by animals or mowed down by locals. Instead of poplars that should have been more than three meters tall, we found only one-meter shoots on most of the land, grown from cut tree stems. I found the same situation on another strip of land nearby, where poplars should also have grown.

The mayor says that the willows have taken root badly because of the drought, and the poplars, in addition to the drought, have allegedly been also affected by the animals that are allowed to graze in that area. Town officials admit that they have not been guarding those fields and no tree care work has been done. "I have been here since 2016 as an accountant and I don't remember such activities. The whole question is about money, security does not depend only on desire," the accountant of the Brătușeni town hall told us.

NO TREE 'SURVIVED' OUT OF 1500 PLANTED IN BÂC RIVER PROTECTION STRIP IN 2019

On 26 October 2019, as part of the National Greening Campaign "A Tree For Our Preservation," dozens of employees of the Municipal Company "Association for Green Space Management" and of the General Directorate of Housing and Planning planted trees in the protection strip of Bâc River, on a segment located between Capital's Muncești Street and the village of Bâc. The planting action was announced a few days before on the Chișinău City Hall website. The announcement read that 1500 trees were to be planted.

The participants, including politicians, planted the trees in pits made directly on the previously untreated land – a rutted field previously used for grazing cattle. Under these conditions, the result was predictable. None of the trees planted in 2019 has 'survived' to this day. Only traces of the pits in which the saplings were planted remain, and cows still graze on that pasture.

The "Apele Moldovei" Agency which manages the land on the banks of Bâc River, replied to a request for information that 'it does not know the cause of the deterioration and has not been notified in this regard, or the control of compliance with the riparian strips of water protection is not the responsibility of the Agency'.

MOLDSILVA DIRECTOR: “WE SHOULD UNDERSTAND VERY SERIOUSLY THAT THERE IS NO FOREST WITHOUT GUARD IN MOLDOVA”

Valeriu Caisin was recently appointed director of the Moldsilva Agency. With more than 20 years’ experience in forestry, he has witnessed many afforestation campaigns in Moldova and believes that the authorities and the institution he now heads can learn from past mistakes. “We have to learn or understand first of all that afforestation is a technological process that has some mandatory operations to be followed. Civil society can and must participate in this process but it must be done by specialists. We should seriously understand that in Moldova there is no such thing as an unguarded forest. Any area of forest left unguarded will disappear,” the director of Moldsilva warns.

“I think there are several mistakes we should learn from. I think one of the causes of the disappearance of the former plantations or part of them is these reasons. They have not been provided with security and with functional structures... Local public authorities do not have in their payroll staff specialized in forests, but they should, in my opinion. There were also technological mistakes, no one is exempt from this job but there were also times of neglect of the forest after it was planted and after it was turned over to the owners and landowners,” the director of “Moldsilva” notes.

“The cost of creating forest plantations is not to be neglected and that would be quite an important issue. They are not cheap. And it is a pity not to learn from these mistakes, to admit some unjustified costs and money use, which would disappear over a period,” **Valeriu Caisin** says.

ICAS DIRECTOR: “EACH COMMUNITY MUST SEE WHAT THEY ARE DOING, BECAUSE THEY NEED NOT ONLY GRAZING BUT ALSO HEATING”

The National Afforestation Program announced by the Ministry of Environment, which promises to afforest 100,000 hectares over the next ten years, is still being developed, and Dumitru Galupa, director of the Institute of Forest Research and Management (ICAS), says it is only at the first stage, when land is identified. “There will be a government decision establishing responsibilities, which will be both for those who will carry

out the planting and for those who will take them over once they have been planted and the success grades have been reached. It is clear that the local authorities bear responsibility for the land they have and which will be planted, they will bear responsibility for its condition.”

ENVIRONMENT MINISTRY’S PROMISE: “WE HAVE PLANNED ACTIONS THAT COVER ALL THESE STEPS”

The Ministry of Environment is the entity that announced the National Afforestation Program and will ensure its smooth implementation. *ZdG* has been trying for several days in a row to talk to representatives of the Ministry of Environment. Neither Minister **Iuliana Cantaragiu** nor other people from the management of this institution were available for dialogue, and Dumitru Gorelco, head of the Biodiversity Policy Directorate, who has been employed in this institution since 2015, was delegated to talk to us.

