

## **DISCLAIMER**

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## Databook

### Work Package 3 - Deliverable 4

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## *Table of Contents*

<b>INTRODUCTION</b>	<b>5</b>
1. <i>Introductory remarks</i>	<b>6</b>
1.1 <i>Acknowledgment</i>	6
<b>SECTION I</b>	<b>7</b>
<b>Methodology</b>	<b>7</b>
2. <i>General context of the Methodology</i>	<b>8</b>
2.1 <i>Qualitative Interview Methodology</i>	11
2.2 <i>Quantitative Interview Methodology</i>	15
<b>SECTION II</b>	<b>19</b>
<b>Empirical research - Qualitative Interviews</b>	<b>19</b>
3. <i>EU Institutions</i>	<b>20</b>
3.1 <i>European Commission (ECFIN)</i>	20
3.2 <i>EPPO</i>	21
3.3 <i>OLAF 1</i>	23
3.4 <i>OLAF 2</i>	25
3.5 <i>European Court of Auditors</i>	26
3.6 <i>European Investment Bank</i>	28
4. <i>Italian Case Study</i>	<b>32</b>
4.1 <i>Comitato per la lotta contro le frodi nei confronti dell'Unione Europea (COLAF)</i>	32
4.2 <i>ANAC (Italian National Anti-Corruption Authority)</i>	35
4.3 <i>Regione Lazio</i>	37
4.4 <i>Roma Capitale</i>	40
4.5 <i>CGIL Trade Unions</i>	42
4.6 <i>Confindustria</i>	44
4.7 <i>Fondirigenti</i>	46
5. <i>Polish Case Study</i>	<b>50</b>
5.1. <i>Ministry of Investment and Development</i>	50
5.2 <i>Supreme Audit Office</i>	51
5.3 <i>Marshall Office of the Kujawsko-Pomorskie Voivodeship</i>	53
5.4 <i>Regional Chamber of Audit in Bydgoszcz</i>	55
5.5 <i>Trade Union "Solidarity"</i>	57
5.6 <i>Lewiatan Confederation</i>	59
6. <i>Belgian Case Study</i>	<b>61</b>
6.1 <i>Federal Public Service Justice</i>	61
6.2 <i>Flemish Agency for Innovation and Entrepreneurship</i>	62
6.3 <i>Flemish Audit Authority for EU-structural funds</i>	64
6.4 <i>ETUC</i>	65
7. <i>German Case Study</i>	<b>67</b>
7.1 <i>Federal Ministry of Finance - Unit EA6</i>	67
7.2 <i>ESF Administrative Authority (Bremen)</i>	69
7.3 <i>Internal Investigations Department (DIE, Hamburg)</i>	71
7.4 <i>Public Prosecutor's Office – Corruption Department (Hamburg)</i>	73
<b>SECTION III</b>	<b>75</b>
<b>Empirical research - Quantitative Interviews</b>	<b>75</b>

<b>8. Quantitative interview of the students</b>	<b>76</b>
<i>8.1 Italy Students interviewed by LUISS University Team</i>	76
<i>8.2 Polish Students interviewed by Nicolaus Copernicus University in Toruń</i>	83
<i>8.3 Belgium Students interviewed by University of Gent Team</i>	89
<i>8.4 Germany Students interviewed by LUISS University Team</i>	95
 <i>Annex I Data Quantitative interviews Italian Case study</i>	 101
<i>Annex II Data Quantitative interviews Polish Case study</i>	102
<i>Annex III Data Quantitative interviews Belgium Case study</i>	103
<i>Annex IV Data Quantitative interviews German Case study</i>	104

## ***INTRODUCTION***

## *1. Introductory remarks*

The deliverable D4 aims to study the practices of the institutions of the Member States and of the European institutions through empirical research. Furthermore, this empirical research also concerns some relevant target groups for understanding what perception of the protection of financial interest is present in civil society. For data collection, this empirical research involves both the qualitative and the quantitative method. This deliverable D4 contains the data and the elaborated results of the interviews conducted with the subjects identified through the previous research conducted in deliverable 1 (D1) and deliverable 2 (D2).

The deliverable will be divided into two sections, which will be mutually interrelated.

Section I contains the detailed explanation of the methodology followed for the implementation of the different phases of the empirical research.

Section II focuses on qualitative interviews. This section is divided into five paragraphs, one dedicated to European institutions and one paragraph for each Member State at the center of empirical research: Italy, Poland, Belgium, and Germany. This section reports the results of both the qualitative interviews carried out with the institutions and those with the target groups.

Section III is focused on quantitative interviews. In fact, this section is dedicated to the results of the interviews conducted with the students at the universities selected in the Member States covered by the BETKOSOL research: Italy, Poland, Belgium, and Germany.

The results present in the databook will be analyzed and compared in the next deliverable.

### *1.1 Acknowledgment*

The deliverable was coordinated by Prof. Aldo Sandulli. The EU unit was coordinated by Dr. Valerio Bontempi, Dr. Rossella Sabia and Dr. Emanuele Birritteri under the supervision of Prof. Aldo Sandulli and Prof. Maurizio Bellacosa. The Italy unit was coordinated by Dr. Alessandro Nato, Dr. Valerio Bontempi, Dr. Rossella Sabia and Dr. Emanuele Birritteri under the supervision of Prof. Aldo Sandulli. The unit of Poland was coordinated and supervised by Prof. Maciek Serowaniek, who worked together with Dr. Jagoda Jaskulska, and Prof. Wojciech Morawski. The Belgium-Germany unit was coordinated by Prof. Dr. Alexander De Becker who also supervised the work of the unit, and Dr. Eva Rulands.

The authors are pleased to thank the referees for their valuable suggestions to finalize the deliverable. In particular, the authors thank Prof. Daniela Piana, Prof. Christian Fernando Iaione, and Dr. Elena De Nictolis.

## ***SECTION I***

### ***Methodology***

## *2. General context of the Methodology*

The pandemic has shown that offers of financial support in an emergency are sometimes abused by practices of individuals. This affects not only those in immediate need, but also the interests of all taxpayers. The European Union is also involved in many projects in the Member States and the Next Generation EU has increased this involvement. The BETKOSOL project aims to study how the financial interests of the European Union are protected in the individual Member States, and in particular Italy, Poland, Belgium, and Germany. In this context, the level of knowledge and awareness of potential institutions is of great interest. For this reason, deliverable D4 aims to examine the practices of the institutions of the Member States, of the European institutions through empirical research. Furthermore, this empirical research also concerns some relevant target groups for understanding what perception of the protection of financial interest is present in civil society.

Empirical evidence supporting the herein developed argument is of the nature of qualitative experts' assessment, whose contents has been collected through a standardized frame close to the one that is used for structured or semi-structured interviews.

The added value of this methodology is twofold. On the one hand, experts responding to the standardized questionnaire have the possibility to point to the key explaining factors and to put an emphasis on those that they deem of most high impact. On the other hand, the overall evidence offers a very nuanced and articulated view where also the policy narrative and the differential perspectives held by the actors that are situated in the policy arena are mirrored.

Between 1 September and 30 November, the BETKOSOL team administered online questionnaires to students and conducted qualitative interviews, during online sessions, with EU and MS institutions (national and regional/local level) and target groups (students, trade unions and employers' associations).

The survey was conducted through questionnaires designed based on the results of deliverable D1 and deliverable D2.

The interviews were conducted with two methods. The first method, the qualitative one, concerned the European institutions, the institutions of the Member States, the employers' associations, and trade unions. The second method, the quantitative one, concerned the students at the universities involved. The two methods are better suited to the types of subjects chosen for empirical research. The qualitative method allows one to receive more quality information from the chosen subjects. The quantitative method allows students to receive more questionnaires by means of the ease of administration.

The institutions were chosen because of their involvement in the management and control system of European funds. The actions of European institutions and of the Member States chosen in the sample of empirical research are relevant for the protection of the European financial interest. While the target groups have been chosen because it is interesting to understand how civil society subjects and students perceive the protection of the financial interest. Also from the results of the empirical research, it will be possible in deliverable 6 to produce some specific recommendations for the subjects to whom the questionnaires were administered.

The tables below show the subjects involved in the empirical research.

### *a. European Union level*

<i>EU Institutions</i>	<i>Office</i>
------------------------	---------------

<i>European Commission</i>	<i>Senior Market Analyst at Unit L4 (Investment program management) of ECFIN</i>
<i>EPPO</i>	<i>Deputy European Chief Prosecutor - European Prosecutor</i>
<i>OLAF (1)</i>	<i>Head of Unit in charge of Anti-Corruption</i>
<i>OLAF (2)</i>	<i>Director – Revenue and International Operations, Investigations &amp; Strategy (OLAF)</i>
<i>European Court of Audit</i>	<i>Judge of European Court of Audit</i>
<i>European Bank of Investments</i>	<i>Head of Investigations and Exclusion Unit. Inspectorate General/Investigations Division, EIB</i>

***b. Member States level***

<i>Level</i>	<i>Italy</i>	<i>Poland</i>	<i>Belgium</i>	<i>Germany</i>
<b><i>Institutions: National</i></b>	<ul style="list-style-type: none"> <li>· Coordinator of Technical Secretariat Committee for the Fight Against Community Fraud (Italian A.F.C.O.S.) - Department for European Policies - Prime Minister Office</li> </ul>	<ul style="list-style-type: none"> <li>· Ministry of Investment and Development – Department of Innovation and Development Support Programmes - Division of System Control (Head of Division)</li> <li>· Supreme Audit Office – Regional Branch in Bydgoszcz (Deputy Director of Branch)</li> </ul>	<ul style="list-style-type: none"> <li>· Federal Ministry of Justice</li> </ul>	<ul style="list-style-type: none"> <li>· Federal Ministry of Finance</li> <li>· Department of the Interior and Sport; Internal Investigations Department (DIE)</li> <li>· Corruption Department of the Hamburg Public Prosecutor's Office</li> </ul>

<p><b>Institutions: Regional/Local</b></p>	<ul style="list-style-type: none"> <li>· Manager - Public Procurement Regulation Office (ANAC)</li> <li>· Regione Lazio – Director of the ERDF, ESF and Internal Control Regional Audit Directorate</li> <li>· Roma Capitale – European Development and Funding Projects Department (Head of Department)</li> </ul>	<ul style="list-style-type: none"> <li>· Marshall Office of the Kujawsko-Pomorskie Voivodeship – Control Department for Implementation of European Funds (Deputy Head of Department)</li> <li>· Regional Chamber of Audit in Bydgoszcz (President of Chamber)</li> </ul>	<ul style="list-style-type: none"> <li>· Flemish Agency for Innovation and Entrepreneurship</li> <li>· Flemish Audit Authority for EU-structural funds</li> </ul>	<ul style="list-style-type: none"> <li>· Administrative Authority of the European Social Fund (Bremen); ESF certifying authority</li> </ul>
<p><b>Target Groups</b></p>	<ul style="list-style-type: none"> <li>○ Students</li> <li>○ CGIL delegate National Secretariat (Precarious Research) and CGIL Lazio Education and research section</li> <li>○ Head of Legislative Affairs Unit, Confindustria</li> <li>○ General Director, Fondirigenti. Former Director of the Italian Territorial Cohesion Agency (Agenzia per la Coesione Territoriale). Former Director Regional Policies (Politiche regionali), Confindustria</li> </ul>	<ul style="list-style-type: none"> <li>○ Students</li> <li>○ The Independent Self-Governing Trade Union “Solidarity” – Department of European Programmes (Head of Department)</li> <li>○ Lewiatan Confederation - Polish Confederation of Private Employers (Deputy Director-General)</li> </ul>	<ul style="list-style-type: none"> <li>○ Students</li> <li>○ EUTUC</li> </ul>	<p>Students</p>

## 2.1 Qualitative Interview Methodology

The questionnaires were administered by the members of the BETKOSOL Team using telematic methods. Indeed, the qualitative interviews were carried out remotely via MS Teams, a written procedure via email or telephone. This methodology was necessary due to the pandemic context. The BETKOSOL Team was divided into 4 units to speed up the interviews. The EU unit was coordinated by Dr. Valerio Bontempi, Dr. Rossella Sabia and Dr. Emanuele Birritteri under the supervision of Prof. Aldo Sandulli and Prof. Maurizio Bellacosa. The Italy unit was coordinated by Dr. Alessandro Nato, Dr. Valerio Bontempi, Dr. Rossella Sabia and Dr. Emanuele Birritteri under the supervision of Prof. Aldo Sandulli. The unit of Poland was coordinated and supervised by Prof. Maciek Serowanek. The Belgium-Germany unit was coordinated by Prof. Dr. Alexander De Becker who also supervised the work of the unit, and Dr. Eva Rulands. The results of the qualitative interviews were analyzed through a summary of the information in a maximum of 5 lines in the answer. This answer contains information useful for empirical research.

The structured questionnaires used for both national and European institutions and those for the target groups of the qualitative research have been inserted below.

### a. EU and MS institutions questionnaires

<i>Questionnaires for EU and MS institutions</i>	
<b>SECTION I</b>	<b>A. BACKGROUND</b>
<p><b>1.a:</b> <i>If relevant, do you think there are differences between the way in which the national and EU financial interests are protected in your institution (i.e. the presence of specific offices, HRs, expertise). If not, why in your opinion?</i></p>	
<p><b>2.a:</b> <i>If relevant, which kind of control procedures are led in your institution about the management of EU funds and the guarantee of the protection of the EU financial interest?</i></p>	

**3.a:** In your and of your institution's daily-work, which are the main difficulties/obstacles you have in the achievement of the protection of the EU financial interest? (i.e. coordination with other institutions)

## SECTION II

## B. GENERAL UNDERSTANDING OF THE PHENOMENON

**4.b:** According to your experience in your institution and in general in the field, what can your country (and/or institution) work on to improve its skills in the EU funds management and in contrasting frauds? (i.e. reforms, best practices, horizontal public cooperation)

**5.b:** According to your working experience, do you perceive some changes in the protection of the EU financial interest after the outbreak of the pandemic? If yes, can you indicate some examples? (i.e. new risk of frauds; new governance systems; the necessity of new controls)

**6.b:** Do you expect relevant changes in the way in which your institution will work in the future, about the protection of the EU financial interest? (i.e. considering the NGEU programme; or the recent birth of the EPPO)

## SECTION III

## C. EXAMPLES-CONCRETE PRACTICES-BEST PRACTICES

**7.c:** Can you indicate, according to your experience and the functions of your institution, some concrete examples of the most recurrent irregularities, risks and frauds affecting the EU financial interest?

**8.c:** Have you knowledge of recent case-law that could be considered relevant for the topic at stake?

**9.c:** Are there any relevant best practices in your knowledge that you want to suggest/share for the purpose of the research?

## ***b. Target Groups***

### ***Questionnaire for Target Group***

#### ***Section I***

#### ***A. BACKGROUND***

**1.a:** According to your data (if any) your organization of how many European funds have benefited in the last 5 years? If so, which ones?

**2.a:** If relevant, do you think there are differences between the way in which the national and EU financial interests are protected in your institution (i.e. the presence of specific offices, HRs, expertise). If not, why in your opinion?

#### ***SECTION II***

#### ***B. GENERAL UNDERSTANDING OF THE PHENOMENON***

<p><b>3.b:</b> Was the economic endowment of the measures allocated by the EU and Member States in your sector sufficient?</p>	
<p><b>4.b:</b> Do you promote actions to make your members aware of the correct use of EU funds? If so, can you give an example?</p>	
<p><b>5.b:</b> According to your working experience, do you perceive some changes in the protection of the EU financial interest after the outbreak of the pandemic? If yes, can you indicate some examples? (i.e. new risk of frauds; new governance systems; the necessity of new controls)</p>	
<p><b>6.b:</b> Do you expect relevant changes in the way in which your organization will work in the future, about the protection of the EU financial interest? (i.e. considering the NGEU programme; or the recent birth of the EPPO)</p>	
<p><b>SECTION III</b></p>	<p><b>C. EXAMPLES-CONCRETE PRACTICES-BEST PRACTICES</b></p>
<p><b>7.c:</b> Can you indicate, according to your experience and the functions of your organization, some concrete examples of the most recurrent irregularities, risks and frauds affecting the EU financial interest?</p>	
<p><b>8.c:</b> Has your knowledge of recent case-law that could be considered relevant for the topic at stake?</p>	
<p><b>9.c:</b> Are there any relevant best practices in your knowledge that you want to suggest/share for the purpose of the research?</p>	

## 2.2 Quantitative Interview Methodology

The questionnaires were administered by the members of the BETKOSOL Online Team. In fact, the quantitative interviews were submitted through a “Google form” link for each Member State, which made it possible to receive an answer for each individual student (option: “Limit to 1 response, respondents will be required to sign into Google”) and allow the answers to be collected electronically. Sensitive student data was not recorded as well as emails.

Here are the links:

- Italy: <https://forms.gle/5MY2a3VbRzw17VxMA>
- Poland: <https://forms.gle/Q7XqMX7zLx9x1w6B8>
- Belgium: <https://forms.gle/bvz4tThQK5eL69hT6>
- Germany: <https://forms.gle/cJapjvmdmnY4A5XZ6>

Also, for the quantitative research the BETKOSOL Team was divided into units to speed up the interviews. The Italy unit was coordinated by Dr. Alessandro Nato, Dr. Valerio Bontempi, Dr. Rossella Sabia and Dr. Emanuele Birritteri under the supervision of Prof. Aldo Sandulli. The Poland unit was coordinated and supervised by Prof. Maciek Serowanek. The Belgium-Germany unit was coordinated by Dr. Eva Rulands and Prof. Dr. Alexander De Becker, who also supervised the work of the unit. The results of the quantitative interviews were analyzed through pie figures based on the responses collected in each of the Member States.

Structured questionnaires used in quantitative research have been inserted below.

### a. Student's questionnaires

<i>Students Online Questionnaire</i>	
<i>Section I</i>	<i>A. BACKGROUND (PERSONAL INFORMATION)</i>
<p><i>1. Age range</i></p> <ul style="list-style-type: none"> <li>· <i>18-20 years' old</i></li> <li>· <i>21-25 years' old</i></li> <li>· <i>26-30 years' old</i></li> <li>· <i>more than 30 years' old</i></li> </ul>	

<p>2. <i>Have you ever benefited from European funds?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>
<p>3. <i>. If Yes, which European funds have you benefited from?</i></p> <ul style="list-style-type: none"> <li>· <i>ERASMUS +</i></li> <li>· <i>Borse di studio nazionali finanziate con fondi EU</i></li> <li>· <i>FSE – PON</i></li> <li>· <i>Altro (to specify) .....</i></li> </ul>

<b>SECTION II</b>	<b>B. GENERAL UNDERSTANDING OF THE PHENOMENON</b>
<p>4. <i>Based on your knowledge and experience, is there a national financial interest?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	
<p>5. <i>If yes, is the national financial interest worthy of protection?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	
<p>6. <i>Is there also a financial interest of the EU?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	
<p>7. <i>If yes, is EU financial interest worthy of protection?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	
<p>8. <i>If so, are there any EU institutions that protect it?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	

<p>9. <i>If yes, which institution should safeguard the EU financial interest?</i></p> <ul style="list-style-type: none"> <li>· <i>Court of Justice</i></li> <li>· <i>European Council</i></li> <li>· <i>European Central Bank</i></li> <li>· <i>OLAF - EPPO</i></li> </ul>	
<p>10. <i>What is the financial interest of the EU?</i></p> <ul style="list-style-type: none"> <li>· <i>Revenue, expenses and assets covered or acquired or owed by EU Member States</i></li> <li>· <i>Revenue, expenses and assets covered or acquired or owed by EU citizens</i></li> <li>· <i>Revenue, expenses and assets covered or acquired or due from the EU budget and the budgets of the EU institutions</i></li> <li>· <i>Other (to specify)</i></li> </ul>	
<p>11. <i>According to your knowledge, how widespread is EU financial interest fraud in your Member State of residence?</i></p> <ul style="list-style-type: none"> <li>· <i>Insufficient</i></li> <li>· <i>Fairly</i></li> <li>· <i>Very</i></li> </ul>	
<p>12. <i>According to your knowledge, is your Member State of residence committed to protecting EU financial interest?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	
<b>SECTION III</b>	<b>C. EXAMPLES-CONCRETE PRACTICES-BEST PRACTICES</b>
<p>13. <i>Have you ever heard of EU financial interest (or something similar) in high school?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	
<p>14. <i>Have you ever heard of EU financial interest (or something similar) on social media?</i></p> <ul style="list-style-type: none"> <li>· <i>Yes</i></li> <li>· <i>No</i></li> </ul>	

<p>15. Have you ever heard of EU financial interest (or something similar) from politicians in your Member State of residence?</p> <ul style="list-style-type: none"> <li>· Yes</li> <li>· No</li> </ul>
<p>16. If you answered yes to question 24, could you give some examples?</p>

*b. Results of the Quantitative interviews*

<i>MS</i>	<i>University involved</i>	<i>Sample</i>	<i>Results</i>
<i>Italy</i>	LUISS	300	112
<i>Poland</i>	Nicolaus Copernicus University in Toruń	300	73
<i>Belgium</i>	University of Gent	300	83
<i>Germany</i>	University of Cologne, University Speyer, University of Hamburg, and University of Heidelberg	300	71
		<i>Total</i>	<b>339</b>

## ***SECTION II***

### ***Empirical research - Qualitative Interviews***

### 3. EU Institutions

*At the European level, there are numerous institutions involved in auditing procedures for the expenditure of EU funds. We have chosen to interview the main ones. They are: European Commission (ECFIN); European Public Prosecutor's Office (EPPO); European Anti-Fraud Office (OLAF); European Court of Auditors (ECA); European Investment Bank (EIB).*

*Our goal was to understand whether the adopted solutions increase the effectiveness of control of EU funds spending, or whether the competitiveness among EU institutions contributes to the duplication of control activities and thus to their unnecessary prolongation.*

#### 3.1 European Commission (ECFIN)

<i>Level</i>	European
<i>Office</i>	Unit L4 (Investment programmes management) of ECFIN
<i>Officer</i>	Senior Market Analyst
<i>Date</i>	November 2021
<i>Time</i>	written procedure
<i>Interviewer</i>	Dr. Valerio Bontempi

#### *Results*

##### *a. Background Section*

**1.a:** My institution focuses on the protection of EU financial interests.

**2.a:** The Commission follows a (revised) Anti-Fraud Strategy (Commission Anti-Fraud Strategy - CAFS) to combat fraud affecting the EU's financial interests. As for budgetary guarantees and financial instruments, there is a delegation to implementing partners following the pillar assessment; hence, an initial assessment is done ex-ante. During programme implementation, the Commission fully delegates

control procedures to implementing partners, including monitoring and control measures (e.g. via the database of the Early Detection and Exclusion System - EDES). As a second line of control, the Commission retains monitoring and some control possibilities. Finally, full control can be exerted by the European Court of auditors, OLAF, EPPO, etc.

