1. **Basic Information**

1.1. **Desiree Number** CZ00-07-03
    **Twinning Number** CZ2000/IB/JH/02

1.2. **Title** Strengthening Actions Against Proceeds from Money Laundering

1.3. **Sector** Justice and Home Affairs

1.4. **Location** Ministries of Finance, Interior, Justice, Czech Republic

2. **Objectives**

2.1. **Wider Objective**
- To consolidate a functioning democratic system, including respect for the rule of law.
- To strengthen the institutional and regulatory capacity to implement the *acquis*

2.2. **Immediate Objective**
- Development of efficient legal, institutional and technical framework for combating money laundering in line with the EU legislation and practice, leading to a higher rate of successful prosecution.

2.3. **Accession Partnership / NPAA Priority**

The Accession Partnership (December 1999) highlights the following priorities:
- Implementation of policy on organised crime, corruption and economic crime (legislation, implementing structures, sufficient qualified staff and better co-operation between institutions); strengthen capacities to deal with money laundering.

The NPAA (May 1999) highlights the following priorities:
- Implementation of the Council of Europe's recommendations in the area of fighting money laundering,
- Implementation of the Council of Europe's Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (No. 141),
- Implementation of The forty recommendations of Financial Action Task Force on money laundering (FATF is an inter-governmental body whose purpose is the development and promotion of policies to combat money laundering and proceeds from crime, currently consists from 26 countries and 2 international organisations - one of them is European Commission),
- Implementation of Council of Europe's Directive on prevention of the use of the financial system for the purpose of money laundering (91/308/EEC),
- Adoption and implementation of the corresponding measures to make anti money laundering procedures more effective.

(A high level of inter-authority co-operation both at the national and international levels is vital if the fight against economic crime is to succeed. Therefore, apart from specific national concepts and measures, also the international aspects and practice applied in EU and other countries adhering to the FATF activities will have to be followed.)

3. **Description**

3.1. **Background / Justification**

Criminal act of assistance in legalisation of proceeds from criminal activities is treated in the article 251 and 251a of the Penal Code, which was amended on September 1st 1995.
The Czech anti money-laundering legislation was introduced in 1996, when the Act No. 61/1996, Concerning Some Measures Against Legalisation of Proceeds from Criminal Activity and Amending Legislation Related Thereto. The Decree of Ministry of Finance No. 183/1996, on the Notification Obligation to Be Fulfilled by Financial Institutions, also came to the effect.

The legislation is not sufficient, only several cases of money laundering have been prosecuted till today. The first problem is in the Penal Code - the article 251 (who covers the real origin of proceeds from crime committed by another offender will be punished...) and 251a (who allows to cover the real origin of proceeds from crime committed by another offender will be punished...). It means that it is always necessary to prove the predicative offence, the connection between it and the proceeds from it, and so-called qualified knowledge of laundering offender about the predicative crime. But the laundering offender can not be included into the predicative offence in any way. If he is the offender, the co-offender or the co-conspirator, he can not be prosecuted for money laundering. The maximum punishments for money laundering are significantly lower then for example punishment for financial or tax fraud. It is not possible to count several punishments together, that is why the investigation is usually focussed on the most serious crime. The second and even bigger problem is complexity of investigation of money laundering. The cases need extremely large analysis of financial records, flows of money, flows of events, structures of organisations included into fraud and money laundering schemes, background and connections of all included persons etc. To work on similar cases without adequate analytical tools, without sufficient technical possibilities to collect, proceed and transmit relevant data or without computer equipment is nowadays practically impossible.

Anti money-laundering legislation was amended in 1999 in order to bring it in line with the legislation of EC. The legislation is supposed to be revised by 1/1/2002, in the connection with the new EC Directive on Money-Laundering. It will be focussed on the abolition of anonymous accounts, deposit passbooks for anonymous holders and shares for anonymous holders.

The project will take into account and follow the Action Plan for Financial Services extending the coverage of the current Directive 91/308/EEC.