Dumitru Gorelco: «In this program, we have planned actions covering all these stages, including security and subsequent protection. Once it (the forest, *author’s note*) reaches a massive state and the tree is large, dependent on climatic factors, and it grows on its own and no longer has this risk..., then it is given to the municipality.

ZdG: Do you mean that «Moldsilva» will take care of it until the tree reaches a massive state?

Dumitru Gorelco: Obviously, that’s correct. Otherwise we have no chance. It even provides guarding and protection, to avoid such factors or such acts. We try to discuss with the municipalities, to explain the risks and to identify what the previous problems were. Let them identify the land where grazing will take place, so that we do not plant or have these risks but let them give us land that obviously will not be used for that purpose.

COURT OF AUDTORS: “IN 2021, COMPARED TO 2015, THE AREA OF LAND COVERED BY FORESTS DECREASED BY 8503 HA”

In December 2021, the Court of Auditors also established that the process of regeneration and afforestation of Forest Fund land is

carried out in violation of the forestry rules and regulatory framework. During 17 years, the period of implementation of the State Program for Regeneration and Afforestation of Forest Fund Lands for 2003-2020, the main indicators related to the Forest Fund area have shown modest growth trends. The area of land covered by forests increased by 1.8 percentage points compared to the indicator for 2003 (9.6%), making 11.4% by the end of 2020, or four times lower than the average for the continent (30%-45%), the Court of Auditors' report specifies.

Data from the Land Cadaster for 2015–2021 show that during that period, both the degree of afforestation within the forest estate and the afforested areas have shown an uneven trend, with both indicators decreasing in 2018 and 2020–2021. In 2021, compared to 2015, the area of land covered by forests decreased by 8503 ha, or 2.3%, and the share of area covered by forests decreased by 2.9 p.p. respectively.

The Court of Auditors found that in recent years afforestation activities have been carried out in Moldova through several programs. One of them was the Program for the regeneration and afforestation of forest land for 2003–2020. According to the information provided by Moldsilva, financial resources totaling 526 million lei were spent for the implementation of the State Program, or 62.1 million lei less than the estimated project value of 588.1 million lei.

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**ENDOWED WITH EQUIPMENT
WORTH MILLIONS OF LEI WITH
JUST FIFTY STUDENTS AT DESKS
INSTEAD OF FIVE HUNDRED.**

**CONTROVERSIES AT STRĂȘENI
COLLEGE OF ENGINEERING**

CĂTĂLINA GRIȚCO,
AGORA.MD, 30 June 2022

Anyone who walks through the door of Strășeni College of Engineering sees that it has huge potential. This modern institution is endowed with state-of-the-art engineering equipment in extremely well-equipped classrooms, and—one of its greatest advantages—it's in the Bălți Free Economic Zone. However, the college is relatively unknown, and despite investments amounting to millions of lei, just 48 students are currently studying there.



Strășeni College of Engineering started operations in 2018 following the vocational-technical education model in which students learn and apply their knowledge simultaneously. The institution aims to train specialists and skilled workers for transnational companies in the Free Economic Zone (FEZ) and also in other branches of the national economy.

According to College Principal **Marin Ciobanu**, who is also the administrator of the Bălți FEZ, the institution is the first one in the Republic of Moldova to implement vocational-technical education at the college level following a German model.

In 2017, 20 million lei were allotted to the college from the state budget for the equipment and furniture needed to train skilled workers and managers, “...based on a partnership between the vocational education system and the business environment,” according to the institution’s charter.

Public information states that the college has modern laboratories for metrology, 3D design and printing, pneumatics and hydraulics, electrical engineering, CNC simulation and programming, welding, locksmithing and heat treatment. Strășeni College of Engineering is home to the only HAAS Education Center in Moldova, which opened on 15 November 2019. HAAS donated modern machinery used in various industries for students to work with and thus be prepared for the job

market. At the inauguration of the education center, the institution was presented as, “...the most efficient technical-vocational institution in the country,” the 137th of its kind in the world.

One of the most important pieces of equipment at the college is an ABB industrial robot that cost more than 35,000 euros.

Strășeni College of Engineering has 21 partners. Students have the opportunity to see how German, Austrian, Japanese and Italian companies are organized. These companies have paid 12,000 lei per year for a place to study.

