STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number: 2002/000-282.07.03

1.2 Title: Financial Intelligence and Confiscation of Proceeds of Crime

1.3 Sector: Justice and Home Affairs

1.4 Location: Czech Republic

2. Objectives

2.1. Overall Objective
- Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

2.2. Project Purpose
- To fulfill tasks from Strategy on Combating Organised Crime of 23rd October 2000, Governmental Resolution No. 1044 and the commitments taken by the Czech Republic in the framework of the accession negotiations (under chapters 4 and 24)
- To strengthen significantly capabilities of the Czech Police units dealing with financial investigations and intelligence. New methods of criminal intelligence should be trained and implemented for financial investigations, include undercover operations and penetration of financial institutions suspected from illegal financial operations.
- To strengthen significantly capabilities of the Czech Police special units and of Czech justice system to reveal, seize and confiscate proceeds from crime.
- Czech Republic will be able to comply with the acquis and other international standards on the fight against the misuse of the financial system, in particular money laundering and terrorism financing

2.3. Accession Partnership and NPAA priority
- The Accession Partnership includes
  - **short-term priorities**: implementing policy against economic and financial crime include money laundering and confiscation of proceeds from crime (legislation, implementing structures, sufficiently qualified staff); upgrading law enforcement bodies and ensuring better co-ordination among them;
  - **medium-term priorities**: continuing the fight against economic and financial crime.
- The 2000 National Programme for the adoption of acquis includes
  - **short-term priorities**: an incorporation of measures against economic and financial crime into the curriculum police schools, fulfilling the Governmental Strategy on Combating Organised Crime;
  - **medium-term priorities**: include harmonisation of the law in order to fully implement acquis in the field of economic and financial crime and confiscation of proceeds from crime, completion of the Governmental Strategy on Combating Organised Crime.

2.4. Contribution to National Development Plan N/A

2.5. Cross Boarder Impact N/A

3. Description

3.1. Background and justification

The Government of the Czech Republic pays a continued attention to the fight against money laundering and serious financial and economic crime. The fundamental material Strategy on Combating Organised Crime was approved on 23rd October 2000. It systematically covers legislative and organisational measures to combat serious economic crime and makes commitments to co-operate on an international level both on concrete cases and exchange of information.

Development of efficient technical framework and better trained staff for combating major financial crime in line with the EU legislation and practice will lead to a higher rate of successful prosecution.

The biggest problem is complexity of investigation of major economic crimes. These cases need extremely carefully
conducted investigation, usage of the best technical and operational tools for obtaining sufficient evidence, large analysis of financial records, flows of money, flows of events, structures of organisations included into financial crime schemes, background and connections of all included persons etc. To work on similar cases without adequate technical tools and specially trained staff is nowadays practically impossible.

The deficits currently preventing the Czech Republic to combat major economic crime more effectively are lack of modern technology (computers and special equipment), underestimating of white-collar crime and unwillingness of the public to co-operate with law enforcement bodies. Another factor is insufficient experience of the Police in new areas - seize and confiscation of proceeds from crime. From the angle of international co-operation the biggest problems are the language barrier and insufficient knowledge of European standards of techniques of financial investigations and evidences.

3.2. Linked activities
- The Phare project CZ 98-10-02 "Combatting Organised Crime" established a centre for training of criminal intelligence analysis and I2 analytical software, include training of Czech instructors. Phare provided the hardware, special software and training, the Police of the Czech Republic provided facility, other equipment, instructors, accommodation and transport. (Twinning CZ98/IB/JH/02 for 0,17 M€, Equipment 0,12 M€)
- These activities continued in project CZ 99-04-01 "Fight against Economic Crime" (with Ministry of Justice). The project provided the most important law enforcement and financial institutions on central level and the Police on central and regional level with I2 system, which created conditions for these institutions to be familiar with new analytical tools allowing more efficient investigation and prosecution of complicated cases. Phare provided I2 software for 40 units of the law enforcement and state administration. Police provided facilities, computers, communications and other equipment. Instructors from 1998 project trained specialists and analysts from all involved institutions; the Czech side covered all expenses. (Twinning CZ99/IB/JH/01 for 0,6 M€ with Germany, UK & Italy, Equipment 0,4 M€)
- The project CZ 00-07-03 "Fight against Proceeds from Money Laundering" (together with Ministry of Finance and Ministry of Justice) has been designed to provide district level, where basic police investigation is conducted, and special police tasks units, with criminal intelligence analysis tool - I2 system. Financial Analytical Unit and Supreme State Prosecutor Office will receive computer equipment and special software to improve their capabilities. (Twinning CZ00/IB/JH02 for 0,7 M€ with UK, Equipment 1,1 M€)
- The project CZ 01-07-06 "Fight against Corruption and Economic Crime" has been designed to provide Service for Combatting Corruption and Major Economic Crime and Office of Investigation for the Czech Republic" with computers, servers, digital cameras and video-equipment, printers, scanners and software, include analytical software I2. (Twinning CZ01/IB/JH05 for 1,0 M€ with Germany, Equipment 1,2 M€)

