STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number: CZ2003/004-338.05.03
1.1.1 Twinning Number: CZ03/JH/02

1.2 Title: Combating Fraud against EU Financial Interests and Financial Crime

1.3 Sector: Justice Home Affairs

1.4 Location: Czech Republic

2. Objectives

2.1. Overall Objective

• Stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities

• Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union

2.2. Project Purpose

• Czech police services to improve their ability to combat fraud against the financial interests of the EC and to combat computer-related financial crime

2.3. Accession Partnership and NPAA priority

• The Accession Partnership 2001 includes
  − Ensure effective implementation of the new strategy for combating organised crime; establish a framework for co-operation between different law enforcement agencies, especially concerning the fight against financial crime and corruption, in particular concerning money-laundering, and as regards trafficking in human beings; provide further training for the police concerning organised crime and drugs; introduce modern equipment, such as an integrated computer-based investigation system

• The 2001 National Programme for the adoption of acquis includes
  − short-term priorities: Implement the tasks under the Updated Strategy of Combating Organised Crime, continue training projects on money laundering and financial crime for police officers involved in investigating and detecting such crime, and for judges and public prosecutors.
  − medium-term priorities: Personnel and technical support for specialised departments at the High Public Prosecutors' Offices in Prague and Olomouc and the Supreme Public Prosecutor's Office in Brno, which were set up for the purpose of improving the fight against corruption and serious economic and financial 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 and effective police work.

• 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 biggest problem is complexity of investigation of major financial 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
3.2. Linked activities

- Project of Ministry of Interior Phare 1998 project CZ 98-10-02 "Combating Organised Crime". This project established a centre for training of criminal intelligence analysis and I2 analytical software at UOK, include training of Czech instructors. Phare provided the hardware (server, 10 x PC), special software (10 x I2 Analyst's Notebook) and training, the Police of the Czech Republic provided facility, other equipment, instructors, transport and accommodation (Twinning CZ98/IB/JH/02 for 0,17 M€, Equipment 0,12 M€). Project successfully finished in the spring 2001.

- These activities continued in project of UOK Phare 1999 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 (40 x I2 Analyst's Notebook), which created conditions for these institutions to be familiar with new analytical tools allowing more efficient investigation and prosecution of complicated cases. Phare provided hardware too, but mainly for Supreme State Prosecutor Office, for Police it was just 5 Notebooks, 7 PCs, modems and small equipment. Police provided facilities, communications, computers and other office equipment. Instructors from project 1998 trained specialists and analysts from all involved institutions; the Czech side covered all expenses (Twinning CZ99/IB/JH01 for 0,6 M€ with Germany, UK & Italy, Equipment 0,4 M€). This project finished at the end of the year 2001.

- The project Phare 2000 CZ 00-07-03 "Fight against Proceeds from Money Laundering" (originally designed by UOK). This project is managed by the Financial Analytical Unit of Ministry of Finance of the Czech Republic in co-operation with UOK and Supreme State Prosecutor Office. This project provides police district level, where basic police investigation is conducted, regional level and special police tasks units with criminal intelligence analysis tool - 102 x I2 Analyst's Notebook, include hardware - 102 x PC and printer, and 20 PCs for UOK. Financial Analytical Unit, Financial and Tax Directorate and Supreme State Prosecutor Office receive computer equipment and special I2 software to improve their capabilities (Twinning CZ00/IB/JH02 for 0,7 M€ with UK, Equipment 1,1 M€). Project started in November 2001 and will finish in January 2003.

- Project of UOK Phare 2001 CZ 01-07-06 "Fight against Corruption and Economic Crime" has been designed to provide Unit for Combating Corruption and Major Economic Crime and Office of Financial Crime and Protection of State " with 220 computers, 50 notebooks, 20 servers, digital cameras and video-equipment, printers, scanners and software, include 36 x analytical software I2 (Twinning CZ01/IB/JH05 for 1,0 M€ with Germany, Equipment 1,2 M€). Project started in May 2002 and will continue till April 2004.

