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**Romanian public procurement in the construction sector.
Corruption risks and particularistic links**

ABSTRACT

Improving infrastructure in Romania has been a significant project in the past 25 years. Unfortunately, although large amounts of public funds were spent in the construction sector from 2007 to 2013 (an average of 6.6% of GDP), the physical results in terms of project quality and completion do not match this investment. One of the explanations for this is that public contracts were awarded to companies based on corrupted practices or political connections, the focus being on redistributing public money and not achieving high quality construction works.

The present research points to the fact that statistical data analysis can be used in detecting corruption. The practice of single bidding and the tendency to establish political connections exist in the entire public procurement market. Nonetheless, non-EU funded contracts present a higher corruption risk. Only 1 out of 7 contracts receiving European funding were awarded to a single bidder, as opposed to 1 out of 4 contracts financed by the state budget. Still, 1 out of every 3 contracts won by a politically connected firm involved European funding. Data analysis also concluded that the number of contracts awarded per company can be explained by single bidding and the existence of a political connection in 44% of the cases. The agency-capture analysis revealed that favouritism in public procurement occurs especially at the local level and in state-owned companies. Most of the companies that “captured” contracting authorities are politically connected firms.

At the same time, the case studies give an account of how firms’ owners go to great lengths to consolidate a network of relationships with high ranking officials so as to keep their doors open and contact political elites, but also various state institutions whose activity can favour or disrupt their companies’ economic well-being.

KEYWORDS: public procurement, construction sector, EU funding, corruption risk, market concentration, particularistic links, agency capture, party donors

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ACCRONYMS

AADR	Agency for Romania's Digital Agenda
ANI	National Integrity Agency
ANRMAP	The National Authority for the Regulation and Monitoring of Public Procurement
CPV	Common Procurement Vocabulary
CVM	Cooperation and Verification Mechanism
CNADNR	Romanian National Company of Motorways and National Roads
DNA	National Anticorruption Directorate
EC	European Commission
EU	European Union
FOIA	Freedom of Information Act
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GEO	Government Emergency Ordinance
IMF	International Monetary Fund
IPP	Institute for Public Policy
MDRAP	Ministry of Regional Development and Public Administration
MT	Ministry of Transport
SEAP	Electronic Public Procurement System
PP	Public Procurement
PPP	Public-Private Partnership
PSD	Social Democratic Party
SAR	Romanian Academic Society

VAT

Value Added Tax

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I. INTRODUCTION

Investigative journalists and Romanian public opinion have always claimed that public funds for infrastructure are granted only to favourite companies and squandered. Romania managed during its 25 years transition to build only 695 km of highways (Ministry of Transport, 2015). Also, the absorption rate of Community funds in the transportation sector was among the lowest in the first full EU budgetary cycle since Romania's accession compared to other categories of structural and cohesion funds¹, and by 2015, after eight years of membership, Romania still struggles to determine which projects should become a priority.

If effectiveness in building public infrastructure has not improved after Romania's accession, the effectiveness of anti-corruption seems to have grown. The media counted in March 2015 that in the last two years alone, no less than five market leaders in the public construction sector have ended up in jail (Nelu Iordache, Dan Beşciu, Theodor Berna, Alexandru Horpos, Vlad Vameşu), and criminal investigations were initiated vis-à-vis others, after a long period of apparent impunity (Ziarul Financiar, 2015).

As part of Romania's EU accession process, dedicated anti-corruption agencies were created, such as the National Integrity Agency (ANI) aiming at enforcing conflict of interest legislation and the National Anti-corruption Directorate (DNA), a special criminal prosecution agency. The 2001 Freedom of Information Act (FOIA, Law 544/2001) has been effectively implemented and new measures to increase public procurement transparency were introduced. Moreover, building upon an auction system named eMarket in use from 2002 to 2006, an Electronic Public Procurement System (SEAP) was introduced in 2007.

However, these measures came under threat in the first years of EU membership since there was a pushback against the wave of reforms. There were attempts to curtail the powers of the two anti-corruption agencies, public administration was again severely politicized and, instead of decreasing, the clientelistic distribution of public funds grew steadily (Mungiu-Pippidi, 2008). The DNA's activity in the past three years disclosed details of high corruption cases in which the Romanian state lost hundreds of millions of Euro. It showed that the public procurement (PP) sector is the main medium through which public officials, once elected, redistribute funds to their political clientele and fund their political parties (Piga, 2011). However, systematic evidence is missing and the increasing number of arrests show that while anti-corruption is more effective,

¹ In the 2007-2013 budgetary cycle, the Transport Operational Programme had the highest financial allocation (4,42 billion Euro) among all the programmes under the structural and cohesion funds category, but, at the end of 2013, it had the second lowest absorption rate (19%) behind the Operational Programme for Increasing Economic Competitiveness (14%). In addition, at the end of 2012, only these two programmes suffered from a de-commitment procedure and the largest sum (138 million Euros) was subtracted from the Transport Programme, thus decreasing the overall financial allocation available. This programme also comes in second (57 million Euros) when referring to debt claims and financial corrections incurred from 2008 to 2013 and which affect the EU financial allocation for the transport sector (Dimulescu, Pop, 2014).

its deterrent effect is not yet felt. Many public contracts continue to be awarded to party donors² through uncompetitive procedures such as the so-called negotiation without prior publication of a participation notice, leading to single bidding (Simina, 2014). Also, most of the Romanian billionaires in the Forbes magazine's top 100 businessmen earned their fortunes from public rents rather than innovation or superior competitiveness (Ancutescu, 2014).

According to the Global Competitiveness survey, businesspeople perceive Romania as one of the worst countries when government favouritism and wastefulness of government spending are concerned. Transparency in policymaking has been decreasing a few years in a row. The other indicators show practically no evolution over the years, from an already poor (**Table 1**). Despite the change in the number of countries evaluated in the World Economic Forum's Global Competitiveness Index (ranging from 120 to 148, depending on the year), in the *2nd pillar: Infrastructure*, Romania has never ranked better than the 84th place, a position held back in 2006-2007 when only 120 countries were being evaluated. At the moment, out of 144 countries, Romania ranks in the 85th position in the same pillar. The prosecutors' findings in cases pertaining to public procurement crimes support the results of the abovementioned perception-based survey.

Table 1. Global Competitiveness Index - 1st pillar. Country Ranking (1-148 countries)

Series	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
1st pillar: Institutions	88	114	116	99	81	84	89	94	88
1.03 Diversion of public funds	82	114	115	96	84	75	80	86	88
1.07 Favouritism in decisions of government officials	114	137	128	115	123	117	113	116	103
1.08 Wastefulness of government spending	116	134	114	107	110	112	111	116	101
1.12 Transparency of government policymaking	86	115	136	140	137	128	124	126	118
2nd pillar: Infrastructure	85	100	97	95	92	110	105	100	84

Source: *The World Economic Forum*

The construction sector is especially important since public spending in this particular domain accounts for 58% of total public procurement. An equally important note is that the 2014 Cooperation and Verification Mechanism (CVM) report of the European Commission (EC COM (2014) 37 final) pointed out that Romania has made improvements over the years in fighting corruption, but that the PP sector is particularly vulnerable to such risks, especially at the local level where administrative capacity is weak. Thus, the opportunities for corrupt practices, such

² Previous studies analyzing party financing with a focus on Romania have emphasized cases of political campaign donors being rewarded after the elections with public contracts (Gherghina & Chiru, 2012; Volintiru & Gherghina, 2014). In the present report the issue of party donations which take on a form of pre-electoral bribes and kickbacks is examined in greater detail and using micro-level public procurement contract data from the construction sector from 2007 to 2013.

as awarding contracts based on government favouritism are high, especially in the construction sector.

The perception of businesspeople, journalists and ordinary citizens interviewed by the Eurobarometer coincides with the assessment of high risks of corruption. This report tests this perception by statistical means in the area of public infrastructure (construction sector), which is allegedly the most prone to corruption. The report uses Romanian public procurement data from 2007 to 2013 and it reviews national procurement patterns in procurement legislation and practice. Detecting corruption risk in public procurement is achieved through descriptive and inferential data analysis, noting the differences between EU funded public procurement and nationally funded public procurement. To trace the particularistic links which may influence public resources allocation (Mungiu-Pippidi, 2014) we use both quantitative and qualitative methods (two case studies). Finally, we list some options on how to tackle access to public procurement information and help limit corruption.

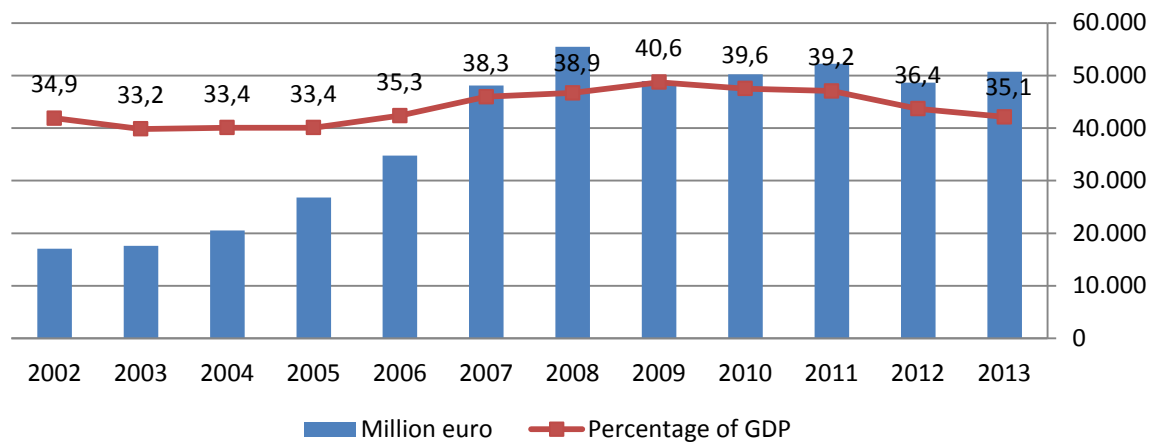
II. MATERIAL STAKE: PUBLIC PROCUREMENT IN ROMANIA

1. General view – the public procurement market

The necessary information on the specific national level indicators was obtained through a FOIA request sent to the National Authority for Regulating and Monitoring Public Procurement (ANRMAP) which answered in over 30 calendar days. Furthermore, although several projects had been publicly announced, until the completion of this country report, no Public-Private Partnerships (PPPs) were signed. Therefore, the following analysis of national level data on procurement relies entirely on the registered public procurement contracts in SEAP, the e-procurement portal. However, at least a third of public institutions did not use SEAP back in 2007. The number of users has gradually increased and, by the end of 2014, 14,721 contracting authorities were registered in SEAP (from 9,591 in 2007).

The existing official data shows that public spending increased continuously until 2008. Only the world economic crisis, combined with the European debt crisis, put an end to its growth rate in terms of absolute value (million Euros) – see Figure 1. As a percentage of GDP, total general government expenditure reached 40.6% in 2009, and slowly declined to 35.1% in 2013.

Figure 1. Total general government expenditure



Source: EUROSTAT

The three consecutive years that registered the highest government expenditure – 2007, 2008 and 2009 – are electoral years when quality of governance decreased (**Table 2**). For example, before each electoral campaign, the government decided to augment salaries and social expenditures above the state budget sustainability level (SAR, 2010).

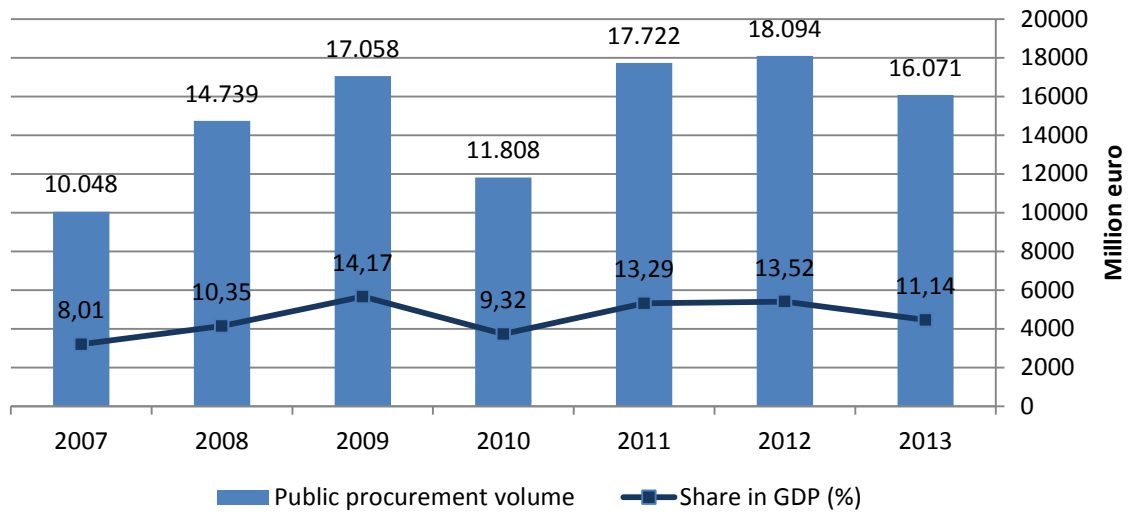
Table 2. Electoral years in Romania

YEAR	2007	2008	2009	2010	2011	2012	2013
Type of Elections	European	Local, National	European, Presidential	-	-	Local, National	-

Source: own compilation

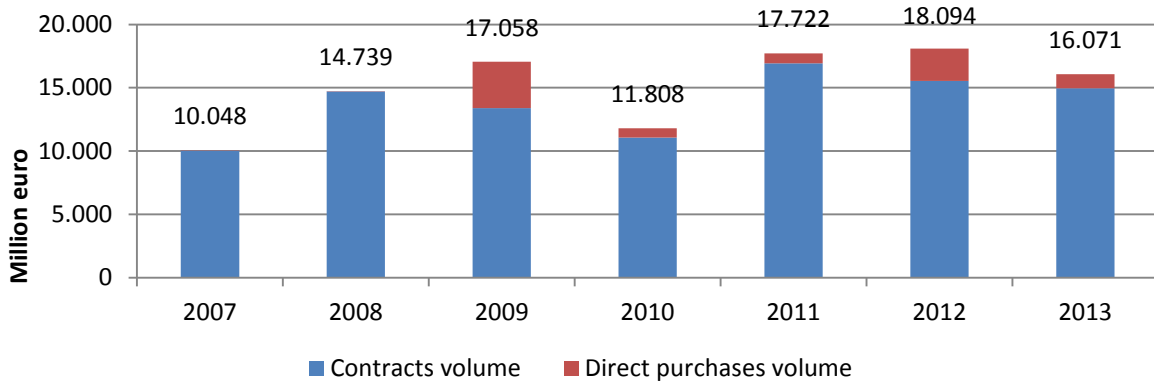
Government expenditure stabilized at around 50 billion Euros in the last four years of the period under scrutiny. In contrast, public procurement (at least the volume declared in SEAP) reached a first peak of 17 billion Euros in 2009 (14% of GDP), when the country was already facing economic crisis (**Figure 2**). While the Romanian economy contracted by 7.1% (negative GDP growth rate) in 2009, the augmentation in public procurement spending also coincided with a much higher total value of direct purchases (**Figure 3**). It may be that the simplified procedure of direct purchases, in which authorities freely chose the supplier of goods, services and works (see section III), was used to help certain favourite firms face a more difficult economic environment. Another scenario implies that public procurement at the time was greatly influenced by both the presidential and European elections in 2009 and by the need to finance companies that contributed to these election campaigns.

Figure 2. Total procurement volume and its share in GDP



Source: EUROSTAT, ANRMAP and own calculations

Figure 3. Total public procurement volume



Source: ANRMAP and own calculations

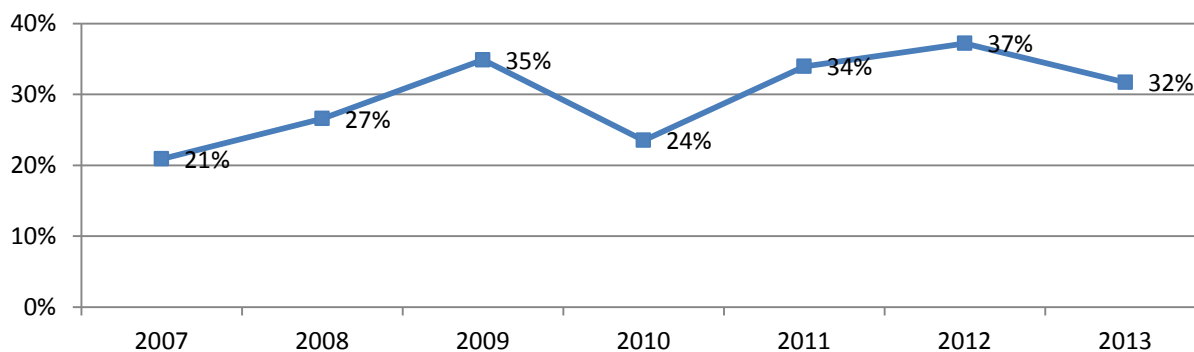
Figure 4. Number of public acquisitions



Source: ANRMAP and own calculations

The declared value of public procurement contracts stalled in 2010 despite a growing number of contracts and direct purchases from year to year (**Figure 4**). The law was modified in 2009, when the threshold for direct purchases was raised to 15,000 Euro (from 10,000 Euro). One explanation for the phenomenon might be the impact of austerity measures combined with the end of the presidential and European electoral campaigns (resulting into a smaller demand for public contracts from political sponsors). Romania signed a stand-by Agreement with the International Monetary Fund (IMF) in 2009. At the time, government expenditure was slowly decreasing in absolute value, as public wages were being cut due to austerity measures. However, Romania barely implemented some of the IMF requirements and only mimicked economic reform during the 2009-2012 period (SAR, 2013). After 2010, public procurement returned to its 2009 share in total general government expenditure (**Figure 5**).

Figure 5. Share of PP in total general government expenditure (%)



Source: EUROSTAT, ANRMAP and own calculations

In terms of the number of public procurement contracts, starting with 2008 there were over 100,000 contracts signed almost every year: the SEAP platform recorded over 122,000

contracts in 2009 and 2010, while in 2013 the number dropped to 81,000 (Figure 4). Declared direct purchases progressed from 38,710 acquisitions in 2007 to over 1.1 million procurements in 2013. It followed closely the growing number of contracting authorities that registered in SEAP: from 9,591 public entities at the beginning of 2008 to 11,551 at the end of 2009, and 13,515 in 2012. In the last two years, over two thousand contracting authorities entered the electronic public procurement system (totalling 14,721 entities in 2014).

2. Public procurement in the construction sector

In this report, the definition of public procurement in the construction sector considers the Common procurement vocabulary's (CPV) 44, 45 and 71 divisions³ which cover all products and activities (works and services) concerning constructions. Thus, evaluating public procurement at sector level by making use of SEAP data includes in the analysis all contracts falling under these three CPV divisions.

