

## **Corruption in the name of God**

A SCOOP-sponsored investigation finds many financial wrongdoings among religious institutions, abusing with the contributions of the believers and sale of the real estate they have. More corruptive practices would be expected after the full denationalization is completed.

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The religious institutions of Macedonia preach their congregants to trade the flimsy benefits of this world for the eternal grace. But while they teach the everlasting, they have themselves been seduced by the temporal.

On this, law enforcement institutions and civic organizations do not say much. No case has been filed with the State Commission for the Prevention of Corruption, nor have legal claims been made by anyone about corruption with the Macedonian Orthodox Church (MOC) or the Islamic Religious Community (IRC). Interior Ministry has no data about their wrongdoings in the past few years.

But a SCOOP-sponsored investigation has found large financial malfeasances in those institutions, which were made by abusing with the donations of the congregants and the real estate that they own. IRC owns 3 million square metres of land that could be offered for property development, and 40,000 square metres of buildings. It has not completed the institution has not completed the evaluation of its full property, and it would become proprietor only after the end of the 'denationalization' process. Even larger is the MOC property, which is also in the process of being returned to it.

## **Abuse at IRC Reaches Millions**

The institution that leads Moslem believers in Macedonia is considered more closed and conservatory, turning it into a heaven for individuals who, since 1994, have turned from imams to capitalists.

No investigation has been made that year on the disappearance of half a million German marks donated by Moslems of Macedonia and elsewhere with the intention of building a hospital for the poor in Tetovo.

"The money disappeared within a single night," says a theologian who wants to remain anonymous but who has been close to the project. "A handful of imams just took them and fled the country. No one took responsibility and there was no answer to be given to the believers who contributed that amount."

Wider suspicions of corruption at IRC had begun to surface during the election of its new leadership in 2006. After a strangling battle for the top of the organization, the new leaders ordered an audit into the organization's finances, which claimed an abuse of millions by the outgoing chairman, Imam Zenun Berisha.

"Mufti Zenun Berisha made many malfeasances," said Skopje Mufti Taxhedin Bislimi. "That is why his group tried everything to stay in top of IRC. They took an awful lot of money from many sources. Members of radical Wahhabi groups had tried to find a haven through them. Financial interests and ideological ones met here to control the top Moslem institution in Macedonia."

The findings have been filed with the Public Prosecutor's Office in Skopje. Bislimi said that the prosecutors have not started looking into the case yet. "The judicial system may be slow, or who knows what! But the court will have the last word on this."

IRC and Berisha [who, when engulfed in a bitter power struggle at the IRC, around 2004, was ousted a year later after after being accused by Western observers of supporting Islamic fundamentalists-ed.] are already in court.

"He claims the signature he sees in the documents that show abuse is not his," said Bislimi. "That is baseless. The documents that are harmful to him were made when he was running IRC," between 2002 and 2005. "And in what a bad shape was that IRC!" Documents made available to SCOOP show that Berisha had caused a 30,000 euro damage to IRC through unaccountable financial advances he had received. The courts ruled that Berisha's son also had received a salary from IRC though he was never employed there. Courts showed that the Chief Imam of the country at the time, Hamza Hasani, was also been involved in the financial abuse, Bislimi said. There have been cases when people who contributed Eid ul-Fitr contributions from believers had never deposited them with the IRC, despite awarding certificates to the contributors.

IRC officials also leased IRC property to private persons, even notarized them and took the money to their personal deposits. During the new administration, the Chief Imam was beaten in the center of the town by one businessman who insisted that he had bought the shop in which he worked. Indeed, that was still IRC money. There are 140 shops with similar problems in central Skopje, most of whom around the historic Carsija (CHAR-shee-ya) quarter of the city, according to the IRC auditing report which Bislimi confirmed.

"That is on trial too," Bislimi said.

He added that IRC of the time had paid no pension contributions for its employees, and no community taxes, though it falsely claimed it did. At times, it would not even pay the salaries.

