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**Annex to the**

**COMMUNICATION FROM THE COMMISSION**

**on the implementation of the Hercule programme and its extension during the period  
2007 - 13**

**Proposal for a**

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending and extending Decision No 804/2004/EC of the European Parliament and of  
the Council of 21 April 2004 establishing a Community action programme to promote  
activities in the field of the protection of the Community's financial interests  
(Hercule II programme)**

{COM(2006) 339 final}



**REPORT**  
**ON THE IMPLEMENTATION OF**  
**THE “HERCULE” PROGRAMME**

**Article 7 (a) of**

**PE/COUNCIL DECISION (No 804/2004/EC) 21st April 2004.**

**January 2006**

**REPORT ON THE IMPLEMENTATION OF  
THE “HERCULE” PROGRAMME**

**Programme Duration:** 1<sup>st</sup> of January – 31<sup>st</sup> December 2006

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**Date of Submission:** 20<sup>th</sup> of December 2005

**Commissioned by:** Unit 03: Anti-fraud Training  
Unit A1: Lawyers association  
Unit C3: Technical assistance

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1.

## EXECUTIVE SUMMARY

### Implementation

The Hercule programme was established by Council Decision (No. 804/2004/EC) of 21<sup>st</sup> April 2004. It includes the following three activities; Technical Assistance, Anti-fraud training and support for the activities of Lawyers' Associations. OLAF has been managing these activities for a number of years prior to the introduction of the "Hercule" programme.

The total programme committed (to 01/08/2005) included in this report on these activities amounts to:

- Technical assistance: € 7.675.800
- Anti fraud training: € 1.069.202
- Support for Lawyers' Associations activities: € 879.782

**Total: € 9.624.784**

The following outcomes were achieved to date:

- Technical assistance: grants awarded to 10 Member States (4 to new Member States) which has resulted in support for operations relating to frauds valued at €786,416,000, 100 million cigarettes and 2.371 million litres of gas oil or alcohol. In addition OLAF organised two meetings to exchange information on technical support issues. The second meeting in March 2005 was attended by 109 participants, representing 54 law enforcement agencies from all 25 Member States.
- Anti-fraud training: 19 training actions (3 from new Member States) have been approved for aid with 2,236 participants from 33 Member States or other countries and EU institutions.
- Support for Lawyers' Associations activities: 28 proposals approved for aid with 1,852 participants from 25 Member States, 5 other states and other EU institutions and legal agencies.

### Process

All three activities have implemented the requirements of the new financial regulations introduced in 2002 namely, Council Regulation No. 1605/2002 of 25 June 2002 and Commission Regulation No.2342/2002 of 23 December 2002. These regulations allow for a more disciplined application procedure with open application periods at set times of the year, evaluation committees and independent recommendations to the authorising officers who are not part of the evaluation process. These new rules have brought a greater emphasis on the quality of proposals as well as greater transparency in the allocation of grants.

## **Conclusion**

There have been some delays in the implementation of the programme as a result of the more detailed administrative requirements of the new financial rules and the need to have the work programme adopted and calls for proposals to be advertised annually. These delays, together with the arrival of the new Member States in 2004, meant that the 3-year timeframe for this programme did not allow for the achievement of its objectives. More time is required to fully integrate these new states, their agencies and officials into the policies, processes and networks being developed at a European level to protect the financial interests of the EU.

## **Recommendations**

The following are our recommendations:

1. The programme should continue for a further period in order to consolidate the work already done and to allow applicants from the new member States to benefit from the programme and contribute to its objectives.
2. It would be useful for OLAF to consider the appointment of a programme co-ordinator or the establishment of a monitoring committee to:
  - monitor the implementation of the programme,
  - assist with the development of indicators to improve the evaluation of the activities
  - exchange useful information to assist with future impact assessments,
  - assist with the development of linkages between the objectives of the programme activities, the geographical spread of successful applicants and the results to be achieved.

This could be achieved by formalising the existing ad-hoc arrangements for the development of the next programme (Hercule II).

3. OLAF should consider how it can increase applications from new Member States and/or those applicants who have not been successful to date in order to ensure that the objectives of the programme are achieved.

4. The annual budget for the existing three activities of the programme should remain the same. If new activities are included their budgets will have to be added to an overall revised programme budget.
  
5. The period of the new programme (Hercule II) should be longer than the current three years in order to give continuity and stability to these activities of OLAF.

