

## Actions that Undermine the Values and Principles of OGP in Hungary: A Chronology of Attacks on Civil Society<sup>1</sup>

<p><i>14-15 August 2013</i></p> <p><b>NGOs accused by government-friendly newspaper of “serving foreign interests”</b></p>	<p>On 14-15 August 2013, both the print and online versions of the government-friendly Hungarian newspaper, <i>Heti Válasz</i>, claimed that the “Budapest-born American speculator” György Soros spent almost half a billion forints (approximately USD 1.8 million) last year “strengthening the ‘civil’ opposition, or the ‘civil’ left wing”. The article listed 11 NGOs – including leading human rights and watchdog groups – which received grants from Open Society Foundations, concluding that the groups were “kept” by György Soros, who exerted political influence in Hungary through them. The article also stated that the “Soros-crew” also played an “outstanding role” in influencing the distribution of grants from the EEA/Norway Grants NGO Fund (NGO Fund), stating that the Ökotárs Foundation (which leads the Hungarian consortium responsible for allocating grants from the NGO Fund) is dependent on Soros and that one-third of the grants ended up at “Soros-compatible” organisations. The article also listed 13 Hungarian NGOs which received grants from the NGO Fund, which again included leading human rights and watchdog organisations.<sup>2</sup> The accusations were echoed by the government-friendly newspaper, <i>Magyar Nemzet</i>.</p> <p>⇒ 28 August 2013: The allegations were also firmly rejected by Ökotárs Foundation, which recalled that the priorities for NGO programmes under the EEA/Norway Grants are the same in all of the countries covered by these grants. The Foundation also noted that the newspaper articles inappropriately failed to differentiate between social engagement (supported by the NGO Fund) and party political activities (which were not).<sup>3</sup></p> <p>⇒ 16 October 2013: In a reply on 16 October 2013, the Norwegian Ambassador to Hungary firmly rejected these allegations, noting that Ökotárs Foundation was selected to operate the NGO Fund through an open tendering process.<sup>4</sup></p>
<p><i>17 August 2013</i></p> <p><b>The governing party echoes the papers’ allegations</b></p>	<p>At a press conference on 17 August 2013 Péter Hoppál, spokesperson for the governing party, Fidesz, stated: “From an investigative report we learnt that a circle of American speculators paid about half a billion forints to show its gratitude to pseudo-civil organisations which were willing to regularly denounce Fidesz and the Hungarian government, particularly abroad and in foreign forums. ... These organisations are kept for millions of dollars. What these organisations do, all they have to do in exchange for the American money, is to attack the Hungarian government, attack Fidesz, and attack the Prime Minister of Hungary in all possible forums.” When a journalist asked</p>

<sup>1</sup> This Chronology draws heavily on a Report prepared by Eötvös Károly Policy Institute, Transparency International Hungary, Hungarian Civil Liberties Union and Hungarian Helsinki Committee. Available at: <http://www.osce.org/odihr/124145?download=true>.

<sup>2</sup> The online version is available at: <http://valasz.hu/itthon/soros-felmilliardot-adott-orban-ellenfeleinek-67174>.

<sup>3</sup> See: <http://norvegcivilalap.hu/hu/node/4210>.

<sup>4</sup> See: <http://valasz.hu/publi/soros-nyiss-nekem-tert-visszhang-69399>.

	<p>the spokesperson to name the organisations, he named leading human rights and watchdog NGOs.<sup>5</sup> The Hungarian Helsinki Committee, one of the named NGOs, asked the spokesperson for an apology but he did not respond.</p> <p>⇒ July 2014: The Hungarian Helsinki Committee responded to these allegations by bring a defamation action in court and, in July 2014, the First Instance Court found the spokesperson and Fidesz liable for defamation against the organisation on the basis that the statements – which the respondents did not even try to support with evidence –had damaged the public image of the organisation. The court obliged Mr. Hoppál and Fidesz to publish an apology in two daily newspapers and on the party’s website.<sup>6</sup></p>
<p>8 April 2014</p> <p><b>Prime Minister’s Office claims NGO Fund is subject to political influence</b></p>	<p>On 8 April 2014, media outlets reported that János Lázár, Head of the Prime Minister’s Office, wrote a letter to the Norwegian government claiming that the NGO Fund was being run by an organisation, the Ökotárs Foundation, which was closely linked to an opposition party, Politics Can Be Different (the NGO Fund is run by a consortium of four organisations, led by Ökotárs Foundation). An Undersecretary of State from the Prime Minister’s Office, Nándor Csepreghy, added that if Norway refused to be a partner in solving the problem, that might be interpreted as indicating that Norway was interfering in Hungary’s internal affairs.<sup>7</sup></p> <p>⇒ 24 April 2014: In a response on 24 April 2014, the Norwegian Minister of EEA and EU Affairs, Vidar Helgesen, noted that the “process of selecting the operator of the NGO programme in Hungary followed the regulation and procedures outlined in the agreement governing the grant. The selection was done through an open tendering process where the selection criteria were publicly available and transparent. The current operator met all the specified criteria...” The Minister also stated: “I wish to underline that the Government of Norway has not been engaged in supporting, financially or otherwise, any party political activities in Hungary. These are rather surprising accusations, and I cannot see that they are valid.”<sup>8</sup></p> <p>⇒ The Ökotárs Foundation also issued a response, noting that it had never supported Politics Can Be Different, any other political party or any organisation closely linked to a political party in any way, and that the list of their grants was public.<sup>9</sup></p>
	<p>Undersecretary of State Nándor Csepreghy accused the four groups running the NGO Fund of being “party-dependent, cheating nobodies”, and claimed that there were plans to transfer responsibility for operating the NGO Fund to the State.<sup>10</sup></p>