**3.a:** An important difficulty is the fact that several Member States have not adopted a national anti-fraud strategy. This might in fact create coordination problems for the collection of comparable data on irregularities and cases of fraud from the Member States.

#### ***b. General Understanding of the Phenomenon***

**4.b:** Keep following best practices at the international level, focused on coordination of existing criminal and civil databanks.

**5.b:** The Commission has launched this year a CAFS Action Plan (Commission Anti-Fraud Strategy - CAFS) to enhance every phase of anti-fraud activity: prevention, detection, investigation, corrective measures and reporting. The Action Plan considers, inter alia, Covid-related risks.

**6.b:** The establishment of the EPPO is likely to beef up action against fraud, for example by coordinating with Europol and its databank.

#### ***c. Example-Concrete Best Practices***

**7.c:** The complete list of excluded entities published in the Early Detection and Exclusion System (EDES) database is available here: [EDES database | European Commission](#). The entities currently excluded are six: one German, one Italian, one Albanian, one from the United Kingdom, one from Spain and one from Mozambique.

**8.c:** No.

**9.c:** An interesting example of international best practices – not necessarily relevant for the EU – is the World Bank IFC's Integrity Due Diligence Process ([Unique Markets, Responsible Investing](#)). International Finance Corporation (IFC), a member of the World Bank Group, conducts Integrity Due Diligence (IDD) on its business clients and partners. The IDD Process is comprehensive and includes the following components: (i) general risk review, (ii) ownership structure review, and (iii) other specialized reviews for financial institutions and private equity funds.

### ***3.2 EPPO***

<b><i>Level</i></b>	European
<b><i>Office</i></b>	European Public Prosecutor Office
<b><i>Officer</i></b>	Deputy European Chief Prosecutor

<i>Date</i>	27 October 2021 (face to face)
<i>Time</i>	from 3 p.m. to 4 p.m.
<i>Interviewer</i>	Dr. Emanuele Birritteri

## *Results*

### *a. Background Section*

**1.a:** The EPPO deals exclusively with proceedings related to crimes affecting the EU financial interests. Based on my previous experience in the Italian judiciary, however, I can note that Italy does not differentiate its mechanisms to fight against fraud affecting national rather than European interests. In the prosecutor's offices, there are neither formal nor de facto priorities in the handling of these proceedings depending on whether a national or European interest is at stake, as the same measures apply.

**2.a:** The management of European funds does not pose any problem in relation to the EPPO's work, as the European Public Prosecutor spends his funds directly and does not allocate them externally. It should also be noted that funds for the internal administration and operational expenditure of the Prosecutor are covered directly by the Member States. It should be stressed also that the European Public Prosecutor has no procedures for managing funds other than the common and ordinary procedures defined by the Commission for all the European institutions.

**3.a:** The main problem EPPO faces is related to cooperation with national authorities, which are giving different answers both in providing EPPO with the necessary human resources and with respect to the practical support to carry out investigations, as well as in relation to institutional cooperation. A further problem linked to cooperation between EPPOs, and national authorities is the lack of common standards in Member States with regard to criminal procedure. Many countries are therefore not used to dealing with a prosecutor such as the one of the EPPO because they adopt different procedural models. The EPPO is therefore called upon to operate with different procedural rules in each country, due to the absence of a European Code of Criminal Procedure, and of a European judicial police force, which would provide a common framework for the procedural rules applicable to EPPO investigative activities.

### *b. General Understanding of the Phenomenon*

**4.b:** In addition to what has already been said with respect to the relationship between EPPO and national authorities, it should be noted – with respect to the relationship between EPPO and OLAF – that when EPPO asks for OLAF's support OLAF has to get used to working with prosecutors with a different type of approach and with different timeframes and methodologies within a legal framework that however continues to qualify OLAF as an administrative authority. It will therefore take time to assimilate those changes.

**5.b:** There has been no change in the types of fraud, even though EPPO has opened several fraud-related proceedings during the pandemic (e.g., mask fraud etc.). But this is somehow a normal situation, and one must consider that also with the Next Generation EU there will be a physiological number of frauds. Nevertheless, during the pandemic, innovative and different investigative techniques were tried out (market analysis, analysis of moving capital and of opening and closing of companies, etc.).

**6.b:** No changes are foreseeable in the immediate future, even under current legislation, apart from some shortcomings in the Regulation, also because EPPO's activity has just started. Moreover, from an operational point of view, the value of the financial interests at the heart of EPPO's activity is very high, higher than expected. It will therefore be necessary to work and make a first "review" after a couple of years of activity. In addition, the past proceedings for offences against the EU financial interests initiated before the start of EPPO's activity will have to be addressed and resolved.

### *c. Example-Concrete Best Practices*

**7.c:** The most recurrent frauds we find, in line with the previous situation, are those related to the agri-food sector, which is largely funded by the EU, but also a lot of VAT (Value Added Tax) fraud, which is what we expected. There is also the smuggling sector, a type of crime that is not usually a priority for prosecutors, but in relation to these offences EPPO found fraud with very high values.

**8.c:** Of course, there are no final judgments on EPPO's activities yet, but several seizures have already been ordered and judges in several Member States have ruled on them. Thus, the first cases on EPPO's activities are already being finalised.

**9.c:** With a view to the future, consideration should be given to standardising the criminal procedural rules relating to EPPO activities. Harmonisation has its limits because the directive can only rule within certain limits and at a certain point there will be a need to legislate directly by means of a regulation (the EPPO regulation does this but in a fragmentary way). A European code of criminal procedure will be needed – as lawyers themselves say – because they find it very difficult to find their way around in a situation where EPPO criminal proceedings can move from one country to another. Then there is also the question of the possible introduction of a European judicial police force and of a European criminal court, but these are more forward-looking issues.

## **3.3 OLAF 1**

<i>Level</i>	European
<i>Office</i>	Unit in charge of Anti-Corruption, Anti-Fraud Strategy and Analysis
<i>Officer</i>	Head of Unit; deputy Head of Unit
<i>Date</i>	November 2021

<i>Time</i>	written procedure
<i>Interviewer</i>	Dr. Valerio Bontempi From our point of view, however, we notice authorities from different Member States have different approaches to the protection of the EU financial interests in relation to fraud and other criminal behavior in particular. Some deploy significant resources and prioritise investigation and prosecution of such behaviors, while others do not.

## *Results*

### *a. Background Section*

**1.a:** Not relevant as our institution only deals with the protection of the EU financial interests.

There could be several reasons behind these differences.

**2.a:** N/A. Investigation service with a strong policy-making role, therefore translating investigative experience in fraud-proofing and anti-fraud policymaking.

**3.a:** Access to the necessary information. Need to coordinate with institutions (also judiciary), bodies and administrations from different Member States and different levels.

### *b. General Understanding of the Phenomenon*

**4.b:** According to your experience in your institution and in general in the field, what can your country (and/or institution) work on to improve its skills in the EU funds management and in contrasting frauds? (i.e. reforms, best practices, horizontal public cooperation).

**5.b:** According to your working experience, do you perceive some changes in the protection of the EU financial interest after the outbreak of the pandemic? If yes, can you indicate some examples? (i.e. new risk of frauds; new governance systems; the necessity of new controls).

**6.b:** More emphasis and focus on policy and fraud prevention work.

### *c. Example-Concrete Best Practices*

**7.c:**

- Breaches of public procurement rules. Complex rules which are often wrongly applied by managing authorities.
- Ineligible expenditure/beneficiary/project.
- Use of false or falsified supporting documents now of the application for funding (to support the application even in the absence of the needed requirements) or for justifying the reimbursement claims.

**8.c:** See the PIF Reports 2018, 2019, 2020 for recent case law on the protection of the EU's financial interests ([Annual reports on the protection of the EU's financial interests \("PIF" Report\)](#)). In 2020, for example, the Court of Justice of the European Union delivered three decisions in the field of protecting the EU's financial interests: C-603/1917, Úrad špeciálnej prokuratúry; C-743/1818, Elme Messer Metalurgs; C-496/18 and C-497/1819, HUNGEOOD and others.

**9.c:** Use of IT tools such as ARACHNE. National Anti-Fraud Strategies adopted by some Member States.

### 3.4 OLAF 2

<i>Level</i>	European
<i>Office</i>	Revenue and International Operations, Investigations & Strategy (OLAF)
<i>Officer</i>	Director
<i>Date</i>	November 2021
<i>Time</i>	written procedure
<i>Interviewer</i>	Dr. Valerio Bontempi

### Results

#### a. Background Section

**1.a:** The mandate of the European Antifraud Office is the protection of the financial interest of the EU. The work of the Office can also protect, albeit indirectly, the financial interest of the Member States in certain situations where this is linked with the financial interest of the EU (for example, Value-Added Tax, excise duties, expenditure programmes co-financed by the EU and the national budgets).

**2.a:** The mandate of the European Antifraud Office is not to manage the spending of EU funds.

**3.a:** The protection of the financial interest of the EU involves working with a wide range of stakeholders at the European level (Commission, European Court of Auditors, the EPPO, Eurojust, Europol, Frontex), at the level of the Member States (administrative, enforcement and judicial

authorities, in some cases down to the regional level) and on the international scene (authorities of third countries, World Customs Organization, INTERPOL, AMERIPOL, etc).

#### *b. General Understanding of the Phenomenon*

**4.b:** Aside from the conduct of independent administrative inquiries, which remain a powerful tool, OLAF is investing in preventing and detecting as soon as possible irregularities and fraud, especially in cross-border situations, by improving its capacity to process large amounts of data for its investigations, and to produce intelligence and rapid alerts.

**5.b:** The situation of the first stages of the pandemic has certainly inspired new fraud schemes. The large spending programmes adopted for Europe's recovery and resilience, combined with the urgency to ensure that the money arrives where it should as fast as possible, are factors of attraction for fraudsters, as well as for organized crime. At the same time, the management and control authorities have had to cope with working remotely and using digital tools that were not mainstream beforehand. Interagency cooperation is also crucial.

**6.b:** The complementarity between EPPO and OLAF is a strong asset. The first months of cooperation have yielded good results. Protecting NGEU puts OLAF at the centre of a complex web that sees the national authorities in the first line of control. Prevention, detecting, and correcting irregularities needs the support and knowledge of cross-border phenomena and OLAF brings those into the picture. The same goes for ex post controls carried out by the Commission, and later for prosecution by the EPPO or by the national judicial authorities.

#### *c. Example-Concrete Best Practices*

**7.c:** In expenditure, irregularities, and fraud concern mostly public procurement, especially for infrastructure investments. Research is also frequently targeted. Fraudsters tend to take advantage of any policy priority area for action because they follow the money: fraud related to greening, digitalisation, and on public health. On revenue, there is a clear focus on undervaluation and on the import of substandard and counterfeit products that are dangerous for human health and safety and the environment and smuggling of tobacco products.

**8.c:** No.

**9.c:** N/A

### *3.5 European Court of Auditors*

<i>Level</i>	European
<i>Office</i>	European Court of Auditors

<i>Officer</i>	Judge
<i>Date</i>	16 November 2021 (face to face)
<i>Time</i>	from 6 p.m. to 8 p.m
<i>Interviewer</i>	Dr. Emanuele Birritteri

## *Results*

### *a. Background Section*

**1.a:** The protection of European financial interests is carried out in a synergic and complementary way between ECA and national control institutions that have the power to directly control co-financed funds and are generally at the forefront of control activities. In Italy there is a full correspondence between the methods of control of European and national funds, given that the supervision in question is carried out based on the same activities and by the same institution, because, due to the principle of assimilation, the recovery of mispended European funds is carried out by the national court of auditors, which is entrusted with the same function with respect to national funds.

**2.a:** The ECA was created to monitor the integrity and legality of the spending of EU funds, so its institutional mission is to protect EU financial interests. In particular, the ECA carries out spot checks on the legitimacy of the accounts and underlying transactions, as well as on the good management of the EU budget, to identify risk areas where there are management problems and report to the European Parliament on this management. The result of this control activity can help to identify possible irregularities and critical situations to be corrected. These irregularities are reported to the Commission and, if there are elements of possible interest for further administrative or criminal investigations, to OLAF, and now also to EPPO or, depending on the case and the competence for the relevant proceedings, to the competent national prosecutors.

**3.a:** The control carried out by the ECA is not directly aimed at discovering fraud, and therefore it is difficult for the checks carried out to reveal any fraud. Although, of course, the search for risk areas and irregularities may reveal irregularities that need to be investigated to check for fraud. One problem is undoubtedly the relationship between the ECA and national control institutions, not because there is a desire not to cooperate, but because there is a great difference in powers, procedures, and timing of controls between the ECA and the individual national control authorities. Therefore, coordination is complicated and can sometimes be an obstacle in daily work. It should be noted, however, that the Court does not encounter any opposition by the audited entities.

### *b. General Understanding of the Phenomenon*

**4.b:** In order to solve the coordination problems mentioned above, it is difficult to act on the harmonisation of the tasks of national control authorities, which are regulated by national law. Instead, action should be taken on European rules on controls to improve, through clearer provisions, audit actions and transparency and control over the management of European funds. This is also because, apart from fraud, many irregularities are unintentional and derive from the objective difficulty of interpreting the rules governing the disbursement of European funds. Moreover, the presence of the European Stability Mechanism and other actors operating outside EU sources does not facilitate the ECA's task, together with the need to better define the boundaries of the respective roles between the ECA, the European Investment Bank and the European Central Bank

**5.b:** The ECA's field missions were disrupted by the pandemic (technological tools were used to overcome this), but in general there were no methodological changes in the work of the ECA, which still managed to complete its work. Indirectly, the pandemic has led to a considerable increase in work for the ECA, as the financial amount to be audited has almost doubled with the approval of the Next Generation EU (NGEU), which provides for very short timeframes, with the related risk of fraud. The complexity of the regulatory framework has also increased as the NGEU has created a new budget management model in addition to the previous ones, with the commission checking that milestones have been satisfactorily met before allocating funds, while it is not clear whether there will be a subsequent legality/regularity check or just a general check on the effectiveness of each national control system.

**6.b:** In addition to what has already been noted above, another innovation will be the Foresight system, which many believe will be a major change in the future (as it will lead to an anticipation of control issues based on current developments and controls already in place). An important change will also be the digitalisation of controls that ECA is already applying, especially about legitimacy checks on recurring and repetitive operations, or the correspondence between internal and external data on invoices. Digitalisation will therefore change the system of controls, given the extraordinary data-processing capacity of online software, but in many cases the need for human evaluation of these data must be preserved.

### *c. Example-Concrete Best Practices*

**7.c:** The main irregularities concern to a general extent the procurement sector and then the ineligibility of certain expenditure, the artificial creation of the appearance of certain expenditure, contradictory declarations on the prerequisites for obtaining contributions and the declaration of works carried out with the funds granted which are subsequently found to be false by the Court's on-the-spot checks. The main irregularities concern the area of cohesion policies, while suspected frauds are mainly identified in the area of agriculture.

**8.c:** See previous answer.

**9.c:** As highlighted above, the main objective for improving the area of control of EU funds should be to simplify control rules and methodologies (there is a report on better regulation published by the Court in 2021). Involving citizens in new policymaking is also important.

## **3.6 European Investment Bank**

<i>Level</i>	European
<i>Office</i>	Investigations and Exclusion Unit. Inspectorate General/Investigations Division, EIB
<i>Officer</i>	Head of
<i>Date</i>	28 October 2021
<i>Time</i>	from 3 p.m. to 4 p.m.
<i>Interviewer</i>	Dr. Rossella Sabia

## *Results*

### *a. Background Section*

**1.a:** With respect to Member States, there are significant differences in the approach to the protection of EU financial interests. There are different sensitivities and more or less effective legislative instruments, and consequently different results are obtained. Some countries also have fewer resources and there are political choices linked to how much they want to invest in the various phases – administrative, judicial, etc. – of the process. As far as EU institutions are concerned, the approach to this subject is homogeneous and there are common tools. The EIB is the only organisation in the European scenario with its own investigation office and, I believe, its own system of sanctions. The EPPO will probably lead to the development of a more uniform approach to specific criminal violations at the level of Member States as well.

**2.a:** EIB own funds are not originated by the Member States, but are raised on the market and borrowed to counterparts who could not have access to similar financial conditions on the market. Therefore, also for its own protection, the EIB has peculiar instruments, such as an investigation unit and financial instruments that are different from those of other EU bodies (loans), with a series of guarantees to support our investment (money must be reinvested according to specific criteria; specific reports should be made during the project; we have a power of access and interview – audit clauses of various kinds). Also, the EIB has an exclusion policy, i.e. companies and individuals responsible for prohibited conduct can be excluded from projects where EIB financing is involved. There are clauses that allow us to collect information on compliance, prior sanctions, and any kind of information pertaining the EIB financing, including the power of conducting investigations (e.g. access to the operations site, interviewing the individuals involved in the project), , so there is a ‘set’ of safeguards to make sure that the money is spent as it should be spent. These rules vary between operations in Europe and outside Europe (where the EIB has additional tools, e.g. providing a “no objection” in procurement procedures carried out by the local contracting authority (the results must be approved by the EIB to be eligible for funding).

**3.a:** Cooperation of EIB and OLAF works well. EIB has been designed as a more agile body. E.g. there are press reports of an ongoing investigation into a project being financed by the EIB: can financing be suspended? These choices should be made in a very limited time span, even by sending staff on site to carry out investigations – therefore there was a need in the EIB to have an internal investigation unit to deal with urgent matters that are difficult to delegate externally. An agreement is also being signed with Europol for the exchange of information and EIB has bilateral agreements with various judicial, investigative, and administrative bodies around the world. An agreement has also already been signed with EPPO and we are working to refer cases of potential interest. Cooperation is essential: EIB carries out investigations because of the audit clauses included in the financing contracts, but it cannot do several things as it is not a judicial authority (such as accessing bank data, making searches or interceptions). On the other hand, we can obtain information from companies based worldwide without international letters rogatory, because the companies receiving EIB financing must provide information regarding the financed project – the loan is an important leverage, access is rarely forbidden by the counterpart. For EIB, one of the main problems is that we operate also in countries where there is a high rate of corruption we have to consider that we may have to carry financing operation in situations where corruption is widespread and possibly affecting also public authorities ).

#### ***b. General Understanding of the Phenomenon***

**4.b:** It is about finding a balance between controls and procedure – having a system of controls costs money and it increases the bureaucratic burden. Fraud risk itself is almost ineradicable but procedures can be marked for fraud risk reduction. Specifically, as far as fraud in procurement is concerned, there are two major types: those carried out when the call for bids is designed, to favor certain specific bidders, and those that can be done after the call has been published, during the evaluation to favor a certain party; then it is possible to make a distinction between fraud involving the contracting authority and fraud set up solely by the bidders. So there are four different characteristics that can intersect. At each stage, we need to have a system that reduces this risk, e.g. in the design of the call, which often relates to very technical matters and should be designed by experts. Then for an expert to design a call that identifies a certain manufacturer is not so difficult. Other cases, such as road construction and major works, are often subject to fraud as the project is expensive and there are many phases, so although they are based on objective criteria, the matter is so vast a certain degree of subjectivity remains, and there is room for fraud. What can be done? Identifying various fraud risks one by one and facilitating the exchange of information at the European level (e.g. analysis of various parameters affecting procurement at the European and global level – big data). We also need to create the conditions for secure whistleblowing channels.

**5.b:** I do not see risks directly related to the pandemic, but controls have become more difficult, e.g. our ability to conduct missions was compromised because they could not be done in person. Different solutions were tried, e.g., finding consultants on site, but it is not the same. Technical audits of EIB projects by our colleagues have also not always been possible, which naturally increases the risk of fraud.

**6.b:** EPPO should help us, because one of the problems in the past for the EIB was interfacing with the judicial authorities, e.g. if we receive news of an investigation carried out by an authority of a certain country that may concern EIB financing, there is no obligation to share this information; in Italy for example there is an agreement with the Attorney General's Office (*Procura Generale*) of the Supreme Court. With EPPO this will be easier. NEXTGenerationEU will likely be able to bring in more work (these are additional funds to allocate; EIB has a small division that does investigations). The EIB will also be able to provide EPPO with valuable help, because we can get information that sometimes judicial authorities cannot easily have and in addition, we have technical expertise.

