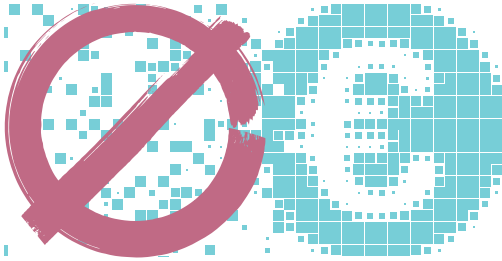




# **CORRUPTION PREVENTION MECHANISMS RELATED TO EU FUNDED PROJECTS**

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The publication is part of the project Corruption in EU financed projects: a review of corruption schemes, prevention mechanisms and investigation strategies (CEP), co-financed by European Union, implemented by Centre for Legal Resources.

The publication is based on the presentations of speakers and discussions of the conference "Corruption prevention mechanisms related to EU funded projects", organised on 28 June 2018 in Bucharest, Romania. The list of speakers is available at the end of the publication. Speakers were credited for their contributions in text of the publication.

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Bucharest, December 2018

# 1. OLAF AND AFCOS FRAUD AND CRIME PREVENTION INITIATIVES

OLAF developed the Anti-Fraud Communicators' Network (OAFCN), a network of communicators working on anti-fraud issues having two main objectives:

a) to prevent and deter fraud through a permanent dialogue, reinforced cooperation, and joint communication initiatives bringing together communicators from all the European bodies dealing with anti-fraud issues; and

b) to raise citizens' and media awareness on the work done by OLAF and its partners in the Member States on protecting the EU budget from fraud and, therefore, citizens' financial interests. This, prevention of fraud remains the first phase in the fraud cycle.

Another initiative is Advisory Committee for the Coordination of Fraud Prevention (COCOLAF) which provides expertise to the European Commission on fraud prevention and control issues such as legislative and policy issues, general issues of investigative cooperation, irregularities, protection of the Euro, and external communications.

Fraud Prevention by Romanian Fight against Fraud Department (DLAF) is achieved through development of appropriate national public policies, antifraud training, and anti-fraud public information and communication activities. DLAF has an anticorruption internal structure and an internal integrity plan as part of DLAF commitments under Romanian National Anticorruption Strategy – SNA. DLAF elaborated the National Strategy for Fighting Fraud and the Protection of the Financial Interests of the European Union in Romania 2018-2023.

European Commission and OLAF publish regularly anti-fraud guides, providing to Member States information and guidance for actions to be taken by them in view of preventing, detecting and correcting instances of fraud.

Anti-fraud coordination service (AFCOS) is a structure established in all EU Member States to facilitate effective cooperation and exchange of information, including information of an operational nature, with OLAF. AFCOS has also a fraud prevention mandate consisting in dissemination of information, creation/implementation of national strategies to protect EU's financial interests, identifying possible weaknesses in national systems for managing EU funds and initiating appropriate remedial measures.

## 2. PREVENTION TOOLS

In opening the conference “Corruption prevention mechanisms related to EU funded projects”, 28th of June 2018, in Bucharest, Romania, Professor Mike Levi, from Cardiff University, raised several key points about fraud, corruption, organised crime and ways to control illegal markets:

- » Organised crime, fraud and corruption used to be regarded as separate but now we begin to understand there is much more overlap. Nevertheless not all countries are equal in this respect, nor is the phenomenon static over time;
- » Usual markets for corruption are a) law and rule-making, b) regulatory/law enforcement interventions and c) procurement of goods and services, especially where political power is also concentrated. Thus, a key policy to be assessed is European whistle-blowers protection, namely what is the actual and potential role of whistle-blowers in disrupting these criminal markets;
- » Sunlight methods are complementary policies also to be evaluated: financial haven criminalisation, beneficial ownership registers or E-procurement;
- » The role of criminal justice to EU fraud and corruption and ‘effective, proportionate and dissuasive’ sanctions for violations needs to be periodically assessed. Are there any better alternatives?