<sup>5</sup> See, for example:

[http://index.hu/belfold/2014/07/07/megjarta\\_hoppal\\_peter\\_amikor\\_lealcivilezte\\_a\\_helsinki\\_bizottsagot/](http://index.hu/belfold/2014/07/07/megjarta_hoppal_peter_amikor_lealcivilezte_a_helsinki_bizottsagot/).

<sup>6</sup> See: <http://helsinki.hu/a-fidesz-es-szovivoje-pert-veszített-a-helsinki-bizottsaggal-szemben>.

<sup>7</sup> See, for example: <http://mno.hu/belfold/lazar-levelben-tiltakozik-a-kulfoldi-beavatkozas-ellen-1220352>.

<sup>8</sup> For the response in English, see: [http://www.regjeringen.no/upload/UD/Vedlegg/brev/svar\\_lazar.pdf](http://www.regjeringen.no/upload/UD/Vedlegg/brev/svar_lazar.pdf).

<sup>9</sup> See: <http://norvegcivilalop.hu/hu/node/8050>.

<sup>10</sup> See: [http://hvg.hu/gazdasag/20140430\\_Csepregyh\\_szelhamos\\_gittegyletek\\_kezelik/](http://hvg.hu/gazdasag/20140430_Csepregyh_szelhamos_gittegyletek_kezelik/).

<p><i>30 April 2014</i></p> <p><b>Senior government official calls NGO Fund operators “party-dependent, cheating nobodies”</b></p>	<p>⇒ 7 May 2014: The consortium operating the NGO Fund, led by Ökotárs Foundation, issued an open letter addressed to János Lázár, Head of the Prime Minister’s Office, strongly urging him to call upon his deputy to withdraw his statements as they breached the reputations of the organisations. The consortium noted that they undertake a number of activities and programmes beyond running the NGO Fund, and cited concrete examples of cooperation with government actors.<sup>11</sup></p>
<p><i>21 May 2014</i></p> <p><b>State audit of the NGO Fund is announced</b></p>	<p>On 21 May 2014, the Prime Minister’s Office announced that the government had requested the Government Control Office (GCO) – a State agency with the power of auditing State funds – to undertake an audit into how the NGO Fund was being managed, in order to assess the government’s suspicion that the Fund was being used to support political parties indirectly, or NGOs closely linked to them.<sup>12</sup></p> <p>⇒ 28 May 2014: The Secretariat of the EEA/Norway Grants, the Financial Mechanism Office, made it clear in an official letter addressed to János Lázár that the proposed audit “cannot be accepted” because, according to the grant agreement, the implementation of the NGO Fund, including its regular audit, is the responsibility of the donor States.<sup>13</sup> The letter underlined that the NGO Fund does not receive any funding from the Hungarian State budget. The letter also noted that an audit by the donors had already been planned and would be carried out in the autumn, and that the results of the audit would be made available to the Hungarian authorities. The Norwegian government once again rejected allegations that it supporting, financially or otherwise, any party political activity in Hungary.</p>
<p><i>28 May – 1 June 2014</i></p> <p><b>Governmental lists on “potentially problematic” NGO projects and “left wing evaluators” come to light</b></p>	<p>28 May 2014: János Lázár, Head of the Prime Minister’s Office, stated in an interview that one of the ministries had been preparing materials on the potentially problematic NGO projects since 2011.<sup>14</sup> An online news portal acquired a list of these NGOs from the Prime Minister’s Office, which turned out to match exactly the 13 human rights and watchdog NGOs cited in the August 2013 <i>Heti Válasz</i> article, noted above (the list of these 13 NGOs is provided at the end of this Chronology).<sup>15</sup></p>
	<p>2 June 2014: GCO made an on-site audit visit at three of the four members of the consortium running the NGO Fund – namely Autonómia Foundation, Foundation for the Development of Democratic Rights - DemNet and Ökotárs Foundation – and demanded that certain documents be handed over. The foundations maintained their position that GCO had no right to investigate, but they decided to turn over some of the documents anyway. However, the head of Ökotárs stated that they would not like to turn over documents which contained sensitive personal data, such as the names of</p>

<sup>11</sup> The open letter is available in English at: <http://norvegcivilalap.hu/en/node/8239>.