*c. Example-Concrete Best Practices*

**7.c:** Especially procurement fraud (see answer 4 above).

**8.c:** Exclusion is a fairly new tool for the EIB, something that other institutions have already been doing for some time (e.g. World Bank). For the EIB it is more difficult perhaps because it has peculiar characteristics: our decisions are appealable to e.g. the Court of Justice, we have the Ombudsman, there are a number of controlling entities. It is interesting to see, if anyone will appeal exclusion decisions, whether case law will develop related to our policies. We note that the companies that EIB proposes for exclusion have the option of a settlement, self-excluding for a certain number of years, paying financial compensation, accepting a monitor etc. The idea is to ensure that companies adopt mechanisms that will avoid prohibited conduct in the future.

**9.c:** For what concerns the investigation side, we need to reinforce all the tools and policies allowing us to conduct effective inquiries. It is of paramount importance also to achieve a broad and effective cooperation between the different national and international bodies dealing with criminal and administrative investigations. A lot can be done in the field of prevention as well, e.g. trying to identify through statistical tools projects at risk of fraud (we have algorithms to identify projects at potential risk for which we carry out preventive audits, there are about forty parameters: e.g. calls published for a few days, few participants, too expensive or too low prices).

## 4. Italian Case Study

*In Italy, both national (COLAF and ANAC) and local (Regione Lazio and Roma Capitale) institutions are involved in the procedures of auditing the spending of EU funds. Therefore, the study covered both national and local level institutions. Adopting such a broader perspective will allow us to examine whether the adopted solutions increase the effectiveness of control of EU funds spending, or whether this competitiveness contributes to the duplication of control activities and thus to their unnecessary prolongation. Social partners were also invited to participate in the survey: Confindustria (National main association representing manufacturing and service companies) and CGIL (Main Nation Trade Union). Both institutions systematically participate in the procedure of consulting national mechanisms of spending EU funds and belong to the group of beneficiaries. Therefore, they have also extensive experience in obtaining and settling projects co-financed from EU funds.*

### 4.1 Comitato per la lotta contro le frodi nei confronti dell'Unione Europea (COLAF)

<b>Level</b>	National
<b>Office</b>	Technical Secretariat Committee for the Fight Against Community Fraud (Italian A.F.C.O.S.) - Department for European Policies - Prime Minister Office
<b>Officer</b>	Coordinator
<b>Date</b>	November 2021
<b>Time</b>	written procedure
<b>Interviewer</b>	Dr. Valerio Bontempi

## Results

### a. Background Section

**1.a:** There are no differences both from a legal point of view, since applies the "principle of assimilation" referred to par. 2, art. 325 of the TFEU (according to which the Member States shall take the same measures to counter fraud affecting the financial interests of the Union as they take to counter fraud affecting their own financial interests), as well as the efficiency of the contrast mechanisms.

In Italy, the EU Anti-Fraud Committee (Italian AFCOS) operates at the Prime Minister's Office, which is the coordinating body of the government responsible for the preparation and development of the national strategy on the fight against irregularities and fraud to the detriment of the EU budget. The Committee includes representatives, at the highest level, of all national Administrations in charge of the management of European Funds.

The AFCOS also includes representatives of the Guardia di Finanza which, with general competence in economic and financial matters, operates with the same powers and with the same professionalism, both to protect the national budget and the European Union. Pursuant to art. 2, paragraph 2, of the legislative decree 19 March 2001, n. 68 is the only body entrusted with the tasks of prevention, research and repression of violations in all those matters which, pursuant to the amended Regulation (EU) no. 883/2013, are the responsibility of OLAF (fraud, corruption and any other illegal activity damaging the financial interests of the EU).

**2.a:** There are no specific procedures to report since, as is well known, the Committee has no operational functions but coordination on anti-fraud matters.

In any case, the Committee includes administrations able to provide adequate and comprehensive answers such as, for example, the Inspectorate General for Financial Relations with the European Union (IGRUE) of the Ministry of Economy and Finance and / or the Agency for Territorial Cohesion, Guardia di Finanza, etc.

**3.a:** Our country has adopted a coordination body such as the Committee for the fight against fraud against the EU, since 1992 (the first example in Europe).

By express legislative provision, the Committee reports annually to the Parliament on the national anti-fraud strategy and on the activities implemented for the protection of the European Union budget.

#### ***b. General Understanding of the Phenomenon***

**4.b:** In addition to what has already been said, the report that the Committee presents annually to the Italian Parliament describes the National Anti-Fraud Strategy (NAFS), which will be pursued both in operational, organizational and legislative terms.

**5.b:** The new risks of fraud/irregularity linked to the pandemic crisis have required closer coordination between the various competent authorities and structures of the Operational Programs, coordinating to facilitate the identification of real risks, the revision and updating by the Operational Programs of their "Action plans" in order to be able to respond both to the changes introduced last year, with simplified and "accelerated" procedures (introduced by the Decree Law 17 March 2020, n. 18, the so-called "CURA ITALIA" Decree), and to the continuing difficulties in performing checks and audits in the ordinary way, partly due to the continuing emergency restrictions.

**6.b:** Undoubtedly yes, in terms of greater commitment on the part of all the Administrations that are part of the Committee. In fact, with the decree-law n. 77 of 31 May 2021 (the so-called Simplification Decree) provisions have been issued regarding the organization of the management of the National Recovery and Resilience Plan (NRRP), defining the roles played by the various Administrations involved as well as the procedures for monitoring the Plan and interact with the European Authorities. In particular, the aforementioned Inspectorate General for Financial Relations with the European Union (IGRUE) is responsible for the coordination, management, implementation, monitoring and control system of the National Recovery and Resilience Plan (NRRP) in the context of the protection of the EU's financial interests.

### *c. Example-Concrete Best Practices*

**7.c:** The experience gained by the national anti-fraud system has made it possible to identify the most used anti-fraud systems.

The following are some examples:

- failure to carry out the investments for which public funding had been requested and obtained;
- presentation to the granting authority of false invoices to justify the expenses that the recipient of the funding had not actually incurred and / or with costs higher than the real ones (over-invoicing);
- destination of the structures and machinery, purchased with the public resources, for purposes other than those provided for by law;
- disclaimers that do not guarantee the certainty of the expenditure since, to commit fraud to the detriment of the Public Administration, complacent suppliers are often used who issue false "payment" declarations, thus allowing the beneficiary to collect the funding;
- recourse to (fictitious) suppliers based abroad, as the recourse to cross-checks between the supplies made and the payments is somewhat laborious. These companies often report, also through a "figurehead", to the same person holding the financing; in such cases, payments are regularly made by bank transfers, but subsequently the same sums are available to the same person in other current accounts opened abroad;
- use of false bank reference letters that are presented by the facilitated party to the concessionaire bank, in which the possession of the financial and equity means suitable to meet the contributions of own means to cover the financed investments is "certified";
- use of photocopies of credit notes issued by the beneficiary (normally bank checks), which are subsequently verified by the concessionaire bank to guarantee the investment. In reality, the aforementioned guarantees are never collected by the complicit or complacent supplier (where not co-responsible) of the good (s);
- purchase of non-"brand new" machinery.

**8.c:** The Committee has no operational functions, so there aren't elements to report with reference to recent case-law relevant to the topic.

With reference to the legislative measures adopted to combat corruption and fraud to the detriment of the EU budget, the most significant legislative innovations affecting the fight against corruption that occurred in 2020 and 2021 are indicated below.

It should be noted that Law No. 117 of October 4, 2019, published in the Official Journal General Series No. 245 of October 18, 2019 and in force since November 2, 2019, granted delegated powers to the Government for the transposition of European directives and the implementation of other acts of the European Union (European Enabling Legislation 2018).

1. Pursuant to Article 3 of the aforementioned enabling legislation, Legislative Decree No. 75 of 14.7.2020 "Implementation of Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law" (so-called PFI Directive), which entered into force on July 30, 2020, introduced a wide range of regulatory changes regarding the indictment of fraud crimes and corruption, as well as the administrative liability of entities for offences committed on their behalf or for their benefit. Specifically, the following are noted:

#### A) Amendments to the Criminal Code:

- An aggravated case has been introduced for the crimes of embezzlement by means of profit from the error of others (art. 316 of the Italian Criminal Code), undue receipt of funds to the detriment of the State (art. 316-ter of the Italian Criminal Code) and undue induction to give or promise benefits (319-quater of the Italian Criminal Code), in the event that the act harms the financial interests of the European Union and the damage or profit exceeds 100,000 euros. Where

this circumstance is present, a maximum sentence of four years' imprisonment is foreseen for the crimes mentioned, instead of three years;

- Art. 322-bis of the Criminal Code has been amended in order to include, among the persons punishable for international corruption, also those who hold functions or perform activities corresponding to those of public officials and persons in charge of a public service in non- EU countries, when such act harms the financial interests of the European Union;
- Finally, an aggravated case of fraud has been introduced (art. 640 c.c., paragraph 2, no. 1) if the crime is committed against the European Union; it is punished with imprisonment from 1 to 5 years, as well as a fine ranging from 309 to 1549 euros.

B) Amendments to Legislative Decree no. 74 of 2000 regarding tax offences: Legislative Decree 75/2020 has amended the regulations on tax offences, making it punishable even by the mere attempt to commit the offences of fraudulent declaration through the use of invoices relating to non-existent transactions (art. 2 of Legislative Decree 74/2000), fraudulent declaration through other means (art. 3 of Legislative Decree 74/2000) and misrepresentation (art. 4 of Legislative Decree 74/2000), when the acts intended to commit the offence are performed even in another member state of the European Union in order to evade VAT for a total value of no less than 10 million euros. The regulation is not applicable when the contested acts add up to the crime of issuing invoices or other non-existent documents for non-existent.

C) Amendments to Presidential Decree no. 43/1973 and Legislative Decree no. 8/2016 regarding customs matters.

D) Amendments to Legislative Decree no. 231/2001 on the administrative liability of legal entities, companies and associations.

2. It should also be pointed out that, in implementing the provisions contained in Article 4 of the aforementioned Law No. 117 of October 4, 2019 (European Delegation Law 2018) and in order to prepare the legislation to comply with Regulation (EU) 2017/1939, Legislative Decree No. 9 of 2.2.21 "Provisions for the adaptation of national legislation to the provisions of Regulation (EU) 2017/1939 of the Council of 12 October 2017 on the implementation of enhanced cooperation on the establishment of the European Public Prosecutor's Office "EPPO"" was adopted. It was published in the Official Journal of 5.2.21 and came into force on 6.2.21. It contains rules for identifying the number of European Delegated Prosecutors (EDPs), for defining their functional and territorial distribution as well as to make amendments to the judicial system in relation to the appointment and functioning of EDPs.

**9.c:** Please see the contents of the aforementioned Annual Reports to the national Parliament, available at the following link: [Dipartimento per le Politiche Europee - Relazioni annuali](#). In order to preserve the coherence and coordination of all the initiatives needed to prevent and counter irregularities and any undue use of European funds, i.e. subject to fraud or double public funding, with particular attention to transnational and cross-border aspects, the EU Anti-Fraud Committee (Italian AFCOS) promotes and strengthens cooperation actions with its counterparts established in the Member States, in the Candidate Countries and in the Neighborhood Policy, in which skills, knowledge and best practices are aggregated and shared.

#### ***4.2 ANAC (Italian National Anti-Corruption Authority)***

<i>Level</i>	Local/Regional
<i>Office</i>	Public Procurement Regulation Office (ANAC)
<i>Officer</i>	Manager
<i>Date</i>	9 November 2021
<i>Time</i>	from 3 p.m. to 4 p.m.
<i>Interviewer</i>	Dr. Emanuele Birritteri

## *Results*

### *a. Background Section*

**1.a:** ANAC does not manage European funds directly, there is only one PON (National Operative Program) fund which has different reporting, while individual administrations report autonomously. ANAC tracks the source of funding with the national database of public contracts, but the management procedures are not differentiated for European or national funds.

**2.a:** See previous answer.

**3.a:** With regard to issues concerning the European Union, there is a risk of double financing. The main problem we encounter in the management of national and European public funds is due to the fact that Italy is fragmented in its administrative history, as there are about 30,000 contracting stations and 100,000 cost centres, several of which do not have the necessary expertise to manage these public contracts, and this is a great difficulty. However, several capacity-building training initiatives are under way and are being launched precisely to address this issue.

### *b. General Understanding of the Phenomenon*

**4.b:** The stabilisation of the existing regulatory framework would already be an important step, especially to attract investments and to provide clear information to economic operators, reducing fragmentation of buyers. Anac seeks to improve the management of public funds by helping administrations with the digitalisation of processes and by providing standard tenders and contracts. It is also important to improve the quality of the data collected on these funds. The execution of public

contracts and the spending of funds are also very important, as they are the ones most susceptible to the risk of uncontrolled cost increases and where there is a need for greater transparency and information.

**5.b:** During the pandemic, the procedures for allocating public funds with less transparency (direct awards and negotiated procedures) increased in order to ensure economic recovery and this increased the risk of illegal behaviour, with the risk also of excluding virtuous companies from the public procurement market. ANAC had made suggestions on how to manage these procedures by ensuring greater transparency. In addition, many public contracts were interrupted or modified due to the pandemic, which should be considered as a force majeure. This then justified variations, price deviations, etc., raising the question of whether or not the requests for compensation were actually justified.

**6.b:** With the implementation of the Next Generation Italia - National Recovery and Resilience Plan (RRP), there will be an ad hoc control body, measures to accelerate investments and therefore several changes in the management of these funds. The public contracts code will also have to be amended by 2023. The need to ensure effective reporting must also be taken into account. Control will be easier at the contract award stage, where there is to some extent also widespread control by competitors, while control will be more difficult at the contract execution stage, which is the one most at risk because control is carried out only by public authorities and the contracting authority.

#### ***c. Example-Concrete Best Practices***

**7.c:** Apart from the critical issues already mentioned, the main irregularities that we find in the allocation of public funds concern: the problem of fragmentation of tenders to try to avoid regulatory constraints on public procurement; the wrong formulation of calls for tenders; the construction of ad hoc calls for tenders for certain operators; illicit attempts to influence public officials in the formulation of calls for tenders; the presence of clauses that do not comply with the law; the aforementioned problem of the lack of expertise of contracting authorities, etc.

**8.c:** No particular case to report.

**9.c:** The RRP (National Recovery and Resilience Plan) will require a considerable effort with respect to the need to simplify public investment while maintaining an efficient control system. It will be necessary to seek greater transparency in the management and use of these funds but trying to ensure forms of *ex ante* collaboration between the operators involved (e.g., the ANAC collaborative supervision model) in order to avoid controls being only *ex post*, but on the contrary trying to set up the procedure in the best possible way from the beginning so as to direct it correctly towards the requirements of legality and efficiency.

#### ***4.3 Regione Lazio***

<b><i>Level</i></b>	Local/Regional
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<i>Office</i>	Regione Lazio – ERDF, ESF and Internal Control Regional Audit Directorate
<i>Officer</i>	Director
<i>Date</i>	10 November 2021
<i>Time</i>	from 10:30 to 11:45
<i>Interviewer</i>	Dr. Alessandro Nato

## *Results*

### *a. Background Section*

**1.a:** The financial interest of the EU is protected like the national one. The Lazio Region follows the Community legislation on the protection of Community financial interests. The region has two levels of control. The first concerns the control of the ESF funds - entrusted to the Training and Labor Directorate - and of the ERDF funds - entrusted to the Regional Directorate for Economic Development and Productive and Research Activities. The second level of control is entrusted to the Regional Directorate for the ERDF, the ESF and the Internal Control Audit. The three directorates have specific staff, with specialized skills, assigned to control European funds and are supported by technical assistance mainly recruited through public call procedures at national level. For example, the directorates are assisted by external audit agencies (e.g., Price, Deloitte<sup>1</sup>, etc.).

**2.a:** The regional control directorate follows the procedure of the “Control Procedures Handbook”. The handbook contains the audit methodology, protocols, and tools, which include the operational indications and guidelines of the European Commission. In other words, This manual contains standard procedures that control authorities must follow. This manual is frequently updated by regional and local institutions together with IGRUE (General Inspectorate for Financial Relations with the EU), a specific office of the Ministry of Economic Affairs and Finance (MEAF). The Manual also contains the indications of the reporting procedures that the beneficiaries must follow.

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<sup>1</sup> Technical assistance by Deloitte & Touche SpA and Meridiana srl has been provided for audit activities in the period 2017-2020 but subsequently for these duties have been recruited single auditors by means of public regional procedures and long lists of experts, while other regional Directorate involved as managing authorities (MA) or certification authority (CA) still have technical assistance provided by leading companies operating in these fields.

**3.a:** The coordination between the Lazio regional audit department and the Ministry of Economic Affairs and Finance (MEF) and the IGRUE is excellent. It is a constant and constructive confrontation. Some problems may arise with local institutions. Indeed, bureaucratic problems arise during checks. In fact, local administrations are not always able to report clearly. This often stems from the complexity of reporting procedures and the lack of adequate staff to carry them out. For example, in case of professional training courses, local authorities and administrations are not equipped to report correctly. For this, clear and simple instructions are needed to enable individual beneficiaries to report correctly. For example, the ad hoc guidelines produced by the European Commission to allow reporting during the first phase of the covid-19 emergency were very clear and implemented a good simplification (simplification at the level of the documents to be produced; simplification of the audit system by the Region; simplification of the annual control report).

### *b. General Understanding of the Phenomenon*

**4.b:** It is necessary to train public administration employees more on the control procedures of European funds and in each administration a figure is identified who acts as the contact person / reporting officer of the financial information Unit (FIU)<sup>2</sup> in cases of suspected fraud or money laundering. The increase in knowledge in all administrations will facilitate the action to protect the financial interest. Furthermore, it is important to create interoperable data banks to allow a rapid exchange of information between institutions and public administrations at all levels. Furthermore, the ARACNE database should be better implemented and used.

**5.b:** The operational instructions on control procedures were partially modified by the European Commission already in the first phase of the pandemic to use the structural funds more quickly and effectively. To understand whether the risk of fraud has increased, it is necessary to wait for the check on the 2020 expenses to be completed, which will be completed at the end of 2021.

**6.b:** To understand the real changes brought about by the Next Generation EU on the control system and the working methods of the regional offices, it is necessary to wait for the MEF to decide on the model to be used. At present, regional institutions have not been informed whether they will be involved in the controls on RRNP-related funds. The EMF will have to decide whether to continue with the previous decentralized control procedures of European funds or whether to create an ad hoc commission centered on the MEF by centralizing the controls.

### *c. Example-Concrete Best Practices*

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<sup>2</sup> The Financial Information Unit for Italy (UIF), established by Legislative Decree 21 November 2007, no. 231 at the Bank of Italy in a position of independence and functional autonomy, began operating on 1 January 2008, taking over from the Italian Foreign Exchange Office (UIC) in the role of central anti-money laundering authority. The solution adopted complies with international standards which identify as essential characteristics of each Financial Intelligence Unit (FIU): operational and managerial autonomy; uniqueness at a national level; specialization in financial analysis functions; the ability to exchange information directly and autonomously. The law-maker has opted for an administrative FIU model, in order to distinguish the financial analysis from the investigative analysis, enhancing the autonomy of the prevention activity and the "filter" function assigned to the UIF to protect the integrity of the economic-financial system. In the legislative system, the Unit has a subjectivity anchored to its institutional functions, which allows it to be configured as a center of imputation, coordination and channeling of data and information of significant public interest. The organization and functioning of the UIF are governed by the specific Regulations of the Governor of the Bank of Italy.

**7.c:** Some accounting irregularities can be identified in the subcontracts. There is a contrast between the Italian and European national regulations on the limits to be applied to subcontracting contracts. On this point, clarification is needed on the non-application of national rules. The Court of Justice ruled on specific cases on the basis of appeals presented by subjects excluded from the awarding of tenders due to a failure to limit subcontracting. In light of this authoritative and prevailing ruling, in similar cases of appeals presented at national level, some judges "invite" the non-application of the rule that is in contrast with the EU directives as the European Union law prevails over the national ones. Other irregularities can be found on the public notice procedures, on the relative times or on the lack of public notices for contracts financed with European funds. As far as fraud is concerned, the most common one's concern document fraud, works financed with European funds and unfinished. An example could be the training courses financed but never carried out by the beneficiary local institutions. It is necessary to report a critical issue that will have to be assessed over the next few years. This criticality concerns the purchases of consumable goods (Personal protective equipment and medical-health material) made during the pandemic both by the regions and by civil protection. The controls on the stocks acquired, used and those present are difficult. This is due to both the number of purchases made and the rapid use they have had.

**8.c:** Certainly, the directorates of the Lazio Region use the reports and documents of the European institutions. Furthermore, the directorates are constantly updated on European and national jurisprudence. In addition, they keep up to date on the legal databases and make use of the legal assistance of specific offices. In addition, the Audit Directorate participates in coordination or technical meetings with European (including Commission and OLAF) and national institutions.

**9.c:** A good practice to adopt is the simplification of the reporting and control procedures. This is useful to allow even single beneficiaries with few skills to carry out correct reporting. Furthermore, it could be useful to simplify the procedures for public notices and improve the timing of the submission of documents. The simplification of procedures could make it easier for individual beneficiaries to access European funds without resorting to professionals (e.g., accountants).

#### 4.4 Roma Capitale

<b>Level</b>	Local/Regional
<b>Office</b>	Roma Capitale – European Development and Funding Projects Department
<b>Officer</b>	Head of Department
<b>Date</b>	4 October 2021
<b>Time</b>	from 12:00 to 13.00
<b>Interviewer</b>	Dr. Alessandro Nato

### Results

### *a. Background Section*

**1.a:** There is no difference between how national and European financial interests are protected. The Roma Capitale institution has a special office and the expertise necessary to better protect the EU financial interests (“Department of European Development and Funding Projects”). This office has among its objectives that of allocating EU financial resources in the best possible way by applying European standards. It has a focus on planning the European project and meeting targets. This ensures a qualitative impact of European funds. The management and proper use of European funds are the pillars of the action of the European Development Projects and Funding Department of Roma Capitale.

