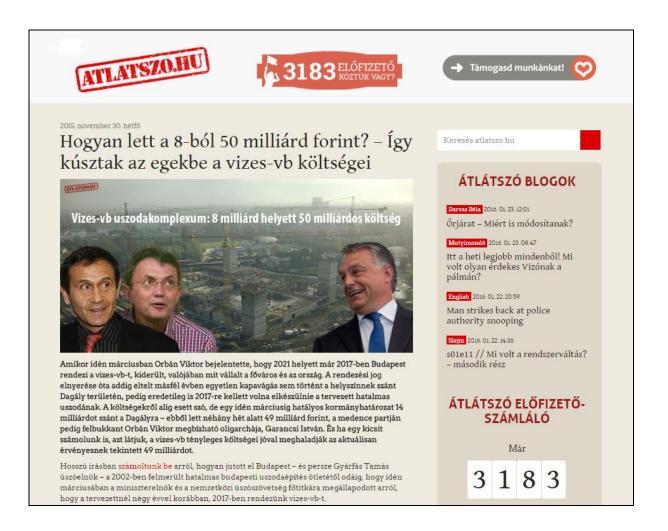


ANNUAL REPORT 2015



atlatszo.hu – Watchdog NGO and Center For Investigative Journalism



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The First Non-Profit Center for Investigative Journalism in Hungary

Atlatszo.hu is a watchdog NGO and a center for investigative journalism to promote transparency, accountability, and freedom of information in Hungary. Established in 2011, atlatszo.hu – "atlatszo" means transparent in Hungarian – produces investigative reports, accepts information from whistleblowers, files freedom of information requests, and commences freedom of information lawsuits in cases where its requests are refused.

Atlatszo.hu operates a Tor-based anonymous whistleblowing platform (<u>Magyarleaks</u>), a freedom of information request generator for the general public (<u>Kimittud</u>), a crowdsourced platform to report everyday corruption anonymously (<u>Fizettem</u>), an e-democracy site to discuss and vote on topics of public interest (<u>Evoks</u>), and an independent blogging platform for other NGOs and independent media. Atlatszo.hu staff are mostly journalists, supported by subcontracted video journalists, legal and IT experts.

Atlatszo.hu is evolving into a popular online news outlet with growing readership and a significant impact on the Hungarian public sphere. The site covers corruption cases, political party financing, financial abuses in public procurement, infrastructure projects and EU funding, environmental abuse, human rights violations etc. It profiles individuals in public life, politicians and businessmen. <u>English abstracts</u> of the most important stories are regularly published on our website.

Our aim is not just to bring to the public eye cases of scandalous misuse of political and economic power and influence; we want something to happen as a result. Follow-up is at the core of our strategy. We make public participation very easy by linking to online social networks and creating tools to help the public express their views to the authorities and to politicians, and to hold public officials accountable. Cases will develop into official investigations and court cases. The typical reader is an educated middle class citizen who would like to see a higher standard of public life in Hungary.

Web: <u>atlatszo.hu</u> Facebook: <u>www.facebook.com/atlatszo.hu/</u>

Twitter: <u>twitter.com/atlatszo</u>
Youtube: <u>youtube.com/Atlatszovideo</u>
Tumblr: <u>atlatszo.tumblr.com/</u>
Vimeo: <u>vimeo.com/atlatszo</u>

Instagram: instagram.com/atlatszo/ Soundcloud: soundcloud.com/Atlatszo-hu





Investigations and Impact in 2015

Exposing State Capture and Corruption in Public Spending

Prime Minister Viktor Orbán takes good care of his supporters. This is clear from the huge amounts of centrally channeled funding that went to loyal corporations over recent years. It is hardly surprising that he takes equally good care of his family and friends. In 2015 atlatszo.hu continued to expose the state capture situation which results in public funds channeled to loyalists of the governing party, government politicians, and even the Orbán family.

