

Public Funds Abuse in Egypt

November 2008 - November 2009

Under The Microscope⁽¹⁾

Report is developed by

Lawyer/ Abdul Hamid Salem

Researcher/ Huda Al Shahed

Participated in gathering the press material - Journalist/ Yasser Farag

⁽¹⁾ This is a brief report of the Arabic version issued in 125 pages, in addition to annexes which are the basic text.

This report is made possible by the support of the American people through the U.S. Agency for international Development (USAID). The contents of the report are the sole responsibility of its authors and do not necessarily reflect the view of USAID, the United States Government or United Group

Introduction

This is a brief summary of the report issued by the legal unit being one of the activities implemented under “Community Action towards Transparency” project. The project is implemented with the support of the U.S. Agency for International Development (USAID). The report contains monitoring and analysis of forms of wasting public funds within November 2008 and November 2009, the content is divided into three main sections, they are:

1. Incidents of wasting public funds based on the files of the legal defense unit, and based on discussions organized by partner NGOs of the project.
2. Incidents of wasting public funds in a selected number of Egyptian newspapers, and how they address the phenomenon, as well as political position from the phenomenon.
3. The parliament’s role in keeping public funds through analyzing parliament members’ discussions.

The report sections introduce a complementary image of public funds in Egypt, how to be used and defended, in addition to exposing careless people in performing their duties. Without jumping to conclusions, we can present three remarks;

First: The civil society is capable to exert an effort to preserve public funds through legal defense mechanisms, and fight those who intentionally or unintentionally waste it. NGOs can play a proactive role in mobilizing the people to look after public funds and lift up the spirit of defending it, help sensitize officials with their role to oversight public funds as beneficiaries not as legal or political oversight entities only. This should help double the protection of public funds.

Second: The Egyptian independent press played a great role in defending public funds and exposing waste practices, this had transformed public funds from a legal oriented issue into first class public opinion cause, one way or another, which is a pure evident of a free press – regardless other ill-practices – it however still capable of being an eye and tongue of the society.

Third: The parliament's performance in defending public funds is totally unacceptable, and this is largely reverted to one party's grip on decision making in the parliament, and the desire to provide political protection to the government. This should not blind us to see the importance of the role played by parliament priority and occasionally some members of the NDP to protect public funds, as well as reveal means through which public funds are wasted or seized.

We hope that the English brief summary of the report sparks the interest of international entities aware of the international convention on combating corruption through public funds and work on protecting it, further spark the interest of associations interested in supporting civil associations to work together and be encouraged to realize their roles in defending public funds and act upon it.

In the end, the United Group expresses gratitude to the U.S. Agency for International Development, without whose support the UG would not have been able to implement such projects that benefit the nation which has been suffering a clear economic crisis where poor has been significantly rising, whereas public funds are being wasted either through corruption or negligence or extravagance.

**United Group
Community Action Towards
Transparency Project**

PART ONE

WASTING PUBLIC FUNDS BASED ON THE NGOS DISCUSSIONS AND THE LEGAL UNIT'S FILES

An overview of wasting public funds incidents:

The legal unit managed to work within the “Community Action towards Transparency” project, the Central Auditing Organization CAO, and the information produced by NGOs within 2008-2009. The unit managed to capture the wasted amount which exceeds billion and hundred millions and two hundred and seventy seven thousand pounds, in addition to, eight hundred billion pounds resulting from seizing lands mafia worth 16 million acres of state land which are public funds. It is crucial to point at the size of wasted public funds exceeding 204 billion pounds worth governmental public debt -according to the CAO report of inspecting the results of the state’s balance sheet of June 30, 2009 of about 624, 5 billion pounds, however, its double the domestic debt procedure which is 478, 7 billion pounds of the same year according to the same resource.

These funds are wasted in big state departments in a way which will be laid out later in details. The procedures of wasting public funds in different departments such as health, transportation, electricity, energy, irrigation and agriculture, and fisheries, this also includes local departments such as; housing, and subordinate urban communities’ entities, communications, postal services, taxes, justice, education and culture, endowments, in addition to customs, maritime transport sector - the matter which proves that wasting public funds is no longer an individual case or associated with an entity or a particular sector - however, it is a general phenomenon ,worthy of standing up against and inspecting the causes. Causes that may start with absent conscience and weak censorship, bad planning, absent democracy, and absent effective accountability.

Chapter One

Wasting public funds: based on NGOs discussions

The project arranged social activities with a number of NGOs which have received a special training on combating wasting public funds – through 29 meetings across 11 governorates where the project operates. Through these meetings wasting public funds was addressed on a local level, whereas the project arranged 3 central symposiums on the same subject on a public level. Discussions shown below:

1. Central discussions and symposiums

1-1 Wasting public funds at the Bar Association:

There were discussions about the CAO's report concerning the violations took place at the Bar Association between 2005 - 2007, either relating to the general or sub associations. The following CAO's reports have monitored a number of violations, for instance; laying out money from the Bar's funds with a direct order , the amount worth 15,6 million pounds, and referring contractual agreements directly to two projects, among which establishing the Bar association's club in Shebeen El Kom, and renovation work at the bar association's club in Zagazig. There were no financial restrictions for rewarding, or allowances, in addition to weak internal censorship on monetary and revenues of the bar.

Discussions ended with issuing a number of recommendations, the most important of which is appointing a financial consultant for boards of all syndicates and civil associations for absence of special members financially in boards running these organizations, so as to give them financial advices. Furthermore, discussions pointed at the importance of establishing internal review panels to review the financial and administrative performance of these organizations.

Symposiums and internal discussions:

1-2. Wasting public funds: Sanitary drainage in villages and center of Bilkas - Dakahleya

This symposium was organized by Al Sarif and Gohary organization in July 20, 2009. It tackled incidents of wasting public funds in sanitary drainage projects in villages of center Bilkas, where more than 43 villages, many sanitary drainage projects were launched many years ago and have not finished yet and are abandoned, which leads to wasting money spent on these projects. Head of Bilkas and Sherbeen sector at Dakahleya Company for potable water and sanitary drainage, said that the main reason the works are not completed goes to the budget. As only the official entities are allowed to set projects budgets of the governorate. Some villages take minimal amounts not enough to complete these projects; the main reason reverts to mal-planning. There has to be a sanitary drainage with a complete budget on one of the projects so the work moves to another project. One of the most important recommendations by an attendee; the local council may develop a memo with an explanation to the situation of all hanging projects then submit it to the governor, and then propose that the governorate has to give all budget to one of the hanging projects until they are complete so that they turn to the another. This way public funds will be preserved.

2-2 Wasting public funds in Suez

In a workshop organized by the project in Suez and discussions generated on cases of public funds waste in Suez based on monitoring reports and judgments issued in this regard, the following shows some cases monitored through the workshop:

- Removing residential units of the 24th October City (distinctive housing) which were constructed by red bricks system. Millions of pounds of the public treasury and hundred residential units went to waste because there

were technical and construction flaws during the construction procedure, and these units were removed without holding any official accountable.

- Removing Al Sahab district entirely, 59 buildings worth 5 million pounds, for fatal technical flaws in construction.
- The collapse of one the buildings located in Ataweneyat city in Suez, in august 2008, revealed the amount of wasted funds in building 56 residential buildings worth 20 million pounds.
- 2, 5 million pounds unused as a result of delaying the inauguration of a Psychiatric hospital and was finished since 1997.
- Oncology treatment center fell short on fulfilling insurance for center's beneficiaries in Suez for 3 years, despite laying out more than 1, 5 million pounds. Although announcements made about Suez's health insurance comprehensive system under probation.
- 700 thousand pounds worth violations of the petroleum medical center, it was evident that variances in the daily revenues of the center.
- Construction of the public hospital in Suez delayed for more than eleven years despite wasting million pounds.

3-2 Wasting 12 million pounds in recycling waste factories in Dakahleya:

The community development association in Talkha, August 4, 2009, discussed the content of the CAO's report about the violations during the construction of two factories in Sandub worth 12 million pounds including the value of assets such as buildings, equipment fixed or mobile, lands, factories.

4-2 Wasting 6 million pounds at the local units of Dakahleya:

Sonaa' AlHaya association of Mansura in July 24, 2009, discussed the content of CAO's report - the public administration for financial oversight to

local units, the wasted amount reached 60131029 pounds. This is a result of spending amounts of money unduly for North Delta Company for allocating electricity in Mansura. This was a result of several mistakes with the account of the actual value of consumption of electricity. The symposium ended with stressing on the importance of activating municipal council's role for monitoring the performance of the executive units.

5-2 Wasting public funds in the University of Mansura

Sonaa' AlHaya presented June 9, 2009 symposium evidences of wasting public funds during the concert organized by the university and what has been revealed by the CAP report of Emergency hospital of Mansura's waste of public funds, as shown in the following:

- Forms of wasting public funds in the concert held by the university: 50705 pounds put to waste as a result of negligence in setting rules for selling concert tickets and lack of good marketing.
- Forms of wasting public funds in the Emergency hospital in Mansura: it is one of the medical units associated to Mansura University... an enormous amount of money wasted by two cleaning and security companies, the amount is approximately a million pounds resulting from importing an x-ray monitor; later it was found technically unfit for using.

6-2 Wasting public funds while building 365 residential units in Harbeyat village in Kom Ombo center, Aswan.

Women empowerment and development association in Nagaa Hilal censored public funds waste incident while constructing 365 residential units in Harbeyat village, Kom Ombo Center. It was named Harbeyat to recover the overpopulation facing the village. Post building these units and delivering it to individuals, the governor took away the ownership of these units and

removed it without giving any good reasons. The symposium organized by the association in August 5, 2009, ended with a recommendation that members of local councils may submit an urgent request of awareness concerning this issue, as the association shall register proclamations given by citizens against the governor in order to follow through and respond to these citizens about the on goings.

7-2 Wasting public funds of the sanitary drainage plant in Khour Abu Sbeer, Aswan.

Community development association in Aswan monitored a situation where implementation of a sanitary drainage project for floating boats of Abu Rish ceased, and the governorate's administration gave this project to one of the investors who turned it into funding plant for floating boats, this project cost about 9,000,000 pounds. Within the framework of the symposium the association conducted discussion searching for solutions to this problem, and means of restarting the plant one more time to halt wasting public funds.

8-2 Wasting public funds in Edfu public hospital, Aswan.

Future organization for development and environment protection monitored another form of wasting public funds at the hospital, medical center of Meamareya, and Saaida hospital qibly - these medical centers are mostly closed despite being fully equipped. Additionally, the drugs subsidized by the government and given to hospital are being sold in the black market and the people of the town are not benefitting from it. The symposium concluded that the association will receive any proclamations from citizens about stealing drugs or closing down hospitals and will investigate this issue to submit proclamations to the official entities.

9-2 Wasting public funds in the one class project, Aswan.

Community development association in Khalasab monitored wasting public funds when the education directorate built a number of buildings for female dropouts under the name of the “one class project” in Nagaa Khalasab, Nagaa Higab, Iqab, Nagaa Malqata in Aswan. These classes are not used although they are fully equipped which lead to robbing these equipments worth 25 thousand pounds. The symposium concluded to submit complaints to the education directorate to report to monitoring entities about whoever is responsible for negligence to maintain the amounts allocated for this project and put those who are responsible to trial.