**2.a:** The department follows the procedures of the management and control system of Roma Capitale, those of the Agency for Territorial Cohesion-Managing Authority of the PON governance and institutional capacity 2014-2020 and Italian public procurement code. In the Italian chain of management and control of European funds, the Department of European Development and Funding Projects of Roma Capitale is an intermediate body that cooperates with the Agency for Territorial Cohesion and local institutions. In addition, the department works directly with the audit authorities of the MFF 2014-2020 Program.

**3.a:** In the MFF 2014-2020, Roma Capitale participated for the first time in programming on European funds both as an implementing and coordinating body within the Operational National Programme “METRO” which involves the 14 Italian Metropolitan Cities. In the first phase, difficulties arose in coordination with the other local and national authorities involved. This experience has strengthened the administrative capacity of Roma Capitale and has allowed for better programming for the new MFF 2021-27.

### *b. General Understanding of the Phenomenon*

**4.b:** New reforms are not needed. The regulatory framework is complete. It would be necessary to improve the application of current regulations. In addition, a simplification of the current framework could be useful to improve the management of funds and avoid fraud in the EU financial interest.

**5.b:** The covid-19 crisis has brought about changes. The pandemic emergency has increased the use of European funds to support public spending to stop the social and economic effects of the lockdown. Roma Capitale also made greater use of European funds to support specific expenses for citizens (e.g., shopping vouchers and rent support). The Department was involved in the reorganization of the 2014-2020 MFF funds for the emergency. Also, it was involved in drafting the RRNP. Even in the pandemic phase, the Department has followed the correct management and control procedures for European funds and does not expect fraud caused by the emergency.

**6.b:** Certainly, the new MFF 2021-2027 and the Next Generation EU bring about changes and the need for more interventions. This is already evident during the work carried out on the new REACT-EU resources for municipalities and metropolitan cities (in particular, see PON Metropolitan Cities 2020-2021). Italian institutions, including the Department of Development Projects and European Financing of Roma Capitale, need to equip themselves with more administrative staff both from a quantitative and qualitative point of view. We need administrations with more skills and human resources for the management and control of European funds. It is not always necessary to turn to external service providers in this sector, it is necessary to strengthen the existing offices. This will ensure that the Italian administration is in line with the standards required by European institutions.

### *c. Example-Concrete Best Practices*

**7.c:** There are no concrete examples of fraud to the EU financial interest to report, as it takes longer to detect fraud regarding the funds distributed during the MFF 2014-2020. Rather, there are adjustments

related to administrative irregularities or the incorrect reporting of programs financed with European funds from the 2014-2020 MFF, which required the intervention of the Department in the control phase.

**8.c:** There are currently no reports regarding legal proceedings for fraud against European funds affecting the programs managed by the Department.

**9.c:** As best practices, the Department reports the document containing the control and management procedures promoted by the Agency for Territorial Cohesion - Managing Authority of the PON governance and institutional capacity 2014-2020 - to ensure the application of controls by all the institutions involved on the funds of Europeans in Italy. This document also contains the indications to ensure the correct separation of functions and improve collaboration between the various bodies involved.

#### 4.5 CGIL Trade Unions

<i>Level</i>	National/Regional
<i>Office</i>	CGIL National Secretariat (Precarious Research) and CGIL Lazio Education and research section
<i>Officer</i>	Delegate
<i>Date</i>	16 September 2021
<i>Time</i>	from 15:00 to 16:00
<i>Interviewer</i>	Dr. Alessandro Nato

#### Results

##### a. Background Section

**1.a:** The CGIL has not benefited directly from European funds to plan activities in the last 5 years. Indeed, its activities and projects are financed through membership cards and by individual protection services. To date, the trade union does not actively participate in European tenders as a proposing subject. However, it can be a partner of other civil society associations in European projects.

**2.a:** The CGIL devotes few human resources to European affairs and the protection of the EU financial interest. Furthermore, it does not have a dedicated office dedicated to this. Most of the human resources are directed to issues of national interest. If we compare the Italian trade union with those of other European Member States, there is a difference in the treatment of EU issues. However, the CGIL also has a representative office in Brussels and participates in the European Trade Union Confederation - ETUC activities.

### *b. General Understanding of the Phenomenon*

**3.b:** The economic endowment of the measures allocated by the EU and the Member States has been adequate. The Next Generation EU represents a good response to the economic crisis. The SURE is also a step forward and must become a structural mechanism. These measures are an advance on the 2014-2020 MFF, which had not invested adequate resources for economic growth and support for the unemployed. However, Next Generation EU has issues: to finance the plan in deficit; and the functionalization of social rights concerning the market remain.

**4.b:** The CGIL raises awareness among members of participation in European projects and the correct use of European funds. For example, the CGIL raises the responsiveness of those enrolled in submitting European research projects about those enrolled from the university sector. In addition, other consciousness is made of schools to turn to European funding to overcome the decrease in national funds. In this case, the example is the PONs.

**5.b:** The CGIL perceives an increase in the risk of fraud towards the use of European funds after the pandemic. The Covid-19 emergency has produced urgency, and this has meant that many actors have taken an interest in EU funds. For example, the risk of mismanagement of local politics increases. This criticality is increased by the administrative management difficulties of local authorities and by the lack of sensitivity of the beneficiaries to the correct use of European funds.

**6.b:** Yes, the CGIL will have to adapt to the changes resulting from the increase in European funds allocated for Italy by the Next Generation EU. Above all, it will have to give more attention and resources to the control of the management of European funds destined for labour policies - for example, the SURE. The change will have to create a network around local territories to stimulate all stakeholders to the correct use of European financial resources. In addition, the union will have to cooperate more with European institutions and other European trade unions to ensure that EU funds are spent on goods and benefits for workers.

### *c. Example-Concrete Best Practices*

**7.c:** There is no direct knowledge of European funding fraud. There is no trade union research on this issue. Recently, the CGIL has begun to devote more attention to protecting the EU financial interest. It will focus on the control of projects promoted under the RRNP, i.e., on ex post control. However, the CGIL is aware of the administrative management and financial reporting difficulties associated with European projects, for example in schools during the management of PONs or ERASMUS + funds.

**8.c:** The CGIL also studies the reports of the European institutions on the subject.

**9.c:** Trade union assistance for members who have problems with European funds. For example, the union assists some university researchers with problems in managing European funds. In addition, the CGIL provides information on European funds. It promotes training on the management of European funds at the local level.

#### 4.6 Confindustria

<i>Level</i>	National/Regional
<i>Office</i>	Legislative Affairs Unit, Confindustria
<i>Officer</i>	Head of
<i>Date</i>	9 December 2021
<i>Time</i>	from 1 p.m. to 2 p.m.
<i>Interviewer</i>	Dr. Rossella Sabia

#### Results

##### a. Background Section

**1.a:** In my experience, I would say that there is no difference between the way in which the EU's financial interests are protected at European and national level. The interconnection is now so strong that, as we know, in many cases national institutions themselves are called upon to intervene for the protection of the interests of the Union. Confindustria as well can take part in some of these activities but, as I said, I do not see a distinction.

**2.a:** Confindustria, as a non-profit body, does not participate directly in the allocation and distribution of EU resources, and it is not a direct beneficiary of EU resources. Consequently, it has not developed over time procedural safeguards specifically aimed at minimizing the risk of offences in this field, since it does not directly benefit from public resources, neither national nor European. Of course, Confindustria has adopted and implemented a compliance programme pursuant to Legislative Decree

no. 231/2001, where e.g. there is a section dedicated to the offences against the Public Administration, which are relevant for the matter at stake (offences listed therein when committed to the detriment of the EU).

**3.a:** It happens quite often that companies, through the associations of our system, contact Confindustria to be supported in case of proceedings initiated for the recovery of EU resources, e.g. because of suspected illegalities. In these cases, the greatest difficulty is related to making companies understand that there are *ad hoc* regulations in this field and that there are EU financial interests, and not only national ones, but that must also be protected, and thus recovery procedures that must be faced. We work to explain to companies that there are rules to be respected and that, if they are not respected, other related procedures are activated. This is an important support activity, also to ensure a smooth collaboration between companies and institutions.

### ***b. General Understanding of the Phenomenon***

**4.b:** At the regulatory level we are already aligned with the best standards, including international standards, and I do not see any gaps. In my opinion possible areas for improvement concern, first, information and awareness, which in some cases on the business side – but also on the side of territorial public administrations – is still lacking. The second area is coordination between the various administrative levels (central and local) and, finally there is the issue of controls (which, as sometimes happens in our country, exceed in some areas and are completely lacking in others, or are affected by the absence of effective planning). Information, coordination, and controls are the areas on which more work needs to be done.

**5.b:** My perception is that there is an evolution linked above all to the theme of state aid. Although this is an issue not directly affected by what we are discussing, the fact that many measures to contain the economic and social effects of the emergency have been adopted under the umbrella of the so-called temporary framework on state aid has drawn the attention of economic operators, on the one hand, to the fact that there are European limits to the possibility for States to grant aid with certain features; and on the other hand, it has inevitably conditioned the provision of this aid and how it has been conceived in legislation. In many cases, there has been the need to initiate recovery procedures for non-compliance with the temporary framework, and if I consider the three variables I mentioned earlier (information, cooperation, and controls), especially from the point of view of information and awareness on the part of operators and administrations, something has changed for the better. Companies have been put in a position to be more aware of how much the Union can not only take, but also give.

**6.b:** While Confindustria does not have direct responsibility for these areas, both will have a significant impact on our priorities for action and in some cases on our own internal organization, especially NGEU. The most significant change is that of reasoning in two ways, partly different from the past: on the one hand, increasingly by adopting cross-cutting policies of intervention (green and digital transitions) and on the other, a high attention to partnerships (the contribution that the private world and the system of representation can offer in the preparation of projects). Also in this case, what will probably be produced is a greater awareness of the importance of such dynamics. As far as the EPPO is concerned, the reaction that comes to mind at first glance is that for the first time the EU enters directly into an area that until now was unquestionably left to national prerogatives – the administration of criminal justice. It will have an organizational impact on the judicial system and it will be a very positive development from the point of view of the efficiency of the justice service in general. I imagine that the establishment of the EPPO will have a strong impulse as regards the effectiveness of enforcement, and therefore in terms of the need for companies to further equip themselves to prevent these cases, and be further incentivized to develop internal compliance measures.

### ***c. Example-Concrete Best Practices***

**7.c:** I would say mainly the illegitimate use of benefits or tax breaks related to certain policies financed with EU resources and the related recovery procedures.

**8.c:** None.

**9.c:** There is a landscape of different tools that can be activated when it comes to best practices. The first answer lies in the management organization. The problem we are discussing, like many other problems that companies should manage, nowadays require a professional approach. When operational complexity grows, it is necessary that the organizational structure, inspired by a managerial logic, grows at the same pace. This means having people who are competent, first, in the management of financial flows, own resources and those coming from third parties, including public resources. There are also other organizational measures, such compliance programmes pursuant to Legislative Decree no. 231/2001 – most companies that adopt them recognize their positive effects in terms of efficiency of management processes. Certification mechanisms that can contribute to making internal organization more transparent and aligned with quality standards are valid as well. The two main variables are the ‘managerialisation’ of the firm and the professional management of financial flows in terms of planning, monitoring and external reporting.

#### 4.7 Fondirigenti

<i>Level</i>	National/Regional
<i>Office</i>	Fondirigenti
<i>Officer</i>	General Director
<i>Date</i>	20 December 2021
<i>Time</i>	from 6 p.m. to 7 p.m.
<i>Interviewer</i>	Dr. Rossella Sabia

#### Results

### *a. Background Section*

**1.a:** The financial interests of the EU are protected rather strictly, and possibly more strictly than at national level. I am familiar with the European structural funds system, which is very transparent, because all the operations of the funds are 100% controlled by first-level controls. Then a sample of these operations is also subjected to second-level controls and possibly also to sample controls that other institutions can do, the Court of Auditors. Historically, the structural funds have perhaps been even more controlled, compared to other EU policies. As we are seeing with NEXTGEN EU and the Recovery Plan funding, the EU has adopted an approach that establishes a budget objective linked to results, since in this phase of restarting the EU is more interested in the results it wants to achieve with its action, and less on formal compliance; although the regulation provides this possibility, this mechanism has never been applied to the structural funds. With respect to structural funds, the issue of simplification of controls has been an important point on which attention has been focused. Indeed, when the reform of the regulations for this programming cycle was discussed, the European Commission set up a High-Level Group Monitoring Simplification for Beneficiaries of ESI Funds: one of the main point discussed by the Group was exactly the simplification of controls, as the “weight” of controls is considered one of the main difficulties in implementing the funds on the ground.

**2.a:** In my past experiences, I had the fortune to play different roles with regards to the matter of ESI funds. With respect to my past experience as Director of the Agency for Territorial Cohesion, I can say that the Agency is the managing authority for two programs (National Operational Program on Governance and National Operational Program on Metropolitan cities) but it is also the audit authority for several national programs of other administrations. So, it was doing both the manager and the auditor. As coordinating authority for the ERDF, one of the two structural funds, we had a very close connection with the Italian control authorities (Court of Auditors and police bodies, in particular *Guardia di Finanza*). The procedures are the ordinary ones, so all the audit procedures - we did first-level controls on all the procedures managed by the Agency; moreover, the Agency is the certification authority of the programmes; after the certification the Agency also controlled *ex post* the functioning mechanisms, as Audit Authority. This means that each single administration has a relevant expertise to protect European (and national) interests. Also, on a different perspective, I was the Director of Regional Policies at Confindustria, which is one of the most relevant stakeholders involved at European level in the guidance and at national level in the monitoring with respect to the use of funds. The structural funds have committees which oversee the implementation of the programs. In that capacity, the social partners are involved in the oversight (less formal and more political in nature) of how resources are used. And this is a different but also a very important way to protect EU (and national) financial interests: the increase of transparency and the public debate on the use of the funds.

### *b. General Understanding of the Phenomenon*

**3.b:** The structural funds system is made up of authorities; each authority has its own function; the managing authority is the one that makes the calls for proposals; the certifying authority certifies that expenditures have complied with the rules, on a documentary basis; and then there is the audit authority that verifies that what was certified was correct. However, the various authorities limit their role at their own piece of the procedure, and even though they know that some problems could occur, there is no way to take them into account in the upstream phase, and diseconomies can happen. Another important issue is cooperation between administrations. Managing authorities are autonomous in the management of the resources, but they interact with many other administrations, and often a difficult dialogue between these subjects can slow down the use of resources. A third critical point is the one from which we started: the question of the excessive complication of the rules. Regulations and guidelines for European funds in 2014-20 programming period alone are estimated at more than 5,000 pages. If we consider that everything is then implemented with national regulations and notices, we can understand that the body of regulations is very heavy, and irregularities can arise. Another issue is that often both formal errors and frauds are grouped together as irregularities.

**4.b:** Fraud in the use of EU resources is an existing problem, just as it does at the national level, because we are dealing with public funds, and it is a phenomenon recorded in all countries. The difference lies in the effectiveness of the control systems: often, a high number of irregularities detected does not mean that that country is at greater risk of fraud, but simply that it does more controls and does them better. To better repress fraud, a well-functioning judicial system, as well as dissemination of best practices between member States and a better coordination among public administration are surely good ways to prevent and contrast fraud. In addition, as I said, we need, on the one hand, simplification of the rules and, on the other, more efficient control systems with more homogeneous standards in the Member States.

**5.b:** With Next generation EU there is a very important change. In the Recovery Plan, the Commission does not want to know what operations have been carried out, but it asks for proof that milestones and targets that allow the transfer of funds to the States are achieved, while traditionally the Commission allocates resources mainly based on certification of the regularity of expenditures. The fact that there is an acceleration on reporting not linked to costs, but to objectives, is an effect of the pandemic, to give a boost to a heavily penalized economy. I believe the same can be said of the type of expenses financed - the Commission has allowed expenses to be financed under the structural funds that previously could not be financed, changing the mission of its resources. Pandemic has affected both the method and the substance of what is funded, and I consider it a positive step forward. On the other hand, this means that a greater attention must be paid to the risk of fraud, as resourced increased as well as the risk of irregularities.

**6.b:** I can say that, as a stakeholder, I care about policies being effective. While we need transparency and there are administrations that are responsible for this and do their job very well, anything that focuses more on results and not on formal compliance is to be welcomed.

### *c. Example-Concrete Best Practices*

**7.c:** As I said, a distinction must be made between irregularities and fraud. In my experience, irregularities are more frequent than proper fraud. Irregularities very often come from non-compliance with the rules, both direct eligibility rules and EU rules of a different nature (e.g., linked to state aid, or the violation of the rules on public contracts is also very frequent - this is also because in Italy national legislation often overlaps with European legislation; Italy is characterized by the so-called “gold plating”, more than other countries). Fraud, on the other hand, can occur in all areas of financing.

**8.c:** With regard to procurement legislation, an irregularity has long been contested to Italy with regard to the issue of subcontracting, or rather the rule limiting the possibility of subcontracting. The Commission has always challenged Italy on this provision, which was introduced as part of the anti-mafia legislation. With regard to state aid, even if this is not recent case law, it is possible to cite the so-called ‘Deggendorf clause’, which requires the repayment of aid unlawfully used, before applying to receive other aid.

**9.c:** A greater accountability and involvement of stakeholders in the implementation of policies has a salutary effect with respect to the transparency and fairness of operations and ultimately to EU financial interests. Control is not only administrative and judicial, but there is also a social control of operations that can be done very well by stakeholders, provided they are effectively involved in the implementation and monitoring of interventions. In the structural funds a fundamental principle in this sense is already established, which is the key principle of partnership, but sometimes it remains formal; I think the EU would benefit from promoting a more substantial involvement of this kind, also on implementation of Recovery and Resilient Fund and the Next Generation EU program.



## 5. Polish Case Study

*In Poland, both national (Ministry of Investment and Development, Supreme Audit Office) and local (Marshal's Offices, Regional Chambers of Audit) institutions are involved in the procedures of auditing the spending of EU funds. Therefore, the study covered both national and local level institutions. Adopting such a broader perspective will allow us to examine whether the adopted solutions increase the effectiveness of control of EU funds spending, or whether this competitiveness contributes to the duplication of control activities and thus to their unnecessary prolongation. Social partners were also invited to participate in the survey - Poland's largest unions of private employers (Konfederacja Lewiatan) and employees (NSZZ Solidarność Trade Union). Both institutions systematically participate in the procedure of consulting national mechanisms of spending EU funds and belong to the group of beneficiaries. Therefore, they have also extensive experience in obtaining and settling projects co-financed from EU funds.*

### 5.1. Ministry of Investment and Development

<b>Level</b>	National
<b>Office</b>	Ministry of Investment and Development – Department of Innovation and Development Support Programmes - Division of System Control
<b>Officer</b>	Head of Division
<b>Date</b>	21 November 2021
<b>Time</b>	from 09:00 to 09.45
<b>Interviewer</b>	Prof. Maciej Serowanec

## Results

### a. Background Section

**1.a:** The standards are almost the same. The most important difference is the mechanism of withdrawing money from certification to the EU. There is enough suspicion of illegal activities connected with the project to use this mechanism from the side of EU services. It fully protects EU financial interests. In the relation between the Managing Authority (MA/Intermediate Body (IB) and beneficiary in order to retain payments, the institution needs really serious proof or final judgment. If not - there is a risk of compensation proceedings.

**2.a:** There are: systemic controls (controls conducted by MA in IB), controls of the projects (payment claims verifications, controls on the spot, durability controls, cross-checking controls).

**3.a:** The main problem is a lot of work! A lot of controls, a lot of whistle-blower announcements are often not justified, and too many detailed procedures are created by EC services.

### ***b. General Understanding of the Phenomenon***

**4.b:** Exchange best practices and exchange experience in EU and ECA audits is the best way to improve the system and prevent mistakes in managing programmes.

**5.b:** Yes – there are some important changes. The most important are expectations to cover “pandemic risks” in all managing processes and to conduct controls dedicated to checking support dedicated to fighting pandemic consequences. It can be perceived as a kind of disappointment since there were permissions and an atmosphere of “easy support”.

**6.b:** The Ministry of Investment and Development can expect tightening rules in this area. Problems related to EU funds protection seems to be one of the most important issues for EU services even though EU and ECA audits did not reveal any significant problems (especially corruption) during audits in Poland.

### ***c. Example-Concrete Best Practices***

**7.c:** Corruption, connections, irregularities in the public procurement area

**8.c:** Yes – there are a lot of examples, but they are confidential.

**9.c:** The Ministry of Investment and Development suggests reading EU and ECA reports and studying EC guidelines. EU services law interpretation is very important – using them is the best way to prevent financial corrections.

## ***5.2 Supreme Audit Office***

<b><i>Level</i></b>	National
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<i>Office</i>	Supreme Audit Office – Regional Branch in Bydgoszcz
<i>Officer</i>	Deputy Director of Branch
<i>Date</i>	9 December 2021
<i>Time</i>	from 10:00 to 10.30
<i>Interviewer</i>	Prof. Maciej Serowanec

## Results

### *a. Background Section*

**1.a:** The Supreme Audit Office is equally concerned with protecting national and EU financial interests. Within the organizational structure of the Supreme Audit Office, there is no single department which would control the spending of EU funds. National and EU financial interests are protected using the same control procedures provided for in statutory regulations.