Important Articles

A new holiday resort for the Prime Minister's family

Backroom reshuffle means new division of political power

Friends of the Government cash in again in 2014

Government-friendly contractor gets prime real estate for bargain price

Keeping it in the family – friends and relatives of Hungarian PM do business "within" the law

Winning the deal is all about being in the right place at the right time

Minister's business record reveals shady friends

Confusion over State Secretary's property portfolio

Transparency in campaign spending 2014–2015: fifty shades of grey

The frontline of a new political elite

In pursuit of public money managed by shady brokers

Another chapter of wine, friendship and political allegiance in Hungary

A surprisingly bad run of luck in Hungary's political elite

Reasons for Orban's frequent Zurich trips

Minister's security business in the thick of tax evasion

Authorities fail to convict defendants of high-profile BKV corruption case

Political back-wind finally pushes major swimming pool venture ahead

Prosecutors end investigation into high-profile corruption case

Investigating Irregularities, Fraud and Corruption with EU Funds

Hungary is one of the biggest beneficiaries of European solidarity: our country is a net receiver of European Union funds, which cover most of its development budget. Irregularities, fraud and corruption are frequently present in EU-funded projects in Hungary: ranging from useless buildings and creative accounting to big time political corruption on public tenders. Atlatszo.hu investigated dozens of cases in the recent years, some of them ended up being investigated by the EU's anti-fraud unit OLAF as a consequence.

Important Articles

Prime minister's friend and dentist scrutinized for use of EU funds
Nostalgia train in PM's hometown to receive priority funds from EU
EU's Anti-Fraud Unit Investigates Corruption Case Revealed by atlatszo.hu
Atlatszo.hu exposes lucrative role of secretive organisation
More and more signs of corruption in state funding of PM's son-in-law
Suspicions about major contract for useless software aids for blind people



Atlatszo.hu investigates suspicious social service group

Hungarian-Romanian Joint Venture: Millions Spent on Useless Roads

Money-siphoning rampant in eastern-Hungarian spa investment

Friends in the right places: Money for nothing

Investigation of suspicious R&D grants exposes new concerns

Municipality Project: Exposing Local Wrongdoings

Corruption and nepotism is widespread in Hungarian Municipalities: in 2015 we continued to investigate individual cases of the "local state capture situation" in Hungarian municipalities, uncovering conflict of interest and wrongdoing.

Important Articles

Major foreign investment linked with local land value speculation

Atlatszo.hu unveils political exploitation of the poor in Hungary

Distributors of meat contaminated with Anthrax likely to face minor charges

Atlatszo.hu unravels intricate web behind suspicious Budapest real estate sellout

Corporation games the system to get financing for its new plant

Left-wing district mayor remains generous to long-time supporters

Common homes for politicians in Budapest

Government-friendly entrepreneur strong-arms neighbors

Political allies rent valuable Budapest land at rock-bottom prices

Strange goings-on in the swimming-pools and spas of Hungarian resort town, Velence

Major fraud charges leveled against city management in Vac

Land Lease and Land Privatization Controversies

Several experienced Hungarian farmers were unable to lead their livestock to fresh grazing land at the start of 2015, as their access to land was drastically and surprisingly cut. Hundreds of hectares were redistributed and a huge chunk of the lands passed to members of the government's extended political network, even if their farming credentials included nothing more than owning a single goat.

Important Articles

Farmers lose their livelihood to political nepotism

Peach farmer loses out to government-friendly competition

Preferential selection leaves valuable farmlands in decay

More troubles emerge in the handling of state-owned farmland

Local hunting society linked with illegal land deals

Covering the Refugee Crisis

The refugee crisis hit Hungary hard in the summer and autumn of 2015: we documented the unfolding situation in the field, focusing on two investigations in particular. First, we revealed that a number of Budapest hotels play a key role in the organized business of smuggling



people over the Austrian–Hungarian border, and that the police fail to follow up on these cases. We also investigated how the police and the authorities have mismanaged the crisis, especially on the southern border following the construction of the fence. We highlighted the professional shortcomings of the authorities and the supposedly deliberate police brutality when cracking down on a refugee demonstration on September 16 at the Röszke border crossing, leaving dozens of refugees and journalists injured.

