Ex-FinMin cleared of all charges

Court finds Gikas Hardouvelis not guilty over late submission of 'pothen esches' report

EPA

ECB chief Mario Draghi (left) and Greece's then finance minister Gikas Hardouvelis (r) ahead of a Eurogroup in June 2014.

The Greek Court of Misdemeanors on Monday unanimously proclaimed Gikas Hardouvelis innocent of all charges regarding the late submission of his provenance of wealth report (known as "pothen esches") for the years 2012 and 2013.

Hardouvelis was finance minister in 2014 before the current SYRIZA-Independent Greeks (ANEL) coalition government rose to power, and had already filed a wealth report for the year 2014. The charges, however, referred to an earlier period, when he served as a government adviser for a period of five months.

The prosecutor suggested that no crime had been committed, as the former minister had already been audited both by Parliament's internal auditors and the tax authority's inspectors, and was found entirely blameless. The three judges agreed with the prosecutor's proposal and unanimously voted to drop all charges.

There is some ambiguity in the Greek legislation regarding whether prime ministerial advisers are obliged to file a wealth report. Moreover, in Hardouvelis's case, the charges were essentially technical in nature as they pertained to the state of the report's filing rather than its content.

The charges pertained to the period during which Hardouvelis served as chief economic adviser to Lucas Papademos, the technocratic prime minister who achieved the first Greek debt haircut, the so-called PSI, and the second large loan tranche to Greece for the period 2012-14.

Papademos was the victim of a letter bomb attack three weeks ago, which he survived with serious injuries, and is presently recovering in a Greek hospital. Similarly, Hardouvelis was targeted by terrorists last March, when his name appeared as one of the senders of eight similar letter bombs, which the Greek police successfully intercepted.

Hardouvelis is well known to the Greek public today, thanks to the so called "Hardouvelis e-mail," which summarizes a set of fiscal measures the Greek government had agreed with its European partners back in late 2014. Those fiscal measures were worth less than a billion euros, whereas the current government, over the last two-and-a-half years, has adopted measures that are nine times higher.

Back in 2014, both the fiscal and the current account were in balance and the economy was recovering fast. The government had already issued three- and five-year bonds in the market at reasonable interest rates.

The banks were recapitalized with private funds and had passed the European-wide AQR and stress tests of the Single Supervisory Mechanism with no need for additional capital. Economic sentiment was rising. The future looked bright.

All this changed with the coming of the new SYRIZA-ANEL government in 2015. Naturally, Hardouvelis became a sore point for the government and subsequently faced a political witch-hunt.

The new alternate minister of justice, Panayiotis Nikoloudis, had filed a report in the Greek Parliament on January 20, 2015 – that is approximately one week before the national elections and one week prior to his ministerial appointment – while he was still the head of Greece's major anti-corruption unit.

The report incorrectly claimed that Hardouvelis's income did not justify the funds he transferred between his domestic and international accounts in the years 2011 and 2012. This was proven by an exhaustive audit by the Greek Parliament, which exonerated Hardouvelis.

Parliament's internal auditors went through a net worth analysis exercise of his accounts and his tax returns for a number of year back. And they finally issued a clean report in April 2016.

Subsequently, the SYRIZA-ANEL-dominated Parliament still pursued Hardouvelis for a technical reason: The late filing of his wealth report for the years 2012 and 2013. This is when the Greek justice system took over and unanimously acquitted him on Monday.