The locksmith’s laboratory was equipped entirely from the public budget and has nine tables at a cost of 10,000 lei each. There is also a stretch-testing machine that cost more than 2000 euros and a hardness tester that cost more than 1000 euros. The laboratory also has two heat-treatment stoves that cost 1000 euros each. **Andrei Năstas**, a teacher at the college, says the institution has only the latest technology.

The college has also used money from the budget to procure 10 sewing machines costing more than 600 euros each and a digital embroidery machine that cost over 2000 euros, but they are getting dusty. They are not being used because the new course offering has not yet been approved. “You know, we have this equipment but the Light Industry course specialty is not yet offered. There were a number of problems there, including our failure to find partners to send the students to so they can practice,” Professor Năstas added.

Principal **Marin Ciobanu** told us that those sewing machines would be used for start-ups: “It’s not so simple to make a project happen. You have to fight all kinds of fools and imbeciles in this country. We’ve missed out on a lot of investments, but whom do you fight? Instead of helping you, you often have barriers. We have fully renovated premises and machinery, but all decisions have to be made at the Ministry of Education and the Ministry of Economy. It’s not up to me.” Ciobanu claims that over the years, envious ministers of economy have obstructed college operations .

FROM 500 PLANNED TO 30 ACTUAL STUDENTS

At the opening of the institution, the administration announced that the college could train about 500 students. Professor **Andrei Năstas**

told AGORA that the figure would actually be 300, but in practice the number of students should not exceed 30 because there wasn't enough equipment or space:

One is that we are limited in space and the second is the specificity of the field. As you have seen, we don't have enough equipment for large groups of students to do practical work. For example, only three students can work simultaneously on CNC machines. We are solving this problem. Some do it in the first half of the day and then others work on it later. In the welding lab, there are only eight stations. This somewhat limits the number of students we can provide practical training for here at the college.

In the first year of operations, the state offered 80 places, but only 25 people were enrolled.

According to Principal **Ciobanu**, the institution trains a limited number of students at the request of companies residing in the FEZ, and companies do not need many specialists. Another factor is the declining number of pupils and students across the country. As an example, Ciobanu mentioned the Department of Mechanics at Moldova Technical University (MTU) where he said there was a shortage of students. Ciobanu:

We are far superior to other institutions. You can't train staff without giving them options. If you don't give them options, they leave. When you're talking about big companies like Draexlmaier, Sumitomo or Gebauer&Griller, they need the skeleton, a leader and technicians. We have as many students as the companies require. Big companies need 3 to 4 people; they don't need a workforce that braids cable. They need the technicians we train. All questions should go to the donors: Ask the donors.

**SOURCES: MANAGEMENT IS NOT INTERESTED
IN PROMOTING THE COLLEGE. [REDACTED]
STUDENT: "MACHINERY STANDS LIKE IN A MUSEUM"**

AGORA's sources asked to remain anonymous. They claim that the college has unlimited possibilities, state-of-the-art equipment and enough space for many more students, but the management of the institution allegedly makes no effort and is not interested in promotion.

The teachers and the principal are said to always be absent, while the students are mostly taught by masters. According to our sources, teachers and management come to the institution only when foreign delegations, the press, or representatives of companies residing in the FEZ arrive.

We also received similar information from a number of this year's graduates. Off camera they claim they do not know how more than half of the machines on display work, and that the professors are virtually absent. For example, one of the graduates told AGORA that he and his colleagues had never worked with the ABB robot, and most of the knowledge he gained about it was when he went to work for one of the resident companies in the FEZ. Another graduate said:

Here at the college nobody does anything, but my colleagues won't talk in front of a camera because they are all waiting to take their exams and receive their graduation diplomas. Everything we've learned is from practicing in companies. The machinery is like an exhibition in a museum. It's only to look at, and the teachers know a lot but won't talk. They're all afraid of Marin Ciobanu.

Marina Morozova, MP from PAS and formerly general manager of Blacksea-EMS SRL, a company residing in Bălți FEZ, agrees that the investments made do not match the outcomes of the college. "Things are indeed like that. I have also told Mr. Ciobanu and a number of his colleagues that the investments made do not render the results they should. To have such investments and forty students?"