Important Articles

Walking the migrant road
From Hungary to Austria on Foot
Growing controversy surrounding migrant clashes at Hungary's southern border
Human trafficking rampant, even in plain view of the authorities

Tracking Down Hate Crime

Starting in 2014, Atlatszo (Hungary) and RISE Project (Romania) are cooperating to investigate and expose hate groups and extreme nationalist movements. Atlatszo.hu has identified 7 active hate groups in Hungary, surveyed their public acitivities, collected data on their leaders, connections to politics, businesses and civil society. We found a strong Russian ideological influence on these groups and their propaganda websites. In 2015 we extended the project to violent football hooligan groups and a clergyman close to the far-right Jobbik party.

Important Articles

The role of Hungary's far right in destabilising Ukrainian unity

An unsporting football conflict

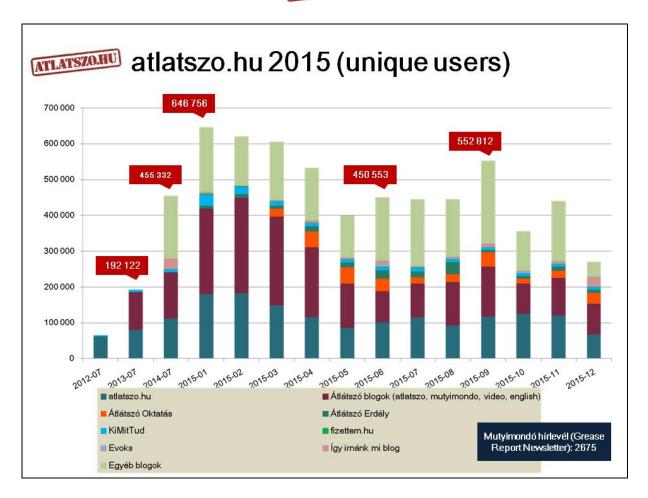
Church comes down on bigoted clergyman

Readership and Impact

Our websites reach a regular readership of approximately 300-600,000 unique visitors monthly. Our <u>Facebook page</u> has more than 72,000 followers, our Facebook posts reach 300-600,000 users weekly. We have more than 2600 subscribers to our daily email newsletter.

Our daily news roundups are published in an audio format as well, reaching tens of thousands of listeners of our partners Klub Rádió, Tilos Rádió and Civil Rádió broadcasting in the Budapest region. Newsworthy stories published by atlatszo.hu get picked up by other media, print and online publications, radio and television, including the prominent prime time daily news programme of the national RTL Klub television, who reference us frequently. In 2015 we counted more than 300 references to our articles in online publications only.





Legal Strategy and Results

Our legal strategy is based on the perception that public data is often withheld by state institutions in Hungary, therefore freedom of information requests are not sufficient alone, court procedures must be initiated to obtain documents of sensitive nature. Therefore in the past 4 years we filed more than 100 court applications of this nature. Our aim is to impact discrete cases, to force authorities to react, to have maximum impact.

Atlatszo.hu has won more than 60 percent of FOI lawsuits initiated, and in some cases the fact of the court application was enough to obtain the public information in question and the case was dropped. In fact we have been so successful in the courtrooms that in 2013 the governing majority introduced a bill to curtail FOI legislation which was dubbed "Lex Átlátszó" by the Hungarian press.

In 2015 the legal team of atlatszo.hu campaigned against the classification of contracts and expenses of the planned Paks II. nuclear power plant, and supported Benedek Jávor, Member of the European Parliament to convince the European Comission to start an official inquiry into the matter. We sued successfully the Hungarian Central Bank to release written decisions of the Board of Directors.

We filed FOI-requests and started lawsuits to make the spending of political parties more transparent: we convinced all the parliamentary parties to publish details of spendings of party foundations, we sued the Hungarian Treasury successfully to release campaign spending data



of individual candidates of the 2014 general elections, and sued successfully to obtain data on government spending on government organized non-governmental organizations (gongos).

Our primary choice for legal remedy became the National Freedom of Information and Data Protection Authority (NAIH), as their procedure is not only cosiderably faster than the court procedure, but now it is also rather consequent in cases of lesser complexity. In 2015 we submitted 39 complaints to NAIH, where the authority decided favorably in 24 cases.

