

SAZAS: € 100 million in revenue and "secret" transactions.

Will the law succeed in exposing Zupan's hideaways?

Up to 8 years in prison could await SAZAS executives if prosecutors succeed in proving abuse of office, embezzlement and misappropriation of foreign assets and money laundering. But the evidence will only be collected if the Collective Enforcement of Copyright and Related Rights Act (CEACR) is adopted. Why? Because SAZAS has outsourced all its transactions to Stroka Ltd. And because Stroka is a private company, the office that oversees SAZAS' operations is not allowed to look into the "bypass" company. Similarly, authors who are members of SAZAS cannot access Stroka's data.

22.06.2016

By: The Editorial Board



Archive Photo: Portal PLUS

If, by adopting the Collective Management of Copyright and Related Rights Act, MPs do not put an end to the intimidation of authors and users by the privileged managers of collecting societies, they will only confirm indirectly that politics is on the side of corrupt individuals.

Although the CEO of Stroka has publicly admitted to remitting money to the Chairman of SAZAS, no one can see how much Stroka has actually paid out to Matjaž Zupan. SAZAS has thus outsourced its business to a company that is not subject to oversight. However, the new Collective Enforcement of Copyright and Related Rights Act stipulates in Article 17 that even such a so-called "bypass" company will henceforth be subject to the same oversight as SAZAS. Because of this "danger", according to our information, SAZAS managers have decided that the law must not be passed under any circumstances. Let's see what exactly is contained in this legal provision that the leadership of this association is so afraid of (because all their financial transactions will become subject to disclosure):

17. člen (zunanji izvajalec)

- (1) Zunanji izvajalec iz tretjega odstavka prejšnjega člena, ki ni druga kolektivna organizacija, mora biti pod nadzorom kolektivne organizacije.
- (2) Pogodba z zunanjim izvajalcem mora vsebovati naloge, ki jih kolektivna organizacija prenaša na zunanjega izvajalca. Pogodba in njena sprememba začne veljati, ko jo potrdi skupščina kolektivne organizacije z večino najmanj treh četrtin na skupščini navzočih glasovalnih pravic. O odpovedi pogodbe z zunanjim izvajalcem odloča poslovodstvo.
- (3) Kolektivna organizacija mora o sklenitvi, spremembi in odpovedi pogodbe z zunanjim izvajalcem v štirinajstih dneh od njene uveljavitve obvestiti pristojni organ.
- (4) Za zunanjega izvajalca se smiselno uporabljajo določbe tega zakona o nadzoru kolektivnih organizacij.

Article 17 of the draft Collective Enforcement of Copyright and Related Rights Act (2016)

Slovenia receives a warning from Brussels over SAZAS

In the coming days and weeks, the members of the National Assembly will therefore be dealing with the Act on Collective Management of Copyright and Related Rights (ZKUASP). The Act transposes a European directive into Slovenian law.

Slovenia should have done this by April this year, but because it did not do so, it received a warning from the European Commission. As the Ministry of Economic Development and Technology points out, the law broadly pursues 3 objectives:

- Increasing the involvement of members of collective organisations in key decisions,
- Greater transparency in the functioning of collecting societies; and
- More effective supervision of the activities of collecting societies and users of copyright works.

Given that all previous attempts to amend the Copyright and Related Rights Act and to implement the European Directive have failed due to pressure from collecting societies, in particular SAZAS, we set out below the reasons why this law, which is now abbreviated as the ZKUASP, should now be adopted.

The media dogs are barking and the SAZAS caravan is moving on

The controversial activities of SAZAS have been reported for years by virtually all the country's established media. The notorious association has been the subject of constant scrutiny by the Intellectual Property Office (URSIL), the Competition Authority (AVK) and the police, but things are not moving, and the controversial chairman, Matjaž Zupan, and his associates remain firmly at the helm of the association. Will this time be any different?

The reasons why we consider the adoption of this law necessary and salutary:

1. Is SAZAS a State within the State? The directors of the Intellectual Property Office, which is supposed to oversee collecting societies, are resigning one by one.

"And collecting societies are a key infrastructure in this area. They should act as an effective economic intermediary, collecting royalties from users and redistributing them on behalf of and on behalf of authors. In our case, they are becoming states within the state."