"What we see from the documents makes the abuse reach up to two million euros, all money given to us by believers."

Berisha turns down the charges of corruption, while acknowledging that IRC is in debt.

"The IRC is in debt because not much money has been collected by the congregants. This problem is not recent, but has been there for decades. The charges of abuse are unfounded."

### **MOC Engulfed by Scandals**

The government, or more specifically, the State Committee for Corruption Prevention, has opened an inquiry only on one suspicious case with the Macedonian Orthodox Church.

Izgrej, a lakeshore hotel and resort area built in the 70s in the village of Kalishta of the Struga district had been state property, but was given to the adjoining orthodox monastery as part of the government's denationalization process -- the restitution or compensation of properties the Communist governments had sequestered from private businesses and the religious communities. Hence, in 2002, MOC became the owner of 8594 square meters of built area and 40,000 square metres of adjoining resort.

But when a trading company from Struga defaulted on two bank loans totaling 13 million euros, it was discovered that the whole area had been offered by the company as collateral to the banks, and was sequestered as a result.

In 2003, MOC had ceded Izgrej to Miladinov DOO, a company where two Struga-based Miladinov brothers, Dimitar and Gjorgji, controlled a third each, as partners, the remaining belonging to MOC, which was listed as founder and owner. The two

brothers own Kimiko, a trading company that also managed both Izgrev and Biser hotels on behalf of MOC.

Miladinov DOO had been registered in May 10, 2003, in the deep village of Moroviste, as a company dealing in tourism, local and international trade, import and export, and services.

In April 2006, it applied for a one-million-euro loan with a commercial bank in Skopje. Miladinov DOO mortgaged the hotel, which was valued at 22,177,144 Macedonian denars (about 360,000 euros), of which Dimitar and Gjorgji owned a third each, and were listed as partners, while MOC owned the remainder and was registered as founder and owner.

Puzzling to banking specialists was how a hotel worth 360,000 euros could serve to protect a loan three times as big, besides making it an absolute first in collateralizing church property.

In a later, 11-million-euro loan request to an international bank, Miladinov DOO offered both the hotel and the adjoining 40,000-square-meter area as collateral. It defaulted on both loans, and the whole area is now offered at auction by the Skopje bank, which hopes to have its loan paid and pay the international one the 11-million-euro one. But what could look at least a business blunder, and at most a fishy affair of ridding a top-notch hotel by undervaluing it first and then selling it at market prices, is also illegal according to the Law on Religious Communities, which exempts MOC from taxes as a citizens' association that does not deal with commercial enterprises.

This is not the only one.

The sale 11,600 square metres of land the Skopje Eparchy had received from the denationalization scheme in a small municipality near the country's capital to the Skopje development company Konst Ing for 202,000 euros and five housing units of 50 square meters each raised eyebrows. [An eparchy is a diocese in the Orthodox Church.-ed.]

The figure of a clergyman can save one from punishment. Take the trial on embezzlement MOC held against a former member of the Holy Synod and rebellious bishop of the Eparchy of Ohrid, Bishop Jovan Vraniskovski. Bishop Jovan was declared innocent of MOC charges that he had abused with about 325,000 euros to the church in the district court of the town of Veles.

[Vraniskovski was also caught in a battle for the control of the Orthodox church in Macedonia between the MOC and the Serbian Orthodox Church, and currently claims to lead a splinter church that is closer to the SOC.-ed.]

But a priest who witnessed on the case said that he had often gone with Bishop Jovan to Greece to buy icons, crosses and other religious objects, had entered Macedonia back without paying customs taxes, and the bishop would later sell those to the churches in Macedonia.

"No customs official tried to check our car," the priest said. "Everyone knew that the bishop was in the car, so would be waived in with no problem."

Says one high MOC representative: "That does not mean corruption. The honesty and dignity he might have meant to customs officials may have eased the crossing of the border. That does not mean that the customs officer did not do his job of treating everyone equally."

While criminal lawyers admit that this is not corruption, still they say this might constitute a criminal case, because of bringing into the country commercial goods for which you pay no duties.