3.3. Results
- Necessary training recognised, designed and delivered by twinning partner Member State and successfully completed by selected Czech specialists. (At least 100 specialists trained in new methods of financial intelligence, undercover operations and revealing of proceeds from crime within the duration of the project).
- Technical equipment tendered, contracted and delivered to the beneficiaries, installed and operational. All equipment procured under this project is used by staff of the beneficiary units at the end of the project.
- It is necessary to underline that the real impact of the project and relevant results expressed in figures can be evaluated only after the equipment is provided and training delivered. It means that the impact of the project cannot be measured during the lifetime of the project, but for a year later.
- The project should also have, as a side effect, further promotion of co-ordinated, multi-agency actions by law-enforcement agencies in the fight against corruption and economic crime.

3.4. Activities
- **Training (twinning – contract 1)**
  Special training for detectives, investigators and state prosecutors (approximately 60 and 20 and 20 respectively) from Czech central units in Member States of European Union and Europol and training in the Czech Republic for members of selected units of criminal police, investigators, state prosecutors and specialised judges. The project would be managed by the Police Presidium (SPOK). A Steering Committee will be established involving all relevant law enforcement agencies and other services (Service of Criminal Police and Investigation especially SPOK, Office of Financial Crime and Protection of State, Ministry of Interior, Ministry of Justice, Supreme State Prosecutors' Office, FAU), which should be convened at a monthly basis. This will further promote coordinated, multi-agency actions by law-enforcement agencies in the fight against corruption and economic crime. All activities will involve active participation of all the relevant bodies.

International co-operation is crucial in this field of policing that is why consultations, specialised seminars and long-term study and working trips of Czech specialists to relevant law enforcement bodies of EU Member States and EU institutions are demanded. The study trips should develop professional skills of participants and should provide them with knowledge, experience and contacts to partner units. The participants of the study visits will be selected by the Steering Committee in line with previous Phare assistance (CZ99/IB/JH-01, CZ01/IB/JH-05) in order to ensure the widest participation of all services concerned.
Training would involve the following areas: use of new methods, European standards of evidence, international law and co-operation, criminal intelligence and investigative techniques in financial investigations, undercover operations, seizure of proceeds from crime (freezing assets, confiscation etc.) especially concerning proceeds from economic crime, organised crime, corruption, money laundering and drugs, combating of financing for terrorism and training of instructors.

- **Technical equipment (supplies - contract 2)**
  Equipment necessary for successful investigations during revealing hidden proceeds from crime, for undercover operations, criminal and financial intelligence, surveillance of criminal targets from the top level of organised financial crime.

  It is envisaged that the project would be implemented by means of 1 twinning covenant and 1 tender. All budget estimates are approximate and could be subject to alteration during later stages of the project preparation.

- **contract 1 - 700 000 EUR:**
  1 twinning covenant involving:
  a) 1 pre-accession advisor for 18 months with approximately 10 years of relevant police experience, working language English
  1 local assistant, fluent in native language of PAA, ability to read and write English
  (approx. 250 000 EUR)
  b) short-term experts for seminars in the Czech Republic
  indicatively 8 seminars, 1 week each, up to 4 experts for each seminar
  4 consultation visits, institution building, 1 week each, 2 experts for each visit
  (approx. 150 000 EUR)
  c) study visits, special courses and work experience placements in the Member States
  4 study visits, 2 weeks each, 10 participants, 2 interpreters estimated
  (2 working groups of 5 participants + 1 interpreter for specialised visits, alternation of interpreters during lectures for all 10 participants)
  2 special courses, 2 weeks each, 10 participants, no interpreters (English and German)
  2 training-on-the-job visits, 4 weeks each, 6 participants, no interpreters (-“-)
  4 work consultation visits, 1 week each, 4 participants, 1 interpreter
  (approx. 300 000 EUR)

