

## Day 1: Dr. Andon Tashukov

### *Protecting financial interests and the role of AFCOS and EPPO*

- EU Policies to fight fraud
- The role of AFCOS
- The role of the EPPO
- **Break out rooms on innovative methods**

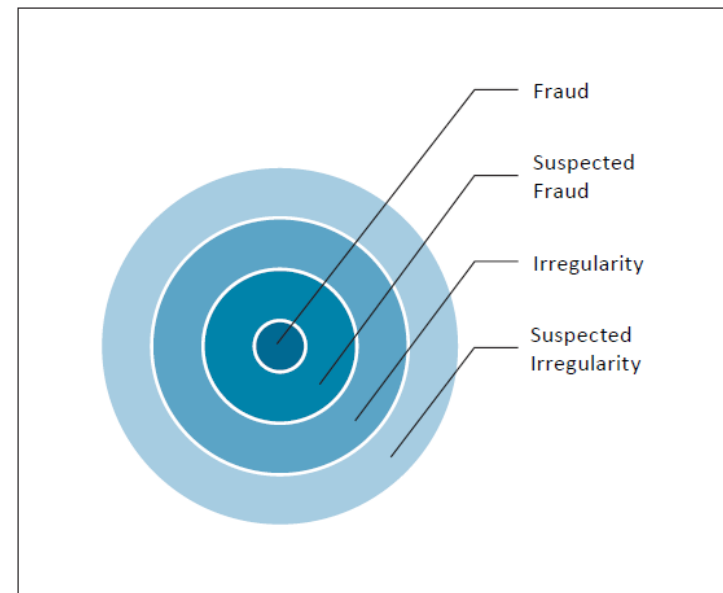
## EU policies in the fight against fraud

- **Art. 325 TFEU and Commission decision** establishing OLAF
- **PIF Convention and PIF Directive** - Directive 2017/1371
- **Regulation 2988/95** on the protection of the EC financial interests
- **Regulation 2185/96** concerning on the spot checks and inspections
- **Regulation 883/2013** – OLAF Regulation concerning the investigations of OLAF (2020/2223)
- **EPPO Regulation** - Regulation (EU) 2017/1939
- **CAFS** Commission Anti-Fraud Strategy
- **Hercule Programme/Pericles Programme** – Single Anti-Fraud Programme
- **NAFS, AFCOS** – together with MS

**Irregularity**: Regulation 2988/95, CPR/Sectorial Regs

**Suspected fraud**: DR for Reporting, 2015/1970-1973

**Fraud**: PIF Convention, PIF Directive



## National experience in MCS

- **Identifying** the problems. Setting up management and control systems (**MCS**).
- Adoption of **Anti-Corruption Convention** and creation of **AFCOS**
- Creation of **AFCOS Council**
- Adoption of **National Anti-Fraud Strategy**
- Implementation of **Working plan** of the NAFS
- **Working groups** Mechanism on National Level
- **Fighting corruption**
- **Additional measures**

## Lessons learned: why did it not work?

- MS **did not carry out a risk analysis** and had not developed a national antifraud Strategy.
- MS **had not forwarded reporting guidelines** on irregularities to partner institutions, accompanied by additional guidance and/or training
- MS **could not take care of daily** operations (meetings 2/3 times a year).
- **NEED for an active secretariat/service** staffed by people with technical expertise and language skills who could provide the link between national institutions & OLAF and also act as a help desk in order to bridge the gap between MS & OLAF

## Anti-Fraud Coordination Services (AFCOS)

- **Art. 3**, par. 4 Regulation 883 (previous text)/ Art. 12a Reg. 2020/2223
- 3 ways:
  1. Coordination and exchange of information, (Basic functions/Minimum requirements),
    2. Administrative/financial investigations
    3. Criminal investigations functionalitie
- **Minimum requirements** are placed in Guidelines of Tasks and responsibilities of AFCOS (2013) and in Regulation 2020/2223 – article 12a, 12b.
- Coordinating, within the country, all legislative, administrative and investigative obligations and activities related to the protection of EU's financial interests
- Ensuring co-operation with OLAF & MS, as required by Article 325 TFEU

**Q:** *Is having different functionalities unfair against economic operators?*

## Anti-Fraud Coordination Services (AFCOS)

1. **Investigative tasks**, including exchange of investigative information
  - information related to **irregularities** – require from national authorities to act
  - **OTSC Regulation 2185/96** – participation;
  - **Implementation** of OLAF recommendations – horizontal support, exchange with information
2. **Preventive tasks**
  - **NAFS**, identification of weaknesses, dissemination of information.
3. **Training tasks**
  - Definition of **training needs**; development together with OLAF of specific training, assistance to other national institutions
  - **Hercule/EU Anti-fraud Programme** presentation of results.

