

ESI newsletter 4/2018  
23 April 2018

## **Spring cleaning – the corruption report on the Council of Europe is out**



Dear friends of ESI,

Is this the end of a dark decade and the turning point in the biggest scandal in the history of the Council of Europe?

Yesterday an independent Investigation Body, set up by the Parliamentary Assembly of the Council of Europe (PACE) in 2017 and chaired by a former president of the European Court of Human Rights, presented a hard-hitting report of 200 pages on the recent corruption scandal in PACE. This Body "had been set up by PACE in response to corruption allegations made in various NGO reports and press articles against members and former members of PACE in the context of the Assembly's activities with regard to Azerbaijan":

**REPORT**  
**of the Independent Investigation Body**  
**on the allegations of corruption within**  
**the Parliamentary Assembly**

The authors of the report note that the Investigation Body

"lacked some of the investigative powers normally enjoyed by criminal and disciplinary bodies investigating allegations of corruption. The work of the Investigation Body was limited to the collection of documentary and oral evidence from those involved in the events giving rise to the current investigation. In performing this role, the Investigation Body was dependent on the fullest cooperation of all those concerned."

Remarkably, some of the key players in this story refused to cooperate, including the delegation of Azerbaijan and Pedro Agramunt, the former president and former head of the EPP in PACE.

The report makes for riveting and infuriating reading. It provides a picture of an institution in a deep moral crisis: "All of this has created or contributed to fears of improper influence on PACE's activities and given the impression of virtual impunity for various forms of inappropriate and unprofessional conduct of rapporteurs. In consequence, it has damaged the Assembly's reputation."

This report calls for a strong reaction from all parts of the Council of Europe system:

- From PACE, its members and leadership bodies, and the political groups;
- From the Committee of Ministers, representing CoE member state governments;
- From parliaments in member states, which send delegations to Strasbourg;
- From the secretary general of the Council of Europe.

Yesterday the **Bureau of PACE took first important decisions:**

"In response to the report of the investigation body, the Bureau of the Assembly today decided to:

- invite the current and former members of the Assembly whose behavior has been found by the investigation body as unethical or in violation of the Assembly's code of conduct, or who have refused to co-operate with the investigation body, to suspend all their activities within the Assembly with immediate effect."

This is a beginning. At the same time it is now essential that the Committee of Ministers and secretary general Thorbjorn Jagland respond to the fact that a member state government tried systematically and over many years to undermine the whole institution. PACE is central to the credibility of the whole Council of Europe: among other things it elects the secretary general and the judges of the European Court of Human Rights. An attack on its integrity is therefore an attack on the whole institution.

Discussing the role of a prominent Belgian lobbyist for the regime in Baku the report notes:

"According to a number of witnesses from the PACE secretariat, MPs and others heard by the Investigation Body, Mr Goris was a key or pivotal figure of the *Azerbaijani system of lobbying in PACE*."

The report does not analyse this "system of lobbying" in detail nor even focus on it explicitly, however. This remains to be done. On the reaction to it will depend the future credibility of the Council of Europe.

Many best regards,



Gerald Knaus

## Findings of the Investigation Body (April 2018)



*Members of the Investigation Body: Jean-Louis Bruguière (France), former judge in charge of investigations; Sir Nicolas Bratza (United Kingdom), former judge and former President of the European Court of Human Rights; Elisabet Fura (Sweden), former judge at the European Court of Human Rights and former chief parliamentary Ombudsman of Sweden.*

The report found that:

Pedro Agramunt breached the Code of Conduct for rapporteurs of the Parliamentary Assembly, and the Code of Conduct of the Monitoring Committee;

Alain Destexhe breached the Code of Conduct for rapporteurs of the Parliamentary Assembly, and the PACE Code of Conduct.

Cezar Florin Preda breached the Code of Conduct for rapporteurs of the Parliamentary Assembly, and the Code of Conduct of the Monitoring Committee;

Robert Walter breached the Code of Conduct for rapporteurs of the Parliamentary Assembly, and the PACE Code of Conduct. He also breached the PACE Code of Conduct in the context of the 2013 election.

Samad Seyidov breached the PACE Code of Conduct

Tadeusz Iwiński breached the Code of Conduct for rapporteurs of the Parliamentary Assembly, and the Code of Conduct of the Monitoring Committee

Karin Strenz breached the PACE Code of Conduct in the specific context of the 2015 elections and in view of the continuing conflict of interest when carrying out her other various activities in PACE relating to Azerbaijan;

Jordi Xuclà breached the PACE Code of Conduct in the context of the 2015 elections;

Stefan Schennach breached the Code of Conduct for rapporteurs of the Parliamentary Assembly, and the Code of Conduct of the Monitoring Committee, as well as the PACE Code of Conduct.