10-2 Wasting public funds in denationalizing 22 land pieces in Aswan

Community development association of Khalasab monitored another incident where 22 lands were sold to individuals in 2001 and 2002 without payments and without taking any measures from the administrative entity’s side requesting the money. The symposium concluded to form a panel of local councils members in cooperation with the State’s ownership directorate to list the lands sold to individuals who hadn’t paid the amounts due, so that they go back to a regulated payment system.

11-2 Wasting public funds through irrigation and sanitary drainage projects in Abu Shanab village of Ebshway center, Fayoum

Community and environment development association monitored a form of wasting public funds in a symposium held in August 12, 2009, where they pointed that leverage and treatment plants stopped as a result of the implementing company’s procrastination. The symposium concluded that the necessity of following up with officials should go through either a national entity of Fayum or Cairo.

Chapter Two

Wasting public Funds from the Legal Unit's Files

1. The mechanisms of the unit of protecting public funds

Since the legal unit for protecting public funds started, it managed to put down a number of mechanisms to deal with public funds waste incidents, from which are the following:

1-1 Monitoring and documenting public funds waste incidents through 130 lawyers, 87 NGOs, 40 local council's members in 9 governorates. They have all received extensive trainings arranged by the project. It included governing legislations to public funds waste crimes, specialized monitoring entities, monitoring skills, report writing, and other. The legal unit had also used reports issued by one of the monitoring entities the "CAO" in cooperation with some journalists who have addressed these reports in details in the papers. In addition to proclamations and complaints submitted by citizens to the unit through the hot line number 011 004 4600, which was set up for citizens reports.

1-2 Taking legal procedures towards wasting public funds incidents after studying them, plus investigate clarifications in order to make it clear - as much as possible - As for judicial entities the unit only refers to the right given by the law for citizens to report any crimes taking place, and confirming to the international treaty for combating corruption.

1-3 Provision of research and legal support for meetings and symposiums organized by the project through preparing research papers pertaining to the legislative loopholes which others use to steal public funds such as bidding and domestic administration laws and others...

2. Statistics of wasting public funds incidents

The legal unit for protecting public funds presented 61 proclamations to the judicial entities concerning public funds waste incidents which took place in (11) governorates, they are: (Cairo - Giza - Alexandria - Fayoum - Dakahleya - Red Sea - North Sinai - Assiut - Suhag - Port Said - Aswan). Cairo came on top in terms of number of proclamations were 14 and the wasted amount reached 256, 8 million pounds, Alexandria came as number one governorate in terms of the amount of funds wasted which reached 645 million pounds, then Cairo followed, and Dakahleya as the amount reached 66, 5 million pounds from 4 proclamations only. Fayoum followed with an amount of 58 million pounds from 8 proclamations only. The following table below shows the number of proclamations and the amounts wasted in each governorate, the total amount reached one billion and two hundred seventy seven pounds, they are all bound to investigation.

Table number (1)

Governorate	No. of Proclamations	Amounts wasted
Cairo	14	256,778,193
Alexandria	5	644,134,00
Assiut	7	28,149,586
Red Sea	4	28,410,0
Port Said	1	4,198,00
Giza	9	31,941,00
Dakahleya	4	66,468,513
Suhag	3	846,00
North Sinai	2	237,00
Fayoum	8	58,157,895
Aswan	2	9,025,00

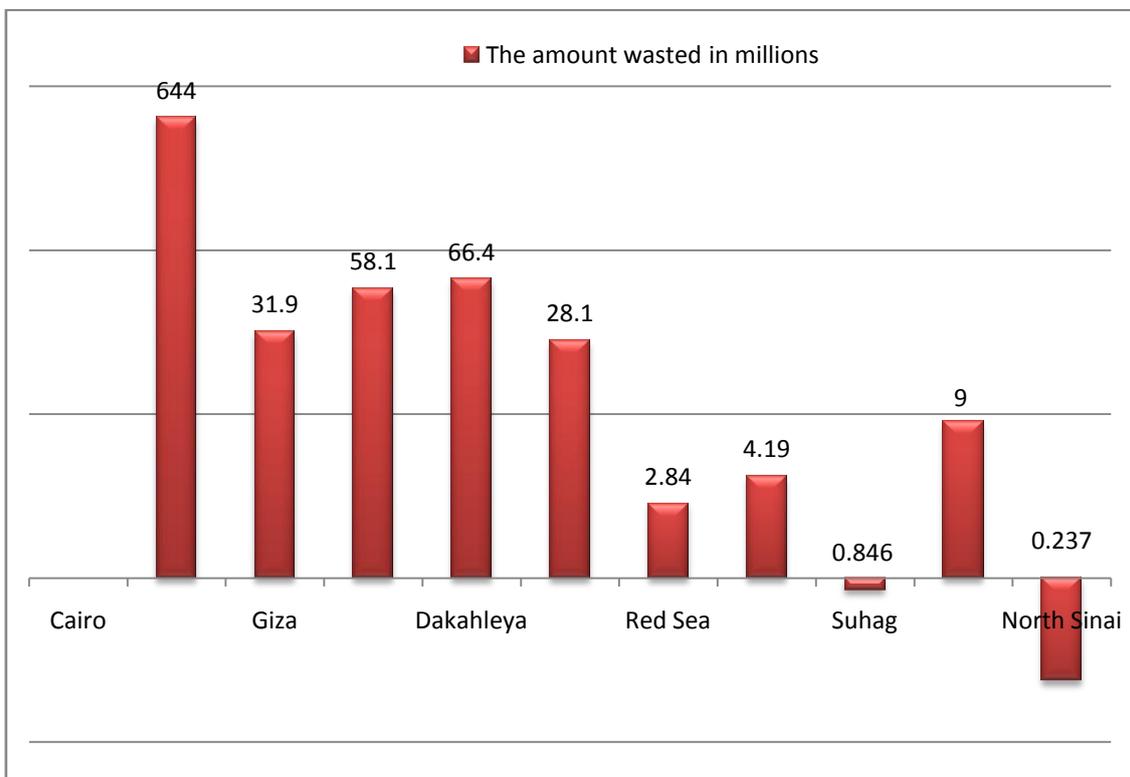


Diagram (1)

Shows the wasted amounts distributed across governorates

As for sectors which fell under the report and included wasting public funds incidents. The most significant sector among all is transportation where the wasted amounts reached 580, 350 million pounds, followed by local administration worth 347,9 million pounds resulted from 28 proclamations, then health sector comes third where the wasted amounts reached 91, 683 million pounds from 7 proclamations, the public postal entity had 51, 44 million pounds, business companies had only two proclamations concerning 50 million pounds. The table shows the amount wasted and the number of proclamations submitted by the legal unit across all sectors:

Item	Sector	No. of proclamations	Total amounts wasted
1	Local administration	28	347 million
2	Education	11	18 million
3	Irrigation and agriculture	2	5,754 million
4	Supplied goods	1	45,300 million
5	Taxes	5	9,247 million
6	Health	7	91,683 million
7	Transportation	3	580,3 million
8	Postal service	1	51, 443 million
9	Business companies	2	50 million

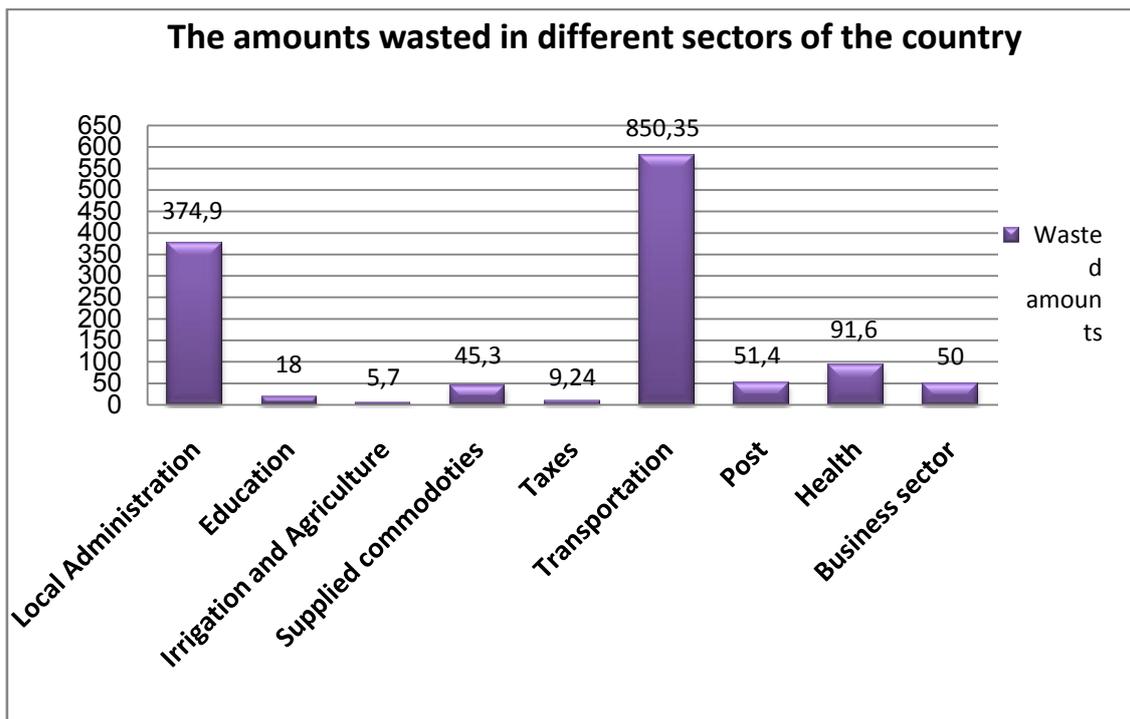


Diagram (2)

3. The nature of infringements in each sector

The infringements reported by the people varied between wasting public funds through breaching the bids law which we consider a the main entrance for wasting public funds, or through mal planning in utilizing the State's resources, as the following shows infringements in details:

3-1 Incidents mentioned in the quarter annual report issued by the legal unit entitled (negligence is an unremitting crime) embarked by investigation bodies:

Based on 30 proclamations the public prosecution embarked on the investigating 21 proclamations and hadn't decided on them yet. Partial prosecutions decided to leave 13 proclamations on file. A complaint was given against leaving proclamations on file by the specialized prosecutions, and the complaint has not been decided upon yet, except only one which the public prosecutor had sent to the public funds prosecution who decided to

leave it on file, then the complaint was sent to public prosecutor who has not decided.