The biggest deficits currently preventing the Czech Republic to combat money laundering more effectively are lacks of modern technology (both computers and special analytical software), underestimating of white collar crime and not sufficient experience in large financial investigation.

3.2. Linked Activities

Phare assistance was channelled through various projects, which among others led to the increased operational capability of Financial Analytical Unit (FAU) of Ministry of Finance (project CZ9302.07.01) and other relevant bodies. Currently the project „Action against proceeds from criminal activity„ is being implemented for the FAU (CZ9703.01.02.05.11).

Several of related projects started under Programme 1998 where the main beneficiaries are law enforcement bodies within Ministry of Interior and Ministry of Justice.

The twinning Phare project CZ9810-02 will establish special centre for training of criminal intelligence analysis and I2 system, include training of Czech instructors. Phare will provide the hardware, special software and training (0.135 MEUR); the Police of the Czech Republic (PCR) will provide facility, other equipment, instructors, accommodation and transport (0.12 MEUR).

These activities will continue in twinning project CZ9904-01. The project will provide the most important law enforcement and financial institutions on central level and the PCR on regional level with I2 system, which will create conditions for these institutions to familiarise with the new analytical tools allowing more efficient investigation and prosecution of complicated cases. Phare will provide servers for PCR central analytical system, I2 system for 35 units or agencies of the law enforcement and state administration, hardware for encryption, hardware and special judiciary software for state prosecutor offices on regional level (0.4 MEUR). PCR will provide facilities,
computers, other equipment, communications etc. (0.25 MEUR). Instructors trained in Programme 1998 will train specialists and analysts from all involved institutions, all expenses will be covered by Czech side. The project was designed within the given budget to provide just the most important points in all law enforcement bodies with specialised software and hardware for encrypted data transmission, include computers for State prosecutor offices and servers for Central analytical system of the Police. The district level was not mentioned, but it is the basic level where police investigation and prosecution is conducted. There is a basic principle in the Czech legal frame that a crime must be prosecuted where it was committed, it means on district level, even when the district prosecutor is located in regional town. The regional prosecutor is supervising subordinate district offices, dealing with cases covering wider area or appeal cases.

(Note: The I2 system is the best analytical tool for criminal analysis, which allows to analyse huge amounts of information and to visualise them. This system is recommended by Interpol, Europol and Eurojust. The abbreviation I2 comes from the main motto of the system - from Information to Imagination. The outputs of the system are flow charts simply explaining what happened, schemes of organisations, relations between people in cases, flows of money, sequence of events, telephone connections, property connections etc.).

Besides the Phare the Czech law enforcement authorities responsible for combating financial crime participate in Multi Country Project on Drugs (sub-project Money Laundering).

The project will address the recommendations made by the OCTOPUS programme (experts report).

3.3. Results / Outputs

The Outputs to be delivered and Guaranteed Results to be achieved via this Project (building on the Outputs/Recommendations of the CZ 9810-02 and CZ 9904-01 activities), include:

- Legislative amendments and implementation procedures improving the conditions for investigation and prosecution of money laundering,
- Legislative amendments and implementation procedures allowing the efficient seizure and confiscation of the proceeds from crime,
- Inter-ministerial, inter-agency co-ordination, co-operation and reporting structures and procedures reviewed and reinforced,
- Building on earlier training initiatives (CZ 9810-02), expansion of staff training programmes to cover all resorts, focused on improving analytical and investigative skills and understanding, for policy-makers/lawyers, investigators, prosecutors, judges etc.,
- Better crime prevention mechanisms and higher standards of investigation and prosecution of financial criminal activities, money-laundering and the proceeds from crime,
- Strengthened criminal data collection and their analysis, establishing standards for technical co-operation, exchange of information and financial data between relevant financial institutions and law enforcement bodies in CR and globally,
- Higher technical level of equipment procured and installed: encryption of transmitted data and special software for primarily offices at District level (86) in charge of collecting, processing, evaluation and analysis of data concerning the investigation of criminal financial activities etc., plus special judiciary software for State Prosecutor Offices on district level and central analytical systems;
- Implement the Action Plan for Financial Services extending the coverage of the current Directive 91/308/EEC.

