

Your very personal guide to the UD Zrt. recording affair

With the release and rapid removal from the internet of further recordings related to the UD Zrt. affair, the scandal that erupted two years ago came back into the limelight. Plots, secret recordings, intra-party rivalries turning nasty, extortion – in addition to implicating in various ways actors from three of the pre-2010 established parties, this scandal is a veritable goldmine of reprehensible and potentially criminal acts. Without taking a position on the question of legal culpability, we will try to shed light on the issues at hand and ascertain who did what and why.

Political and financial scandals in Hungary often assume such mind-boggling complexity that it takes years to get at the root of them and, unless one is a bit of a fanatic, the average citizen is prone to not understand or misunderstand the issues – just like with some soap operas missing key episodes could make the entire series unintelligible. That suits most everyone involved just fine.

Before evaluating the political implications of the UD Zrt. affair, we will undertake a brief review of what actually appears to have happened. We won't use the word "allegedly" in every sentence, but you should take it as implied.

Small party, potentially big impact

The story begins with various attempts to gain control of the Hungarian Democratic Forum (MDF), the small centre-right party led by Ibolya Dávid at that time. While it may not seem significant now, for several years MDF was considered an important political asset both because of its name and history – it emerged as the strongest right-wing party after regime transition – and its position as a force that appeared to stake out a fairly solid moderate stance slightly to the left of Fidesz. Owing to the latter, it appeared that to gain power, Fidesz would certainly need the few percent of solid voters that constituted MDF's base of support.

Since until 2010 in most Hungarian elections the difference between the total of left and rightwing parties was a mere few percentage points, it was logical for Fidesz to think that it had to make sure that MDF – which had taken a strong anti-Orbán stance in 2006 –, with its likely hold over the key votes necessary for a right-wing victory, came back into the fold.

Dávid versus young gun

Over the years, MDF chair Ibolya Dávid had fought off various challenges to her leadership, and usually the subject of the conflict was how close MDF should be to Fidesz. Those

defeated by Dávid often switched to Fidesz, which was a logical step in light of the fact that they had wanted a party with closer ties to the leading rightwing force to begin with.

In 2008, Dávid's theretofore loyal young lieutenant, Kornél Almássy intended to challenge Dávid for the party leadership position, with a similar position to that of previously failed challengers. Dávid, already the subject of massive personal attacks from the right, was by this point somewhat paranoid and not entirely confident that she could prevail – or prevail to the necessary degree that would leave her in a strong position to lead the party. Just as many in and outside the party, she also suspected that Almássy was not entirely his own man but guided by substantial forces who sought to subjugate the MDF, that is Fidesz and its allies.

Heavyweights zoom in on MDF

Enter into the fray the country's most powerful businessman, the CEO of Hungary's largest bank, Sándor Csányi, and UD Zrt., a private security company with close ties to Fidesz and home to several former influential leaders of the state security apparatus. A phone conversation between UD Zrt. chief János Tóth and Csányi, recorded by the State Security Agency (NBH), revealed that there was an intention to collect damaging information against Dávid and to help Almássy replace her. Supposedly the latter was aware of and involved in this plot.

In the next step, Dávid received a recording of this conversation in the mail and – together with MDF parliamentary leader and Dávid-loyalist Károly Herényi – decided to blackmail Almássy to withdraw from the race and resign from his positions. Almássy complied but subsequently fought back bringing the whole sorry affair out in the open. Now some of those involved have been charged with crimes, specifically Dávid and Herényi with the abuse of personal data and extortion, and György Szilvássy, who was the minister in charge of the secret services at the time and was also a staunch Gyurcsány ally, with the abuse of personal data.

Bad ideas galore

Nobody emerged from this affair unsoiled, that much is obvious. Whether the distribution of criminal charges is entirely fair is an altogether different question – and also a legal one that we cannot assess. Politically speaking, Dávid clearly made an awful choice when she decided to settle the affair quietly. If she felt she needed to use the material against Almássy, it would have been wiser to leak it to the press in the hope that its publication would be enough to paint him as a Fidesz plant, which is what she essentially accused him of being.

We can only speculate why she chose a different route. The most reasonable explanation may have been her attempt to keep Csányi out of the affair. One of the few things most

political actors on both sides of the political aisle can agree on is a massive fear of Csányi and his far-reaching influence.

Security services are a touchy subject in a new democracy

As far as the recording itself and its leaking to Dávid is concerned, the issue is more complex. Though it is clear that he had a strong political motive for releasing the recording – at this point Gyurcsány's minority government was hanging on by a thread, and the MDF's parliamentary faction was an important factor in every parliamentary vote – we do not know whether there is any evidence for Szilvásy actually being behind Dávid's receipt of the disc.

What is beyond doubt is that as the minister in charge of the secret services at the time he bears political responsibility for both the making and the release of the recording. It is highly dubious whether the secret services were rightfully in the business of eavesdropping on the political plotters, but there is little doubt that unless the material becomes the subject of a criminal investigation, secret service information gathering should not be used in political battles.

Partial transparency

At the same time, the question that appears to have dropped out of focus is whether UD Zrt. with its staff of highly skilled former state security personnel is entitled to even contemplate participation in the smearing of a political leader, and also whether the firm operates what some on the left argued amounts to a shadow secret service, which would appear to be illegal even to a (legally) layperson.

Fidesz's reputation appears to have suffered the least, with two of its leading politicians, speaker of parliament László Kövér and Ervin Demeter – who under Fidesz both served as predecessors to Szilvásy – bringing home a clear legal victory against Szilvásy, who had claimed that they were implicated in operating a shadow secret service whose executive arm was UD Zrt.

Nevertheless, while the liability of Dávid, Herényi, Szilvásy is the subject of a criminal investigation, very little is known about the actions and motivations of those who set events in motion by seeking to oust Dávid. Their actions may well have been within the legal boundaries, but in a democracy it is odd that while there is evidence suggesting that the country's most powerful businessman and one of its most influential private security firms dabble in politics with means that are at the very least ethically assailable, the press does not seem inclined to take the issue further.

New recordings reinforce suspicions

The further recordings released now by an anonymous source raise these and related questions anew. Some of the discussions between Csányi and the top manager of Hungary's energy giant MOL, Zsolt Hernádi, on the one hand, and UD Zrt. boss Tóth on the other, reinforce the suspicion that their level of political involvement is considerably greater than they publicly let on, and that their political activities appear geared towards weakening MSZP (though for all we know that may very well have been the result of their disappointment with the previous government's performance and potentially their desire to strengthen their standing with Fidesz).

Though, we do not know whether the recordings on Youtube are manipulated or not, it appears that not only were there strong ties between these powerful business players and the influential rightwing private security firm, but that these extended to activities that reinforce ethical concerns about these ties and the actions they engendered, such as the obtainment of a caller list for a businessman or the observation of another politician. At one point someone laments having failed to obtain a recording of an MSZP gathering. One online source says that the file numbers of the recordings suggest that there are a lot more where these came from. That is clearly a veiled threat against both UD Zrt. and the other persons involved.

The swift and thorough removal of the recordings may of course very well hint that the contents of the removed and unpublished recordings are much worse than they really are. But if that is the case, then for the protagonists this is a price they have to pay now for containing the spread of information about their odd phone calls. The motivation of the person leaking the recording may be money or political revenge, but either way: as of now the recordings have not been able to generate a major scandal. But they were certainly apt to fuel speculations about the contents of the many missing recordings.