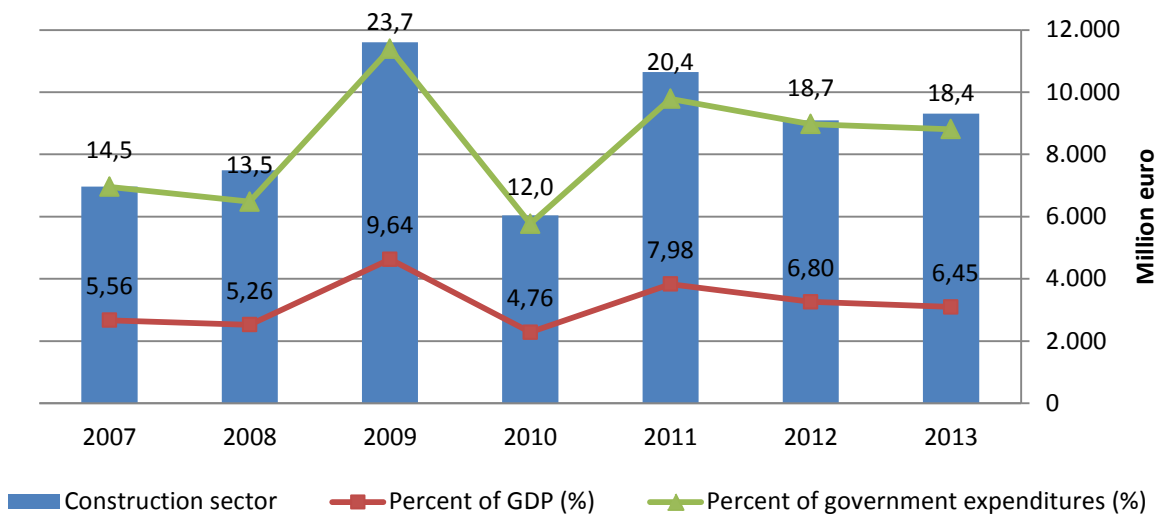
Public spending in construction reached nearly 7 billion euros in 2007, peaked at 11.6 billion euros in 2009 (the year of European and presidential elections) and one year later dropped to 6 billion euros. Afterwards it surged again to 10.6 billion euros (2011) and in the following two years it settled to around 9.1 billion euros. By comparing public procurement in the construction sector with total public procurement, one concludes that the general trends are closely followed at the sector level. Despite the economic crisis, 2009 represents the peak, both in absolute value and in percentage – share of GDP and share of total government expenditure (**Figure 6**).

Two explanations may arise. One is that maybe the additional number of contracting authorities registered in SEAP brought a relevant increase in the volume of declared procurement without more spending actually taking place. But it may also be that procurement spending was kept up by politically connected companies that were either in financial difficulties or in need of funding in electoral years and which find alleviation in public contracts. The increasing number of contracting authorities registered in SEAP and of direct purchases can hardly explain the huge sum spent in the construction sector only in 2009, over 3 billion euros, compared to all the other years (**Table 3**), which suggests that elections (presidential and European) taking place in that year might have played a role.

Although the number of contracting authorities registering in SEAP kept growing in subsequent years, the share of construction procurement in government expenditures or in GDP never returned to its 2009 level. Austerity measures had an impact on the 2010 construction related contracts, but as noted before, the IMF requirements became looser and looser in terms of public procurement. Also, the pressure of elections faded away until 2012.

³ These particular CPV divisions refer to: 44 – Construction structures and materials; auxiliary products to construction (except electric apparatus), 45 – Construction work and 71 – Architectural, construction, engineering and inspection services.

Figure 6. Construction sector procurement - volume and share in GDP and government expenditure



Source: EUROSTAT, ANRMAP and own calculations

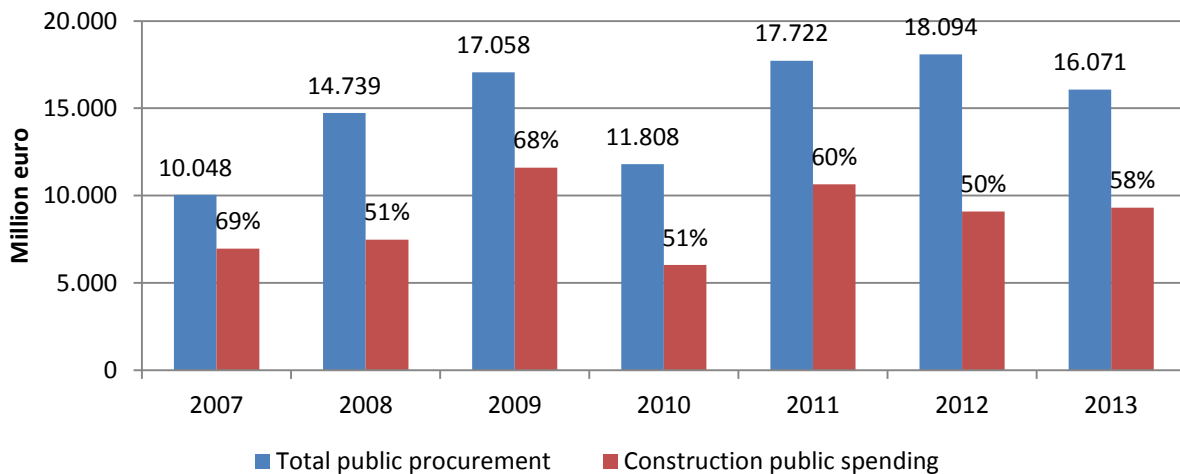
Table 3. Direct purchases volume - PP in construction sector

YEAR	2007	2008	2009	2010	2011	2012	2013
EUR million	0.040	0.618	3043.501	106.955	168.235	175.382	251.035

Source: ANRMAP

Romania is well known especially for its serious problems with road infrastructure. The GGI – sub-index 2.02 *Quality of roads* ranks Romania even worse – from 100th place in 2006-2007 to 121st place in 2014-2015. According to EUROSTAT data, the length of motorways in use scarcely progressed from 113 km in 2003 to 550 km in 2012. Currently, the length of motorways in use does not exceed 700 km. This is an extremely low number, compared to the length of national roads in Romania – around 17,000 km according to official Ministry of Transport (MT) statistics (Ministry of Transport, 2015). Thus, the important share of construction spending in total procurement, an average of 58% (**Figure 7**), is explained by the country's need to modernize its infrastructure.

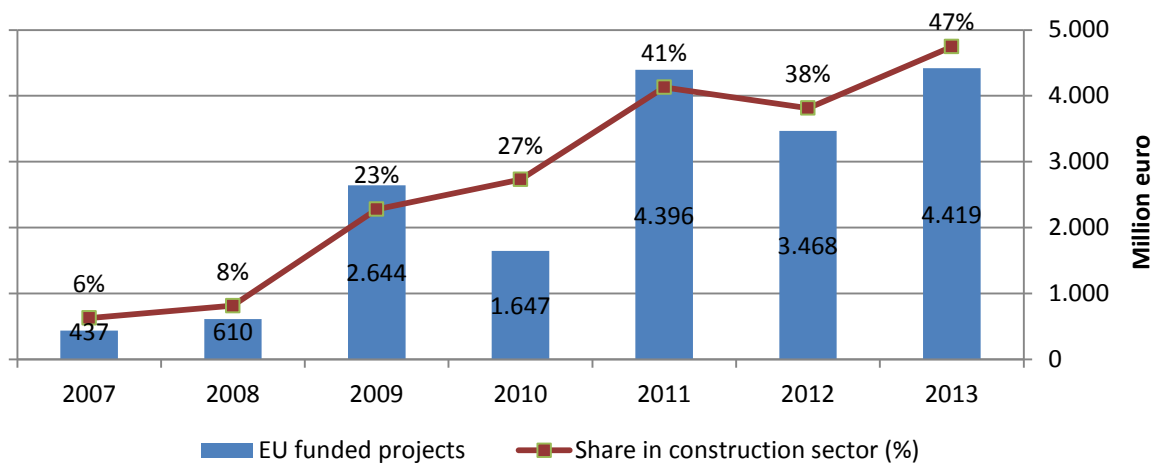
Figure 7. Share of construction spending in total procurement (%)



Source: ANRMAP and own calculations

The state budget allocations for road infrastructure are insufficient to build all the necessary motorways. Many infrastructure projects thus received a boost along with the infusion of European funding. The growing share of EU funded contracts in the overall construction sector, from 6% in 2007 to over 47% in 2013, is not random (**Figure 8**). Romania had problems in accessing and spending EU funds in the first years of membership (2007 and 2008). It had to gradually accelerate its absorption rate so as not to lose the allocated money for the 2007-2013 programming period. The small number of EU funded procurement contracts in construction is illustrative of the state's poor capacity in absorbing EU funds earmarked for this sector – from a couple of hundred at the beginning of the programming period to over 1300 in the last years (**Table 4**). One explanation may be that regulations and controls are more demanding for this category of funds.

Figure 8. Public procurement in the construction sector – European funding



Source: ANRMAP and own calculations

Table 4. Number of PP contracts in construction sector

YEAR	No. EU funded contracts (a)	Total no. of contracts (b)	Share (a/b)
2007	259	13,196	2%
2008	261	21,176	1%
2009	722	17,746	4%
2010	1000	15,450	6%
2011	1667	13,123	13%
2012	1333	10,409	13%
2013	1303	7,503	17%
TOTAL	6545	98603	7%

Source: ANRMAP and own calculations

3. Firm level analysis of the construction sector

Romania's construction sector seems at first glance a non-concentrated market divided between many domestic companies and an important number of international companies. From 2009 to 2013, the number of international companies in the Romanian top 100 construction firms grew from 27 to 35, and their profits surged. In 2009 multinational firms made up 16% and in 2013 the figure reached almost 65% of the total profit. At the same time, Romanian companies' average turnover for these five years was close to 68.3%, ranging from 70.9% in 2009 to 59.8% in 2013. This is a sign of low efficiency in activities run by domestic companies compared to international companies (Table 5). All in all, national firms prevail in the overall construction sector (private and public markets combined), which is not surprising. Nevertheless, the number of international companies and their profits indicate fierce competition on the market.

Table 5. Top 100 construction companies in Romania

YEAR	TOTAL TOP 100		DOMESTIC FIRMS		INTERNATIONAL FIRMS		TOP 100	
	TURNOVER* (million EUR)	PROFIT* (million EUR)	Turnover out of total Top 100 (%)	Profit out of total Top100 (%)	Turnover out of total Top 100 (%)	Profit out of total Top100 (%)	No. RO firms	No. INT firms
2009	4657.37	309.93	70.9%	83.2%	29.1%	16.8%	73	27
2010	4130.73	190.79	74.2%	98.8%	25.8%	1.2%	74	26
2011	4510.70	300.10	72.9%	63.5%	27.1%	36.0%	70	30
2012	4547.17	73.48	63.8%	97.0%	36.2%	3.0%	67	33
2013	4065.95	240.22	59.8%	35.4%	40.2%	64.6%	65	35

Notes: * Exchanged into EUR using average yearly exchange rate, not corrected for inflation

Source: OCTAGON CONTRACTING & ENGINEERING

Table 6. Number of winners

	Total PP winners	EU project winners
Total no. of companies	1484	691
Out of which international companies	145	107

The database used in the analysis and described in Section IV contains 1484 winning companies for the period January 1st 2007 – December 31st 2013, out of which 145 are international firms (9.8% out of total number of firms). Over 46.5% of all firms have won an EU funded project in the construction

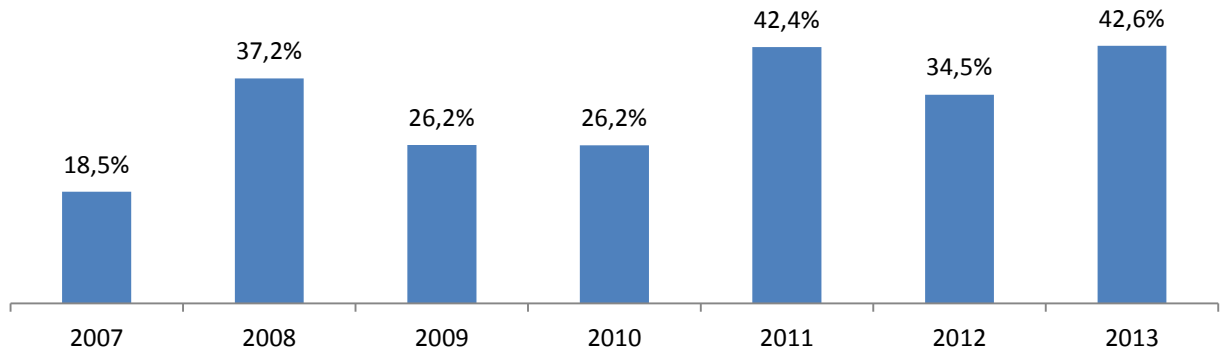
Source: own calculations

sector in the researched period. Out of the 691 companies that participated in public procurement in the construction sector and won EU funded contracts over 1 million euros, 107 were international companies (**Table 6**).

More than 73% of the international companies present on the public procurement construction market⁴ compete with national firms for EU funds. For the entire 2007-2013 period, EU contracts account for 37.1% of total public procurement, with international companies holding a high share on this specific market segment (almost a third on average). In the same year, 2011, when one of the highest shares in EU funded public procurement contracts won by international companies was recorded, the largest number of international companies was active on the market (see **Figure 9** and **Table 7**).

⁴ In this context the public procurement market consists of contracts over 1 million euros.

Figure 9. EU funded public procurement projects in the construction sector - share of contracts (by value) won by international companies



Source: own calculations

A large number of firms with very small market shares⁵ make up the public procurement construction market involving contracts with a value of over 1 million euros. A market selection based on whether public procurement winners have signed a contract involving EU funding in the years 2007-2013 is shown in **Table 7**. The number of companies that compete in the public procurement sector involving EU funded projects increased as the market became more transparent and the absorption rate of European funds had to be augmented. Interestingly enough, domestic firms more than doubled their numbers in 2009, when international firms' market share in EU funded projects in the construction sector dropped from 37.2% in 2008 to 26.2% in 2009 (**Figure 9**). Consequently, starting from 2009 the mean market shares of national winners of public procurement contracts involving EU funds are smaller than those of international winners. The result is not surprising, as the number of domestic companies is much larger than that of their foreign competitors.

Table 7. Market share in total public procurement above EUR 1 million of EU funded projects winners in the construction sector

YEAR	Number of companies		Mean market share		Median market share	
	Domestic	International	Domestic	International	Domestic	International
2007	30	5	0.657%	0.419%	0.194%	0.335%
2008	43	16	0.695%	0.401%	0.217%	0.307%
2009	115	20	0.300%	0.396%	0.123%	0.222%
2010	190	22	0.239%	0.803%	0.134%	0.281%
2011	259	51	0.196%	0.548%	0.064%	0.119%
2012	223	32	0.220%	0.698%	0.089%	0.259%
2013	190	27	0.237%	1.129%	0.144%	0.457%

Source: own calculations

⁵ Yearly market shares were computed without taking into account 557 framework contracts, as these types of contracts cover a longer period of time and involve large amounts of money. Also, a framework contract does not imply that the entire value of the contract will be consumed.

Examining the Top 10 winners by year can further our understanding on the matter (**Table 8**). Each had a market share between 1.2% and 10.7%, while their average cumulated market share amounted to 33.2%. The leader's market share gradually decreased over the years, as the construction sector became more competitive – from 10.7% to 7.4%. If at the beginning of the 2007-2013 period, the top 10 winners in the public procurement construction sector were Romanian in 90% of the cases, at the end of 2013 already seven out of ten top winners (70%) were international companies.

Table 8. Aggregated information on Top 10 companies with the largest market share (PP contracts above EUR 1 million)

	2007	2008	2009	2010	2011	2012	2013
Total market share of top 10	38.1%	31.2%	29.5%	28.6%	36.9%	37.2%	31.1%
Leader's market share	9.6%	10.7%	8.7%	10%	7.8%	8.1%	7.4%
Total no. of contracts won by single bidding	35	37	13	15	12	5	5
No. of international firms	0	2	1	3	5	3	7
No. of companies that won EU funded project	3	5	6	5	9	7	10
No. of firms – donors to political parties	1	3	2	2	0	1	0

Source: own calculations

The average cumulated market share was exceeded in two pre-electoral years, 2007 and 2011, and in one electoral year, 2012. The year 2007, when top 10 winners accounted for 38.1% of the market, was the single year without any international companies present in the leading 10 positions. It also registered a high number of single bidding among the top companies. The practice of single bidding diminished after the first years of EU membership when a smaller number of companies with political ties seem to have managed to dominate the Romanian market, at least in the first three years of the researched period.

One would expect that leaders on the market be the ones winning EU funded contracts. However, until 2011, six or fewer per year of such companies had been awarded an EU funded contract. This opens three possibilities. First, we would expect that government favouritism would take place especially vis-à-vis national funds if the top 10 companies were politically connected. Alternatively, the top 10 companies' ability to win an EU funded contract would be hindered by the absence of political connections. But it may also be that, without any connection to politics, securing nationally funded public procurement contracts simply requires a different set of skills than the ones needed in winning EU funding. We shall test these hypotheses in section IV.

Does public funding matter for the average construction company? A brief investigation of relevant Top 45 construction companies in terms of total turnover (in 2013) that won EU funded contracts in the researched period shows that roughly one fifth of their yearly turnover depends on public spending⁶ (average for the 2008-2013 period, see **Table 9**). A small number of firms make over 50% of their revenues in connection with public procurement contracts (**Table 9**). Almost 15 companies present in the Top 45 companies do not depend at all on public contracts above 1 million euro (average for the 2008-2013 period).

Table 9. Share of public procurement contracts in the turnover of Top 45 companies – winners of EU funded projects

	2008	2009	2010	2011	2012	2013
Mean	15.8%	21.5%	20%	22.8%	23.7%	21.8%
Median	5.2%	9.2%	13%	15.9%	11.1%	6.2%
Share of >=50% (no. of firms)	7	10	7	6	7	4

Source: own calculations

III. NATIONAL PROCUREMENT LEGISLATION AND PRACTICE

1. Rules of the game in Romanian public procurement legislation

To assess the process and outcome of public procurement we need to examine its regulatory framework. As a full EU member and in accordance with the Treaty on the European Union and the Treaty on the Functioning of the European Union, Romania transposed the public procurement legislation package, specifically the Public Sector Directive⁷ and the Public Services Directive⁸. The general legal framework setting out the main rules is represented by Government Emergency Ordinance (GEO) no. 34 of 19/04/2006 on awarding public procurement contracts, works concession and services concession contracts. The GEO is essentially a translation of the two European directives; it establishes the list of procedures⁹ and

⁶ Public procurement contracts won in consortia were not taken into account when establishing the share of public money in total turnover.

⁷ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts.

⁸ Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procedures of entities operating in the water, energy, transport and postal services sector.

⁹ The types of award procedures which can be used are the following: open or restricted procedure, restricted accelerated procedure, competitive dialogue, negotiation with prior publication of a contract notice (negotiation), accelerated negotiation, negotiation without prior publication of a contract notice, call for tenders.

the steps which are to be followed in awarding a public procurement contract, including solving challenges against the acts/decisions of the contracting authority¹⁰.

Strangely enough, this regulation was issued by the Government, not by the main legislative body, the Parliament, as an emergency ordinance¹¹. Although heavily criticized throughout the years because it essentially substitutes the legislature with the executive, the issuance of emergency ordinances by the Government has become a steady practice¹².

The secondary legislation on public procurement consists in regulatory acts such as Government Decisions through which the application norms of GEO no. 34/2006 and of the GEOs which add to or modify it are described in detail. One of the problems of the Romanian public procurement field is overregulation. The existence of tertiary legislation represented by Orders – which consist in interpretations of certain primary legislation provisions – issued by the ANRMAP adds another layer of legal complexity. In addition, the contracting authorities receive different “instructions” from the ANRMAP that do not have a clear legal status vis-à-vis economic operators.

This intricate legal landscape is further supplemented by norms regulating state entities that have a control function¹³ and the Government Decisions that describe the structure and functions of key institutions that sometimes overlap in monitoring and checking public procurement procedures. The main responsible body is the abovementioned ANRMAP followed by other oversight entities such as the Unit for the Coordination and Verification of Public Procurement (UCVAP), which answers to the Ministry of Finance, the National Council for Solving Complaints (CNSC), the Court of Accounts (CC) and the Department for the Fight against Fraud (DLAF). In addition, the Management Authorities and the Implementation Bodies which are charged with managing EU funds can also issue opinions on the conformity of a procurement procedure.

