

5.6 Governance and corruption

The United Nations General Assembly Resolution on Corruption in 1997, as well as the Lima Declaration of the International Conference against Corruption (September, 1997) stresses the threat of corruption for the human development. Corruption became a main concern of global policy in recent years. In 1999 alone several international forums took place including Global Forum on Fighting Corruption (February, Washington, hosted by Vice-President of US Al Gore), The IX International Anti-Corruption Conference (September, Durban, South Africa, Transparency International), the Annual Meeting on fighting Corruption (November, Istanbul, OECD), as well as local anti-corruption conferences (November, Budapest, Central European University; November, Riga, USAID), etc. "UNDP considers corruption as a problem of poor governance. Good governance is participatory, transparent and accountable – its social, political and economic priorities are reached by consensus and the poorest and most vulnerable have their say in matters affecting their well-being and the allocation of development resources. Bad governance, rife with bribery, corruption and mal-administration, has the opposite effect"¹.

The Republic of Moldova as a new state is sharply in need of improvement of quality of the governance. Lack of experience in governing a sovereign state, weakness of legal base and juridical system, lack of understanding and support on behalf of the population, and last but not least, the realization that the average "life" of the governments so far has been too short to allow for significant changes, all together have lead to poorer level of governance in the country. A corruption nobody deters emerged in the country; it's dangerous because of that it: weakens the social confidence for the state and reforms, abruptly raises the costs and risks for the entrepreneurship, causes merging of state structures and organized crime.

Causes of corruption in Moldova are economic, institutional, political, social and moral. The *economic* ones include: unlivable budget, low wages for state employees, delays in payment of wages. The *institutional* ones are: lack of real will to fight corruption, lack of strategy in this field, high level of discretion in the work of legal bodies, an inadequate accounting system, lack of transparency in the legal system, weak state policy generating rent-seeking, career promotion without real performance. *Political* causes are: transformation of fighting corruption into fighting political opponents, interest of some political groups in the economic and financial collapse of the state, thus willing to return to the old dictatorial system, import of corruption. *Social and moral* causes: demoralization of the society, ethical values erosion due to corruption amongst the top level employees, insufficient information of population, insufficient work of mass-media, public tolerance.

Transparency International places Moldova on the 75th place on the scale of corruption among 99 countries. However, there are some other evaluations of the quality of governance and the spread of corruption. In a joint study by the EBRD and the World Bank an opinion poll of about 3000 managers from 20 countries in transition was carried out (about 115 enterprises in every country, with a larger sample in Ukraine and Russia). The questionnaire included direct and indirect questions in order to evaluate the impact of corruption and poor governance on the private firms' activity and economic development of the whole country. Firms were asked if they were satisfied with basic services of the government for the proper functioning of markets.

These services were grouped in four large blocks: *law and order* (judiciary, corruption, street crime, organized crime), *microeconomic governance* (taxes and regulations), *macroeconomic governance* (policy instability, inflation, exchange rate), and *real infrastructure*.

Data from the poll show that amongst those 20 countries in transition Moldova ranks 15th from the top in terms of microeconomic governance (the index being equal to 0.52 out of a maximum of 3.0), last in terms of quality of macroeconomic governance (the index being 0.35),

¹ Fighting Corruption to Improve Governance, UNDP, February 1999

the last in terms of infrastructure (index being 1.42), and the last but one in terms of law enforcement (index being 1.1).

Table 5. 3.

