**‘I’m the Church and therefore I’m not obliged to provide you information’ – budget funds on the diocese account that are beyond anyone’s control**

A religious organization is an organization that has been set up to carry out religious activities and that has been registered as such in accordance with the statutory procedure.

Under the Constitution, the legal entity of public law \_ the National Agency of Public Registry, operating under the jurisdiction of the Ministry of Justice of Georgia, is authorized to register as a legal entity any religious group having historic ties with Georgia or a religious group that is regarded as religion under the legislation of the Council of Europe member states.

South Caucasus Apostolic Administration of Latin Rite Catholics; Evangelical-Baptist Church; the Catholic Church of the Ascension of the Virgin Mary; Chief Rabbi of the Jews of Georgia; Jumah Mosque; the Spiritual Council of Yezidis; Georgian Muslims’ Union; the Armenian Catholic Church; Evangelical Faith Church; Seventh-day Adventist Church; Georgian Evangelical-Protestant Church; Holy Trinity Protestant Church; Georgian Evangelical Church; Word of Life Evangelical Church; Evangelical-Baptist Church ‘Madli’; The Salvation Army International charity organization; the Society of Krishna Consciousness; Evangelical Church Firm Foundation; the Society of Friends – Quakers; Swedenborgian Community in Georgia; Evangelical Church People of God; Tbilisi Scientology Church – that’s just a small list of those religious denominations that are carrying out their activity in Georgia. Their number exceeds 50.

However, it turns out that none of them have so far benefited from the local government budget’s rather comprehensive article -‘Facilitation of religious organizations’.

Guria region’s municipalities are no exclusion either. Chokhatauri, Lanchkhuti, Ozurgeti and Ozurgeti town municipality budgets provide funding only to the Orthodox Church and, moreover, it’s beyond any control…

The Shemokmedi Diocese Development Fund, founded by the Shemokmedi Diocese, was allocated GEL90,000 from Ozurgeti town municipality budget in the period from January 2015 through June 25, 2016.

Under the municipality administration’s resolution #45, dated December 26, 2014, GEL65,000, provided for in the 2015 budget, were intended for minor rehabilitation of churches operating in the town’s territory, as well for payment of Shemokmedi Diocese utility service costs and financing of various religious events.

Little has been changed in this regard in the 2016 budget. The municipality administration’s resolution #56, date December 30, 2015, specified that the allocated amount -GEL55,000 was intended to cover the operating and capital costs of the churches and monasteries functioning in the territory of the town, as well as Shemokmedi Diocese utility service costs (up to date, GEL25,000 out of the aforesaid amount have been consumed by the Diocese).

Funds are transferred on the basis of a subsidy contract, the subject of which is the Council’s resolution.

The contact reads as follows: ‘A provider (i.e. mayor’s office) shall transfer to a recipient’s corresponding bank account the amount not exceeding that specified in the contract, stage-by-stage, upon the recipient’s request; shall monitor the fulfillment of the contractual conditions.

A recipient (Shemokmedi Diocese Development Fund) shall: utilize the funds stipulated in the contract for the Fund’s activities, submit to the provider all documents necessary for allocation of the subsidy; regularly notify the provider on purposeful spending of the transferred subsidy funds.

The documents officially obtained by Guria News have revealed that Shemokmedi Diocese misused the funds allocated from Ozurgeti town municipality budget.

For example, various building materials were procured on the allocated funds for Chokhatauri and Lanchkhuti-based monasteries.

It is noteworthy that according to the invoices, 99% of building materials (gravel, cement, carbonic calcium gypsum, sand, sledge hammer etc.) were purchased in Tbilisi.

Despite the fact that the budget clearly spelled out, how the allocated funds should be spent, and specified that it should be used for rehabilitation of the churches and monasteries within the town area, the documents revealed that the Shemokmedi Diocese used the taxpayers’ funds for procurement of furniture and home appliances, and not only for the churches and monasteries located in the town area.

For example, GEL 80 worth carbonic calcium gypsum, GEL24 worth glue cement, GEL 850 worth wall boiler, GEL50 worth heater boiler tube; GEL 684 aluminum radiators, GEL27 worth radiator set, GEL80 worth radiator valves, GEL75 worth white dryer; GEL2,5 worth brass valve, GEL1 worth adapter and GEL9,2 worth pipes, 30 worth biller set, GEL5 worth valves; GEL64 worth conduit, GEL18 worth brass conduit, its mountings - GEL 7,8 worth and GEL 9,6 worth fiber packing were delivered on February 18, 2015, to the following address: 29 Balanchivadze (Khiliani) str. building 39, 12th floor, apt 75, Tbilisi.