- Project of UOK Phare 2002 CZ 02-07-03 "Financial Intelligence and Confiscation of Proceeds from Crime" was being prepared to improve ability of Czech Police to use Financial Intelligence more effectively in the fight against economic crime, to conduct undercover operations in this field and to improve ability to confiscate proceeds from crime. (Twinning CZ02/IB/JH/03 for 0,7 M€ with Germany, Equipment 0,6 M€). It is supposed to start the project in spring 2003, it will continue till the end of 2004. The computer equipment was requested for involved branches, 30 PCs, 15 notebooks and printers, 6 special cars and 18 personal cars.

- Project of Ministry of Finance Phare 2003 "Support to Ministry of Finance in Actions Against Money Laundering" is being projected by Financial Analytical Unit. The main aim of this project is to establish closed encrypted network which will allow to the main financial institutions to communicate and to transfer all disclosures and related confidential financial data to Financial Analytical Unit, in unified format. This system will allow to communicate electronically with financial and tax authorities, customs and other included law enforcement bodies. UOK will be one of the participants in this project, with terminals located at newly established proceeds from crime and money laundering branch at UOK headquarters and at regional branches of UOK. This connection will allow transferring all financial data for police investigation between UOK, FAU, financial and tax authorities etc.
A Steering Committee consisting of law enforcement bodies and other relevant institutions included into mentioned projects Phare 2001, 2002 and 2003 will co-ordinate and supervise the implementation of the activities of this project (see Institutional Framework). This Steering Committee will guarantee that there will be no overlaps between all these projects, but that they will complement each other.

Some of this project activities could seem very similar, even identical, with activities covered by previous Phare projects, but they are different. It is necessary to understand that financial crime is the most sophisticated and the fastest developing crime. The perpetrators have been using the newest technologies and the best experts to commit this kind of organised crime, they are inventing new and more complicated fraud schemes, abusing every weakness in legislation or in law enforcement procedures. Even if some topics were touched in previous projects, this project is dedicated to provide Czech law enforcement institution with the newest know-how from this area, which will allow to combat frauds against EU and computer financial crime more efficiently and with better results. The key for success is specialised training - seminars, courses, workshops, study trips, training-on-the-job placements. The exact content of all activities will be designed by PAA and short-term experts in co-operation with steering committee and representatives of other projects.

3.3. Results

- Ability of special units: Unit for Combating Corruption and Major Economic Crime and Office of Financial Crime and Protection of State of the Service of Criminal Police and Investigation, Police of the Czech Republic and Supreme and High State Prosecutor Offices to detect, investigate and prosecute frauds against European Union strengthened
- Working and technical conditions for Czech Police officers for detecting hidden financial crimes abusing non-cash monetary instruments - electronic banking, electronic business and other Internet tools for payments and transfer of money for criminal purpose improved
- Significantly strengthened ability of Czech Police units dealing with financial investigations and intelligence. New methods of criminal intelligence should be trained and implemented for these investigations
- Further promotion of co-ordinated and multi-agency actions by law enforcement institutions in combating financial crime and frauds against European Union (abusing of funds, grants, donations and subsidies) in the Czech Republic
- Establishment and promotion of international police co-operation relations of special Czech units with their European partner agencies (OLAF, Europol, Eurojust etc.)
- Establishment of a training manual at the end of the project in order to promote the dissemination of knowledge. This manual is to be presented to beneficiaries so Police schools, Police and Judicial Academy as well as other appropriate institutions shall make use of this manual
- At the end of the project a gaps analysis of the state of preparedness of Czech institutions to protect the financial interest of the EU will be produced which should be presented to beneficiaries and Commission

3.4. Activities

1) Twinning: 700 000 EUR

Training for detectives, investigators, state prosecutors and computer specialists (approximately 60, 20, 20 and 20 respectively), based on Government Strategy

Training would involve the following areas: use of new financial investigation methods, European standards of evidence, international law and co-operation, criminal intelligence and investigative techniques used for investigation of frauds against European Union interests, financial investigations, techniques used for detection and investigation of crimes committed using computers and electronic media (money laundering, frauds, corruption etc. as a side effect). Working language English.

Special training for specialists of Czech central units in Member States of European Union and training in the Czech Republic for members of selected units of criminal police, investigators, state prosecutors and specialised judges.

Steering committee of this project will co-ordinate the selection of themes to protect their overlapping among other Phare projects.

The project will be managed by Unit for Combating Corruption and Major Economic Crimes (UOK) but all activities will be delivered to common groups of all involved parties.