The speakers focused on public procurement, whistleblowers protection and transparency.

### 2.1. Prevention tools in the area of public procurement

Linette de Swart presented the results of a series of studies prepared for the European Commission by Ecorys on healthcare corruption in 2013 and 2017 and highlighted the lessons to be learned from the healthcare sector.

Thus, a measure to prevent corruption cannot be treated as one-size-fits-all because regions and countries may face different challenges.

The studies tested four statements on measures to prevent corruption in procurement and highlighted that stakeholders in different regions have different perspective on the efficiency of those measures.

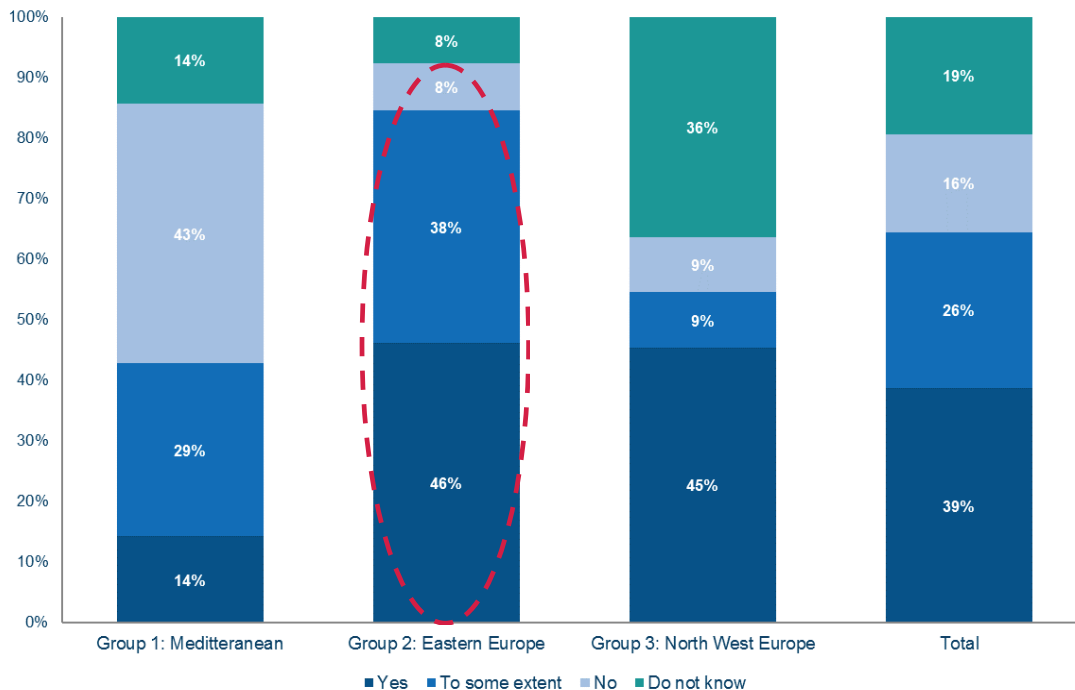
For instance, most stakeholders in Eastern Europe tend to believe an efficient prevention measure is centralization of public procurement. Almost 30% of stakeholders in Mediterranean consider that high-level convictions do not have a dissuasive effect.

Targeted EU policies in protecting the EU financial interests will only work when embedded in a society where corruption is not tolerated and effectively prevented, investigated and prosecuted.