**2.a:** The Supreme Audit Office performs scheduled audits (resulting from the annual work plan of the Supreme Audit Office) and ad hoc audits. The Supreme Audit Office also undertakes audits ordered by the Sejm or its bodies, at the request of the President of the Republic of Poland, the Prime Minister or on its own initiative. NIK audits the spending of EU funds primarily from the point of view of legality and economy.

**3.a:** The basic problem is the lack of coordination of control activities undertaken by individual control institutions. The implementation of control activities is also hampered by the relatively modest human and equipment resources of the institutions involved in control procedures.

### *b. General Understanding of the Phenomenon*

**4.b:** The existing legal regulations do not require big changes, they are effective and create favorable conditions for the Supreme Audit Office to carry out effective control over the spending of EU funds. It would be worthwhile to undertake a discussion on developing uniform standards of control carried out by individual institutions involved in the procedures for monitoring the spending of EU funds. It would

also be desirable to introduce solutions that make it possible to undertake control activities remotely. The current legal regulations do not provide for such a possibility.

**5.b:** The pandemic has contributed to the prolongation of audit procedures. The law on the Supreme Audit Office stipulates that control procedures can only be performed either at the NIK headquarters or at the headquarters of the controlled entity. Therefore, taking care to maintain sanitary and epidemiological conditions, the majority of inspections were carried out at the NIK headquarters. During the pandemic, the emergence of abuses connected with the performance of remote work was observed.

**6.b:** The Supreme Audit Office awaits the adoption of legal solutions enabling the use of new technologies in control procedures. In NICK's opinion, further tightening of cooperation with other control bodies in EU member states and the European Court of Auditors should be expected in the near future.

### *c. Example-Concrete Best Practices*

**7.c:** In the audit activity of the Supreme Audit Office the most serious, recurring irregularities, which lead to launching procedures of liability for infringement of public finance, are connected with failure to observe the rules related to the procedure of announcing and carrying out public procurement. Relatively often irregularities are also found in the control of settlement of ineligible expenditure.

**8.c:** Yes, within the structure of the Supreme Audit Office there is a Department of Legal and Control Jurisprudence, which constantly monitors the jurisprudence of common and administrative courts concerning procedures for controlling the spending of public funds, including EU funds. On the basis of jurisprudence, special guidelines for controllers are developed.

**9.c:** In order to increase the effectiveness of procedures for controlling the spending of EU funds, it is worth tightening cooperation between individual institutions involved in this process. A good example to follow may be the cooperation of the Supreme Audit Office with the European Court of Auditors.

### *5.3 Marshall Office of the Kujawsko-Pomorskie Voivodeship*

<i>Level</i>	Local/Regional
<i>Office</i>	Marshall Office of the Kujawsko-Pomorskie Voivodeship – Control Department for Implementation of European Funds
<i>Officer</i>	Deputy Head of Department
<i>Date</i>	18 November 2021

<i>Time</i>	<i>from 11:00 to 12.00</i>
<i>Interviewer</i>	Prof. Maciej Serowaniec

## Results

### *a. Background Section*

**1.a:** In the light of the provisions of the Public Finance Act, the protection of EU financial interests is the duty of each body in charge of public expenditure control. It is therefore an element of the procedure for the protection of national financial interests. For each of the 16 Polish voivodeships the Sejmik of the Voivodeship adopts its own, separate regional Operational Programme over which the Departments for Implementation of European Funds exercise control. The scope of control rights of the Department of Implementation of European Funds results also in detail from the guidelines specifying the rules of spending in individual projects implemented under the Regional Operational Programmes.

**2.a:** For each project, so-called risk factors related to its implementation are determined. Based on this criterion, the Department prepares an annual plan of inspections at Beneficiaries' premises, which may include both monitoring visits and project sustainability control. In turn, when Beneficiaries submit subsequent payment applications, the Department controls the way the project is implemented. In practice, ad hoc inspections are often carried out, when the Department becomes aware of irregularities in the spending of EU funds. Thus, the control is of a comprehensive nature.

**3.a:** The quality of project implementation has visibly decreased due to the fact that Beneficiaries are implementing several different projects at the same time. This results in a greater number of irregularities. The significant number of projects also caused the process of verification of the whole project to become longer. The social attitude of Beneficiaries to control procedures is also an obstacle. Beneficiaries are reluctant to cooperate with controlling institutions and do not treat them as partners in the process of implementing the disbursement of EU funds.

### *b. General Understanding of the Phenomenon*

**4.b:** The principle of openness of control institutions for the Beneficiaries of the EU funds should be promoted. It is crucial that Beneficiaries begin to perceive control procedures as an important and necessary mechanism in the state. It is also worth working on the implementation of clear and transparent recommendations for individual EU-funded programs.

**5.b:** In the early days of the pandemic, the protection of the EU's financial interests was made very difficult because controls did not take place as before. It was only with time that it was decided to introduce a two-stage control: 1) remote (verification of submitted documentation) and 2) stationary (field monitoring visit). The Department's work systematically encountered problems with the timely submission of documents by Beneficiaries. This significantly prolonged the control path. In the period of the pandemic, Beneficiaries very often breached the rules of implementation of the so-called Covid-19 expenditures. The amended Public Procurement Law gave Beneficiaries, among other things, the possibility of purchasing certain goods without tendering. This became a field of great abuse.

**6.b:** Department does not expect a big change. Using the experience of the pandemic period, we expect to see greater use of remote control in the control of some programmes.

### *c. Example-Concrete Best Practices*

**7.c:** The most serious infringements were related to violation of the provisions of the Public Procurement Act and the Competition Law (shortening of tender deadlines, mistakes in specifications, incorrect application of the so-called covidien expenses). In practice, there are also frequent violations of the Act on personal data protection, e.g. lack of consent to process personal data).

**8.c:** The Department staff constantly monitor case law activity of administrative courts, in particular in the area of public procurement law, competition law and personal data protection. This case law is used in the daily functioning of the Department, in particular when making administrative decisions towards Beneficiaries.

**9.c:** In the Department's opinion, it is worth considering a more open approach of controlling institutions to the Beneficiary. This will undoubtedly translate into the quality and speed of control procedures in the future and will increase the trust of citizens in state bodies.

### *5.4 Regional Chamber of Audit in Bydgoszcz*

<i>Level</i>	Local/Regional
<i>Office</i>	Regional Chamber of Audit in Bydgoszcz
<i>Officer</i>	President of Chamber
<i>Date</i>	9 November 2021

<i>Time</i>	<i>from 09:00 to 09.30</i>
<i>Interviewer</i>	Prof. Maciej Serowaniec

## Results

### *a. Background Section*

**1.a:** Each of the 16 Regional Chambers of Audit, within the scope of its statutory competence, has not only the protection of national financial interests, but also the protection of EU financial interests. The equal importance of protecting national and EU financial interests has also been particularly emphasized in the Public Finance Act of 27 August 2009.

**2.a:** The compliance audit dominates the audit activity of the Regional Chambers of Audit as the basic form of ex-post control. In practice, the audit procedure usually covers the following issues: auditing public procurement issues, auditing accounting records and reporting, auditing management procedures and auditing the legality of fund expenditure.

**3.a:** No significant difficulties in the implementation of control activities have been noted so far. However, it is worth noting the lack of coordination of control activities for all authorized institutions. As a result, control institutions often either duplicate their activities or fail to take appropriate action while waiting for reactions from other control bodies. The introduction of mechanisms for the coordination of control procedures would certainly contribute to increasing control effectiveness.

### *b. General Understanding of the Phenomenon*

**4.b:** From the perspective of Regional Chambers of Audit activities, a need for changes in the current legal status aimed at strengthening and extending their auditing powers has been identified. These changes should first of all consist in adding new control criteria (e.g. effectiveness criterion). So far, the audit of compliance based on legality has been used as a form of control. This approach is anachronistic because of international standards and recommendations. Along with strengthening audit powers, Regional Chambers of Audit's personnel and financial resources should be increased.

**5.b:** No new forms of fraud were reported in the pandemic era. The main source of fraud continued to be procurement procedures. However, the pandemic contributed to the wider use and downloading of electronic data by inspectors carrying out control activities. However, it was impossible to introduce solutions for downloading accounts electronically, which meant that a remote (online) control model was not implemented.

**6.b:** Without changes to the current legal status, the scope and manner of operation of Regional Chambers of Audit will not change.

### *c. Example-Concrete Best Practices*

**7.c:** In the audit activity of the Regional Chambers of Audit the most serious, recurring irregularities, which lead to launching procedures of liability for infringement of public finance, are connected with failure to observe the rules related to the procedure of announcing and carrying out public procurement. These are the most frequent irregularities.

**8.c:** Regional Chambers of Audit systematically analyze the jurisprudence of the Voivodeship Administrative Courts and the Supreme Administrative Court regarding infringement of public finance discipline and the rules of imposing financial corrections (one of the financial sanctions related to incorrect spending of EU funds). It is worth noting that the approach of administrative courts in this respect is still very rigorous in Poland.

**9.c:** Each of the 16 Regional Chambers of Audit in Poland emphasizes the standardization of audit activities - they are carried out according to the same methods and criteria. Furthermore, the Chambers exchange their experience in control of EU funds, enabling the formulation of best practices in this area and their unification on the national scale. It is also worth taking advantage of the experience of the Regional Chambers of Audit in close coordination and cooperation in controlling the spending of the EU funds.

## *5.5 Trade Union "Solidarity"*

<i>Level</i>	National
<i>Office</i>	The Independent Self-Governing Trade Union "Solidarity" – Department of European Programmes
<i>Officer</i>	Head of Department
<i>Date</i>	29 November 2021
<i>Time</i>	from 15:00 to 16.00
<i>Interviewer</i>	Dr Jagoda Jaskulska

## Results

### *a. Background Section*

**1.a:** The Solidarity Trade Union uses European funds for various projects. The union's areas of interest are primarily: European Social Fund, national operational program POWER and regional programs. The union also benefits from programmes of the European Commission

**2.a:** The Solidarity Trade Union does not see any significant differences in this area. Although certain differences do occur, e.g. in the area of detailed financial settlements, The Solidarity Trade Union takes similar care of spending and securing national and EU funds.

### *b. General Understanding of the Phenomenon*

**3.b:** No significant difficulties in the implementation of control activities have been noted so far. However, it is worth noting the lack of coordination of control activities for all authorized institutions. As a result, control institutions often either duplicate their activities or fail to take appropriate action while waiting for reactions from other control bodies. The introduction of mechanisms for the coordination of control procedures would certainly contribute to increasing control effectiveness.

**4.b:** Given the limitations in this area and the competition conditions, these resources are sufficient. Sometimes, however, due to limitations related to the eligibility of expenditures, we cannot always finance the activities we would like to.

**5.b:** The Solidarity Trade Union does not make much difference in that regard. As part of our activities we also implement projects financed from Norwegian sources. Here, we have noticed somewhat greater flexibility in reacting to current problems than in the case of programmes financed from EU funds. Similarly, we noticed greater flexibility and activity of institutions in the case of projects from the European Commission than in the case of projects in which national institutions were intermediaries. Moreover, after the outbreak of the pandemic the need arose to introduce changes (sometimes crucial) in the implementation of already launched projects. Here again, cooperation worked better with projects funded by the European Commission than with national intermediaries. On the other hand, as far as new fraud risks are concerned, emergencies require new actions which, in turn, may turn out to be a field for certain irregularities. However, in my opinion, not on a large scale. Especially if we take into account the low flexibility of national institutions in the area of introducing changes in the project implementation, which was signaled in the previous answer.

**6.b:** At the moment The Solidarity Trade Union does not see such changes and does not expect any major changes in the way our organization operates in the near future. The Solidarity Trade Union is optimistic about the establishment of such institutions as the EPPO, because it will certainly contribute to reducing crimes and abuses related to the spending of EU funds. The EPPO will certainly play an important preventive role in this respect.

### *c. Example-Concrete Best Practices*

**7.c:** At the outset it should be emphasized that The Solidarity Trade Union is a large organization, with about 600 000 members, so even with good organization some problems may occur. What they struggle with most often is the problem of reimbursement of travel costs, or actually, who should be reimbursed for such costs. They should be reimbursed to the project participant, not the organization.

**8.c:** The Solidarity Trade Union is not familiar with such current case law, reports or studies. However, in their work they have encountered studies on, for example, anti-corruption measures. They are also familiar with elaborate studies on how their association applies the principle of competition.

**9.c:** At the moment The Solidarity Trade Union does not have any good practices that they could share with other institutions, although it would certainly have a positive impact on the implementation of projects if certain procedures were deformed, especially at the level of national institutions.

### 5.6 Lewiatan Confederation

<i>Level</i>	National
<i>Office</i>	Lewiatan Confederation - Polish Confederation of Private Employers
<i>Officer</i>	Deputy Director-General
<i>Date</i>	24 November 2021
<i>Time</i>	from 18:00 to 18.30
<i>Interviewer</i>	Prof. Wojciech Morawski

## Results

### a. Background Section

**1.a:** The Lewiatan Confederation uses European funds for various projects. The Confederation 's areas of interest are primarily: European Social Fund 2014-2020 and Norway Grants.

**2.a:** No, there is no difference. In the case of EU projects, we apply rules regarding financial settlements and documenting project expenditures. We do not apply such rules in the case of projects without the EU funding, however, the generally applicable rules, including the purchase regulations, also have a protective function and guarantee the effective spending of funds (own, national and EU).

### *b. General Understanding of the Phenomenon*

**3.b:** In principle, yes, although the support for social dialogue from which we benefit emerged only in the second half of the perspective. At the beginning the EU did not see the justification for actions supporting employers' and employees' organizations. In the middle of the programming period the importance of social dialogue increased and in the programmes 2014-2020 changes were introduced, which allowed for the implementation of projects specific to our organisation.

**4.b:** The Lewiatan Confederation organizes webinars for companies on specific solutions for the proper implementation of EU projects. The Lewiatan Confederation also consults their members on the guidelines describing the rules of conduct in EU projects.

**5.b:** No. The Lewiatan Confederation does not see any changes that would have a measurable impact on the way they implement projects. As far as the rules and scopes of control are concerned, in the projects we implement the practice is similar to the one before the pandemic. However, the Lewiatan Confederation believes that during a pandemic, it is easier to agree on funding for large public projects which may not have had this opportunity before. In their opinion, this increases the risk of irregularities.

**6.b:** No. The Lewiatan Confederation is not planning a different organization of work in this area. The Lewiatan Confederation will carry out an analogous task to the 2014-2020 period arising from our status as a community partner.

### *c. Example-Concrete Best Practices*

**7.c:** Irregularities in the public procurement area

**8.c:** No.

**9.c:** No.

## 6. Belgian Case Study

*In Belgium the protection of the EU's financial interests takes place both at the federal level and at the level of the Regions and Communities, which is why institutions at both levels were included in the study. The study focused on two areas that are particularly important for the protection of the EU's financial interests: Firstly, control mechanisms related to the auditing and spending of EU funds, which is organized at the regional level. On the other hand, the federal level could benefit from EU-funding itself.*

### 6.1 Federal Public Service Justice

<i>Level</i>	National
<i>Office</i>	Federal Ministry of Justice
<i>Officer</i>	Strategic Director
<i>Date</i>	14.12.2021
<i>Time</i>	Written procedure
<i>Interviewer</i>	Prof. Dr. Alexander De Becker

<b>Results</b>
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#### a. Background Section

**1.a:** A very limited amount of subsidies has been enjoyed by the Public Service Justice. It is very difficult to indicate which amounts there are concerned in these funding programs. The small amount of funding received was in cooperation with other Member States within the framework of Funding and Grant Programs of the EU.

**2.a:** The control of the budget with regard to the use of EU subsidies is very strict and can be followed by an Audit through EU Institutions.

**3.a:** It is difficult to judge to what extent the endowment was sufficient in the sector. The support was very limited with regard to financial means.

### ***b. General Understanding of the Phenomenon***

**4.b:** The SPF Justice did not grant any information about actions on how to make correct use of the EU funds. As mentioned, the SPF Justice indicated that the control on the budget and costs of how the financial means are used, is considered to be very strict with potential later Audits.

**5.b:** No indication was granted towards more and more significant problems with regard to the pandemic.

**6.b:** it does not seem that the SPF Justice will provide the significant changes with regard to the proceedings on the working procedures with regard to EU financial models. The FPS Justice will in the future benefit within the framework of the Belgian State of some other funding (within a larger project) but the lead of that project will not be taken by the FPS Justice.

### ***c. Example-Concrete Best Practices***

**7.c:** No indications were granted.

**8.c:** No such cases were cited.

**9.c:** No examples were granted.

## ***6.2 Flemish Agency for Innovation and Entrepreneurship***

<b><i>Level</i></b>	Regional/Local
<b><i>Office</i></b>	Flemish Agency for Innovation and Entrepreneurship
<b><i>Officer</i></b>	Advisor International Cooperation and Strategy
<b><i>Date</i></b>	14.12.2021
<b><i>Time</i></b>	11.00-11.30; Telephone call

<i>Interviewer</i>	Prof. Dr. Alexander De Becker
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## Results

### *a. Background Section*

**1.a:** The Flemish Region has obtained important funding. Funding about projects such as Horizon 2020 are left out of the scope of the Flemish funding as they are not considered to be a form of state aid. The project with subsidies of the Flemish authority and EU-funds are mainly the consequence of open calls or tenders.

**2.a:** Projects financed solely with regional funds must comply exclusively with regional requirements. The Flemish authority shall limit its control to the Flemish requirements. However, given the fact that many projects are financed by the region and the EU, potential difficulties about EU funding are transferred to the EU institutions for control. They execute their own audit for the EU part of the funding.

**3.a:** Flanders as a region indicates the possibilities to companies, enterprises, and self-employed persons. To that extent, it is difficult to assess to what extent sectors have or have not received enough funding. It depends on which funding is obtained through the different programs to assess this element.

### *b. General Understanding of the Phenomenon*

**4.b:** Flemish Agency for Innovation and Entrepreneurship consists of providing information to the different stakeholders in Flanders. Control on the correct use of financial support consists of a control of the Flemish part and a control (executed by the EU) of the EU-funds. Information is provided by the Flemish Authority on different calls and tenders to the public in general.

**5.b:** A distinction between the pre-Covid Period and the post-Covidperiod is difficult to make on a general basis. The control mechanisms have not changed. Obviously, the use of the REACT-means will be linked to the consequences of Covid but it has not yet provided major differences with regard to the protection of EU financial interests.

**6.b:** The difficulty about the future might be the redistribution of competences with regard to control in the EU itself. The EU has got a multilayered approach which might be adapted in the future.

### *c. Example-Concrete Best Practices*

**7.c:** The most frequent financial findings are based on a lack of knowledge of the existing regulations and procedures. It is not based on bad intentions or on conscient abuse of funding but rather on lack of knowledge or incorrect interpretations.

**8.c:** No awareness of important modifications.

**9.c:** The major issue concerns the many different parts within the EU which do not seem to be in constant communication. It makes it difficult to understand the role of the EU with regard to funding given the fact that the different layers do not seem to communicate perfectly.

### 6.3 Flemish Audit Authority for EU-structural funds

<i>Level</i>	Regional/Local
<i>Office</i>	Flemish Audit Authority for EU-structural funds
<i>Officer</i>	Inspector-general for Audits and Auditor
<i>Date</i>	14.12.2021
<i>Time</i>	20.00-20.45 MS Teams
<i>Interviewer</i>	Prof. Dr. Alexander De Becker

### Results

#### a. Background Section

**1.a:** The Flemish Authority executes Audits with regard to all kinds of funding through the EU (e.g. ESF, RRF, etc). The focus lies on the funding through the EU. The calculation of the funding is difficult, but the Flemish region has benefitted on numerous occasions from the ESF and RRF.

**2.a:** The answer is double. To a certain extent, no, because the focus lies on how EU funding is used at Flemish level. The Auditors are the same persons and therefore the focus is similar. However, the Eu provides at different levels many different answers to similar questions. This influences the Auditors and complicates their position. They have access to a lot of information but there is too much information for them to deal and comply with.

**3.a:** The endowment of sources for the sector is sufficient but the problem is once again double. Often, when calls are launched, the proposals grant too little for too much money or the budget is insufficient to fund such a good project. It seems therefore that the match between the funding which is provided and the projects which are executed is not always a good fit. It is therefore a nuanced answer to the question whether the endowment is sufficient for different sectors.

## *b. General Understanding of the Phenomenon*

**4.b:** It is the task of the Auditauthority to make persons aware of the correct use of EU funds. The Auditauthority therefore plays a consultancy role and an Audit Role. This double approach leads to prevent (major) difficulties about the abuse of EU funds. The partners are aware of what is possible from the start of the project and are guided through the project. This approach is exceptional and only used in Flanders.

**5.b:** No significant changes have been found. Regarding some projects which were delayed due to Covid, the EU postponed some deadlines and showed major willingness to accept the circumstances. No major changes can be found.

**6.b:** The approach of the Flemish Auditauthority has changed. As it now guides the Flemish institution throughout the whole process, a major change has been undertaken. The major change would be a better structure of the EU about funding. A transversal approach rather than a silo-approach would help a lot.

## *c. Example-Concrete Best Practices*

**7.c:** The most significant irregularities are accounting and calculation errors, other ineligible expenditure (not related to the project or total other expenditure) and wrong application of the methodology. A major element also is that the Flemish Auditauthority cannot determine whether fraud has taken place or not. Indications of fraud automatically lead to information of the Public Prosecutor's Office. However, that is politically tangible and therefore Auditors are reluctant to conclude that fraud has taken place.