We will show investigations to some proclamations embarked by the public prosecutors and no decisions have been made yet through the following:

- **Public funds waste incidents at the national postal authority:** The legal unit had submitted a proclamation to the public prosecutor registered under 4967 for the year 2009 about incidents of public waste at the postal authority with an amount reaching 71,5 million pounds revealed by the CAO. The high public prosecution for funds investigated the incidents of the proclamation, through questioning pro-claimers, the postal authority's officials, and the investigations of the administrative control authority, in addition to, transferring a part of the infringements to the expert bureau of the grafts in order to make sure there's no suspicion of grafting. The proclamation is still under investigation until now and the public funds prosecution has not come to a final decision.
- **Public funds waste incidents at the real estate tax department in Giza:** The legal unit submitted a proclamation to the first public attorney of public funds prosecutions in Giza registered under 12 for the year 2009 concerning incidents of public funds waste at the real estate tax department, it was monitored by the CAO with an amount of 135 thousand pounds resulting from not collecting and connecting the real estate taxes to some residential units used for other purposes than residential and other new real estate dated back to 1990. The public prosecution embarked on the investigation procedure concerning the incident by questioning

pro-claimers and those proclaimed against, as no decisions have been made yet.

- **Public funds waste at Al Azhar University** The public prosecution embarked on investigating the proclamation submitted by the legal unit to the first attorney of east Cairo prosecutions registered under 908 for the year 2009. The proclamation includes the public funds waste at the university of Al Azhar monitored by CAO at some of the funds and accounts of the university with an amount reaching 1,854 million pounds. The proclamation's transferred to the prosecution of Nasr City for investigation being the specialized partial prosecution. The prosecution embarked on the investigation procedures by questioning the amount and the responsible administrative authority and hasn't given any decision until the report issuance date.
- **Public funds waste at the supreme council of universities** The public prosecution transferred the proclamation submitted by the legal unit to the public prosecutor, registered under 13032, 2002 concerning public funds waste of funds and accounts of the supreme council of universities, to the public funds investigations in order to investigate if the incident is accurate. The legal unit had submitted a proclamation about the accounting irregularities which took place with the funds and special accounts of the council and were monitored by the CAO, the amount was 7,160 million where some universities paid the amounts due to the funds breaching law 49 of the year 1972 and its modifications pertaining to organizing Egyptian universities.
- **Public funds waste at the medical unit of Al Saff** The partial prosecution of Al Saff heard the pro-claimers of waste incident

mounting to 443 thousand pounds worth constructing Sadr Al Saff clinic, resulting from sewage and groundwater's rising, as the project implementation ceased in order to study the architect situation, for the Sadr Al Saff building is intertwined with the building of Al Saff central hospital. The legal unit had submitted a proclamation to the public attorney south Giza under 567, 2009 and the proclamation's still under investigation.

- **Public funds waste at the local administration of Cairo** The public funds prosecution embarked on investigating two proclamations submitted by the legal unit to the public prosecutor about incidents of public funds waste at the local administration and real estate tax department in Cairo, registered under 1646, 1647, 2009. This is to request administrative control authority's to investigate the incidents and hear the pro-claimers and officials of the both authorities being proclaimed against.
- **Wasting 104580 million pounds at the Oncology center of Mansura University** The legal unit proclaimed to the first public attorney of the public funds prosecution of Mansura concerning the CAO's findings; infringements at the center worth million and four hundred and eighty five thousand pounds. The public prosecution considered the findings in the CAO's report administrative infringements despite the damage. The proclamation was sent to the administrative prosecution for investigation and until the issuance of the report the administrative prosecution has not decided yet.
- **Public funds waste at the rail way station** The legal unit monitored funds waste incidents at the station through the agreement conducted between the rail way station entity and the national

company for managing sleeping cars, hotel and tourists services, which violates law 89 of the year 1998 and its executive regulation. The unit had also submitted a proclamation to the public prosecutor registered under 2631, 2009 who transferred it to the public funds prosecution who had embarked on the investigation procedure by hearing the pro-claimer, a journalist of Al Badeel journal where it published the news, also the official at the authority and the proclamation is still under investigation and no decisions made yet.

3-2 Incidents where partial prosecution issued decisions to be kept on file, and complaints were sent to public attorneys of public prosecutions and no decisions have been made yet.

In a number of proclamations, partial prosecution decided to be kept on file being sheer proclamations to prove the incident. Complaints have been submitted to public attorneys and complaints still under studying.

- **Wasting public funds at the supplied commodities sector:** The legal unit monitored the administration of supplied, nutritional, and consumption commodities incidents of public funds waste worth 45,3 million pounds through a number of legal and technical breaching during the wheat importing process. The legal unit submitted a proclamation to the public prosecutor about these infringements registered under 20757, 2009, which was transferred to the public funds prosecution who had embarked on the investigation procedure, by hearing pro-claimers, and officials at the administration. The legal unit had referred to these infringements mentioned in the CAO's report, as well as copies of newspapers who addressed the report, where the public

prosecution kept it on file nevertheless. The legal unit had submitted a complaint to the public prosecutor against the keep on file decision and the complaint is still under studying.

- **Wasting an amount worth 37,294 million pounds at the local unit of the Fayoum center and city.** The prosecution of Fayoum decided to keep the proclamation on file submitted by the legal unit to the public attorney of Fayoum prosecutions; it is registered under 127, 2009. This includes reporting what the unit had monitored based on the findings of the CAO's report, where it said the wasted amount reached 37,294 million pounds illegally. The legal unit submitted a complaint to the public attorney of Fayoum prosecutions and its still under studying until today.
- **Wasting an amount of 20601 million pounds of funds and accounts of ministry of agriculture:** The public prosecution decided to keep the proclamation on file which was submitted by the legal unit concerning the infringements mentioned in the CAO's report which emerged in the funds and accounts of the ministry of agriculture and reached 20601 million pounds. The public prosecution of Giza embarked on investigating the incident by hearing the pro-claimers and those responsible for funds, and then the proclamation was kept on file. The legal unit submitted a complaint which is still under studying until today.
- **Wasting an amount of 35 thousand pounds of funds and accounts of the ministry of high education (the account of the leaders academy of Helwan)** The legal unit submitted a proclamation concerning the findings of the CAO's report concerning the State balance sheet 2007/2008, in addition to the violations which took place in the funds and accounts of the ministry of high education (

the account of the leaders academy of Helwan)the wasted amounts reached 35 thousand pounds, wasted through publishing consolations and greetings and flowers purchases. The public prosecution decided to keep the proclamations on file without taking any investigatory procedure. The legal unit complained against the keep on file decision.

3-3Public funds waste incidents uninvestigated by the public prosecution:

- **Wasting an amount of 64, 399 million pounds at the ministry of health and population:** The legal unit had submitted a proclamation to the public attorney of South Cairo prosecutions registered under 815, 2009, based on the findings of the CAO's report which said that the amount wasted reached 64, 399 million pounds, they are all attached with contracts signed by the ministry. The first public attorney of south Cairo prosecutions transferred the proclamation to Sayeda Zeinap for investigation until the decision.
- **Wasting 18,840 million at the health affairs directorate of Giza:** The legal unit submitted to the first public attorney to south Giza prosecutions a proclamation against violations concerning collecting and connecting local revenues at the health affairs directorate of Giza of an amount that reached 18,840 million, the proclamation is still under investigation and the hearing hasn't taken place yet.
- **Wasting 90 million pounds at the rail way station** The legal unit monitored the infringements that came in the proclamation submitted by the workers at the national rail way authority concerning public funds waste incidents at the authority reaching 90 million pounds. Infringements varied between the involvement

of administrative deputy in a summer and winter clothes deal worth 22 million pounds with a direct order from the supplies and provisions department not fitting with the specifications and more expensive, annulling agreements with three entities who imported the material to the authority, in addition to receiving hundred thousand pounds on a monthly basis bonuses for various names at the rail way station authority and number of other companies with an amount reaching 58, 5 million pounds.

- **Wasting 296 thousand pounds at the education administration of Giza** The legal unit monitored a number of violations mentioned in the CAO's report, from which;
 - Giving money illegally at the education administration of Atfeeh mounted to 170 thousand pounds to the importing company of a biscuit meal resulting from not deducting the fine imposed for the incomplete weight, violating the regulations and specifications document of biscuits of last year's 2007/2008.
 - It is evident that the funding and support funds for education projects, some education administrations that the revenue funds is deprived of another source of revenue which amounts to 53 thousand pounds.
- **Wasting public funds at improving service and paid treatment funds at the hospital of Fayoum University:** The legal unit submitted a proclamation to the public prosecutions of Fayoum about the findings of the CAO's report concerning the results of its inspection. The proclamation said that the amount violations reached 4191160 pounds "four million and hundred and ninety one and hundred and sixty pounds."

The previous display of different forms of wasting public funds monitored by the legal unit, it also shows the behavior of public prosecution towards these incidents. We would like to stop where the public prosecution decisions stop at keeping proclamations on file without taking any investigation procedure as provided in the penal law. Despite the Egyptian legislation obligates the public prosecution member that the “keep on file” order shall contain the incident and discussing all evidences on paper and reasons as to the prosecution member based his decision on, the mater which says that he has all sides and elements of the allegation. However, some partial prosecutions, they sometimes especially in cases where there is no specific convict they don’t exert any effort to search for whoever is responsible for the convict although the violation is clear and responsibility could be identified.

PART TWO

THE PEOPLES' EYE

***THE EGYPTIAN PRESS AND WASTING
PUBLIC FUNDS***

Introduction

We can't talk about fighting wasting public funds without the presence of a free press. Media enjoy the freedom of speech which makes them participate effectively in accountability and advocating for transparency and representing citizens' best interest as well as defending it. Furthermore, putting corruption incidents to the light which threaten the society and the future of development.

Press whether written or electronic remains a tool of public oversight to public expenditures. Recently, the Egyptian press played a significant role in combating corruption with all its variances and political affiliation.

We cannot evaluate the performance of the Egyptian press in combating corruption without looking at the factors hindering the performance of these newspapers and lessening their independence. Obstacles of press work in Egypt vary between the legislative environment, the occupational aspects of Egyptian journalists, as well as the political climate in Egypt. The following shows the obstacles referring to the report's content:

1. Lack of a legislation which allows access of information, on the contrary, there's a law that explicitly bans flow of information. This is to best keep the documents and secrets which actually leads to banning giving certain information to the public and preventing certain groups who have access to information from circulating or publishing them. Despite, the Egyptian government had laid open some information to the public, some of it posted on the official websites, such as; the Egyptian people's assembly allows checking the assembly's sessions periodically. The ministry of finance also allows the public to view the budget and the public debt inwards and

outwards. Across the board, we'll find same thing happening with center of information affiliated to the ministers council who allowed access to some information and statistics conducted on the Egyptian community and the economic and social condition- which are allowed for governmental opinion authorities. Not to mention, the strict legal structure in acquiring and circulating information. On the other hand, there are a number of common and exceptional legislative texts which allows the executive authority to impede journals and prevent its circulation.