Twinning covenant will involve:

a) 1 pre-accession advisor for 18 months with approximately 10 years of relevant police experience, working language English (approx. 250 000 EUR)

b) 1 local assistant, fluent in native language of PAA, ability to read and write English (approx. 20 000 EUR)

1 local assistant, fluent in native language of PAA, ability to read and write English (approx. 20 000 EUR)

- 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

Short-term experts profile:
Experts to organise the seminars in the Czech Republic should be sufficiently experienced in these areas:
- financial investigation methods
- criminal intelligence and investigative methods, financial investigation
- revealing of computer and electronic crime
- international law concerning financial crimes

(approx. 360 000 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. 70 000 EUR)

(2) Supply of Technical equipment : 300 000 EUR
Equipment necessary for successful detection and investigation of financial crime and frauds against European Union (based on Government Strategy).
Equipment for improving technical possibilities of electronic interception for criminal and financial intelligence, communication and surveillance for UZC.
Equipment for Internet investigations and for improvement of co-ordination of financial crime branches of UOK and UFKOS.
Computer equipment for reinforcement of field investigations of financial crime sections of UOK, UFKOS and for UZC.
Video equipment for improvement of criminal intelligence and surveillance for UZC and UOK.
Detailed specification of equipment supply will be provided when preparing technical specifications because of a fast development in technologies.
Beneficiary institutions for equipment are financial crime branches with the responsibility and tasks through the whole Czech Republic, that is why they should be very mobile and adequately equipped on the highest technical level. Part of the equipment will be delivered to Unit for Special Technical Tasks.

For indicative specification of equipment see Annex 5
A table is included in Annex 4 to this fiche, to sum up the equipment (including IT and vehicles) already delivered to the related 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.
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. The PAA will assist to verify the detailed technical specifications of the equipment.
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) The Unit for Combating Corruption and Major Economic Crime also known as UOK in Czech. At present the service has 7 regional branches and HQ in Prague. These centres received more staff in 2001 (80 positions from 1.9.2000 to 1.7.2002). All the centres are not fully equipped 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 UOK are to be established due to the new territorial organisation in the Czech Republic - 6 new regional branches so there will be 13 in total. This is supposed during 2002 - 2004 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 UOK).

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 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 inside of Office of Financial Crime and Protection of State under the control of the Deputy Police President for Criminal Proceedings. UOK became part of Service of Criminal Police and Investigation. New reorganisation is under way...
and brings together both above-mentioned units. It is supposed to merge both units and to establish new "Office for Combating Corruption and Financial Crime" with approximately 350 detectives, investigators and support staff; at the very beginning of 2003.

c) Office of Service of Criminal police and Investigation 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 Technical Tasks of Service of Criminal Police and Investigation, which is responsible for special technical activities, wiretapping and other technical interception.
e) Supreme and High State Prosecutor Offices, Branches of Serious Economic and Financial Crime, which are responsible for prosecution of the most serious economic and financial crimes.

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€)

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Phare Support</th>
<th>National Co-financing*</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Institution Building</td>
<td>Total Phare</td>
</tr>
<tr>
<td>contract 1 – twinning covenant</td>
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<td>0,70</td>
</tr>
<tr>
<td>contract 2 – supply of equipment</td>
<td>0,30</td>
<td>-</td>
<td>0,30</td>
</tr>
<tr>
<td>Total</td>
<td>0,30</td>
<td>0,70</td>
<td>1,00</td>
</tr>
</tbody>
</table>

*To contribute to this project, the UOK will provide offices, working environment, training facilities, for the twinning team.
Co-financing from the national budget for the investment part will provide cars, internal data nets, communications, facilities and other special police and technical equipment. The co-financing will be realized from a budgetary chapter nr. 314 – Ministry of Interior, Police Presidium, predicted to be financed in the year 2004. There will be parallel co-financing.

6. Implementation Arrangements

6.1. Implementing Agency
The CFCU 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. Tomáš VESELKA
telephone: +420 974 886 295, facsimile: +420 974 886 808, e-mail: okhphare@mvcr.cz.