**8.c:** No knowledge of significant judgments, reports, or studies at EU-level.

**9.c:** The best practise is that the Eu would overcome thinking in so-called sillo. A transversal approach would strongly simplify auditing. Currently, auditors undergo an overflow of information they must deal with. The problem is not the information itself but dealing with the information while at the same time managing projects as consultants and controlling projects as auditors. A better distribution of information would be a major gain.

## **6.4 ETUC**

<i>Level</i>	EU-level
<i>Office</i>	none
<i>Officer</i>	ETUC representative
<i>Date</i>	13.12.2021

<i>Time</i>	Written procedure
<i>Interviewer</i>	Prof. Dr. Alexander De Becker

<b>Results</b>
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*a. Background Section*

**1.a, 2.a:** The person concerned indicated that the trade union did not receive any funding and that, therefore, he cannot answer these questions.

*b. General Understanding of the Phenomenon*

**3.b, 4.b, 5.b and 6.b:** The person indicates that he is not aware of the role of the organisation with regard to this topic. They did not receive any funds during the Covid-pandemic.

*c. Example-Concrete Best Practices*

**7.c, 8.c and 9.c:** No answers were provided.

## 7. German Case Study

*In Germany, the protection of the EU's financial interests takes place both at the federal level and at the level of the federal states, which is why institutions at both levels were included in the study. The study focused on two areas that are particularly important for the protection of the EU's financial interests: Firstly, control mechanisms related to the auditing and spending of EU funds, which is located at the level of the federal states and, about the ESF, is carried out by the ESF Administrative Authorities. On the other hand, criminal prosecution was taken into consideration. Of particular interest here was whether and, if so, to what extent special departments in the police (Internal Investigations Department) and public prosecutor's office (Corruption Department) contribute to effective and functioning criminal prosecution – and with it, at the same time, to the protection of the EU's financial interests. Finally, the Federal Ministry of Finance in Germany assumes a coordination and interface function for some of the institutions involved.*

### 7.1 Federal Ministry of Finance - Unit EA6

<b>Level</b>	National
<b>Office</b>	Federal Ministry of Finance (Berlin)
<b>Officer</b>	Head of Unit
<b>Date</b>	6.9.2021
<b>Time</b>	from 11.00 to 12.00
<b>Interviewer</b>	Dr. Eva Rulands

### Results

### *a. Background Section*

**1.a:** Cooperation with OLAF is the focus of the unit's activities in the fight against fraud. In addition, the German position is represented through committee work. Finally, the unit coordinates the German position work in the Council working group on the Fight against Fraud and COCOLAF meetings and its sub-committees. If no authority is available to OLAF as a contact in funds management, the unit mediates the establishment of contact. Direct contact with the authorities of the federal states takes place in connection with the Irregularity Management System (IMS). Here, the Unit acts as an interface for reporting issues.

**2.a:** The use of the IMS is helpful for the protection of the EU's financial interests, as the number of reports can be used to determine any need for action. A significantly high or low reporting rate can be responded to with legal adjustments or increased efforts to raise awareness among the federal states.

**3.a:** The EU's standardisation efforts make daily work more difficult because they sometimes go too far for Germany. Efforts at standardisation on the part of the federal government in Germany come up against the limits set by federalism.

### *b. General Understanding of the Phenomenon*

**4.b:** There is no need for strategic intervention. This also refers to the introduction of a national anti-fraud strategy for the ESF. The work can be further simplified via the increased use of data mining tools, especially ARACHNE.

**5.b:** So far, no changes are apparent about the protection of the EU's financial interests since the outbreak of the pandemic. However, it may still be too early to see the impact. The Federal Criminal Police Office (BKA) has not identified any new risk potential either. Overall, i.e. not only with regard to EU funds, decisions under time pressure are problematic. In several federal states, this has become a problem during the pandemic. If expenditure must be made under high time pressure, there may not be enough staff available to ensure sufficient control density.

**6.b:** Although the Federal Ministry of the Justice is responsible for the EPPO, the unit is in contact with the delegated prosecutors. However, their interest is primarily focused on the revenue area and for this reason on the customs and tax authorities, where the unit acts as a contact point. In the area of expenditure, the organisation goes through the countries. However, it could be interesting to obtain information from the EPPO about new criminogenic behaviour. If new risks were to emerge, the Federal Ministry of Finance or the Federal Criminal Police Office could then issue a warning to the federal states.

### *c. Example-Concrete Best Practices*

**7.c:** There are no major risks on the expenditure side. In the past, the federal states were only able to provide limited information in this regard because too few cases would occur. One risk factor, however, is the density of controls. Organised crime is rather particularly located in the revenue sector, for example in connection with systematic tax fraud, the concealment of imports and internet trade.

**8.c:** The strategic approaches advocated in the federal states to protect the EU's financial interests against fraud and corruption can be judged effective. First, Germany has a robust and well proven legal framework. In addition, public service employees are not only well trained, but also already obliged under current law to report irregularities and cases of crime. Germany also has an effective system for preventing and combating fraud: The civil service system is to be judged as solid and on the part of the employees there is a pronounced awareness regarding the careful handling of funds.

**9.c:** There is no need for further harmonisation, as this already takes place within the European legal framework and the federal states also coordinate among themselves. In particular, the federal states also

apply the (extensive) guidelines. The unit also coordinates the work of the audit authorities in the area of structural funds. The room for further standardisation is also only limited in practice because the needs of city states and territorial states differ, as do those of the "old" and the "new" federal states.

## 7.2 ESF Administrative Authority (Bremen)

<i>Level</i>	Regional
<i>Office</i>	Administrative Authority of the European Social Fund (Bremen); ESF certifying authority
<i>Officer</i>	Procedures and Audits Officer
<i>Date</i>	8.10.2021
<i>Time</i>	written procedure
<i>Interviewer</i>	Dr. Eva Rulands

<b>Results</b>
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### a. Background Section

**1.a:** In the 2014 - 2020 funding period, a distinction was made between three possible application procedures: Competitive calls (only a small number of funding commitments can be made, but a large number of bids are expected), time-staggered procedures (allow ongoing application up to certain cut-off dates) and individual application procedures (are possible at any time). The staggered application procedures will no longer be used in the new funding period.

**2.a:** Projects financed solely from state funds must comply exclusively with national requirements, which allow significantly more room for manoeuvre than comparable European requirements. In contrast, the European interests are exceptionally well secured and clearly above average: more closely meshed inspection intervals, continuous adaptation of the systems, more concrete procedures that allow significantly less room for manoeuvre.

**3.a:** There are no concrete obstacles in the daily work. Practice shows that the current procedures are effective and that the EU's financial interests are very well protected by the current procedure (close monitoring, strict disbursement practice, extensive management and control system that goes far beyond the national requirements regarding certainty of the procedures applied).

#### ***b. General Understanding of the Phenomenon***

**4.b:** Clearly helpful would be the introduction of a de minimis database, as it is difficult to verify compliance with the de minimis limits as well as the exclusion of double funding by other agencies. In any case, a national overall strategy to combat fraud should not lead to rigid procedures. Incidentally, there are numerous mechanisms with a view to preventing and combating fraud and corruption. The simplified cost options bring a great simplification, as they have simplified the verification process for the executing agency and the authority.

**5.b:** Although more funds were available after the outbreak of the pandemic, there was no fundamental change in the disbursement practice. During various federal and state aid programs, however, it became necessary to request a Corona self-declaration from the providers to gain an overview of the support received by the individual providers and to rule out double funding. However, there were no indications to adjust the existing systems.

**6.b:** Actually, we expect to be able to maintain our current procedures for the most part in future. Major cuts in our own working methods are not yet in sight. This may be because in our federal state, recoveries are only necessary in exceptional cases and suspected cases of fraud are also an exception. The current systems seem to work.

#### ***c. Example-Concrete Best Practices***

**7.c:** The most frequent financial findings are likely to be violations of the prohibition of early commencement of measures and deficient documentation in the proof of flat-rate units. Although the EU does not prohibit the early start of measures, the State Budget Regulation applies a much higher standard with a general prohibition, which is why the prohibition also applied to the ESF in the last funding period. As far as documentation deficiencies are concerned, each case is followed up by enquiries with the executing agency. This is almost exclusively due to clerical errors and no intent to defraud.

**8.c:** Our most important control mechanism is the management and control system, which has also been designated by the Commission. The management and control system consists of a central overview document, which outlines the basic structure of the ESF funds management, specifies and delimits the tasks of the bodies involved and pre defines basic procedures. Twelve procedural rules describe the applied procedure in additional detail. The current management and control system is clearly sufficient, in some places even too extensive, as it severely restricts room for manoeuvre.

**9.c:** The lack of a de minimis register at EU/national level is a real problem. This makes it difficult to definitively exclude double funding and to check compliance with the de minimis limits. This is the only gateway for possible risks. The audits of the executing agencies at the project location and, in principle, the system and project audits of the audit authority are useful, as they identify necessary adjustments in the existing system, although the frequency and depth of the audits are questionable.

### 7.3 Internal Investigations Department (DIE, Hamburg)

<i>Level</i>	National
<i>Office</i>	Department of the Interior and Sport; Internal Investigations Department (DIE)
<i>Officer</i>	Employees of the DIE including the management level
<i>Date</i>	28.10.2021
<i>Time</i>	written procedure
<i>Interviewer</i>	Dr. Eva Rulands

<b>Results</b>
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#### a. Background Section

**1.a:** So far, the DIE has not conducted any investigations that affect the financial interests of the EU. Since the Code of Criminal Procedure applies equally to all investigative proceedings, there would also be no differences in investigative practice.

**2.a:** Special public prosecutors' offices for corruption offences, instruments for obtaining information, e.g. implementation of whistleblower systems for anonymous whistleblowers, ombudsman/compliance departments, control bodies (e.g. internal audits), anti-corruption officers in offices and authorities and reporting obligations of tax authority audits facilitate daily work.

**3.a:** With regard to impairments of the investigative work, the following should be mentioned: Legal obstacles to requests for mutual legal assistance in (also EU) foreign countries which delay investigations; insufficient human and material resources as well as a lack of expertise in the evaluation of digital mass data or in the use of encryption techniques; long waiting times for the mirroring of digital data carriers; inadequate IT equipment for evaluations; insufficient whistleblower protection; organisational deficits in staffing in particularly extensive large-scale proceedings; tax secrecy prevents the forwarding of criminally relevant findings to the prosecuting authorities.

#### b. General Understanding of the Phenomenon

**4.b:** Need for improvement can be identified in the following points: Provision of financial resources for external expert opinions in the field of IT forensics; Preparation of a joint situation report on corruption by the police and the judiciary; cases of white-collar crime should always be heard by special chambers for white-collar crime; establishment of specialised IT forensics services; establishment of decentralised or centralised evaluation units; ensuring the training and further education of criminal analysts and evaluators; Focus public prosecutor's office for offences against the EU's financial interests; closer cooperation with the tax investigation/tax audit of the tax authorities; creation of the legal prerequisites for online interrogations; establishment of a digital investigation file for the police, public prosecutor's office and courts.

**5.b:** Regarding the changes in the risk structure since the outbreak of the pandemic specifically in relation to the EU's financial interests, no information can be provided as no investigations have been carried out to the detriment of the EU's financial interests to date.

**6.b:** So far, there is no experience with regard to the cooperation with the EPPO. It remains to be seen whether the staffing of the European Public Prosecutor's Office with two public prosecutors will meet the requirements and the volume of cases in the future. So far, there have also been no agreements on the delimitation of responsibility between the European Public Prosecutor's Office and the Hamburg Public Prosecutor's Office in the area of corruption. Discussions on this matter are still to take place. Furthermore, with limited personnel resources, problems may arise in prioritising investigative proceedings.

### *c. Example-Concrete Best Practices*

**7.c:** It is not individual measures that lead to success, but the interaction of all possible measures. However, the following measures are of central importance: BaFin and bank information pursuant to section 161a of the Code of Criminal Procedure to trace money flows; searches of suspects and non-suspects as well as seizure and confiscation of evidence pursuant to sections 102, 103, 94, 98, 110 of the Code of Criminal Procedure; long-term observation of suspects pursuant to section 163f of the Code of Criminal Procedure and, in particular, telecommunications surveillance pursuant to section 100a of the Code of Criminal Procedure.

**8.c:** Currently, there are some weaknesses in the law that hinder fraud/corruption investigation work: Sections 299a and b of the Criminal Code are not catalogue offences for telecommunications surveillance according to Section 100a of the Code of Criminal Procedure. Tax secrecy is not sufficiently permeable in favour of the prosecution of offences in the field of white-collar crime. An amendment to the tax law offers the possibility of even closer cooperation between the financial administration/tax investigation and prosecution authorities.

**9.c:** In terms of best practices, the following are worth mentioning: Implementation of anonymous whistleblower systems for receiving tips from whistleblowers; close cooperation of the law enforcement agencies with the tax/financial authorities; implementation of reporting obligations of the tax authorities when criminal violations are identified through tax audits in the area of white-collar crime/corruption; staffing of a specialist from the tax audit department of the Hamburg financial authority who acts as a contact person for the tax offices, examines corruption proceedings for tax relevance and manages control notifications to the tax offices in this context.

#### 7.4 Public Prosecutor's Office – Corruption Department (Hamburg)

<i>Level</i>	National
<i>Office</i>	Corruption Department of the Hamburg Public Prosecutor's Office
<i>Officer</i>	Public Prosecutor
<i>Date</i>	14.9.2021
<i>Time</i>	from 10.00 to 11.00
<i>Interviewer</i>	Dr. Eva Rulands

#### Results

##### a. Background Section

**1.a:** There is no distinction made between the national financial interests and the financial interests of the EU. Such a distinction is prohibited based on national law, because the only decisive factor for initiating preliminary proceedings is whether there are sufficient factual indications of a criminal offence, so-called initial suspicion. In this respect, the public prosecutor has no interest in differentiating between national and EU financial interests. The initial suspicion set a certain threshold in the facts, which is not always overcome, especially in fraud and corruption proceedings.

**2.a:** The fact that many federal states now have specialised prosecution offices has a positive effect on the efficiency of investigations. Another positive aspect is the whistleblowing hotline which, as a novelty of the Internal Investigation Service in Hamburg (DIE), accepts anonymous tips on corruption. The reporting obligations of the tax authorities, which are required to inform the investigating authorities of anomalies that would be discovered during tax audits, also have a positive influence on prosecution.

**3.a:** Aspects can be identified that make daily investigative work more difficult: In fraud and corruption proceedings, large amounts of information and data often must be dealt with. Data mining tools cannot be used for this and the software available for evaluating the hard drives is inefficient. The European Investigation Order (EIO) is used, but experience has shown that it is very cumbersome. With regard to substantive law, it is often difficult in practice to prove the agreement of wrongdoing, i.e. the link between the advantage and the concrete official act according to sections 332, 334 of the German

Criminal Code. It is easier to establish so-called relaxed agreements of wrongdoing, such as those in sections 331, paragraph 1 and 333, paragraph 1 of the German Criminal Code.

#### ***b. General Understanding of the Phenomenon***

**4.b:** The creation of a criminal offence that would explicitly criminalise fraud or corruption to the detriment of the European Union is superfluous because the existing law does not stipulate divergent requirements for the prosecution of offences to the detriment of the EU compared to offences to the detriment of the German state. About the European investigation work, a shortening of the communication channels would facilitate the work. To speed up investigations, the introduction of new data processing programmes is necessary.

**5.b:** The general departments of the public prosecutor's office are primarily confronted with the practical effects of the pandemic. There have been numerous incidents in connection with the so-called Corona emergency aid, which are being investigated from the point of view of criminal fraud. Since it is not possible to trace the source of the money in detail, it is not possible to say to what extent the financial interests of the EU are affected. Regarding corruption offences, pandemic-related effects could not be determined so far. However, it should be considered that cases of suspected corruption always appear with a time lag.

**6.b:** Regarding the future cooperation with the EPPO, it can be stated that there has not yet been an explicit exchange with the delegated public prosecutors. However, since they are housed in the same building, a future exchange is quite possible.

#### ***c. Example-Concrete Best Practices***

**7.c:** In major fraud and corruption cases, it is often necessary to investigate "against the statute of limitations", which is why unnecessary delays create risks (also for the EU's financial interests).

**8.c:** In the fight against corruption, Sections 298, 299a, b of the Criminal Code are relevant in addition to the criminal offences of Sections 331 et seq. of the Criminal Code. About Section 298 of the Criminal Code, there are currently a number of cases pending in the authority, although these offences are difficult to investigate. However, the offence also covers criminogenic conduct affecting the financial interests of the EU. In addition, investigations into offences under the relatively new §299a, b of the German Criminal Code are also underway.

**9.c:** The relevant case law is generally followed by the public prosecutor.

## SECTION III

### *Empirical research - Quantitative Interviews*

## 8. Quantitative interview of the students

### 8.1 Italy Students interviewed by LUISS University Team

*An invitation to participate in the survey was sent to a group of 300 students at the Department of Law, LUISS University in Rome studying Administrative Law (3rd year), and Criminal Law (3rd to 5th year). The survey was administered in class in the Administrative Law course on 6 October 2021 and in the Criminal Law course on 14 October 2014. During this survey, 112 students took part in the interview.*