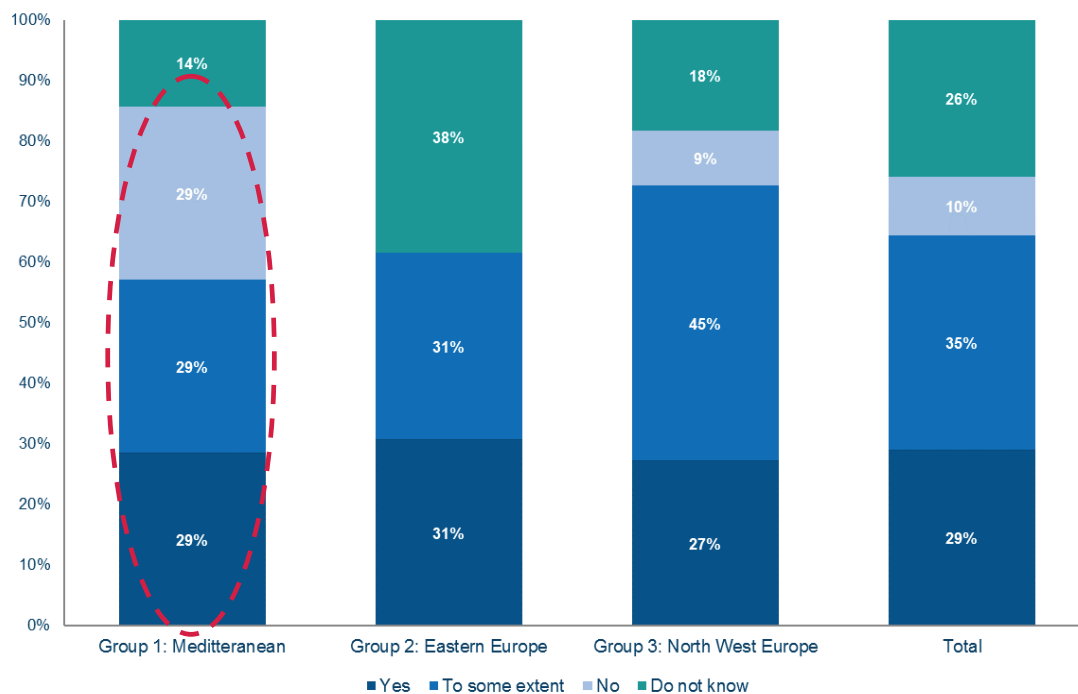
Tested statements on prevention policies:

1. Centralization of procurement lowers the risks of corruption
2. Central procurement becomes vulnerable as targets for lobbyist and more politically inspired types of corruption
3. Awareness raising campaigns and fraud and corruption reporting hotlines are an effective instrument to fight corruption in healthcare
4. Convictions of (high-profile) corruption cases have a deterrent and norm-setting effect

### Centralisation of procurement is a method to lower the risks of corruption



## Convictions of (high-profile) corruption cases have a deterrent and normsetting effect



Source: Linette de Swart, Ecorys presentation during the conference "Corruption prevention mechanisms related to EU funded projects", organised on 28 June 2018 in Bucharest, Romania.

## 2.2. Whistleblowers protection

In April 2018, European Commission published a proposal for a Directive of the European Parliament and of the Council on the protection of persons reporting on breaches of Union law - COM/2018/218 final. The report adopted by the European Parliament's legal affairs committee (JURI) on 22nd

of November 2018 brought significant improvement on the commission's original proposal. The Directive will bring new rules:

» **Concerned entities:** public and private entities (private legal entities with 50 or more employees;

private legal entities with an annual business turnover or annual balance sheet total of EUR 10 million or more; private legal entities of any size operating in the area of financial services or vulnerable to money laundering or terrorist financing);

» **Reporting system:** whistleblowers will first have to use internal channels within their organisation before calling on external ones (set up by public authorities/law enforcement) and, eventually, going for public disclosure. However, the principle of a three step system includes exceptions allowing a person to go directly for external or even public disclosures in some specific cases (e.g. in case of manifest or imminent danger for the public interest);

» **Persons protected:** include a large number of profiles who could acquire information on breaches in a work-related context. e.g. workers, including civil servants at national/local level, volunteers and trainees, non-executive members, shareholders.