<sup>12</sup> See, for example: [http://index.hu/gazdasag/2014/05/21/rakuldik\\_a\\_kehit\\_a\\_norveg\\_alapra/](http://index.hu/gazdasag/2014/05/21/rakuldik_a_kehit_a_norveg_alapra/).

<sup>13</sup> The press release is available in English at:

<http://www.norvegia.hu/Norsk/EEA-and-Norway-Grants/1/EEA-and-NorwayGrants/Proposed-investigation-of-the-NGO-Fund-by-the-Government-Control-Office/#.VBnPWVekPgH>.

<sup>14</sup> See, for example: <http://444.hu/2014/05/28/lazar-janos-norveg-civil-alap/>.

<sup>15</sup> See:

<http://444.hu/2014/05/30/itt-a-kormany-listaja-a-szervezetekrol-akik-miatt-nekimentek-a-norveg-alapnak/>.

<p>2 June 2014</p> <p><b>State auditors request documents from NGO Fund operators</b></p>	<p>clients of human rights NGOs. They also requested that their position that the audit was illegitimate be recorded.<sup>16</sup> Furthermore, Ökotárs submitted a formal letter to GCO inquiring as to the legal basis of the audit.<sup>17</sup></p> <p>⇒ 4-5 June 2014: In order to express their concern about these actions, the Norwegian authorities' summoned the Hungarian Ambassador to Norway to the Ministry of Foreign Affairs on 4 June 2014, and representatives of the Norwegian Embassy in Budapest paid a visit to the Hungarian authorities on 5 June 2014. The Norwegian Minister of EEA and EU Affairs stated that he was "deeply concerned about the actions of the Hungarian authorities in relation to civil society and their attempts to limit freedom of expression" and that the Hungarian authorities' audit did not comply with the agreements that had been entered into. He also emphasised, once again, that a number of NGO Funds were to be audited in the autumn of 2014 by the donor countries, including the NGO Fund in Hungary, and that the results of those audits would be made publicly available. Finally, the Minister noted that if the Hungarian authorities wanted to access documents relating to the administration of the NGO Fund, they should contact the Financial Mechanism Office in Brussels.<sup>18</sup></p> <p>⇒ June 24 2014: TI Hungary requested the GCO to reveal the names of those civil society organisation which have been audited in the framework of the investigation into Norway/EEA granting mechanism. The GCO refused to disclose this information, because, they said, revealing the list of audited organisation would jeopardize the integrity of future procedures to be conducted by the GCO or other state organs. TI Hungary challenged the GCO's non-disclosure policy in court and won this litigation in the final instance on June 4, 2015.</p>
<p>12 June 2014</p> <p><b>Norwegians demand end of audit</b></p>	<p>After a high-level meeting on 12 June 2014, Norway again reiterated that responsibility for the NGO Fund, including any potential audits, lies with the donor states and that the Hungarian government's actions "undermine the independence of civil society from the authorities". The Norwegians also indicated that halting the audit was one of the preconditions for lifting the earlier suspension of the EEA and Norway Grants, of which the NGO Fund is part of.<sup>19</sup> Payments to Hungary under the EEA and Norway Grants scheme had been suspended on 9 May 2014 because the Hungarian Government moved the implementation and monitoring of the Grants scheme out of the central government administration, which was seen by the donors as a breach of the agreements governing the Grants.<sup>20</sup></p>

<sup>16</sup> See, for example: [http://index.hu/belfold/2014/06/02/megiscsak\\_rajta\\_utott\\_a\\_kehi\\_a\\_norveg\\_alapon/](http://index.hu/belfold/2014/06/02/megiscsak_rajta_utott_a_kehi_a_norveg_alapon/), <http://www.reuters.com/article/2014/06/02/us-hungary-norway-funding-ngo-idUSKBN0ED1QW20140602?feedType=RSS&irpc=932> (in English).

<sup>17</sup> See, for example: <http://nol.hu/belfold/okotars-nincs-jogalapja-a-kehi-vizsgalatnak-1466411>.

<sup>18</sup> The press release is available in English at: <http://www.regjeringen.no/en/dep/ud/press/news/2014/civil-society-hungary.html?id=762213>.

<sup>19</sup> The press release is available in English at: <http://www.regjeringen.no/en/sub/europaportalen/aktuelt/nyheter/2014/Still-no-agreementwith-Hungary.html?id=763125>.

<sup>20</sup> The press release is available in English at: [http://www.regjeringen.no/en/dep/ud/press/news/2014/hungary\\_suspension.html?id=758873](http://www.regjeringen.no/en/dep/ud/press/news/2014/hungary_suspension.html?id=758873).

