



**REAL
LIVES,
TRUE
STORIES.**

HIDDEN COSTS.

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When the phone rang, it was clear the caller was scared. He worked in the government, he said. He had information on a huge public tender that he needed to share. He had tried to complain to his superiors about the bidding process, but they had rebuffed his allegations. Now he wanted to speak out, but his identity had to remain secret.

The man who called our office in the Czech Republic was referring to ‘the eco-tender’, a massive public contract to clean up pollution and waste across the country. Like much of central and eastern Europe, the newly-reborn state had been left with huge environmental damage after the collapse of communism in the 1990s. The government tried for more than a decade to fix the problems with small clean-up contracts, but they were often delayed and overpriced. In 2008, they decided to create one single mega tender to tackle all the remaining sites. According to government estimates, this big clean would cost €4.5 billion. According to the caller, the sums were false.

An employee from Transparency International eventually managed to meet the whistleblower in a deserted shopping mall car park. Without getting out of his car, he passed several documents through the window. The paperwork was explosive – it showed the actual costs of the clean-up were far less than the official estimates claimed.

Transparency International used the documents to publicly lobby the Czech government for more information about the bidding process. Our questions struck a nerve. Addressing the media at a public press conference, the Minister of Finance accused staff of being anarchists and cigarette smugglers.

“It was a climate of fear,” according to one Transparency International employee. The amounts of money being discussed were so big that the contract had become a major political and financial issue for the Czech Republic. Amid rising controversy, the initial round of bidding was thrown out.

In 2010, the government decided to restart the tender. The Finance Ministry asked several major auditing firms to come up with new estimates and reopened the bidding process. Despite coming in at €2.3 billion, more than €2 billion less than in 2008, the new lowest bid still exceeded the auditors’ calculations. Under the glare of public scrutiny, the government cancelled the tender.

And it has not ended there. Following the scandal, the government introduced major amendments to public procurement legislation, bringing in more disclosure, transparency and efficiency to ensure the episode is not repeated.

WHO IS TO BLAME?

The day began like any other. In June 2009, parents in Hermosillo, northern Mexico, dropped their children off at nursery. The toddlers spent the morning playing and after lunch, had their siesta. Suddenly, while they slept, the colourful tarpaulin that acted as a ceiling crashed down and the room instantly filled with thick smoke and flames.

Parents rushed frantically to the nursery, but couldn't get their children out. The main entrance was barely wide enough for an adult holding a child to squeeze through. The emergency exit was padlocked and the high windows couldn't be reached. Staff tried desperately to pass children through the narrow door. One father rammed his truck repeatedly into the wall to make an escape hole. But for many, it was too late.

Parents waited hours for news of their children. Twenty-nine were pulled out dead and more than 40 were hospitalised, along with six adults. In total, 47 children – a third of those present – died.

In the following weeks, despair turned to anger. Reports emerged that the state-funded nursery, housed in a converted warehouse, was privately run by the wives of two top local officials and an influential businessman. It had passed federal safety tests only 10 days previously – despite allegedly not meeting necessary criteria. The fire had apparently spread from a neighbouring warehouse, rented by the state finance department. It quickly filled the area between the nursery's high roof and the tarpaulin ceiling. But with fire alarms installed only below the tarpaulin, nothing alerted staff until it collapsed.

Hermosillo's residents marched through the city demanding justice, but trust in the

authorities had been seriously eroded. Six local officials involved in the safety inspections were dismissed, and the officials married to the nursery's owners resigned, but their wives did not face charges. Several employees of the state finance department were arrested in connection with the fire, but their trials were expected to take years.

Roberto Zavala's two year-old son died in the fire. "Nobody has accepted their share of the blame," he told the New York Times, "I am to blame for trusting, I am to blame for paying my taxes, I am to blame for voting, I am responsible for the death of my son. They make fun of us. I am to blame for allowing them."

With widespread distrust in the system, Transparency International Mexico started a new community monitoring initiative in kindergartens. Enabling more than 10,000 parents to observe safety measures in nurseries, they covered all 1,480 kindergartens across a region of 200 million square kilometres. Parents whose children were taken care of in nurseries were selected randomly to participate in the visit to their child's kindergarten.

Findings were published outside the building and online for other parents and community members to monitor. Overall, parents donated more than 20,000 hours of their time. After only one year of activity, safety levels have already improved: threatened with state closure, sub-standard nurseries have improved their performance noticeably. Continuing to keep watch over Mexico's childcare, this permanent initiative has quickly grown into a powerful accountability system. Its purpose, however, remains unchanged: the events of Hermosillo must never be repeated.

UNFAIR DISMISSAL.

“To his surprise, the request was abruptly refused. Despite having submitted all of the official fees, Patrick was told that he would have to pay more if he wanted to see his application progress.”

Patrick* had travelled 400 kilometres across Madagascar to reach the municipal land department. The bus journey had cost him half a month’s salary and he had spent hours in the waiting room, but finally he was at the front of the queue. Handing over all the necessary papers, he made a simple request: he would like to register a plot of land. As they approached retirement, he and his wife wanted to build their own house. Before starting, they wanted to secure their ownership of the site.