2. There's a clear connection between indicators of freedom and ownership of media being one of the most important factors in this regard. The more the State controls the media, the more possibility to be subject to political pressure, even in places where unofficial organizational regulations are being practiced upon press. Media can reveal corruption and aggravates pressure in order to achieve the best managing system. Also through providing public opinion with information. It increases transparency the government work, then revealing corruption would be extensive in an effective media. Media also helps build public opinion necessary for combating corruption by creating the public rejection which drives corrupted forces to quit and increases penalties against corruption.
3. Punishment legislations generally impose restrictions on press. The Egyptian law did not make any exceptions to any form of expression, as all forms of expression are subjected to punishment including the peaceful ones. As the majority of the punishment texts related to freedom of expression it had violated the punishment character provisioned in the Egyptian constitution, which includes rubber statements easy to use one way or another to trap the journalist, such

as; (damaging social peace - damaging national security - violating public morals - violating public system - weakening confidence ...etc) Despite the modifications inserted by the project to the penal code according to law 147 for the year 2006 to cancel detainment punishment in some crimes pertaining to newspaper, the law still gives the same punishment for other crimes such as (offending the president - foreign countries presidents or representatives - false rumors or news - incitement crimes - discrimination among religions and communities)

It had rather tried within these modifications to create a kind self-censorship conducted by the newspaper on journalists, when they address cases that make a supportive newspaper to journalists in paying the fine they are sentenced with.

Chapter One

Wasting public funds in the newspapers under study

1. Newspapers under study

The legal unit censored about 4914 press material published in 6 newspapers varying in political inclinations within January 1, 2008 until August 25, 2009, they are:

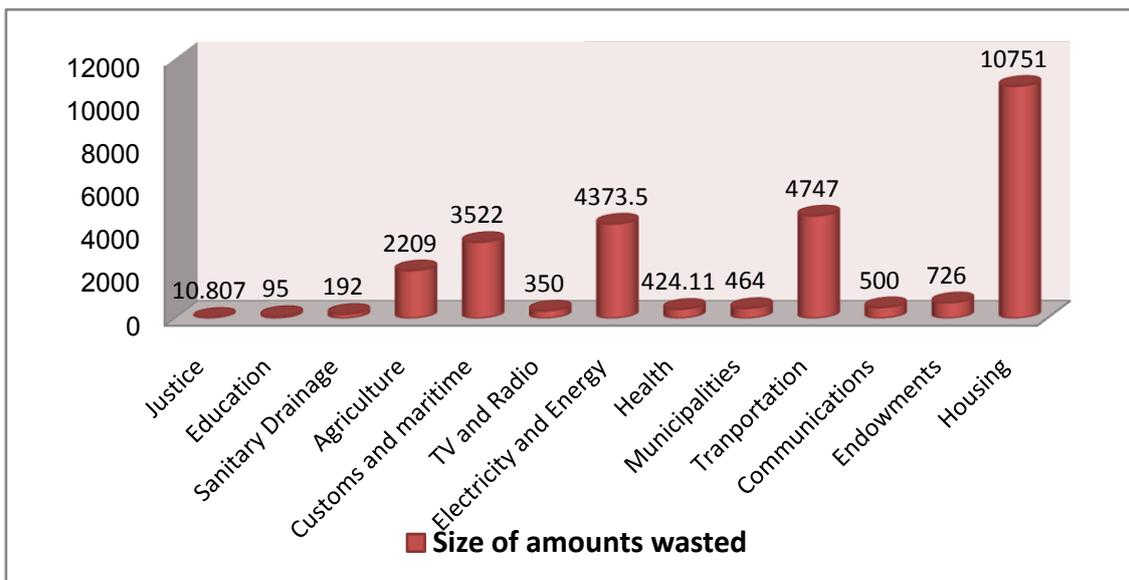
- 1- Al Ahram (owned by State)
- 2- Rose Al Yusuf (owned by State)
- 3- AL Wafd (Partial)
- 4- Al Araby Al Nasser
- 5- Al Badeel (Private)
- 6- Al Masri AL Yom (Private)

2. The size of wasted money monitored by newspapers under study:

Newspapers under study monitored throughout a year 2008/2009 around 827,833,963,0000 only (eight hundred and twenty seven billion and eight hundred thirty three million and nine hundred and thirty six thousand pounds), among them 800 billion only resulted from seizing lands mafia to about 16 million acres, the rest distributed across the sectors of the State. One of those biggest sectors in damage resulting from public funds waste in housing sector where the amounts reached 10 billion and 751 million pounds, transportation sector for about 4 billion and 747 million pounds, electricity and energy sector for about 4 billion and 373, 5 million pounds, customs and maritime sector 3 billion and 522 million, agriculture for about 2 billion and 290 million, endowments sector for about 726 million pounds, communications 500 million pounds, the following table shows the amounts wasted across different sectors of the State:

Table (2) shows the amounts wasted across the sectors of the State

Sector	Amounts wasted
Justice	10,807 million
Housing	10 billion and 751 million
Sanitary drainage	192 million
Agriculture	2 billion and 209 million
Customs and maritime	2 billion and 522 million
TV and Radio	350 million
Electricity and energy	4 billion and 373,5 million
Health	424,21 million
Municipalities	464 million
Transportation	500 million
Endowment	726 million
Education	95 million



Chapter Two

Press coverage to public funds waste

“Case Study”

This chapter is to set a comparison between newspapers under study for addressing public funds waste cases. We selected a special model. It is press coverage to reports issued by the CAO in newspapers under studying. We will take one model from these reports; it is the CAO’s report on the State’s balance sheet to set the comparison between the newspapers under studying in covering it.

Generally, the Central Auditing Organization CAO’s report was met with utter support from newspapers under studying. The published press material about the CAO’s report formed about 26, 5% of the total press material published about corruption and wasting public funds. They however differ in size, type of coverage and follow up:

1. Types of reports cared for by newspapers under studying:

The national newspapers addressed the CAO’s report about the endowments ministry as well as the corrupted wheat and Tushka project, public funds waste in some hospitals in some governorates, as well as showing the CAO’s report on the State’s balance sheet. Where as the special newspapers were concerned with the CAO’s report on the State’s administrative authority, banks, companies of the public sector, syndicates such as the Bar association, health, postal authority, sanitary drainage and water projects, social funds, courts, prosecutions, judiciary clubs, and electricity companies.

As for Al Wafd (partial) it addressed the reports issued about education, health, insurance, pensions, endowments, NGOs, banks, football union, and greatly focused on the State's balance sheet.

2. Form of press coverage (State's balance sheet - case study):

We cannot set a comparison between form of press coverage for all reports of the CAO tackled by newspapers understudying, therefore, we chose CAO's report on the State's balance sheet as a model that all newspapers under studying addressed, for example; Al Ahram is a national newspapers, Al Masri El Yom is private, AL Wafd partial, these are models of newspapers under studying expressing different directions and inclinations.

1-3 Al Ahram and State's balance sheet:

Al Ahram published in 6/2/2009, page seven (parliamentarian images) and article entitled (every year's battle between Al Malt and the government?!) it shows what Dr. Gawdet Al Malt the head of CAO every year have to show concerning the State's balance sheet and the comments he gives concerning the government performance, and how the government reacts to it.

In March 3, 2009 Al Ahram published on the first page a news item entitled (people's assembly starts discussing last year's balance sheet: head of the CAO: the government's policy achieved 21 economic achievement in last year's balance sheet) achievements were published without referring to other negative things or the violations censored by the authority.

As the newspaper published in the same issue a news item entitled (During the previous balance sheet discussion at the peoples' assembly, Dr Al Malt applauds the economic performance and warns if public debt continues.)

Al Ahram in previous coverage to meetings of the balance sheet and planning panel had published a news item in February 14, 2009 entitled (Responding to the CAO Ghaly says: most of the government projects are subjected to meticulous studying.)

February 14, 2009 - Al Ahram published an article by Journalist Makram Mohamed Ahmed entitled (What is this great resentment to the CAO?!) it tackled the struggle between the State's institutions pointing at the government attack over the CAO. He tried to defend the CAO and its role.

2-3 Al Masri El Yom and the State's balance sheet

The newspaper started by showing the CAO's report in January 28, 2009, in a publishing entitled ("Al Malt" accuses the government of relinquishing, underestimating and wasting public funds and committing political crimes...debts rose during Nazeef's era ...every citizen's has of this debt about 8527 pounds...people pay the price of the government mistakes) the head of the CAO's accusation included the meetings of the budget and planning committee, and the press material which addressed the infringements censored by the report.

February 8, the newspaper published on the first page and in hot issues page the infringements mentioned by the CAO in the State's balance sheet under ("AL Masri Al Yom publishes the "classified" report of the CAO about the State's administrative authority) through which it displayed the financial end product of the CAO's report.

AL Masri El Yom published in February 9, 2009 the CAO's report on the State's administrative authority under ("Auditing" report unveils: spending 59 billion on interests and loans by 22% of the CAO's balance sheet...4 million and 930 million pounds deficit in cash...and a loan to the

communities authority came out as revenues) the report also included the results of inspecting the balance sheet of the State's administrative authority.

March 2, 2009 Al Masri El Yom published the report of the budget and planning committee under (the budget and planning reports in "ALShaab" the Egyptian economy is secure although the retraction of growth and revenues of the Suez canal and tourism), on the same day the newspaper developed a full page coverage on the CAO's face offs with the ministry of finance under a main headline that says ("AL Malt" and "Ghaly"...steamy face offs and recognized endings) today is the fifth round of this Romanian wrestling..." The newspaper showed how to deal with censoring reports and how to make it effective, and the problems and obstacles.

In the same issue Al Masri EL Yom published the biography of the head of the central auditing organization (CAO) under (Gawdat Al Malt ... the Egyptian "Don Quishotte") They showed the man's character and the positions he took, as well as his stances.

March 3, 2009 - a news item entitled (Al Malt announces "the results" of Nazeef government: negatives (25) - positives (21) ... reform "for the rich only") the newspaper showed the most eminent positives and negatives addressed by the head of the CAO in the report, he also displayed the problems and obstacles which hinder the effectiveness of the efforts exerted to better the investment climate in Egypt.

On the same date another piece entitled (Yusuf Ghaly blames Al Malt for surprising the government with his comments) Dr. Yusuf Botros Ghaly held counselor Gawdat Al Malt for not disseminating his notes before announcing it before the assembly.

March 4, 2009 the newspaper published the proclamation submitted by Deputy Mohamed Al Omda for wasting public funds in the CAO's report

concerning the State's balance sheet in an article entitled (A proclamation to the public prosecutor accusing "Nazeef" and "Ghaly" and heads of three national authorities with wasting 100 billion pounds.)

On the same date, another article published under (consequences of Al Malt report: deputies of the people's assembly requesting to change the government or dissolving the assembly) the article showed discussions of parliamentarians about the State's balance sheet, and requests of the people's assembly to change the government.

3-3 Al Wafd and the State's balance sheet:

January 28, 2009 - Al Wafd published on its first page an article entitled (The head of the CAO accuses the government with negligence and wasting public funds...847 billion pounds is the public debt amount...the government take loans to live only! ... Al Malt holds the Prime Minister and peoples' assembly accountable in minister's political crimes.)

February 8, (A point of order) column, page seven entitled (Nazeef and Al Malt's warfare in the people's assembly elevator) The article addressed the response of Deputy Ahmed Ezz's head of the budget and planning committee to the CAO's report, and the response of the prime minister to the report.