Whereas on April 7, 2015, GEL1126,7 worth laminate; GEL20 worth studs; GEL190 worth skirtboard and GEL12,2 worth laminate flooring underlayment, procured on funds allocated from Ozurgeti town municipal budget, were delivered to #39 Balanchivadze street.

GEL177 worth toilet bowl; GEL85 worth tank; GEL90 worth soft close toilet seat and GEL47 worth washdown mechanism were delivered to the same address on April 26.

On April 27, a GEL1000 worth washing machine, bought on the budget funds, was delivered to Khiliani street.

The documents also show that GEL480 worth beds with mattress; GEL500 worth gas stove; GEL1,200 worth ventilation hood; GEL500 worth stove; GEL300 worth folding table; GEL 370 worth front and rear brake pads; GEL390 worth water radiator, were also delivered to the same address. As Guria News has found out, there is a 35sq.m. apartment, located in the residential building at the aforesaid address, which was bought in 2014 and is owned by some Ana Meparishvili.

GEL6,540 worth table with chairs is another costly purchase fixed in the documents.

According to the invoices issued on June 21, 2016, the Shemokmedi Diocese purchased 150 chairs and 24 tables in Kharagauli.

It should be noted that this is an exceptional case, when April 9 street in Ozurgeti town was indicated as a destination point for transportation of procured chairs and tables.

As we’ve already pointed out, under the budget, the allocated funds should be also spent on payment of Shemokmedi Diocese utility service bills. And the documents prove that they are spent so: the electric power costs totaled GEL3,836 in the period from January 1, 2015 till June 1, 2016.

As far as gas is concerned, Ozurgeti Mayor’s Office, which transfers funds to the Diocese, produced only one document.

SOCAR receipt, dated June 22, shows that the Diocese gas debt totaled GEL2,603 and only GEL206 of the aforesaid amount was paid in June.

Shemokmedi Metropolitan, Archbishop Joseph says, he is not obliged to provide us with information on how the budget funds were spent.

*“I am in no way obliged to provide you with information on what the administration transferred the money for. We have all corresponding documents. I’m the Church and I’m not obliged to tell the reporters what the funds are spent on. Ozurgeti Mayor’s office informed you on how those fund were spent, didn’t it? So, I can’t understand, what other questions do you have?” the archbishop told us.*

As he explained, those are the issues that should not be discussed with journalists:

“St. Nino residence is the only monastery in Ozurgeti town, where 30 people live. And there is also a cathedral in the town. So, I can’t understand, what you are trying to find out.” Our interest turned out to be unacceptable for the head of the Diocese.

*“We are trying to figure out, how the budget funds were spent…”*

*“I’m an archbishop and I don’t have either a salary or anything else. And I contribute to church everything that I have. 150 churches have been built in the Diocese and the town naturally couldn’t afford building them. I wonder, what have made you get interested in it?”*

*“We, the journalists, are always interested in how the budget funds are spent. It’s not the first time we are* *discussing it. We addressed you with the same questions a few years ago.”*

*“I understand that you are journalists, but I am the Church and I’m not obliged to provide you information.”*

*“We understand your position, but how would you explain the fact that you delivered things, purchased on the budget funds, to a private person?*

*“I didn’t deliver anything to a private person.”*

*“But the documents prove the contrary. Things were delivered to #29 Khiliani street, 12th floor, apartment #75. The apartment belongs to some Ana Meparishvili.*

*“I probably asked someone to buy them, first deliver to that address and then transport them here.”*

*“Too many items were delivered there, including beds, table, laminate, washing machine…”*

*“I don’t remember exactly. I might have tasked someone, he bought them and then I transported them here by my vehicle. I’ve got a big vehicle, a truck.”*

*“Are you saying that everything was delivered to a 35sq.m. apartment so as to be then transported to Ozurgeti by truck? And the washing machine was also taken up to the 12th floor for that reason?”*

*“Yes, I bought things in Tbilisi and then transported them here. And why are you making inquiries, tell me, if you are an investigator.”*

*“Who’s Ana Meparishvili, is she a church official?”*

*“That’s not your business.”*

“I see. And one more detail: why do you buy gravel, cement, sand and all that stuff in Tbilisi and then transport it at such a big distance?”