- **contract 2 - 600 000 EUR:**
  Beneficiary institutions for equipment are central units of SPOK, with the responsibility and tasks through the whole Czech Republic, that is why they should be very mobile and equally equipped on the highest technical level
  - central unit "Proceeds from Crime Branch" (hereafter PCB)
  - central unit "Financial Intelligence Branch" (hereafter FIB)
  - central unit "Operations Support Branch" (hereafter OSB)

  These units will be similar in size, basically they should receive 1/3 of requested equipment. The only exception is OSB, which should receive all special equipment for surveillance. This equipment could be shared with Unit for Special Tasks of Police Presidium, it will depend on structures, number of positions and responsibilities when the project is finished and the equipment delivered.

  Equipment involving indicatively:
  Vehicles- 3 mini vans (1 for PCB, FIB and OSB each)
  - 3 terrain cars 4W (1 for PCB, FIB and OSB each)
  - 6 cars 1.9 i or more powerful engine (2 for PCB, 2 for FIB, 2 for OSB)
  - 12 cars 1.6 i (4 for PCB, 4 for FIB, 4 for OSB)

  IT- 3 servers, 3 UPS, 30 PC stations (1/3 for PCB, FIB and OSB each)
  - 3 network colour printer/copiers (1 for PCB, FIB and OSB each)
  - 15 notebooks, 15 moveable printers (1/3 for PCB, FIB and OSB each)
  - 3 multifunction fax machines (1 for PCB, FIB and OSB each)

  Surveillance equipment- 15 digital audio mini recorders (1/3 for PCB, FIB and OSB each)
  - 3 digital cameras, 3 digital video-cameras (1/3 for PCB, FIB and OSB each)
  - communication and GPS tools (OSB)
  - wiretapping equipment (OSB)
  - surveillance equipment (OSB)
  - photo developing equipment (OSB)
A table is included in Annex 4 to this fiche, to sum up the equipment (including IT and vehicles) delivered to the different beneficiary Law Enforcement Authorities (see also list under "4. Institutional Framework") through the previous PHARE projects described under "3.2. Linked activities" and under the present project. The figures of equipment could be subject to alteration during later stages of the project preparation according to real situation, number of envisaged working positions etc.

1 supply tender comprising several lots and resulting in a number of contracts is supposed. In the case that it is deemed undesirable to run one tender since this may lead to companies not submitting offers for certain lots, this part of the project may be tendered through 2 or more tenders.

3.5. Lessons learned
Any special conclusions or recommendations of previous Interim Evaluations and M&A Reports have not been pointed out, however, the design of the project has been prepared with regard to previous experience of MoI with previous such PHARE projects.

4. Institutional Framework

The organisations involved into the project will be:

a) Service of Criminal Police and Investigation, Unit for Combating Corruption and Major Economic Crime also known as SPOK in Czech. At present the unit has 7 regional branches and HQ in Prague. These centres received more staff in 2001 (65 positions from 1.9.2000 to 1.9.2001). Another positions are to be received during 2002 and 2003, for example 15 positions for new "Proceeds from Crime Branch". This unit will work for SPOK, Unit for Combating Organised Crime, National Anti-drug Central Unit and other law enforcement agencies. Financial Intelligence Branch and Operations Support Branch have been established at the HQ of SPOK in Prague on 1.9.2001, but there is lack of working positions and equipment at these units. The significant reinforcement of these units will be requested during 2002 and 2003. All the centres also have inadequate equipment for handling the most complicated cases they will have to deal with in near future in much larger scale than today. In addition new centres of SPOK are to be established due to the new territorial reorganisation in the Czech Republic - 6 new regional branches so there will be 13 in total. This is supposed to happen during 2002 / 2003 period. The number of working positions for new regional centres is approximately 15 for each one when they are established (basic structure of small regional branch of SPOK).