February 11, another column entitled (last word) written by Wafdi Deputy Mohamed Mustafa Rushdy entitled (who shall we trust?!) he criticized officials attacking the head of the CAO and saying the numbers aren't accurate.

March 3, Al Wafd published an article entitled (Head of CAO before the peoples' assembly... the poor didn't feel the fruits of the economic reform)

Throughout the displayed press material published on wasting public funds and different types of press writings, the conclusion is private newspapers have mostly tackled the CAO's reports and wasting public funds. They are addressing these topics objectively and reports have been the main source, unlike the national journalism they don't really give it much thought. Even if showed to them from a governmental perspective either through the executive authority's response to these reports or through showing positives given by reports. As for partial newspapers, it shows these reports from its point of view which may serve their political interests. These reports are also shown within the frame of its parliament members or within its politics to show the negatives of the government.

PART THREE

THE PEOPLES' ASSEMBLY AND PUBLIC FUNDS

A READING IN DISCUSSIONS OF MEMBERS OF THE ASSEMBLY ON PUBLIC FUNDS CASES

THE FOURTH CONVENTION OF THE NINTH

LEGISLATIVE CHAPTER²

² This section is developed by Ms. Huda Al Shahed – Phd political science researcher – Cairo University

Why deputies censor wasting public funds?

It is crucial that before addressing deputy's censorship to wasting public expenditure and their treatment to forms of wasting or misusing it to understand what is meant by public funds, wasting or corrupting it. Public funds according to article (119) of the Egyptian penal code and article (2) of protecting public funds law - If all or some is owned or subject to the supervision or management of the State or any local governance units, authorities, public institutions, subordinate economic units, syndicates, unions, organizations, profit private associations, cooperative associations, or any authority's money provisioned under the law as public money.

Corrupting or wasting public funds happens when a public employee commits crimes of corruption to public funds to where his job was to keep it, as well as misusing the funds or spending it unduly- to where it shouldn't be.

Wasting public funds is a crime of stealing the State's assets where public employees and high administrative officials convert governmental assets (such as lands owned by State) to private properties of their own. It can also be converting resources and revenues to where the public employee can hide or cut a portion of the State's revenues before registering it among the items of the general budget.

The legislative authority's (The Parliament) specialization in censoring public expenditures

Although the legislative sense of specialization provided by the constitutional amendments (2007) to the Shura council - whose consent is necessary to approve the basic legislative proposals after discussion - the legislative authority in Egypt with its broad meaning is still in the grip of the peoples' assembly as defined by the constitution.

Among its censorship specializations the parliament verifies the executive authority's work through discussing the State's balance sheet and its ratification. This is in light of the general report produced by the Central Auditing Organization (CAO) in this regard, and therefore, the people's assembly has an original role in setting forms of public spending through its legislative role in discussing and amending the public budget of the State which is normally approved by the law, as well as its censoring role in inspecting and verifying the balance sheet of the State to bring the implementation results of the balance sheet, and investigating the public expenditure.

First: Public funds issues under the parliament:

In the most recent complete convention which was the fourth of the ninth legislative chapter, the people's assembly held for seven months (134) sessions the extrapolation of the sessions minutes didn't show any deviation among deputies in favor of practicing one of their main specializations (censorship or legislative) without the other. As for the number of sessions it's almost equal to each specialization of the total sessions of the assembly. It had witnessed more than (70) sessions by deputies - one way or another - of legislative tools (law projects - law proposals - international conventions) and also about (60) sessions using different censorship tools (investigations - questionnaires - request for information - urgent data - public discussions requests - proposals).

1- Discussing public funds issues inside the people's assembly:

Apart from discussions pertaining to balance sheets and public budgets of the State - rarely do deputies direct legislative tools under their control to control unfinished matters of public expenditure. Censorship tools rarely (investigations - questionnaires - request for information) are the most

used in discussing similar topics. The thing which the sessions minutes review assured, other than (112) financial laws and balance sheet and budgets discussed by the assembly through this term, the other law projects discussed different topics, neither is connected to public expenditure and means of combating wasting it.

It is evident that any of law projects submitted (it is the most intensive usable legislative tool by deputies, it reached (156) law projects during the term) and didn't go to discussing issues related to wasting public funds, even when some had an economic touch yet it didn't reflect on public funds issues.

2- Public funds issues through the censorship work of the people's assembly

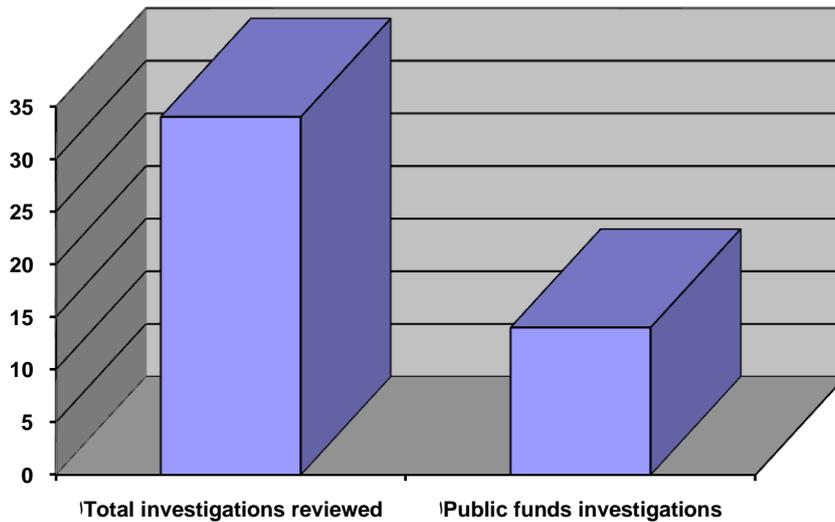
Contrary to the legislative performance of the Egyptian people's assembly, the deputies stances with issues related to public funds can be acknowledged through their censorship performance in this regard. The session's minutes shows their performance in how they censor these types of themes.

The nature of discussing issues connected with wasting public funds makes the analysis goes by three censorship tools; questionnaires, investigations, requests of information.

A. Investigations

according to the data published concerning the product of the parliament work during the fourth term of the ninth legislative chapter, the assembly checked (34) investigations among which (9) investigations were dropped by the time it was time to be discussed among (76) investigations submitted by deputies post approving.

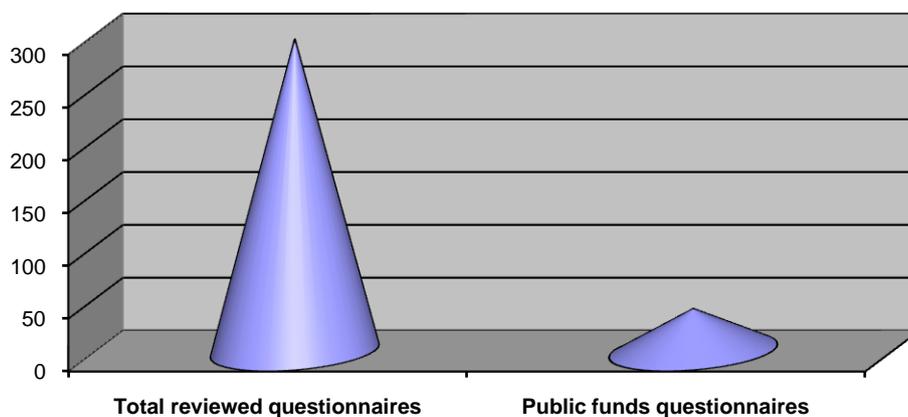
Diagram (4)
Public funds investigations and total investigations reviewed



Deputies submitted during the term around (56) investigations related to wasting public funds. Almost fourth of them reviewed (41% of the total investigations reviewed before the assembly), whereas (14) investigations were reviewed, (12) of which about rotten nutrition and government inability to make wheat available and produce better bread loaf quality , (2) about wasting public funds and falling short to achieve East Owaynat project.

B. Questionnaires

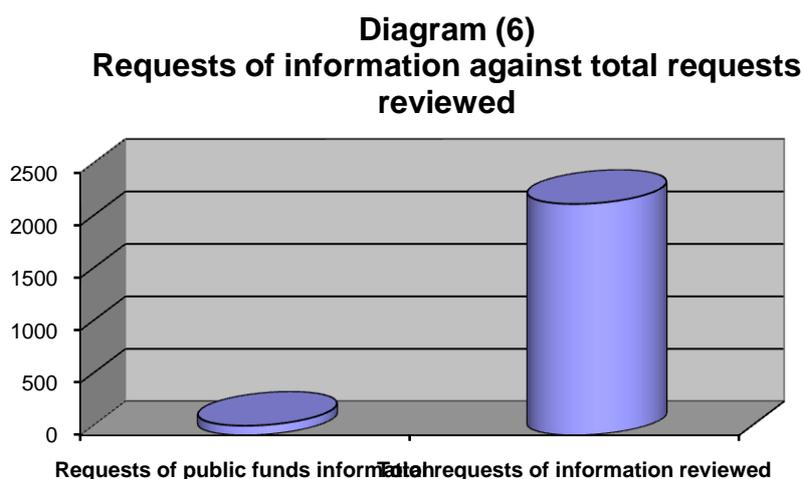
Diagram (5)
Public funds questionnaires against questionnaires reviewed



The people's assembly during the term reviewed (295) questionnaires, (40) questionnaires (equals around 13,5%) of which were related to expenditure and public resources. For example, (12) questionnaires were related to irrigation and sanitary drainage (such as; drainage implementation plans ceased, drainage networks operational delayed...). Also around (8) questionnaires related to problems of health units work in some governorates (such as not functioning, lack of drugs...), and (5) questionnaires related to adulterated food and its deals.

C. Requests of information

The number of requests reviewed by the assembly during the term under study (2204), (1189) of which were verbally answered.



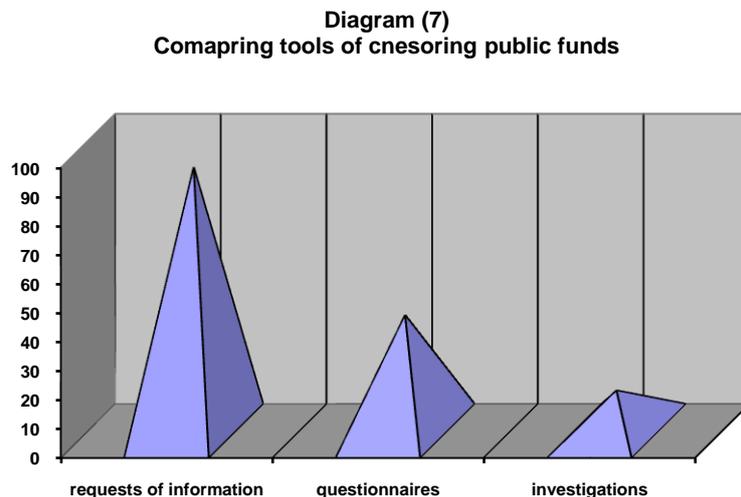
During the term, deputies submitted a number of requests of information about wasting public funds exceeding (152) requests (which equals approximately 7% of the total requests submitted), half of them were verbally responded to, the assembly reviewed (91) requests between (46) requests about the rising of ground water level, not solving covered drainage issues, pumps in some areas of some governorates and its effect on agricultural production and real estate wealth, and (23) requests about fish

farms and basins condition in some areas where they are put in sanitary drainage dumpsites which leads to prevalence of diseases, and also lack of enhancing fisheries and make the best benefit of it.

