

## 80 FORMER CHIEF STATISTICIANS CONDEMN PROSECUTION OF ANDREAS GEORGIU



**Andreas Georgiou**

Photo Credit: Illustration by Denise Nestor for POLITICO ([www.politico.eu](http://www.politico.eu)).

The Greek Supreme Court, in a decision issued on May 18, annulled the earlier acquittal by the Council of the high-level Appeals Court of Andreas Georgiou (former President of the Hellenic Statistical Authority, ELSTAT) and two of his colleagues on the alleged felony charge of artificially inflating the 2009 Greek fiscal debt and deficit figures, thereby causing damage amounting to €171 billion to the Greek economy. This is the second time that an acquittal order by the Council of the Appeals Court has been overturned and follows the rejection of two earlier proposals for acquittal by competent prosecutors and investigating judges, who were assigned to examine the charges in detail.

These decisions of the Greek Supreme Court have been greeted with mounting concern and outrage by the official statistical community as the figures at issue, and their underlying methodology, have been repeatedly validated as meeting the highest European and international statistical standards. **The latest manifestation of this concern is an unprecedented public statement signed by around 80 former heads of national and international statistical agencies, who between them have an unrivalled knowledge and experience of the proper production of official statistics throughout the world. The statement can be found on the website of the International Association for Official Statistics ([www.iaos-isi.org](http://www.iaos-isi.org)).**

Aside from statistical considerations, the Court ruling may cause difficulties for the Greek authorities because it throws doubt on the validity of the official public debt figures that have been used by them to justify the hundreds of billions of euros in loans they have received from the Eurozone Member States, the European Central Bank, the IMF and other lenders, and continue to be used for final disbursements.

Furthermore, it may also be relevant to any bond issue, or other market access arrangements, adopted by the Greek Government. We all hope Greece will do well in accessing the markets both in terms of fully and reliably meeting its borrowing needs and doing so at a relatively low and affordable interest rate. However, one cannot but note that the continuing prosecutions of official statisticians for producing the statistics on the Greek economy that are relied on by the markets in their work must increase the risk perceived by investors and ultimately increase the cost of borrowing. To provide transparency to potential investors, it is therefore essential that the Greek Government makes a public and unambiguous statement confirming its full acceptance of the reliability of the 2009 public debt and deficit statistics, produced by Andreas Georgiou and his colleagues in ELSTAT in 2010, using a methodology that continues to be used to this day by official statisticians in Greece for accurately and independently monitoring developments in the Greek economy.

The unfortunate victims of this long running saga are Andreas Georgiou and two of his former colleagues. They are to be tried for a third time for falsifying figures even though these figures have been repeatedly validated by Eurostat and compiled in accordance with international standards. The potential penalty for this alleged crime is life imprisonment.

In a related decision, the Supreme Court has also recently rendered irreversible the conviction of Georgiou in August 2017 by the Appeals Court on the misdemeanour charge of not putting the disputed deficit figures to the then Board of ELSTAT for approval prior to public release. A two-year suspended prison sentence was imposed for this conviction. In his defence, Andreas Georgiou argued that he was following, in full, the procedures set down in the European Statistics Code of Practice for ensuring that statistics are produced in a professionally independent manner. The Appeals Court rejected this defence on the basis of its own analysis of the relevant provision (indicator 1.4) of the Code which, however, conflicts severely with the intention of the drafters of the Code and its interpretation throughout the EU. In reaching its decision the Supreme Court would now appear to be confirming the flawed analysis of the Appeals Court. This has serious consequences for the integrity and independence of official statistics in Greece, and indeed in the EU, and should be addressed by the relevant Greek and EU authorities without delay as a matter of the utmost importance.

Commentators are increasingly stating openly that political factors are driving this prolonged prosecution of Andreas Georgiou to serve interests of political forces within Greece and that it will be maintained until the “right” decision is achieved. Such perceptions are very damaging for the Greek judicial system and for Greece in general, its democracy and its hoped for economic recovery.

*Information on the public statement, or on this covering note, may be obtained from the following:*

Gerry O’Hanlon ([gohanlon2@gmail.com](mailto:gohanlon2@gmail.com))

Stephen Penneck ([stephen.penneck@gmail.com](mailto:stephen.penneck@gmail.com))

Hallgrimur Snorrason ([hallgr@snorrason.net](mailto:hallgr@snorrason.net))

Dennis Trewin ([dennistrewin@grapevine.net.au](mailto:dennistrewin@grapevine.net.au))

18 June 2018