On the other hand, **Oana Vodiță**, manager of the project "Promoting Technical-Vocational Education for a Green Economy" and an expert at the German International Cooperation Agency in the Republic of Moldova (GIZ) says that the trend of college development is positive, considering the sector in which it operates and taking into account the engineering specificity of the institution. "This is an institution created from scratch. I think it needs a little more time for the specialties it has to consolidate. However, resident companies in the Free Economic Zone fight for the graduates of the College of Engineering to join them. The College definitely needs to be promoted more."

According to information provided by a number of sources, when opening a college of engineering in Strășeni was discussed, the possibility of a collaboration with Moldova Technical University was

considered. MTU rector **Viorel Bostan** told AGORA that a potential collaboration had only been discussed but that he would be delighted if it took place.

Unfortunately, Mr. Marin Ciobanu's reaction has been unenthusiastic. All our collaboration has consisted of him taking only MTU professors and lecture notes. We have the Technical College where about 300 students study, and the number is growing year by year. I am sure that in the near future this number will triple. We have to admit that a mistake was made at Strășeni College. Let us ask ourselves how public money is used? It is time for the Ministry of Education to admit that a mistake was made by investing millions there for only forty students.

We have tried to talk to a number of people who are connected with the Strășeni educational institution in Bălți FEZ, but we have been refused each time. One of the persons concerned said, "I completely refuse to speak about this college. I don't want to get into trouble with Marin Ciobanu."

We asked **Marin Ciobanu** why many of our contacts avoided answering questions. "I didn't beat or insult anyone. I didn't kick anyone out. I didn't do anything bad to them; conversely, I gave vulnerable people money out of my pocket. I didn't ask for it back. I gave it as a gift. People have fantasies," he responded.

AGORA has been researching this subject for several months. In order to find out more details about the work of Strășeni College of Engineering, we submitted a request to the Ministry of Education and Research on 5 May 2022. The latter forwarded the request to Marin Ciobanu and on 25 May we received a vague reply. Subsequently, we made several attempts to talk to Marin Ciobanu, but he avoided answering our calls. Finally, the college principal agreed to talk to us, but he was annoyed that we were interested not only in education issues but also in funding.

"I don't understand why you are interested and insist on knowing how much money the state gives us and how we are funded. Do you want to disparage me?" **Marin Ciobanu** asked. He claims that the institution he leads is a top-notch one and that the efforts he has been making are colossal. "We have received an additional 500,000 euros to buy even better technology, and the Americans have signed an agreement to give us 1 million dollars. You position yourselves as

if this is bad. If you want to make a comparison, go to the Technical University College. Today, we are the best according to international criteria,” he added.

Pavel Gordelenco, Deputy Director for Education and Training at the College of Engineering, also avoided discussing with AGORA the investments made in the College, the costs the institution incurs and the exact amounts allocated for its operation. “All questions about money go to Mr. Ciobanu, please. I can’t tell you. The college was founded in 2014, we started working here in 2018. We cannot give you exact data about the investments made and the financial part because we don’t know them. We don’t know what happened before us. I can only tell you what activities we currently have with the students,” **Pavel Gordelenco** told us.

On 25 May 2022, 48 students were studying at the college. The value of assets (fixed assets) under college management was 21,608,700 lei, and during three years of operation, the institution received two grants from the United Nations Development Program and the Chamber of Commerce and Industry of the Republic of Moldova, as well as equipment and donations from partner companies in the amount of approximately 5.5 million lei. The Ministry of Education and Research provides the college budget according to Government Decision no. 1077 of 23 Sept 2016 and no. 1009 of 1 Sept 2006. The annual budget is 2.5 million lei. The money is used to pay employees, to maintain the premises and the student dormitory, and for scholarships and student meals.

OVER THREE MILLION LEI AND ROMANIAN FUNDING INVESTED IN VAIN IN SOROCA STADIUM

VIORICA ZAHARIA,
MOLDOVACURATA.MD, 8 November 2022

The technical design for the modern 1200-seat stadium to be built in Soroca, executed despite a conflict of interests by the firm of the former chief architect of the district, derailed the entire project. Although it was to be built over four years—2019–2022—the stadium is still basically a pasture as work halted shortly after it began. The site has so far swallowed up 3.3 million lei. The former chief architect, the same one who drew up the incomplete, unworkable design, has liquidated his firm. The current management of Soroca District Council is determined, however, to complete construction and has contracted a new firm to design it. The stadium was to receive €100,000 in non-reimbursable funding from Romania’s Bacău County Council, but because of the situation on the construction site, the Bacău Council has delivered only a portion of the money and does not plan to allocate the rest.