Besides, (16) questionnaires about wasting agricultural wealth, (3) requests of information about discovering a big oil ring at the Suez bay of 15 km length which leads to wasting fisheries and damaging coral reefs, (2) requests concerning big amounts of bran at the flour mills companies subordinate to the ministry as a result of raising their prices than the market which hinders production and is considered wasting public funds, (1) request about wasting public funds and not attaining the goal of East Owaynat project.

D. Censorship tools: comparative indicators

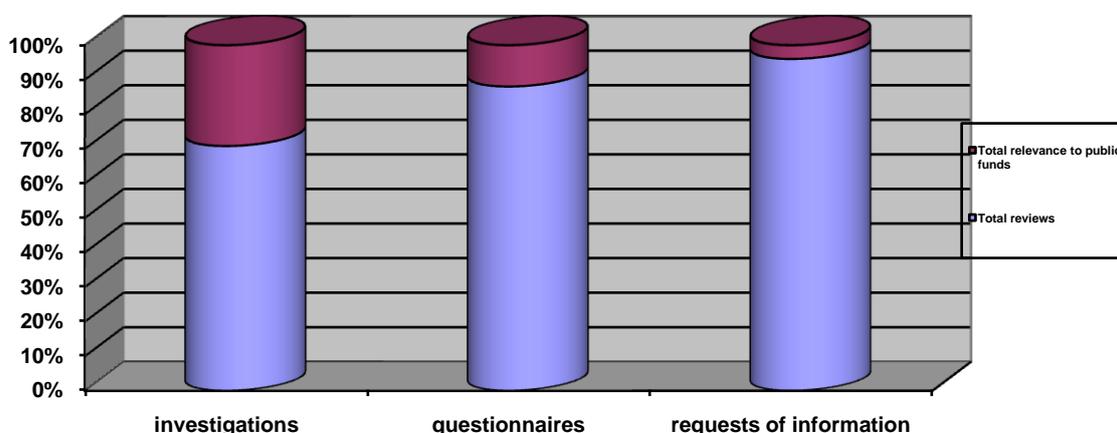
The comparison of censorship tools used by deputies shows that their order from the number of times they were used comes for the best interest of requests of information, then questionnaires, and then investigations.



As shown above in shape (7), the people's assembly during the fourth term had reviewed approximately (91) requests of information, (40) questionnaires, and (14) investigations related to money and public

expenditures. However, reviewing the relative weight of the previous tools to the total reviewed stuff by the assembly during the term proves lack of accuracy of the previous order. As shown, it was previously said that the assembly during this term had reviewed about (34) investigations only and responded to (295) questionnaires, and almost (2204) requests of information.

Diagram (8)
The relative weight of public funds censorship tools



As shown above in shape no. (8), investigations take the highest relative weight, where questionnaires are higher than requests of information. This is comparison of the total reviewed before the assembly during the term under research.

Second: Discussing CAO report inside the people’s assembly

The central auditing organization (CAO) is an independent authority with a moral character formed by a decree of the State president for a four years term and can be renewed. The authority is allowed to censor the State funds and other public characters, and people as provisioned in this law.

The CAO cooperates with the people’s assembly in pursuing its censorship specialization, as to it inspects and reviewing business and

accounts of any entity entrusted to the people's assembly (or the president of State, or the prime minister) to review and inspect it and report the inspection results to it.

The people's assembly (only) can entrust CAO with inspecting the activity of one of the administrative interests (or any executive or administrative authority, or one of the entities or public institutions, or one of the public sector companies, or cooperative associations, or public organizations subjected to the State's supervision), or any project of the projects to which the State contributes. (or support or warrants a minimum level of its profits), or any project stands on committing to a public utility, or any procedure or activity performed by any of these entities. The authority takes developing special reports about missions entrusted by the assembly including the real economic and financial conditions tackled by inspection.

Moreover, the people's assembly can also appoint the authority to develop reports on results of pursuing the implementation of the plan and goals achieved, and also ask to give advice in follow up reports developed by the ministry of planning.

According to the internal regulations of the people's assembly the CAO president supplies the assembly's president with copies of annual reports of the authority and the comments while reporting it to the government.

Furthermore, the CAO submits an annual report to the assembly about what the authority reveals -during its follow up with the implementation of the public plan and the States balance sheet - whether a deficit, or shortage or deviation from achieving its goal, then the recommendations to be able to deal with them, as well as the authority's report on results of the periodic inspection of balance sheet, interest

activities, entities, public authorities, public administration units... the authority commits to sending copies of other reports to the assembly, as long as it is related to public issue and related to censorship specializations of the assembly.

Generally, CAO submits to the peoples assembly three drafts of reports:

- ***First draft:*** periodic report developed every fiscal year (July - June) on financial monitoring and rectification of performance.
- ***Second draft:*** annual report developed by the end of the fiscal year on the outcome of the balance sheets of units subordinate to the authority's censorship, also the authority's comments on these accounts, and then they are all taken in a general report about the public balance sheet of the State, and the treasury's balance sheet to show surpluses or deficits of the balance sheet.

It's worthy to mention, that the ministry of finance commits to transfer law projects of balance sheet and results of applying the balance sheet of the state annual to the peoples assembly and CAO, for the latter develops accounting reports about the results of implementation, then the reports are displayed before the assembly for discussion.

Third draft: private reports where as the assembly assigns the authority to inspect the activities of one of the administrative entities, or any project base on committing to a public utility to provide it (the assembly) with private reports about the missions appointed including the reality of the financial and economic conditions addressed by inspection.

The second draft by developing reports for balance sheets of the State, it provides a large space for the parliaments to censor public funds and

monitor forms of waste, as through them, it can follow through the results of the implementation of the balance sheet and approving the closing accounts.

1. The CAO's report on balance sheets of (2007/2008)

Monday (October 2, 2008) the CAO received the balance sheets from the ministry of finance for the year (2007/2008) in order to develop a general report, after almost a month the authority submitted the report to the peoples assembly, then as usual transferred to budget and planning committee to discuss.

The CAO's report was divided into three main aspects:

- The positive facets of the government performance, to where the report monitored (21) achievements of the current government.
- The negatives of the government performance, to where the report monitored (25) shortcomings which accompanied the government and the local administration and public service and economic authorities.
- The results and closing, whereas the reports stressed on the need to spread and support the culture of achievement and adept ability among citizens and workers pointing that the solutions to our real problems on the mid and long terms all manifest in pushing our productivity and our competitive capacities, and more investments.

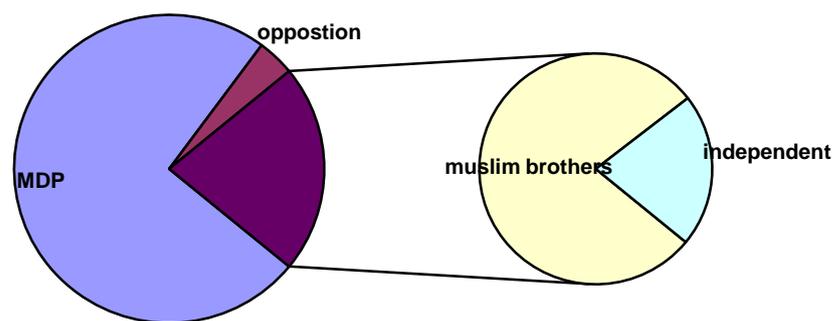
According to the provision of the internal regulations, the balance sheet and planning committee undertook studying the report submitted by the CAO, and developing a general report discussed by deputies. Discussions concluded to approve the findings of the balance sheet and planning committee, and transferring the committee's report and discussions to the government to act upon the recommendations provided. This transfer act is useless, as during the same session (session 62) when the report and

discussions were transferred to the government for consultation for a law project of connecting the State's balance sheet of last year's(2007/2008) which was approved during the same session.

For the importance of this report, it was necessary to analyze directions of discussion and votes by deputies for their partial and political diversity. This is an attempt to uncover their degree of seriousness in censoring the public funds which a better chance will never be provided to censor than discuss the balance sheet of the State.

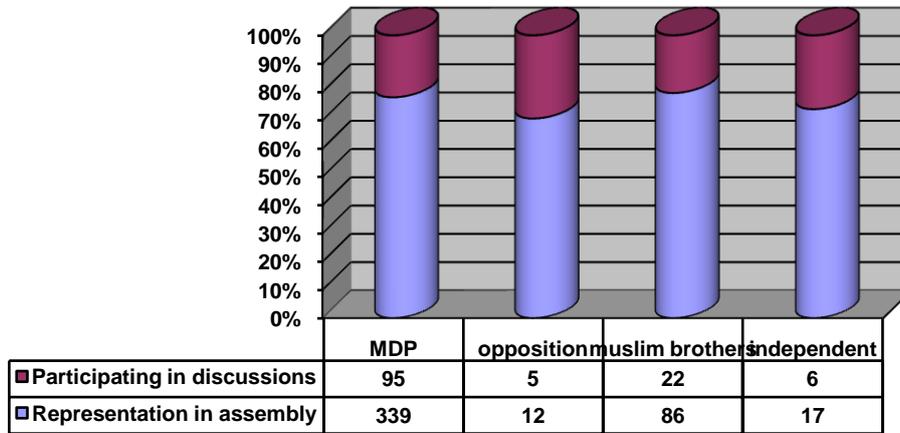
The number of deputies who contributed in discussing the report of the balance sheet and planning committee based on the CAO's report concerning the balance sheet of the State and authorities for the fiscal year (2007/2008), were (128) deputies, (95) of them were NDPs, and (5) were partial opposition, (17) independent Muslim brothers, (6) independent deputies.

Diagram (9)
Participant deputies in discussion according to political affiliation



Although the biggest number of participant deputies were MDPs, then the Muslim brothers, then independent deputies, then opposition. However, the relative weight of comparing their total representation at the assembly comes in a completely opposite order.

Diagram (10)
Participant deputies in discussion against their total representation



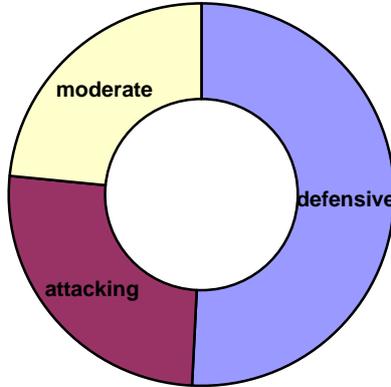
As shown in shape (10), the relative weight of participant deputies in discussing the balance sheet of the State compared to the number of their seats inside the assembly shows that deputies of the opposing member parties came at the top by (41,6%), then followed by independent deputies (35,2%), then MDPs (28%), and finally Muslim brothers deputies (25,5%).

