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Report on state advertisement practices

Recently more specific data have emerged on the allegations of the then-opposition that the bulk of state advertising has not gone to TV stations with better ratings but to those who supported government policies. After an investigation carried out by Besar Likmeta, published by Balkan Insight, in the framework of EU-funded project South East Europe Media Observatory, there is new information on the figures spent and practices used in distributing state advertising.

Data collected from the treasury department database in the Finance Ministry show that the state spent at least €780,000 between June 2012 and the end of 2013 on TV advertising. The bulk of this sum seems to have gone to TV stations and agencies owned by or tied to Aleksander Frangaj. He is the owner of Media 6, the parent company of TV Klan, one of two Albanian national TV stations, and is closely tied to the 24-hour news station, ABC News.

The Defense Ministry was the biggest spender in this regard, responsible for €584,000. Four major ad campaigns run by the Defense Ministry went to two advertisement agencies linked to Frangaj. So, according to data collected, treasury records show that on June 6 and June 14, during the campaign for the parliamentary elections, the Defense Ministry issued two contracts to Zoom Events, worth €284,000. Business register records show that the director of Zoom Events, which was established on January 30, 2013, is Eptan Lohja. He is a marketing manager for TV Klan and also sits on the supervisory board of both TV Klan and ABC News.

The same ministry awarded two other contracts for €300,000 to Promo Sh.p.k, an advertising agency owned by Eduart Frangaj, Aleksander Frangaj's brother. Treasury records also show that the ministry distributed ads via direct contracts rather than through open tenders, which is the norm for the procurement of goods and services.

The then-opposition had exposed cases of misconduct and unfair distribution of state advertising. When coming to power, the current ruling majority took the allegations one step further. Current Minister of Defense said in a press conference that an internal audit had uncovered major irregularities in tenders issued under her predecessor and she was pressing charges for abuse of power, breaching tendering rules and embezzlement. If

found guilty, previous Minister Arben Imami faces up to seven years of imprisonment. He has called the charges filed against him politically motivated.

Other ministries and state institutions have also been generous to Promo Sh.p.k, and to other companies linked with Frangaj. Promo Sh.p.k received two other contracts, one from the National Drug Center and another from the Interior Ministry, respectively worth €27,700 and €71,000. Media 6 received two contracts from the Agriculture Ministry plus a contract from the Justice Ministry in the last two years, worth €26,000 in total. Three smaller contracts were also awarded to ABC News by two Democratic Party-run municipalities and by the Agriculture Ministry for a total of €19,800. Another advertising agency owned by Aleksander Frangaj, Media 66, received a contract for €10,000 from the Justice Ministry.

It is estimated that the five companies linked to Frangaj received a total of €730,000 in advertising from state institutions over two years. By comparison, Top Channel TV, Albania's other national private television, received a modest €9,940 over the same period.

However, the investigation hints that the public money channeled toward the network of companies tied with Frangaj is even larger than the sums mentioned. This is because the investigation was based on treasury data, which does not include money spent by state-owned companies. For example, according to a monitoring report by the Energy Regulatory Agency, ERE, the utility distributor CEZ Shperndarje spent €45,000 in TV ads in one month alone, May 2013. The lion's share went to ABC News, followed by News 24, Ora News and UTV Education.

The same source of investigation reports that the Tasks-Force Against Economic Crime and Corruption is investigating the cases of TV ad spending by police directorate. Data obtained by Balkan Insight through a freedom of information request show that the general directorate of police spent €1.4 million, in three major advertising campaigns from 2010-to-2012. The three contracts were award to a single advertising agency, Promo Sh.p.k.

At the moment clear and fair rules on distribution of state advertising and publication of notifications are still missing in the country. Moreover, the lack of public reliable data on audience and circulation makes it even easier to abuse existing rules or to interpret them more liberally. The current government has made it clear in its program that it is against this use of state advertising and will fight it. However, in view of the lack of clear rules, lack of media ranking, and poor transparency, the trends should be monitored closely.

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