	<p>⇒ 17 and 25 June 2014: In its follow-up letter of 17 June 2014, the Hungarian government failed to address the issue of the State audit. As a result, in a response on 25 June 2014, the Financial Mechanism Committee emphasised once again that the cancellation of the audit against those running the NGO Fund was a precondition of further dialogue on lifting the suspension.<sup>21</sup></p>
<p>25-27 June 2014</p> <p><b>False newspaper claims used to suggest criminal behaviour</b></p>	<p>On 25-26 June 2014, both the print and the online versions of the government-friendly newspaper, <i>Heti Válasz</i>, claimed that a draft audit report prepared by international professional services firm, Ernst &amp; Young, supported János Lázár's concerns about Ökotárs, specifically between 2008 and 2010.<sup>22</sup> Referring to the report, Undersecretary Csepreghy stated that it was possible that Ökotárs had committed fraud.<sup>23</sup> On 27 June 2014, it was announced that the government had requested the audit report from Ernst &amp; Young and if it supported the allegations in the press, then the government would initiate criminal proceedings even before the audit GCO had been completed.<sup>24</sup> It was later revealed that the draft Ernst &amp; Young report had by that point already been handed over to GCO by Ökotárs.<sup>25</sup></p> <p>⇒ 1 July 2014: The independent investigative news portal <i>atlatszo.hu</i> published the Ernst &amp; Young draft report in its entirety, concluding that the report rated the implementation of the programme as adequate as a whole, revealed no systemic deficiencies, and – although it indicated risks and problems, in line with auditing practice – did not reveal anything which would support the government's accusations and certainly nothing which would suggest that a criminal offence had been committed.<sup>26</sup></p>
<p>June 2014</p> <p><b>State auditors request documents from NGOs supported by the NGO Fund</b></p>	<p>In the course of June 2014, 58 NGOs supported by the NGO Fund received letters from GCO directing them to submit documents relating to projects financed by the NGO Fund. The requests covered practically all project documentation, as well as organisational documents, and the deadline for responding was very tight, approximately one week.<sup>27</sup> Four of the NGOs – the Asimov Foundation (operating the investigative news portal <i>atlatszo.hu</i>), the Hungarian Civil Liberties Union, the Szivárvány Misszó Foundation, and the Krétakör Foundation – decided to make the documentation available via their websites instead of submitting it to GCO, based on their view that the</p>

<sup>21</sup> The letter is available in English at: <http://norvegcivilalap.hu/en/node/8552>.

<sup>22</sup> See: <http://valasz.hu/itthon/fordulat-norvegugyben-neves-vilagceg-igazolja-lazar-janost-101180>.

<sup>23</sup> See, for example:

<http://www.hir24.hu/belfold/2014/06/27/sikkasztással-vadolja-a-kormany-az-okotars-alapitvanyt/>.

<sup>24</sup> See, for example:

<http://www.origo.hu/itthon/20140627-mar-a-kehi-vizsgalat-elott-feljelentest-tehet-a-kormany-a-norveg-alap-penzei-miatt.html>.

<sup>25</sup> See, for example:

[http://index.hu/belfold/2014/06/27/norvegok\\_a\\_leleplezo\\_iratokban\\_nem\\_az\\_van\\_amit\\_a\\_kormany\\_mond/](http://index.hu/belfold/2014/06/27/norvegok_a_leleplezo_iratokban_nem_az_van_amit_a_kormany_mond/).

<sup>26</sup> See, for example:

<http://atlatszo.hu/2014/07/01/itt-az-ernst-young-jelentese-a-norveg-civil-alap-atvilagitasarol/>.

<sup>27</sup> See, for example: [http://tv2.hu/musoraink/tenyek/152884\\_adatokat\\_kernek\\_a\\_norveg\\_penzekrol.html](http://tv2.hu/musoraink/tenyek/152884_adatokat_kernek_a_norveg_penzekrol.html).

	<p>audit had no legal basis.<sup>28</sup> Transparency International Hungary decided to comply with GCO's request, but maintained its position as to the questionable legal basis of the audit.<sup>29</sup> Not complying with the GCO request carried risks, since GCO has the power to initiate a process leading to the suspension of the tax number of any entity which refuses to cooperate with it, which then renders the entity's life practically impossible.</p> <p>⇒ July 2014: GCO gave another tight deadline to the concerned NGOs to submit documents they had failed to submit earlier and indicated that a fine of HUF 500,000 (approximately USD 1,800) would be imposed on groups that failed to comply.<sup>30</sup> The four NGOs which had refused to cooperate earlier maintained their positions.<sup>31</sup></p> <p>⇒ 23 July 2014: After receiving complaints from the four NGOs and Transparency International Hungary, the Ombudsperson of Hungary sent a letter on 23 July to János Lázár noting that the interpretation of Norway would be taken into account in assessing the appropriateness of the audit, but did not take any further action.<sup>32</sup></p>
<p>21 July 2014</p> <p><b>State auditors demand further documents from NGO Fund operators</b></p>	<p>21 July 2014: As a follow-up to their request in June, GCO sent another request for documents to Ökotárs Foundation, threatening to impose sanctions in the form of fines and/or suspension of the organisation's tax number in case of non-cooperation. The new documents requested concerned not only Ökotárs but also the NGOs supported by the NGO Fund.</p> <p>⇒ 24 July 2014: Ökotárs issued a public statement providing a list of the documents they had previously submitted to GCO in the spirit of cooperation, while questioning the audit's legality, and of the documents they did not agree to hand over, such as data about applicants that had not received support and documents containing sensitive personal data. The statement also indicted that, in respect of these, Ökotárs questioned "why they would be needed to achieve the stated goal of the investigation ..., to establish whether the use of the funds was appropriate".<sup>33</sup></p>