## Pedro Agramunt

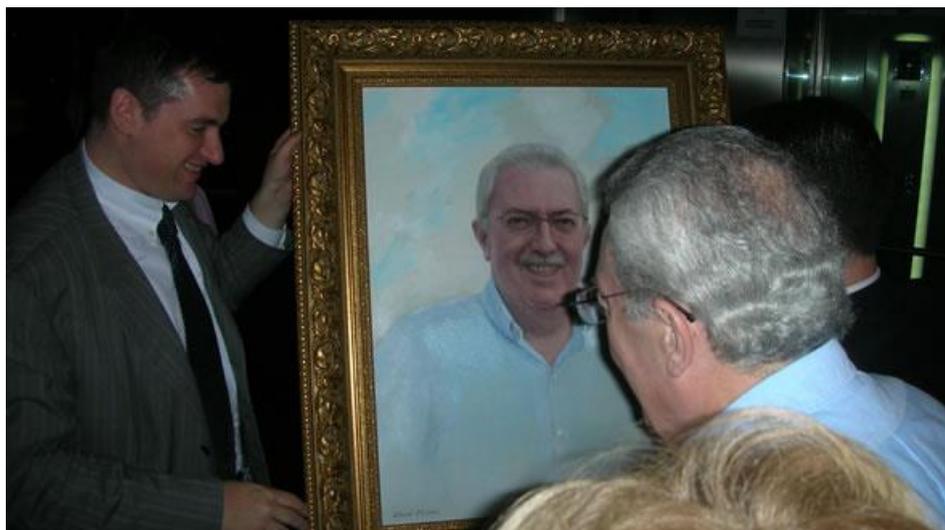


*Former president of PACE, head of EPP, pushed to resign in 2017*

"The Investigation Body notes, on the basis of all the evidence before it, that there are strong suspicions that corruptive activities, to which Mr Agramunt was a party, played a role in his appointment as President of the EPP in PACE."

"Mr Agramunt had sent an email to the witness containing a document with his comments on the report. The changes to the report requested by Mr Agramunt had been incorporated in an official version of the draft report and the secretariat had then circulated that revised version of the draft report to other MPs. Mr Seyidov [*head of the delegation of Azerbaijan in PACE*] had then complained that it was unacceptable that they had not changed a certain paragraph in the report. However, in the text circulated to the MPs that paragraph had in fact been changed following Mr Agramunt's request. This led the witness to believe that Mr Seyidov had already seen the initial draft report (which was confidential) that had been sent to Mr Agramunt"

The report notes that Agramunt made a declaration for the "receipt of a painting from the Speaker of the Russian State Duma on 26 March 2017 – in 23 April 2017" Is this the same painting presented by Leonid Slutsky from Russia which ESI had written about already in January 2013?



*A Russian gift for Pedro Agramunt*

## Luca Volonte



*Former PACE member and head of EPP group*

"The Investigation Body accordingly finds that Mr Volontè played an important role in undermining the Strässer report [*on political prisoners in Azerbaijan, in 2013*]. His role was all the more important given that as President of the EPP, he was able to shape the political position of the entire group ...

The Investigation Body notes that emails disclosed in the Italian case file show that Mr Volontè had various contacts on the issue of the Strässer report with Mr Muslum Mammadov [*a lobbyist for Azerbaijan and later a member of PACE*] and Mr Agramunt several months before the vote on the report.

In particular, in June 2012 Mr Volontè and Mr Mammadov had had an exchange over the Strässer report in which Mr Mammadov had thanked Mr Volontè for his letter to the EPP, adding "This is great! Of course, I keep it confidential", which clearly suggests that Mr Volontè had been working on influencing the EPP in coordination with Mr Mammadov, who was at the time a lobbyist for Azerbaijan but not yet a PACE MP.

Further relevant contact between Mr Volontè and Mr Muslum Mammadov took place on 15 December 2012. On that occasion, Mr Volontè had advised Mr Mammadov as to how to proceed in order to put "friends" in the right positions and undermine the Strässer report. Two days later, on 17 December 2012, Mr Volontè received the first payments from Azerbaijan through UK shell companies, apparently on the instruction of Mr Suleymanov [*a member of PACE from Azerbaijan*], as Mr Volontè himself acknowledged during an interview on Italian television.