b) Office of Financial Crime and Protection of State. At the very beginning of the year 2002 investigation units became parts of common "Service of Criminal Police and Investigation" units on all levels - central, regional and district. Non-standard units, such as the Unit to investigate crimes committed by police officers or Unit to investigate the most serious financial crime, are in Office of Financial Crime and Protection of State (successor of Office of Investigation for the Czech Republic), under the control of the Deputy Police President for Criminal Proceedings. SPOK became Unit for Combating Corruption and Major Economic Crime of Service of Criminal Police and Investigation. New reinforcement of SPOK is envisaged, because new positions will be transferred there from cancelled offices of investigation. The Office is responsible for the investigation of the most complicated cases of financial crimes, where the damage was higher than 100 million Czech Crowns or the state was damaged. The Special Branch of the Office investigates crimes committed by police officers, military officers, other law enforcement officials, state prosecutors, judges etc. The Office closely co-operates with SPOK, it has the right to supervise or to take over the cases investigated by SPOK, if they are within their competence.

c) Office of Service of Criminal Police and Investigation of the Police Presidium of the Czech Republic, responsible for control and co-ordination of all criminal police and investigation units and special services.

d) Unit for Special Tasks of the Service of Criminal Police and Investigation, responsible for witness protection and standard undercover operations.

e) Supreme State Prosecutor Office, Branch of Serious Financial and Economic Crime, responsible for prosecution of the most serious financial and economic crimes. This branch has 3 sections, located in Prague, Brno and Ostrava (the same way like Office of Financial Crime and Investigation). Their task is basically to prosecute crimes investigated primarily by SPOK and the Office. They are the first specialised offices of state prosecutors, focussed strictly to supervise and prosecute the cases of corruption and serious financial crimes.

f) Ministry of Finance, Financial Analytical Unit, responsible for analysis of suspicious financial transactions.

A Steering Committee consisting of these mentioned law enforcement agencies and other relevant institutions will co-ordinate and supervise the implementation of the activities of this project. Due to the complexity of this project and the participation of various services, it is envisaged that this Steering Committee will meet every month.
5. Detailed Budget (in M€)

| Project Components | Phare Support |  | **National Co-financing** |  |  |  |  |
|--------------------|---------------|-----------------|--------------------------|-----------------|------|-----------------|
|                    | Investment   | Institution   | Total Phare               |                  | IFI  | TOTAL           |
|                    | Support      | Building      |                         | **National      |      |                 |
| contract 1 – twinning package | -            | 0,70          | 0,70                     | -                | -    | 0,70            |
| contract/s 2 – supply contract/s | 0,60        | -              | 0,60                     | -                | -    | 0,60            |
| Co-financing to contract/s 2 |              |                |                          | 0,30             |      | 0,30            |
| Total              | 0,60         | 0,70          | 1,30                     | 0,30             | -    | 1,60            |

*The contribution from the national budget for the twinning package will be in the form of provision of offices, working environment, training facilities, accommodation etc.
Co-financing from the national budget for the investment part will provide internal data nets, communications, facilities and other special police and technical equipment.
** There will be parallel co-financing.

6. Implementation Arrangements

6.1. Implementing Agency
The CFPU is responsible for tendering, contracting and accounting. Responsibility for technical aspects related to preparation, implementation and control rest with the beneficiary institution (Unit for Combating Corruption and Major Economic Crime of Service of Criminal Police and Investigation, Police of the Czech Republic). The beneficiary will become owner of the equipment after a project completion.

6.2. Twinning
Co-ordination is based at the Police of the Czech Republic, Unit for Combating Corruption and Major Economic Crime of Service of Criminal Police and Investigation, Lt. Col. Pavel ČINČÁR, telephone: +420 2 614 86 295, facsimile: +420 2 614 86 808, e-mail: okhphare@mvr.cz.

6.3. Non-standard aspects
n.a.

6.4. Contracts
Contract 1: Twinning Covenant 0,70 M€
Contract/s 2: Supply of Equipment 0,60 M€

7. Implementation Schedule

7.1. Start of tendering
Twinning: 2Q/2002
Supply: 1Q/2003

7.2. Start of project activity
Twinning: 1Q/2003
Supply: 3Q/2003

7.3. Project completion
3Q/2004

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

9. Environment
N/A

10. Rates of return
N/A

11. Investment criteria
N/A

12. Conditionality and sequencing
All parts are independent on each other so they can be carried out without any specific co-ordination, however there is a communication strategy for all partners via the Ministry of Interior. Detailed equipment supply will be provided later after approval the fiche because of a fast development in technologies.