## I. INTRODUCTION

### 1) Description of Hercule

The Hercule programme was established in 2004 under Council Decision No 804/2004/EC to help protect the Community's financial interests by promoting activities and supporting bodies through grants. It takes trans-national and multidisciplinary aspects into account and it focuses on aligning the substance of activities so as to guarantee effective and equivalent levels of protection, on the basis of mutually agreed best practice, while also respecting the distinct traditions of each Member State.

Hercule brings together three activities of OLAF (Technical Assistance, Anti-Fraud Training and assistance for Lawyers Associations, which had previously been separate and funded from different budget lines ) into one programme. By bringing these activities into a structured programme it ensures compliance with the rules of the new Commission Financial Regulation adopted in 2002 and gives greater transparency to the awarding of grants and the achievement of the objectives of the various activities.

Among the activities envisaged in the programme were:

- Organisation of seminars and conferences,
- Promotion of scientific studies and discussions on Community policies in the field of the protection of the Community's financial interests,
- Coordination of activities relating to the protection of the Community's financial interests,
- Training and awareness,
- Promoting exchanges of specialised staff,
- Dissemination of scientific information on Community action,
- Development and supply of specific IT tools,
- Technical assistance,
- Promoting and expanding the exchange of data.

The target group for the activities were to be:

- national or regional administrations,
- non-profit-making bodies that have had legal personality for at least one year
- research and education institutes that have had legal personality for at least one year.

The countries involved in the activities are:

- The EU Member States
- Acceding Countries which signed the Accession Treaty on 16 April 2004;
- The EFTA/EEA countries, in accordance with the conditions laid down in the EEA Agreement;
- Bulgaria and Romania, in accordance with the conditions laid down in the Europe Agreements;
- Turkey, in accordance with Council Decision 2002/179/EC of 17 December 2001

## **2) Purpose of the report and methodology used**

### **Purpose**

This report is a requirement of Article 7 (a) of Council Decision No 804/2004/EC of 21<sup>st</sup> of April 2004 which states that “ The Commission shall present to the European Parliament and Council “by 30 June 2006, at the latest, a report by OLAF on the implementation of the programme and the appropriateness of continuing it.”

Although the Hercule programme started in 2004, the activities executed under the programme and budget lines were already active and implemented before the Hercule programme was adopted. We have included some of this earlier expenditure from the pre-Hercule period for 2003 and the beginning of 2004. Hercule entered into force on 1<sup>st</sup> May.

### **Methodology**

The work on the implementation report began in September 2005 and in addition to collating annual report information we have also:

- Reviewed file documentation
- examined evaluation forms and reports
- held discussions with staff

In the discussion with the staff members in OLAF operating the three distinct parts of the programme; Technical Assistance, Anti-fraud training and Lawyers' Associations, we have gained a good impression of the progress and changes made to the programme not only since the establishment of Hercule in 2004 but also since they became part of OLAF in 1999. These discussions on activities outside the timeline for the implementation report, give an important view of the progress of the various activities and the reasons and need for changes made, and make the report more relevant.

All the statistical and financial information used in the report comes from the various units in OLAF.

The text of the report is made up largely of information from the units in OLAF responsible for managing the various activities. There was no direct contact with Member States, Law Enforcement Agency or their representatives during the course of this work. This will form part of the report under Article 7(b) required by 31 December 2007.

The text on the conclusions in the main part of the report reflects the view of the OLAF staff of the conclusions of their work. We discussed the text of the conclusions in the main part of the report with the responsible staff in the Office. Our conclusions are contained in Part IV of this report and the executive summary.