» **Feedback obligations for authorities and companies:** they will have to respond and follow-up to the whistleblowers' reports within 3 months (with the possibility of extending to 6 months for external channels in duly justified cases);

» **Public disclosures:** conditions to be fulfilled for a person to be protected by the Directive in case he/ she publicly discloses information;

» **Scope of application:** it covers areas such as public procurement, financial services, prevention of money laundering, public health, etc.

## 2.3. Transparency and access to information measures

Anne DE MOUSSAC, Haute Autorité pour la transparence de la vie publique (HATVP) / High Authority for Transparency in Public Life, France presented during the conference "Corruption prevention mechanisms related to EU funded projects", organised on 28 June 2018 in Bucharest, Romania, the policies aiming to promote integrity of public life in France, namely control the assets, prevention of conflicts of interest, transparency, regulating revolving doors, counselling of public officials and the public register of lobbyists.

» HATVP delivers confidential counselling on ethical matters to all public officials;

» HATVP provides institutional guidance and reports to public authorities;

» Revolving doors is a criminal offence in France  
Revolving doors criminal offence in France:

Take or receive participation through labor, advice or capital in any private company if :

The person ensured supervision or control of this company

The person concluded or advised on contracts with this company

The person suggested decisions to the competent authorities about this company before the expiration of 3 years (cooling off period) following the termination of their public functions

# 3. GOOD PRACTICES IN PREVENTION OF CORRUPTION, CONFLICTS OF INTERESTS AND FRAUD-RELATED CORRUPTION AFFECTING EU FINANCIAL INTERESTS

Several good practices were presented during the conference "Corruption prevention mechanisms related to EU funded projects", 28th of June 2018.

All these practices aim to prevent fraud and corruption by applying big data, risk analysis, raising awareness, enhancing cooperation among stakeholders or involving civil society.

## 3.1. Prevent Software, National Integrity Agency, Romania

National Integrity Agency (ANI) in Romania is an independent body that has the mandate to evaluate conflicts of interests, incompatibilities and unjustified wealth, including cases that involve EU funds. Conflicts of interest cases related to E.U. funded projects account for about 5% of total conflicts of interest cases evaluated by ANI. Once the conflict of interest happens, for instance a decision is reached in conflict of interest, the damage is done and it is very hard, sometimes impossible, to apply proportional remedies.

In order to prevent conflicts of interests in procurement, including EU funds, ANI developed PREVENT, an IT tool able to identify and prevent conflict of interests by automatically detecting

whether participants in public bids are relatives or are connected in any way to decision-makers within the contracting authority. PREVENT analyses all relevant public procurement in Romania by cross-checking a number of variables, including previously held positions in the administration. It performs intelligent data analysis, stakeholder's crosscheck, designs relational map, and allows for automatic dialog among databases (trade register database, national ID database). PREVENT was launched in June 2017 and by the end of 2018, PREVENT analysed more than 16.000 procedures having a total value of 15.5 billion euro.

When relationships are found, PREVENT issue an integrity warning that is send to the contracting authority that has the obligation to remove the cause of conflict of interests.

In one and a half year of existence, PREVENT issued integrity warnings for 55 public procurement contracts amounting to 112.000.000 Euro. In the absence of PREVENT, all these contracts would have been irremediable compromised. Three integrity warnings were issued in procurement related to EU funds -The Regional Operational Program of the European Regional Development Fund (ERDF ROP) amounting to 8.000.000 Euro.



**integritate**  
 VERSIUNE BETA  
 Căutare în site

ROMÂNIA  
 AGENȚIA NAȚIONALĂ DE INTEGRITATE

A.N.I. A.N.I. INTERACTIV COOPERARE C.N.I. MEDIA

CONTRACTE  
 Home > PREVENT

**PREVENT**

Sistemul PREVENT – secțiune destinată informării persoanelor cu atribuții în implementarea prevederilor Legii nr. 184/2016

Consultă aici [Legea nr. 184/2016 din 17 octombrie 2016](#) privind instituirea unui mecanism de prevenire a conflictului de interese în procedura de atribuire a contractelor de achiziție publică