Condition 2: respect of all commitments taken by the CZ government under Chapter 24 of the negotiations and in particular ALL those relating to:
• The implementation of the revised Code of Criminal Proceedings
• The elaboration, adoption and enforcement of the new Criminal Code
• The creation of a unified “Service of Criminal Police & Investigation”

Annexes to Project Fiche

1. Logframe Matrix
2. Detailed Implementation Chart
3. Cumulative Contracting and Disbursement Schedule for the Project
Project Title: Financial Intelligence and Confiscation of Proceeds of Crime

Beneficiary Institution: Police of the Czech Republic (SPOK)

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
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<tbody>
<tr>
<td>• Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union</td>
<td>• Acknowledgement by the European Commission</td>
<td>• EC Regular Reports</td>
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</table>

<table>
<thead>
<tr>
<th>Project Purpose</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To fulfil tasks from Strategy on Combating Organised Crime of 23\textsuperscript{rd} October 2000 – Governmental Resolution No. 1044</td>
<td>• Increased number of cases where proceeds from crime were seized and subsequently confiscated, increased value of the confiscated assets (2 x higher the year after the project is finished in comparison with year 2001)</td>
<td>• Ministerial and Phare monitoring and evaluation reports</td>
<td>• Other parts of 3\textsuperscript{rd} Copenhagen criteria fulfilled</td>
</tr>
</tbody>
</table>
| • To strengthen significantly capabilities of the Czech Police units dealing with financial investigations and intelligence. New methods of criminal intelligence should be trained and implemented for financial investigations, include undercover operations and penetration of financial institutions suspected from illegal financial operations  
• To strengthen significantly capabilities of the Czech Police special units and of Czech justice system to reveal, seize and confiscate proceeds from crime  
• Czech Republic will be able to comply with the acquis and other international standards on the fight against the misuse of the financial system, in particular money laundering and terrorism financing | • Central unit "Proceeds from Crime Branch" established (15 new positions before the end of the project) and equipped, staff trained  
• Central unit "Financial Intelligence Branch" reinforced (minimally for 50 % before the end of the project) and equipped, staff trained  
• Central unit "Operations Support Branch" reinforced (minimally for 50 % before the end of the project) and equipped, staff trained | • Reports on the Security Situation in the Czech Republic |
| | | | It is necessary to underline that the real impact of the project and results expressed in figures can be evaluated after the equipment is provided and training delivered. It means that the results can not be measured during the lifetime of the project, but for a year later. |

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| • Necessary training recognised, designed and delivered by twinning partner Member State and successfully completed by selected Czech specialists  
• Technical equipment tendered, contracted and delivered to the beneficiaries, installed and operational (include equipment from Czech co-financing)  
• Further promotion of coordinated, multi-agency actions by law-enforcement agencies in the fight against corruption and economic crime (side effect) | • At least 100 specialists trained in new methods of financial intelligence, undercover operations and revealing of proceeds from crime within the duration of the project  
• All equipment being used by staff of the beneficiary units at the end of the project | • Phare monitoring and evaluation reports  
• Annual crime statistics  
• Fulfilled Conception on a Fight against Organised Crime  
• NPAA | • New working positions approved by Minister of Interior and given to SPOK by Government of the Czech Republic for reinforcement in respective areas |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| • Training for detectives, investigators and state prosecutors (approximately 60 and 20 and 20 respectively)  
Special training for specialists of Czech central units in | It is envisaged that the project would be implemented by means of 1 twinning covenant and 1 tender. All budget estimates are approximate and could be subject to alteration during later stages of the project preparation. | • Build on the implementation of previous Phare projects:  
• CZ 98-10-02  
• CZ 99-04-01  
• CZ 2000-07-03 |
Member States of European Union (e.g. Great Britain, Germany, Austria, Europol) and training in the Czech Republic for members of selected units of criminal police, investigators, state prosecutors and specialised judges. The project would be managed by SPOK but all activities would be delivered to common groups of all involved parties.

Training would involve the following areas: use of new methods, European standards of evidence, international law and co-operation, criminal intelligence and investigative techniques in financial investigations, undercover operations, seizure of proceeds from crime (freezing assets, confiscation etc.), especially concerning proceeds from economic crime, organised crime, corruption, money laundering and drugs, combating of financing for terrorism and training of instructors.