## All European Union MS AFCOS Services

<b>Austria</b>	Bundesministerium für Finanzen Abteilung für Betrugsbekämpfung, Steuer und Zoll (IV/3) (Federal Ministry for Finance Department for Anti-fraud, Tax and Customs) <b>(Austrian AFCOS)</b>
<b>Belgium</b>	Commission Interdépartementale pour la Coordination de la Lutte contre les Fraudes dans les secteurs économiques (CICF / ICCF)  <b>Belgian AFCOS</b>
<b>Bulgaria</b>	AFCOS Directorate Ministry of Interior  <b>Bulgarian AFCOS</b>
<b>Croatia</b>	Ministry of Finance Directorate for Financial Management, Internal Audit and Supervision Service for Combating Irregularities and Fraud <b>Croatian AFCOS</b>
<b>Cyprus</b>	Verifications and Certification Directorate Treasury of the Republic  (Central Contact Point for OLAF and other AFCOS members) <b>Cyprus AFCOS</b>
<b>Czech Republic</b>	Department 69 - "Analysis and Reporting Irregularities" Central Contact Point of AFCOS Ministry of Finance <b>Czech AFCOS</b>
<b>Denmark</b>	Ministry of Finance 7th Division – Environment, food, climate, energy and EU Budget <b>Danish AFCOS</b>
<b>Estonia</b>	The Ministry of Finance of Estonia Financial Control Department  <b>Estonian AFCOS</b>
<b>Finland</b>	Ministry of Finance / Government Financial Controller's Function (Valtiovarainministeriö / Valtiovarain controller-toiminto) <b>Finnish AFCOS</b>
<b>France</b>	Délégation Nationale à la Lutte contre la Fraude (DNLF)  <b>French AFCOS</b>
<b>Germany</b>	Bundesministerium der Finanzen, Referat E A 6 <b>German AFCOS</b>
<b>Greece</b>	Hellenic Republic General Secretary against Corruption <b>Greek AFCOS</b>
<b>Hungary</b>	National Tax and Customs Administration Central Management OLAF Coordination Bureau <b>Hungarian AFCOS</b>
<b>Ireland</b>	Department of Finance International & EU Division EU Budget Section <b>Irish AFCOS</b>
<b>Italy</b>	<b>Italian AFCOS</b> Committee for the Fight Against Community Fraud (italian A.F.C.O.S.)
<b>Latvia</b>	Ministry of Finance EU Funds Audit Department <b>Latvian AFCOS</b>
<b>Lithuania</b>	Financial Crime Investigation Service under the Ministry of the Interior (Finansinių nusikaltimų tyrimo tarnyba prie Vidaus reikalų ministerijos) <b>Lithuanian AFCOS</b>
<b>Luxembourg</b>	Directorate of International Financial Relations, Development Aid and Compliance (Direction "Affaires multilatérales, développement et compliance") Ministry of Finance <b>Luxembourg AFCOS</b>
<b>Malta</b>	Internal Audit and Investigations Department - IAID Cabinet Office, Office of the Prime Minister <b>Maltese AFCOS</b>
<b>Netherlands</b>	Douane Informatiecentrum - DIC (Customs Information Centre) Douane Nederland (Douane Rotterdam Rijnmond) <b>Dutch AFCOS</b>
<b>Poland</b>	Ministry of Finance, Department for Audit of Public Funds <b>Polish AFCOS</b>
<b>Portugal</b>	Inspecção-Geral de Finanças (IGF) <b>Portuguese AFCOS</b>
<b>Romania</b>	DLAF, Government of Romania <b>Romanian AFCOS</b>
<b>Slovak Republic</b>	Government Office of the Slovak Republic, Section of Control <b>Slovak AFCOS</b>
<b>Slovenia</b>	Budget Supervision Office of the Republic of Slovenia <b>Slovenian AFCOS</b>
<b>Spain</b>	Servicio Nacional de Coordinación Antifraude, Intervención General de la Administración del Estado (IGAE) Ministerio de Hacienda y Administraciones Públicas <b>Spanish AFCOS</b>
<b>Sweden</b>	Swedish Economic Crime Authority <b>Swedish AFCOS</b>
<b>United Kingdom</b>	National Police Coordinators Office for Economic Crime City of London Police Economic Crime Directorate <b>UK AFCOS</b>