2. Routes of report discussion inside the assembly

The public routes for discussing the balance sheet and planning committee’s report were diverse among three main courses:

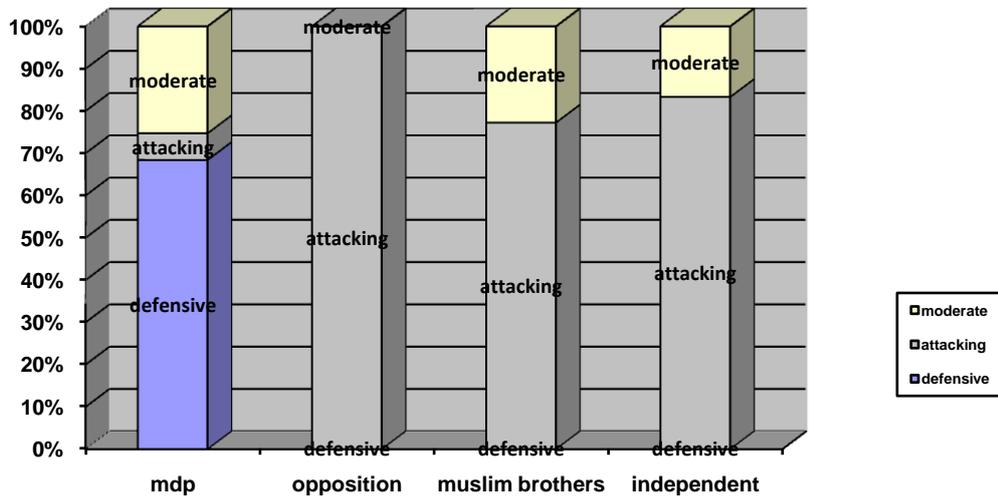
One defends the government’s performance and applauds the achievements, the second attacks the government’s performance and criticizes its policies, and the third is committed to objectivity and neutrality during discussion.

Diagram (11)
General routes of report discussion



As shown in shape (11), the defensive route during the report period took (2/1) of participant deputies in discussion approximately, as for deputies who attacked the government’s performance were (4/1), and (4/1) were a little below moderate in discussion.

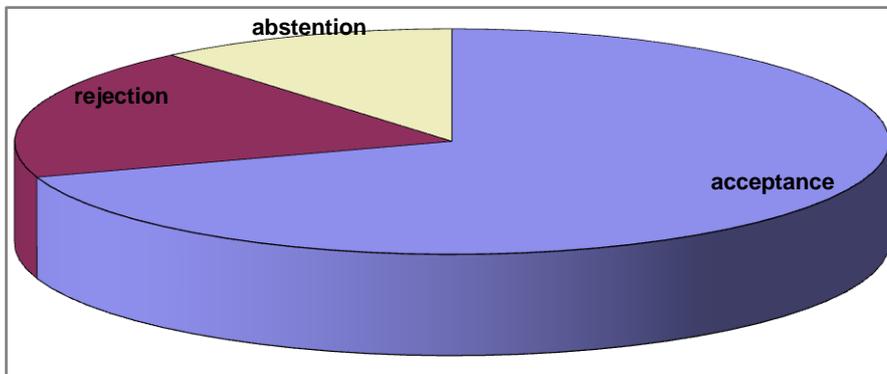
Diagram (12)
routes of report discussion according to political affiliation



3. Report votes inside the assembly

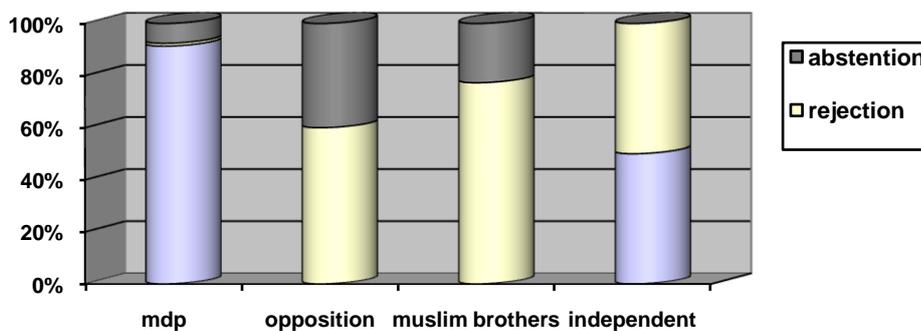
Despite, the attacks raided on the government's performance, the report discussions concluded to approving the balance sheet accounts of the State for the fiscal year (2007/2008) and connecting it to the law project of the State balance sheet law for the same fiscal year.

**Diagram (13)
Report votes**



The diagram number (13) shows the approval of the balance sheet with a majority exceeding (3/2) participants, whereas almost (5/1) rejected, not to mention that (10/1) or a little bit more didn't explicitly vote for acceptance or rejection.

**Diagram (14)
Voting attitudes according to political affiliation**



Within the same context, as shown in diagram (14), more than (5/4) participants didn't criticize the government's policies without being divided into equal groups in position from report between acceptance and rejection.

As for the opposition deputies almost (3/2) of them approved, where only the remaining (3/1) didn't say explicitly their opinions. Same thing with Muslim brothers where only almost (4/3) approved, and around (4/1) didn't announce their votes explicitly³.

Third: The peoples assembly and public funds defense unit

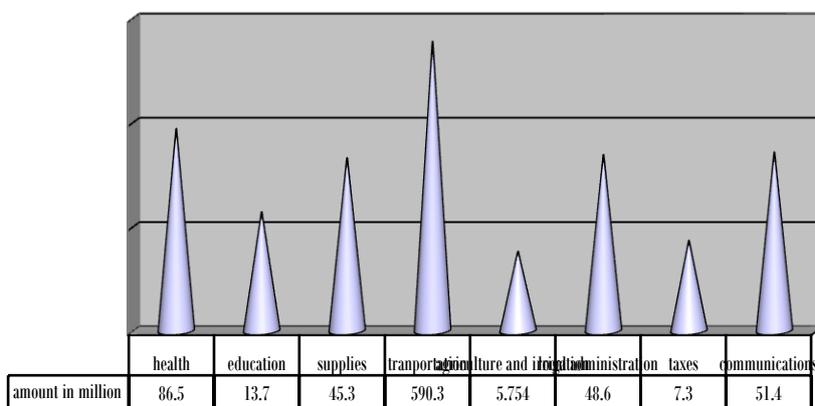
The first report issued by the public funds legal defense unit (adopted by the United Group Attorneys at Law, Legal researchers and Human Rights Advocates)

The unit monitored within the first three months embarking on this (within December 2008 - March 2009) incidents of wasting public funds in a number of sectors of the State where the estimate wasted amount is (848, 961, 193) million pounds, the sector distribution came in the following order:

1. Transportation: total wasted amount (590, 350, 000) million pounds approximately.
2. Health: total amount wasted (860, 478, 000) million pounds approximately,
3. Communications: total amount wasted amount (51,443, 191) million pounds approximately,

³ Look: annex number (2), routes of discussion taken by deputies on the CAO's report and their votes (the fourth term of the ninth legislative chapter).

Diagram (15)
Wasted funds in sectors monitored



4. Local administration: total amount wasted (48, 600, 000) million pounds approximately,
5. Supplies: total amount wasted (45, 300, 300) million pounds approximately,
6. Education: total amount wasted (13,749,000) million pounds approximately,
7. Taxes: total amount wasted (7,287,000) million pounds approximately,
8. Agriculture and irrigation: total amount wasted (5,754,000) million pounds approximately.

Expectedly, the unit did not only monitor these incidents and save it in archives, however, it sought to document it and report them to the special prosecution, and follow up with results.

Despite the judiciary’s vital role in holding officials accountable for misusing public funds in a different way, however, it is not the only actor in this aspect; the parliament shares the judiciary the very role especially the peoples assembly, because the assembly has censorship privileges the reaches withdrawing trust from the government. Therefore, this assists the

two roles to complement each other or at least walk in parallel in terms of censorship judgments on using public funds and eliminating public funds.

The matter which revealed the importance of harmony and integration among courses of the legal unit at the UG - for the role it plays in monitoring wasted public funds incidents and reporting it to be decided for before the judiciary - and among deputies attitudes in tackling public funds cases under the assembly's umbrella and the degree of harmony will be specified depending on the type of issues brought on their agendas, and whether or not they go in the same direction? Or each one has its own direction?

The types of sectors where the two parties' attention went for show a relative variance in priorities. The agriculture and irrigation sector came as the last sector as the legal unit monitored the wasted public funds as (5,754,000 million pounds approximately) this sector came as number one priority for the parliament for its share of censorship tools used in dealing with the public expenditure issues, between (91) requests of information, (40) questionnaires, and (14) investigations related to money and public expenditure reviewed by the assembly (during the fourth term of the ninth legislative chapter) more than (3/2) requests of information presented on wasting agricultural wealth , rising of ground water levels, not solving the covered drainage problems, pumps in certain areas...this affected the agricultural production, where it gave (great majority) of investigations on the government inability to supply wheat and the mal production of the bread loaf, and (3/1) questionnaires for irrigation and sanitary drainage.

However, the distance between the two parties isn't wide; the unit's findings came for the previously mentioned sectors came from five governorates (Cairo, Giza, Alexandria, Mansura, Fayum). Cairo and Giza

took the most attention and as probably known (they rarely suffer any irrigation or sanitary drainage problems). As the deputies direction to this sector was pushed for by incidents of toxic wheat shipments leaked into the market and Egyptian bakeries end of last year.

It doesn't prove the short distance between the unit and the parliament in combating different forms of misusing public funds, through transportation being the top sectors as monitored by the unit for about (590,350,000) million pounds approximately, it took unlimited concern of deputies inside the parliament, however the concern went for discussing topics related to negligence and out of condition roads and same accidents. Health sector, came second among the units proclamations as it took (5/1) of deputies questionnaires.

Upon that, there's a fair amount of intersection between the legal defense unit and deputies performance but not enough to eliminate the phenomenon. It requires more integration of the efforts of the concerned parties and concerned with lessening the use of public funds and prevents it from going to waste. The peoples assembly is the first to be responsible for protecting public funds, has not played until today a significant role in this regard. This could stay as long as the government keeps taking the protection of the majority of its party's members under the parliament.

PART FOUR

CONCLUSIONS OF THE REPORT

According to the previous presentation for the cases of wasting the public funds which were determined by the legal defense unit for public funds, we can reach to some conclusions:

1- Regarding the legislations that organize the public funds

1-1 The Egyptian retributive and procedurals legislations generally not only stand helpless towards the public employees but they represent an obstacle for punishing them. For example; the law of the CAO represents an obstacle for of submitting the employees who committed breaches to the juridical authorities, it can only inform the intended administrative authorities.

1-2 The Egyptian legislation doesn't contain a law that makes it possible to ask the ministers and officials about the political decisions that cause wasting in the country's resources; the Egyptian parliament also stands helpless towards asking them on the political level because of the dominance of the ruling party on the majority in the parliament. Although the State's balance sheets for the years 2007/ 2008 revealed breaches about 200 billion pounds, this problem was ignored after hard discussions were held without asking anybody for trial moreover some independent representatives abandoned the parliament's work inside the parliament's buildings and informed the district attorney immediately with those breaches that were mentioned in the report.

