

Counter Balance and its partner CEE Bankwatch have launched a new report exploring corruption cases in Romania's third largest company.

The Oltenia Energy Complex is a key player in the energy sector in Romania and today operates ten lignite mines and four power plants.

Supposed recipient of a EUR 200 million loan from the European Bank for Reconstruction and Development, OEC stands out for a long list of corruption scandals collected in the last decade.

Focusing mainly on the dodgy contracts signed by the company with the Şova and Associates law firm, the report shows a repeated history of state capture practices, involving prominent figures of the Romanian political panorama such as Dan Şova and Victor Ponta, members of the national Parliament, but also local officials.

Although, after fierce protests by civil society, the EU public money did not reach the Romanian company, it is worth remembering the Oltenia Energy Complex case as one to draw some lessons from. Alexandru Mustață, author of the report, claims: "It is crucial that large infrastructure financiers better investigate companies before doing business with them, and monitor them from that moment onwards".

Xavier Sol, director of Counter Balance, underlines: "Such cases of state capture should alert infrastructure financiers like the EBRD to aim for transparency of both the loaner and the loaned as an essential part of the due diligence practice public banks have to conduct".

source: counter-balance.com