Descarcă [Ghidul de completare a formularului de integritate](#)

[Întrebări frecvente](#) privind mecanismul de prevenire a conflictului de interese în procedura de atribuire a contractelor de achiziție publică

Contactează Agenția Națională de Integritate:  
 Tel: 0372 069 869 / Interior: 111 sau 150  
 Email: [prevente@integritate.eu](mailto:prevente@integritate.eu)

[Îndrumar pentru Autoritățile Contractante privind Conflicttele de Interese în Procesele de Achiziții Publice](#)

**Rezultatele Sistemului PREVENT**

[Rezultatele Sistemului PREVENT](#)

[Rezultatele Sistemului PREVENT în octombrie - decembrie 2018](#)

**7.693.571**  
 DE DECLARAȚII DE AVERE ȘI INTERESE POT FI CONSULTATE ACUM PRIN PORTALUL A.N.I.  
 Ultime actualizări: 21.01.2019

**prevent**  
 informare  
 evaluare  
 prevenție

**ATENȚIONARE**  
 13.12.2018 – 01.05.2019

**INTERDICȚII**

- INTERDICȚIE 3 ANI

**DOSARE AFLATE ÎN INSTANȚA**

- CONFISCĂRI DE AVERE
- INCOMPATIBILITĂȚI
- CONFLICTE DE INTERESE

**HOTĂRARI DEFINITIVE ȘI IREVOGABILE ALE INSTANTELOR DE JUDECATĂ**

- CONFISCĂRI DE AVERE
- INCOMPATIBILITĂȚI
- CONFLICTE DE INTERESE

SEARCH

### 3.2. AGEA Fraud Prevention System, Italy

Agenzia per le erogazioni in agricoltura (AGEA) is the national paying agency in Italy for 13 Regions and the Italian Coordination Body. It ensures the harmonization of the laws and the operational procedures for management, controls and payments including the financial EU reporting and statistical data. AEGEA developed an anti-fraud expert group in order to identify risk based irregular practices or non-compliant administrative procedures in agriculture.

AGEA developed a fraud prevention system based on data analysis and risk modulation tools. The system was presented by Salvatore Carfi in 28 June 2018 conference in Bucharest and it has three modules: Land Management, Applications Management, and IT Access Management.

The land management module uses photo-interpretation methodologies for land evaluation, based on digital photogrammetry, and tentatively satellite data gathered by the Copernicus program in order to highlight non-agricultural surfaces that are excluded from funding (ineligible land, eligible land not used for agriculture, public domain). Parcels classified as not eligible are excluded prior for the submission of any potential application.

The application management module is configured to identify potential fraud Indicators (red flags). If a risk score exceeds a threshold, the system triggers an alert.

Risk indicators are, for instance, land registered in the database as state property, land not previously declared in the Single Aid Application (DU), change

Source: National Integrity Agency website – [integritate.eu/prevent.aspx](http://integritate.eu/prevent.aspx)

Ms. Anca TOMULESCU from National Integrity Agency present the PREVENT system during the conference “Mapping corruption schemes involving EU funds”, organised on 26-27 April 2018 in Bucharest, Romania.

in land use, same legal representative in more than one agricultural holding, or covering key-roles in several holdings.

In 2017, AGEA tested the system on a sample of farmers on the basis of risk indicators/ risk profile and identified 12 cases of potential fraud. Statistics and reports modules may be used by the Investigations Authorities.

CUAA	Denominazione/Ragione Sociale	Organismo Pagatore	Operatore	Anno campagna	Percentuale	RAPPORTO SUPERFICI (%)
BBTN181M8L72SP	ABBATE ANTONIETTA	AGEA	GD'AVINA	2017	100	94
BCCTV564C62CT49L	BUCCI TOMMASINA	AGEA	DACAVALLARO	2017	100	87
BCN1M4S4802F618A	BUCCINO MARIO	AGEA	GIRIGNATELLI	2017	100	97
BI1UR1U48D791102U	RIALTIPI & BRANCIAPANI	AGEA	FRANZESCHINI	2017	100	97

Source: Salvatore Carfi presentation on 28th of June 2018 conference in Bucharest "Corruption prevention mechanisms related to EU funded projects".