The Strässer report was eventually defeated on 23 January 2013. In the meantime, Mr Volontè had had further exchanges with Mr Muslum Mammadov concerning the issue of the report, and on 27 December 2012 he had received another payment through the shell companies. Six days after the Strässer report was defeated, on 29 January 2013, Mr Volontè sent an email asking Mr Suleymanov whether he had forgotten about him "after [his] victory ...". Mr Suleymanov answered that he was sure that he would surprise Mr Volontè with the respect he had for him. Then on 19 March 2013, Mr Volontè received a further payment from Azerbaijan through the UK shell companies, again seemingly on the instructions of Mr Suleymanov. Mr Volontè received a further eighteen periodic payments through the same channels in the periods between 10 July and 31 December 2013, and 23 January and 31 December 2014 ...

... the Investigation Body finds on the basis of the evidence before it that substantial grounds exist to believe that Mr Volontè, Mr Suleymanov and Mr Mammadov engaged in activities of a corruptive nature within the meaning of the relevant legal material, and that Mr Volontè and Mr Suleymanov seriously breached paragraph 12 of the PACE Code of Conduct.

"The documentary evidence available from the Italian criminal case file confirms the accuracy of the ESI report on the email exchanges between Mr Volontè and Mr Suleymanov and Mr Muslum Mammadov at the time of the vote on the Strässer report. It also shows that payments of a significant amount of money were made to Mr Volontè through several UK-based companies that were found to be shell companies."

As of this moment the trial on charges of corruption against Volonte in Milan is still ongoing.

### **Elkhan Suleymanov**



*Former PACE member from Azerbaijan*

"Mr Mammadov [*the former ambassador of Azerbaijan to the Council of Europe*] gave evidence that Mr Suleymanov and Mr Muslum Mammadov, both former PACE MPs from Azerbaijan, had been the key persons in charge of the corruption activities in PACE. Indeed, the Investigation Body notes that their names have appeared in the context of the criminal proceedings conducted in Italy as being the sources of funds transferred to Mr Volontè.

Mr Suleymanov, in particular, was also seen by a number of witnesses, both MPs and members of the PACE secretariat, as having a key role in the promotion of Azerbaijani interests in PACE. In this connection, it should also be noted that Mr Muslum Mammadov was a declared lobbyist and director of the Azerbaijani lobbying organisation, OCAZ, with which other MPs were found to have links.

Various suggestions were made as to the manner in which the money had come into the hands of Mr Suleymanov and Mr Muslum Mammadov. Mr Arif Mammadov stated that Mr Suleymanov had at his disposal a special fund worth some EUR 30 million, while Ms Yunus also suggested that students from Azerbaijan had brought cash to Mr Suleymanov in Strasbourg. The Investigation Body has not been able independently to confirm these allegations. It finds it sufficient to note that the revelations in the Italian criminal case clearly show that Mr Suleymanov and Mr Muslum Mammadov were capable of directing the distribution of significant amounts of money from Azerbaijan to individual bank accounts..."

**Stef Goris**

*Former PACE member from Belgium*

"In his oral evidence to the Investigation Body, Mr McNamara [*an Irish member of PACE*] explained that when he had first become a member of the Assembly in 2011, the then head of the Irish delegation had invited him for a lunch in the Palais dining room with Mr Goris.

Mr Goris had stressed that Azerbaijan was a country that was outward looking and that wanted to engage more with the world, and that sometimes there was criticism of it, some of which was unwarranted. Mr Goris had suggested that they should go there and see Azerbaijan for themselves, and that they would be provided with business-class tickets. He said that there might be a stopover in Istanbul, and if there was, it would be in a nice hotel, and that there were many nice hotels also in Azerbaijan. Mr Goris had insisted that it would be an interesting opportunity to see Azerbaijan and, perhaps, to dispel unfounded criticisms. However, when Mr McNamara had started asking about the issue of political prisoners in Azerbaijan, Mr Goris had ended the discussion and had never contacted him again."

### **Tadeusz Iwinski**



*Former PACE member from Poland*

"The Investigation Body finds, however, that the available documentary and oral evidence shows that Mr Iwiński, when performing his duties as a rapporteur in the Monitoring Committee on Azerbaijan, received instructions, by way of a pre-prepared statement to be sent to the PACE Bureau on behalf of him and his co-rapporteur, Mr Conde, from Mr Goris, one of the key lobbyists for Azerbaijan in PACE."