6.3. Non-standard aspects N/A

6.4. Contracts
Contract 1: Twinning Covenant 0,70 M€
Contract/s 2: Supply of Equipment 0,30 M€

7. Implementation Schedule

7.3. Project completion 3Q/2005

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
    Sequence of the implementation of the project and ongoing Phare assistance in other law enforcement projects in
the Czech Republic will be carefully monitored and co-ordinated by the Steering Committee. The results of
previous and ongoing assistance will be incorporated into the new project as far as possible.
    Detailed specification of equipment supply will be provided when preparing technical specifications because of a
fast development in technologies.

Annexes to Project Fiche:

1. Logframe Planning Matrix
2. Detailed Implementation Chart
3. Cumulative Contracting and Disbursement Schedule
4. Summary of equipment provided by Phare 1998 – 2002
5. Preliminary cost estimates table of requested equipment
6. Additional background information
<table>
<thead>
<tr>
<th>Project Title: Combating Fraud against EU Financial Interests and Financial Crime</th>
<th>Programme number: CZ 2003/004-338.05.03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary Institution: Police of the Czech Republic Unit for Combating Corruption and Major Economic Crime (UOK) Office of Financial Crime and Protection of State (UFKOS) Unit for Special Technical Tasks (UZC) Supreme and High State Prosecutor Offices</td>
<td>Total Budget: 1,10 M€</td>
</tr>
<tr>
<td>Contracting period expires: 31/10/2005</td>
<td>Phare Contribution: 1,00 M€</td>
</tr>
<tr>
<td>Disbursement period expires: 31/10/2006</td>
<td></td>
</tr>
</tbody>
</table>

### Overall Objective
- Stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities
- Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union

#### Objectively Verifiable Indicators
- Acknowledgement by the European Commission
- Acknowledgement by other organisations e.g. Council of Europe, NGO’s

#### Sources of Verification
- EC Monitoring Reports
- Reports of Council of Europe, NGO’s

### Project Purpose
- Czech police services will improve their ability to combat frauds against the financial interests of the EC and to combat computer-related financial crime

#### Objectively Verifiable Indicators
- Increasing numbers of successfully detected, investigated and prosecuted cases
- Central section "Computer Financial Crime" well-functioning
- Central and regional sections "Financial Crime" reinforced (by at least 25 % before the end of the project) and equipped, staff trained

#### Sources of Verification
- Ministerial and Phare monitoring and evaluation reports
- JHA expert mission reports
- Reports on the Security Situation in the Czech Republic
- Government statistics on crimes detected, investigated and prosecuted

#### Assumptions
- Other parts of 3rd Copenhagen criteria fulfilled

### Results
- Strengthening of special units: Unit for Combating Corruption and Major Economic Crime and Office of Financial Crime and Protection of State of Service of Criminal Police and Investigation, Police of the Czech Republic and Supreme and High State Prosecutor Offices to detect, investigate and prosecute frauds against European Union strengthened
- Improving of working and technical conditions for Czech Police officers for detecting hidden financial

#### Objectively Verifiable Indicators
- At least 100 specialists trained in detection and investigation of frauds and abusing of donation, funds, grants and subsidies coming from European Union by the end of the project
- At least 20 specialists trained in detection of non-cash monetary instruments - electronic banking, electronic business and other Internet tools for payment and transfer of money abused for illegal activities by the end of the project

#### Sources of Verification
- Phare monitoring and evaluation reports
- JHA expert mission reports
- Annual crime statistics
- Fulfilled Conception on a Fight against Organised Crime

### Annex 1
crimes abusing non-cash monetary instruments - electronic banking, electronic business and other Internet tools for payments and transfer of money for criminal purpose improved

- Significantly strengthened ability of Czech Police units dealing with financial investigations and intelligence. New methods of criminal intelligence should be trained and implemented for these investigations
- Further promotion of co-ordinated and multi-agency actions by law enforcement institutions in combating financial crime and frauds against European Union (abusing of funds, grants, donation and subsidies) in the Czech Republic

Establishment and promotion of international police co-operation relations of special Czech units with their European partner agencies (OLAF, Europol, Eurojust etc.)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
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</table>
| 1) Twinning | 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 9810-02  
  - CZ 9904-01  
  - CZ 00-07-03  
  - CZ 01-07-06  
  - CZ 02-07-03  
  includes co-operation with PAAs |
|            | - Contract 1 – 0,700 M€  
  1 twinning covenant involving:  
  a) 1 pre-accession advisor for 18 months with approximately 10 years of relevant police experience, working language English (approx. 250 000 EUR)  
  1 local assistant, fluent in native language of PAA, ability to read and write English (approx. 20 000 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. 360 000 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 | - Czech co-financing - 100 000 €, will be spent on cars, technical equipment, telephone and computer networks, office rooms reconstruction, furniture and other equipment for UOK during 2004 and 2005, beside of the standard budget |
|            | - UOK will cover another expenses connected with the realisation of the project |
• The project will be managed by Unit for Combating Corruption and Major Economic Crimes (UOK) but all activities will be delivered to common groups of all involved parties.