2. Increasing number of rules, opposing interpretations and transparency problems

In addition to the number of norms and public bodies charged with the same control and oversight functions, the smooth implementation of GEO no. 34/2006 was and still is impeded by a lack of a unitary and consistent interpretation of the existing legislation and even of similar

¹⁰ This GEO is not used in awarding a contract which is a result of an international agreement, when a procedure specific to international bodies or institutions takes precedence or when Union law demands a special procedure, as is the case for cross-border programs and projects.

¹¹ A GEO represents a special kind of legal measure since it may only be used in extraordinary or urgent circumstances and, as a result, it bypasses normal parliamentary debates. Its provisions are discussed in Parliament, where it can be approved or rejected via a law, but after its effects have already taken place.

¹² According to the records of the Chamber of Deputies, from 2007 to 2014, the Government issued a total number of 1057 GEOs with an average of 132 GEOs per year. Most GEOs were issued in 2008, a total number of 229, whereas the least number was registered in 2014, only 94.

¹³ Examples of such norms are GEO no. 30/2006 on verifying the procedural aspects of awarding public procurement contracts, the Law on Private-Public Partnerships no. 178/2010 or GEO no. 114/2011 on awarding public procurement contracts in the fields of defence and security.

cases. The consequences of this situation are evident especially in those cases dealing with EU funds since there are differing viewpoints coming from the monitoring and control entities, the contracting authorities and the economic operators as to the correctness of the procurement procedure and the decision of the evaluation committee. Because of an unclear, unstable, and overregulated legislative framework worsened by sometimes contradictory implementation of the rules and a lack of administrative capacity, contracting authorities and economic operators end up being sanctioned both by national monitoring and control bodies and corresponding EU institutions via financial corrections. Furthermore, public projects are placed on hold until contestations and legal disputes are settled in courts, thus leading to a waste of public resources.

Table 10. Number of GEOs modifying GEO 34/2006

TOTAL	2006	2007	2008	2009	2010	2011	2012	2013	2014
26	2	3	3	3	3	2	3	6	1

Source: own compilation based on ANRMAP legislation

The legislation available on ANRMAP's website mentions that a total of 26 modifying acts (six in 2013 and one in 2014) have been issued by the Government targeting the application norms of the abovementioned GEO (Table 10). Nevertheless, the numerous modifications do not seem to have been prompted by national or local elections or changes in government. Each year, except 2013 and 2014, saw approximately three modifications. In this sense, in autumn 2012, the number of changes was the subject of a warning issued by the EC when it was emphasized that "the modifications brought to the public procurement law are too frequent and [...] this can constitute a reason to initiate an infringement procedure because it points to a lack of legislative stability and it affects the business environment" (Dinca, Barbulescu, 2012).

Some of the changes brought to GEO no. 34/2006 have led to a decrease in transparency and procedural control vis-à-vis the award or contestation procedure. For instance, the thresholds under which the contracting authority has the right to directly purchase products, services or works were aligned to those present in the EU directives and were raised from EUR 5,000 (the threshold in 2006¹⁴) to EUR 30,000 excluding VAT for products or services and to EUR 100,000 excluding VAT for works¹⁵ (Table 11).

¹⁴ These thresholds were changed on several occasions via GEOs, such as GEO no. 94/2007 when the maximum value for direct purchases was raised to 10000 Euro and GEO no. 19/2009 which raised the threshold to 15000 Euro.

¹⁵ However, starting with January 1st 2013, GEO no. 77/2012 obliges the contracting authority to send SEAP, in ten days after receiving the justificatory document, a notification if it uses the direct purchase procedure which is above 5000 Euro excluding VAT.

Table 11. Direct purchases threshold changes

	2006 Initial Act	2007	2009	2013 Alignment to European Directives
Threshold for direct purchases	EUR 5,000	EUR 10,000	EUR 15,000	EUR 30,000 excluding VAT for products & services, EUR 100,000 excluding VAT for works
Initial/ Modifying Act	OUG no. 34/2006	OUG no. 94/2007	OUG no. 19/2009	Law no. 193/2013

Source: ANRMAP legislation and INDACO legislation database

Another problematic legal measure was Law no. 193/2013 which took away from ANRMAP the possibility to appeal to a court of law so as to declare null and void those contracts which had been signed via vitiated procurement procedures¹⁶ and left intact only the possibility for it to issue an “infraction of regulations”. The reasons could vary from the implications this had on the ANRMAP public official (conflict regarding their status) to the wish that this institution does not have this legal remedy at hand.

A controversial modification was GEO no. 51/2014 because, although it was considered by the executive as a potential solution to the contestation practice that contributed to the low absorption rates of EU funds since it delayed the signing of contracts, it was seen as limiting the possibility of stakeholders to signal problems in award procedures. The GEO stated that those economic operators that wanted to legally contest the procedure or its result were obliged to deposit a “good conduct guarantee”¹⁷ for the entire period from its initiation to the moment the CNSC or a court of law issue a decision. This legal act caused a scandal because of the lack of transparency in its elaboration and adoption – the CNSC, one of the institutions charged with its implementation, criticized the Government for not consulting it on the matter. However, the provision that the contracting entity could keep the guarantee was declared unconstitutional by the Romanian Constitutional Court in January 2015 and even the EC warned the government that it might lead to an infringement procedure due to its excessive nature.

The public procurement legislation provides various deadlines for the publication of participation, award notices etc. in SEAP and in OJUE¹⁸. Although in line with the minimum legal requirements, the obligation to submit offers in 11 days for calls for tenders or 52 days for an open procedure may be considered as an impediment for economic operators in submitting

¹⁶ ANRMAP had this legal right through GEO no. 77/2012.

¹⁷ The guarantee had to represent 1% of the estimated contract value (with a cap of 25,000 Euro for goods and services and 100,000 Euro for works) and, in case the contestation was rejected, the contracting authority was able to keep the sum of money.

¹⁸ Contracting authorities must publish a contract notice/award notice in the OJEU if the estimated value of the supply or services contract is equal or above the equivalent in lei of 130,000 Euro (400,000 Euro if the contracting authorities operates in the utilities sector) or if the estimated value of the works contract is equal or above the equivalent in lei of 5,000,000 Euro.

sound offers, especially for more complex projects. Therefore, the offers that are submitted within this timeframe are either of low quality or come from operators who might have had advance knowledge of the calls, leading to the suspicion that they might have been favoured by the contracting authority in question.

Romanian civil society, together with expert groups (IPP, 2013a; IPP, 2013b), have underlined a problematic aspect of the present procurement legislation, namely the fact that it offers monitoring instruments only up to the moment the contract is signed by the parties. In this sense, one cannot fully know and, therefore, assess in due time if the contract's implementation is in line with the set requirements and if the quality of the goods, services and works is adequate. Related to this issue, the overall transparency of a procurement procedure is also reduced by the requirement to publish in SEAP the award notice after a considerable timespan (48 days) after the contract was signed.

The law allows unrestrained access to the public procurement contract because it is an administrative legal act subject to Law no. 544/2001 on Free Access to Public Information. Consequently, any interested citizen can request access to the entire procurement file¹⁹ containing the signed contract and all the other information directly related to the procurement process. However, the file is kept as long as the contract produces legal effects, but not less than five years from the day the contract was finalized.

Some institutions use this provision to limit public access to such documents by physically destroying or refusing to grant access to the procurement file after the aforementioned time period. Transparency is further reduced by the fact that the existence of electronic archives on public websites is rare despite the fact that Law no. 135 on archiving documents in electronic format is in force since 2007. The official justification for this weak improvement in e-government at the local level is the lack of resources, but to this one might also add the lack of political will. Moreover, in some cases, the DNA raids the headquarters of a contracting authority and seizes various contracts as evidence in on-going corruption investigations dealing with public procurement²⁰ resulting in yet another impediment in gaining access to information.

3. Who decides the distribution of public resources

One of the reasons for which the contracting authorities have not reached the best value for the money spent is the excessive use of the "lowest price" criterion. Out of all the contracts published in SEAP between 2007 and 2014, 83% have been awarded through procurement

¹⁹ In assessing the conformity of a procurement procedure, the procurement file contains important pieces of information, such as the notice on determining the estimated value, the award documentation, the submitted offers, the report on the award procedure, the contestations submitted during the procurement procedure along with the decisions taken by the CNSC, etc.

²⁰ During the research phase for this country report, procurement files pertaining to road infrastructure from 2007 to 2013 were requested via Law no. 544/2001 on Free Access to Public Information from all 41 Romanian County Councils and the Bucharest City Hall. After delaying granting us access to the entire set of requested information, Brasov County Council informed us that the DNA seized several procurement files which were also on the list we demanded. Almost none of the County Council archives hold a copy of the contracts or procurement files and they do not make one before such documents are seized by prosecution bodies.

procedures using this type of condition. This particular strategy absolves the contracting authorities of the responsibility of using more complex awarding criteria which would, in turn, generate the need to organize a technical expertise stage during the evaluation step of the procurement procedure. Furthermore, it has been repeatedly pointed out that the quality of the goods, services and works is disregarded since the contract value is close to the minimum market price (IPP 2013a).

Procurement legislation, but also practice has shown that the key people who decide the winners of a procurement contract are the bureaucrats who are present in the evaluation committees, not the politicians. GEO no. 34/2006 stipulates that each contracting authority is obliged to establish a specialized in-house public procurement department. The president of the contracting authority names the members of the evaluation committees via a legal instrument called a “decision”. These members have to be a part of the specialized apparatus of the above mentioned procurement department and some remain in the evaluation committees irrespective of elections or the changes in the central government, as proven by our investigation.

In order to avoid conflicts of interest, both the members of the evaluation committees and the affiliated experts are obligated to sign a confidentiality and impartiality declaration whereby they confirm that they are not in a situation that would imply the existence of such a conflict (GEO no. 925/2006). Also, after a contract is awarded, it is forbidden for up to a year for the winner to employ persons or legal entities involved in the verification and evaluation procedure in the implementation of the contract (GEO no. 34/2006). These rules notwithstanding, an important problem arises at the local level, in public entities such as city halls of small and isolated Communes where specialized human and administrative resources are scarce. This lack of institutional capacity impacts the evaluation committees’ creation and proper functioning. For instance, local councillors are present in these committees even though they could be considered to be in a conflict of interest since they are also the ones who vote on the contracting authority’s budget, its investment plan and the budget allocation per project. Therefore, they could be suspected of directing more money towards a preferred company or that they prioritize a certain project because of direct or indirect interests.

4. Public Private Partnerships

Institutional public-private partnerships (PPP) in Romania are regulated through Law no. 178/2010, thus enjoying a specific legal framework. However, these types of contracts must comply with the basic principles of public procurement legislation. Similarly to the procurement law, the law on PPPs has been repeatedly modified by the Government as a result of criticisms coming from the EC.

In Romania, no PPP projects have been initiated since 2010 and the reasons are the institutional tug of war, faulty legislation and a lack of administrative capacity and will. The latter refers to technical problems related to the SEAP interface. The law’s implementing rules do not permit the publication of the selection and award notices and their accompanying documents

through any other means than SEAP, but this was made possible only in early 2013 when the Government had already started working on a new PPP law.

Discussions on this new law were carried out throughout 2013, but a resolution on the matter was not reached because of several controversial aspects that became the subject of a major bone of contention between the stakeholders before the text was sent to the Parliament in late 2013. The first major problem was the Government's initial intent to limit the types of procedures available to select offers in the previous law (open and competitive dialogue) to one which was considered to be more restrictive and less transparent (competitive dialogue). As an important side note, having competitive dialogue as a sole selection procedure was among the flaws pointed out by the EC in early 2011 vis-à-vis the 2010 PPP law²¹. Consequently, the problematic aspects, including the provision on the selection method to which the open procedure was added, were corrected via a GEO. Second, the Government would have been able to unilaterally modify or annul the contract in light of "exceptional reasons linked to national or local interest", which had all remained undefined concepts. Third, foreign or national public companies would have been able to participate as private entities in calls for tenders²². Despite having the draft law returned to Parliament for re-examination by the President in early 2014, the parliamentary majority adopted the Government's draft law in June. The new law, although having slashed two of the abovementioned problems, still included the possibility of arbitrary action by the Government against the private entity. Moreover, despite the Competition Council's advice (Competition Council, 2013), a new provision was included whereby the government would have been able to replace the private partner or the project company if they did not respect the contract obligations *without* organizing a new award procedure *only if* this situation is specifically mentioned in the award documentation and the PPP contract. Therefore, the selection of a new partner ran the risk of being non-transparent and subject to the Government's choice. Because of this particular aspect, the parliamentary opposition challenged the law at the Constitutional Court. The latter decided in July 2014 that the law is technically flawed and imprecise, thus leaving room for arbitrary action against the private partner. In addition, both the Government and the Parliament did not respect the obligation to judiciously transpose EU legislation on the matter of unilateral modification and annulment of such a contract (Constitutional Court Decision no. 390, July 2014). As a result, the law has to once more pass through the entire legislative process.

5. Conclusion

To conclude, there are no substantial differences between the European procurement legislation and the manner in which it was transposed in Romanian national laws and norms. The main

²¹ The Romanian Government at the time received a pre-infringement warning which stated that the PPP law disregards the *acquis* and jurisprudence on public procurement and concessions. Source: GEO no. 86 from 12 October 2011 published in the *Official Gazette* no. 729 from 17 October 2011.

²² The problem stemming from that particular provision was that private companies would have been discriminated and competition distorted since the contracting authority would have been unable to disqualify the public company if it decided to submit an unusually low priced offer on grounds that it was a legal recipient of state aid (Cozmei, Pantazi 2013).

differences arise in the implementation of primary legislation. The high number of orders, instructions and contestations denote the general distrust between all the actors involved and in the correctness of the procurement procedure.

The legislative modifications which have occurred in 2013 and 2014 were justified by the changes taking place at the European level, but were also a result of specific interests. The government argued that the changes were vital in securing efficient and effective results in using public resources. However, recent examples of controversy, such as the GEO obliging economic operators to deposit a good conduct guarantee and the failed new PPP law, point to the fact that legislative measures tend to be adopted without a proper public and inter-institutional debate and end up being struck down – a situation which causes delays in effectively solving problems.

In general, the national legislation and court decisions do not point to a *systematic* pattern of a particularistic distribution of resources. The corrupt practice of awarding contracts to favoured firms which may result in an overall poor implementation of a project occurs when the law is being purposefully disregarded within the contracting authority. Hence, it is of utmost importance to monitor not only the award procedure, but also the contract's realization in accordance with a set of clearly defined quality standards.

IV. DETECTING CORRUPTION RISK IN PUBLIC PROCUREMENT

1. Data collection

To identify patterns in public procurement awards and test the hypotheses outlined in the previous sections, the present analysis of corruption risks in procurement draws on several sources. Data extracted from the electronic procurement portal was enriched with regional and local level data retrieved by FOIA requests sent to local contracting authorities active in the road infrastructure sector. The information on which firms are political party donors was gathered from the Official Gazette of Romania. Additionally, a list of companies receiving favourable treatment according to national and local media and whose managers or owners were under investigation or indicted by prosecution bodies was compiled. Furthermore, statements of interests and assets of individuals in charge of procurement boards were examined, as well as Trade Register data (profit, turnover) on the companies belonging to Top 100 businessmen and on the Top 60 construction sector companies.

The necessary contract level information for compiling the present data-driven section as well as part of section II.3 (firm level analysis) was gathered by purchasing a subscription that allowed direct access to the SEAP server and downloading pieces of information which subsequently had to be transposed into a reusable database format²³. A considerable amount of time was

²³ In an attempt to gain systematic access to contract-level data, neither the ANRMAP, nor the Agency for Romania's Digital Agenda (AADR) could provide immediate assistance. Answers to any questions regarding specific data came with delay because these public authorities had to contact the private firm UTI, SEAP's system operator and the entity that had access to the actual database behind the online interface. SEAP's public online interface could not be used to investigate broader sectors because it provides search functions based only on one specific CPV code. Moreover, SEAP does not provide the possibility to compile

needed to download the need files and even more time to build and clean the database of errors which would have distorted the research results²⁴. The resulting database comprises 6064 contracts found under the CPV classification codes 44, 45 and 71, each with a total value above 1 million euros. The time period taken into consideration is January 1st 2007 – December 31st 2013. For each contract the following variables have been gathered and used in the investigation: winner's name and tax ID, winner's country, name of the contracting authority, type of procurement procedure, type of contract (framework contract or not), award criterion, type of bid (with electronic auction or not), number of submitted offers, subcontracting allowed or not, contract signature date, contract value and estimated value (in Romanian Lei in most cases, but in USD and EUR as well; excluding or including VAT, with the VAT rate many times erroneously specified) and type of funding (national or European). Furthermore, the following processed data was added: market shares, number of contracts won (total, EU and nationally funded), whether firms are party donors/accused of being politically connected or not for each year.

In order to document and investigate the relationships between award givers and shareholders of winning companies, contracts with a value above 1 million euros pertaining to national and county-level road infrastructure projects²⁵ were selected and examined in greater detail. The information was gathered by sending a FOIA request to public entities which are also contracting authorities²⁶ in the field of road infrastructure so as to gain access to data that are not present in SEAP. In this sense, in addition to the contracts and their (potential) addenda, the request also asked for two specific types of data. First, the annual public procurement plan of the contract authority in question which lists all the signed contracts, the winners and the contract value. Second, the evaluation committee's report which contains the offers made by all the economic operators, the number and content of clarification requests made by the contenders vis-à-vis the project specifications drawn up by the contracting authority, reasons for disqualifying some contenders, the number and reasons invoked in potential contestations coming from the losing contenders, the justification for awarding the contract to the winner and the names of each

statistics, comparisons or rankings. In addition, using a web crawler to gather the data directly from the website was impeded by the need to fill in a new CAPTCHA code for every single query (searches, switching from one page to another or viewing notices).

²⁴ For each type of notice, the information for which data mining was used to collect from SEAP had a different structure. Also, additional fields for the same category of notices, such as whether or not the contract was financed via EU funds, were not always filled in. One of the biggest challenges in building the database was applying the corrections made to a large amount of contracts via their respective errata which are also present in SEAP. The main problems were that the errata have different structures from one record to another and their content does not comply with any standardization, punctuation or formatting. Consequently, a considerable number of additional steps were needed to detect all possible cases and correct the errors.

²⁵ The projects pertaining to this particular sector refer to both construction work (building, repair, expansion, consolidation, maintenance) and services (consultancy, technical designs, site coordination) pertaining to road infrastructure.

²⁶ The selected entities are all the 41 Romanian County Councils, the Bucharest City Hall, the Romanian National Company of Motorways and National Roads (CNADNR), the Ministry of Transport (MT) and the Ministry for Regional Development and Public Administration (MDRAP).

committee member. Partially complete responses were received from a total of 31 County Councils²⁷.

The resulting database²⁸ was manually constructed and contains 3787 entries (each row represents a contract) and 796 winning companies. Out of each 5-member procurement award committee, a total of 215 committee presidents, considered as the main award givers, were further scrutinized by examining their statements of interests and assets from 2008 to 2013 – the years for which the documents are publicly available on the Romanian National Integrity Agency's web portal.

The purpose of this investigation was to identify the disclosed private companies which are fully or partially owned by those particular committee presidents and/or their first degree relatives and examine whether these companies were also awarded procurement projects within the same or other counties. Also, their presence in the administrative council and/or the supervisory boards of public, local-level companies (especially those active in the road infrastructure sector), as well as the existence of contracts between themselves and/or their first degree relatives with public bodies were also highlighted. The same operation was repeated regarding the statements of interests and assets of 59 County Council Presidents who were in office from 2008 to 2013. A total of 177 private and public companies were identified as being associated with these local public officials. The resulting list of companies was compared to those contract winners present in the manually constructed database in order to see if there are any matches.