### **Cezar Florin Preda**



*Current leader of EPP group in PACE (from Romania)*

"The Investigation Body notes that a number of witnesses appearing before it expressed impressions and concerns as to the unusual behaviour of Mr Preda when visiting Azerbaijan as a co-rapporteur in the Monitoring Committee. For instance, according to the witness statements, he showed a personal interest in the country by even inviting the members of his family to accompany him on mission; the costs of his stay were covered in an unusual manner; he was not active in his work and he failed to attend a number of official events while at the same time moving around in the country outside the usual PACE protocol arrangements; and the diplomatic community in Baku considered that he had some business interests in the country.

Mr Preda failed to respond to the requests to appear before the Investigation Body, which was unable to put these matters to him. The Investigation Body finds no reason to call

into question the credibility of the witnesses who made the above statements or the accuracy of their description of the events."

### **Alain Destexhe**



*Former PACE member and rapporteur on Azerbaijan*

"Mr Destexhe explained that he had participated in many election observation missions and that there were no good and bad observers. It was a highly subjective exercise ...

Another witness reported that Mr Destexhe had wanted to attend the Grand Prix and for that purpose had insisted that he should meet the President in his capacity as rapporteur on political prisoners. However, he had been informed that that would not be possible because the election observation mission had nothing to do with political prisoners. Mr Destexhe had then become very angry and said that the secretariat was sabotaging his mandate. He had subsequently himself managed, through his contacts, to meet the President. After his meeting with the President, which had happened one day before election day, the official presidential-linked news agency of Azerbaijan had published a short paragraph about the meeting of the rapporteur with the President starting with the following sentence: "The rapporteur, Mr Destexhe, praised Azerbaijan for the perfect organisation of the Formula One Grand Prix and said how important the organisation of Formula One Grand Prix for Azerbaijan could be". There was no mention of political prisoners in that statement.

#### **The Investigation Body found:**

"The evidence shows that Mr Goris and Mr Destexhe were in charge of ensuring the functioning of the EAEO [*European Academy of Election Observation*]. Although there is conflicting information on the period and extent of the involvement of Mr Destexhe in the work of the EAEO, the documentary evidence shows that the seat of the EAEO was registered at Mr Destexhe's address until September 2016 and that he co-signed a financial statement on behalf of the EAEO in December 2015.

In this connection, the Investigation Body finds implausible the suggestion of Mr Destexhe and Mr Goris that all the activities on behalf of the organisation were carried out by Mr Goris without the involvement of Mr Destexhe. In the Investigation Body's view, it is highly unlikely that a leading political figure such as Mr Destexhe, who held different high-ranking positions at the domestic and international level, would have accepted that an organisation had a registered seat at his address without his having a sufficient link with and interest in its operation. It is equally difficult to accept that Mr Destexhe co-signed a financial statement on behalf of the EAEO without being informed

of its activities and assuring himself of the accuracy of the document which he was signing.

Furthermore, the work of the EAEO had already been questioned by the ESI in its report of 2013. The ESI argued that it was a sham election-observation organisation tasked with providing legitimacy to the electoral processes in Azerbaijan and that it was financially supported by another Azerbaijani lobbyist, Mr Lintner. In fact, at a later stage, and before the Investigation Body, Mr Goris accepted that the EAEO had received some support, in the form of travel and accommodation expenses, from Mr Lintner's organisation. At the same time, there is clear evidence showing that Mr Lintner had received some funds from Azerbaijan."

### **Robert Walter**



*Former PACE member from UK, head of election monitoring 2013*

"In the Investigation Body's view, these facts leave no doubt as to the favourable approach of Mr Walter towards Azerbaijan. The link to Azerbaijan, through what Mr Walter accepted to be its strong ties to Turkey, would itself suffice to give rise to a conflict of interest at a personal and family level within the meaning of paragraph 1.1.1 of the Code of Conduct for rapporteurs of the Parliamentary Assembly. It notes, by analogy, that in the context of the Monitoring Committee's work, the existence of such a link would itself be sufficient to call into question the appointment of an MP as a rapporteur for a particular report.

Moreover, the Investigation Body further finds that, at the request of his wife, Mr Walter used his position as a PACE MP to advance her business mission to Azerbaijan and that he had himself taken part in that mission. As Mr Walter himself accepted, this allowed for the delegation led by his wife to meet high-level government officials in Azerbaijan. The Investigation Body thus finds that Mr Walter used his public office in a manner incompatible with paragraph 5.5 of the PACE Code of Conduct.