<sup>28</sup> See: <http://blog.atlatszo.hu/2014/06/a-kehi-es-az-atlatszo-esete/>, <http://budapestpride.hu/hirek/kehi-valasz-2> and <http://budapestpride.hu/hirek/budapest-pride-a-kozosseg-es-a-nyilvanossag-fele-szamolunk-el>, <http://tasz.hu/en/about-us/hcluaccounts-public-not-gco> (in English).

<sup>29</sup> See: [http://www.transparency.hu/TI\\_turns\\_to\\_the\\_Ombudsman\\_regarding\\_recent\\_government\\_audit?bind\\_info=index&bind\\_id=0](http://www.transparency.hu/TI_turns_to_the_Ombudsman_regarding_recent_government_audit?bind_info=index&bind_id=0) (in English).

<sup>30</sup> See, for example: <http://www.atv.hu/belfold/20140715-norveg-ugy-ultimatum-a-kehitol-jon-az-ujabb-csapas>.

<sup>31</sup> See, for example: <http://vs.hu/birsag-ellenere-sem-hatralnak-az-ellenallo-norveg-civilek-0717>.

<sup>32</sup> See: [http://www.transparency.hu/uploads/docs/ombudsman\\_levele\\_miniszterelnoksegnek.pdf](http://www.transparency.hu/uploads/docs/ombudsman_levele_miniszterelnoksegnek.pdf).

<sup>33</sup> The statement and list of documents is available in English at: <http://norvegcivilalap.hu/en/node/8578>.



<p>22 July 2014</p> <p><b>Court rules the GCO has to disclose who initiated the investigation against NGOs</b></p>	<p>The Hungarian Civil Liberties Union (HCLU) filed a Freedom of Information request asking GCO to disclose who initiated the investigation against Hungarian NGOs, as such a procedure can only be based on the order of a minister, the Prime Minister or the government. The information was denied by GCO.</p> <p>⇒ 26 February 2015: HCLU won the case but GCO lodged an appeal against the decision.</p>
<p>26 July 2014</p> <p><b>PM refers to NGOs as “paid political activists” helping foreign interests</b></p>	<p>In a speech, Prime Minister Viktor Orbán declared that he and his government aimed to build an “illiberal state”, and that their efforts in that regard were being obstructed by civil society organisations. He also referred to civil society members as “paid political activists who are trying to help foreign interests”.<sup>34</sup></p>
<p>August 2014</p> <p><b>First criminal procedure launched against Ökotárs, lead operator of the NGO Fund</b></p>	<p>In the beginning of August 2014, it was reported that the police had launched an investigation against Ökotárs on suspicion of fraud.<sup>35</sup> Later on, the underlying criminal offence was altered to “fraudulent misuse of funds”, i.e. embezzlement.<sup>36</sup></p>
<p>3 September 2014</p> <p><b>Criminal procedure initiated by GCO against an NGO</b></p>	<p>GCO announced that it had initiated a criminal investigation on suspicion of “unlicensed financial activities” against an unidentified NGO which had given loans to other NGOs for years.<sup>37</sup> Ökotárs replied that it was not a secret that, on an ad hoc basis and in response to individual requests, it had given loans to NGOs from its own capital, mainly to help with the financing of EU-projects, but that it has not derived any direct benefit from that. Ökotárs emphasised that these activities were included in its public reports and that they bore no relationship to their oversight of the NGO Fund.<sup>38</sup></p>
<p>4 September 2014</p>	<p>In an appeal against Ökotárs for refusing to hand over a list of non-supported applicants and the reasons why they were not supported to a government-friendly television channel (Ökotárs claimed that only the Financial Mechanism Office has the power to provide that information), the Hungarian National Authority for Data Protection and Freedom of</p>

<sup>34</sup> See, for example:

<http://www.bloomberg.com/news/2014-07-28/orban-says-he-seeks-to-end-liberal-democracy-in-hungary.html>,

<http://budapestbeacon.com/public-policy/full-text-of-viktor-orbans-speech-at-baile-tusnad-tusnadfurdo-of-26-july-2014/> (in English),

<http://www.kormany.hu/hu/a-miniszterelnok/hirek/a-munkaalapu-allam-korszaka-kovetkezik>.

<sup>35</sup> See, for example: <http://vs.hu/mar-nyomoznak-sikkasztas-miatt-norveg-civilek-ugyeben-0805>,

[http://index.hu/belfold/2014/08/23/nyomoz\\_a\\_rendorseg\\_a\\_norveg\\_alapok\\_ugyeben/](http://index.hu/belfold/2014/08/23/nyomoz_a_rendorseg_a_norveg_alapok_ugyeben/).