From the list of Top 100 businesspeople and from official documents requested from the Romanian Trade Register, the names and tax IDs of 391 companies fully or partially owned by the first 10 who are mostly active in the road infrastructure sector were extracted. Additionally, from the Official Gazette of Romania the names and tax IDs of 1726 private companies which were registered as having donated money to all parliamentary political parties from 2007 to 2013 were extracted. The resulting list of companies was compared to those contract winners present in the two abovementioned databases to see if there are any matches.

²⁷ Some county councils charged prohibitively high taxes for copies to official documents, others, such as the Bucharest City Hall and the MDRAP, did not answer the FOIA request or delayed access to PP files indefinitely.

²⁸ For each contract, the following variables were taken into consideration: type of contract object (goods, works, services), type of procedure, type of contract (framework contract or not), signature date, the name, tax ID and county in which the contracting authority is located, whether the contract was awarded to a consortium of firms, name, tax ID and county in which the winning company is located, contract title, value (Romanian Lei or Euro excluding VAT) and duration, type of funding (national or European), the existence of contract addendums and the new contract value or duration inscribed in the addendums, the name of the president of the evaluating committee and of the other four members, existence of the participation notice in SEAP, names of each contender, number of offers submitted, offers' value (Romanian Lei excluding VAT), award criterion, winning price offer, contract duration, number of clarification requests.

2. Overview of the data

1.1 *Public procurement contracts - observations*

Around 440,000 award notices were extracted from SEAP resulting in a database consisting of 6064²⁹ contracts above the 1 million euros³⁰ threshold won by 1484 companies in the period 2007-2013. Contracts with missing data were excluded. We focused on all public procurement under 44, 45 and 71 CPV divisions, 557 framework contracts included. Most of the contracts (94.7%) imply works, while 5.3% are public procurement contracts for supply of goods or services. The final database comprises 53% of the overall value of public procurement in the construction sector and over 68% of overall value of EU funded public procurement in the construction sector³¹.

Almost a third of all contracts won in the public construction sector also received external EU financing (1905 out of 6064 contracts, see **Table 12**). It must be noted that the award notices contain unstructured (heterogeneously filled in) information regarding types of EU funding which has not been processed. Still, one could observe that besides the Structural Funds and the Cohesion Fund, other sources of financing included the European Bank for Reconstruction and Development, the European Investment Bank, the Schengen Facility or the pre-accession instruments (PHARE, ISPA and SAPARD)³².

The practice of single bidding was found in around 21.4% of the cases, meaning one out of every five contracts was won by single bidders. Also, one out of every 7 contracts was awarded to official donors of political parties (**Table 12**). Although international firms have not won many contracts over the years (under 8%), as mentioned before in section II.3, on average they were awarded a third of the total value of EU funded contracts during the researched period, reaching a share of 42.6% in 2013 (see **Figure 9**).

²⁹ The discrepancy between the high number of award notices and the contracts included in the database resides in the fact that most of the awarded contracts do not exceed 1 million euros.

³⁰ The contract values have been exchanged into EUR using an average monthly exchange rate. Inflation was not taken into account.

³¹ The percentages are probably even greater, as we operated downwards corrections on the value of contracts.

³² Details on PHARE, ISPA and SAPARD can be found at <<http://ue.mae.ro/en/node/456>>.

Table 12. Aggregated data on the number of contracts

	Total no. of contracts	EU contracts	Single bidding contracts	Won by donors to political parties	Won by international companies
Public procurement contracts	6064	1905	1297	890	446
From this number: framework contracts	557	3	63	62	3

Source: own calculations

EU funded contracts recorded a much smaller number of single bids, although the year 2011 is a notable exception. Almost half of the contracts in this category received European funding in the respective year. Thus, **one out seven EU funded contracts was awarded non-competitively through single bidding, as compared to one out of 4 in the case of nationally funded contracts**. Also, the combined value of awarded contracts that received EU funding is quite large, exceeding one third of the total value of all contracts in the database (Table 13).

Table 13. Database description

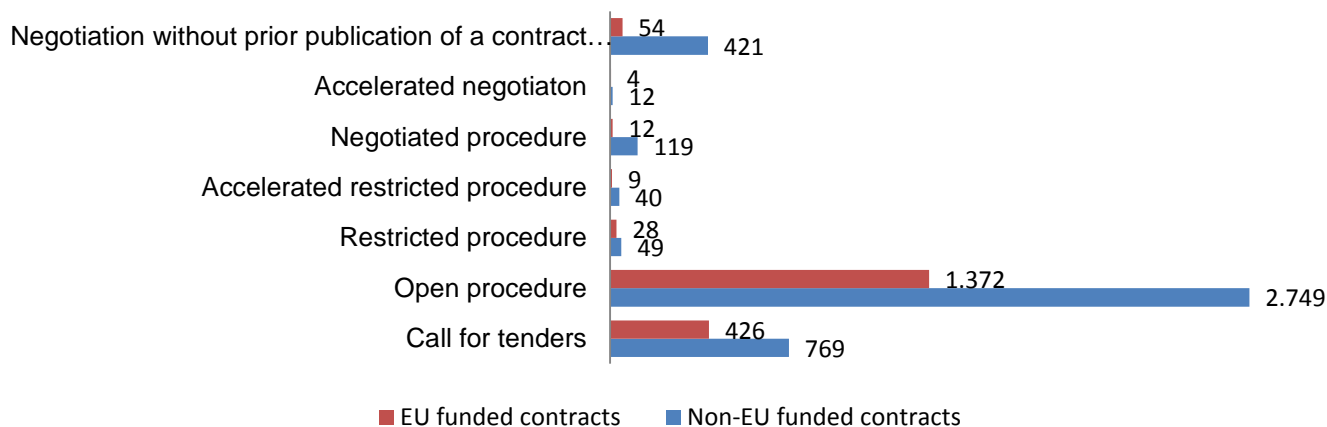
	2007	2008	2009	2010	2011	2012	2013	All years
Total no. of contracts	823	847	765	773	1124	881	851	6064
Total no. of EU funded contracts	45	76	195	298	548	414	329	1905
Total no. of contracts with single bidder	230	224	152	175	267	156	93	1297
Total no. of EU funded contracts with single bidder	13	16	21	52	105	34	18	259
Combined value of awarded contracts (million EUR)	2998	4374	4094	3744	7644	5044	4518	32 417
Combined value of awarded contracts that received EU funding (million EUR)	282.8	523.6	951.5	1321.2	3699	2653	2598	12 029.6

Source: own calculations

The award criterion for all procedures was in 46.3% of the cases “the lowest price”. Instead, contracts receiving European funding were awarded at “the lowest price” in 37.4% of the cases, the rest being awarded based on “the most economically advantageous” criterion. Also, 1 out of every 31 contracts was awarded at a price exceeding the estimated value of the contract and 1 out of every 19 contracts were awarded exactly at the estimated price³³.

Most of the contracts have been awarded through the open procedure – any company fulfilling the criteria stated in the SEAP notice could submit an offer. This is the case for EU funded contracts as well. However, non-competitive procedures such as types of negotiation or restricted accelerated procedure are less frequent in the awarding of contracts that receive European financing, as opposed to nationally funded contracts (**Figure 10**).

Figure 10. Procedures used in awarding PP contracts



Source: own calculations

1.2 Contracting Authorities

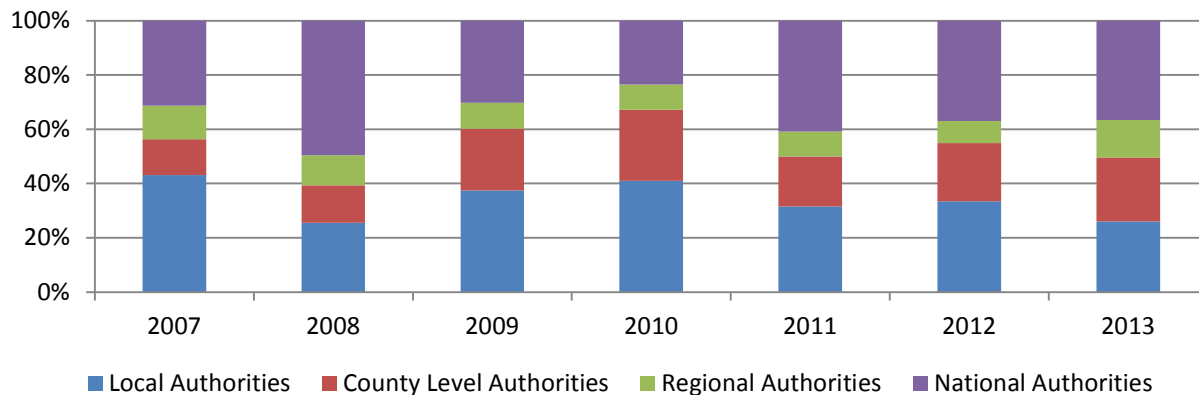
Romania has several layers of public administration, which cannot be easily assigned to local or central government. At the same time, several state entities, such as autonomous entities (*autonomous regies*), state companies or partially owned state companies, may operate at different geographical levels. Therefore, we assessed who the contracting authorities are first by

³³ There were 4883 contracts and framework contracts for which the estimated value was filled in.

territorial division³⁴ (and territorial effect of public contracts), then by major types of contracting authority³⁵.

Out of a total of 1509 contracting authorities, almost 74% are local authorities - 1115 city or town halls, local councils, schools, hospitals and state companies that operate in towns. Over 15% of these contracting authorities are present at county level while regional and national authorities represent each around 5-6% (88 regional contracting authorities and 76 national contracting authorities). Naturally, local and county level authorities combined account for most of the contracts (between 50% and 70%). Therefore, most of the awarding procedures are being completed at sub-regional level. However, by taking into account the value of contracts, one can observe that national authorities seem to be the main awarding entities, especially in pre-electoral years such as 2008, 2011 and 2013 (**Figures 11 and 12**).

Figure 10. Contracting Authorities by contract value

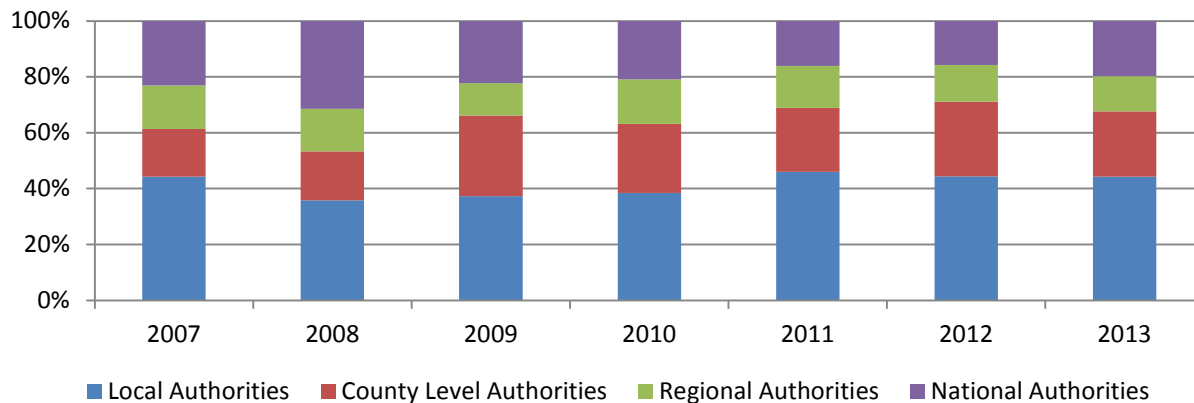


Source: own calculations

³⁴ The first classification takes into account different administrative structures by their activity identified geographically. The local level includes municipalities, towns and villages, each with their own elected mayors and local councils that award public contracts separately. The next layer refers to county level entities such as elected county councils, de-concentrated public services of ministries and government appointed prefects, as well as to the Romanian capital, Bucharest. Schools and hospitals and other public entities that are not local or central government were assigned to the two abovementioned levels. Most of the regional contracting authorities are state companies or partially owned state companies and universities. Finally, the national authorities category covers central government and state companies or partially owned state companies that operate at national level.

³⁵ The second classification refers to different types of state entities: after the fall of communism state-owned companies were reorganized in so-called autonomous regies (AR) and state companies or partially state-owned companies (Comp.) supplying public services. Other types of local government taken into account are the city and town halls and local councils (CH&LC), and county councils (County C.). Plus, we considered as being important categories of contracting authorities the following: de-concentrated services of the central government present at county level (Deconc.), central government (Central G.) and special entities active in the public road infrastructure sector – CNADNR (who is also a state company) and the so-called road and bridge departments that are active at county level (Road D.).

Figure 11. Contracting Authorities by number of contracts



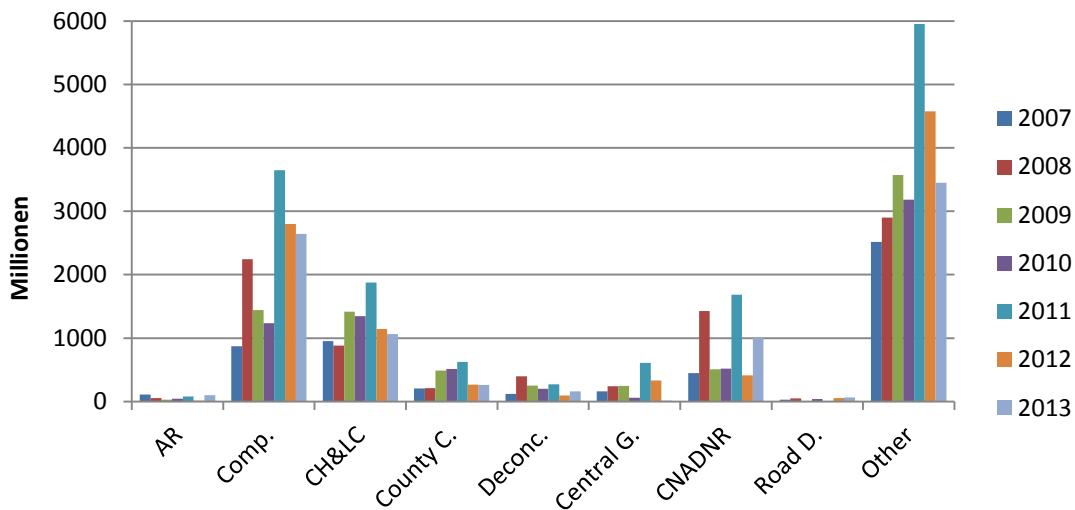
Source: own calculations

Among the most frequent public authorities awarding public procurement contracts there were five entities that signed over 100 contracts in the researched period: the Romanian National Company of Motorways and National Roads (CNADNR, 444 contracts), the Bucharest City Hall³⁶ (118 contracts), the National Housing Agency (110 contracts) and two gas national companies (over 100 contracts). Bucharest road and public domain administrations followed closely (under 100 contracts). Although, on average, there were 3 contracts per public entity, in absolute numbers 941 contracting authorities have signed only one contract surpassing the 1 million euro threshold in the researched period, while 433 entities awarded between 2 and 9 contracts. The database recorded a number of 118 contracting authorities awarding 10 to 39 contracts and 12 public entities awarding between 40 and 81 contracts. Besides national authorities, large city halls such as Brasov, Timisoara, Cluj Napoca or Iasi awarded over 30 contracts.

The main public entities in charge of road infrastructure at the county level, the road and bridges departments, are not very active actors in awarding over 1 million euro procurement projects in the construction sector (**Figures 13 and 14**). Also, the autonomous regions and central government are not important players. Instead, public companies, CNADNR, city halls and local councils awarded many contracts amounting to hundreds of millions of euros from 2007 to 2013. The pre-electoral year 2011 stands out in terms of the number and value of awarded contracts at local level (city/town halls and local councils).

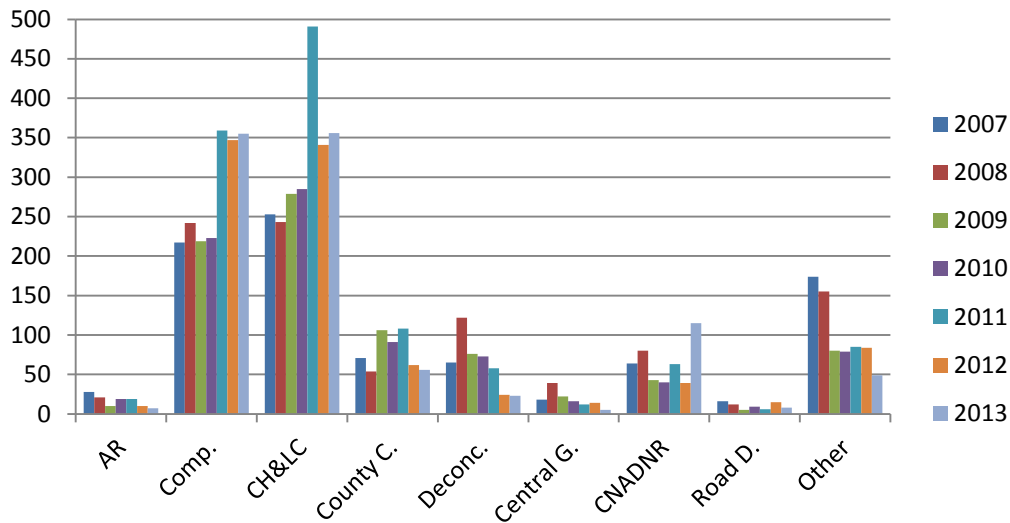
³⁶ The Bucharest City Hall was among the least transparent institutions to which SAR sent FOIA requests. It persistently refused to give any access to the annual public procurement plans or public procurement contracts.

Figure 12. Contracting Authorities by contract value (EUR)



Source: own calculations

Figure 13. Contracting Authorities by number of contracts



Source: own calculations

Legend (See footnote 35):

- **AR** : autonomous regies
- **Comp.** : fully or partially state-owned companies
- **CH&LC**: city/town halls and local councils
- **County C.** : county councils
- **Deconc.** : deconcentratred public service departments
- **Central G.** : central government
- **CNADNR**: Romanian National Company of Motorways and National Roads
- **Road D.** : road and bridges departments awarding contracts in the road infrastructure sector at local and county level

2.3 Winner Companies³⁷

The construction sector is one of the main recipients of large public procurement contracts, as infrastructure works are highly expensive. As mentioned in section II.3, a great number of companies are active in this sector. Plus, several EU operational programmes involve financing infrastructure development. Thus, 46.5% of total winning companies in the construction sector were awarded EU funded contracts. **Table 14** shows also that most of the international companies operating in Romania win EU funded projects (107 out of 145).

Table 14. Aggregated data on the number of winner companies in PP (construction sector)

	Total PP winners	EU project winners	Single bidders	Donors to political parties
Total no. of companies	1484	691	580	156
From this number: International companies	145	107	61	2

Source: own calculations

It should be noted that among all 1484 winners, **17 firms are owned by individuals who are constantly present in Forbes top 100 richest businessmen**. Their private fortunes are known to have been built out of public infrastructure contracts.³⁸

The top 55³⁹ construction companies includes 46 nationally owned firms and nine firms with foreign capital. Four of them have shareholders or owners among the top 100 businesspeople (Besciu Dan, Umbrurescu Dorinel, the Butuza family and Istrate Corneliu). Most of the companies were founded in the 1990s (41 firms out of 55). Instead, six Romanian subsidiaries of international companies began their activity in 2000 or in later years. In conclusion, the date of foundation indicates that mostly experienced companies tend to perform well in the construction sector. Also, international entities were present on the domestic market before EU accession.