It also follows that, in addition to the existence of a conflict of interest of a personal and family nature already identified above, another fact existed that put into question the suitability of Mr Walter's acting as a rapporteur on matters concerning Azerbaijan, within the meaning of paragraph 1.1.1 of the Code of Conduct for rapporteurs of the Parliamentary Assembly. Similar to the above-noted conflict of interest of a personal and family nature, Mr Walter failed to declare the circumstances of his business trip to Azerbaijan when assuming the position of a rapporteur for that country, as required under the cited provision of the Code of Conduct for rapporteurs of the Parliamentary Assembly."

**Karin Strenz**

*Former PACE member, German member of the Bundestag*

"The Investigation Body also notes that in the context of the 2015 elections, Ms Strenz did not declare any conflict of interest. However, in her written statements submitted to the Investigation Body on 11 November 2017 and 31 January 2018, Ms Strenz accepted that she had had business relations with Mr Lintner between November 2014 and January 2015 via his company Line M-Trade GmbH. However, she denied having known at that time that Line M-Trade GmbH had been receiving payments originating from Azerbaijan and stated that Mr Lintner had not mentioned any particular relationship with Azerbaijan. Ms Strenz also accepted that she had participated in a private election observation mission organised by Mr Lintner's Society for the Promotion of German-Azerbaijani Relations (GEFDAB) in the context of the 2010 parliamentary elections. Those elections were held on 7 November 2010 when Ms Strenz was already a member of PACE, which she had joined in January of the same year. She did not know who had paid for her travel and accommodation expenses and denied having received a fee for her participation in that mission.

Irrespective of whether Ms Strenz knew of the financing of Mr Lintner's foundation by Azerbaijan and of any business relations between Mr Lintner's company and Azerbaijan, when she was appointed as a member of the ad hoc committee for the observation of the 2015 parliamentary elections, she could not have been unaware of Mr Lintner's special relationship with Azerbaijan, if only on the basis of the name of his organisation. The fact that she had participated in the 2010 election observation mission under the auspices of that organisation and that she had subsequently established a business relationship with Mr Lintner's company are sufficient for the Investigation Body to consider that she was in a conflict of interest that should have been disclosed ahead of the PACE 2015 mission."

**Thierry Mariani**

*Former PACE member from France*

"...according to oral evidence heard by the Investigation Body, Mr Mariani, then a serving member of PACE, and Mr Iwiński, then already a former member, participated in the election observation mission organised by Mr Goris's organisation.

At his hearing on 22 January 2018, Mr Mariani confirmed that he had participated in that mission, as he had participated in many missions of that nature and in many countries, including Russia, Uzbekistan and Moldova. He explained that he received many invitations for that kind of mission from a variety of organisations, with no specific focus on Azerbaijan. That was also due to the fact that for many years he had been the representative at the French Parliament of French expatriates for a constituency extending from Moldova to New Zealand.

In his view, the proliferation of election observation missions not related to ODIHR or PACE started with the Ukrainian so-called "Orange Revolution", which had made many people realise that, in the current context of "soft power" and "communication" there was a need to counterbalance ODIHR's dominant position.

Mr Mariani stressed that it was normal practice that the organisations inviting MPs to participate in election observation missions would cover travel and accommodation expenses. He added that what really mattered was not who was paying for those missions but whether or not the participants were free to say what they wanted."

## Eduard Lintner



*Former PACE member from Germany*

"Mr Lintner is the head of GEFDAB [*Gesellschaft zur Förderung der deutsch-aserbaidshanischen Beziehungen*], which was reportedly established in 2009 while Mr Lintner still held office in PACE. The organisation is well known for having observed the presidential election in Azerbaijan in 2013. In addition, Mr Lintner has a company called "Line M-Trade" registered in Germany, which has made payments to Ms Strenz.

According to the revelations on the payments made from Azerbaijan to various individuals and organisations in Europe, in the period between 2012 and 2014 Mr Lintner received EUR 819,500 from Azerbaijan, through the UK-based companies Polux Management, Metastar Invest, and Hilux Services. Mr Lintner has reportedly explained that the money came from the Association for Civil Society Development in Azerbaijan (ACSDA), a Baku-based NGO run by Mr Suleymanov, and that it had been used for the daily expenses of his organisation.