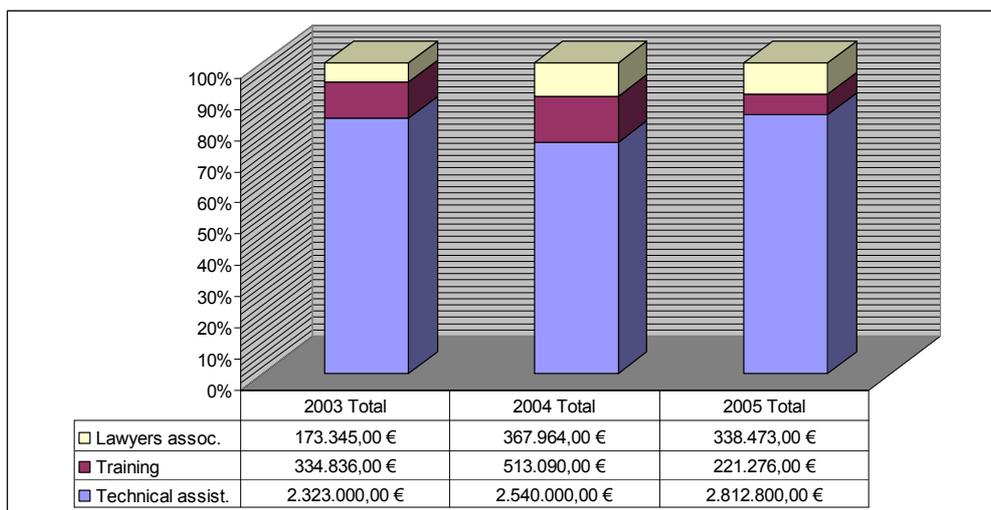
## II. BUDGET IMPLEMENTATION

Before Hercule, the activities that are now part of the programme were undertaken in 2003 under budget line B5-910 for the technical assistance and training and article A-3600 for A-301 for the Lawyers' Association of the budget of the European Union.

In 2004 under Hercule, the technical assistance and training budget was transferred to the new budget article 24 02 01 "General measures to combat fraud" and the Lawyers' Association was transferred to the new budget article 24 02 04 "Conferences, congresses and meetings in connection with the activities of the associations of European lawyers for the protection of the financial interests of the Community".

The Hercule budget was committed from 2003 to 01/08/2005 as follows:

	<b>Commitment appropriations</b>	<b>Committed</b>	<b>%</b>
<b>Technical assistance to member states</b>			
2003 Total	2.500.000 €	2.323.000 €	93%
2004 Total	3.000.000 €	2.540.000 €	85%
2005 Total	3.000.000 €	2.812.800 €	94%
<b>TOTAL</b>	<b>8.500.000 €</b>	<b>7.675.800 €</b>	<b>90%</b>
<b>Training in the area of the fight against fraud</b>			
2003 Total	500.000 €	334.836 €	67%
2004 Total	550.000 €	513.090 €	93%
2005 Total	550.000 €	221.276 €	40%
<b>TOTAL</b>	<b>1.600.000 €</b>	<b>1.069.202 €</b>	<b>67%</b>
<b>Lawyers association</b>			
2003 Total	375.000 €	173.345 €	46%
2004 Total	375.000 €	367.964 €	98%
2005 Total	375.000 €	338.473 €	90%
<b>TOTAL</b>	<b>1.125.000 €</b>	<b>879.782 €</b>	<b>78%</b>



*\* For 2005 these figures do not cover a complete year which explains the big difference in commitments against the previous year and the different balance between the activities.*

### III. PROGRAMME IMPLEMENTATION

#### 1.1. 1) Technical assistance

*(80 % of the committed budget 2003-2005)*

##### 1.1.1. a) Objective

As a large number of fraud cases concern illegal cross border activities, strong cooperation between law enforcement agencies from different member states is essential. To encourage this cooperation, OLAF provides, as part of the Hercule programme, assistance in the area of technical operational support to national Law Enforcement Agencies (LEAs) of the Member States involved in the fight against fraud.

This Technical Assistance Programme is managed by Unit C.3 “Operational intelligence, Information and Technical support” in OLAF. For the efficient execution of this work, staff running the programme has been carefully selected based on their background and special expertise and is up-to-date with the latest developments in this area. They also regularly inform Member States about best practices on the use of sophisticated equipment, facilitating cooperation between Member States in the fight against fraud detrimental to the EU Budget.

Targeted equipment for co-financing under Hercule-programme are<sup>1</sup>:

- Tracking (DF) and Localisation equipment including dedicated hard- and software (e.g. mapping software) audio and video surveillance equipment,
- Mobile or fixed Automated License Plate Recognition systems,
- Other equipment used as technical support tools for special investigative methods,
- Installation costs for the above mentioned equipment (e.g. adapting dedicated surveillance cars with specific surveillance equipment, etc...)

Member States may obtain co-financing (50 /50) for their specialised technical and operational support units as service providers, and more specifically for the acquisition and deployment of technical surveillance equipment to combat fraud, corruption and all other illegal activities detrimental to the EU budget.

Other activities which help to reinforce and increase the effectiveness of Community Anti-Fraud Action may also receive co-financing such as:

- Organising seminars and conferences for operational support units (technical and physical surveillance units) in order to exchange experience and stay abreast of technological developments. An underlying objective is the search for compatible platforms, stimulating and enhancing the cooperation in the field in trans-national investigations.
- Organising training and awareness of operational support units by offering training sessions by national experts;
- Coordination of multi-national operational activities relating to the protection of the Community's financial interests.

