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GOPAC (Global Organization of Parliamentarians Against Corruption) TIMOR-LESTE

Rua De Nu Laran-20 Bairro dos Grilos-Dili
Telephone: (670) 331-3457 ext: 107 (Hugo Fernandes)

PRESS RELEASE

The Global Organisation of Parliamentarians against Corruption (GOPAC) in Timor-Leste has called for an urgent investigation into reports that CNRT, the political party headed by Prime Minister Xanana Gusmão, has recently raised at least $2.65 million in political donations – much of it in apparent violation of Timorese law.

Newspaper reports this week have detailed a long list companies and individuals which reportedly pledged donations at a fund raising event hosted by Mr Gusmão. The biggest donations are said to have been made by companies that have in recent years won major government construction contracts. These companies include Junzize (which reportedly donated $250,000), BTK ($250,000), Marisbin ($250,000), Timelines ($200,000) and Montana Diak ($200,000). Donations are reported to have also been received from a number of foreign companies, including $200,000 from Puri Akraya Engineering, an Indonesian company that in 2010 won a $406 million contract to build the Hera power plant – the biggest contract in Timor-Leste’s history.

If the reports are correct, these donations would appear to be illegal:

Political parties are prohibited from receiving donations from companies: Article 22(a) of Law 03/2004 on Political Parties; and Article 4 of the Legal regime for the Financing of Political Parties, 6/2008.

Political parties are prohibited from receiving donations from foreign companies or individuals: Article 22(a) of Law 03/2004 on Political Parties; and Article 4 of the Legal Regime for the Financing of Political Parties, 6/2008.

While donations from “national individuals” are permitted, contributions exceeding $1000 must be certified by bank cheque – to ensure the contribution is from an individual, not a company: Article 9 of the Legal regime for the Financing of Political Parties, 6/2008.

Leaders of political parties, individuals or managers of corporations who breach these rules face a penalty of six months to two years imprisonment or a fine of $500 to $5000: Article 25 of the Legal regime for the Financing of Political Parties, 6/2008.

In addition, Timor-Leste has ratified the United Nations Convention against Corruption, which requires countries to take steps to enhance transparency of political party funding and to prevent conflicts of interest. Article 9 of the Constitution makes such treaties part of Timorese law.

GOPAC has today requested these reported donations be investigated by the Anti-Corruption Commission (CAC), Prosecutor-General (PG) and the National Election Commission (CNE). CAC or the PG should also make an application to the court to freeze CNRT’s bank accounts while the investigation takes place.

“These reported donations appear to be a clear breach of laws that the current government introduced to prevent corruption,” said GOPAC chair Fernanda Borges. “Unlawful donations to political parties pose a serious threat to the democracy we have fought so hard to protect. As we prepare to celebrate 10 years as an independent nation, it is crucial that the law is upheld and that these claims are investigated.”

Fernanda Borges (Tel: +670 733 0744) Thursday 17 May 2012
Chair, GOPAC Timor Leste
Parliamentary Leader, Partido Unidade Nacional