The Investigation Body itself obtained from the Italian criminal case file against Mr Volontè, bank statements showing that Mr Lintner received EUR 799,500 on his personal accounts from the following companies linked to Azerbaijan: Hilux Services EUR 512,500 (twelve payments); Jetfield Networks EUR 41,000 (one payment); and Metastar Invest EUR 246,000 (six payments). Mr Lintner was very often seen in the PACE building (Palais de l'Europe) after he had left office in PACE and was perceived as a lobbyist in favour of Azerbaijan. According to witnesses from the PACE secretariat, he was very open about his activity and he even acknowledged to a member of the PACE secretariat that he worked as a lobbyist for Azerbaijan."

### **On cash payments and gifts**

"Several witnesses from the PACE secretariat alleged that there was a system of distribution of money within PACE. It was suggested that Mr Laakso, who lobbied in PACE in favour of Azerbaijan, had been distributing banknotes of EUR 500 and that Mr Goris had been in charge of distributing envelopes with money within the EPP political group. There was also allegedly a system of envelopes which were distributed to MPs when it came to the election of high COE officials in PACE. The money was coming from Azerbaijan and was distributed either in MPs' hotel rooms or in the offices of national delegations. The envelopes contained cash in small bills. A group of MPs would be in charge of distributing the money, thereby literally buying the votes."

"The evidence before the Investigation Body was that there were only six officially declared receipts of gifts by PACE MPs, ... According to a witness, other MPs had not declared any gifts, probably because they assumed that those gifts were worth less than EUR 200. Holiday trips and invitations to expensive restaurants had not been declared."

#### On the need to react to serious allegations of corruption

"... the Investigation Body considers that, in general, allegations of corruption and fostering of interests should be taken seriously and properly investigated and sanctioned by the different COE authorities and bodies in accordance with their respective competences. Any suspected instances of corruption and fostering of interests, such as those alleged by Mr Arif Mammadov [*Former Ambassador of Azerbaijan to the Council of Europe*] and the COE and PACE officials, require such a reaction."

#### On future voting in committees

"The Investigation Body in principle shares the view that the confidentiality of the vote in the committees may have negative implications for the requirement of transparency in the work of the committees. It may also open the door for improper influence being brought to bear on those taking part in the work of the committees. The voting system in the PACE plenary, which is fully transparent, was cited as a positive example to be followed in the work of the committees."

## Further reading: ESI newsletters on the Council of Europe

### 2017

- [Houses of Cards – Post-truth politics from Skopje to Strasbourg](#) (27 December 2017)
- [From Russia with Threats](#) (21 July 2017)
- [The phoenix and the black knight in Strasbourg – three things to do now](#) (5 June 2017)
- [Merchants of Doubt or investigating Corruption](#) (21 April 2017)
- [Open letter to PACE members: backing Sawicki – how to investigate corruption in Strasbourg](#) (27 March 2017)
- [Three days that shook Strasbourg – human rights and corruption](#) (27 January 2017)
- [The FIFA of human rights – beyond lip-service on anti-corruption](#) (18 January 2017)

### 2016

- [A European swamp – corruption and human rights](#) (17 December 2016)

### 2015

- [Dorian Gray in Europe – The End of Shame and Human Rights](#) (2 June 2015)
- [Formula One and human rights – Vaclav and Rasul – Iwinski and the Garden Party](#) (23 April 2015)
- [Letters from prison](#) (23 February 2015)

### 2014

- [The mercy of Commodus – The failure of Jagland](#) (14 November 2014)
- [2014 and the threat to Sakharov's legacy](#) (16 October 2014)
- [Moscow Appeal – The case for Leyla Yunus](#) (2 October 2014)
- [Andrei Sakharov and the defence of the unjustly persecuted](#) (23 September 2014)
- [The LIST and arrests in Baku – Sakharov prize 2014](#) (4 September 2014)
- [Oslo abuse debate – Mr Jagland goes to Baku – June 2 Berlin event – a tradition of dissent](#) (19 May 2014)
- [Hunger strike, European values and an Open Letter](#) (23 April 2014)

### 2013

- [New ESI report: Disgraced – Azerbaijan and the end of election monitoring as we know it](#) (8 November 2013)
- [Victor Hugo in Baku - Visa free travel and human rights](#) (26 February 2013)

### 2012

- [Ilham the Magician and the Council of Europe](#) (2 October 2012)
- [Caviar Diplomacy - How Azerbaijan silenced the Council of Europe](#) (24 May 2012)