The average share of public procurement in the turnover of each Top 55 company (when data was available) amounts to over a fifth of their total revenues. A small number of firms out of the 55 depend to a large extent on public funds (**Table 15**). This might indicate that politically connected companies are not necessarily among the top performers of the construction sector,

³⁷ Unique companies were identified as the winner company or as the leader of a winning consortium of a public procurement contract. Out of the 6064 contracts, 1022 were awarded to consortia. Also, well known leaders in the construction sector that operate both through international firms and national subsidiaries were given the same ID.

³⁸ The most well-known businessmen in the construction sector are Tecar Ioan, the Tender family, Costan Calin, Istrate Corneliu, Cornu Georgica, Casuneanu Costel, Iordache Nelu, the Butuza family, Umbrurescu Dorinel and Besciu Dan.

³⁹ The 55 construction companies under scrutiny are taken from the top 100 construction companies in 2013 depending on their turnover. Only companies operating in the public procurement market above the 1 million Euros threshold for awarded contracts and for which we managed to find information were taken into consideration. Thus, we selected 55 firms. Also, when computing the share of public procurement contracts in the companies' turnover, we excluded the contracts won in consortia (as there is no information on each partners' work load and price).

in terms of turnover. Still, out of the investigated fifty-five firms, eight have donated funds to political parties.

Table 15. Share of public procurement contracts in Top 55 companies' turnover

	2008	2009	2010	2011	2012	2013
Mean	17.7%	20.1%	22.7%	23.3%	23.3%	20.9%
Median	5.9%	8.6%	17.3%	16.9%	9.8%	6.0%
Share of >=60% (no. of firms)	4	3	6	4	8	5

Source: own calculations

Last but not least, the top 55 recorded high profit rates in 2008 – nine Romanian firms registered over 20% profit rate. International firms, instead, operated at a loss. The years 2009 and 2010 followed the same trend at a smaller scale, yet international companies started to show profit rates of over 10% (2 cases in 2010, 3 cases in 2013). A contraction was recorded in 2011, as five international firms registered losses and the highest profit rate did not reach 7% (as opposed to national companies who continued to record return rates of over 10% in thirteen of the forty-six cases). Only in 2013 do three international firms find themselves among the top performers, with a profit rate of over 10% (see **Appendix 1**).

3. Research Results

1.1 *Market shares, single bidding and politically connected private firms*

Firstly, we investigated if there is market concentration indicating non-competitive contract awarding. In computing yearly market shares for each of the unique winners we excluded the framework contracts as they are signed for long periods of time, they involve large sums and they do not imply that the whole amount be used up by the end of the period. We did not have access to subsequent contracts with full information, therefore the SEAP database was reduced to 5507 contracts above 1 million euros.

For each year of the researched period, the four-firm concentration index was under 25%, while the Herfindahl-Hirschman Index⁴⁰ registered extremely small values – under 227 out of a maximum of 10,000. Therefore, we conclude that there is no market concentration in the public procurement construction sector.

Secondly, we needed to establish how widespread single bidding is and under what circumstances it occurs. The data gathered points to the fact that single bidding is widespread at the local level and in the case of state companies (**Tables 16 and 17**). The practice has been

⁴⁰ The Herfindahl-Hirschman Index is used in assessing the level of concentration on a certain market. It aggregates the squared market shares expressed as a percentage (not in absolute value). Thus zero means perfect competition while 10 000 indicates a monopoly.

declining for the past few years (see **Table 13**). Consequently, the number of single bidders has decreased, from 153 in 2007 to 69 in 2013. An exception is the year 2011 when the highest number of single bidders was recorded – 183.

In 283 of the cases stretching from 2007 to 2013, single bidder contracts were awarded to politically connected companies (political donors and firms known to have political ties), accounting for 21.8% of the total number of single bidding contracts. In contrast, party donors and politically connected firms won on average 167 contracts per year. The year 2011 is yet again an exception since 221 such contracts were awarded.

Table 16. Single bidding contracts awarded by authorities

	Local Level	County Level	Regional Level	National Level
Single bidders	521	259	113	341

Source: own calculations

Table 17. Single bidding contracts awarded by different types of contracting authorities

	RA	Comp.	CH&LC	County C.	Deconc.	Central G.	CNADNR	Road D.
Single bidders	33	395	460	110	72	28	94	16

Source: own calculations

In order to explain the occurrence of single bidding, we run some simple logistic regressions. Model (1) and (2) in the regression table below (Table 18) draw upon the database containing information on over 1 million euro contracts extracted from SEAP. Model (3) draws upon the manually constructed road infrastructure database that includes contracts which have different values, above and below 1 million euros. Statistical analysis indicates that single bidding is negatively significantly associated with EU funded projects in both model (1) and (3). In the first case, winning a contract with European funding is associated with a decrease of 52.7% in the probability of having won by single bidding. Therefore, the results point to the fact that single bids are more common in winning state budget contracts. EU funded contracts, in contrast, are awarded on a more competitive basis. Moreover, being a politically connected firm leads to a 21.2% higher probability that the firm in question won via single bidding – there is a significant association between having a political connection and winning through a single bid.

Table 18. Logistic analysis for Single bidding with different constraints as explaining variables

Independent variables	Dependent variable: Single bidding					
	(1)		(2)		(3)	
	Coeff.	Exponentiated coeff.	Coeff.	Exponentiated coeff.	Coeff.	Exponentiated coeff.
EU Funding	-0.748*** (-9.87)	0.473*** (-9.87)			-0.480* (-2.20)	0.618* (-2.20)
Political Connection			0.192* (2.51)	1.212* (2.51)		
Constant	-1.100*** (-30.72)		-1.340*** (-38.01)		-0.487*** (-11.44)	
Observations		6064		6064		2448
pseudo R-sq.		0.0170		0.0010		0.0016

Logit estimations; z statistics in parentheses; * p<0.05, ** p<0.01, *** p<0.001;

Note: Exponentiated coefficients give de odds ratio (the ratio by which the dependent variable changes for a unit change in an independent variable).

The data on construction sector contracts over 1 million euros points to the fact that there are privileged private firms who win far too many contracts compared to the average. Such companies are also political party donors or known to have political connections (Delta ACM 93, Hidroconstructia, Tel Drum, Cast, Selina, Tehnodomus, Tmucb, Tehnic Asist, Victor Construct, Deltacons, Pa&CO or Romstrade). Other frequent winners include Top 55 companies, such as Confort, Vega'93, Tehnologica Radion, Tancrad, Spedition Umb, Strabag, Straco Grup, Inspet, Condmag, Dafora, Technocer, Constructii Erbasu, lasicon etc.

Privileged firms are awarded mainly nationally funded contracts (two out of three contracts are non-EU funded, from a total of 1175 contracts from 2007 to 2013).

Nevertheless, the number of awarded contracts is significantly associated with the existence of political connections in the cases of both only nationally funded contracts and EU funded contracts. Even more interesting, international companies are negatively significantly associated with the number of non-EU funded contracts, while being significantly associated with the number of EU funded contracts. International companies are more active on the EU funded public procurement market and seem to be either discriminated against or not competing on the nationally funded procurement market. Finally, the number of contracts won can be explained by political connections and the frequency of single bidding in pre-electoral years in almost 45% of the cases (Table 19).

Table 19. OLS analysis for number of awarded contracts

Independent variables	Only Non-EU funded			Only EU funded			All contracts
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Dependent variable:			number of awarded contracts			
Political connection	0.359*** (3.75)			0.281*** (3.68)			0.282* (2.10)
International company			-0.602*** (-10.02)			0.415*** (6.19)	
Single bidding frequency							1.286*** (13.89)
Constant	1.112*** (47.16)	0.801*** (24.49)	1.217*** (46.56)	0.573*** (30.16)	0.518*** (24.67)	0.581*** (28.22)	1.169*** (24.82)
Observations	3090	3090	3090	3090	3090	3090	1377
R-sq.	0.0089	0.297	0.015	0.0084	0.0331	0.0111	0.4486

Robust OLS regression estimations; t statistics in parentheses; * p<0.05, ** p<0.01, *** p<0.001;

Note: the OLS regression for all contracts takes into account the pre-electoral years 2007,2008 and 2011

3.2 Evidence of agency capture

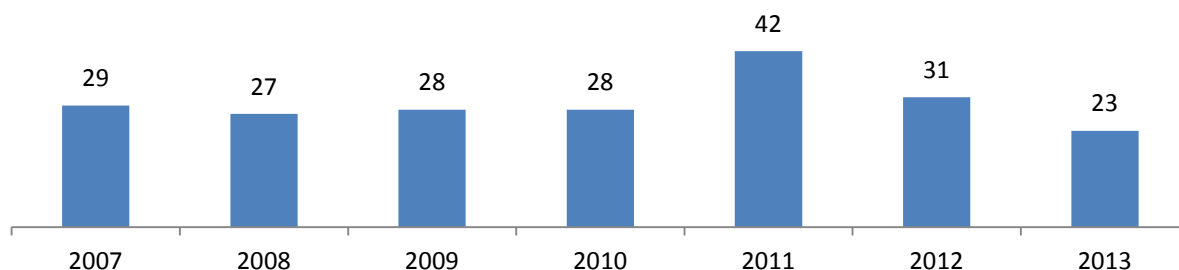
Corruption is abuse of authority for private interest. In order to trace the abusers, we investigated whether or not one private contractor obtained a disproportionate share of contracts from a public agency. Framework contracts were again omitted. As in the case of market shares, they would have distorted the information regarding yearly total volumes.

We aggregated the yearly total value of contracts awarded by contracting authorities and computed the share of each winner in relationship with the respective contracting authority per year. We defined agency capture as being the case when the share of the total sum awarded by one contracting authority during a year to only one company surpasses 50%, if the contracting authority awarded at least three contracts in the respective year.

In accordance with this definition, the resulting database recorded a number of 208 capture situations from 2007 to 2013. The pre-electoral year 2011 was again the exception in the

average annual capture instances (see Figure 15). Both national firms and international firms were among the companies that won large portions of public procurement contracts (12% of captures were made by 22 international companies). Party donors and other politically connected firms (a total of 23 different companies) accounted for 25% of the capturers.

Figure 14. Number of agency captures by year

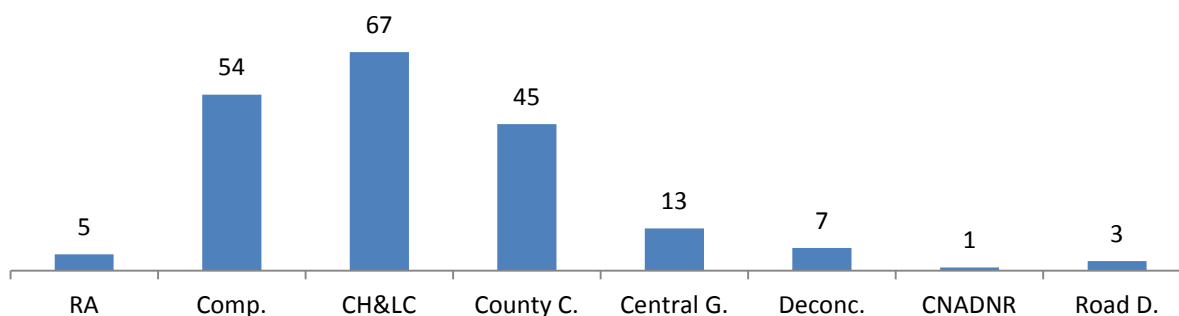


Source: own calculations

Most of the captured agencies are contracting authorities at sub-regional level: a total of 77 captures were registered at local level and 67 at county level, amounting to almost 70% of all captures. At least one fifth of the capturing involved restrictive awarding procedures.

An interesting result of the agency capture analysis is illustrated in Figure 16. Although county councils accounted, on average, for only a tenth of the awarded contracts (9.1%), they are very visible in the case of captured agencies. County councils represent 21.6% of captures, after city and town halls and local councils and state companies.

Figure 15. Agency captures by type of contracting authority



Source: own calculations. **Legend:** **AR:** autonomous regies **Comp.:** fully or partially state-owned companies **CH&LC:** city/town halls and local councils **County C.:** county councils **Deconc.:** deconcentratred public service departments **Central G.:** central government **CNADNR:** Romanian National Company of Motorways and National Roads **Road D.:** road and bridges departments awarding contracts in the road infrastructure sector at local and county level

Logistic analysis indicates that agency capture is significantly associated with both single bidding and with politically connected firms. Instead, the same association is not significant in the case of agency capture involving only contracts funded by the European Union (Table 20).

Table 20. Logistic analysis for Agency capture with different constraints as explaining variables

Independent variables	Full sample of unique captures/non-captures		Only EU funds	
	(1)	(2)	(3)	(4)
	Dependent variable: agency capture			
Single bidding	0.666*** (4.16)		0.1325 (0.47)	
Political connections		0.344* (1.98)		0.336 (1.31)
Constant	-3.245*** (-32.57)	-3.127*** (-32.48)	-2.936*** (-24.61)	-2.993*** (-23.72)
Observations	4679	4679	1713	1713
pseudo R-sq.	0.011	0.0024	0.0003	0.0025

Logit estimations; z statistics in parentheses * p<0.05, ** p<0.01, *** p<0.001; std. errors are clustered by agency

3.3 Other indicators of corruption risks: contract addenda and number of requests for clarifications

The manually constructed database with contracts pertaining to local road infrastructure sector revealed some interesting results. First of all, we gained access to correct information regarding contract addenda. Only 1 out of 13 contracts for which an addendum was signed was funded by the EU (from a total of 233 such contracts). The practice of modifying contract value or other, technical specifications has been thoroughly investigated by the DNA as it is one of the main methods through which public resources are wasted. Subsection 3.5 of this chapter provides an illustration of this practice.

Secondly, the number of requests for clarifications is an important aspect to consider and may be viewed as a corruption risk indicator signalling tender specifications problems. It may be that contracting authorities do not have the administrative capacity to issue well-designed specification documentation. Alternatively, it may be that the documentation is intentionally unclear so as to allow favoured firms to win procurement awards procedures.

There is a negative significant association between the number of requests for clarification and single bidding on the one hand, and contract addendum on the other hand. In competitive

procedures, with more than one bidder, there will be more requests for clarification from various competitors. Also, many clarifications will lead to a clearer and more correct contract, for which there is no need to sign an addendum. The struggle to win European funded contracts can be translated in a higher number of requests for clarification – the variable being significantly associated with EU funding (see Table 21).

Table 21. OLS analysis on the number of requests for clarification

Dependent variable: number of requests for clarification	
Independent Variables	
Single bidding	-2.407*** (-13.26)
Contract Addendum	-0.666* (-2.24)
EU funding	2.875** (3.13)
Constant	2.696*** (19.98)
Observations	1007
R-sq.	0.102

*Robust linear regression estimations; t statistics in parentheses; * p<0.05, ** p<0.01, *** p<0.001;*

3.4 Particularistic links at the local level in the road infrastructure sector

The investigation of the 215 procurement boards presidents' (considered as the main award givers) statements of interests and assets from 2008 to 2013 who are present in the FOIA database described in section IV.1 brought about the results presented below.

Four procurement boards' presidents in four different counties (Mures, Prahova, Neamt, Calarasi) had a first-degree family member employed in a company which won a road infrastructure contract at least once. Board presidents did not directly own/were not associates in companies that won road infrastructure contracts in the period surveyed. According to the available data, out of these four cases, two board members were presidents when companies considered having ties to them won a public procurement contract. One of these two cases pointed to the fact that the board president, also a technical director within the county council,

was for a short period of time also the director of the county council-owned local company that won public procurement contracts⁴¹.

Eight board presidents were also members or presidents or the shareholders' general assembly of the so-called Roads and Bridges Companies – local construction companies which are fully or partially owned by the county councils. According to the available local data, these companies won, by themselves, 13% of the total number of contracts from 2007 to 2013. One should not automatically consider the presence of board members in these companies' general assemblies as an indication of corrupt procurement procedures. Awarding contracts to such companies can also have a social underpinning since local jobs and economies depend on their existence. Five board presidents from four counties (Mures, Prahova, Braila, Brasov) have been questioned/indicted by the DNA or sentenced to prison⁴² under the accusation of having favoured certain companies in winning public procurement contracts. One was released and two cases do not refer to the road infrastructure sector. In Prahova County, one of the board presidents is accused of having favoured three construction companies that won 15 contracts exactly when he was presiding over the procurement board. The FOIA database constructed for this report does not contain an important number of procurement contracts awarded by the Brasov County Council because these were seized by the DNA in an ongoing investigation. In December 2014, the Brasov County Council President, together with a member of the Parliament, five local public servants and two businessmen, were indicted for not only having favoured two construction companies, but also for increasing the initial contracts' values even by 1000% (DNA press statement no. 1822/VIII/3, 17 December 2014). Five board presidents from five counties (Tulcea, Olt, Neamt, Sibiu, Teleorman) deservedly received negative press pertaining to their connections with road infrastructure companies. In Tulcea County, the companies accused of having been favoured won 17 contracts when the person mentioned by the local press presided over the procurement board. Regarding the investigation into the companies of County Council Presidents and the frequency with which they won procurement contracts, we found that only three companies belonging to them or to their first degree relatives were in such a situation. The three companies in question won 16 contracts in six different counties. In conclusion, from the data we gathered, direct links between companies and award givers present in procurement boards are not pervasive and apparent. It is more common that the owners or administrators of favoured companies enjoy personal ties with either one of the procurement board members, the County Council (vice)president or the prefect. The latter two could exert their influence over the board and steer its decision in the preferred direction and, as a result, receive kickbacks from the winning companies. This picture points to the importance of

⁴¹ The case of this particular company was also in the local media spotlight because of the tense situation within the company's shareholders' general assembly that resulted in a complaint filed at a local DNA office. More specifically, the shareholders' general assembly refused to approve payments ordered by the County Council for performing road construction works which had been already finalized (Nechita, 2014).

⁴² Former director of the County Roads and Bridges Department within the Mures County Council was sentenced to three years in prison (suspended sentence) for bribe taking (DNA press statement, penal decision 3811, 20 November 2012).

local independent media outlets which monitor the activity of state entities in the whole public procurement sector, not just in construction.

3.5 Particularistic links – case studies

While single bidding and agency capture can be red flags for corruption risks, the situations discussed in the case studies below indicate that politically connected companies will find their way in winning large public procurement contracts. Making friends with the right people, sponsoring political parties and supporting the right politically connected persons who are given important public offices are some of the methods through which businessmen attempt to ensure their companies thrive in the construction market.

CASE STUDY I

When referring to the issue of defrauding EU funds in the construction sector through public procurement, a case in point is that of Nelu Iordache – owner of the firm ROMSTRADE and one of the wealthiest Top 300 businessmen with an estimated fortune of 70-75 million euro in 2012 – and the contract he won for the construction of the 22 kilometre segment of the Arad-Nadlac highway.

Nelu Iordache built his wealth in the 1990s by winning snow removal contracts financed by the Ministry of Transport. In the early 2000s he moved into the road infrastructure business and through his connections in the ministry and the National Air Transport Company, he started his own air company, Blue Air. Iordache entrusted the management of his company to Gheorghe Racaru, a former public official, head of the management board of the national airline company, TAROM. Ruxandra Brutaru, Blue Air's former marketing director and daughter of a former TAROM director, was named in 2007 by the Minister of Transport at the time, Ludovic Orban (Liberal Party), as TAROM's deputy director. Brutaru was accused in 2008 of purposefully refusing to participate in a public tender organized by the Romanian Post for airmail services (Befu, 2012). The 44.8 million Euros contract was won by the single bidder, Blue Air, that, as was later pointed out by the Court of Accounts, caused a damage of almost 10 million Euros because payments were made for non-existent planes and flights (Court of Accounts Annual Report, 2010). Despite being accused of faulty management, when Radu Berceanu (Democratic Liberal Party) came at the helm of the Ministry of Transport, he kept Brutaru as TAROM's CEO (Florescu, 2012). She quit in 2011 leaving behind an estimated 100 million Euro financial damage (Tiron, 2011). Nelu Iordache's close ties with the Liberal Party were evident in 2008 when then Prime-Minister Calin Popescu Tariceanu visited, together with Transport Minister, Ludovic Orban, Iordache's hometown in a county close to Bucharest in order to assess the possibility of building a new airport. Although plans to carry out a feasibility study were announced, no action was taken because the ministry did not actually dispose of the necessary money for a project which had no technical, economic or social justification (Wall-Street, 2009).