1-3 The Egyptian legislation doesn't guarantee a real protection for witnesses against the harm that could happen to them by the people who were informed against. The Egyptian project- at the terms 25- 26 of the penal procedures law-granted citizens the right to inform about any kind of crimes however most citizens don't use this right on purpose specially the public employees because of their fear of being punished or harmed. According to the terms 32- 33 of the UN agreement of struggling against corruption, the

participated countries are obligated to prepare suitable procedures for protecting the witnesses and people who inform against breaches and their all families and close relatives, they should be physically protected against any probable harm or revenge by many ways such as changing their accommodations and allowing them, when there is a trial, not to say any information concerning their identities or places and providing evidences' rules that allow the witnesses and experts to inform and witness against breaches in a safe way using the communication technology such as video communication or any suitable way.

1-4 The Egyptian legislation doesn't include a law that allows getting and use information, on the contrary there are many laws that limit that right such as the law 121 for the year 1975 and it's modifications, the law 356 for the year 1954, the government's keeping documents list, the law 35 for the year 1960 concerning statistics and listing, the republican decree number 1915 for the year 1965 that issued the decision of establishing the central institution for listing and statistics, civil workers law number 47 for the year 1978, the law number 313 for the year 1956 that was modified using the law num 14 for the year 1967 that forbid publishing any news related to the military service.

1-5 Bids' law includes many legal shortage points that allow unfaithful employees to take the public money over, such as laws that organize both of purchase, using direct order and the authority of the managers, institutions' directors and ministries who can raise purchase limit. There are some other laws that organize tenders starting from evaluating the bid's value, accepting the delayed bids, the organized procedures for changing contracting and the administrative authority right for modifying the quantities and size of contracts increasingly or decreasingly with a percent 25% or regarding completing the contractor's works. All those laws represent a wide gate for

wasting public money and cheating besides the law doesn't include criminal penalties in case of not committing with, all that will be done is applying terms of the general law.

1-6 The Egyptian legislation includes many terms that lead to waste the public funds whether they relate to the employees who are responsible for supervising the government's expenses such as ministry of finance's deputies who work for the governmental authorities. The law- for example- grants bonuses for those deputies from the governmental authority that they work for, which encourages them to ignore any breaches, related to money especially that penal legitimates don't consider them responsible for any of those breaches that are done by the governmental authority.

One of those legitimate terms is related to not considering some breaches that leads to waste public money as crimes. For example, buying additional equipments or spare parts- while there are plenty of them in the stores with a good quality without making sure of that through the periodical inventory or incomings and out comings achieves- doesn't considered to be waste of money although that happen on purpose in order to use up money that was assigned for the tender.

2- Regarding the discussions of civil society for the cases of wasting public funds

2-1 struggling the problem of wasting the public money can't be done without forming a co-operation between civil society's sectors in Egypt, for this reason that sector should be supported by using more training and providing information concerning the nature of the public funds, how it is wasted and the methods that can help struggling corruption including the ways of collecting data and preparing reports in addition to teach that sector the organized legal points that protect the public funds and finally the

procedures that are followed to inform against corruption or wasting the public funds.

2-2 When we make a comparison between the results of civil institutions' discussions , and the Egyptian press and legal authority on the other hand, we discover a kind of compatibility at the type of breaches as they are spread all over the governorate which means that the administrative system in Egypt contributes greatly at repetition of such breaches.

2-3 The discussions that were held by civil organizations revealed that the cases of wasting the public funds are not a secret as everything revealed by civil institutions are discussed by the local council representatives however they don't take any positive action to stop or prevent such breaches may be because of fear from canceling the board of director that follow council according to the law of civil institutions number 84 for the year 2002, that assures the importance of modifying that law to protect civil institutions from the power of the administrative authority, canceling decision should be taken in a legal way. When corruption spreads at the high levels of the administrative authority of the country, citizens and civil institutions think that there is no use of complaining or informing against any corruption as they don't have enough trust.

2-4 According to the discussions of civil institutions, the reader notes that they still work separately from the local councils as many cases of wasting money occurred because of bad planning or wrong expenses on the society's needs at the level of a village, town or governorate. Local councils should involve civil institutions- as they are representatives of the whole population and prepare a development plan that according to its result balance needs can be evaluated- on behalf of them which is encouraged by law.

2-5 Civil institutions should increase their campaigns to establish right concepts concerning money and the nature of the public money clarifying that it belongs to the citizens not to the government.

3- Regarding the role of Press at exposure the cases of wasting public money:

3-1 The Egyptian Press generally give a special care for publishing the cases of wasting the public money regarding the incidences that are sent to the court by inspection or public prosecution authorities, however independent and party Press give more concentration on the cases of wasting the public money as they specify permanent files for such cases and discuss it using many types and ways of writing, on the contrary national Press- that only observe the facts that direct the public opinion towards a certain way while it doesn't- focus on the criticism that is directed to the government, simply because the government's dominance on the national Press as such kind of press often supports its plans, helps it to control the population's ideas and directs the public opinion towards the way that it wants, the main target for this is to assassinate the moral spirit of the people who object or opposite its policies, this also affects the types of issues that are discussed and the way of dealing with them includes the issues of corruption and wasting the public money.

3-2 When they discuss the issues of wasting the public money, the most of Egyptian journalists focus on the reports that are issued by the inspectional authorities and the cases that are sent to the judiciary ignoring the investigating Press which depends on investigations and inspecting the cases of wasting the public money, we can notice this clearly at the type of writing that is used in the newspaper which tends to use the style of statement sentences. The press' materials that deal with such inspectional reports

reached to 1307 subject with a percentage 26.5 % of the total publishing about corruption and wasting the public money cases.

3-3 The studied newspapers depended on using statement form when they deal with the issues of wasting the public money. All newspapers, whatever their belongings or directions, present the corruption at a shape of news with differences at the spaces specified for that kind of news, that reflects journalists inability to use investigating ways that help them to reveal corruption through field's work by performing investigations and knowing citizens' opinions concerning corruption in the society. Most journalists tend to publish the investigations of the juridical authorities or what are included in the files of inspectional authorities at a shape of reports, statement subjects are 2295 of the total 4914 subjects related to Press, this percentage forms 46.7% of the total published Press.

3-4 The studied newspaper didn't agree about the same reasons or people who are responsible for the cases of wasting the public money, some of them related the reasons to the juridical and procedural legitimates while the others related that to the shortage of supervision and inspectional procedures the last party considered bureaucracy and the whole state are the main causes for such corruption. Fewer newspapers made a connection between corruption and political state or weak democracy according to the reports and seminars that were held by the civil society institutions. The previous were about causes, however regarding determining the people who are responsible for wasting the public money, the national newspapers always try hard to put all the blame on the junior employees, the system or law avoiding put a part of the responsibility on the senior ones. Moreover some newspapers tried to present the government's efforts at struggling corruption and corruptors through some speeches for ministers or the prime minister.

The private, party or independent newspapers are on the contrary put all responsibility on the government as it is the authority that is obligated to supervise and inspect those employees.

3-5 The Egyptian press focus only on certain cases that related to corruption such as the cases of bribery, embezzlement and utilization of the authority and ignore cases that related to wasting the public money. The press also gave special sectors more attention than others such as the incidents that occur at some sectors for example, housing, health, transportation, agricultural and local societies as such sectors are important to the citizens as these sector connected with their main needs like housing, treatment, transportation and so on while the press didn't give any attention to other sectors such as media, communication and the projects that follow them. The press also focused greatly on business sector companies ignoring the private sector that bases on the public money also the authorities that have a strong relation with contracting or exportation works.

3-6 Absence of the real democratic environment and political movement represent an obstacle in front of the press and mass media generally which prevent them from practicing their role, media need a real democratic environment so it can reveal the breaches and people who cause them, unfortunately the current sample assures that the relationship between the press and authority- according to the current rubbery laws- is a corrupted one that bases on the principle of giving and prevention according to personal considerations without any stable bases or limits that make it necessary to cancel the laws that admit with jailing journalists at cases related to opinion freedom.

3-7 Newspapers- whatever their belongings- didn't give the due care for determining the corruption definition, its types and the ways that could be

used to struggle it while they gave much more care to present the incidences and reasons for its prevailing. Party and private newspapers tried to crystallize the reasons that lead to the prevailing of corruption and wasting the public money, the national newspapers are on the contrary as they deal only with causes of the cases that were important to the public opinion (such as which they published after the collapse of some buildings in Cairo and Alexandria).

4- Parliament and public funds

We can say that the parliament didn't deal with the cases of public money with enough decisiveness as the inspectional performance for the deputies at these kinds of cases wasn't suitable for their importance and the evidence for this is the inspectional tools that didn't achieve any real affect at facing the cases that related to abuse the public money.

The clearest evidence for this is what the members of parliament did when they informed the attorney general with many incidents that threat the public money, although they are considered to be an equivalent authority which has the authority to dispose the whole government (trust withdrawal). Last March the deputy (Mohamed Al-Omda) sent an announcement to the attorney general accusing the prime minister, the financial minister, the chairman of the board of the national investment bank, the manager of national authority of the television and radio union, the manager of national authority for post and the manager of the Egyptian general authority for oil with wasting more than (100) billion pound of the country's money using the cover of investment.

That is not the only case as lately (October 2009), the independent deputy (Mustafa Bakry) applied an announcement to the general attorney with a spoiled wheat cargo at Damietta port, its amount was (63) thousand

ton of American wheat. The same member applied another announcement before about concerning importing a wheat cargo from Russia that was not suitable for human use; the general attorney issued a decision with requisition of that cargo and re-exporting it again in order to protect the Egyptians' souls.

The parliament's members deal with the report of the CAO regarding the State's balance sheet for the fiscal year (2007-2008) in the same way they use in their inspectional and supervision work. $\frac{2}{3}$ of the members didn't participate at that report although it is considered to be the best occasion for asking the government about the public money that is spent, the members who participated at discussing the report were less than $\frac{1}{3}$ the members of the current council while $\frac{2}{3}$ of the NDP, $\frac{3}{4}$ Muslim brothers and $\frac{2}{3}$ of the independent members didn't attend the discussion.

That report- which was sent for study to the committee of budget and planning committee and for three months- was discussed only for two days during four continuous sessions ended with issuing the agreement on the committees' results. The attack that was lead by the participant deputies for the government's performance- to the extent of asking for withdrawing trust from the government- didn't prevent accepting it, as the percentage who accepted the government's performance was more than $\frac{2}{3}$ the participant members while the percentage that supported the government during the discussion of the report exceeded slightly the half participant.

Finally, there is a dire need to activate the parliament's deal with the public funds by using more legislative and inspectional tools in the parliament to limit wasting general resources and to struggle against abusing them, the matter which helps at creating bi-channels for communication between the deputies and legal defense unit for the public funds in the

United Group, as the latter provides the first with the real facts in order to direct the tools of parliament's inspection towards them, the deputies also can provide the unit with any related incidents or facts so it can apply the announcements on behalf of them in front of the judiciary.