*“Sometimes I bought things here, sometimes there. I bought so many things that I didn’t even record many of them.”*

*“You have recently purchased 150 chairs and tables. What have you bought them for?*

*“That’s for the meetings that are conveyed at the residency.”*

*“Haven’t you bought these chairs and tables for the events hall that you’ve recently opened?*

*“I have many chairs here and there, and even more than that, so why are you interested in this information?! OK, check it out, and the God will check you too,” the Archbishop told us.*

Guria News tried to check the details with Anna Meparishvili, but the latter refused to discuss that issue with us.

As for the rest of Guria municipalities -Chokhatauri municipal council has transferred GEL9,600 to the Shemokmedi Diocese in the period from January 2015 until present. Extra GEL6 800 were transferred to the Diocese account in the same period for procurement of bread for the socially vulnerable population.

As it is pointed out in the contract, concluded between Chokhatauri municipality administration and the Shemokmedi Diocese Development Fund (represented by Archbishop Joseph), the funds are intended for rendering financial assistance to the churches and monasteries.

Although we requested all available costs-related documents, the municipality administration provided only certain part of 2016 documentation:

*“*We don’t keep all expenditure-related documents. Having received your letter, we requested the Diocese to provide us with documentation and they produced only part of it,” we were explained at Chokhatauri municipality administration.

Based on produced documentation, Archbishop Joseph transferred part of the funds intended for churches and monasteries to the parish school (the administration failed to produce any documents on how that portion of funds was spent). The parish school is also separately allocated fund from the municipal budget’s education promotion program: according to the official documents, the parish school received GEL15,450 in 2013-2016.

As for the funds that are allocated for procurement of bread for socially vulnerable people, according to the Chokhatauri municipality administration, the Diocese didn’t produce any corresponding expenditure records. Thus, it is unknown, from whom, when and how much bread was actually purchased.

The only document produced by the administration was a one-page list of beneficiaries, including their names and signature. So, it was impossible to figure out, when and what they received.

As for Lanchkhuti and Ozurgeti municipalities, they don’t possess any expenditure-related documents.

Judging by Lanchkhuti municipality administration’s letter, GEL 88,250 have been transferred to the Shemokmedi Diocese in the period from January 1, 2015 until present.

*“The Fiscal and Municipal Procurements Service of Lanchkhuti Municipality Administration would like to notify you that LEPL Shemokmedi Diocese Development Fund has been provided funding as part of allocations stipulated in Article 14 of Lanchkhuti Municipality Administration’s resolution # 47, dated December 29, 2015. Money transfers from the period of January till March 16, 2016, were carried out based on the municipality governor’s corresponding decrees; whereas from March 16, 2016 – based on the contact #4, dated 16.03.2016, and the LEPL Shemokmedi Diocese Development Fund’s corresponding letter,” Roland Lashkhia, the Chief of Fiscal Service of Lanchkhuti Municipality Administration, notified in his letter.*

According to the letter we received from Bukhuti Baramidze, a person in charge of issuance of public information in Lanchkhuti Municipality, the municipality doesn’t monitor transfer of funds and, consequently, it has neither the invoices nor the expenditure records:

*“Funds are written off on the basis of the delivery-acceptance act,”* wrote Baramidze, attaching a copy of the so-called delivery acceptance act, which bears only the Archbishop’s signature and which makes it impossible to figure out, whom the so-called delivery acceptance act was sent to.

Consequently, it’s hardly possible to find out, what exactly the budget funds were spent for. It looks as follows:

Year 2015: GEL 5,000 – for rehabilitation of Aketi church; GEL700-for the Shemokmedi Diocese Development Fund; GEL10,000 – again for the Shemokmedi Diocese Development Fund; GEL 8,000-for Aketi and Holy Mary nunnery; GEL8,650-for construction of Sameba-Jikheti Monastery; GEL1,500 – for the Shemokmedi Diocese Development Fund; GEL 2,000- for Grigoleti-based St. Gregory the Theologian monastery; GEL600- for Shukhuti church in connection with the Giorgoba holiday.

Year 2016: GEL10,000 - for homeless children; GEL5,000 – for Grigoleti-based St. Gregory the Theologian Monastery; GEL5,000 – for Aketi the Savior Cathedral, for procurement of building materials; GEL5,000 – for Nigvziani-based nunnery and construction of the local residency; GEL10,000- for Jikheti nunnery. The most recent transfer of GEL 10,000 was done on June 14, without indicating the transfer purpose.