The Access Management module ensures a greater level of security when accessing the National Agricultural Information System (SIAN) database

and supports administrative procedures when applying for EU funding in the agricultural sector.

A mobile APP was developed to support on-the-spot anti-fraud controls. The application has two search functions, by fiscal code and by geographic position. The search by tax code will display the following info: a) agricultural holding data, especially the area covered, the use of the land, stockbreeding and zootechnics, winery records, authorizations, technical details on areas under vines, wine-growing declarations, and the graphic cultivation plan, with the possibility of zooming-in; b) submitted applications: Application Standard Module (DU), Rural Development, Statements of Inventories, Grape Harvesting and Wine Production; c) payments: amount, reference bank, payment status, reference sector. The search by location will display the neighbouring agricultural holding on the map for which there is a graphical cultivation plan.

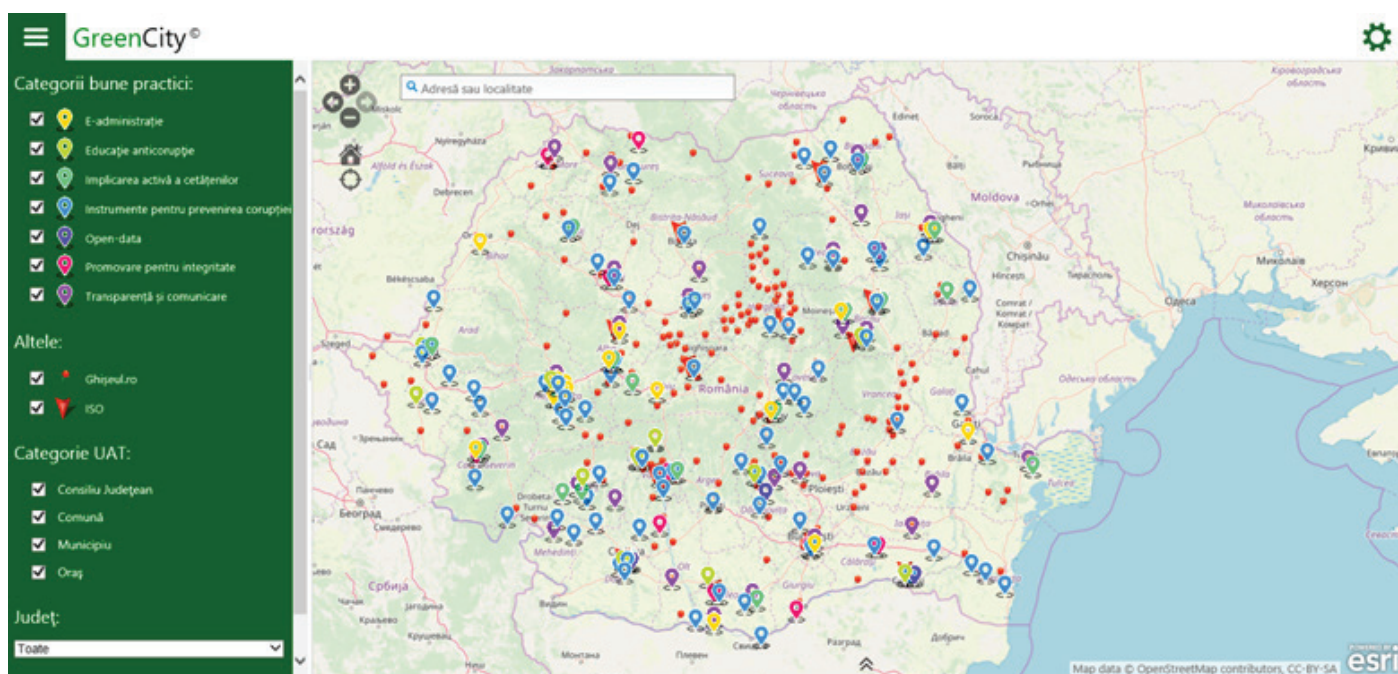
Source: Salvatore Carfi presentation on 28th of June 2018 conference in Bucharest "Corruption prevention mechanisms related to EU funded projects".