Quality of governance index

	Micro-measures	Macro-measures	Infrastructure	Law and order
Hungary	0.92	1.72	2.42	2.34
Slovenia	1.17	1.73	2.26	2.23
Estonia	1.25	1.74	2.38	2.17
Uzbekistan	1.4	1.44	2.11	2.16
Armenia	0.55	1.15	2.21	2.32
Poland	0.96	1.53	2.37	1.82
Slovak Republic	0.88	1.68	2.11	1.7
Czech Republic	0.8	1.35	1.57	1.97
Belarus	0.67	0.77	2.18	2.25
Lithuania	0.69	1.7	2.19	1.48
Azerbaijan	1.02	1.59	1.73	1.56
Croatia	0.67	1.18	2.13	1.62
Bulgaria	0.9	1.25	1.77	1.49
Kazakstan	0.75	0.72	1.85	1.68
Georgia	0.67	0.93	1.78	1.47
Ukraine	0.34	0.77	1.76	1.68
Russia	0.47	0.65	1.91	1.54
Romania	0.45	0.6	1.49	1.48
Kyrgystan	0.46	0.48	1.85	0.98
Moldova	0.52	0.35	1.42	1.1

Source: EBRD, Transition Report, 1999

According to the aggregated quality of governance index, Moldova ranks last, with an index of 0.82. It is difficult to evaluate how objective this evaluation is, since the interviewees came from different cultural and psychological backgrounds. This means that the attitude of the respondents towards such notions as “corruption”, bribe, public servants ethics and integrity differs from country to country.

In spite of the fact that these evaluations could not be entirely objective, it is clear that position of Moldova in these terms is unfavorable. Thus, about three quarters of Moldovan firms mentioned that the legal system does not protect their property rights and managers of enterprises spend 17% of their total working time with public officials. This is the biggest share amongst all countries in transition.

Data of the Survey on Identifying the Impediments to Development of Private Farming Enterprises and Related Small Rural Business in Moldova carried out by the Center for Strategic Studies and Reforms in collaboration with Corana Corporation show that auditing bodies create obstacles for the development of private business by frequent extortion of money. Thus, in 1998-1999 25 farms were visited 12 times by the fiscal inspector, 12 of the entrepreneurs having been visited as frequently as 15 to 20 times. One entrepreneur complained that he was visited 50 times by the fiscal inspector in one year. Nine entrepreneurs were visited by the fire inspector over 11 times during one year, one visited 30 times. Visits of the electric nets inspectors are not less frequent: 32 companies were visited 12 times, 10 companies - between 16 to 100 times.

State Capture Index proposed by the EBRD Transition Report, 1999 stands at 46% for Moldova. Only Ukraine and Armenia face a more difficult situation than Moldova in this

Frequency and extend of the bribe tax

	Percentage of firms bribing frequently	Average bribe tax as % of annual revenues
Armenia	40.3	6.8
Azerbaijan	59.3	6.6
Belarus	14.2	3.1
Bulgaria	23.9	3.5
Croatia	17.7	2.1
Estonia	12.9	2.8
Georgia	36.8	8.1
Kazakstan	23.7	4.7
Kyrgystan	26.9	5.5
Lithuania	23.2	4.2
Moldova	33.3	6.1
Poland	32.7	2.5
Czech Republic	26.3	4.5
Romania	50.9	4
Russia	29.2	4.1
Slovak Republic	34.6	3.7
Slovenia	7.7	3.4
Ukraine	35.3	6.5
Hungary	31.3	3.5
Uzbekistan	46.6	5.7

Source: Transition Report, 1999, EBRD

respect. According to the data from the above-mentioned poll, about one third of Moldovan firms pay bribes very often. According to this indicator, Moldova ranks in the middle among all transition countries. Regarding the relative scale of bribe in comparison with total annual income, Moldova ranks among the first five countries.

Although it is difficult to evaluate objectively the spread of corruption in the country, it could be assessed on the base of estimation of its economic consequences.

The estimation of the Center for Strategic Studies and Reforms show that the *shadow economy* reaches a big proportion in the national economy. Its share in the formal economy amounts around 50-60%. Tax evasion grew from 4% of the consolidated budget income in 1994 to 30% in 1998, and fell down to 22% in 1999 due to the inflation effects.

The available large underground sector gives *rise to an excessive tax burden*. The state budget is dependent for its income on formal economic activities. However, most of budget expenses also serve the interests of those people who are not paying taxes (such as subsidies in energy bills, use of public services, etc.).