These were the words with which Vesna Stanković Juričić bid farewell last March to her position as Director of the Intellectual Property Office, which oversees the activities of collecting societies. The term of office of the Director of the Office is five years, during which time four people have been replaced due to pressure from collecting societies. This was reported by Dnevnik, which you can read here.

2. The "untouchable elite" of SAZAS: The headline is from the weekly Mladina. The segregation of SAZAS members into important and unimportant ones is plain for all to see. This is also the basis for determining the rights (votes) that members of the association have. Among the more important and influential members is the musician Gal Gyurin, who, according to our information, is leading various SAZAS battles, including the current one against the adoption of the Law on Collective Management of Copyright and Related Rights. The SAZAS management, or rather the SAZAS elite, also maintain their long-standing existence through manipulation, as described with a great deal of irony in the weekly Mladina (source).

3. Intimidation and espionage with the money of the authors and with the help of former SOVA employees? (Pop TV, 24ur): The SAZAS management also protects itself by hiring former SOVA employees and by controlling and intimidating representatives of the bodies that should exercise control over collective organisations. Jurij Žurej, former Director of the Intellectual Property Office, experienced this first-hand. This was reported on 24ur a few years ago (source).

4. Do the leaders of SAZAS feel untouchable because of their good connections in the police, wondered the Siol web portal: *"Some indications suggest that SAZAS has good connections in the police. This is suggested by the story of the detective who followed the SAZAS executives."* These were the words with which the journalists of Siol.net started their article in April this year. You can read more at this link.

5. Criminal investigations into Zupan and an external contractor on suspicion of money laundering and abuse of position (Siol web portal): SAZAS hires an external company for administrative and technical services, into whose operations the ordinary members (authors) have no insight. The same external company makes payments for "consultancy services" to SAZAS management or its privileged associates, which was also investigated last year by criminal investigators. *"We can confirm that the Ljubljana Public Prosecutor has not yet concluded the pre-trial proceedings concerning suspicions of officially prosecutable offences of abuse of office in connection with the December investigations,"* Nataša Pučko, spokeswoman for public relations at PU Ljubljana, told us a few days ago. The December investigation was also reported by Siol.net here.

6. Attacks on and harassment of journalists (Delo newspaper); SAZAS also intimidates and pressurises critical journalists through legal proceedings, which is why today practically no one reports on the activities of this collective organisation anymore. Delo also wrote about this, link here.

7. SAZAS paid half a million Euros in consultancy fees instead of to the authors (daily Finance.si);

SAZAS paid out € 492,855 in consultancy fees in 2010. It is not known who received this money. The association, which has no employees, spends around €3 million a year on operating costs. Where this money goes is also unknown. The hiding places of the SAZAS management were reported by Finance not long ago (source).

8. Economic mismanagement: while owning an empty villa in Ljubljana, SAZAS pays more than 10 thousand euros in rent in Trzin (Dnevnik); True, SAZAS owns a villa on Tržaška cesta in Ljubljana, but in recent years it has been paying rent of more than 10 thousand euros for office space in Trzin. Although SAZAS has no employees and owns the villa, it recently bought the premises in Trzin. The 24th Ordinary General Assembly of SAZAS will take place on 30 June at the Austria Trend Hotel Ljubljana. You can read how the privileged members of SAZAS (in this case Zoran Predin) consider the property that is supposed to belong to all the members of the association in this article published by Dnevnik.



While SAZAS' villa on Tržaška cesta in Ljubljana is falling into disrepair, SAZAS is renting and buying expensive new office premises. PHOTO: Portal PLUS

9. "Inflating" travel costs with as many as eight trips a day between Ljubljana and Kranj or vice versa?

Even a document from as far back as 2006 proves that something is very wrong. It concerns the travel and allowance accounts of Matjaž Zupan. As the document contained personal payments made by Matjaž Zupan, we had to take it offline due to a lawsuit brought by SAZAS and Zupan. However, it is precisely by claiming that this is personal data that SAZAS and Zupan have confirmed that it is also very accurate. For more on how SAZAS' main man paid himself almost 700,000 SIT a month at the time, through travel expenses and what we estimate to be fictitious meetings, see this article.