2017. On 10 August the Soroca District Football Association announced in a letter to the Soroca District Council (DC) that the Moldovan Football Federation (MFF) was ready to offer artificial turf and plastic seats worth 200,000 euros for a future district stadium. The association thus asked the council to initiate and finance the construction of the stadium.

Then District President **Ghenadie Muntean** and the DC concluded that the stadium should be built in Rublenița Commune, located about 7 kilometres from the district centre. On 4 December Rublenița Town Hall offered Soroca District Council the loan of the site of the locality's existing stadium for 25 years. In the following months, there was, however, no significant activity with regard to this initiative.

2018. In October, the intention to build the stadium was first publicly discussed. District President **Ghenadie Muntean**, Vice President **Iurie Todorean** and District Chief Architect **Ion Golovatâi** went to the site and took pictures and had a poster representing the “graphic design of a second category stadium according to UEFA classification.”

The press release published at the time said that the working group “entrusted” Chief Architect **Ion Golovatâi** with preparing the documents necessary for the stadium’s design.

On 31 October at the request of the Soroca DC, Rublenița Town Hall issued an urban planning certificate authorizing design work for the stadium that also stated that the general plan and all corresponding elements would be coordinated with architect **Golovatâi**.

AFTER SOROCA DISTRICT COUNCIL ALLOCATES MONEY FOR STADIUM, CHIEF ARCHITECT OPENS DESIGN FIRM

In a decision on 29 November 2018, Soroca DC made the first allocation of money for this project by providing 2 million lei for it in the 2019 budget. A month after this decision, **Ion Golovatâi** registered Arh Expert Project company of which he and his wife were founders. On 22 February 2019, two months after its creation, the company was contracted by Soroca DC without a public tender to design the stadium for the sum of 195,000 lei. Although Arh Expert Project had 2.5 months to deliver the blueprints, the company delivered them on 26 February—just four days later—and almost immediately took reimbursement for the work. The design was submitted by Ion Golovatâi’s wife as company administrator, by Golovatâi as chief district architect and by District Vice-President Iurie Todorean, and was later countersigned by President Muntean.

At the time, no one objected, but later the DC announced that the plans were incomplete and that six important chapters were missing, among them water supply and sewage networks, room ventilation, and fire protection.

IN THE MEANTIME, FUNDING WAS OBTAINED FROM BĂCĂU COUNTY COUNCIL

The cost estimate provided in the technical plans drawn up by Arh Expert Proiect stated that the whole construction would cost 16 million lei and that construction would take four years (2019–2022). While the public tender for selecting the contractor to carry out the construction work was taking place, **Ghenadie Muntean**

reached an agreement with **Sorin Braşoveanu**, President of Bacău County Council, for their participation in financing the stadium construction. At a meeting on 24 June 2019 attended by a delegation from Soroca County Council, Bacău County Council voted to allocate 100,000 euros for the stadium in Rublenița.

WORK WAS STARTED, THEN STOPPED: BLUEPRINTS INCOMPLETE

Soroca DC selected the company Foremcons SRL to build the stadium via a public tender using the plans submitted by Arh Expert Project. Work started in July 2019 but stopped shortly afterwards due to a discrepancy between the cost estimate and the actual project cost. As a result, in October 2019 an additional agreement for 1.3 million lei was concluded.

In autumn 2019 stadium construction started to slow down and soon stopped. Foremcons SRL dug the foundation pit for the stands, made a retaining wall, waterproofed and insulated the retaining wall, did some masonry work and laid some limestone blocks while submitting several documents to Soroca DC pointing out gaps in the technical design plans and asking for them to be completed and adjusted. The council claims that as a result, the designer made some changes, but other requests were not addressed. In the meantime, Soroca district leadership changed and Chief Architect Golovatâi left his position. Finally in January 2021, Arh Expert Project completed additional sections of the plans, but the design remained unworkable according to the Soroca DC.