Atlatszo.hu has been sued several times for corrections: our legal team fended off legal attacks by the Ferencváros Football Club, Democratic Coaliton political party, or the Counterterrorism Center of Hungary. The Tax Authority demanded 1 million HUF of compensation for an investigative piece on large scale VAT-fraud – the court has finally dismissed the case after atlatszo.hu presented compelling wittness testimonies.

The legal team of atlatszo.hu supported dozens of ordinary citizens who filed freedom of information requests on various topics via our freedom of information request generator service, and represented the Hungarian Helsinki Committee in front of the European Human Rights Court in Strasbourg in a case where Helsinki's FOI requests were turned down by the Hungarian Police. Atlatszo made legal contribution in two Constitutional Court procedures - both of them in connection with Paks II. nuclear power plant.

Cooperating with other journalists from every EU member state, we are suing the European Parliament in Strasbourg to make spending of Members of European Parliament more transparent.

Important Articles

Atlatszo.hu reveals the secret finances of political parties

A clear picture of party foundation funding in Hungary

Tax authority files lawsuit against Atlatszo.hu

Atlatszo.hu wins first round in court battle against Hungary's secretive central bank

Those who report on corruption should not be afraid

Atlatszo.hu's tax authority battle continues in the courtroom

Atlatszo.hu's enquiries lead to arrest warrant

Atlatszo.hu wins case to release politicians' campaign election finances

NGOs propose alternatives to Hungary's new restrictive freedom of information act

Atlatszo.hu is taking the secretive ministry to court

Atlatszo.hu wins lawsuit against tax authority





Online Services

Independent Blogging Platform

In 2014 we started a multisite Wordpress blogging platform and started a handful of own blogs as well while inviting others to blog with us. Running a blog platform allows us to boost our visitor numbers and provide blogging oportunity to other independent media, experts and NGOs. Until now, atlatszo.hu has started 9 blogs of it's own and attracted another 14 quality guest blogs, among them Átlátszó Oktatás and Átlátszó Erdély, the student and the transylvanian watchdog blogs inspired by the atlatszo.hu project. Blogs attract more than 50 percent of atlatszo.hu's overall web traffic.



Multiplatform Daily News Roundups (Mutyimondo)

One of Atlatszo.hu's most successful and popular projects is the Mutyimondó sub-brand which evolved from series of weekly round-ups of Hungarian and international corruption related news published on Atlatszo.hu's website into a blog using multi-channel media (daily newsletter, podcast, web-page, Facebook, traditional radio and most recently Whatsapp messaging service) to popularize Atlatszo.hu's heavyweight investigative journalism content to wider audiences.

The Mutyimondo project produces a daily 3-4 minute podcast with the most important corruption related news in Hungary. The audio material is uploaded to the Soundcloud platform and openly accessible to anyone who wants to reuse, rebroadcast the material. The project managed to conclude important agreements with FM radio stations: Klubradio, Tilos Radio and Civil Radio are airing the podcasts in the Budapest region. The traditional radio broadcasts help spread Atlatszo.hu's investigative journalism content among audiences whose web presence is traditionally lower.





Anonymous Leaking Platform (magyarleaks.hu)

Anonymous sources and the protection of whistleblowers is very important to us; therefore we implemented a secure anonymous submission platform, <u>MagyarLeaks</u> for whistleblowers using software developed by GlobalLeaks, secured by the Tor network to protect the identity of anonymous sources. In 2015 we received 2-3 submissions a week on average, every 10th disclosure being worth to further journalistic scrutiny.



