



KÜLGAZDASÁGI ÉS KÜLÜGYMINISZTERIUM

KKM/23018/2014/Adm

A csatolt papírt dátum, aláírás, pecsét nélkül, ebben a formában nyújtotta át az Egyesült Államok Budapesti Nagykövetségének egy beosztott diplomatája 2014. november 6-án a Külgazdasági és Külügyminisztérium részére.

A papíron foglaltak – hasonlóan a korábbi szóbeli értesítésekhez – nem tartalmaznak elegendő konkrétumot az Egyesült Államokba való beutazási tilalmak háttéréről, annak ellenére, hogy a kormány immár számtalan alkalommal kérte a bizonyítékok átadását az állítólagos korrupciós ügyekben való vizsgálatok lefolytatása végett.

Egyes, a magyar hatóságok tudomására jutott bűncselekmények kapcsán ugyanakkor vizsgálat, illetve nyomozás van folyamatban.

A kormány a mai napon megtárgyalta az elmúlt években az Egyesült Államok Budapesti Nagykövetsége és a kormányzat munkatársai között lezajlott találkozókról szóló jelentést.

Budapest, 2014. november 13.



Külgazdasági és Külügyminisztérium

Engagement with Government of Hungary on Corruption Allegations

- Embassy has had regular contact with the GOH since at least February 2012 to discuss corruption concerns. Our requests for appropriate action yielded no results or official response. Information on corruption has also been available from investigative reporting, watchdog groups, and whistleblowers.

Timeline of Embassy discussions with GOH on corruption:

- **October 2013:** At a meeting with the Criminal Directorate of the Tax and Customs Office (NAV), specific concerns about agricultural VAT fraud and tobacco nationalization were raised. Concerns were dismissed by the NAV, whose representative offered no substantive response to questions.
 - **Tobacco Nationalization:** Post noted concerns from numerous sources that documented a non-transparent process of awarding tobacco sale tenders, with awards tending to skew in favor of people and companies with ties to Fidesz. Additionally, post was concerned that tobacco nationalization would cause a rise in smuggled black market cigarettes. An increase in tobacco smuggling would likely correspond with increase of other types of smuggling and result in increased organized crime activity.
- **December 2013:** At a meeting with the NAV Criminal Directorate, Embassy raised concerns of a U.S. company that had expressed the same concerns to NAV and the Ministry of Economy since 2012. While acknowledging “extensive” VAT fraud, NAV deflected whistleblower Andras Horvath’s allegations. (GOH now says it began an investigation into VAT fraud at NAV at this time, but Post has seen no evidence of action.)
 - **Claims by US Firms:** Two US agribusinesses noted that they were losing tens of millions of dollars per year due to unfairly priced products which were involved in VAT fraud. Post noted to NAV that at least one firm had raised their concerns publically to press and privately to NAV in an attempt to spark action, but that no change was observed in the market. Post also notes that the US firm’s public claims were backed up by a report prepared by a reputable auditing firm that documented the existence of VAT fraud in the food products sector.
 - **Andras Horvath’s Claims:** Post noted that Andras Horvath claimed as much as 1 trillion HUF (\$4.5 billion) lost per year to VAT

cheating, however, NAV's investigation into his claims did not appear sufficient given the grave accusations that Horvath raised. Post was especially concerned by charges of criminal defamation leveled against Horvath, noting that NAV appeared more motivated to investigate the whistleblower, rather than the claims which he brought forward.

- **January 2014:** At a meeting with the Ministry of Justice and Public Administration, Embassy raised concerns about agricultural VAT fraud, institutionalized corruption, whistleblower protections, and Foreign Corrupt Practices Act (FCPA). Ministry officials directed the Embassy to raise concern at Customs Office of NAV and Ministry of Interior/Police.
 - **Efforts within Government to Fight Corruption:** There were efforts within the Ministry of Justice and Public Administration to improve anti-corruption training and ethics training within the Government, as well as improve regulations dealing with corruption. The unit involved in these efforts was split in two when the Ministry was broken into two separate ministries.
- **February 2014:** At a meeting with the Criminal Directorate of NAV, Embassy raised U.S. company's concerns about VAT fraud. NAV official said there had been no auditing complaints. Criminal Directorate said it was unable to act without auditing complaints. Post notes that NAV's specialized auditing unit investigating VAT fraud (KUIG) was disbanded in January 2013.
 - **Disbanding KUIG:** An anonymous whistleblower made claims via press regarding activities by KUIG to stop VAT fraud. According to the whistleblower, KUIG was an auditing authority within NAV created expressly to investigate trans-border VAT fraud, which was systematically undermined and then disbanded.
- **June 2014:** Embassy raised FCPA VAT fraud concerns with the Ministry of Foreign Affairs and Trade (MFAT), noting the issue is serious and, as corruption was suspected, action should be taken. MFAT reportedly shared this information internally according to follow-up calls, but no other response from MFAT.
- **October 2014:** CDA informed MFAT of entry bans.