3.4. Activities / Inputs

The Project consists of the following key Inputs:
Twinning and Training Package

**Twinning and Training Package – CZ 2000/IB/JH/02: 0.7 M€**

The 1-year Pre Accession Adviser is expected to co-ordinate all components/inputs of the project. He/she should have long-term experience in the investigation/prosecution of financial crimes; good knowledge of law enforcement structures and administrative procedures across the EU Member States; experience with international co-operation, practice with bodies of EU, Europol or Interpol; and good knowledge of standards of European Community and acquis communautaire. His/her working language will be English; knowledge of Czech would be an advantage.

**Short-Term Experts** (approximately 15 person-months) should be specialists able to cover the activities described below, in co-operation with the PAA. The working language will be English.

The assistance will comprise consultations, analytical studies, specialised training/seminars including on-the-job training, study visits and consultations to relevant EU Member State’s institutions as relevant.

It is expected the activities to be undertaken within this project will enhance the common approach of the institutions involved and will lead to the improvement of the efficiency of co-operation among these bodies. It will facilitate the creation of integrated task units for combating major economic crime and money laundering. It will also allow establishing close professional relations on working level with relevant EU Member State’s institutions.

Key Activities under this Project include:

- Analysis of and draft proposals for strengthening legislation and enforcement procedures so as to increase the capacity to prosecute the offence of money-laundering (the offence should be clearly defined legally);
- Analysis of and draft proposals for improved legislation and implementation procedures on asset forfeiture and confiscation, to create conditions for seizing of proceeds from crime, originated both from the Czech Republic and foreign countries;
- Review and proposal for reinforcing co-operation and reporting structures between all of the authorities responsible for the prevention of crime in the area of money laundering and the proceeds of crime, developing a common understanding as to crime prevention;
- Analysis of and proposal for strengthening management capacities;
- Delivery of training support, building on the on-going CZ 9810-02 activity, developing local training capacity and materials/case-work. Training should cover professional levels of all involved institutions (MoF, MoI, MoJ, plus Supreme State Prosecutor Office) and other relevant law enforcement and financial institutions (commercial banks, economic partners etc.), provide them with experience of EU Member States and techniques for combating money laundering.

**Investment in Institution Building: 1.1 M€**

It is essential that Institution Building support be complemented by investment in integrated and coherent information technology and analytical tools. Therefore, an investment support in the form of specialised hardware and software is needed, building on earlier Phare interventions (CZ 9810-02 and CZ 9904-01). The investment support, allowing the ability to prosecute economic crime and money laundering more effectively and to ensure the linkage with the EU, will cover the following:

- Central analytical systems of FAU and PCR;
- Special analytical software for the selected Financial Offices on regional and district level;
• Special analytical software for the Police on district level and selected task units/teams;
• Special judiciary software and hardware for State Prosecutor Offices on district level.

The investment components should meet the following needs:

• Develop and strengthen efficient professional and technical structures for combating the economic crime, in particular the organised crime and actions against the proceeds from criminal activities;
• Make the process of prosecution more efficient and faster, via reducing time necessary for studies of complicated cases on all levels (MoF, police, investigator, prosecutor, judge, court) as a result of new analytical tools and visualisation of the cases;
• Create the standards for technical co-operation and exchanging of information between the financial institutions and the law enforcement bodies in the Czech Republic and abroad; via implementation of standard analytical software on all included levels (system I2, recommended by Interpol, Europol and Eurojust). The commercial and private financial institutions will be given with the possibility to send their specialists to training of I2 system, provided by PCR, and to money laundering prevention training provided by FAU in the frame of the project;
• Equip Financial Analytical Unit and selected Financial Offices for collecting, processing, evaluation and analysis of data concerning suspicious financial operations, including the supply of hardware and software and the equipment for the encryption and transmission of restricted data;
• Equip Police units at the District level (86) and special task units / teams (10) for collecting, processing, evaluation and analysis of data concerning criminal financial activities, suspicions of legalisation of proceeds from criminal activities and money laundering, including the supply of special software for criminal intelligence analysis I2 and the equipment for the encryption and transmission of restricted data;
• Equip the State Prosecutor Offices at the District level (86) and special task teams (5) for computer communication with the relevant police and financial authorities during prosecution of criminal financial activities, legalisation of proceeds from crimes and money laundering, including the supply of hardware, special judiciary software and the equipment for the encryption and transmission of restricted data.