#### 1. Age range

112 responses

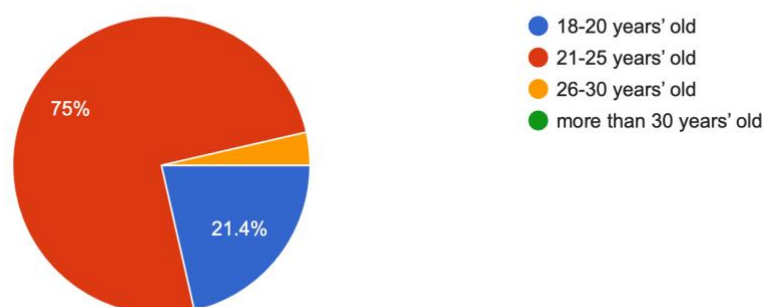


Figure 8.1.1

#### 2. Have you ever benefited from European funds?

112 responses

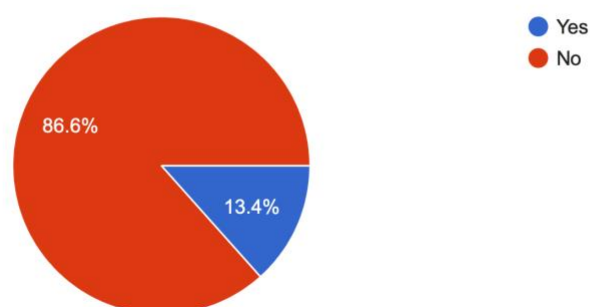


Figure 8.1.2

3. If Yes, which European funds have you benefited from?

16 responses

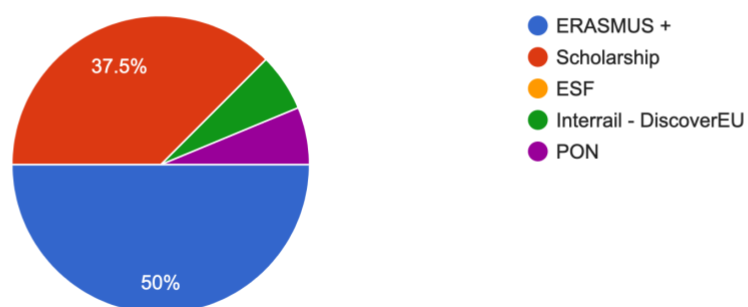


Figure 8.1.3

4. Based on your knowledge and experience, is there a national financial interest?

112 responses

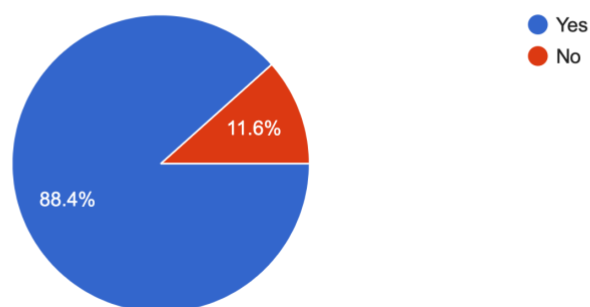


Figure 8.1.4

5. If yes, is the national financial interest worthy of protection?

102 responses

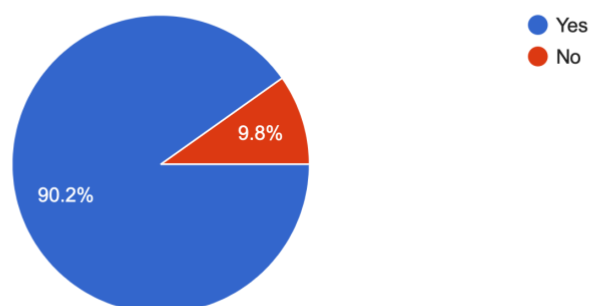


Figure 8.1.5

6. Is there also a financial interest of the EU?

112 responses

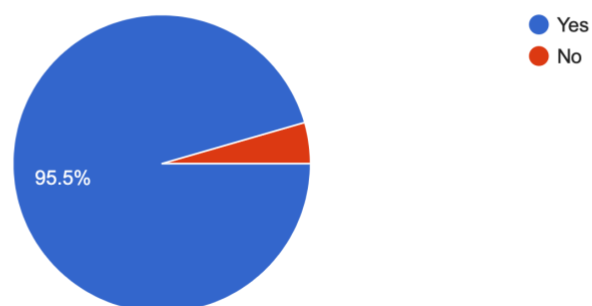


Figure 8.1.6

7. If yes, is EU financial interest worthy of protection?

108 responses

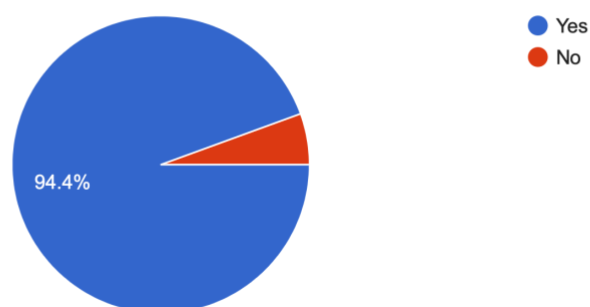


Figure 8.1.7

8. If so, are there any EU institutions that protect it?

108 responses

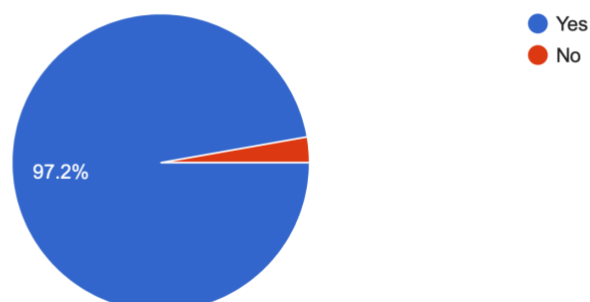


Figure 8.1.8

9. If yes, which institution should safeguard the EU financial interest?

107 responses

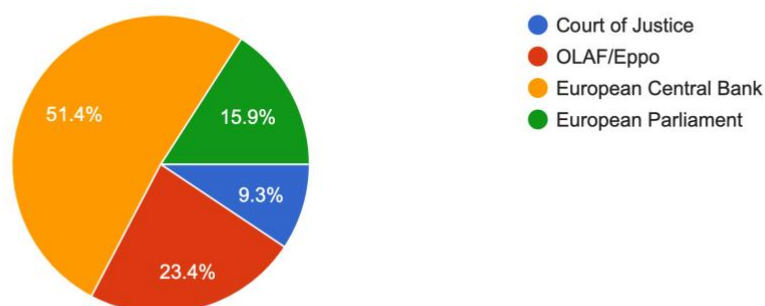


Figure 8.1.9

10. What is the financial interest of the EU?

112 responses

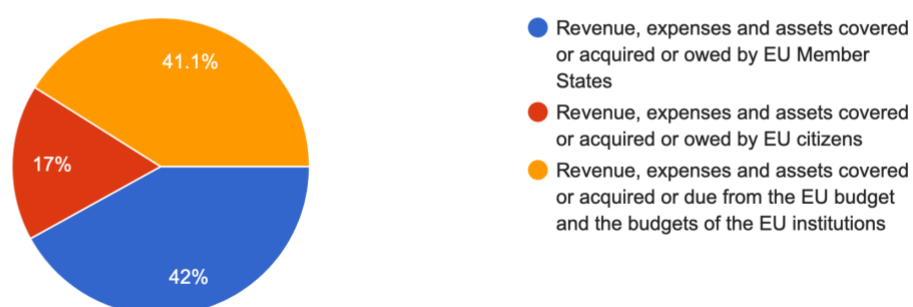


Figure 8.1.10

11. According to your knowledge, how widespread is EU financial interest fraud in your Member State of residence?

112 responses

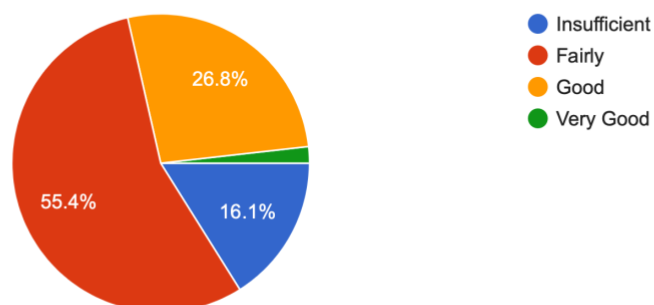


Figure 8.1.11

12. According to your knowledge, is your Member State of residence committed to protecting EU financial interest?

112 responses

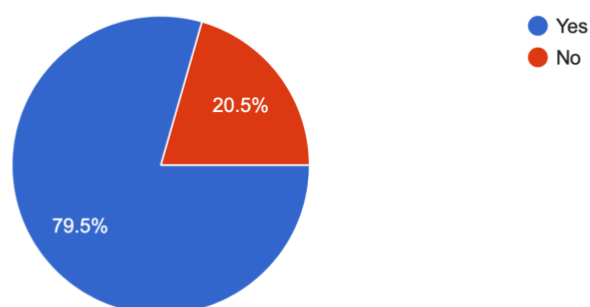


Figure 8.1.12

13. Have you ever heard of EU financial interest (or something similar) in high school?

112 responses

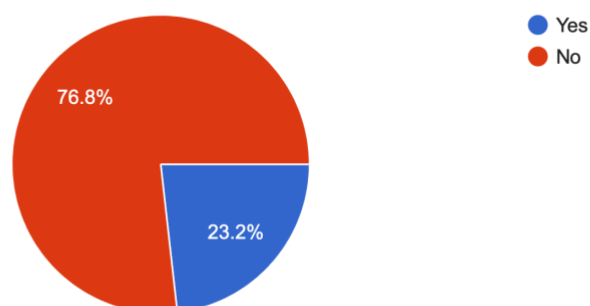


Figure 8.1.13

14. Have you ever heard of EU financial interest (or something similar) on social media?

112 responses

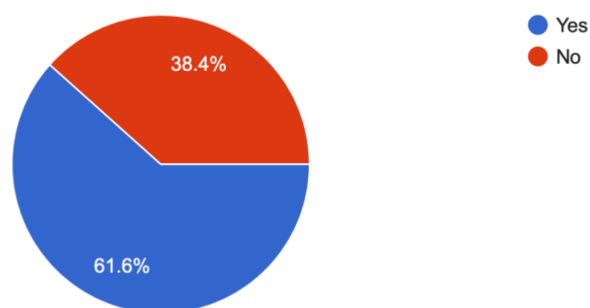


Figure 8.1.14

15. Have you ever heard of EU financial interest (or something similar) from politicians in your Member State of residence?

112 responses

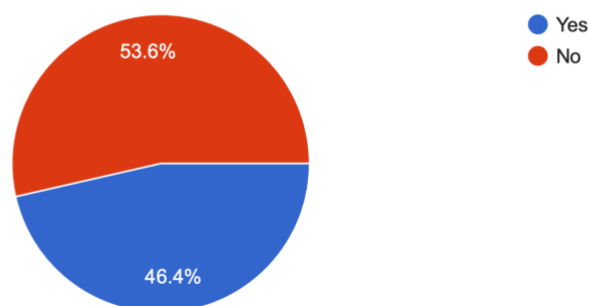


Figure 8.1.15

16. If you answered yes to question 15, could you give some examples?

20 responses

- Recovery and Resilience Plan
- Politicians during the recent election campaign
- incentives to member states due to the covid19 situation
- parliamentarians, president of the Council of Ministers Draghi, president Mattarella
- Recovery fund, trattato MES
- M.E.S. ; NEXT GEN. EU
- Recovery Plan
- Mario Draghi
- for municipal elections
- PNRR
- during the greek crisis and the crisis of the italian banks politicians were very divided on how to operate in the best interest of the union and country
- Mario Draghi: whatever it takes
- IVA
- recovery fund, MES
- During the pandemic, from Giuseppe Conte
- State financial reports, acts that deal with the economy, issues about how to spend European funds etc.
- Recovery fund and MES
- I have heard of eu financial interests in the terms of the PNRR
- Emma Bonino
- Mario Draghi speaks about it very often as a way to go out from the pandemic crisis

## 8.2 Polish Students interviewed by Nicolaus Copernicus University in Toruń

An invitation to participate in the survey was sent to a group of 300 students at Nicolaus Copernicus University in Toruń studying Law (3rd to 5th year), Public Administration (2nd to 3rd year) and Economy (3rd to 5th year). Students in these fields are expected to attend lectures and workshops on European funds as part of their study programmes, as well as lectures on the control of public spending. The survey was open from 15 September to 5 October 2021. During this period, 73 students took part in the interview.

1. Age range  
73 responses

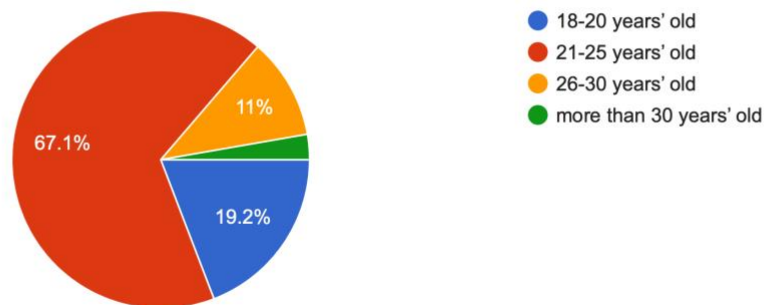


Figure 8.2.1

2. Have you ever benefited from European funds?  
73 responses

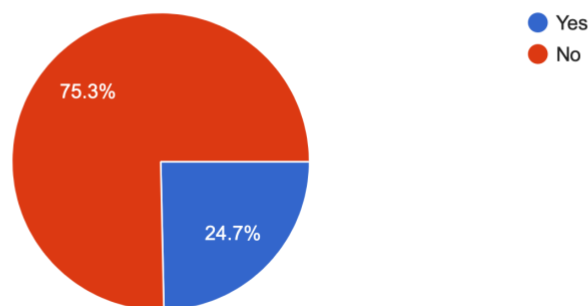


Figure 8.2.2

### 3. If Yes, which European funds have you benefited from?

18 responses

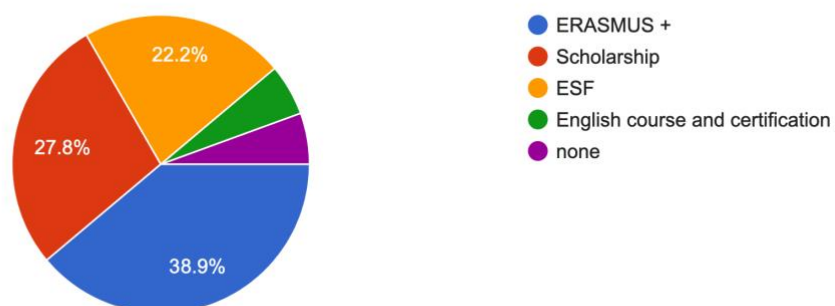


Figure 8.2.3

### 4. Based on your knowledge and experience, is there a national financial interest?

73 responses

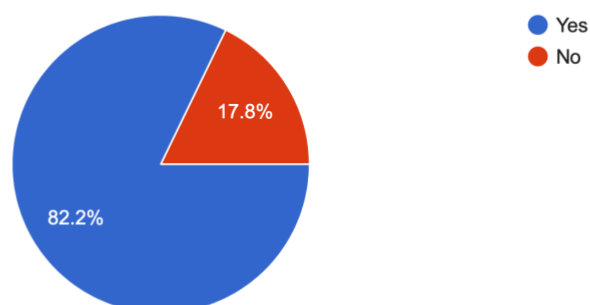


Figure 8.2.4

### 5. If yes, is the national financial interest worthy of protection?

64 responses

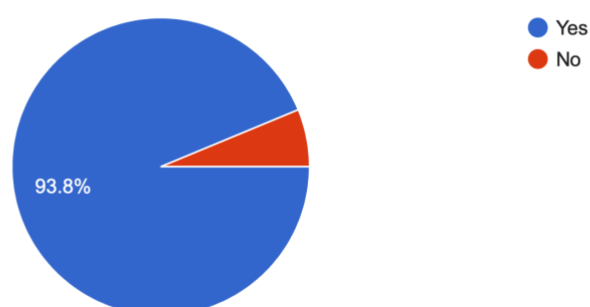


Figure 8.2.5

6. Is there also a financial interest of the EU?

73 responses

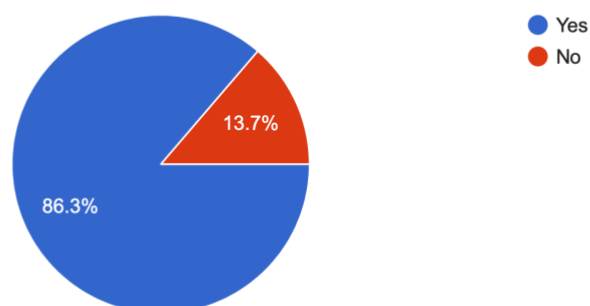


Figure 8.2.6

7. If yes, is EU financial interest worthy of protection?

65 responses

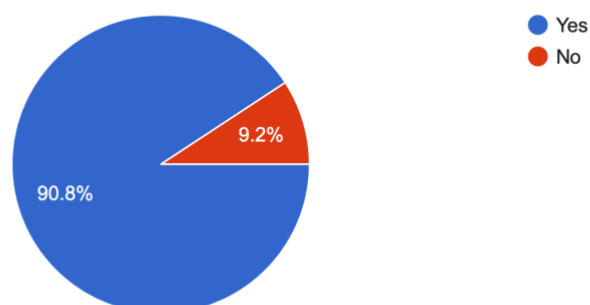


Figure 8.2.7

8. If so, are there any EU institutions that protect it?

70 responses

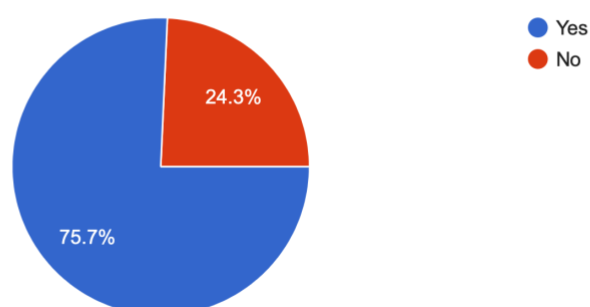


Figure 8.2.8

9. If yes, which institution should safeguard the EU financial interest?

57 responses

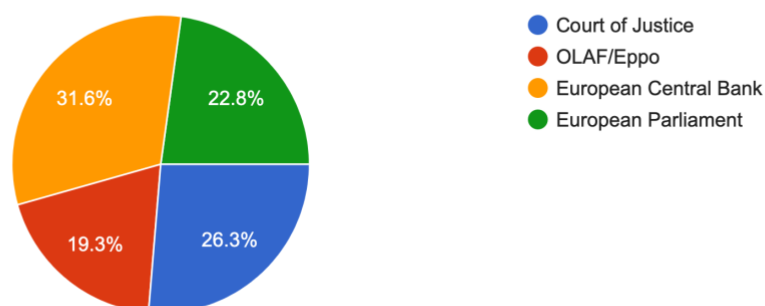


Figure 8.2.9

10. What is the financial interest of the EU?

73 responses

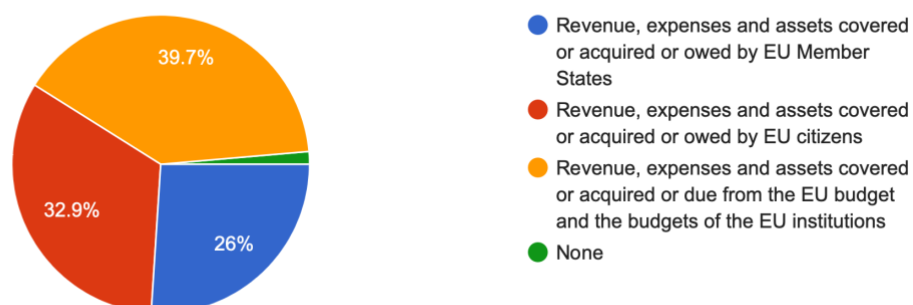


Figure 8.2.10

11. According to your knowledge, how widespread is EU financial interest fraud in your Member State of residence?

73 responses

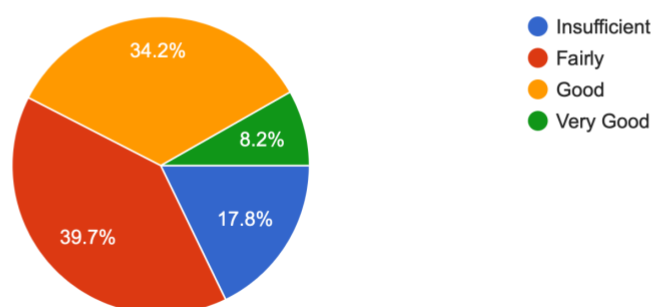


Figure 8.2.11

12. According to your knowledge, is your Member State of residence committed to protecting EU financial interest?

73 responses

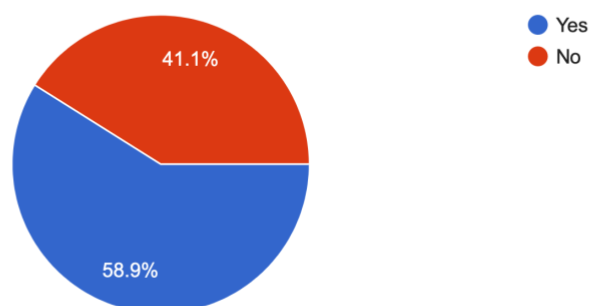


Figure 8.2.12

13. Have you ever heard of EU financial interest (or something similar) in high school?

73 responses

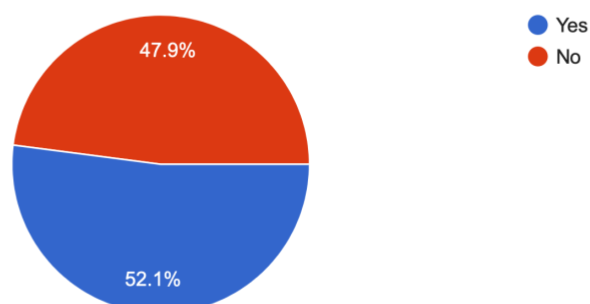


Figure 8.2.13

14. Have you ever heard of EU financial interest (or something similar) on social media?

73 responses

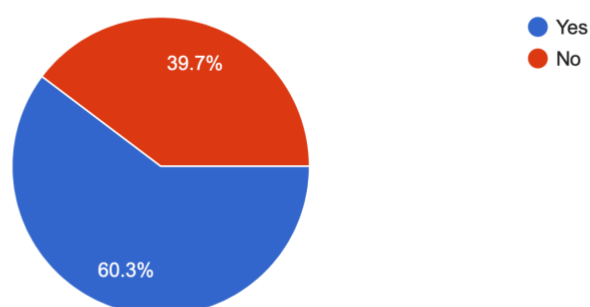


Figure 8.2.14

15. Have you ever heard of EU financial interest (or something similar) from politicians in your Member State of residence?

73 responses

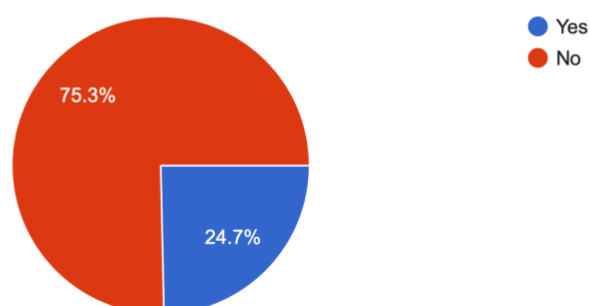


Figure 8.2.15

16. If you answered yes to question 15, could you give some examples?

5 responses

- During debate about new EU's budget
- During debate about Polish national recovery plan
- Maybe mine in Turów?
- I don't remember specifically

### 8.3 Belgium Students interviewed by University of Gent Team

An invitation to participate in the survey was sent to a group of 300 students at the Department of Criminal and Social Law, University of Gent in Gent studying Labour Law (3rd and 5th year), and Social Law (3rd year). The survey was open from 19 October to 28 October 2021. In particular, the survey was administered in class in the Labour Law and Social Law courses on 25 October 2021. During this period, 83 students took part in the interview.