MORE MONEY FROM BUDGET FOR EXPERT EXAMINATION

In February 2021, Foremcons officially informed Soroca DC in writing that it had suspended work because the technical design was incomplete, there were inconsistencies between the design and the cost estimate, and the design was unworkable given the real situation on the ground.

In an attempt to resume construction after several months in

which no further work had been carried out, in 2021 Soroca DC allocated more than 70,000 lei for an expert examination of the work done as cracks had been reported in the wall. The expert report showed that the cracks could be repaired and did not affect the construction and that work could continue. Work has not yet been resumed, however, because the contractor has insisted on having a complete technical design. **Dragos Manole**, Technical Director at Foremcons at the meeting of Soroca DC on 16 December 2021:

We cannot continue the work: The plans do not provide for ventilation, electricity... When we started work, the problem arose that the scope in the specifications did not match the execution actually required on site. When we started digging, the sizes were different. The bank started to collapse. An additional agreement was made to make a retaining wall so that the road would not cave in [the stadium is right on the edge of Route 14]. When we started to do the work we found that one thing or another was missing. The design does not match the reality on the ground.

AFTER SPENDING 3.3 MILLION LEI, THE STADIUM IS TO BE REDESIGNED WITH NEW FUNDING

Data provided by Soroca DC shows that from 2019 to 2021 the construction of the stadium—design, expert examination, construction work—cost 3.27 million lei. The council informed us that in order to continue construction, they decided to contract a new design via a public tender. The designer has already been selected to draw up a technical design with “measures to protect the stadium from shifting ground.” The design is now underway, and Soroca DC has earmarked 350,000 lei for it. “Following the implementation of the technical design on protective measures for the stadium, it is proposed to redesign it to allow completion,” the council recently informed us.

SOME COUNCILORS SKEPTICAL STADIUM WILL GO AHEAD

Some councilors, however, were against the decision to allocate any more money for the stadium, insisting at the meeting on 16

December 2021 that officials from the council administration first answer some questions:

Councilor Victor Ciuvaga: “Please tell us how it was possible to accept the designer’s work on 26 February [2019] and yet the plans were not submitted in full?”

Elena Mățu, Head of Construction, Communal Household and Roads Section, Soroca DC: The execution of design services contains the signature of the district’s chief architect.

Councilor Mihai Mățu: “Do you think it is possible that a 16 million lei project can be designed in four days? To make detailed plans and cost estimates in four days? You had the opportunity to submit queries to the designer. On 31 December the design firm’s contract expired. At that point you had not raised any objections. There are documents which today do not allow us to allocate any more money for the design, otherwise we all become co-participants in the whole thing. You can’t do good things by permitting illegalities again.”

Councilor Sergiu Dragan: “There are a lot of uncertainties, but if we don’t vote on a decision, we are in essence burying several millions. I am in favor of us voting, but at the same time we should try to recover what has been lost.”

Councilor Iurie Todorean: “I don’t think there are professors here today [in the room] or designers or project experts, who have to share their opinions. This is a strategic project that needs to be extended. We don’t have to find the culprit today. The culprit himself knows who he is.”

WHAT THE FORMER CHIEF ARCHITECT SAYS

Ion Golovatai, the former chief architect whose company designed the project despite the conflict of interests and submitted it incomplete, closed his company in July 2021, so now Soroca DC has no one to send claims to. The National Anti-Corruption Centre informed us that Golovatăi is being prosecuted accused of, “...abuse of power or abuse of office, committed for material interest, for the purpose of achieving other personal interests or in the interest of a third person.”

Ion Golovatai has been indicted in absentia as he has been abroad for some time. He confirmed this himself in a telephone conversation when we asked him to answer a few questions:

I didn't follow up on my email because I was out of the country. Well, let someone else answer, I'm not working anymore, I'm retired. I now give answers to competent bodies, not to newspapers. I'm being interrogated and until the court proceedings are over and until the questions are clarified, I'm not giving any more interviews... I have to consult my lawyer if I can say anything. To prepare some information, you can email me and I will submit an answer.

After this discussion, he did not answer our phone calls or email questions.

