

CASE STUDY: 1.1 MILLION FOR BEMAX ON THE EVE OF ELECTION



Image: Official opening of a road

I: INTRODUCTION: In a two- and-a-half-month pre-election period, on the eve of 2012 early parliamentary election, the construction company "Bemax" received around €1.1 million from the state treasury for the local infrastructure works, while merely €47 was approved in the remaining months of the same year.

Investing in local infrastructure is a significant mechanism for pre-election bribery because in exchange for their votes the voters get infrastructure facilities that improve the quality of living.

II: €1.1 MILLION TO BEMAX IN PRE-ELECTION PERIOD: Early parliamentary election was called for 31 July 2012, and were held on 14 October of the same year, so during that period the pre-election campaign in progress. According to official data from the state treasury, in August 2012, during the pre-election period, the company "Bemax" was granted 12 payments totaling €1,076,401, whereas in September a sum of €4,350 was approved and €12,902 in October.

In August, two payments totaling €56,500 were approved for modernization of the road in the municipality of Mojkovac,¹ then a sum of €219,700 was allocated for the reconstruction of Bridge Niko Strugar over the river Lim,² €164,100 for reconstruction of the bridge at the river Lim near Rijeka Marsenica³ and a total of €209,600 for the reconstruction of Bridge Novsici.⁴ In the same month, €167,600 was approved for the construction of a bridge in the village Seoce, over the river Lim,⁵ €106,400 for works on modernization of the local roads in the municipality of Pljevlja,⁶ whereas for modernization of the local roads in the municipality of Pljevlja an additional sum of €11,800 was approved and €140,300 for modernization of the local road Piperi-Kovacevici on the road section Piperi-Lugovi.⁷

In September, €4,300 was approved for modernization of the local road on Lugovi-Mjesna zajednica Bukovica,⁸ and in October, €12,900 for mitigating the landslides at the road Piperi Kovacevici-Mjesna zajednica Bukovica.⁹

Date of approving payments	Amount in euros	Project
2 Aug 2012	50,903	Modernization of a local road Mojkovac
6 Aug 2012	167.624	Bridge in village Seoce over river Lim

¹ Payment Request No. 40101521, 2 August 2012; Payment Request No. 40106059 16 August 2012.

² Payment Request No. 40103331, 6 August 2012; Payment Request No. 40106032, 16 August 2012.

³ Payment Request No. 40103171, 6 August 2012; Payment Request No. 40104471 9 August 2012.

⁴ Payment Request No. 40104489, 9 August 2012; Payment Request No. 40106030 15 August, 2012.

⁵ Payment Request No. 40103155, 6 August 2012.

⁶ Payment Request No. 40103826, 7 August 2012; Payment Request No. 40106939 21 August 2012.

⁷ Payment Request No. 40107790, 24 August 2012.

⁸ Payment Request No. 40124514, 26 September 2012.

⁹ Payment Request No. 40132433, 5 October 2012.

6 Aug 2012	32,375	Bridge over Lim near Rijeka Marsenica
6 Aug 2012	140,000	Bridge Niko Strugar over Lim
7 Aug 2012	106,456	Modernization of local roads Pljevlja
9 Aug 2012	131,799	Bridge over Lim near Rijeka Marsenica
9 Aug 2012	118,200	Bridge Novsici
15 Aug 2012	91,446	Bridge Novsici
16 Aug 2012	79,755	Bridge Niko Strugar on Lim
16 Aug 2012	5,655	Modernization of a local road Mojkovac
21 Aug 2012	11.828	Modernization of local roads Pljevlja
24 Aug 2012	140,360	Modernization of a local road Piperi-Kovacevici
26 Sept 2012	4,350	Modernization of a local road Piperi-Kovacevici
5 Oct 2012	12,902	Landslide mitigation at Piperi-Kovacevici
IN TOTAL	1,093,653	

Table 1: €1.1 million for local infrastructure approved to the company Bemax in the pre-election period

Money from the Treasury was withdrawn from the funds of two loans, the beneficiary of which was the Ministry of Sustainable Development and Tourism. These were the loans for building local infrastructure and emergency relief and flood prevention.