Corruption causes *enormous increase in state debts*. Probably, the biggest corrupt transactions take place in the energy sector. Moldova's debts for energy grow by an average annual US\$ 60 million, while the country continues to risk a total lack of energy resources. On Moldova's borders there is no natural gas metering system installed, the only meters being on the territory of the neighboring Ukraine (which has considerably bigger debts for gas and is accused by Russia in theft of about 1/3 of consumed gas), and the losses of gas are estimated arbitrarily. These losses were estimated at US\$ 20 million during 1995-97. The fact that GDP declined three-fold during 1990-1999,

and consumption of gas was relatively stable till 1998, suggests the idea that considerable amount of gas was not really consumed on the territory of Moldova, thus, an essential part of the country's debt (including penalties) being created synthetically.

Illegal export-import. The problem of illegal exports and imports has expanded in alarming proportions. In 1996-98 the practice of under-selling of exports resulted in lei 500 million according to the estimates by the Chamber of Accounts.

An accomplishment of a cross-checking of Moldovan and Ukrainian information regarding Moldovan exports to Ukraine shows that the data from the Ukrainian side is almost double. This cannot be explained solely by the Transnistrian "factor". The same situation takes place in the relationships with Russia. It is little probable that workers of the Ukrainian and Russian custom services are likely to be more honest than those from Moldova, therefore the real distortions could be even greater.

Transnistrian problem entails additional losses to the state budget of the Republic of Moldova. In 1997-98 more goods were imported to Transnistria than to the rest of the territory, with respectively 1.7 and 3.1 times more spirits, 9.7 and 19.4 times more alcoholic beverages and 252 and 90 times more cigarettes. This is particularly remarkable given that the population of Transnistria makes up a mere 12-15% of the total population of Moldova. Then it should be clear that the main consumption of the imported goods takes place in the mainland (the right side of the river Nistru), but without any contribution to the state budget by way of paying the due imports duties.

One of the manifestations of the economic impact of corruption are the *increasing costs of transactions*, particularly in carrying out small business activities and diminishing the competitiveness of the products and services. According to some estimates, the additional payments to obtain licenses, for so-called "protection", and for an expeditious settlement of formalities by state officials amount to 40% of the turnover.

The combined impact of corruption, shadow economy and crime is manifested by the *macro-economic instability and the country's vulnerability to financial crisis*. The annual narco-business turnover (including drug traffic) in Moldova is estimated at US\$ 200-250 million,

which is 3.5–4 times higher than the annual foreign direct investments in Moldova, and than the amount of foreign currency reserves in the National Bank of Moldova.

Another effect of shadow economy and corruption lies in its *adverse impact on consumers by providing them with low quality goods and services*. The findings of a production quality inspection on a network of trade outlets conducted by the National Standards, Measurement and Certification Center show that breaching the standards/infringements ranges from about 40% of the total food products to 70% of goods for children. In imported goods the rate is as high as 79%.

The shadow economy and corruption generates additional income for the participants and members of their families, and sometimes it is the only source of their living. This sector's existence in parallel with the formal economy, in fact, generates 60% of additional income. This income is, however, unequally distributed among the population and the gap between the rich and the poor is actually greater than that stated in the official records. Hence, the consumption of meat in families officially stated as having the same level of income is on average 60% higher for those employed in the private agricultural sector, where the level of informal activities is higher than it is for those engaged in the public sector.

The vulnerable layers of society are the most severely affected by social inequity, which is in turn worsened by protectionism. With no political influence, the vulnerable layers of the population are often subject to increased social pressures. Thus, according to the Household Budgets Survey carried out by the Department of Statistical and Sociological Analysis with the financial assistance of the World Bank, in 1997 the social benefits received by each member of the families at the highest level of income (level V by disposable income is about five times higher than those received by families at the lowest level of income (level I). *An inequitable social system* inevitably appears where layers of population earning a higher income enjoy most of the social benefits. An unfair social system is thus created.