In 2011, Iordache built a consortium with two other companies, MonteAdriano Engenharia e Construção SA – which had experience in highway construction – and SC DONREP

CONSTRUCT SRL – a company with dubious ownership⁴³ and won the Arad-Nadlac 115 million euro contract from the CNADNR⁴⁴. Although the deadline was in late 2012, in early June 2012 the construction work was only at about 4%, but the payments to ROMSTRATE reached approximately 16.9 million euros (around 20% of the contract) because of the alleged complicity of some CNADNR employees. Criminal charges were brought against lordache in early December 2012 by the DNA. After lordache's arrest and following the mass termination of its CNADNR contracts, ROMSTRATE filed for bankruptcy. In March 2014, the value of claims coming from the company's creditors, the majority of which are public entities, was established at 622 million euros⁴⁵.

The prosecutors' indictment pointed out that the advanced payments earmarked for highway construction were used not only to pay off outstanding debts incurred by ROMSTRATE and other companies controlled by lordache, but also for personal use. Ironically, European funds for the Arad-Nadlac project helped finance work done by several companies in other construction projects also funded with European money⁴⁶. This scandal was among the reasons for which, in October 2012, the EC decided to pre-suspend three operational programmes, including the one on transport infrastructure. The audit missions found that – at the management authority level – public procurement procedures were faulty, financial management was defective and the prevention and detection practice with regard to fraud and conflict of interest was inadequate (Pop, 2012).

Nelu lordache's company was accused by the press and, following his arrest, by Prime-Minister Victor Ponta, as having been offered sweetheart deals by Liberal and Democrat-Liberal ministers of Transport, the Minister of Regional Development and Tourism, Elena Udrea (Democrat-Liberal Party), and the CNADNR in exchange for his contributions to the Liberal Democrats' electoral campaigns (Mediafax, 2012). According to the information available on SEAP, from 2011 to 2012 – a time period roughly coinciding with Elena Udrea's mandate (23 December 2009-9 February 2012) at the Ministry of Development and Tourism (MDRT) –, ROMSTRATE won three contracts worth 428 million Euros. Consequently, he was one of the main beneficiaries of the National Infrastructure Development Program (PNDI) which sought to complement the European operational programmes aimed at modernizing county and local roads, building water and sewerage networks, waste water treatment facilities, renovating

⁴³ DONERP had just 4 employees in 2010 and 0 employees in 2011, the year the Arad-Nadlac highway construction started (Romanian Trade Register). The shadow administrator of DONREP was not an official associate, but one of lordache's acquaintances, named Marinescu Bogdan Olteanu.

⁴⁴ During the contract award phase, ROMSTRATE's offer was 24% higher than the cheapest counter-offer, but the price criterion represented 30% of the overall score.

⁴⁵ The largest creditors are BCR (68,1 million Euro), Astra Asigurări (52,9 million Euro) and EximBank (37,2 million Euro), but also the Municipal Town Hall of Bucharest and CNADNR (Ionascu, 2014).

⁴⁶ Among the various payments made, some examples include 50.000 lei to SC Turbomet SRL, for work on the Caracal Belt; 100.000 lei to SC Euromontaj SRL, for DN 67 C modernization; 100.000 lei to SC Record SRL in Bistrița Năsăud for cement on a rehabilitation site in Bistrița; 506.306 lei to SC Lafarge Agregate Betoane SRL for delivery of fillers for Arad-Nădlac, when in fact they were for delivering materials to the Sieu-Odorhei project, DJ 151 Bistrița and Baru –Hațeg; 50.000 lei to SC Construcții Ramis SRL, for civil construction work at School number 16 in Bucharest.

schools and kindergartens and multiannual environmental and disaster management programmes.

During Ludovic Orban's (National Liberal Party) tenure in the Ministry of Transport (5 April 2007-22 December 2008), ROMSTRADE's turnover took off⁴⁷ thanks to the 400 million euro contracts he and his company managed to win. Lordache's success continued under the following three ministers of Transport, all belonging to the Democrat-Liberal Party. Under Radu Berceanu's tenure (22 December 2008-3 September 2010), ROMSTRADE registered its highest turnover, over 260 million euro. The company benefitted from 2009 to 2012 from the most lucrative contracts with the Romanian state since their value exceeded 1 billion euro under Anca Boagiu's mandate (3 September 2010 - February 9 2012) and of her successor, Alexandru Nazare (February 9-May 9 2012) at the Ministry of Transport and under Elena Udrea's mandate at the MDRT.

According to the data available in SEAP, from 2007 to 2012, ROMSTRADE won from the CNADNR 25 contracts, the most valuable (343 million euros) being the Transalpina highway⁴⁸, which remains unfinished due to ROMSTRADE's insolvency claim, filed in December 2012. Consequently, the construction work for this highway was abandoned and traffic halted until March 2015, resulting in state damages estimated at 100 million euros (Digi24, 2015).

During his arrest, he made statements which led to the investigation of two political figures: Dragos Benea (Social Democratic Party), Bacau County Council President⁴⁹ and Ovidiu Silaghi (National Liberal Party), former Minister of Transport for a brief period in 2012. Silaghi has managed to elude to this day being criminally prosecuted by taking advantage of his national and even European parliamentary immunity⁵⁰. The charges brought against him are of influence peddling while in office at the Ministry of Transport whereby Silaghi offered to convince high ranking CNADNR employees not to annul lordache's on-going contracts and to continue delivering payments although some construction works were in delay in exchange of introducing

⁴⁷ In the year prior to Orban's investiture, ROMSTRADE's turnover was around 14,5 million Euro. The company registered its highest turnovers in 2007 (195,6 million Euro), 2008 (218 million Euro) and 2009 (267,3 million Euro).

⁴⁸ In May 2014, the Transalpina investigation, which resulted from splitting the Arad-Nadlac case, led to new criminal charges against lordache. In this case, public servants working for a local CNADNR branch accepted to reimburse ROMSTRADE costs incurred from fictitious construction works and materials which had not been actually bought. The damage estimated at 5 million Euro was recovered during the prosecution (DNA press statement no. 606/VIII/3, 16 May 2014).

⁴⁹ In July 2009 the Bacau Airport was sub-licensed for 35 years to Nelu lordache's air company, Blue Air (ROMSTRADE being its mother company), on the promise that the latter would invest in the airport's modernization. Suspicions arose because the company had rented two commercial spaces from Benea's close relatives and because Benea himself was a staunch supporter of Blue Air winning the concession contract. Following the EU funds defrauding scandal and ROMSTRADE's insolvency, the concession contract was annulled, lordache's air company was sued by the county council for unpaid debts and breach of contract since modernization works were minimal (Bogdanel, 2013).

⁵⁰ The evolution of Ovidiu Silaghi's indictment was a very sinuous one. In August 2013, Silaghi was accused by the DNA of influence peddling during his ministerial tenure and a request to lift his parliamentary immunity was sent to the Parliament. Silaghi used the common tactic of resigning from the Parliament so as to make the request null and void. Consequently, the DNA obtained the President's approval for starting a criminal prosecution, but from September 2013 to May 2014, the Liberal Party named Silaghi as a replacement to one of his party colleagues in the European Parliament. The latter failed to address the DNA's new immunity-related request and Silaghi was elected for another parliamentary mandate on behalf of the Social Democratic Party after having migrated from the Liberals (Attila, 2014).

new air routes via Iordache's air company to a local airport⁵¹. In addition, Silaghi also received 200,000 euro from Iordache in exchange of favouring the approval and continuation of his company's contacts within the CNADNR (DNA press statement no. 781/VIII/3, 12 September 2013).

CASE STUDY II

Costel Casuneanu is a steady presence in the Top 300 wealthiest businessmen with a net worth of 130 million euros in 2013, considerably less than in 2012 when his fortune amounted to 250 million euros⁵². By researching the Romanian Trade Register, one finds that Casuneanu moved closer to the political sphere not only by winning public contracts in road infrastructure and maintenance, but also through two of his business associates who later entered public service, one occupying a seat in Parliament and one in local administration. The businessman was a public supporter of the Social Democratic Party (PSD) by being a member of "Club 75"⁵³, a non-profit that aims to support social-democratic causes in Romania. He even entered into a dubious land transaction with then Bacau County Prefect and later PSD leader Viorel Hrebenciuc⁵⁴. However, Casuneanu has also been known to enjoy strengthening ties with other political figures. During the early 2000s, there was a series of transactions that took place between then Minister of Transport and later President Traian Basescu and Casuneanu⁵⁵, with the press speculating that this was a bribe from the PA&CO owner, who required several transport licenses (Gotiu, Popescu, 2014).

Casuneanu's interactions with politicians took a criminal turn in 2013 when he was sentenced to four years in prison (suspended sentence) for influence peddling in a case involving former PSD Senator Catalin Voicu, who was sent to prison for seven years on corruption charges. According to the DNA, in 2009 Casuneanu gave bribe money to Voicu for him to exert his influence over the chief of the Civil and Fiscal department of the High Court of Cassation and Justice (ICCJ), Florin Costiniu, such that he may convince his colleagues in the Administrative Court to favour PA&CO in a lawsuit against CNADNR (DNA press statement no. 183/VIII/3, May 2010).

⁵¹ Silaghi's request was allegedly aimed at supporting the electoral campaign of a person close to the minister and it resulted in a half a million Euro loss for the air company.

⁵² Casuneanu's business flourished between 1999 and 2004, when it reached an annual business turnover of 48,5 million Euro. His companies reached a peak between 2008-2009 and 2011-2012, when his businesses produced somewhere between 52 to 80,87 million Euro.

⁵³ "Club 75" was founded by 69 businessmen who contributed 75 million lei (about USD 3,5 million) to support the PSD in winning the 2000 presidential election. Other notable members, who have been or are prosecuted or convicted of corruption cases – are Sorin Tesu (former chief-of-staff in Prime-Minister Adrian Nastase's cabinet), former PSD member Șerban Mihăilescu (nicknamed Micky Bribe), and Aristide Roibu, former PSD treasurer.

⁵⁴ In 1992, Casuneanu was given property rights to a well-placed piece of forest (2,500 m²) in a sky resort by then Bacau County Prefect, Viorel Hrebenciuc. In less than a month after, Casuneanu sold 20% of the land back to Hrebenciuc's family for the mere sum of 25 USD (Gotiu, Popescu, 2014).

⁵⁵ In 2000, Basescu made some very advantageous land purchases in Bucharest. Simultaneously, a similar transaction takes place with a nearby land parcel, purchased by Casuneanu who paid approximately 225,000 USD, even though Basescu paid only 68,000 USD for his similar parcel, hence only a third of the total price paid by Casuneanu. In 2001, when Basescu was Mayor of Bucharest, he sold the same parcel to Gabriela Blaj (Casuneanu's sister-in-law and business partner) for around 3 million Euros. Basescu was investigated in 2004 for money laundering, but the file was closed after he became president (Stancu, 2011).

Moreover, in July 2014, he was indicted by the DNA on charges of giving a bribe to Bacau County mayor, Romeo Stavarache (National Liberal Party), after the latter requested money in exchange for releasing a construction permit needed by a company that won an EU funded project. The Stavarache case is also a case in point as to the method through which public contracts are given discretionally to handpicked businesses. The Liberal mayor is charged with asking several local businessmen for bribes in exchange for winning public contracts or, for those who were implementing projects, kickbacks in the form of a percentage of the contracts' values (DNA press statement no. 1110/VIII/3, July 2014; Bogdanel, 2014).

The modernization and expansion project of the Ploiesti West belt represents a case of awarding a public procurement contract financed through the state budget to a politically well-connected businessman active in the construction sector.

The public tender for the expansion and modernization of the Ploiesti West belt organized by CNADNR had four final offers which were evaluated on the basis of four criteria: price, quality of the work programme, equipment and execution timeframe. Costel Casuneanu's construction company, PA&CO International, won the 23.3 million euro contract for the 13-kilometre highway in late 2007. PA&CO breached the latter three criteria during the contract's execution, but blamed the CNADNR for not updating its feasibility studies to the new conditions on the ground (Etves, 2008; Etves, 2013). Both the value and the project's completion deadline changed in the following years. Through addenda to contracts⁵⁶ awarded through the least transparent procedure (negotiation without the publication of the participation notice) which entails the suspicion of intent to favour a particular company, the value of the construction works increased by 7.9 million euros in just two years and the project was finalized with a 9 months delay, in August 2010. In total, PA&CO received from CNADNR a total sum of 31.2 million euros for four lanes of the Ploiesti West belt⁵⁷. Considering that in the original tender the most expensive offer was 30.1 million euros, Casuneanu's offer and subsequent work ended up costing more public money. Although the overall price difference is not very large, the quality of the work done by PA&CO prompted the CNADNR to issue a public statement in November 2013 – the date when the portion of road was reopened to the public after being closed for repairs – whereby it deplored “major execution defects” and accused the company of being the “preferred client of the Democrat Liberal Party” (CNADNR press statement, November 2013).

Transport Minister to be Radu Berceanu (Democrat Liberal Party) declared, after PA&CO won the Ploiesti West belt project, that “PA&CO became a prime-ministerial company” (Cotidianul,

⁵⁶ In July 2008, when the project was less than 50% completed, PA&CO was allocated a supplementary 180,333 Euros for project design services through an addendum to the contract. In July 2009, PA&CO received a further 7 million Euros via a new addendum. In December 2009, the company was allocated a further 739,000 Euros for supplementary works. Source: Official SEAP database.

⁵⁷ Costel Casuneanu also benefitted from expropriation money from lands owned in the vicinity of the construction sites he was servicing. His son had bought 10,000 m² next to the Ploiesti Belt which ended up being included in the construction site perimeter. As a result, his son was expropriated and given a compensatory sum of money. Also, in June 2014, Prahova County Council gave compensatory sums of money to him, his wife and PA&CO which amounted to nearly 50,000 Euro (Mediafax, 2014; Unturica, Ilie, 2014).

2008) since it began receiving more contracts under Prime-Minister Calin Popescu Tariceanu and then Transport Minister, Ludovic Orban, both belonging to the Liberal Party. However, after Berceanu's return to the ministry (22 December 2008 - 3 September 2010), CNADNR approved the contract addenda and payments to PA&CO which increased the overall contract value by almost 8 million euros. Berceanu re-named Dorina Tiron – who was accused of mismanagement and removed as CNADNR director during Anca Boagiu's (Democrat Liberal Party) mandate at the Ministry of Transport (Evenimentul Zilei, 2010) – as head of CNADNR, who, in turn, in March 2010 appointed Ovidiu Barbier as Coordinating Director of Detour Bypasses. Barbier was both director and associate in of the firm Maxidesign that was the beneficiary of several design projects awarded by CNADNR. Most importantly, Maxidesign was also the company that designed the entire Ploiesti detour belt, executed by PA&CO. Therefore, from March to August 2010, when the belt's inauguration was made by Prime- Minister Emil Boc, PA&CO's activity was monitored by Casuneanu's own designer.

Unlike the Nelu Iordache case, Costel Casuneanu's company did not suffer major blows because of financial constraints or his owner's political dealings and it continues to win public contracts from national and local public entities, including CNADNR⁵⁸.

Final remarks

The case studies revealed that both owners went to great lengths to consolidate a network of relationships with high ranking officials so as to keep their doors open and contact political elites (from various political parties, from Social Democrats to Democrat Liberals or Liberals), but also various state institutions whose activity can favour or disrupt their companies' economic well-being. Both had strong contacts within the CNADNR and the Ministry of Transport. Relying on political regimes, they have had fluctuating turnovers from year to year, variations which affected their functioning. Lack of liquidity is one of the reasons why the owner of ROMSTRADE repeatedly breached the law: to keep his cluster of firms alive.

In contrast to the project financed through the state budget, where it was possible to juggle with the price of the work in favour of the constructor and to the state's detriment, the project financed through EU funds received more scrutiny from both national and European authorities and, therefore, it suffered fewer changes throughout its life cycle.

V. CONCLUSION

In Romania, the allocation of public resources shows patterns of particularism. Only 15% of transactions were found to have a particularistic character from the 6064 contracts, in terms of winning firms who had financed political parties through legal donations. If we extend the privileged firm definition and include firms known to have political connections, the particularistic distribution of public funds rises to 19.4% of all transactions. This means that one out of five contracts awarded by public authorities may have a particularistic character.

⁵⁸ From 2007 to 2012, PA&CO managed to win 22 contracts from the CNADNR. Source: Official SEAP database.

The agency-capture analysis revealed that corruption risk in public procurement occurs especially at the local level and in state-owned companies. The results on county councils are confirmed by the recent DNA investigations – more than half (22 out of 41) of county council presidents are being charged with acts of corruption (Mihalache, 2015). Most of the companies that “captured” contracting authorities are politically connected firms. Moreover, following the analysis above, one out of ten contracting authorities has been captured by a single company. However, there is no guarantee that particularism does not present itself in a situation of non-capture.

European funded contracts, compared to non-EU public contracts, are less prone to corruption, as the rules are stricter and the controls are more frequent. Only 1 out of 13 contracts for which an addendum was signed had received European financing. The EU funded public procurement market is competitive, with a strong international presence. Only 1 out of 7 EU financed contracts were awarded by single bids, as opposed to 1 out of 4 contracts financed by the state budget. The practice of single bidding and the tendency to establish political connections exist in the entire public procurement market. Nonetheless, the non-EU funded contracts present a higher corruption risk as single bidding is negatively associated with EU funding, but positively associated with political connections. Agency capture is significantly associated with both single bidding and with politically connected firms, but not in the case concerning strictly EU funded contracts. Still, 1 out of every 3 contracts won by a politically connected firm received European funding. Data analysis concluded also that the number of awarded contracts per company can be explained by single bidding and the existence of a political connection in 44% of the cases in pre-electoral years.

One of the main requirements in detecting corruption is access to data and information. The main challenges to this report consisted in accessing public information (and receiving answers to FOIA requests), but also the process of data mining and cleaning all the erroneous information. The Romanian Government’s commitment to increase transparency in the public procurement sector is currently a “shape without substance”. One cannot reproach the authorities for the lack of transparency, but the tools in place do not favour extensive analyses of corruption risk. It is impossible to comprehensively analyse the public procurement system even at your own, private expense. More troubling is the fact that not even the state has the right instruments to perform a correct statistical evaluation. The solutions are obvious and largely covered by budgetary allocations (such as those for open government), or should be in the process of being covered by European funding. Thus, our recommendations are the following:

1. The new electronic system for public procurement (SICAP) which is about to be contracted should enable information to be extracted in a functioning unitary database which would contain several verification and selection filters (the system should, first and foremost, not allow crucial information to be missing). Omitting a contract must automatically be penalized with administrative fines. Access to SICAP, unlike SEAP, needs to be liberalized given that, currently, the cost of subscribing is prohibitive. Plus,

the data export module from SICAP to CSV format should allot greater attention to diacritic symbols.