### 3.3. MDRAP anticorruption good practices map

During the conference "Corruption prevention mechanisms related to EU funded projects", organised on 28 June 2018 in Bucharest, Romania, Ms. Andreea Grigore, Head of Integrity and Good Governance Department, Ministry of Regional Development and Public Administration presented the anticorruption good practices map. The anticorruption good practices registered on the

map were developed by local and regional public authorities in Romania during the implementation of 2012-2015 National Anticorruption Strategy. The integrity/anticorruption good practices are organised into seven categories: e-administration, anticorruption education, citizens' participation, corruption prevention, open-data, transparency / communication, and integrity raising awareness actions

This IT tool is an instrument of acknowledgment and inspiration for local and regional authorities to control corruption. Local and regional authorities are one of the main beneficiaries of EU funds and corruption prevention activities have dissuasive effects.



Source: greencity.mdrap.ro

### 3.4. Romanian National anticorruption strategy

Mr. Sorin TĂNASE, from Ministry of Justice, Romania presented the Romanian National Anticorruption Strategy (SNA) during the conference “Corruption prevention mechanisms related to EU funded projects”, organised on 28 June 2018. SNA is a multiannual coordination instrument among all the stakeholders, organised in five cooperation platforms: anticorruption authorities, central administration, local administration, business

sector and civil society. Each SNA platform has regular meetings and approve action plans and peer-review reports. There were four SNAs implemented so far in Romania (SNA 2001-2004, SNA 2005-2007, SNA 2008-2010, SNA 2012-2015) and the fifth one is under implementation (2016-2020). SNA has three strategic focuses: prevention, education and combating of corruption.



#### Despre Strategia Națională Anticorupție

Strategia Națională Anticorupție (SNA) 2016-2020, adoptată prin Hotărârea Guvernului nr. 583/2016, este rezultatul unui îndelungat proces de consultare și a avut în vedere concluziile auditului extern independent al SNA 2012-2015. Documentul strategic preia bunele practici dezvoltate în cadrul SNA 2012-2015, respectiv misiunile de evaluare și platformele de cooperare, propunându-și totodată să îmbunătățească aspectele care nu au funcționat.

Scopul principal al acesteia este promovarea integrității, prin aplicarea riguroasă a cadrului normativ și instituțional de prevenire și combatere a corupției în România.

Strategia se adresează tuturor instituțiilor publice reprezentând puterea executivă, legislativă și judecătorească, autorităților publice locale, mediului de afaceri și societății civile. Pentru fiecare tip de intervenție sunt identificate obiective generale și specifice. Toate acestea sunt dezvoltate prin asumarea transparenței decizionale și a guvernării deschise dublate de o abordare axată pe trei direcții de intervenție strategică în domeniul anticorupției: prevenire, educație și combatere.

Strategia menține paradigma care a stat la baza strategiei anterioare, și anume aceea a asimilării oricărui nou dosar al Direcției Naționale Anticorupție și al Agenției Naționale de Integritate cu un eșec de management.

[Află mai mult](#)

Login chestionar indicatori

Utilizator

Parola

Autentificare

### 3.5. Integrity pacts

During the conference “Corruption prevention mechanisms related to EU funded projects”, organised on 28 June 2018, Ms. Valentina DIMULESCU and Mr. Victor ALISTAR presented the integrity pacts signed in Romania in relation to management of EU funds.