4. Institutional Framework

The Steering Committee for this project will be established in order to ensure good co-operation of parties involved. The Steering Committee will comprise the representatives of the Ministry of Finance, Ministry of Interior and Ministry of Justice and will be chaired by the MoF.

Under the Ministry of Finance of the Czech Republic a part of responsibility for combating money laundering rests with the Financial Analytical Unit (FAU). FAU is central body located in Prague, responsible for receiving and analysing of reports on unusual or suspicious transactions from financial institutions. Within the framework of MoF responsibilities the FAU cooperates closely with the Financial Offices (tax revenue offices) in particular at district level. The unit co-operates very closely with Czech National Bank, Securities Commission, Securities Centre, financial institutions, Police of the Czech Republic and the State Prosecutor Offices. FAU has the access to any financial record of any financial institution, but the information can be released to police only in the form of a complaint. Complaints are lodged to the Police or State Prosecutor Offices in case of suspicion of money laundering or other financial crime.

Under the Ministry of Interior of the Czech Republic the main responsibility for combating major economic crimes include investigation of money laundering rests with Police of the Czech
Republic, Service for Combating Corruption and Major Economic Crimes (SCCMEC). SCCMEC is the only police service with nation-wide responsibility in that field. The First Deputy Police President of the Czech Republic supervises the Service. Central unit is located in Prague and controls 7 regional departments and 8 detachments in selected district towns (the number will increase). The Service closely co-operates with Service of Criminal Police and its specialised, regional and district units dealing with economic crimes, other police units, intelligence services and state institutions. The SCCMEC operates in most districts (from case to case) and the investigation is always co-ordinated with district investigators and prosecutors, the basic criminal data are mostly collected on the district level. When the case is basically solved and offender arrested, the case is transferred to the District Office of Investigation and District State Prosecutor Office, who are delivering the case to the court.

The police investigation of money laundering originates from complaints lodged by FAU and from other police investigations, as a beside product of investigation of large organised crime cases and especially major financial, investment and tax frauds.

Under the Ministry of Justice of the Czech Republic the responsibility for prosecution of major economic crimes include money laundering rests with selected sections of Supreme State Prosecutor Office in Brno, High State Prosecutor Offices in Prague and Olomouc, 8 Regional State Prosecutor Offices in Prague and each region. Local level State Prosecutor Offices are located in districts (86), like district courts and district police directorates. District State Prosecutor Offices are delivering the cases to the courts.

5. **Budget (in M€)**

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (= I + IB)</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL (MEUR)</th>
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<tbody>
<tr>
<td>Twining and Training</td>
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<td>Twining and Training</td>
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<td>1.8</td>
<td>1.0</td>
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<td>2.8</td>
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</tbody>
</table>

6. **Implementation Arrangements**

6.1 **Implementation Agency**

The CFCU is the Implementing Agency responsible for tendering, contracting and accounting. Responsibility for technical aspects related to preparation, implementation and control will rest with the beneficiary institutions and will be co-ordinated by the Ministry of Finance.

The Contact Person for the Project is Ms Jana Stará, Senior Programme Officer for Phare projects of the MoF and Finance Non-Banking Sector, Ministry of Finance, Letenská 15, Prague, tel. +420 57042612, fax +420 57043009, e-mail Jana.Stara@mfcr.cz.

6.2 **Twining – CZ 2000/IB/JH/02**

The PAA will co-ordinate all activities within the project, will provide advisory service in area of combating money laundering. (his/her profile is described under item 3.4.). Length of PAA assignment: 12 month.

Short-term experts input (approximately 15 person-months) is foreseen (their tasks are described under item 3.4.).