The implementation of a *policy for fighting corruption* needs concentration of forces of Government, private sector and civil society. It needs extensive reforms in legislation, as part of the institutional reforms, and improvement of the system of regulation of fiscal audits. This is possible to achieve only with the participation of all related international organizations.

In recent years the Council of Europe (CE) has addressed its efforts to creating a comprehensive policy to combat corruption, based in the interdisciplinary approach. The Multidisciplinary Group on Corruption (MGC) which has been functioning since March 1995 in accordance with the recommendations of the Conference of European Ministers of Justice (Malta, 1994). On 17 January 1999 in Strasbourg, on the occasion of the winter session of the Parliamentary Assembly of the CE, a Criminal Law Convention on Corruption was opened for signature. The implementation of this Convention after its enforcement shall be monitored by the Group of States against Corruption (GRECO). On 9 September 1999, the Committee of Ministers of the Council of Europe adopted a Civil Law Convention on Corruption and decided to open it for signature on 4 November 1999, at the 105th session of the Committee of Ministers. The Civil Convention on Corruption is open for signature by the member States of the Council of Europe and by non-Member States that have participated in its elaboration and by the European Community. The Second Joint program of the European Commission and Council of Europe Octopus II, aimed at assisting 16 member States of the Council of Europe (countries in transition) in the fight against corruption and organized crime, was launched in 1999.

Unfortunately, until present the Republic of Moldova has adhered only the Strasbourg Criminal Convention on Corruption (1999).

In November 1999 the State Program for Fighting Crime, Corruption and Protectionism for 1999-2002 was adopted. As this program was adopted in a rush, it does not contain measures regarding nepotism, and needs to be improved. But, in principle, adopting this program could be interpreted as a positive sign for international donor organizations. Whether this program will be implemented by the new government remains to be followed. The Program includes eight parts: legal assurance, perfecting the mechanism of fighting crime, international collaboration in

fighting crime and corruption, actions for curbing corruption and ameliorating the control system, economic actions, crime prophylaxis, technical assistance of legal bodies.

The Programme foresees adopting the Law on combating organized crime, Law on curbing shadow economy, Law on combating terrorism, Law on combating traffic of human beings, as well as the mechanism of functioning of a number of laws. It also foresees elaboration of stimulating mechanism, as well as assuring security for persons collaborating with police and prosecution bodies, creation of an institute of criminology.

The main indicator of bad governance is corruption. Corruption impedes economic, political, democratic, social and ecologic development of the country. Any efforts in combating corruption can only be effective if the country enjoys a sufficient degree of democracy. A mutual respect and acceptability between the society and the elected state is essential in this regard. Fighting corruption in a single transition country is difficult if not impossible. Informational and financial support from democratic countries as well as international organizations is needed.

5.7 Crime prevention and drug control

Crime prevention. The processes that took place in late '80ies, as well as the situation the society found itself in, contributed to the worsening of the criminal environment throughout the country. Statistical data for the period 1980-1989 testify to a considerable increase of the total number of recorded crimes (from 15468 in 1980 to 40862 in 1989), as well as of serious ones (from 15468 in 1980 to 40862 in 1989, robberies and frauds in particular).

With reference to the above-mentioned crimes, 6098 felonies were registered in 1990, while in 1999 the number of crimes raised to 9260, showing also an increase of economic financial crimes from 2569 to 3483 in the same period of time. The latter are mostly related to illegal appropriation of assets and funds that used to be the state property. In 1990 crimes against property accounted for 66.5% of the total number of recorded offenses, while in 1999 these crimes accounted for 70.9%, the rate of these crimes starting to increase in 1992 when the unemployment became real due to the decrease of production. From the total number of offenders, the share of unemployed increased from 19% in 1985 to 80.4% in 1999.