2) Equipment supply
• Equipment necessary for successful detection and investigation of financial crime and frauds against European Union (based on Government Strategy).
• Equipment for improving technical possibilities of electronic interception for criminal and financial intelligence, communication and surveillance for UZC.
• Equipment for Internet investigations and for improvement of co-ordination of financial crime branches of UOK and UFKOS.
• Computer equipment for reinforcement of field investigations of financial crime sections of UOK, UFKOS and for UZC.
• Video equipment for improvement of criminal intelligence and surveillance for UZC and UOK.

| 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. 70 000 EUR)

- contract 2 - 0.300 M € for details see table 1 below:
  Equipment involving indicatively:
  - 1 set for Internet and e-mail interception special equipment and software (UZC)
  - 1 set for mobile phones interception special equipment and software (UZC)
  - 20 special Internet stations (PC, LCD colour monitor display 19", web camera, microphone, cards, speakers, software) (UOK, UFKOS)
  - 50 notebooks (UOK, UFKOS, UZC)
  - 20 mobile printers (UOK, UFKOS, UZC)
  - 15 communication tools - special radio stations for surveillance teams (UZC, UOK)
  - 10 GPS tools (UZC, UOK)
  - 12 digital cameras (UZC, UOK)
  - 6 digital video-cameras (UZC, UOK)

The beneficiaries are indicated in brackets.
The figures of equipment could be subject to alteration during later stages of the project preparation according to real situation.

1 supply tender comprising several lots and resulting in several 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 more tenders.

- accommodation of experts, training facilities and other equipment, communications, running costs. These expenses will be covered from the budget of the Police of the Czech Republic - they are not included into the project budget.

Preconditions
# Detailed Implementation Chart for the Project

**Combating Fraud against EU Financial Interests and Financial Crime**

<table>
<thead>
<tr>
<th>Action</th>
<th>Year</th>
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<td></td>
<td>Month</td>
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<td>M</td>
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<tr>
<td>Institution Building</td>
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<td>Twinning and Training Package</td>
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<tr>
<td>Launch Twinning request to Member States</td>
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<tr>
<td>Offers of MS(s) for twinning</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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<tr>
<td>Twinning Package commences</td>
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<td>Twinning activities - PAA, training</td>
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<tr>
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<td>Design of Technical Specifications</td>
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## Cumulative Contracting and Disbursement Schedule

### Cumulative Quarterly Contracting Schedule (M€)

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<th>1Q/05</th>
<th>2Q/05</th>
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<td>1.00</td>
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### Cumulative Quarterly Disbursement Schedule (M€)

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<thead>
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<th>Quarter / Year</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>
<th>1Q/05</th>
<th>2Q/05</th>
<th>3Q/05</th>
<th>4Q/05</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combating Fraud against EU Financial Interests and Financial Crime</td>
<td>-</td>
<td>-</td>
<td>0.10</td>
<td>0.50</td>
<td>0.60</td>
<td>0.70</td>
<td>0.80</td>
<td>0.90</td>
<td>1.00</td>
<td></td>
<td>1.00</td>
</tr>
</tbody>
</table>
Annex 4