#### 1. Age range

83 responses

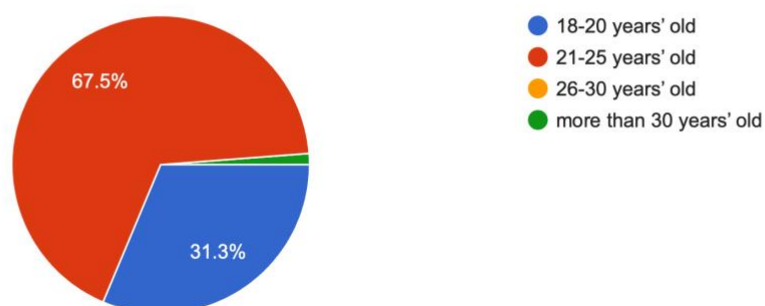


Figure 8.3.1

#### 2. Have you ever benefited from European funds?

83 responses

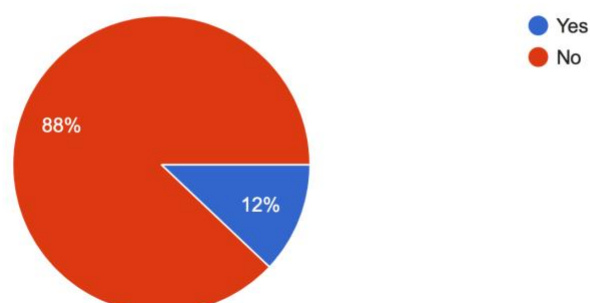


Figure 8.3.2

### 3. If Yes, which European funds have you benefited from?

10 responses

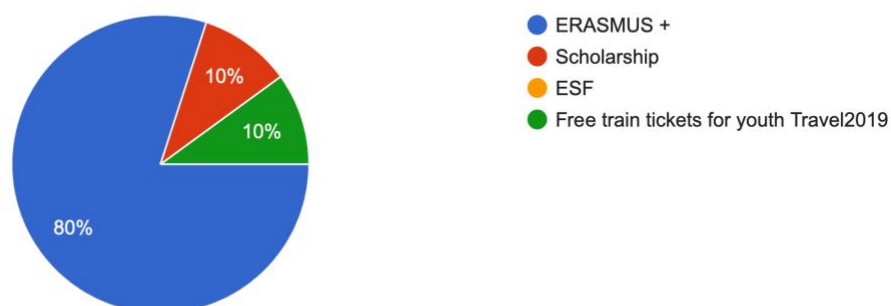


Figure 8.3.3

### 4. Based on your knowledge and experience, is there a national financial interest?

83 responses

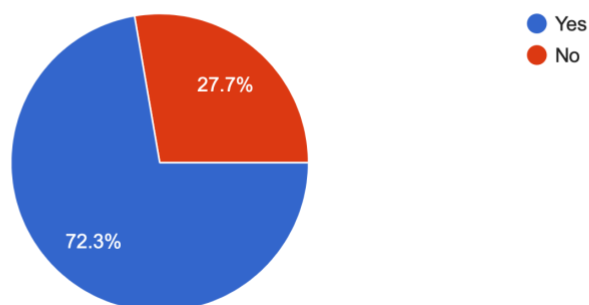


Figure 8.3.4

### 5. If yes, is the national financial interest worthy of protection?

62 responses

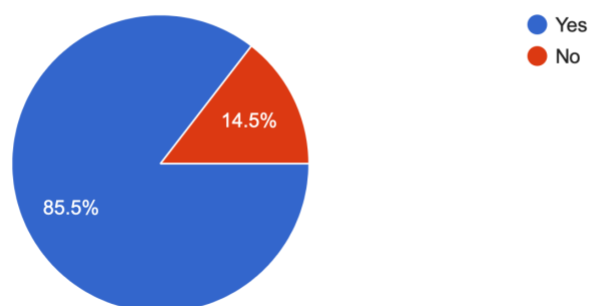


Figure 8.3.5

6. Is there also a financial interest of the EU?

83 responses

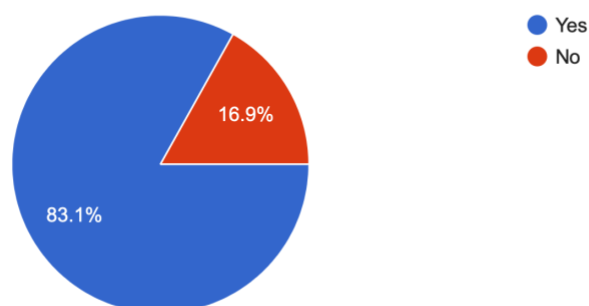


Figure 8.3.6

7. If yes, is EU financial interest worthy of protection?

69 responses

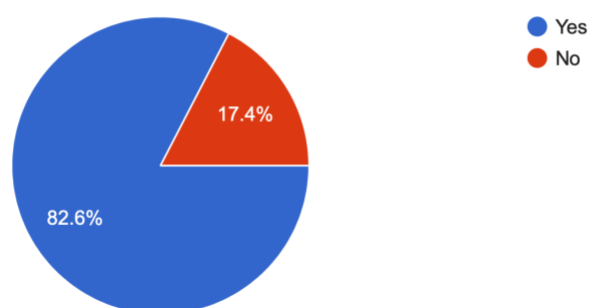


Figure 8.3.7

8. If so, are there any EU institutions that protect it?

74 responses

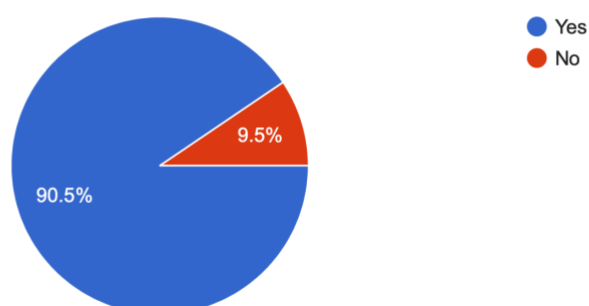


Figure 8.3.8

9. If yes, which institution should safeguard the EU financial interest?

70 responses

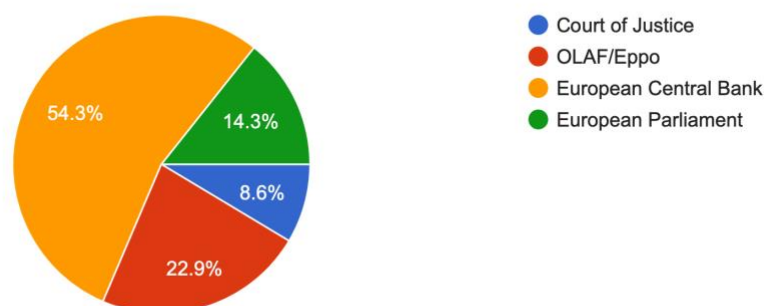


Figure 8.3.9

10. What is the financial interest of the EU?

83 responses

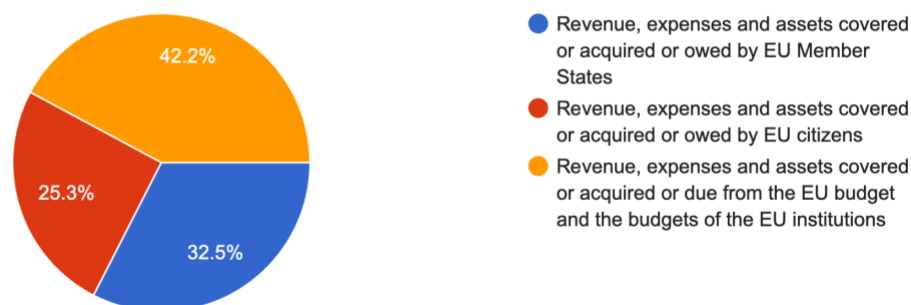


Figure 8.3.10

11. According to your knowledge, how widespread is EU financial interest fraud in your Member State of residence?

83 responses

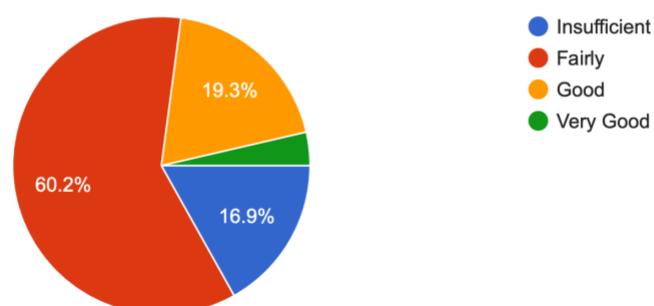


Figure 8.3.11

12. According to your knowledge, is your Member State of residence committed to protecting EU financial interest?

83 responses

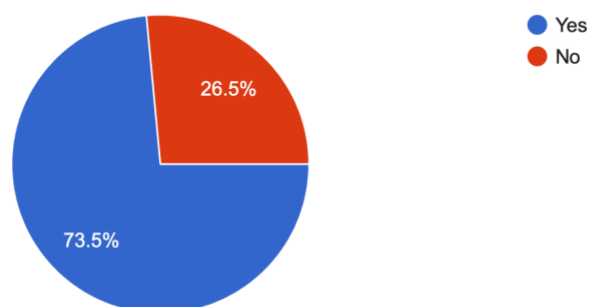


Figure 8.3.12

13. Have you ever heard of EU financial interest (or something similar) in high school?

83 responses

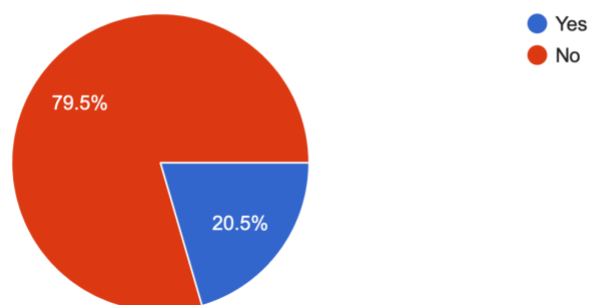


Figure 8.3.13

14. Have you ever heard of EU financial interest (or something similar) on social media?

83 responses

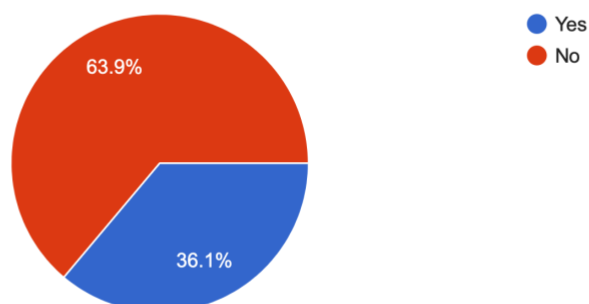


Figure 8.3.14

15. Have you ever heard of EU financial interest (or something similar) from politicians in your Member State of residence?

83 responses

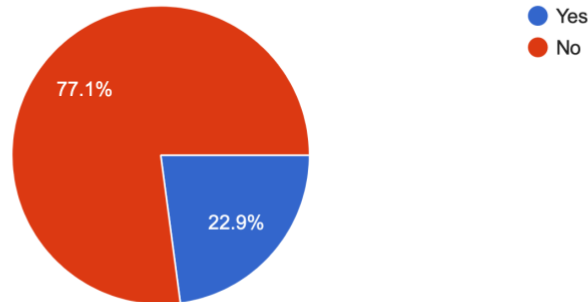


Figure 8.3.15

16. If you answered yes to question 15, could you give some examples?

4 responses

- Guy Verhofstadt
- N.a.v. Coronacrisis
- I've heard many politicians talk about the subsidies of the EU concerning agriculture and other things as well. Also things like the Covid Relief Fund.
- In general, have already heard and read that federal and Flemish ministers ask questions about spending EU money in major projects (such as the major plans to make a sustainable transition, who of the Member States will receive compensation money as a result and how much; also in the context of financial crisis and crisis in Greece some time ago)

#### 8.4 Germany Students interviewed by LUISS University Team

*An invitation to participate in the survey was sent to a group of 300 Law students at University of Cologne, University Speyer, University of Hamburg, and University of Heidelberg. The survey was open from 14 September to 30 November 2021. During this period, 71 students took part in the interview.*

##### 1. Age range

71 responses

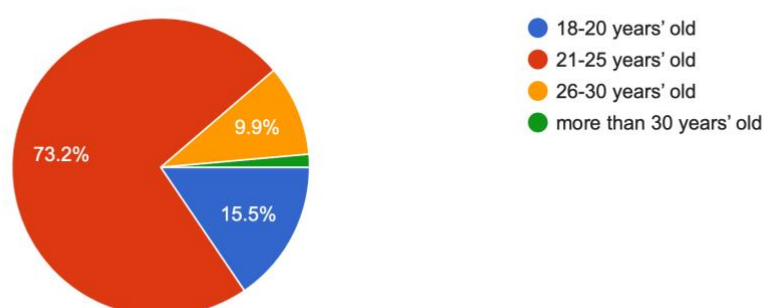


Figure 8.4.1

##### 2. Have you ever benefited from European funds?

71 responses

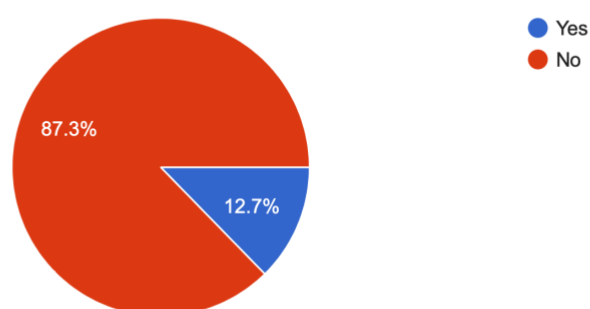


Figure 8.4.2

3. If Yes, which European funds have you benefited from?

9 responses

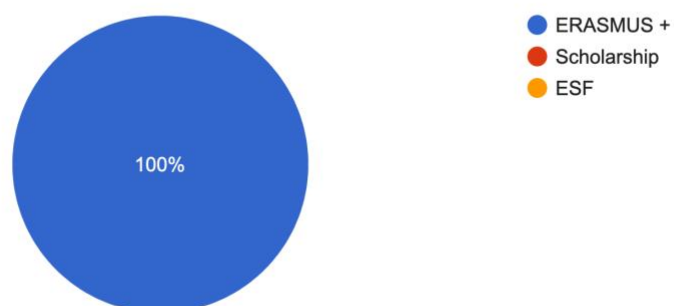


Figure 8.4.3

4. Based on your knowledge and experience, is there a national financial interest?

71 responses

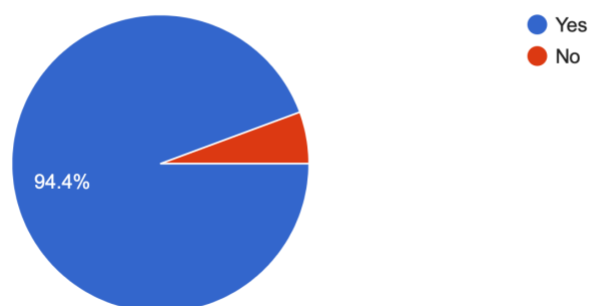


Figure 8.4.4

5. If yes, is the national financial interest worthy of protection?

68 responses

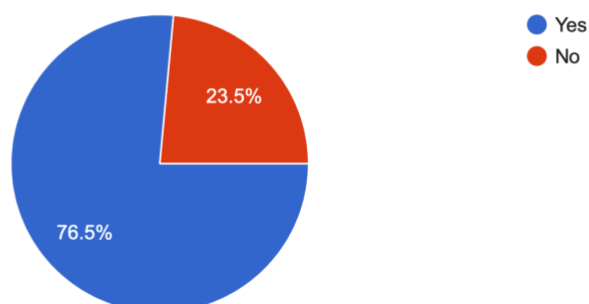


Figure 8.4.5

6. Is there also a financial interest of the EU?

71 responses

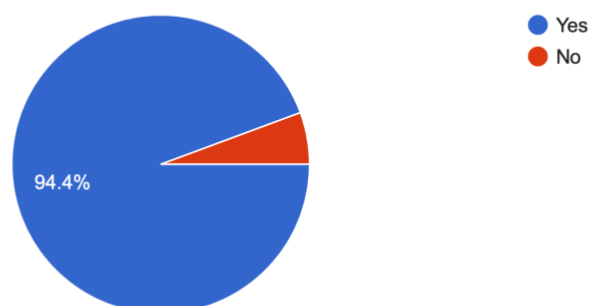


Figure 8.4.6

7. If yes, is EU financial interest worthy of protection?

68 responses

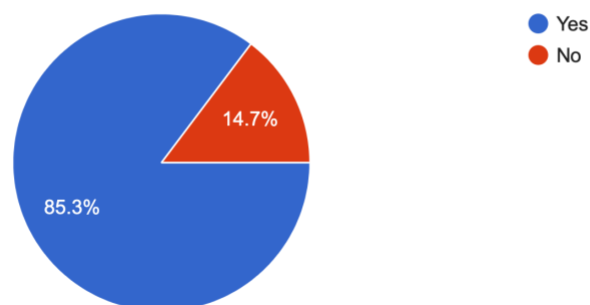


Figure 8.4.7

8. If so, are there any EU institutions that protect it?

67 responses

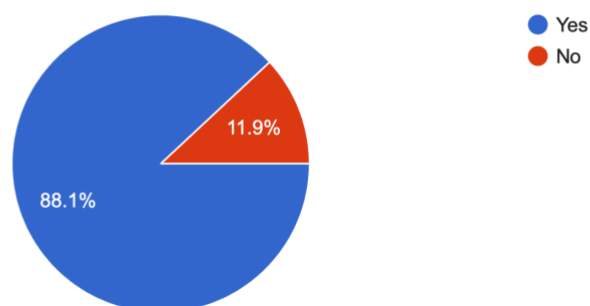


Figure 8.4.8

9. If yes, which institution should safeguard the EU financial interest?

60 responses

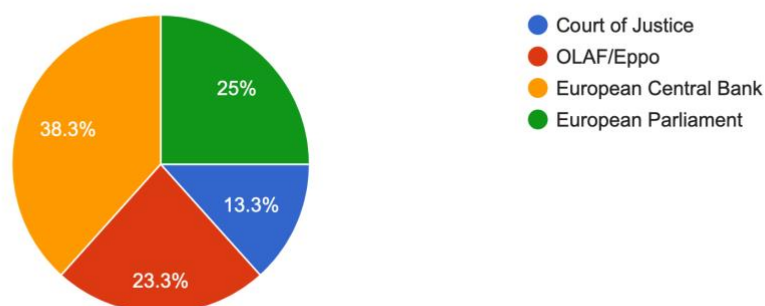


Figure 8.4.9

10. What is the financial interest of the EU?

71 responses

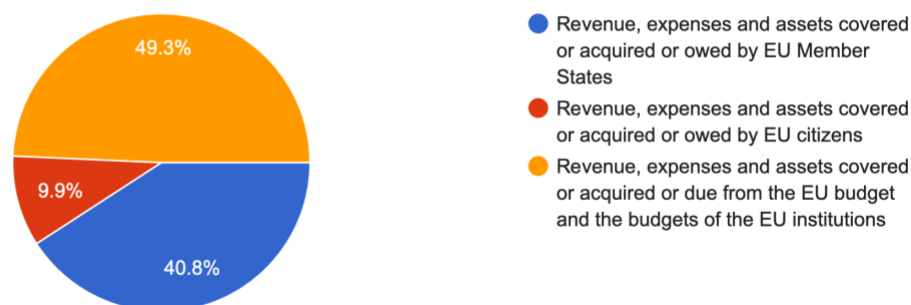


Figure 8.4.10

11. According to your knowledge, how widespread is EU financial interest fraud in your Member State of residence?

71 responses

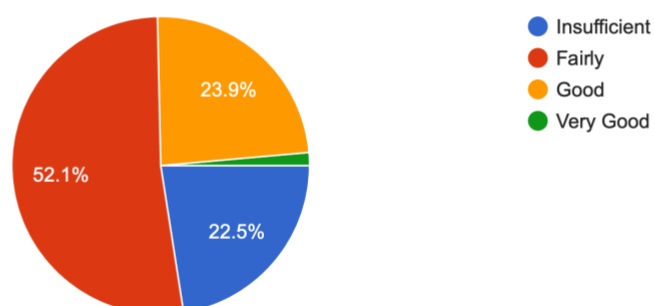


Figure 8.4.11

12. According to your knowledge, is your Member State of residence committed to protecting EU financial interest?

71 responses

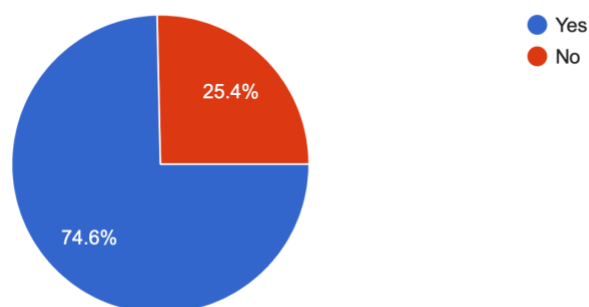


Figure 8.4.12

13. Have you ever heard of EU financial interest (or something similar) in high school?

71 responses

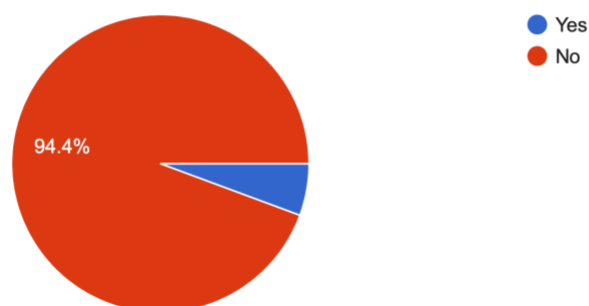


Figure 8.4.13

14. Have you ever heard of EU financial interest (or something similar) on social media?

71 responses

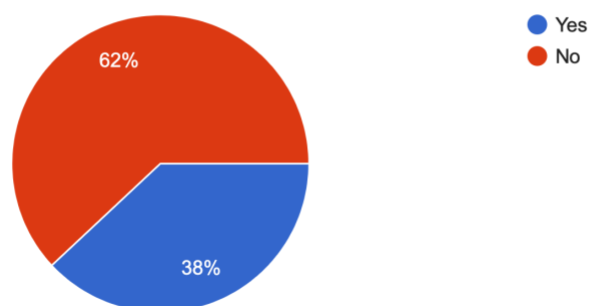


Figure 8.4.14

15. Have you ever heard of EU financial interest (or something similar) from politicians in your Member State of residence?

71 responses

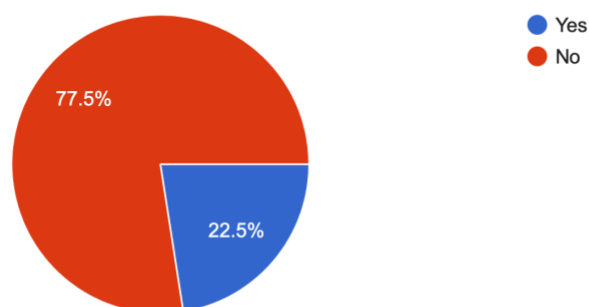


Figure 8.4.15

16. If you answered yes to question 15, could you give some examples?

5 responses

- quite present all over german parliament
- Merkel
- Question of common debts in the EU
- Daniel Freund, MEP about opt-outs (Denmark, Ireland) and non-participants (Hungary, Poland and Sweden) in the enhanced cooperation of EPPO
- Sonneborn (MEP) seems very transparent about EU financial interests