<sup>36</sup> See, for example: [http://index.hu/belfold/2014/08/23/nyomoz\\_a\\_rendorseg\\_a\\_norveg\\_alapok\\_ugyeben/](http://index.hu/belfold/2014/08/23/nyomoz_a_rendorseg_a_norveg_alapok_ugyeben/).

<sup>37</sup> See, for example: [http://hvg.hu/gazdasag/20140903\\_Feljelentett\\_a\\_Kehi\\_egy\\_szervezetet\\_a\\_nor](http://hvg.hu/gazdasag/20140903_Feljelentett_a_Kehi_egy_szervezetet_a_nor).

<sup>38</sup> See: <http://norvegcivilalap.hu/hu/node/8649>.

<p><b>DPA obliges Ökotárs to disclose list of non-supported applications</b></p>	<p>Information held that Ökotárs was required to fulfil the television channel's request.<sup>39</sup></p>
<p><i>8 September 2014</i></p> <p><b>Police raid on NGO Fund operators and seize documents concerning the “blacklisted” NGOs</b></p>	<p>In the context of the police investigation against them, the offices of Ökotárs and DemNet were raided by the police, involving dozens of riot police, who showed up in very large numbers (43 police officers reportedly participated in the raid). Staff members were not allowed to use their phones and the police conducted searches of the homes of certain staff members and the Ökotárs' accountant. The head of Ökotárs was escorted home by the police in order to fetch her laptop.<sup>40</sup> The police seized computers and documents. The police's list of seized materials show that they were mainly interested in the 13 NGOs which had been “blacklisted” by the Prime Minister's Office earlier on,<sup>41</sup> and this was also confirmed representatives of Ökotárs and DemNet. This may suggest that the criminal procedure was engaged so as to access documents that GCO had been unable to obtain.<sup>42</sup></p> <p>⇒ 9 September 2014: The Norwegian Minister of EEA and EU Affairs issued a statement indicating that the police raid was “completely unacceptable” and making it clear that the Hungarian authorities “have no intention of fulfilling their obligations under the agreements Hungary has entered into on the management of the EEA and Norway Grants”.<sup>43</sup> The same day, the Norwegian Ambassador to Hungary stated in an interview on a Hungarian television channel that in their view GCO's audit has no legal basis and that they have been wholly satisfied with the work of Ökotárs.<sup>44</sup></p>
<p><i>11 September 2014</i></p> <p><b>The scope of the audit is extended</b></p>	<p>It was announced that the scope of GCO's audit had been extended to funds received by Ökotárs in the framework of the Swiss-Hungarian Cooperation Programme as well.<sup>45</sup></p>
<p><i>15 September 2014</i></p> <p><b>PM at Parliament's opening session: NGOs apply double standards</b></p>	<p>In a speech delivered at the opening of the autumn session of the Parliament, Prime Minister Viktor Orbán stated: “We don't want anything more than to see clearly, we want to have clean water in the glass, because we are bothered by insincerity and lies, and we don't like it when someone who talks about freedom is a mercenary, or who talks about independence is a kept person. Declares himself a civilian but is in fact a paid political activist. Talks about respect for the law but when it comes to his own financial affairs, calls for exceptional procedures, saying that's not Hungarian money. Hungarian voters don't like this, so the government does well when it says</p>

<sup>39</sup> See, for example: [http://mno.hu/magyar\\_nemzet\\_belfoldi\\_hirei/torvenyt-sertett-az-okotars-1245895](http://mno.hu/magyar_nemzet_belfoldi_hirei/torvenyt-sertett-az-okotars-1245895).

<sup>40</sup> See, for example: [http://index.hu/belfold/2014/09/08/keszenletisek\\_akcioznak\\_az\\_okotarsnal/](http://index.hu/belfold/2014/09/08/keszenletisek_akcioznak_az_okotarsnal/).

<sup>41</sup> See:

<http://atlatszo.hu/2014/09/08/a-piszkos-tizenharomra-vadaszott-a-rendorseg-az-okotarsnal-es-a-demnetnel/>.

<sup>42</sup> See: <http://magyarnarancs.hu/belpol/politikai-terbe-emelt-koncepcios-vizsgalat-91621>.

<sup>43</sup> The press release is available in English at:

[http://www.regjeringen.no/en/dep/ud/press/news/2014/raid\\_eea.html?id=767076](http://www.regjeringen.no/en/dep/ud/press/news/2014/raid_eea.html?id=767076).

<sup>44</sup> See, for example:

<http://444.hu/2014/09/10/norveg-nagykovet-nem-magyar-hanem-norveg-kozpenzrol-van-szo/>.

<sup>45</sup> See, for example: [http://hvg.hu/itthon/20140911\\_Kiterjesztettek\\_a\\_Kehivizsgalatot\\_az\\_..Oko/](http://hvg.hu/itthon/20140911_Kiterjesztettek_a_Kehivizsgalatot_az_..Oko/).