WHAT FORMER DISTRICT PRESIDENT GHENADIE MUNTEAN SAYS

Ghenadie Muntean (Democratic Party of Moldova), now a district councilor, served as district chairman until November 2019. The conflict of interests in which his subordinate Ion Golovatâi was involved was confirmed by the National Integrity Authority [Ion Golovatâi has challenged that; the case is pending in court]. We asked Ghenadie Muntean if he knew that the design company was in fact the architect's, that it was established as soon as the DC decided to allocate money for the design of the stadium, and why he did not prevent that conflict of interests.

I didn't know, I can't know everything. When a firm appears or a contract appears, to call the Chamber of Registration to ask... They found the company that wanted to design, so many specialists signed. I signed too; there are people who signed before me. If they checked and everything was in order, I signed too. In 2020 the architect was still in office. He was active in the council for another 1.5 years after that. And I ask myself why he did not fix the problems in the project, especially since Mr. Rusnac [Veaceslav Rusnac, the current president of Soroca district] organized many meetings, called the executing company, called the designer. I wonder too, couldn't he fix it?

Ghenadie Muntean believes that a part of the blame for the failure of the project lies with the executing company:

I still think that one of the problems is the irresponsibility of those young guys who were supposed to build. We didn't get lucky with a more serious contractor when the stadium construction started. Right from the beginning, when we asked all the participants before the tender, they looked at the design, you are acquainted with everything... yes, yes. I was even surprised that the other companies participating in the tender gave higher bids while theirs [Foremcons] was two million and something less than the rest, so we were happy.

Foremcons did not reply to our questions although a representative told us by phone that, "the lawyer is preparing the answer." From 12 October to 5 November we received no reply.

WHAT BACĂU COUNTY COUNCIL SAYS

In a reply to our request for information, **Bacău County Council**—which now has a different composition and management than the one that approved the financing agreement for Rublenița stadium—informed us that according to payment requests and supporting materials, so far 38,501 euros out of the 100,000 euros budgeted had been paid. That figure is different from the one provided by Soroca DC which informed us that Bacău had allegedly transferred 65,702 euros.

Bacău County Council will no longer finance the construction of the stadium: "Bacău County Council has not foreseen and cannot commit itself to foresee in the budget proposal for 2023 amounts destined to finance the construction to which you refer."

WHAT THE MOLDOVAN FOOTBALL FEDERATION SAYS

Although at the initial stage the MFF was willing to donate artificial turf and other infrastructure worth 200,000 euros to Rublenița stadium, the MFF has not done so due to the failure to construct it.

In response to a May 2018 request from former District

President Ghenadie Muntean, former MFF President Pavel Ciobanu said that the federation would provide “a field with artificial covering and a set of gates” only after the stadium meets minimum requirements with subsequent approval of the work by the MFF.

The Deputy Secretary General of the MFF informed us that this was standard procedure for the MFF, i.e., it helped with the construction of stadiums only by donating infrastructure items such as night facilities, individual seats and playing surfaces, provided that the work carried out met the minimum requirements for stadium construction. MFF does not allocate money.

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AUTHORITIES ANNOUNCE PAȘCANI PELLET PLANT NOW OPERATIONAL

VICTOR MOȘNEAG

ZIARUL DE GARDĂ, 3 August 2022

In August 2022, almost a year after Ziarul de Gardă revealed that the pellet plant in Pașcani, Criuleni that was to provide heating to a number of public institutions had been idle for more than six years, authorities announced that it had started to work.



After the story “Biomass Heating: The Story of a Moldovan Failure Fueled By Japanese Millions” published by *Ziarul de Gardă* on 1 November 2021 and in that year’s edition of the “Black Book of Public Money Waste,” the subject was discussed at the highest level. At a meeting at the Ministry of Agriculture, the Japanese ambassador in Chișinău discussed the topic and the content of that story with Moldovan authorities, and after that, representatives of the Japan International Cooperation Agency (JICA) visited the pellet factory in Pașcani.

MINISTRY OF AGRICULTURE ANNOUNCES RESUMPTION OF FACTORY OPERATION IN PRESS RELEASE

The Ministry of Agriculture and Food Industry (MAIA) issued this release on Wednesday 3 August 2022:

The pellet factory in the locality of Pașcani that was built with the financial support of the Government of Japan in 2015 has restarted its operations. In order to get acquainted with the pellet production process, Sugimoto Satoshi, Resident Representative of JICA, paid a working visit today to the pellet factory together with representatives of the management of the Agency for Development and Modernization

of Agriculture (ADMA) that had implemented the construction of the pellet plant.