As a result, the criminal situation aggravated and acquired specific aspects. The specific aspect is expressed by the fact that though the total number of crimes recorded between 1990-1999 stays at the level of about 40 thousand crimes, the number of serious crimes, economic financial crimes, crimes against property increased. It is easy to draw the conclusion that either many of the crimes are not recorded, or the population do not trust legal authorities and address them only in cases of serious crimes, or legal authorities do not always record claims coming from the population. Practice shows that in reality both things take place. The rate of criminality for 100,000 people is as follows: in 1997 - 1092; 1998 - 992; 1999 - 1078.

After proclaiming Moldova's independence, one of the actions taken to improve criminal situation was and still is adjustment of national legislation to the international requirements and legal reform. Certain activities were carried out but they were far from being sufficient to stop the breakdown of national economy. Legislation and potential of legal authorities are lagging behind the processes of transition to a market economy. In reality, having declared market oriented economic development, the country continues to live according to the old legal norms, the new ones being adopted with delay or in contradiction with international requirements. For example, penalties for counterfeit, which is the basis for many criminal offense, in particular against property or economic crimes, are so far rather symbolical; the law on corruption and protectionism was passed not earlier than in 1996 and it is not lucrative because its enforcement mechanism is missing; so far the law on money laundering has not been passed as well as amendments stipulating penalties for illegal circulation of psychotropic substances (except contraband); in conformity with current legislation many categories of public officers enjoy immunity rights which hamper exposure of corrupted persons, etc.

After the military conflict in Transnistria in 1992, the number of crimes involving firearms and explosives considerably increased and reached 404 registered cases in 1994, however, in 1999 it declined to 275.

Usually, the source of firearms, munitions and explosives are military conflicts, in the first place the Transnistrian military conflict of 1992, stocks of armaments and munitions belonging to the 14th Army of Russian Federation located in Transnistrian region, as well as stock houses of armaments and munitions belonging to the same army created in the process of withdrawal of military formations of the former USSR from the former socialist states (Poland, Germany, Hungary, Czechoslovakia). According to the estimates about 38 thousand tones of armaments, explosives and munitions are stockpiled in these stock houses. Due to improper supervision these stocks became a source of armament and explosives on the territory of the Republic of Moldova, as well as on the territories of other countries. Spreading of armaments involve persons directly responsible for storing them. For example, one of the criminal cases was opened for the chief of stock houses, deputy commander of peace making troops in Transnistria, other persons who, between 1995-1997, secretly accomplished from the stock houses of the Russian army and illegally sold armament and munitions to local criminals and abroad. During the search performed in the group 2 missiles “ground-air”, 3 “Igla” type devices, more than 50 kilos of explosive substance of “Ã-74” type, automated pistols with telescopic sights of “SVD” type. Members of the group were selling these arms to criminal elements in Odesa, Lvov, Vinita, Nicolaev, Ukraine.

The armaments are being spread in regions engaged in conflicts, among persons with criminal experience, in particular, to members of organized crime groups. Only in 1999, 978 pieces of arms, 100 grenades and mines, 6401 munitions were retrieved from illegal circulation on the territory of the Republic of Moldova, and in two months of the current year 45 criminal cases were opened in the Republic of Moldova, pertaining to illegal circulation of fire arms and explosives. 23 firearms, 44 grenades, 9 mines, over 3200 bullets, explosive substances and other kinds of explosives were withdrawn from circulation. This is one of the main reasons to explain the increased number of crimes committed with the use of firearms and explosives.

Another important factor which contributed to worsening of criminal situation in the country, besides the one mentioned regarding the presence of the 14th Army of the Russian Federation and spreading of armaments from its store houses, is proclaiming and de-facto creation of the phantom Transnistrian Republic. It occupies the territory between the left bank of the rivers Nistru and Moldova’s borders with the Ukraine (military formations of the 14th Army are also located here). By the end of 1998 public opinion was informed that it was from the arsenals of the Russian army that Transnistrian military formations received 16 tanks T-64, 46 armored vehicles, 9 systems of “Igla” type, 16 missile devices of “Grad” type and 15 thousands machine-guns and automated pistols, an enormous quantity of munitions and other military things. More than that, in Tighina and Tiraspol towns unacknowledged authorities of Transnistria started illegal production of new types of armament, including modified devices of BM-21 “Grad” type, grenade cup discharges, automated pistols of “UZI” type, and other. This armament is being sold to local criminal structures and in the countries with military conflicts.