2. According to the National Anticorruption Strategy 2012-2015, Specific Objective 6 titled “Increasing efficiency of corruption preventing mechanisms in the area of public procurement”, “assembling a database of companies that have carried out contracts with public funding inappropriately” is being considered. This information is extracted from what Government Decision 925/2006 calls “primary and final ascertaining documents of fulfilment or non-fulfilment of contractual obligations” which ANRMAP receives and archives from contracting authorities. It would be useful for this “black list” of companies to be instantly available to all actors involved in public procurement, at least in the future, through SICAP. For EU funded projects, a similar system is the so-called ARACHNE tool whereby public servants within contracting authorities have the possibility of accessing an extensive amount of information on companies. Contracting authorities would be most advantaged, as they would have access to the names of business operators towards which they should exercise caution when awarding both nationally funded and European funded contracts. Contracting authorities could be encouraged, in the offer evaluation stage, to seek out the names of bidding companies in this database, and ignoring potential alarming signs could be considered evidence of intended fraud. Also, ANRMAP could publish regular reports on this issue and make these available to the general public.
3. The Freedom of Information Act needs to be amended to include implementation rules, which would specify access through newer technologies (such as digital photography, which is often rejected by authorities on grounds that it is not mentioned by the law), as the FOIA predates widespread use of this technique.
4. The annual report of each public authority or company should include a chapter on the effectiveness of procurement (‘value for money’). This report should be published no later than February of the following year. The methodological rules of Law 544/2001 already specify that the report needs to contain a justification of the authority’s budget (how objectives are met through spending) and can additionally contain a template for a chapter on public procurement. Unfortunately, at this time there is no department in the Romanian Government to monitor the completion of this report, and the Court of Accounts is limited to procedures and cannot make the necessary connection between how much tax-payers pay and how much they get for their money. Also necessary is a system of administrative sanctions for omitting to fill in this report.
5. The practice of single bidding and that of the “lowest price” criterion should be legally limited.

Also, for corruption risks to be better assessed the following **necessary improvements** should be made to the Electronic Public Procurement System. They cover both technical aspects of the system and rationales for restructuring the SEAP interface and are based on the direct negative experience of the SAR researchers in collecting data:

- Any additional information to different types of announcements (Errata; Corrections) should be added in a structured manner (not typewritten text, as is the case now).
- Selecting the field to be altered should be the norm and not typing the field name by hand as currently. The main announcement would contain the latest information added and only a track record of changes.
- The system should automatically be connected to the Trade Registry or to a simple database so that those who fill in announcements could insert just the tax ID and get the name of the company automatically.
- In case the winners of a procedure are associations-consortia of firms: there should be an option to tick that it is a consortium and get extra fields to insert one tax ID for each firm (clearly specifying that the first ID belongs to the leader).
- Each announcement should have clearly delineated fields for the post code and tax ID of both the winners and the contracting authority.
- Adding a self-filling option for Country and Locality – the user should type in the first letters and see a list of automatic suggestions for these two fields.
- The sums in the contracts should be either inserted strictly without VAT (remove the VAT option) or by selecting VAT from a predefined dropdown list (not manually inserted as is the case now).
- The sums in the contracts should be automatically converted to the other currencies (EUR and USD if RON was chosen) at the rate of exchange on the day the contract was awarded.
- When adding new values or changing older ones, there should be two separate fields, for numerals and for decimals.
- In case of an announcement containing several contracts, the appropriate CPV code should be mentioned for each contract. Information regarding unsuccessful bidders to an award procedure should be available – tax ID, prices bid.
- CAPTCHA codes, which, at present, are used in an extensive manner (at each stage of the search), should be used randomly or even removed.

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Appendix 1

Top 60 companies (based on their 2013 turnover) active on the public procurement market in the construction sector

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
ACOMIN S.A.	1993	2008	78337485	1309170	0	1.67%
ACOMIN S.A.	1993	2009	92746909	2095406	0	2.26%
ACOMIN S.A.	1993	2010	146486242	2061851	0	1.41%
ACOMIN S.A.	1993	2011	188461462	4681525	0	2.48%
ACOMIN S.A.	1993	2012	132210304	2155241	0	1.63%
ACOMIN S.A.	1993	2013	116148443	-1703807	0	-1.47%
AKTOR S.A. GRECIA ROMANIA	2004	2008	94115488	-3256200	1	-3.46%
AKTOR S.A. GRECIA ROMANIA	2004	2009	N/A	N/A	1	N/A
AKTOR S.A. GRECIA ROMANIA	2004	2010	52371032	1988876	1	3.80%
AKTOR S.A. GRECIA ROMANIA	2004	2011	26322667	-1823274	1	-6.93%
AKTOR S.A. GRECIA ROMANIA	2004	2012	38049642	887394	1	2.33%
AKTOR S.A. GRECIA ROMANIA	2004	2013	277658004	38055858	1	13.71%
ALPINE S.A.	2007	2008	96325731	-8985383	1	-9.33%
ALPINE S.A.	2007	2009	N/A	N/A	1	N/A
ALPINE S.A.	2007	2010	41784701	-30705356	1	-73.48%
ALPINE S.A.	2007	2011	167624190	-7892837	1	-4.71%
ALPINE S.A.	2007	2012	316908561	-106146390	1	-33.49%
ALPINE S.A.	2007	2013	N/A	N/A	1	N/A
APOLODOR COM IMPEX SRL	1992	2009	304199447	12134120	0	3.99%
APOLODOR COM IMPEX SRL	1992	2010	184227385	-5742370	0	-3.12%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
APOLODOR COM IMPEX SRL	1992	2011	208057401	2023416	0	0.97%
APOLODOR COM IMPEX SRL	1992	2012	171562186	1762304	0	1.03%
APOLODOR COM IMPEX SRL	1992	2013	140170766	-8716045	0	-6.22%
APOLODOR COM IMPEX SRL	1992	2008	351751438	27469302	0	7.81%
ARCADA COMPANY SA	1994	2008	98086749	27922489	0	28.47%
ARCADA COMPANY SA	1994	2009	151016869	66015943	0	43.71%
ARCADA COMPANY SA	1994	2010	155421994	47538675	0	30.59%
ARCADA COMPANY SA	1994	2011	89537118	27646750	0	30.88%
ARCADA COMPANY SA	1994	2012	46465253	8624718	0	18.56%
ARCADA COMPANY SA	1994	2013	192680253	62684630	0	32.53%
ASTALDI SPA ITALIA SUCURSALA BUCURESTI	1998	2008	N/A	N/A	1	N/A
ASTALDI SPA ITALIA SUCURSALA BUCURESTI	1998	2009	114027305	2393698	1	2.10%
ASTALDI SPA ITALIA SUCURSALA BUCURESTI	1998	2010	54880956	18856698	1	34.36%
ASTALDI SPA ITALIA SUCURSALA BUCURESTI	1998	2011	330052870	-739268	1	-0.22%
ASTALDI SPA ITALIA SUCURSALA BUCURESTI	1998	2012	627591603	-120487023	1	-19.20%
ASTALDI SPA ITALIA SUCURSALA BUCURESTI	1998	2013	318270100	98830448	1	31.05%
AZVI S.A. - SEDIU PERMANENT DESEM NAT	2009	2009	N/A	N/A	1	N/A
AZVI S.A. - SEDIU PERMANENT DESEM NAT	2009	2010	165414923	11731082	1	7.09%
AZVI S.A. - SEDIU PERMANENT DESEM NAT	2009	2011	193301624	12024789	1	6.22%
AZVI S.A. - SEDIU PERMANENT DESEM NAT	2009	2012	147603225	12628626	1	8.56%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
AZVI S.A. - SEDIU PERMANENT DESEM NAT	2009	2013	183249333	873916	1	0.48%
AZVI S.A. - SEDIU PERMANENT DESEM NAT	2009	2008	N/A	N/A	1	N/A
BOG'ART S.R.L.	1991	2008	342242635	33933659	0	9.92%
BOG'ART S.R.L.	1991	2009	381194802	41715466	0	10.94%
BOG'ART S.R.L.	1991	2010	347047123	6598320	0	1.90%
BOG'ART S.R.L.	1991	2011	325273623	3998264	0	1.23%
BOG'ART S.R.L.	1991	2012	339018944	2687114	0	0.79%
BOG'ART S.R.L.	1991	2013	403822082	3228061	0	0.80%
CON-A S.R.L.	1991	2008	190412791	20197667	0	10.61%
CON-A S.R.L.	1991	2009	123366705	10851356	0	8.80%
CON-A S.R.L.	1991	2010	196642666	8991259	0	4.57%
CON-A S.R.L.	1991	2011	232894875	8746423	0	3.76%
CON-A S.R.L.	1991	2012	199814329	14319553	0	7.17%
CON-A S.R.L.	1991	2013	229566464	12962910	0	5.65%
CONARG CONSTRUCT S.R.L.	2007	2008	225790997	33037441	0	14.63%
CONARG CONSTRUCT S.R.L.	2007	2009	141220751	21876198	0	15.49%
CONARG CONSTRUCT S.R.L.	2007	2010	154479309	2587735	0	1.68%
CONARG CONSTRUCT S.R.L.	2007	2011	135176973	412416	0	0.31%
CONARG CONSTRUCT S.R.L.	2007	2012	106317782	362607	0	0.34%
CONARG CONSTRUCT S.R.L.	2007	2013	111653080	854414	0	0.77%
CONDMAG S.A.	1999	2009	226799345	21513196	0	9.49%
CONDMAG S.A.	1999	2010	198452126	14316322	0	7.21%
CONDMAG S.A.	1999	2011	113716459	1474293	0	1.30%
CONDMAG S.A.	1999	2012	92849288	-26086405	0	-28.10%
CONDMAG S.A.	1999	2013	115676385	-24613253	0	-21.28%
CONDMAG S.A.	1999	2008	145313194	10355591	0	7.13%
CONSTRUCTII ERBASU SA	1992	2009	148045310	10061056	0	6.80%
CONSTRUCTII ERBASU	1992	2010	170602364	19483305	0	11.42%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
SA						
CONSTRUCTII ERBASU SA	1992	2011	185161688	33844312	0	18.28%
CONSTRUCTII ERBASU SA	1992	2012	459822636	35745630	0	7.77%
CONSTRUCTII ERBASU SA	1992	2013	165822208	13019108	0	7.85%
CONSTRUCTII ERBASU SA	1992	2008	84584968	4001930	0	4.73%
COPISA CONSTRUCTORA PIRENAICA S.A.	2009	2008	N/A	N/A	1	N/A
COPISA CONSTRUCTORA PIRENAICA S.A.	2009	2009	1592	-400228	1	-25139.95%
COPISA CONSTRUCTORA PIRENAICA S.A.	2009	2010	N/A	N/A	1	N/A
COPISA CONSTRUCTORA PIRENAICA S.A.	2009	2011	66955717	-8258429	1	-12.33%
COPISA CONSTRUCTORA PIRENAICA S.A.	2009	2012	45937112	7337042	1	15.97%
COPISA CONSTRUCTORA PIRENAICA S.A.	2009	2013	98011974	4237254	1	4.32%
DELTA ANTREPRIZA DE CONSTRUCTII SI MONTAJ 93 S.R.L.	1993	2008	417686429	27514936	0	6.59%
DELTA ANTREPRIZA DE CONSTRUCTII SI MONTAJ 93 S.R.L.	1993	2009	307718317	53744440	0	17.47%
DELTA ANTREPRIZA DE CONSTRUCTII SI MONTAJ 93 S.R.L.	1993	2010	391885984	126292821	0	32.23%
DELTA ANTREPRIZA DE CONSTRUCTII SI MONTAJ 93 S.R.L.	1993	2011	407736320	59637067	0	14.63%
DELTA ANTREPRIZA DE CONSTRUCTII SI MONTAJ 93 S.R.L.	1993	2012	502606342	18404556	0	3.66%
DELTA ANTREPRIZA DE CONSTRUCTII SI MONTAJ 93 S.R.L.	1993	2013	544067907	46466261	0	8.54%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
DIFERIT S.R.L.	2001	2009	42543606	2092386	0	4.92%
DIFERIT S.R.L.	2001	2010	28733170	1430913	0	4.98%
DIFERIT S.R.L.	2001	2011	90661276	5362425	0	5.91%
DIFERIT S.R.L.	2001	2012	114280040	11034298	0	9.66%
DIFERIT S.R.L.	2001	2013	132472003	6962749	0	5.26%
DIFERIT S.R.L.	2001	2008	40935309	4256428	0	10.40%
ELECTROGRUP SA	1997	2008	105540601	33714705	0	31.94%
ELECTROGRUP SA	1997	2009	85468228	22566190	0	26.40%
ELECTROGRUP SA	1997	2010	95297424	21591699	0	22.66%
ELECTROGRUP SA	1997	2011	133145637	24184388	0	18.16%
ELECTROGRUP SA	1997	2012	146998482	20814671	0	14.16%
ELECTROGRUP SA	1997	2013	185621466	28214800	0	15.20%
ELECTROMONTAJ S.A.	1991	2008	192565219	15605033	0	8.10%
ELECTROMONTAJ S.A.	1991	2009	179483043	18569567	0	10.35%
ELECTROMONTAJ S.A.	1991	2010	311328750	34035811	0	10.93%
ELECTROMONTAJ S.A.	1991	2011	218674815	18753009	0	8.58%
ELECTROMONTAJ S.A.	1991	2012	185175218	11711960	0	6.32%
ELECTROMONTAJ S.A.	1991	2013	210748195	830752	0	0.39%
ENERGOBIT S.A.	1992	2008	83677204	3491290	0	4.17%
ENERGOBIT S.A.	1992	2009	7582076	15266434	0	201.35%
ENERGOBIT S.A.	1992	2010	7350013	25811741	0	351.18%
ENERGOBIT S.A.	1992	2011	9529748	36488176	0	382.89%
ENERGOBIT S.A.	1992	2012	8126958	62152403	0	764.77%
ENERGOBIT S.A.	1992	2013	7639106	48686374	0	637.33%
ENERGOMONTAJ SA	1991	2008	389619010	9225971	0	2.37%
ENERGOMONTAJ SA	1991	2009	430111738	9759584	0	2.27%
ENERGOMONTAJ SA	1991	2010	429579610	9358008	0	2.18%
ENERGOMONTAJ SA	1991	2011	466558469	3466594	0	0.74%
ENERGOMONTAJ SA	1991	2012	406460041	5288158	0	1.30%
ENERGOMONTAJ SA	1991	2013	402313922	5967140	0	1.48%
EURO CONSTRUCT TRADING '98 SRL	1998	2008	216016260	68095189	0	31.52%
EURO CONSTRUCT TRADING '98 SRL	1998	2009	251342741	68629464	0	27.31%
EURO CONSTRUCT TRADING '98 SRL	1998	2010	270571549	98376791	0	36.36%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
EURO CONSTRUCT TRADING '98 SRL	1998	2011	354497745	45637706	0	12.87%
EURO CONSTRUCT TRADING '98 SRL	1998	2012	458900643	40395091	0	8.80%
EURO CONSTRUCT TRADING '98 SRL	1998	2013	462611947	31254831	0	6.76%
FCC CONSTRUCCION S.A. BARCELONA ROMANIA	2004	2008	109796563	-18477203	1	-16.83%
FCC CONSTRUCCION S.A. BARCELONA ROMANIA	2004	2009	286808889	51514996	1	17.96%
FCC CONSTRUCCION S.A. BARCELONA ROMANIA	2004	2010	N/A	N/A	1	N/A
FCC CONSTRUCCION S.A. BARCELONA ROMANIA	2004	2011	139485134	-6283814	1	-4.51%
FCC CONSTRUCCION S.A. BARCELONA ROMANIA	2004	2012	315446253	-845233	1	-0.27%
FCC CONSTRUCCION S.A. BARCELONA ROMANIA	2004	2013	246001985	-24604434	1	-10.00%
HIDROCONSTRUCTIA S.A.	1991	2008	918750904	60174751	0	6.55%
HIDROCONSTRUCTIA S.A.	1991	2009	1122399432	46652663	0	4.16%
HIDROCONSTRUCTIA S.A.	1991	2010	977141225	59632354	0	6.10%
HIDROCONSTRUCTIA S.A.	1991	2011	1002178651	60449579	0	6.03%
HIDROCONSTRUCTIA S.A.	1991	2012	623555725	23068304	0	3.70%
HIDROCONSTRUCTIA S.A.	1991	2013	599709378	11670914	0	1.95%
IASICON S.A.	1992	2009	97064297	7189334	0	7.41%
IASICON S.A.	1992	2010	94266952	8559059	0	9.08%
IASICON S.A.	1992	2011	102133225	14723753	0	14.42%
IASICON S.A.	1992	2012	93894169	2212168	0	2.36%
IASICON S.A.	1992	2013	100665151	35482	0	0.04%
IASICON S.A.	1992	2008	94644938	9116946	0	9.63%
IMSAT SA	1991	2008	391120862	13445636	1	3.44%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
IMSAT SA	1991	2009	330703933	-823582	1	-0.25%
IMSAT SA	1991	2010	228555307	-20404542	1	-8.93%
IMSAT SA	1991	2011	261414217	11179104	1	4.28%
IMSAT SA	1991	2012	210561085	1285301	1	0.61%
IMSAT SA	1991	2013	189397898	1647408	1	0.87%
INSPET S.A.	1992	2009	204187960	11777715	0	5.77%
INSPET S.A.	1992	2010	275335960	25037171	0	9.09%
INSPET S.A.	1992	2011	182405099	18047591	0	9.89%
INSPET S.A.	1992	2012	196028092	9009773	0	4.60%
INSPET S.A.	1992	2013	148323824	12262560	0	8.27%
INSPET S.A.	1992	2008	169631301	11955072	0	7.05%
LUXTEN LIGHTING COMPANY SA	1995	2008	234387573	67367389	0	28.74%
LUXTEN LIGHTING COMPANY SA	1995	2009	169119398	22467486	0	13.28%
LUXTEN LIGHTING COMPANY SA	1995	2010	176745990	25739360	0	14.56%
LUXTEN LIGHTING COMPANY SA	1995	2011	183529321	18702925	0	10.19%
LUXTEN LIGHTING COMPANY SA	1995	2012	153492498	27122941	0	17.67%
LUXTEN LIGHTING COMPANY SA	1995	2013	185986060	36125978	0	19.42%
MAX BOEGL ROMANIA S.R.L.	2003	2009	77646119	10550151	1	13.59%
MAX BOEGL ROMANIA S.R.L.	2003	2010	98851194	10664563	1	10.79%
MAX BOEGL ROMANIA S.R.L.	2003	2011	207780105	7158870	1	3.45%
MAX BOEGL ROMANIA S.R.L.	2003	2012	387873211	9578504	1	2.47%
MAX BOEGL ROMANIA S.R.L.	2003	2013	151374270	4355426	1	2.88%
MAX BOEGL ROMANIA S.R.L.	2003	2008	86859484	-2200605	1	-2.53%
PROMS CONCEPT GROUP S.R.L.	2007	2008	4315601	1788734	0	41.45%
PROMS CONCEPT GROUP S.R.L.	2007	2009	N/A	N/A	0	N/A
PROMS CONCEPT	2007	2010	16024162	2057188	0	12.84%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
GROUP S.R.L.						
PROMS CONCEPT GROUP S.R.L.	2007	2011	20538349	1478826	0	7.20%
PROMS CONCEPT GROUP S.R.L.	2007	2012	57875401	3441009	0	5.95%
PROMS CONCEPT GROUP S.R.L.	2007	2013	100153053	4095315	0	4.09%
ROMELECTRO SA	1991	2008	511323085	38674164	0	7.56%
ROMELECTRO SA	1991	2009	510705467	50108119	0	9.81%
ROMELECTRO SA	1991	2010	465807819	62398275	0	13.40%
ROMELECTRO SA	1991	2011	351350620	54488533	0	15.51%
ROMELECTRO SA	1991	2012	346269505	13514998	0	3.90%
ROMELECTRO SA	1991	2013	317065411	36904781	0	11.64%
ROTARY CONSTRUCTII S.R.L.	1991	2008	106636091	3954284	0	3.71%
ROTARY CONSTRUCTII S.R.L.	1991	2009	78419639	3873911	0	4.94%
ROTARY CONSTRUCTII S.R.L.	1991	2010	94868722	4526104	0	4.77%
ROTARY CONSTRUCTII S.R.L.	1991	2011	148296619	5729507	0	3.86%
ROTARY CONSTRUCTII S.R.L.	1991	2012	176071799	4304041	0	2.44%
ROTARY CONSTRUCTII S.R.L.	1991	2013	137280299	2902700	0	2.11%
SALINI IMPREGILO S.P.A MILANO-SUCURSALA SIBIU	2011	2008	N/A	N/A	0	N/A
SALINI IMPREGILO S.P.A MILANO-SUCURSALA SIBIU	2011	2009	N/A	N/A	0	N/A
SALINI IMPREGILO S.P.A MILANO-SUCURSALA SIBIU	2011	2010	N/A	N/A	0	N/A
SALINI IMPREGILO S.P.A MILANO-SUCURSALA SIBIU	2011	2011	0	-191884	0	-191 884
SALINI IMPREGILO S.P.A MILANO-SUCURSALA SIBIU	2011	2012	291404612	-16791437	0	-5.76%
SALINI IMPREGILO S.P.A MILANO-SUCURSALA SIBIU	2011	2013	199643777	-77274904	0	-38.71%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
SHAPIR STRUCTURES S.R.L.	2000	2008	1710021	-1312807	1	-76.77%
SHAPIR STRUCTURES S.R.L.	2000	2009	21237263	1993840	1	9.39%
SHAPIR STRUCTURES S.R.L.	2000	2010	16058256	533862	1	3.32%
SHAPIR STRUCTURES S.R.L.	2000	2011	49853876	1471506	1	2.95%
SHAPIR STRUCTURES S.R.L.	2000	2012	181200591	1635251	1	0.90%
SHAPIR STRUCTURES S.R.L.	2000	2013	232645499	-33723906	1	-14.50%
STRABAG AG AUSTRIA SUCURSALA BUCURESTI	2005	2008	147365764	7623329	0	5.17%
STRABAG AG AUSTRIA SUCURSALA BUCURESTI	2005	2009	218163356	-11667081	0	-5.35%
STRABAG AG AUSTRIA SUCURSALA BUCURESTI	2005	2010	282448673	-4952386	0	-1.75%
STRABAG AG AUSTRIA SUCURSALA BUCURESTI	2005	2011	272871504	-8191969	0	-3.00%
STRABAG AG AUSTRIA SUCURSALA BUCURESTI	2005	2012	784401062	16361303	0	2.09%
STRABAG AG AUSTRIA SUCURSALA BUCURESTI	2005	2013	400689829	556476880	0	138.88%
STRABAG S.R.L.	1994	2008	489221703	28180644	0	5.76%
STRABAG S.R.L.	1994	2009	512393401	28340640	0	5.53%
STRABAG S.R.L.	1994	2010	556577129	28965062	0	5.20%
STRABAG S.R.L.	1994	2011	585828064	15340387	0	2.62%
STRABAG S.R.L.	1994	2012	1403884345	32849687	0	2.34%
STRABAG S.R.L.	1994	2013	1028034647	116097478	0	11.29%
STRACO GRUP S.R.L.	2003	2008	133577052	28287092	0	21.18%
STRACO GRUP S.R.L.	2003	2009	163945104	1804476	0	1.10%
STRACO GRUP S.R.L.	2003	2010	213413851	3041585	0	1.43%
STRACO GRUP S.R.L.	2003	2011	372590194	5856956	0	1.57%
STRACO GRUP S.R.L.	2003	2012	872556755	3244469	0	0.37%
STRACO GRUP S.R.L.	2003	2013	616549831	1619187	0	0.26%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
SWIETELSKY BAUGESELLSCHAFT M.B.H. LINZ SUCURSALA BUCURESTI	2011	2008	N/A	N/A	0	N/A
SWIETELSKY BAUGESELLSCHAFT M.B.H. LINZ SUCURSALA BUCURESTI	2011	2009	N/A	N/A	0	N/A
SWIETELSKY BAUGESELLSCHAFT M.B.H. LINZ SUCURSALA BUCURESTI	2011	2010	N/A	N/A	0	N/A
SWIETELSKY BAUGESELLSCHAFT M.B.H. LINZ SUCURSALA BUCURESTI	2011	2011	8459361	163031	0	1.93%
SWIETELSKY BAUGESELLSCHAFT M.B.H. LINZ SUCURSALA BUCURESTI	2011	2012	116892597	-9056120	0	-7.75%
SWIETELSKY BAUGESELLSCHAFT M.B.H. LINZ SUCURSALA BUCURESTI	2011	2013	199392671	-21652857	0	-10.86%
TANCRAD S.R.L.	1995	2008	117544796	24628357	0	20.95%
TANCRAD S.R.L.	1995	2009	91408862	10218679	0	11.18%
TANCRAD S.R.L.	1995	2010	105671099	10240473	0	9.69%
TANCRAD S.R.L.	1995	2011	157769876	15474304	0	9.81%
TANCRAD S.R.L.	1995	2012	194346100	13011440	0	6.69%
TANCRAD S.R.L.	1995	2013	239959729	14944212	0	6.23%
TECHNOCER SRL	1997	2008	43408319	4679606	0	10.78%
TECHNOCER SRL	1997	2009	41974065	5307555	0	12.64%
TECHNOCER SRL	1997	2010	73985358	9600252	0	12.98%
TECHNOCER SRL	1997	2011	129537856	22628909	0	17.47%
TECHNOCER SRL	1997	2012	164591579	37335938	0	22.68%
TECHNOCER SRL	1997	2013	108417322	16550910	0	15.27%
TEHNOLOGICA RADION S.R.L.	1993	2008	665869469	146364299	0	21.98%