The PAA will be located at the Financial Analytical Unit of the Ministry of Finance and will
provide services, as will the ST Experts, for all three beneficiary institutions: Ministry of Finance (FAU), Ministry of Interior (PCR SCCMEC) and Ministry of Justice (Supreme State Prosecutor Office).

The Steering Committee mentioned under section 4 – Institutional Framework will be part of the implementation structure.

6.3 Non Standard Procedure
The rules governing Phare procurement laid down in the Decentralised Implementation System manual shall be followed.

6.4 Contracts
Two contracts are foreseen:

- Twinning and Training package (0.7 MEUR)
- Investment (one tender document will comprise several lots; the total Phare allocation for the Investment component, including I2 system to be procured under the direct contract, will amount to 1.1. MEUR)

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of Twinning Selection</td>
<td>3Q/00</td>
</tr>
<tr>
<td>Start of Twinning Activity</td>
<td>2Q/01</td>
</tr>
<tr>
<td>Project Completion</td>
<td>2Q/02</td>
</tr>
</tbody>
</table>

8. Equal Opportunity
Equal opportunity principles and practices in ensuring equitable gender participation in the Project will be guaranteed.

9. Environment N/A

10. Rates of Return N/A

11. Investment Criteria
Investment components of this project relate to IB activities. All investment is to be tendered immediately. Specifications will be reviewed by independent experts within the framework of twinning where possible and appropriate. The project is sustainable - further maintenance and upgrading will be ensured by the Czech side.

12. Conditionality and Sequencing
The draft legislation and proposals concerning the procedures and structures presented to the Czech Government via the Minister of Finance, Minister of Interior or Minister of Justice will reflect the outcome of this project.

Annexes to Project Fiche

1. Logframe Matrix
2. Detailed Implementation Chart
3. Cumulative Contracting and Disbursement Schedule for the Project
4. Information Regarding the Supreme State Prosecutor Office
## Strengthening Actions Against Proceeds from Money Laundering

**Wider Objective**
- To consolidate a functioning democratic system, including respect for the rule of law.
- To strengthen the institutional and regulatory capacity to implement the *acquis*

**Indicators of Achievement**
- Lower level of the organised financial criminal activities/improved prosecution

**Sources of Information**
- Ministry of Justice
- Ministry of Finance
- Ministry of Interior
- Studies of independent institutions
- Public sources

**Assumptions and Risks**
- Legislative provisions applied in practice and legal enforcement enhanced
- Better co-operation among the responsible institutions
- Sufficient resources allocated
- Appropriate analysis of training needs in all institutions involved;
- Timely supply of equipment and software

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**Immediate Objective**
- Development of efficient legal, institutional and technical framework for combating money laundering in line with the EU legislation and practice, leading to a higher rate of successful prosecution.

**Indicators of Achievement**
- More cases brought before courts;
- Improvement of standards concerning the investigation of financial criminal activities;
- Number of trained trainers and trained professional staff of all institutions involved;
- Higher technical level of equipment

**Sources of Information**
- Ministry of Finance
- Ministry of Interior
- Ministry of Justice
- Studies of independent institutions
- Legislative provisions applied in practice and legal enforcement enhanced
- Better co-operation among the responsible institutions
- Sufficient resources allocated
- Appropriate analysis of training needs in all institutions involved;
- Timely supply of equipment and software

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**Results**
- Legislative amendments and implementation procedures improving the conditions for investigation and prosecution of money laundering,
- Legislative amendments and implementation procedures allowing the efficient seizure and confiscation of the proceeds from crime,
- Inter-ministerial, inter-agency co-ordination, co-operation and reporting structures and procedures reviewed and reinforced,
- Building on earlier training initiatives (CZ 9810-02), expansion of staff training programmes to cover all resorts, focused on improving analytical and investigative skills and understanding, plus administrative management, for policy-makers/lawyers, investigators, prosecutors, judges etc.,
- Legislative amendments and implementation procedures improving the conditions for investigation and prosecution of money laundering,
- Legislative amendments and implementation procedures allowing the efficient seizure and confiscation of the proceeds from crime,
- Inter-ministerial, inter-agency co-ordination, co-operation and reporting structures and procedures reviewed and reinforced,
- Building on earlier training initiatives (CZ 9810-02), expansion of staff training programmes to cover all resorts, focused on improving analytical and investigative skills and understanding, plus administrative management, for policy-makers/lawyers, investigators, prosecutors, judges etc.,