FOI Request Generator (kimittud.org)

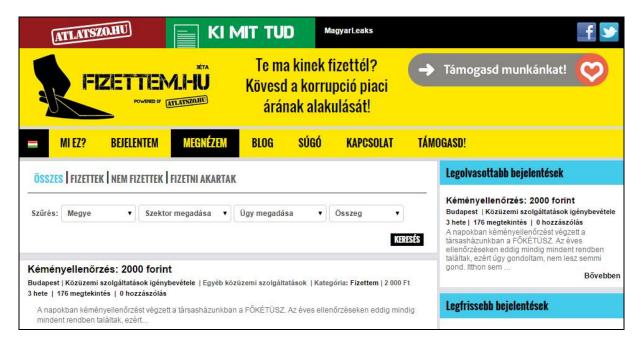
<u>Kimittud</u> is an easy to handle online tool for citizens to obtain information from government departments, agencies, and state owned companies. It is everyone's right under the freedom of information laws of Hungary to request information from any public body, and they have to respond. Therefore, we localised alaveteli.org's freedom of information request generator. It's a simple concept: citizens use the website to request information, and the replies are recorded for all to see on the website. Historic requests, along with any resulting correspondence, are archived publicly online. Since it's launch in 2012, Kimittud enabled more than 5900 freedom of information requests, more and more citizens are discovering its power.





Crowdsourced Bribe Tracker (fizettem.hu)

We localised and implemented an online tool for citizens to report their experiences – anonymously – on everyday corruption. Using this platform users can report on the nature, number, pattern, type, location, frequency and values of actual corrupt acts. Reports submitted to <u>Fizettem.hu</u> provide a snapshot of bribes occurring across the country, and generated significant media attention.



Discussion and Voting Platform (evoks.hu)

DemocracyOS is an online platform for deliberation and voting on political proposals. It is a platform for a more open and participatory government. The brazilian developed open source software aims to stimulate better arguments and come to better rulings, as peers. Atlatszo.hu translated and localised the platform in 2015 and launched dozens of threads in the first year.

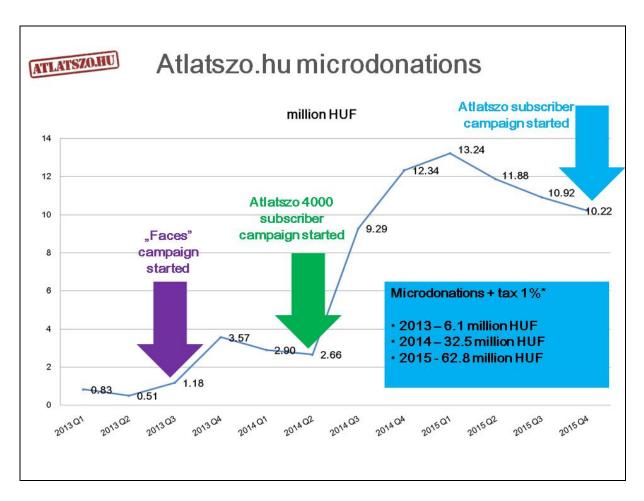




Funding

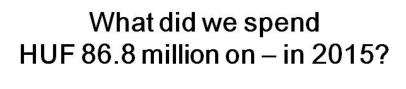
Atlatszo.hu was launched unfunded in 2011 and in the beginning the founders worked on a voluntary basis. Since 2012 we are able to pay a growing number of employees and subcontracted freelancers of the project. The NGO is financed by nonpartisan and non-governmental sources; we do not accept money from Hungarian state institutions, political parties and affiliates.

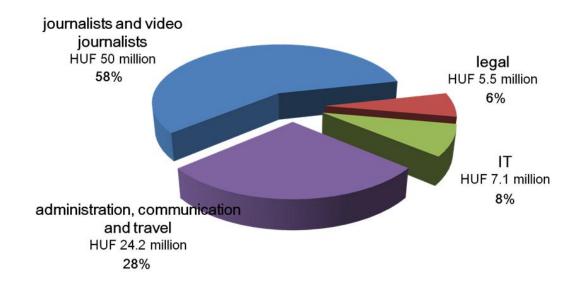
Individual donors – more than 3000 private citizens – have contributed significantly. Crowdfunding is very important to us, we regularly campaign our readership to donate. Microdonations accounted more than 50% in the 2015 budget.



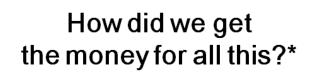
Institutional donors include various programs of the *Open Society Foundations*, and a grant from *Fritt Ord*. We are collecting income tax 1 percents and run a training project funded by the *Norway NGO Fund* through a partnership with *Asimov Foundation*.