Due to the fact that the territory of Transnistria and about 150 km. of the border with the Ukraine are not controlled by the lawful authorities of the Republic of Moldova, are used by criminal organizations for various illegal activities, mostly trafficking of arms, munitions, explosives, drugs, people, stolen cars, contraband (alcoholic drinks, tobacco products, oil products), money laundering, etc. This territory is used as a place to hide for criminals who committed crimes on the territory of the Republic of Moldova and other states. In such a way conditions were created to facilitate spreading of organized crime on the entire territory of the Republic of Moldova.

Criminal situation worsened so badly that the authorities of the Republic of Moldova and Transnistria arrived to an agreement to cooperate in crime control activities, though the political aspects of Transnistrian problem have not been resolved so far. So, the Agreement “ On basic

interaction of the Ministry of the Interior of the Republic of Moldova and management of the internal affairs authorities of the Transnistria” was signed on January 26, 1999 in Tiraspol, and the “Complex program of joint control of organized crime, illegal circulation of arms and drugs” was signed on July 13, 1999 in Chisinau. These two documents serve as legal basis for police cooperation of the two parties inside one state. The police cooperation is only at the beginning of its way and so far is slightly emphasized.

Drugs control. Proceeding from the level and tendencies of criminal situation described above, let's dwell on the problem of drugs circulation and its control in the Republic of Moldova.

Geographically, the Republic of Moldova is situated on the crossroads of the well-known routes of transiting narcotic substances, mainly from Asia to Western Europe. For this reason heroin and raw opium begin to spread more widely in Moldova. Such narcotic and psychotropic substances widely spread in the world as cocaine, LSD, amphetamine products commonly known as “extasy”, etc., which previously (prior to the ‘90) were hardly found in the Republic of Moldova are now in circulation.

According to the statistical data of the National Narcology Center of the Ministry of Health of the Republic of Moldova, in the period between 1990-1999 the number of drug addicts increased from 669 in 1990 to 4434 in 1999.

At present supervision of legal circulation of drugs on the territory of the Republic of Moldova is being effected by the Drugs Control Committee of the Republic of Moldova created within the Ministry of Health in 1995 after adhering of the Republic of Moldova to the UNO conventions: Common Convention on narcotic substances as of 1961 with amendments stated in 1972 Protocol, Convention on psychotropic substances as of 1971, United Nations Organization Convention on control of illegal circulation narcotic and psychotropic substances as of 1988.

After the adhering of the Republic of Moldova to the UNO Conventions, it was only on May 6, 1999 that the Law on circulation of narcotic and psychotropic substances and their forerunners was passed (forerunners are substances frequently used to illegally produce narcotic and psychotropic substances), which acknowledged classification of substances and set certain restrictions to their circulation, acknowledged the Permanent Committee of Drugs Control within the Ministry of Health, Inter-ministerial Commission of Drug Addiction and Drug Industry Control, as well as the order of issuing and retrieving authorizations to persons involved in activities implying drugs circulation. In spite of the fact that this law had been passed, the lists of substances approved by the Committee, circulation of which is restricted and is under control on the territory of the Republic of Moldova, are still valid. These documents are in obvious contradiction to the UNO Conventions mentioned above. For example, in documents developed by the Committee, a number of psychotropic substances are classified as narcotic substances, the same substances being classified as both narcotic and psychotropic, lists of “toxic substances, substances with drastic action”, were approved with reference to the UNO Conventions. These documents have drawbacks, which obviously do not comply with the requirements of the conventions mentioned above. Other drawbacks of the same character were revealed in the recently passed law mentioned above.