**MINISTARSTVO FINANSIJA
DRŽAVNI TREZOR**

41501824 Min održ raz i tur-Hitna pom i prev popol

Zahtjev za plaćanje broj: 40103155

Datum dokumenta 06.08.2012
Datum dostizanja 06.08.2012
Broj dokumenta 4600058697
Broj racuna nalagodavca 907-0000000083001-19

Ukupni iznos: 167,624.33 EUR

Naziv dobavljača-primaoča BEMAX DOO
Adresa dobavljača-primaoča PODGORICA
Broj racuna dobavljača-primaoča 535-000000000633198
Poziv na broj
Svrha uplate sit br 1 izgradnja mosta u naselju Seoca preko Lima

R. br.	Eko klasif.	Konto	Naziv Konta	Broj rezervacije i linije	Iznos
1	4412000000	4412800000	Ostalo	4600058697 - 002	167,624.33
Ukupno:					167,624.33

Služenik za ovjeravanje _____ Služenik za odobravanje _____ Datum: _____
Služenik za kontrolu zahtjeva _____ Služenik za ovlašćivanje _____ Datum: _____

One of approved payments from the State Treasury

The company Bemax was granted a loan totaling €332,400 for local infrastructure construction-modernization of the local roads in Mojkovac, Pljevlja and Bukovica. At the same time, from the loan for Emergency Relief and Flood Prevention, a sum totaling €761,100 was approved to the Podgorica-based company for building bridges in Plav, Andrijevica and Berane.

Local Infrastructure Construction	332,454
Emergency Relief and Flood Prevention	761,199
In total:	1,093,653

Table 2: Money approved from two loans

III: MERELY TWO PAYMENTS FOR "BEMAX" IN NON-ELECTION PERIOD: In the non-election period of the year, "Bemax" was approved only two payments. Thus, in November, €42,900 was approved for modernization of the local roads in the municipality of Berane¹⁰ and in December another €4,700 for the same purpose,¹¹ totaling €47,700.

Modernization of Local Roads in Municipality of Berane	
November 2012	42,999
December 2012	4,777
In total:	47,776

Table 3: Only two payments for Bemax granted in non-election period of the year

IV: IN PRE-ELECTION PERIOD THE COMPANY „DONATED“ WORKS: During August and September 2012, Bemax built and reconstructed several local roads in Bijelo Polje, Kolasin and Podgorica through donation, with the approval of the local authorities, although it is contrary to the Public Procurement Law, having in mind that no project on infrastructure facilities can be implemented without a call for public bid.

Thus in Bijelo Polje *Bemax* "donated" the construction of an underground railway crossing and two sidewalks through Sutivan and Ribarevine, officially spending about €200,000. In August 2012, this company „treated“ the local government to the reconstruction of the road in the suburb of Seliste, but the value of these works is unknown.¹² Expressing satisfaction over the "donation", the mayor of Kolasin, Darko Brajskovic, said that he "hopes that the Bemax's construction machines will not leave the city".

In addition, *Bemax* reconstructed a local road in Podgorica, in the village Farmaci, which was being announced for several consecutive years, and was implemented just before the early parliamentary election in October 2012. The Podgorica-based company *Bemax* was founded in 2007 and in the coming years it started winning most valuable public tenders in the field of infrastructure.

Author: MANS Investigation Centre
Podgorica, March 2016

¹⁰ Payment Request No. 40152986, 12 November, 2012.

¹¹ Payment Request No. 40177318 21 December, 2012.

¹² Article on the portal *Vijesti* "Deals between construction companies and cities: Gift them with a road, you get a tender" from October 13, 2012; link: <http://www.vijesti.me/ekonomija/dilovi-gradjevinskih-firmi-i-gradova-darujes-put-dobijes-tender-95763>