Summary of equipment provided by Phare 1998 – 2002

Combating Fraud against EU Financial Interests and Financial Crime

| Law Enforcement Authorities - Units involved in the fight against economic and financial crime, including money laundering, fraud and corruption | Staff (in 2002) | Description of the Equipment paid by PHARE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CZ98.10.02 | CZ99.04.01 | CZ01.07.06 | CZ02.07.03 | CZ03. | Total |
| | RECEIVED | RECEIVED | REQUESTED | REQUESTED | REQUESTED | RECEIVED | RECEIVED | REQUESTED | REQUESTED | REQUESTED | RECEIVED | RECEIVED | REQUESTED | REQUESTED | REQUESTED | |
| Unit for Combating Corruption and Major Economic Crimes (former SPOK) | 275 | 11 PCs | 14 PCs | 164 PCs | 45 PCs | 45 PCs | 279 PCs* |
| | | 2 Printers | 7 Printers | 51 Printers | 15 Printers | 10 Printers | 85 Printers |
| | | 0 Cars | 0 Cars | 0 Cars | 24 Cars | 0 Cars | 24 Cars |
| | | 0 Cameras | 0 Cameras | 18 Cameras | 10 Cameras | 12 Cameras | 40 Cameras |
| Office of Financial Crime and Protection of State (former Office of Investigation for Czech Republic) | 100 | --- | --- | 112 PCs | 0 PCs | 20 PCs | 132 PCs |
| | | | | 26 Printers | 0 Printers | 5 Printers | 31 Printers |
| | | | | 6 Cameras | 0 Cameras | 0 Cameras | 6 Cameras |
| Office of Criminal Police and Investigation (former Criminal Office) | 150 | --- | --- | 24 PCs | 0 PCs | 0 PCs | 24 PCs |
| | | | | 6 Printers | 0 Printers | 0 Printers | 6 Printers |
| | | | | 0 Cameras | 0 Cameras | 0 Cameras | 0 Cameras |
| Unit of Special Tasks | --- | --- | --- | --- | 2 PCs | 0 PCs | 2 PCs |
| | | | | | 2 Printers | 2 Printers |
| | | | | | 2 Cameras | 2 Cameras |
| Unit of Special Technical Tasks | --- | --- | --- | --- | --- | 5 PCs | 5 PCs |
| | | | | | 5 Printers | 5 Printers |
| | | | | | 6 Cameras | 6 Cameras |
*Note:
- the PCs include all servers, work stations and notebooks, and operational and office software
- at UOK it could seem that there is more computers (279) than staff (275), but is necessary to consider following information:
  - the figure 279 contains 20 servers, 75 notebooks and 184 workstations
  - 20 servers will be located at 4 buildings of UOK in Prague and 6 regional branches
  - there are 2 separated computer networks at headquarters of UOK, one for confidential data and one for other police data, which requires more servers
  - it is necessary to use separated networks and computers for confidential information because of the rules laid by National Security Office
  - the 75 notebook will be used for field investigation, outside of the units premises, they will be shared by all investigators
  - 9 of the workstations are used for training purposes in training centre established in Phare 1998 project, for a lot of other units
  - 20 workstations will be used for Internet connections and investigations, again these stations must be separated from networks and shared by more investigators
  - it leaves only 155 workstations for 275 police officers covered by Phare
  - remaining 120 workstations and approximately 40 special workstations for processing of confidential data have been covered from co-financing
  - it is necessary to suppose another workstations separated from police networks - for example for connection with FAU, financial and tax offices etc.
  - the co-financing has been covering another office equipment, copiers, furniture, air-conditioning, cars etc
- the special software (i2) is not included into this table, because it was mainly disseminated among a lot of central, regional and district units
- detailed specification of equipment supply will be provided when preparing technical specifications because of a fast development in technologies.

We are able to provide only figures from projects managed by UOK connected with economic crime. Within years 1998-2002 significant parts of the budgets 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.
Annex 5

**Indicative Technical Specification of Equipment with Preliminary Cost Estimates**

**Combating Fraud against EU Financial Interests and Financial Crime**

(All prices are expressed in EUR exclude VAT)

The column "Quantity" contains sub-columns for various beneficiaries:

1. = Unit for Combating Corruption and Major Economic Crime (UOK)
   (estimated costs for UOK = 105,950 EUR)
2. = Office of Financial Crime and Protection of State (UFKOS)
   (estimated costs for UFKOS = 33,700 EUR)
3. = Unit for Special Technical Tasks (UZC)
   (estimated costs for UZC = 160,350 EUR)