**Indicators of Achievement**
- ibid.

**Sources of Information**
- Ministry of Finance
- Ministry of Interior
- Ministry of Justice
- Legislative provisions applied in practice and legal enforcement enhanced
- Better co-operation among the responsible institutions
- Sufficient resources allocated
- Appropriate analysis of training needs in all institutions involved;
- Timely supply of equipment and software

**Assumptions and Risks**
- Adoption of the amendment law regarding information, etc.
- Co-financing from the Czech national budget
- Better crime prevention mechanisms and higher standards of surveillance in the investigation and prosecution of financial criminal activities, money-laundering and the proceeds of crime,
- Better criminal data collection and their analysis, establishing standards for technical co-operation, exchange of information and financial data between relevant financial institutions and law enforcement bodies in CR and global,
- Higher technical level of equipment procured and installed: encryption of transmitted information, primarily offices at District level (86) in charge of collecting, processing, evaluation and analysis of data concerning the investigation of criminal financial activities etc., plus special judiciary software for State Prosecutor Offices on district level and central analytical systems;
- Implement the Action Plan for Financial Services extending the coverage of the current Directive 91/308/EEC.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical assistance (one long-term / twinner + short term experts);</td>
<td>- ibid.</td>
</tr>
<tr>
<td>Training, seminars, workshops, study trips, consultations, training on-the-job abroad;</td>
<td>- Implementation of previous Phare projects;</td>
</tr>
<tr>
<td>Investments – software (incl. Restricted data processing), hardware</td>
<td>- Preparedness of transmission lines;</td>
</tr>
<tr>
<td></td>
<td>- Sufficient allocation of staff, premises and appropriate equipment</td>
</tr>
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</table>
## Detailed Implementation Chart for the Project

### Annex 2

<table>
<thead>
<tr>
<th>Detailed Project Implementation</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
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<tr>
<td><strong>Twinning and Training Package</strong></td>
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<tr>
<td>- Launch Twinning request to Member States (June 2000)</td>
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<tr>
<td>- Selection of MS(s) for twinning</td>
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<tr>
<td>- Elaboration of twinning covenant</td>
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<tr>
<td>- Submit Twinning covenant to Commission &amp; Steering Committee for approval</td>
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<td>X</td>
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<tr>
<td>- Twinning Package commences</td>
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<td>PAA</td>
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<td>Analysis of legislative and implementation procedures, recommendations</td>
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<td>Inter-ministerial co-operation structures</td>
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<td>Training activities</td>
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<tr>
<td>- Tender Launch</td>
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### Cumulative Contracting and Disbursement Schedule for the Project (M€)

#### Annex 3

**Cumulative Quarterly Contracting Schedule (M€)**

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<thead>
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<th>Project</th>
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<th>1Q/01</th>
<th>2Q/01</th>
<th>3Q/01</th>
<th>4Q/01</th>
<th>1Q/02</th>
<th>2Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
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<td>1.8</td>
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</table>

**Cumulative Quarterly Disbursement Schedule (M€)**

<table>
<thead>
<tr>
<th>Project</th>
<th>4Q/00</th>
<th>1Q/01</th>
<th>2Q/01</th>
<th>3Q/01</th>
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<th>2Q/03</th>
<th>3Q/03</th>
<th>Total</th>
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<td>1.4</td>
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<td>1.8</td>
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<td>-----</td>
<td>1.8</td>
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</table>
Information Regarding the Supreme State Prosecutor Office

1. Implementation of Law

The draft of the new Public Prosecutor's Office act shall extend the competence of public prosecutor's office with regard to confiscation of property. The provision 3 of the draft of the new Public Prosecutor's Office act will namely allow the public prosecutor's office to propose, in public interest on behalf of the state, to disgorge an unjust enrichment in the matters where the victim is unknown or can not be identified.