To his surprise, the request was abruptly refused. Despite having submitted the official fees, Patrick was told that he would have to pay more if he wanted to see his application progress. Like 70 per cent of people in Madagascar, Patrick lived on less than one US dollar a day. With no way of knowing if the money would really make a difference to his application, he refused to hand over the payment.

When Patrick died five years later, his application was still waiting. He had tried for years to complete the registration, but was met at each turn with more demands for payment. After his death, his children took over. Again and again they returned to the office, hoping each visit would be their last. It never was. As soon as it became clear they would not pay, the officials would tell them to make another appointment. Sometimes they would claim that the person in charge was out of the office, other times that documents were missing or incomplete.

By the time their mother heard about our anti-corruption legal advice centre on the local radio, she had already given up on the application. The family contacted the centre to report the treatment they had received. Working on their behalf, the team re-opened the case. They sent a letter to the land department requesting information on the status of the application. Within days, the process was sped up. After 11 years of waiting, the family received their final land title in just two weeks.

Of course, this is just one of a flood of land registration applications. Yet this single case seems to have sparked off a change in the culture of the department. Today, pending applications are displayed publicly on a notice board in the office, making it far harder for officials to hide their actions from the public.

*Names have been changed.



NO SHELTER.

“Each house was assigned US\$1,400 to cover the costs of construction, yet the builders did not even finish the basic structure.”

When Cyclone Aila tore across southern Bangladesh in 2009, whole villages were almost wiped from the map. As waves crashed through embankments, huts built without foundations and supports quickly disappeared beneath the surging water. When the rains stopped, tens of thousands found themselves homeless. Among them was Khadija Begum.

On paper, Khadija is one of the lucky ones. While thousands were forced to shelter in schools and hospitals for more than two years, she was selected by the government for one of 2003 cyclone resistant houses. A project was undertaken with national climate funds to build durable accommodation made of iron rods and cement. Unfortunately, for Khadija, the project did not deliver on its promises.

“Home!” she says, gesturing to a half-finished frame of a building, “is it a home?” Each house was assigned US\$1,400 to cover the costs of construction, yet the builders did not even finish the basic structure. Her new home is no more than a floor and a roof, supported by four pillars. She has no running water and no toilet.

The department in charge says it offered residents the chance to complete their homes themselves to enhance local ‘ownership’. For people like Khadija, who lives alone with her orphan granddaughter, the suggestion seemed absurd. With no income to support them, they cannot even afford a bag of cement, she says.

According to local people, the issue lies with the builders who were subcontracted to carry out the work. These local contractors were not officially accountable to anyone, they say, nor was their work properly monitored by local government officials.

Captured on film, Khadija’s story quickly attracted attention in Bangladesh. But hers was just one of many tales we heard when we visited the affected areas. Together, they paint a powerful picture of what happens when projects fail to listen to and address the needs of the communities involved, and spending goes unchecked and unaccounted for. As Khadija’s story shows, change is needed urgently.



SLUM EVICTION.

“Refusing to hand over money for a service that should have been free, Ahmed’s home was destroyed and only those who paid the illegal charges were issued new plots of land.”

Slums. Overcrowded, unsanitary and dangerous. Home to one billion people around the world, according to the UN. Ahmed* was one of these people – living in a Moroccan slum with his wife and their two children. Crime was common and easy access to amenities like clean water a luxury.

Understandably, Ahmed was excited when he heard about a new national programme to improve the lives of slum dwellers. ‘Cities without Slums’ planned to eliminate slums in Morocco by providing subsidised housing options to the urban poor.

As part of this programme, the local government planned to move the 120 families living in Ahmed’s slum to a new location. Families would be provided with a plot of land with access to basic services such as roads, sanitation, drinking water and electricity, for a subsidised price.

Two local officials were responsible for compiling a list of those living in the slum. These civil servants reportedly asked the heads of families in the slum for unofficial, private payments amounting to around US\$250 to receive plots of land and US\$630 for a certificate of residency – a third of an average yearly income. Residents said they were told that if they did not pay, then their homes in the slum would be destroyed, and they would not be allocated a new plot of land.

Refusing to hand over money for a service that should have been free, Ahmed’s home was destroyed and only those who paid the illegal charges were issued new plots of land. Ahmed’s family and many others found themselves evicted and homeless.

After hearing from a friend about Transparency International’s chapter, Transparency Maroc, Ahmed went to them for help. Transparency Maroc advised him to gather together the other slum residents who had also been denied a new plot of land, and write a group letter of complaint to the city’s governor. They never received a response to their letter. However, after it was sent, the civil servants who reportedly demanded the illegal fees were transferred. Their replacement has promised them that he will work to swiftly resolve their situation. Transparency Maroc will be checking to make sure this happens.

*Names have been changed.



When we talk about corruption in terms of statistics, it's easy to forget the human cost of abused power. Behind every fact or figure are real people, forced to live without the services, opportunities and rights they deserve. All too often, these stories remain hidden – silenced through threats and intimidation, or drowned out by louder, more powerful voices. But with the right help, people can and do speak out.

From rural villages to global cities, we are working around the world to help people break the silence and stand up against corruption. Their message is clear – we are fighting back. And year on year, their numbers are growing.

To find out more about the lives behind the figures, visit:

www.transparency.org/news/stories