It is rather worrying that most drugs were withdrawn at the level of possession and not at the level of trafficking, such drugs as cocaine, LSD, ecstasy, etc., widely spread in Europe and in the world, frequently and in big amounts transited on various routes, were not seized. Data provided by the Interpol O.I.P.C. testify to the trafficking of narcotic and psychotropic substances through the territory of the Republic of Moldova. Drugs are being transited from Asia to the Western Europe on the well-known Balcanic route, as well as on the new route from Asia to the Western Europe through Russia, Ukraine, and Moldova. These conclusions were confirmed by the incidents of retention of 10,250 kg of heroine at Leuseni customs control station in November 1997 (the drugs were trafficked from Greek Republic, another load – from Turkey to Moscow), the case of retention of 2,5 kg of cocaine in Budapest airport in 1998, transported on the route Bogota (Columbia) - Paris (France) - Budapest (Hungary) with

destination Chisinau (Republic of Moldova). Confiscation of 14 kg of heroine, over 6000 kg hashish, 624 kg cocaine, 250 kg coca paste on the territory of the Ukraine in the period between 1997-1998, as well as other seizures of drugs were reported on the territory of Romania and of other states on way of the Balcanic route.

At present Moldova faces a paradoxical situation: circulation of both narcotic and psychotropic substances, as well as their forerunners are subjected to control on the territory of the Republic of Moldova, while the Criminal Code of the Republic of Moldova stipulates criminal responsibility for the illegal circulation of narcotic substances only and not for the psychotropic substances (excepting contraband) and of forerunners. At the same time, according to the Code of administrative contravention, illegal procurement and storing with no selling purpose of narcotic and psychotropic substances with no medical prescription entail administrative penalties.

Due to the non-existence of penalties for illegal circulation of psychotropic substances (excepting contraband), and moreover, of forerunners, persons involved in such kind of activities cannot be criminally charged. Such situation is a shame, because practice proves illegal circulation of these substances. For example, in June 1998, a tentative of illegal import from Romania of 4000 kg de piperonil metilcetone (3,4-metilendioxiifenil propanon-2) having a value of 300.000 US dollars to a firm in Chisinau with a final destination in Cyprus was ceased, an example that indicates that the purpose of illegal trafficking of forerunners is possible on the territory of the republic of Moldova due to drawbacks in legislation. Various amounts of ephedrine constitute permanent imports into the Republic of Moldova, being frequently used for production of ephedrine (methcatinon) in home conditions.

Wide expansion of drugs on the territory of the Republic of Moldova was the reason for creation in 1999 under the Ministry of Interior, of an independent service for illegal circulation of drugs control, trafficking in particular. The results of its activity are described above.

The facts mentioned above indicate that legal authorities of the republic of Moldova involved in illegal circulation of drugs control face a number of impediments which hamper the revealing and withdrawal of narcotic, psychotropic substances, forerunners, and especially control of their trafficking. Some of these impediments are:

- Non-compliance of Moldovan legislation with international conventions to which the Republic of Moldova is a part;
- Poor equipment and insufficient financing of customs control stations and competent legal authorities;
- Poor professional skills of the officers effecting control of illegal circulation of drugs;
- Lack of control on the territory of Transnistria and 150 km. of border between the Republic of Moldova and Ukraine;
- Corrupted legal authorities and customs officers;
- Scattering of efforts made by the legal authorities and poor coordination of activity of competent authorities.

Aiming at prevention and control of drug addiction, on March 30, 2000 the Government of the Republic of Moldova adopted the "Program of drug addiction and drug industry control for the period 2000-2001". This program stipulates undertaking by the competent authorities of a number of additional actions aimed at prevention and control of drug addiction and illegal circulation of drugs, emphasizing the importance of prophylaxis. Unfortunately, these actions are hardly possible to implement without additional financial support.