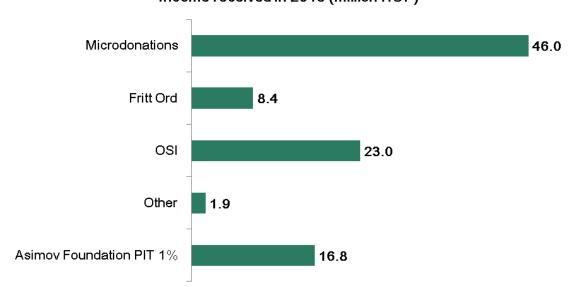




*Atlatszo.hu and Atlatszo.hu Projects of Asimov Foundation jointly.



Income received in 2015 (million HUF)



*Atlatszo.hu and Atlatszo.hu Projects of Asimov Foundation jointly. Some institutional donations cover projects for 2016.



Partnerships

Atlatszo.hu is cooperating with other NGOs and independent media in Hungary and internationally. Atlatszo.hu is member of the <u>Global Investigative Journalism Network</u> of similar investigative nonprofit news outlets all around the world.

We provide high quality and thoroughly researched content free of charge to the rest of the Hungarian media, including television and radio stations, daily and weekly journals, under Creative Commons licenses. The media is looking at atlatszo.hu not as a competitor, but as a partner and reliable source of content.

Mainstream Hungarian TV channels like ATV or RTL-Klub are regularly picking up our stories. Utilizing atlatszo.hu's current cooperation with Tilos Rádió, Klub Rádió and Civil Rádió, we broadcast daily "grease reports", critical news roundups and radio talk shows with atlatszo.hu's journalists and guests.

Hungarian Partners: <u>Asimov Alapítvány</u>, <u>Krétakör Alapítvány</u>, <u>Mandiner</u>, <u>Tilos Rádió</u>, <u>Klubrádió</u>, <u>Védegylet</u>, <u>Vastagbőr blog</u>, <u>Transparency International Magyarország</u>, <u>K-Monitor</u> Közhasznú Egyesület, <u>Political Capital</u>, <u>Társaság a Szabadságjogokért</u>, <u>Levegő Munkacsoport</u>

International Partners: 100Reporters.com, Global Voices Advocacy, Legal Leaks, Organized Crime and Corruption Reporting Project, International Consortium of Investigative Journalists, Global Investigative Journalism Network, Riseproject, Dossier, Front Line Defenders, Human Rights First, Restarting the Future, Index on Censorship

Staff

Executive Director: Tamás BODOKY

Finances and Project Management: Krisztina ZALA

Investigative Editors: Attila MONG, András BECKER

Staff Journalists: Antónia RÁDI, Ildikó KOVÁCS, Katalin ERDÉLYI, Botond CSEPREGI,

Brigitta CSIKÁSZ, Marietta LE, Gábor VÁGÓ

Video journalists: Áron HALÁSZ, Ákos BARANYA

Lawyers: Csaba TORDAI, Tibor SEPSI, Balázs TÓTH

IT Development: Ákos MARÓY

Awards: Breaking Borders Award – 2012, Global Voices and Google; European Citizen Prize – 2014, European Parliament; Freedom of Expression Award – 2015, Index on Censorship (UK); Theodor Heuss Medaille – 2015, Theodor-Heuss-Stiftung (DE)



Key People



Tamás Bodoky (Executive Director) is an investigative journalist based in Budapest, Hungary. Bodoky has been a journalist since 1996, before founding atlatszo.hu he worked at Index.hu for 9 years in different journalistic and editorial positions. Bodoky won the Gőbölyös Soma Prize for investigative journalism in 2008, the Iustitia Regnorum Fundamentum and the Hungarian Pulitzer Memorial Prize for his investigative articles and FOI lawsuits on corruption cases in 2010.

Bodoky holds an MSc in Agricultural Sciences and a PhD in Communication. Bodoky is a member of "The International Consortium of Investigative Journalists".