	<p>laws apply to everybody, to political parties, civil society organisations also to citizens who don't organise themselves at all."</p>
<p>16 September 2014</p> <p><b>The tax identification of fund operators are suspended</b></p>	<p>The tax identification of all four organisations belonging to the consortium running the NGO Fund were suspended, on the basis that they were responsible for distributing public money in a "secretive" manner and that they refused to disclose certain documents.<sup>46</sup> The consortium members denied the accusation of not cooperating with the authorities, and claimed they only withheld sensitive information. As a consequence of the suspension, members of the consortium are no longer eligible for budgetary support (including from EU funds), tax recoveries or deductions.</p> <p>⇒ The Carpathian Foundation ('Kárpátia Alapítvány'), a member of the civil society consortium that operates the NGO fund, successfully challenged the government in court for the suspension of this organisation's tax identification, sustaining that the tax identification suspension ordered by the GCO and the Government Decree on GCO's operation conflict the Fundamental Law. As a result of this, the Administrative and Labour Court of Eger decided to turn to the Constitutional Court of Hungary, asking an opinion on the legitimacy of the Government Control Office audit.<sup>47</sup></p>
<p>23 September 2014</p> <p><b>U.S. President Barack Obama publicly condemns the intimidation of Hungarian civil society</b></p>	<p>At the Clinton Global Initiative in New York, U.S. President Barack Obama stated that governments around the world are trying to clamp down on civil society, citing Hungary, Russia and Azerbaijan as examples and saying: "From Hungary to Egypt, endless regulations and overt intimidation increasingly target civil society."<sup>48</sup></p> <p>⇒ 25 October 2014: In a short statement, Hungary's Foreign Ministry said Obama's comments in New York were "not based on facts" and that "the Hungarian people are a freedom-loving people, and would not tolerate any restrictions on their freedom."<sup>49</sup></p>
	<p>GCO published its final concluding report on the investigation into the NGO Fund stating there had been irregularities in 61 of the 63 audited projects, and announcing that it was initiating a criminal proceeding against Ökotárs Foundation on suspicion of mismanagement, budget fraud, forgery of private documents and unauthorised financial activity. The GCO investigation also revealed irregularities such as non-refundable expenses, purchase of products by Ökotárs for its own use, backdated contracts, reshuffled expenses and missed project deadlines. The report also stated that some of the grants overseen by Ökotárs Foundation were allocated to organisations</p>

<sup>46</sup> See, for example <http://nol.hu/belfold/felfuggesztettek-az-utolso-norveg-alapitvany-adoszamat-is-1488389>.

<sup>47</sup> See: <https://norvegcivilalap.hu/en/node/11452>

<sup>48</sup> See, for example: <http://www.politics.hu/20140924/quotable-obama-on-hungarys-civil-society/> (English).

For the full text of Obama's speech, see:

<http://www.whitehouse.gov/the-press-office/2014/09/23/remarks-president-clinton-global-initiative> (English).

<sup>49</sup> See, for example:

[http://www.standartnews.com/english/read/hungarys\\_orban\\_harshly\\_criticised\\_by\\_barack\\_obama\\_for\\_messing\\_with\\_peoples\\_freedom-5470.html](http://www.standartnews.com/english/read/hungarys_orban_harshly_criticised_by_barack_obama_for_messing_with_peoples_freedom-5470.html) (English).

<p>22 October 2014</p> <p><b>The GCO report on the NGO Fund published and includes serious allegations against Ökotárs</b></p>	<p>with close political ties, potentially with the opposition party Politics Can Be Different.<sup>50</sup></p> <p>⇒ 23 October 2014: Veronika Mora, the director of Okotárs, told MTI, the Hungarian News Agency, that the GCO document contained “accusations which are not supported by evidence” and therefore “it is very difficult, even impossible, to give a substantive response to them.” She said that the document could not even be called a report since it contained generalities and lacked concrete information as who committed which act and with which amount.<sup>51</sup> Reviewing the police evidence, the news portal Index.hu wrote: “This is how a show trial looks in a history book”, while other news portals also reported that the accusations in the GCO document were unjustified or otherwise problematic.<sup>52</sup></p> <p>⇒ 23 October 2014: János Lázár, Head of the Prime Minister’s Office, formally invited Vidar Helgesen, the Norwegian minister in charge of EEA and EU affairs, to discuss the affair,<sup>53</sup> but Helgesen refused to meet with Lázár. In an interview with commercial news channel ATV on 6 November 2015, the Norwegian Ambassador to Hungary, Tove Skarstein, said that Norway does not recognise the GCO report and that the Norwegian government had appointed a British audit firm to carry out an independent audit. Responding to reporters’ questions, Skarstein told ATV that the Századvég Foundation has applied to run the NGO Fund but they were not shortlisted as they were considered to be too close to the government and lacking in experience. Norway had already suspended financial distributions from major grants in Hungary and in case Ökotárs could not continue working with the Norway grants, Hungary might eventually lose €140 million in grant money, the ambassador said.<sup>54</sup></p>
<p>19 December 2014</p> <p><b>NGO Fund now investigated by the Customs Administration</b></p>	<p>Newspapers reported that in addition to engaging the police, GCO had also called for an investigation<sup>55</sup> into the NGO Fund by the Customs Administration of Hungary (NTCA).</p>
<p>19 January 2015</p>	<p>Ökotárs Foundation announced that both the Customs Administration and the Prosecutor’s Office had started investigations into the operations of four</p>