<table>
<thead>
<tr>
<th>Item</th>
<th>EQUIPMENT SUPPLY</th>
<th>Quantity</th>
<th>Unit Price in EUR</th>
<th>Total in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Internet and e-mail interception special equipment and software</td>
<td>- - 1</td>
<td>85000</td>
<td>85000</td>
</tr>
<tr>
<td>2.</td>
<td>Mobile phones interception special equipment and software</td>
<td>- - 1</td>
<td>45000</td>
<td>45000</td>
</tr>
<tr>
<td>3.</td>
<td>Special Internet Stations (PC, LCD colour monitor 19&quot;, web camera, microphone, cards, speakers, software)</td>
<td>15 5 - 20</td>
<td>1350</td>
<td>27000</td>
</tr>
<tr>
<td>4.</td>
<td>Notebook (include software)</td>
<td>30 15 5 50</td>
<td>1700</td>
<td>85000</td>
</tr>
<tr>
<td>5.</td>
<td>Mobile colour printer</td>
<td>10 5 5 20</td>
<td>290</td>
<td>5800</td>
</tr>
<tr>
<td>6.</td>
<td>Special communication tools</td>
<td>10 - 5 15</td>
<td>600</td>
<td>9000</td>
</tr>
<tr>
<td>7.</td>
<td>GPS tools</td>
<td>5 - 5 10</td>
<td>1500</td>
<td>15000</td>
</tr>
<tr>
<td>8.</td>
<td>Digital camera set</td>
<td>9 - 3 12</td>
<td>1400</td>
<td>16800</td>
</tr>
<tr>
<td>9.</td>
<td>Digital video-camera Mini DV set</td>
<td>3 - 3 6</td>
<td>1900</td>
<td>11400</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>300,000</strong></td>
</tr>
</tbody>
</table>
Additional Background Information

- 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 Police of the Czech Republic considers this project to be very important. The project will run in the first years of Czech Republic membership in European Union, if the Czech Republic access European Union in 2004. It is possible to predicate that in the law enforcement area the frauds against financial interest of European Union and interrelated corruption will be the most sensitive topics and will be very closely watched both Czech Government and European Union bodies. Difference between this project and previous Phare assistance is mainly in topics with extraordinary strong international aspects. The crimes will be committed in the Czech Republic with money or perpetrators abroad, or by foreigners from abroad with the money in the country etc., the investigation will demand very close and operational police co-operation with European Union law enforcement bodies and other member states police forces.
- The organisations involved will be:
  a) The Unit for Combating Corruption and Major Economic Crime also known as UOK in Czech. At present the service has 7 regional branches and HQ in Prague. These centres received more staff in 2001 (80 positions from 1.9.2000 to 1.7.2002). All the centres are not fully equipped for handling the most complicated cases they will have to deal within near future in much larger scale than today. In addition new centres of UOK are to be established due to the new territorial organisation in the Czech Republic - 6 new regional branches so there will be 13 in total. This is supposed during 2002 - 2004 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 UOK).
  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 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 inside of Office of Financial Crime and Protection of State under the control of the Deputy Police President for Criminal Proceedings. UOK became part of Service of Criminal Police and Investigation. New reorganisation is under way and brings together both above-mentioned units. It is supposed to merge both units and to establish new "Office for Combating Corruption and Financial Crime" with approximately 350 detectives, investigators and support staff, at the very beginning of 2003.
  c) Office of Service of Criminal police and Investigation 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 Technical Tasks of Service of Criminal Police and Investigation, which is responsible for special technical activities, wiretapping and other technical interception.
  e) Supreme and High State Prosecutor Offices, Branches of Serious Economic and Financial Crime, which are 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. All actions will be co-ordinated with other activities conducted by European Union agencies in the Czech Republic, Phare horizontal project of OLAF, organised crime, money laundering and other law enforcement projects.
- A Steering Committee will be established involving all relevant law enforcement agencies and other services (Service for Criminal Police and Investigation especially UOK, Office of Financial Crime and Protection of State, Unit for Special Technical Tasks of Service of Criminal police and Investigation, Supreme State Prosecutor Office), which should be conveyed at a monthly basis. This will further promote co-ordinated, multi-agency actions by law-enforcement agencies both in the project and the combating financial crime and frauds against EU.
- Sequence of the implementation of the project and ongoing Phare assistance in other law enforcement projects in the Czech Republic will be carefully monitored and co-ordinated by the Steering Committee. The results of previous and ongoing assistance will be incorporated into the new project as far as possible.