#### *1.1.2. b) Process*

### **1) Call for proposals**

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<sup>1</sup> Priority is given to technical equipment manufactured by companies which only promote and supply specialised equipment to government and law enforcement agencies to lessen the probability of device compromise.

In accordance with the Financial Regulation one or more call for proposals are published on annual basis.

2003: 3 calls for proposals resulting in 16 applications

2004: 2 calls for proposals resulting in 20 applications

2005: 1 call for proposals resulting in 25 applications

Due to the late publication of the Hercule Programme in 2004 only two calls for proposals were realised and due to the extreme late approval of the Work Programme 2005 only one call for proposals was possible.

### **Targeted groups**

The call for proposals is targeted at national Law Enforcement Authorities (LEAs) and their specialised departments which are service providers in technical and operational support for fraud investigating teams at national level.

### **Targeted activity**

Eligible equipment for co-financing under this part of the Hercule Programme is special investigation equipment for technical and electronic surveillance, highly sophisticated tools for mobile and fixed automated license plate and container recognition systems and other equipment used as technical support tools for special investigative methods. In order to be transparent to all eligible service providers a Strategy Paper <sup>2</sup>outlining necessary principles and advice was drafted and given to all potential parties involved.

### **Evaluation of the proposals**

In compliance with Commission Regulation 2342/2002 of 23.12.2002 Art 178 (Council Regulation 1605/2002 of 25.06.2002 on the Financial Regulation – Art 116) a committee evaluates the proposals on the financial and technical aspects and makes recommendations to the Authorising Officer based on its assessments.

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<sup>2</sup> EU restricted document no. 08586 modified last 23-6-2004

## **2) Follow up of the activities**

It is compulsory for the beneficiary to address a final report to OLAF Unit C3, including an activity report for each grant. The report has to explain the operational use of the equipment and how this contributed to the protection of the Community's Financial Interest.

The evaluation of these reports indicates the impact of this specific activity under the Hercule Programme on the protection of the EU financial interest and the prevention of corruption and other criminal activities.

A systematic programme of on the spot controls is carried out by OLAF C3 (minimum once every three years) to ensure that the equipment exists and is properly used for the co-financed activity. OLAF's Internal Auditor has participated in some of these on the spot control visits.

In cases where problems, shortcomings or other failures were detected during these control visits, the necessary steps for recovery were taken and the corresponding strategy paper was accordingly amended.

### *1.1.3. c) Outcome*

The list of grants to Member States for the acquisition and deployment of technical surveillance equipment is set out below.

#### ***Committed grants per Member State for the period 2003-2004-2005:***

<b>Country</b>	<b>2003</b>	<b>2004</b>	<b>2005<sup>3</sup></b>	<b>Total country</b>
BELGIUM	231.000 €	202.000 €	212.000 €	645.000 €
CYPRUS		421.000 €	18.800 €	439.800 €
DENMARK	167.000 €			167.000 €

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<sup>3</sup> This amount is a proposal 05/09/2005 from the Evaluation committee to the Authorizing Officer. One grant application request is still pending.

ESTONIA		143.000 €	65.000 €	208.000 €
FINLAND	318.000 €	179.000 €	198.000 €	695.000 €
FRANCE		52.000 €	48.000 €	100.000 €
GERMANY	232.000 €	95.000 €	180.000 €	507.000 €
GREECE	225.000 €	190.000 €	205.000 €	620.000 €
HUNGARY			329.000 €	329.000 €
IRELAND	39.000 €			39.000 €
LITHUANIA			337.000 €	337.000 €
POLAND		42.000 €	260.000 €	302.000 €
PORTUGAL	345.000 €	154.000 €	468.000 €	967.000 €
SPAIN	510.000 €	721.000 €	458.000 €	1.689.000 €
SWEDEN	256.000 €	81.000 €	34.000 €	371.000 €
UNITED KINGDOM		260.000 €		260.000 €
<b>Total</b>	<b>2.323.000 €</b>	<b>2.540.000 €</b>	<b>2.812.800 €</b>	<b>7.675.800 €</b>

*Activity results obtained by National Law Enforcement Agencies with co-financed equipment*