On April 20, 2018, the Ministry of Regional Development and Public Administration in Romania signed an Integrity Pact with the Romanian Academic Society on monitoring of public procurement procedures carried out under three contracts covering communication activities of the Management Authority of Administrative Capacity Operational Programme, amounting over 1.5 million euro.

Other pacts were signed by National Agency for Cadastre and Real Estate Information (ANCPI), Ministry of Culture and National Identity and Ministry of National Education.

The pacts sign in Romania are part of a larger European initiative aiming to develop new innovative ways of preventing corrupt practices in projects funded by EU funds, called “Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds”. This initiative was launched by the European Commission’s Directorate-General for Regional and Urban Policy and Transparency International.

An **Integrity Pact** is a contract between a contracting authority and economic operators bidding for public contracts that they will abstain from corrupt practices and will conduct a transparent procurement process. To ensure accountability and legitimacy, an Integrity Pact includes a separate contract with a civil society organisation which monitors that all parties comply with their commitments.



# INTEGRITY PACTS

## CIVIL CONTROL MECHANISM FOR SAFEGUARDING EU FUNDS

Number of projects/country

**11** EU MEMBER STATES WHERE **INTEGRITY PACTS** WILL BE PILOTED



Regional and Urban Policy



**4 YEARS**

DURATION OF THE PROJECT



**17**

INTEGRITY PACTS PILOTS



**OVER 920 MILLION**

TOTAL VALUE OF THE SELECTED PARTICIPATING EU CO-FUNDED PROJECTS



**OVER 7.2 MILLION**

COMMISSION BUDGET FOR THIS INITIATIVE



**8**

SECTORS COVERED BY SELECTED EU CO-FUNDED PROJECTS

**15**



CIVIL SOCIETY ORGANIZATIONS/ MONITORS



**11**

EU MEMBER STATES PARTICIPATING

Source: European Commission

# CONFERENCE SPEAKERS

## “CORRUPTION PREVENTION MECHANISMS RELATED TO EU FUNDED PROJECTS”, 28 JUNE 2018, BUCHAREST, ROMANIA:



**Frank MICHLIK**, Head of Fraud Prevention, Reporting and Analysis Unit, European Anti-Fraud Office

**Michael LEVI**, Professor of Criminology, Cardiff University, United Kingdom

**Linette DE SWART**, Anti-corruption expert, Ecorys, The Netherlands

**Anne DE MOUSSAC**, High Authority for Transparency in Public Life, France

**Sorin TĂNASE**, Ministry of Justice, Romania

**Silvia TUDORACHE**, The Fight Against Fraud Department (DLAF), Romania

**Andreea GRIGORE**, Head of Integrity and Good Governance Department, Ministry of Regional Development and Public Administration, Romania

**Ened NAKUCI**, Prosecutor, Serious Crimes Prosecutor's Office, Albania

# CONFERENCE SPEAKERS

## “CORRUPTION PREVENTION MECHANISMS RELATED TO EU FUNDED PROJECTS”, 28 JUNE 2018, BUCHAREST, ROMANIA:



**Salvatore CARFÌ**, Italian Agricultural Payments Agency (AGEA), Italy

**Valentina DIMULESCU**, Romanian Academic Society, Romania

**Victor ALISTAR**, Transparency International Romania

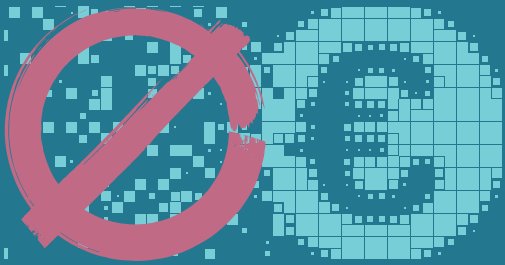
**Stefan DEACONU**, President, Court of International Commercial Arbitration attached to the Chamber of Commerce and Industry, Romania

**Fabrizio COSTANTINO**, University of Trento, eCrime, Italy

**Cristian DUCU**, Centre for Advanced Research in Management and Applied Ethics, Romania







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