- **Technical equipment**
  Equipment necessary for successful investigations during revealing hidden proceeds from crime, for undercover operations, criminal and financial intelligence, surveillance of criminal targets from the top level of organised financial crime

- **contract 1 - 700 000 EUR:**
  Twinning covenant involving:
  a) 1 pre-accession advisor for 18 months with approximately 10 years of relevant police experience, working language English
  1 local assistant, fluent in native language of PAA, ability to read and write English
  (approx. 250 000 EUR)
  b) short-term experts for seminars in the Czech Republic - indicatively
  - 8 seminars, 1 week each, up to 4 experts for each seminar
  - 4 consultation visits, institution building, 1 week each, 2 experts for each visit
  (approx. 150 000 EUR)
  c) study visits, special courses and work experience placements abroad - indicatively
  - 4 study visits, 2 weeks each, 10 participants,
  2 interpreters (2 working groups of 5 participants + 1 interpreter for specialised visits, alternation of interpreters during long lectures)
  - 2 special courses, 2 weeks each, 10 participants, no interpreters
  - 2 training-on-the-job visits, 4 weeks each, 6 participants, no interpreters
  - 4 work consultation visits, 1 week each, 4 participants, 1 interpreter
  (approx. 300 000 EUR)

- **contract 2 - 600 000 EUR:**
  Equipment involving indicatively:
  - 3 mini vans, 3 terrain cars 4W
  - 6 cars 1.9 l or more powerful, 12 cars 1.6 l
  - 3 servers, 3 UPS, 30 PC stations
  - 3 network colour printer/copiers
  - 15 notebooks, 15 moveable printers
  - 3 multifunction fax machines
  - surveillance/wiretapping equipment
  - 15 digital audio mini recorders
  - communication and GPS tools
  - 3 digital cameras, 3 digital video-cameras
  - photo developing equipment
  The figures of equipment could be subject to alteration during later stages of the project preparation according to real situation, number of envisaged working positions etc.

- **CZ 2001-07-06**
  Including co-operation with PAAs
  - Czech co-financing - 300 000 EUR, will be spent on technical equipment for SPOK during 2003, beside of the standard budget
  - SPOK will cover another expenses connected with the realisation of the project - accommodation of experts, training facilities and other equipment, communications, running costs, special financial resources for undercover operations etc. These expenses will be covered from the budget of the Police of the Czech Republic - they are not included into the project budget.
Preconditions

- The Government of the Czech Republic approved the updated Strategy on Combating Organised Crime on 23rd October 2000 (Resolution No. 1044). This version follows the versions 1996 and 1997 and describes mainly the current situation in the CR, ways of combating organised crime abroad and sets task for ministries. This strategy builds up a framework for the fight against organised crime in general in the light of continuous evaluation of the situation and knowledge of other strategies concerning combating crime.
- The overall strategy presents an opinion on organised crime, which cannot be viewed as a single and specified problem but a complex approach in a society. Strategic analyses of the problem of organised crime are included in the previous Phare projects. The police units and departments of different ministries and state bodies have to co-operate on the basis of their given responsibilities. An overall conception shall be designed following the approved Strategy, focused on serious financial crime, seizure and confiscation of proceeds from crime.
- The organisations involved will be:
  a) The Service for Combating Corruption and Major Economic Crime also known as SPOK in Czech. At present the service has 7 regional branches and HQ in Prague. These centres received more staff in 2001 (65 positions from 1.9.2000 to 1.9.2001). New positions are supposed to be received during 2002 and 2003, for example 15 positions for new "Proceeds from Crime Branch", which is under preparation. This unit will work for SPOK, Unit for Combating Organised Crime, National Anti-drug Central Unit and other law enforcement agencies. Financial Intelligence Branch and Operations Support Branch have been established at the HQ of SPOK in Prague on 1.9.2001, but there is lack of working positions and equipment at these units. The significant reinforcement of these units is supposed during 2002 and 2003. All the centres also have inadequate equipment for handling the most complicated cases they will have to deal with in near future in much larger scale than today. In addition new centres of SPOK are to be established due to the new territorial reorganisation in the Czech Republic - 6 new regional branches so there will be 13 in total. This is supposed during 2002-2003 period. The number of working positions for new regional centres is approximately 15 for each one when they are established (basic structure of regional centre of SPOK).
  b) Office of Financial Crime and Protection of State (successor of Office of Investigation for the Czech Republic). During the year 2002 standard investigation units will become parts of common "Service of Criminal Police and Investigation" units on all levels - central, regional and district. Non-standard units, such as the Unit to investigate crimes committed by police officers, or Unit to investigate the most serious financial crime, will be inside Office of Financial Crime and Protection of State under the control of the Deputy Police President for Criminal Proceedings. SPOK is supposed to become a Unit for Combating Corruption and Major Economic Crime of Service of Criminal Police and Investigation. New reinforcement of SPOK is envisaged, because new positions will be transferred there from cancelled offices of investigation.
  c) Criminal Office of the Police Presidium of the Czech Republic, which is responsible for co-ordination of all criminal police units and special services.
  d) Unit for special tasks of the Police Presidium of the Czech Republic, which is responsible for witness protection and standard undercover operations.
  e) Supreme State Prosecutor Office, Branch of Serious Economic and Financial Crime, which is responsible for prosecution of the most serious economic and financial crimes.
- All equipment will be placed at one or more of these beneficiaries. All training will be used for staff linked to one or more of these institutions.
- International co-operation is crucial in this field of policing that is why consultations, specialised seminars and long-term study and working trips of Czech specialists to relevant law enforcement bodies of EU Member States and EU institutions are demanded. The study trips should develop professional skills of participants and should provide them with knowledge, experience and contacts to partner units.
- A Steering Committee will be established involving all relevant law enforcement agencies and other services (Service of Criminal Police and Investigation especially SPOK, Office of Financial Crime and Protection of State, Ministry of Interior, Ministry of Justice, Supreme State Prosecutors' Office, FAU), which should be conveyed at a monthly basis. This will further promote co-ordinated, multi-agency actions by law-enforcement agencies in the fight against corruption and economic crime.

