



*Transparency International Hungary  
Hungary  
30 Falk Miksa Street  
Budapest, 1055*

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Charles E. Schumer  
Majority Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
2468 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, DC 20510

August 30, 2021

**RE: How the CROOK Act Would Support Oversight in Hungary**

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Schumer, and  
Minority Leader McConnell,

We write to join our colleagues with the U.S. office of Transparency International, the Transparency International Anticorruption Center in Armenia, Transparency International Malaysia, and Transparency International Ukraine in supporting the Countering Russian and Other Overseas Kleptocracy Act (the “CROOK Act”) and hope you will pass it into law.

Transparency International Hungary (“TIH”) works to mitigate corruption, promote transparency and accountability in the public sphere of decision-making, and improve the accessibility of public interest information. We envision a society where government, businesses, policymakers, and the general public condemn corruption and reject all attempts at bribery.

The environment in which our organization works is unique: While Hungary’s political system is a competitive, hybrid system, it is nevertheless pervaded by clear authoritarian tendencies that allow corruption.

For example, our office has been working to address the issue of state capture including distortion of the public procurement system. Right now in Hungary, major industries like construction, information technology, and media have become dominated by circles of businessmen with strong, interpersonal ties to the ruling political party.

The governing party has been in power since 2010 and changed fundamental pieces of legislation in its first few years, leading to a situation where most of institutional checks and balances have been taken over by personnel close to the party. For example, the term limit for public prosecutors was originally nine years, but the law was changed to allow the term to be renewed indefinitely.

The COVID-19 pandemic has exacerbated cronyism and the need for stronger civil society oversight, as reports of corruption in recovery efforts surface. In response to the pandemic, the Hungarian government created a special fund allocated in part from the annual budget. While a portion of this was spent on necessary procurement and on the healthcare sector, additional, unessential sectors received pandemic aid. Instead of financing public health or small- to medium-sized businesses across the board to keep the economy afloat, money was diverted toward favored industries catering to the country's elite and subsidized the construction of luxury hotels, golf courses, and yacht harbors.

Over the past few years, our office has worked to monitor these developments and to create public interest advocacy campaigns as a means of counteraction. We continue to work with the U.S. embassy in implementing programs to strengthen the rule of law in Hungary, and these partnerships are imperative for us to hold the governing party accountable amidst a shrinking civil space. Funds from the CROOK Act would be immensely helpful for increasing our ability to monitor the allocation of recovery funds, and to counteract authoritarian actions. In addition, the CROOK Act's designated anticorruption point of contact in the U.S. embassy would be very valuable to liaise with on anticorruption work as we coordinate these and other projects going forward.

Thank you for considering our views. For any questions or additional information, please contact Miklós Ligeti for TIH, at [miklos.ligeti@transparency.hu](mailto:miklos.ligeti@transparency.hu) (email) or (0036) 70 396 8475 (phone).

Sincerely,



Dr Jozsef Peter Martin  
Executive Director  
Transparency International Hungary