Ministry of Agriculture officials also said the factory had about 250 tons of raw material to ensure pellet production. “As a reminder, factory operations were revived after an extensive process of identifying and mitigating flaws in the technological production line. The Japanese official thanked ADMA for its involvement in reactivating production and for the progress made in this area. JICA also counts on the plant’s contribution to providing pellets for our citizens,” the release added.

ADMA Director **Maxim Popov** says that the plant is operational today but still needs investment.

“ZDG INVESTIGATION OBVIOUSLY RAISED HIGH LEVEL OF PUBLIC AWARENESS”

Maxim Popov:

Even though the pellet plant is not today *de jure* under ADMA management, we as an agency are required by the grant agreement to report to the donor. We knew from the beginning that the factory in fact never worked, or that if it did, then it did so in interests other than those stated in the agreement. What is certain is that huge sums had been invested.

From the start back at the beginning of 2021, I myself set out to try to identify a solution together with Director Ilie Bucuci [of the Agricultural Mechanization Training Centre]. We held a series of meetings with Minister Gherciu and members of the parliamentary committee at the plant’s headquarters in which we agreed on a set of actions to be taken in order to start the plant up and at the same time put the remaining unconnected boilers into operation.

The ZdG investigation obviously raised public awareness to an extremely high level and further exposed this national shame and somehow the lack of accountability of some of the leaders at the time. Shortly after the investigation appeared, a series of meetings at MAIA followed. In addition, in December 2021, JICA representatives began a series of on-site verifications and inspections. To date, a diagnostic review of the plant has been made, and the entire production line and electrical system have been repaired.

The actual production of pellets started around the end of April 2022, and I have the impression that more than a thousand tons of pellets have been produced. As of today, the plant is operational. From a discussion with plant manager Ilie Bucuci, there are problems in terms of electricity supply because the plant does not have an autonomous connection to the grid; the connection is provided through the infrastructure of Porumbeni Institute. According to Mr. Bucuci, there is still some investment needed in terms of purchasing pellet machine matrices, and resources are needed for an autonomous connection to the energy grid. We have proposed to the funder to consider the possibility of transferring this asset to the Public Property Agency for management, to be subsequently managed by a state enterprise or another entity that has competence and power in the energy sector, of course only after receiving JICA agreement.

“THE FACTORY LACKS EMPLOYEES, BUT WE HAVE COME A LONG WAY IN IDENTIFYING A SOLUTION”

Ilie Bucuci, Director of the Agricultural Mechanization Training Centre, the institution that manages the pellet factory in Pașcani, says that the factory is technically operational but it lacks employees and does not produce pellets now:

The factory is working on all positions. We have tested it. Now the form of management has to be identified. It is on the balance sheet of an inactive enterprise that has no staff. We are going to identify the form of management. We are also discussing transferring its management to another company that is active. The factory lacks employees, but we have come a long way in identifying a solution. The Ministry of Infrastructure and the Ministry of Agriculture are also working on the problem but unfortunately, we still don't have people working there today. Technically, it could work.



End of Cross-Border Project in Cărpineni: 1.5 Million Lei for Solar Panels That "Have Never Worked"



Former Member of Parliament's "Farm Building" With Pool and Two-Storey House on the Forest Edge. Forest Fund Area Reduced by Five Hectares under Similar Scenarios in Recent Years



The Pandemic Is Over but Uncertainties About Tax Relief for Disinfectants Remain



Non-Existent Forests. In Search Of Trees That Have NOT Grown



Over Three Million Lei and Romanian Funding Invested in Vain in Soroca Stadium



Endowed with Equipment Worth Millions of Lei with Just Fifty Students at Desks Instead of Five Hundred. Controversies at Strășeni College of Engineering



After Years of Abandonment, a School Construction Site in Dubăsarii Vechi Is Claimed by Former Kolkhoz President

2022

BLACK BOOK OF PUBLIC MONEY WASTE IN REPUBLIC OF MOLDOVA

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FRIEDRICH NAUMANN
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