<sup>50</sup> See, for example:

<http://www.politics.hu/20141024/foreign-ministry-presents-norway-grant-investigation-report-to-ambassador/> (English). For the full text of the GCO report, see:

[http://kehi.kormany.hu/download/a/51/c0000/NCTA\\_jelentes.pdf](http://kehi.kormany.hu/download/a/51/c0000/NCTA_jelentes.pdf).

<sup>51</sup> See, for example: <http://444.hu/2014/10/23/meglepetes-az-okotarsnak-nem-tetszik-a-kehi-jelentes/>.

<sup>52</sup> See:

[http://index.hu/belfold/2014/10/22/norveg\\_ugy\\_igy\\_nezett\\_ki\\_egy\\_koncepcios\\_per\\_a\\_tortenelemkonyvben/](http://index.hu/belfold/2014/10/22/norveg_ugy_igy_nezett_ki_egy_koncepcios_per_a_tortenelemkonyvben/),  
[http://hvg.hu/itthon/20141021\\_Tampont\\_vettek\\_norveg\\_penzbol](http://hvg.hu/itthon/20141021_Tampont_vettek_norveg_penzbol).

<sup>53</sup> See, for example: <http://nol.hu/belfold/lazar-magyarorszagon-tisztazna-a-norveg-miniszterrel-1494089>.

<sup>54</sup> See, for example:

[http://www.bbj.hu/economy/hungary-may-lose-eur140-million-in-grants-from-norway\\_87765](http://www.bbj.hu/economy/hungary-may-lose-eur140-million-in-grants-from-norway_87765) (English). For the full interview, see: <http://www.atv.hu/belfold/20141105-tove-skarstein>.

<sup>55</sup> See, for example: [http://hvg.hu/itthon/20141219\\_Mar\\_a\\_NAV\\_is\\_nyomoz\\_a\\_norveg\\_penzek\\_miatt](http://hvg.hu/itthon/20141219_Mar_a_NAV_is_nyomoz_a_norveg_penzek_miatt).

<p><b>Further investigations against NGOs</b></p>	<p>NGOs receiving funding through the NGO Fund. The names of the NGOs were not disclosed.<sup>56</sup></p>
<p><i>29 January 2015</i></p> <p><b>Court rules police raid against Ökotárs violated the law</b></p>	<p>A court in Budapest ruled that the riot police] violated the law when its anti-corruption unit searched the headquarters of Ökotárs Foundation and the home of its head in September last year. In its ruling, the court noted that, at the time of the raid, charges of embezzlement or unauthorised banking activities had not been established against Ökotárs.</p> <p>⇒ In a statement published on the same day, Ökotárs welcomed the court decision but voiced concern over “political pressure under which the police carry out unlawful searches” and called on the government to stop exerting such pressure.<sup>57</sup></p> <p>⇒ 9 March 2015: In response to an inquiry from the Hungarian Liberal Party,<sup>58</sup> Sándor Pintér, Minister of the Interior, said he had no intention of commenting publicly on apologising for the police raid.<sup>59</sup></p>
<p><i>20 February 2015</i></p> <p><b>Head of the PM’s Office calls for disclosure of incomes of NGO staff</b></p>	<p>In a response to a parliamentary interpellation from Jobbik, an opposition party, János Lázár, Head of the Prime Minister’s Office, said that, in order to enhance transparency, employees of NGOs should disclose information about their personal income and assets.<sup>60</sup></p> <p>⇒ May 28 2015: The newly adopted government resolution on anti-corruption proposes to require the declaration of private assets by NGO leaders.</p>

<sup>56</sup> See, for example:

[http://index.hu/belfold/2015/01/19/folytatodik\\_a\\_norvegos\\_haboru\\_negy\\_civil\\_szervezet\\_kapott\\_vizsgalatot/](http://index.hu/belfold/2015/01/19/folytatodik_a_norvegos_haboru_negy_civil_szervezet_kapott_vizsgalatot/).

<sup>57</sup> See, for example:

<http://www.politics.hu/20150129/court-condemns-police-crackdown-on-okotars-headquarters/>.

<sup>58</sup> See: <http://www.parlament.hu/irom40/03269/03269.pdf>.

<sup>59</sup> See: <http://www.parlament.hu/irom40/03269/03269-0001.pdf>.

<sup>60</sup> See:

<http://www.vg.hu/kozelet/politika/lazar-elszamoltatna-a-civil-szervezetek-vezetoit-a-szemelyes-vagyonukkal-444598>.