The consistent use of this new competence will enable the punishment of a range of cases of unjust enrichment consisting in property benefit obtained without legal cause, by performing from invalid legal act or by performing from legal cause that has fell away or obtained from false sources, namely in the cases where the person, to whose prejudice the subject of unjust enrichment has been obtained, is unknown.

There is a full wording of the provision 3 of the draft of the new Public Prosecutor's Office law act:

§ 3

(1) Where the public prosecutor's office deems it for necessary in respect to the protection of public interest, it is entitled to file a proposal for institution of civil proceedings in the matter of:

a) capacity to enter into legal acts,

b) delivery of unjust enrichment under special national regulations,

c) determination of invalidity of a contract on transfer of property or transfer of securities,

d) placing under protective care, unless the proceedings has been instituted on grounds of a proposal of another person entitled to do so.

(2) Public prosecutor's office is entitled to file a proposal for institution of civil proceedings or is entitled to enter into the proceedings which has been already instituted in the cases where such right is awarded to the public prosecutor's office or to the public prosecutor under the special legal act.

Unfortunately this draft of law act is discussed by the Parliament in certain difficulties so it is not sure whether it will be adopted.

The assistance by Phare could facilitate transfer of know-how and experience of EU Member States institutions within this area (e.g. France experience with prosecutor's competence in non-penal area).

Regarding major economic criminality, the Office intends to set the new unit for combating major economic criminality. This new unit should start to work from July 2000.

2. Investment

Investment support would concentrate on the information system connected with the European Judicial Network.

The Phare contribution is sought for the following reasons:

There are several EU documents aiming to establish a judicial network which may provide for the proper direct contacts between the judicial authorities and other authorities responsible for the cooperation in combating organised crime, namely:
• The Action Plan adopted by the European Council on 28th April 1997 whose recommendation
21 reads as follows: "In order to develop this network, each Member State should designate a
central contact point permitting the exchange of information between national judicial
authorities while fully respecting safeguards provided for by national law."

• Resolution adopted by the European Parliament on 20th November 1997 which, in
recommendation I "supports the establishment in each Member State of a national body for
the co-operation of the fight against organised crime provided that this does not mean
introducing a new, heavy and bureaucratic layer but a flexible structure able to supply support
and quick, non-bureaucratic and informal assistance to the national authorities responsible for
law-enforcement"

• Joint Action from 29th June 1998 on creation European Judicial Network and on exchange of
information

• European Council summit in Tampere on 15th and 16th October 1999 - one of the
conclusions of European Council is to set up an unit composed of national prosecutors and
magistrates with the task of facilitating proper co-ordination of national prosecuting
authorities and of supporting criminal investigations in organised crime cases (EUROJUST).

With regard to future membership of the Czech Republic in EU and with regard to increasing
activities of EU Member States in the field of exchange of information in criminal area and of
interconnection of criminal investigation of organised crime, we can assume EU request for
immediate operation of information system working for need of public prosecutor's offices similar
like in other EU Member States.

This exchange of information has already been reality at present. Most recently, the Supreme Public
Prosecutor's Office, aiming to combat organise crime more effectively, signed on 15th February
2000 Memorandum on co-operation between the Supreme Public Prosecutor's Office and the
National Anti-mafia Directorate of the Italian Republic on combating organised crime. In this
Memorandum there are articles on exchange of information which have been gained in the fight
against organised crime.

The company CCA Plzen has developed for Public Prosecutor's Offices the high-level information
system (which is called ISYS) which can help us to exchange information on organised crime. The
development of this system has been paid by Ministry of Justice of the Czech Republic.

The development of this software is almost finished but we have considerable lack of computers
which would be able to work with this software. We have now good connection with Italy but we
would appreciate experience from other EU Member States with this kind of information systems
for prosecutors.

Without putting this ISYS system in operation it is not possible for us to fulfil the EU requirements
for exchange of information with Member States which is assumed in the above mentioned EU
documents.