Annex 2
### Detailed Implementation Chart for the Project
Financial Intelligence and Confiscation of Proceeds from Crime

<table>
<thead>
<tr>
<th>Action</th>
<th>Year</th>
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<td>Endorsement of Project Fiche</td>
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<td>Launch Twinning request to Member States</td>
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<td>Offers of MS(s) for twinning</td>
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<td>Elaboration of twinning covenant</td>
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<td>Submit Twinning covenant to Commission &amp; Steering Committee for approval</td>
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<td>Twinning activities - PAA, training</td>
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<td>Finishing of activities, final evaluation</td>
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<td>Installation of equipment</td>
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## Annex 3

**Contracting and Disbursement Schedule by Quarter for full Duration of the Project**

**Financial Intelligence and Confiscation of Proceeds from Crime**

### Cumulative Quarterly Contracting Schedule (M€)

<table>
<thead>
<tr>
<th>Quarter / Year</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
<th>3Q/03</th>
<th>4Q/03</th>
<th>1Q/04</th>
<th>2Q/04</th>
<th>3Q/04</th>
<th>4Q/04</th>
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<tbody>
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<td>Financial Intelligence and Confiscation of Proceeds of Crime</td>
<td>0.30</td>
<td>0.60</td>
<td>0.70</td>
<td>0.85</td>
<td>0.95</td>
<td>1.05</td>
<td>1.20</td>
<td>1.30</td>
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### Cumulative Quarterly Disbursement Schedule (M€)

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<tr>
<th>Quarter / Year</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
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<th>1Q/04</th>
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<td>0.95</td>
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<td>1.15</td>
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<td>1.30</td>
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<td>Law Enforcement Authorities - Units involved in the fight against “economic and financial crime, including money laundering, fraud and corruption”</td>
<td>Staff (in 2001)</td>
<td>Czech estimate (indicative) of TOTAL needs upon accession to the EU*</td>
<td>Description of the Equipment paid by PHARE</td>
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<td>PCs</td>
<td>Printers, Fax, etc.</td>
<td>Surveillance tools</td>
<td>Vehicles</td>
<td>CZ98.10.02 - 0,12 MEUR</td>
<td>CZ99.04.01 - 0,40 MEUR</td>
<td>CZ01.07.06 - 1,2 MEUR</td>
<td>CZ02.07.03 - 0,6 MEUR</td>
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*In order to be fully operational (to fulfil duties defined by law in the context of the new Criminal Code of Proceedings)*

We are able to provide only figures from projects managed by SPOK connected with economic crime. Within years 1998-2001 significant parts of the budget were dedicated for software for criminal intelligence analysis (i2), operational systems and office tools. That is why the number of equipment is not very high. Cars are requested for the first time.

We are not able to provide any figures on behalf of all the Police or any figures about Ministry of Justice (prosecutors) and Ministry of Finance (FAU).