Another scandal on property sales is lurking around MOC's Skopje Eparchy. It plans to give plot of land it has received as a gift by the government to build a church to

foreign investors for commercial building. MOC never fully explained why did it sell the land to an investor, but the Eparchy claimed it had been duped by accepting that property in the first place, as it had been given for development by the Kisela Voda municipality's planning office before, so it was forced to sell it. [Kisela Voda is part of the Greater Skopje conglomerate. -ed]

### **Shackled hands of the state**

Criminal law experts say that while it is hard to prove corruption in the government, it is even harder to prove it in religious institutions, because of the constitution-sanctioned separation of church and state and because of the voluntary donations it receives.

But they continue to debate on whether current legislation allows government investigation into corruption in the church or not.

Some argue that the clergy is not what the Macedonian law on corruption calls corruption in public office, which says that "corruption denotes using of function, public authorization, official duty and position for the purpose to gain any benefit for oneself or for other person."

The clergy is not public office, they claim.

And the law on religious communities says that religious communities do not act beyond their jurisdiction, and their certifications do not hold equal to official and public documents, so it is unclear how can government institutions check the finances of religious ones, according to some lawyers.

Still, the anti-corruption law also says that the State Commission on Corruption Prevention can "raise initiatives before competent bodies for conducting control over the material and financial operations of political parties, trade union, association of citizens and foundations." The Law on Religious Communities defines their legal status as associations of citizens, and therefore, liable to inquiry.

Critics believe that it is legitimate to apply the word corruption to religious institutions. Skopje University Criminal Law professor Gjorgji Marianovic says that no one is immune to corruption if they are in a position of power.

"Why do you think that the Macedonian Orthodox Church should necessarily be immune from corruption," he said. "It is led and presented by powerful bishops, who control a lot of money and who can influence the society."

Bitola lawyer Vasko Georgiev, who represented former Bishop Jovan at the Veles District Court, agrees.

"Any institution can be corrupt," he said. "Religious institutions too can be prey to political influences and other ways that lead to corruption."

Georgiev said that the powerlessness of the state in reining in the church finances brings a paradoxical situation that makes clergyman richer than a college professor, a top doctor, a lawyer or the average businessman.

Branko Georgievski, an expert in religious matters, does not exclude the presence of corruption at MOC.

"Once there is money contribution and deposition into something, and big donations are given to MOC, and when they are not being checked, they can easily be target of corruption," he said. "We are in a process of denationalization, during which a big part of property is being returned to the Macedonian Orthodox Church. They will have many assets, including those of eparchies outside Macedonia that are rich."

But discovering abuse by the government is hard also because tax bodies cannot control the communities, which are tax-exempt. The Department of Public Revenue,

has no control whatsoever on financial means and transactions that religious communities make.

When it tried to establish some form of tax to those communities, both MOC and IRC reacted so strongly against it that it was called off. The main reasoning the two organizations mentioned was that the voluntary donations are not exact by nature, and unpredictable.

### **FATCTS: Priestly Corruption Is Ancient**

Clement, the Bishop of Heraclea near Bitola, and secretary of the MOC Holy Synod, says that corruption is just a modern word for an old habit called simony. "It carries the name of Simon the Sorcerer, who offered to buy priestly powers from the apostles."

A top canonist of the early 20<sup>th</sup> century, Nikodim Milas, the Orthodox Bishop of Dalmatia, has said that simony enculpates not only the one who trades blessings or church positions for money but also one who mediates in such actions. He said that anyone is allowed to bring charges of simony against someone, and his testimony is respected, but in cases of intentional defamation.

This delict of simony carries terrible punishments by the church, because it has the danger of ruining the whole organization of the church. A bishop would be discharged. Those who have been baptized or benefitted any such favors through such means, are anathemized after being discharged from the office he earned wrongfully.

Those who mediate such illegal actions, if they belong to the clergy, are discharged, while the population at large can be anathemized, says Bishop Clement of Heraclea.