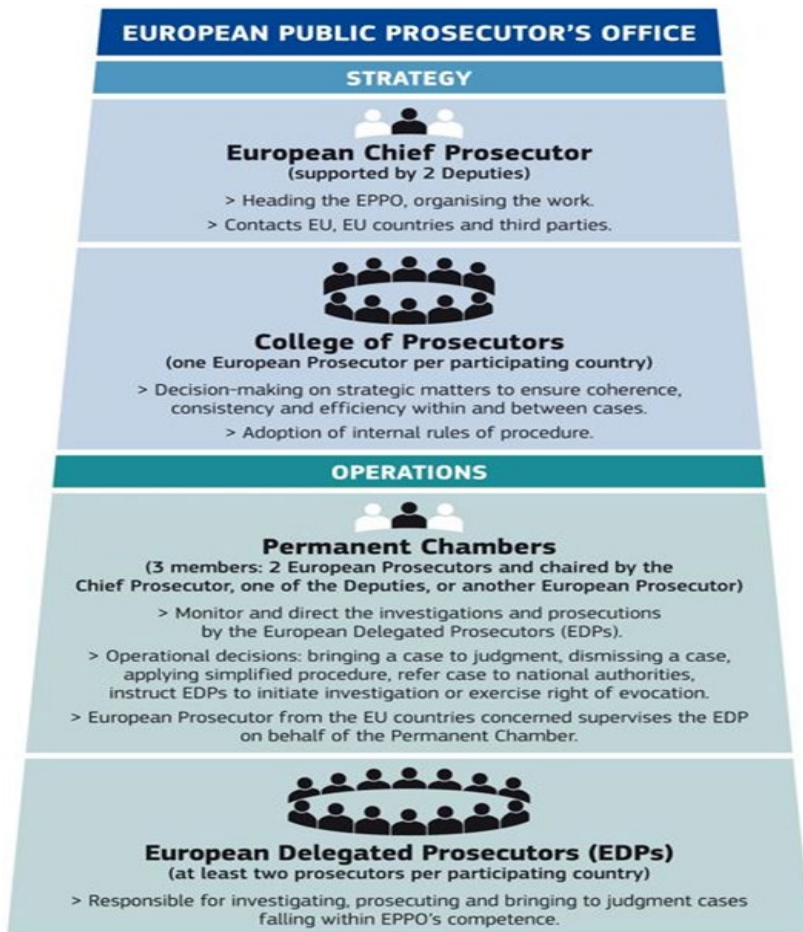
# The mandate of the EPPO

- The independent prosecution office of the EU.
- Responsible for investigating, prosecuting and bringing to judgment crimes affecting the EU's financial interests.
- Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office. OJ L 283, 31.10.2017

# Material competence

- ❑ (Article 22 EPPO Regulation):
  - criminal offences affecting the financial interests of the Union that are provided for in Directive (EU) 2017/1371, as implemented by national law (“PIF crimes”);
  - criminal organisation related to PIF offences;
  - “inextricably linked offences”
- ❑ **Special conditions:**
  - Regarding VAT offences: criminal activity has to be connected with the territory of two or more Member States and to involve a total damage of at least EUR 10 million (Article 22 EPPO Regulation)
  - Regarding the damage: - as a rule, at least 10000 EUR, unless there are Union level repercussions or EU officials or equivalent are involved (Article 25 EPPO Regulation);
  - - non-evocation, referral could apply for damage of less than 100000 EUR (Articles 27.8, 34.3 EPPO Regulation).

# Structure



## Central Level at EPPO's headquarters in Luxembourg:

### ☐ **Central Office**

- European Chief Prosecutor (ECP)
- One European Prosecutor (EP) from each participating MS
- The College (strategic decisions)
- Permanent Chambers (operational decisions)
- Administrative Director

### ☐ **Staff supporting both the Central Office and the European Delegated Prosecutors.**

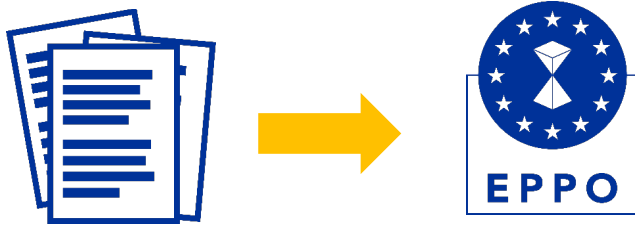
## Decentralised Level:

### **European Delegated Prosecutors (EDPs)**

- based in each participating MS
- at least 2 EDPs per MS
- support staff (MS)

# Investigations: how it works

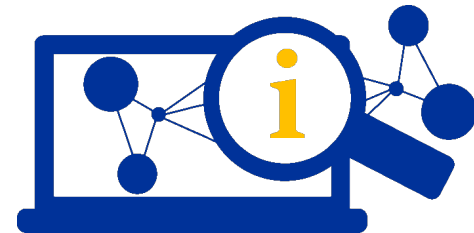
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## Information comes to EPPO

- From private parties: **Report A Crime** web form
- From national authorities

2



Verification and registration in digital **Case Management System** and assigned to a European Delegated Prosecutor.

3



## If opened, EDP investigates from start to finish

- Supported by EPPO financial investigators and case analysts
- Supported by national police, customs, tax services...
- Supervised by a Permanent Chamber in Luxembourg

4



**Case is tried before the national court**

# Virtual Coffee Break ...tour de table!



## BREAK OUT ROOM!



- Discuss in your group innovative methods to combat fraud and corruption ...and make a short list of them !