Krisztina Zala (Finances and Project Management) has an MA in Psychology at the Eötvös Loránd University and more than 15 years experience in content development projects. She worked as strategic director at Geomédia Publishing and iMTM Media, Secretary General at the Association of Hungarian Content Providers, Editor in Chief at Mindentudás Egyeteme Kht., project manager at National Audiovisual Archive of Hungary, and as project manager at various other companies including Invitel and Elmű. She's been working with atlatszo.hu since

2012, currently she is responsible for project management, finances and grant reporting.



Attila Mong (*Editor*) is an investigative journalist, reporter currently based in Berlin, Germany. Until April 2012 he was editor at Origo.hu, the biggest Hungarian newssite. Before that he worked for the Hungarian Public Radio as host of the daily 3-hour morning show (180 minutes). Between 2000-2009 he was the host of a daily evening political talkshow at a private newsradio Inforadio. Previously he was editor-in-chief of Manager Magazin, a Spiegel-owned business monthly (2005-2007), and also worked for various broadcast and print outlets in Hungary. Attila Mong is the author of a prize-winning book

on one of Hungary's greatest banking scandals, and beholder of various investigative journalism prizes (Pulitzer Memorial Prize 2004, Gőbölyös Soma prize 2003).



Ákos Maróy (Chief Technology Officer) is a member and founder of several non-profit and commercial initiatives. Maróy is a founder and CTO of EU Edge LLC, an outsourced software development company catering mainly to US customers from Budapest, Hungary, and Scarab Research, a company working with Artificial Intelligence methods to provide smart, personalized product recommendations for e-commerce sites. He is a member of the doubleNegatives Architecture (dNA) group,



Tokyo, Japan, working on the generative architecture project called Corpora. Maróy is a founder and former organizer of the Budapest New Technology Meetup, a monthly gathering of new-tech enthusiasts in Budapest, Hungary, and founder and vice president of the Open Standards Alliance, an organization that aims to promote interoperability in the IT industry.



Dr. Csaba Tordai (Attorney at Law) is a constitutional lawyer. After graduating from the ELTE Law School in 2003, he worked at the Ministry of Justice, becoming head of Department on Constitutional Law in 2005. He drafted the new Hungarian anti-discrimination law (2003), the act on electronic freedom of expression (2005), the amendment on establishing the Independent Police Complaints Board (2006) and the act establishing the Parliamentary Commissioner for Future Generations (2007). Between 2007 and 2010, he was state secretary, and then senior state secretary, on legal and

administrative affairs at the Prime Minister's Office. Since October 2010, he has been a practising attorney-at-law.

Legal Entities

Atlatszo.hu Nonprofit Ltd. (HU)

Atlatszo.hu Közhasznú Nonprofit Kft. (H-1084 Budapest, Déri Miksa u. 10.)

Registration no.: 01-09-963846

Owners: Tamás Bodoky (44%), Ákos Maróy (25,33%), Attila Mong (15,33%), Csaba Tordai

+ Tibor Sepsi + Csaba Gáli (15,33%)

Board of Supervisors: András Jóri, Gábor Polyák, Csaba Tordai

Executive Director: Tamás Bodoky

Raiffeisen Bank – SWIFT: UBRTHUHB – IBAN: HU04 1201 1265 0142 4900 0010 0007

Paypal: info@atlatszo.hu

Átlátszónet Foundation (HU)

Átlátszónet Alapítvány (H-1084 Budapest, Déri Miksa u. 10.)

Registration no.: 01-01-0011774 President of the Board: Tamás Bodoky

Members of the Board: András Jóri, Gábor Polyák

Raiffeisen Bank - SWIFT: UBRTHUHB - IBAN: HU78 1201 1265 0142 5189 0010 0001

Atlatszo.hu is a business name of atlatszo.hu Nonprofit Ltd., a non-profit organization registered in Hungary. Atlatszonet is a business name of Atlatszonet Foundation, a non-profit organization registered in Hungary.

Contact

Our email address is <u>info@atlatszo.hu</u>, and our postal address is H-1531 Budapest, Hungary, Pf. 54. <u>Subscribe to our English language newsletter</u>

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