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TEHNOLOGICA RADION S.R.L.	1993	2009	459070700	19702155	0	4.29%
TEHNOLOGICA RADION S.R.L.	1993	2010	599568293	49953020	0	8.33%
TEHNOLOGICA RADION S.R.L.	1993	2011	584307327	27734629	0	4.75%
TEHNOLOGICA RADION S.R.L.	1993	2012	560013055	6498576	0	1.16%
TEHNOLOGICA RADION S.R.L.	1993	2013	356891562	4818173	0	1.35%
TEHNOSTRADE SRL	2004	2008	441828063	204865361	0	46.37%
TEHNOSTRADE SRL	2004	2009	645164746	188361914	0	29.20%
TEHNOSTRADE SRL	2004	2010	419721027	115581346	0	27.54%
TEHNOSTRADE SRL	2004	2011	572444536	147569485	0	25.78%
TEHNOSTRADE SRL	2004	2012	549761129	87125842	0	15.85%
TEHNOSTRADE SRL	2004	2013	338804149	51750680	0	15.27%
TEL DRUM S.A.	1993	2008	192302364	25364564	0	13.19%
TEL DRUM S.A.	1993	2009	N/A	N/A	0	N/A
TEL DRUM S.A.	1993	2010	165414923	11731082	0	7.09%
TEL DRUM S.A.	1993	2011	193301624	12024789	0	6.22%
TEL DRUM S.A.	1993	2012	147603225	12628626	0	8.56%
TEL DRUM S.A.	1993	2013	183249333	873916	0	0.48%
TIAB SA	1991	2008	130974303	1276365	1	0.97%
TIAB SA	1991	2009	132919380	1600093	1	1.20%
TIAB SA	1991	2010	121280413	1312232	1	1.08%
TIAB SA	1991	2011	157727641	2685344	1	1.70%
TIAB SA	1991	2012	144671204	5951966	1	4.11%
TIAB SA	1991	2013	190674277	4106515	1	2.15%
VECTRA SERVICE S.R.L.	1994	2009	182114722	7267684	0	3.99%
VECTRA SERVICE S.R.L.	1994	2010	212591028	7230104	0	3.40%
VECTRA SERVICE S.R.L.	1994	2011	280969243	7780361	0	2.77%
VECTRA SERVICE S.R.L.	1994	2012	188575923	1214905	0	0.64%
VECTRA SERVICE S.R.L.	1994	2013	153690521	-9707711	0	-6.32%
VECTRA SERVICE	1994	2008	213417014	5252704	0	2.46%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
S.R.L.						
VEGA 93 S.R.L.	1993	2008	266110768	38841558	0	14.60%
VEGA 93 S.R.L.	1993	2009	373709795	34273414	0	9.17%
VEGA 93 S.R.L.	1993	2010	356099029	39237878	0	11.02%
VEGA 93 S.R.L.	1993	2011	361214554	33994027	0	9.41%
VEGA 93 S.R.L.	1993	2012	352784284	1323444	0	0.38%
VEGA 93 S.R.L.	1993	2013	258770876	4633980	0	1.79%
VIAROM CONSTRUCT S.A.	2001	2008	83325375	9229	1	0.01%
VIAROM CONSTRUCT S.A.	2001	2009	209765423	3361855	1	1.60%
VIAROM CONSTRUCT S.A.	2001	2010	106422618	1198505	1	1.13%
VIAROM CONSTRUCT S.A.	2001	2011	139925805	1493241	1	1.07%
VIAROM CONSTRUCT S.A.	2001	2012	139925805	5827220	1	4.16%
VIAROM CONSTRUCT S.A.	2001	2013	185151440	2282473	1	1.23%
GENERAL CONSTRUCT SRL	1994	2008	45914320	1114799	0	2.43%
GENERAL CONSTRUCT SRL	1994	2009	79716355	1476460	0	1.85%
GENERAL CONSTRUCT SRL	1994	2010	53082335	1357781	0	2.56%
GENERAL CONSTRUCT SRL	1994	2011	80673410	3056090	0	3.79%
GENERAL CONSTRUCT SRL	1994	2012	83453301	2891948	0	3.47%
GENERAL CONSTRUCT SRL	1994	2013	95234615	4607644	0	4.84%
DRUPO S.R.L.	2001	2008	47261646	2261857	0	4.79%
DRUPO S.R.L.	2001	2009	37104844	956598	0	2.58%
DRUPO S.R.L.	2001	2010	56023362	4850859	0	8.66%
DRUPO S.R.L.	2001	2011	87142920	5354924	0	6.14%
DRUPO S.R.L.	2001	2012	93165922	3351637	0	3.60%
DRUPO S.R.L.	2001	2013	94105223	8121484	0	8.63%
ACI CLUJ S.A.	1991	2008	137858980	9973119	0	7.23%
ACI CLUJ S.A.	1991	2009	131681391	12853291	0	9.76%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
ACI CLUJ S.A.	1991	2010	122365880	8776630	0	7.17%
ACI CLUJ S.A.	1991	2011	188662832	10377948	0	5.50%
ACI CLUJ S.A.	1991	2012	93801598	5072543	0	5.41%
ACI CLUJ S.A.	1991	2013	93298899	1214352	0	1.30%
CONEST S.A.	1991	2008	72661219	6643391	0	9.14%
CONEST S.A.	1991	2009	N/A	N/A	0	N/A
CONEST S.A.	1991	2010	48117233	379379	0	0.79%
CONEST S.A.	1991	2011	46230155	587334	0	1.27%
CONEST S.A.	1991	2012	67290635	288889	0	0.43%
CONEST S.A.	1991	2013	90208664	414660	0	0.46%
SOCIETATEA DE CONSTRUCTII IN TRANSPORTURI BUCURESTI S.A.	1991	2008	79251772	5136552	0	6.48%
SOCIETATEA DE CONSTRUCTII IN TRANSPORTURI BUCURESTI S.A.	1991	2009	105692130	2198528	0	2.08%
SOCIETATEA DE CONSTRUCTII IN TRANSPORTURI BUCURESTI S.A.	1991	2010	91844290	1576221	0	1.72%
SOCIETATEA DE CONSTRUCTII IN TRANSPORTURI BUCURESTI S.A.	1991	2011	105082473	2614935	0	2.49%
SOCIETATEA DE CONSTRUCTII IN TRANSPORTURI BUCURESTI S.A.	1991	2012	202176315	904790	0	0.45%
SOCIETATEA DE CONSTRUCTII IN TRANSPORTURI BUCURESTI S.A.	1991	2013	88371167	700093	0	0.79%
LOIAL IMPEX S.R.L.	1993	2008	66086447	3727854	0	5.64%
LOIAL IMPEX S.R.L.	1993	2009	N/A	N/A	0	N/A
LOIAL IMPEX S.R.L.	1993	2010	48117233	379379	0	0.79%
LOIAL IMPEX S.R.L.	1993	2011	46230155	587334	0	1.27%
LOIAL IMPEX S.R.L.	1993	2012	67290635	288889	0	0.43%
LOIAL IMPEX S.R.L.	1993	2013	90208664	414660	0	0.46%
GEIGER TRANSILVANIA S.R.L.	2004	2008	84357824	2859661	0	3.39%

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GEIGER TRANSILVANIA S.R.L.	2004	2009	58432032	420069	0	0.72%
GEIGER TRANSILVANIA S.R.L.	2004	2010	60031176	812853	0	1.35%
GEIGER TRANSILVANIA S.R.L.	2004	2011	89963407	316386	0	0.35%
GEIGER TRANSILVANIA S.R.L.	2004	2012	78302102	2745854	0	3.51%
GEIGER TRANSILVANIA S.R.L.	2004	2013	87238695	4561346	0	5.23%
TEHNODOMUS S.A.	1994	2008	97762322	12415625	0	12.70%
TEHNODOMUS S.A.	1994	2009	145712567	29124955	0	19.99%
TEHNODOMUS S.A.	1994	2010	152624069	23709926	0	15.53%
TEHNODOMUS S.A.	1994	2011	175549055	12929757	0	7.37%
TEHNODOMUS S.A.	1994	2012	40803255	1740845	0	4.27%
TEHNODOMUS S.A.	1994	2013	81961723	2488900	0	3.04%
AGETAPS S.R.L.	1994	2008	69971552	2511766	0	3.59%
AGETAPS S.R.L.	1994	2009	56473658	691693	0	1.22%
AGETAPS S.R.L.	1994	2010	56436335	248046	0	0.44%
AGETAPS S.R.L.	1994	2011	68044669	1321665	0	1.94%
AGETAPS S.R.L.	1994	2012	87219181	442861	0	0.51%
AGETAPS S.R.L.	1994	2013	81009466	451505	0	0.56%
TERRA GAZ CONSTRUCT S.R.L.	1998	2008	27163058	705279	0	2.60%
TERRA GAZ CONSTRUCT S.R.L.	1998	2009	56902683	2176216	0	3.82%
TERRA GAZ CONSTRUCT S.R.L.	1998	2010	48388396	1644660	0	3.40%
TERRA GAZ CONSTRUCT S.R.L.	1998	2011	57338760	1988093	0	3.47%
TERRA GAZ CONSTRUCT S.R.L.	1998	2012	55521386	1486129	0	2.68%
TERRA GAZ CONSTRUCT S.R.L.	1998	2013	79023999	3373980	0	4.27%
DRUM CONSTRUCT S.R.L.	1995	2008	58837223	2280758	0	3.88%
DRUM CONSTRUCT S.R.L.	1995	2009	44110491	1185476	0	2.69%
DRUM CONSTRUCT S.R.L.	1995	2010	56543494	662342	0	1.17%

Company name	Creation date	YEAR	Turnover (RON)	Gross profit (RON)	International firm	Profit Rate
DRUM CONSTRUCT S.R.L.	1995	2011	70063620	948878	0	1.35%
DRUM CONSTRUCT S.R.L.	1995	2012	79885457	846745	0	1.06%
DRUM CONSTRUCT S.R.L.	1995	2013	77845648	847180	0	1.09%
PORR CONSTRUCT S.R.L.	2006	2008	35009166	-29561410	0	-84.44%
PORR CONSTRUCT S.R.L.	2006	2009	235086476	29828401	0	12.69%
PORR CONSTRUCT S.R.L.	2006	2010	252858105	-38073432	0	-15.06%
PORR CONSTRUCT S.R.L.	2006	2011	299672016	-29364539	0	-9.80%
PORR CONSTRUCT S.R.L.	2006	2012	83310445	-12927536	0	-15.52%
PORR CONSTRUCT S.R.L.	2006	2013	51315808	975204	0	1.90%
VICTOR CONSTRUCT S.R.L.	1993	2008	89413230	15354561	0	17.17%
VICTOR CONSTRUCT S.R.L.	1993	2009	71195187	7433190	0	10.44%
VICTOR CONSTRUCT S.R.L.	1993	2010	76641116	10638472	0	13.88%
VICTOR CONSTRUCT S.R.L.	1993	2011	74349604	10831385	0	14.57%
VICTOR CONSTRUCT S.R.L.	1993	2012	85693389	8239650	0	9.62%
VICTOR CONSTRUCT S.R.L.	1993	2013	77174019	5574218	0	7.22%
NEWAMPORT COMPANI S.R.L.	2004	2008	11850525	64195	0	0.54%
NEWAMPORT COMPANI S.R.L.	2004	2009	19742856	158236	0	0.80%
NEWAMPORT COMPANI S.R.L.	2004	2010	31654670	272851	0	0.86%
NEWAMPORT COMPANI S.R.L.	2004	2011	39656018	367344	0	0.93%
NEWAMPORT COMPANI S.R.L.	2004	2012	49736806	482575	0	0.97%
NEWAMPORT COMPANI S.R.L.	2004	2013	76395345	682513	0	0.89%
CAST S.R.L.	1994	2008	120987729	16815172	0	13.90%

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CAST S.R.L.	1994	2009	69506141	6681215	0	9.61%
CAST S.R.L.	1994	2010	116562857	13822783	0	11.86%
CAST S.R.L.	1994	2011	148165257	13309510	0	8.98%
CAST S.R.L.	1994	2012	124191029	10165983	0	8.19%
CAST S.R.L.	1994	2013	75090967	5351112	0	7.13%
SELINA	1994	2008	104335410	9394291	0	9.00%
SELINA	1994	2009	104451320	10769718	0	10.31%
SELINA	1994	2010	133030941	12964559	0	9.75%
SELINA	1994	2011	149637017	24793883	0	16.57%
SELINA	1994	2012	136753552	17602329	0	12.87%
SELINA	1994	2013	70836636	-60911806	0	-85.99%
STRABAG	1994/2005	2008	636587467	35803973	1	5.62%
STRABAG	1994/2005	2009	730556757	16673559	1	2.28%
STRABAG	1994/2005	2010	839025802	24012676	1	2.86%
STRABAG	1994/2005	2011	858699568	7148418	1	0.83%
STRABAG	1994/2005	2012	2188285407	49210990	1	2.25%
STRABAG	1994/2005	2013	1428724476	672574358	1	47.08%



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Project profile

ANTICORRP is a large-scale research project funded by the European Commission's Seventh Framework Programme. The full name of the project is "Anti-corruption Policies Revisited: Global Trends and European Responses to the Challenge of Corruption". The project started in March 2012 and will last for five years. The research is conducted by 20 research groups in fifteen countries.

The fundamental purpose of ANTICORRP is to investigate and explain the factors that promote or hinder the development of effective anti-corruption policies and impartial government institutions. A central issue is how policy responses can be tailored to deal effectively with various forms of corruption. Through this approach ANTICORRP seeks to advance the knowledge on how corruption can be curbed in Europe and elsewhere. Special emphasis is laid on the agency of different state and non-state actors to contribute to building good governance.

Project acronym: ANTICORRP

Project full title: Anti-corruption Policies Revisited: Global Trends and European Responses to the Challenge of Corruption

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