According to Zaza Urushadze, the head of Lanchkhuti municipality administration, they don’t have right to demand from the Diocese to produce the cost records:

*“I discussed it with our lawyer and he said, we are not entitled to demand from the Diocese to provide information on how our subsidy funds have been spent. According to the lawyer,* *even if they provide us with such information, we cannot disclose it to you, since it is a confidential information that includes the bank essentials, particular names and surnames. I’m relying on our lawyer and I’m telling you what I’ve been told,”* Urushadze noted.

As it turns out from the letter that we received from Khatuna Surguladze, the Head of Administrative Service of Ozurgeti Municipality Administration, ‘GEL40,000 were envisaged in the 2015 budget for facilitation of religious organizations. The aforesaid funds were spent as follows: GEL*20,300 – repair works and gasification of Shemokmedi nunnery; GEL10,000 – construction of the monastic cells in Gomi village; GEL 8,200-ongoing rehabilitation of Bokhvauri St. Sophia Cathedral; GEL1,481-reconstruction of the Pentecost cathedral chapel in Daba Laituri. The expenses totaled GEL39,981,” Surguladze’s letter reads.*

It should be noted that despite our request, Ozurgeti municipality administration didn’t provide the 2016 expenditure figures either. The only thing it produced was a contract concluded on May 3, 2016, which clearly stated as follows: ‘*A provider shall monitor the fulfillment of contractual conditions.”* However, the conditions aren’t specified in the contract.

On the other hand, it clearly spells out the Diocese’ obligations, namely: to receive a subsidy (it amounted to GEL55,000 in 2016), the recipient shall submit to the provider the comprehensive documentation; regularly notify the provider on purposeful spending of the transferred subsidy funds.”

Despite the aforesaid, it turns out that Ozurgeti municipality administration doesn’t monitors the expenses, nor does its fiscal service keep any documents attesting that allocated funds were spent for intended purposes:

*“We aren’t obliged to do it,” explains Gia Mamakaishvili, the Head of Fiscal Service*.

We asked the municipality to specify a provision of the law or the decree, under which they are not obliged to keep documentation or request it from the diocese, however we haven’t received any answer to our question yet.

Tamaz Trapaidze, the head of Ozurgeti Office of the Georgian Young Lawyers Association (GYLA), told us that the municipalities bear responsibility for inappropriate use of funds allocated to the diocese.

*“Mr. Tamaz, how justifiable is it to spend the budget funds intended for one municipality on some other municipality?*

*“The local self-government bodies have been set up to address the issues of local importance. Thus, the funds allocated to those bodies should be spent solely on the projects implemented in the territory of this particular municipality. As it turns out from the contract you’ve produced, this condition has been stipulated in the Ozurgeti town, Ozurgeti and Chokhatauri municipality contacts.”*

*“But it hasn’t been stipulated in Lanchkhuti municipality contract.”*

*“To put it mildly, in this case the contact has a drawback.”*

*“Lanchkhuti municipality lawyer says, they have no right to demand from the LEPL Shemokmedi Diocese Development Fund to produce budget fund expenditure records. Is it really so?”*

*“According to the Budget Code of Georgia, a corresponding local government executive body is in charge of budget drafting, execution and reporting for a particular local self-government entity, whereas a corresponding local government representative body is authorities to consider and approve a draft budget, as well as exercise control over the budget.*

*Thus, municipality administration is responsible for purposeful spending of each tetri from the local government budget, whereas the municipal council is in charge of control of the aforesaid process. The executive body should ensure appropriate management of all expenses. In this particular case, a contract should have been concluded that would clearly spell out the obligations of another party, that, in turn, would have ensured purposeful spending of the budget funds.”*

*“Ozurgeti town, Ozurgeti and Chokhatauri municipalities have been set such conditions, but none of them comply with it…”*

*“If a party to the contact violates the contractual conditions, another party is entitled to exercise powers vested under this contract and the legislation in effect.”*

*“Who bears responsibility for inappropriate spending of budget funds in this case?*

*“It’s again the local self-government. It is responsible for that and it should ensure appropriate spending of the budget funds. In case of exposure of any violations, it should duly eliminate them and execute relevant sanctions,”* Trapaidze told us.