Year	Operations (based on use of Equipment)	Grants in €	Amounts of frauds discovered <sup>4</sup> in €	Details
<b>Pre-HERCULE (15 MS)</b>				
2003	11	2.323.000	189.834 €	15.363.000 cigarettes 26.259 l gas oil or alcohol
<b>HERCULE (25 MS)</b>				
2004	34	2.540.000 <sup>5</sup>	731.690.533 €	4.321.720 cigarettes 2.098.924 l gas oil or alcohol
2005	10	2.812.800 <sup>6</sup>	37.535.896 <sup>7</sup> €	80.763.188 cigarettes 245.931 l gas oil or alcohol

### *Other activities*

During the period covered by the present report two expert seminars were organised:

- in September 2003 for operational support units in order to exchange experiences and stay up-to-date with the latest technological developments
- in March 2005 for the middle management and financial officers in order to clarify the financing procedure and strategic guidelines for all partner services.

In the latter seminar some 54 LEA's and 109 participants gathered in Brussels for a two-day meeting financed by OLAF.

As part of the accession process OLAF has assessed, in 2003 and 2004, all potential LEA partners (20) in the 10 new MS in their capacity as national fraud prevention agencies assisting in the protection of the Community's financial interest using special investigation methods.

<sup>4</sup> This amount does not necessary include the complete EU budget loss for those cases where the exact amount has not been determined yet or the legal proceedings are still ongoing

<sup>5</sup> Precise amount not known yet because not all actions have been closed

<sup>6</sup> This amount is a proposal 05/09/2005 from the Evaluation committee to the Authorizing Officer. One grant application request is still pending.

<sup>7</sup> Interim Results for 2005

This assessment process has also facilitated their joining as part of the European LEA community in the fight against fraud and irregularities.

#### *1.1.4. d) Conclusions*

The activity reports from the national administrations as well as the results from on the spot controls are a strong basis for the evaluation to be used for the establishment of future programmes and priorities.

The results clearly show that OLAF, by promoting activities and supporting bodies through grants, successfully contributes to the protection of the Community's financial interests.

It is clear that Hercule and any equivalent future program(s) are extremely important to OLAF to be able to supply its partner agencies with the necessary financial support and technical know-how to stimulate them in their efforts of combating fraud to the detriment of the European Union.

Another important outcome of the Hercule project is the network of experts which has been created over the years amongst the Member States' LEAs' specialised support units and OLAF. This network stimulates effective multinational cooperation in the fight against fraud. Unit C3 is widely accepted as a contact point in international and European fraud investigations where the support and use of special investigative means is required.

It is also of the greatest importance that all 25 national administrations achieve a compatible level with regard to equipment through using a fair geographical distribution of the grants. In 2004 the late publication of the Hercule Programme and thus the late publication of the call for proposals was an obstacle in reaching all 25 MS as this is a co-financing programme and where the pre-financing of the national share is sometimes a difficult exercise. OLAF will need to continue with the programme in the future and encourage its partner agencies in the new Member States to apply for assistance as they have yet to meet the required level of compatible equipment.

The technical assistance part of Hercule confirms that stimulating a specific narrow domain can have a wide potential effect in combating fraud.

## 1.2. 2) Training in the area of the fight against fraud

(11 % of the committed budget 2003-2005)

### 1.2.1. a) Objective

This part of the programme aims at supporting training activities of the Member States which contribute, in a preventive and/or operational way, to fighting fraud to the detriment of the financial interests of the Community by:

- encouraging the exchange of experiences;
- spreading of general and operational information;
- giving a better understanding of OLAF and its working practices in order to improve co-operation between the national and European/Community levels through a better understanding of their mechanisms.

OLAF focused in particular on training activities covering:

- methods of preventing fraud and corruption;
- methods of co-operation between the different partners in the fight against fraud;
- analysis and exchange of information.

### 1.2.2. b) Process

#### **1) Call for proposals**

##### *Published*

- **2003:** Two Calls for Proposals (deadlines for submission of applications were 31<sup>st</sup> March and 20<sup>th</sup> June 2003)
- **2004:** Due to the late adoption of the financing decision, three Calls for Proposals were published on 2<sup>nd</sup> April 2004 (deadlines for submission of applications were 30<sup>th</sup> April, 30<sup>th</sup> June and 30<sup>th</sup> September 2004).
- **2005:** The annual work programme was adopted on 17<sup>th</sup> February 2005. The Call for Proposals was published on 18<sup>th</sup> February 2005 with two deadlines: 31<sup>st</sup> March and 30<sup>th</sup> September 2005.

##### *Target group*

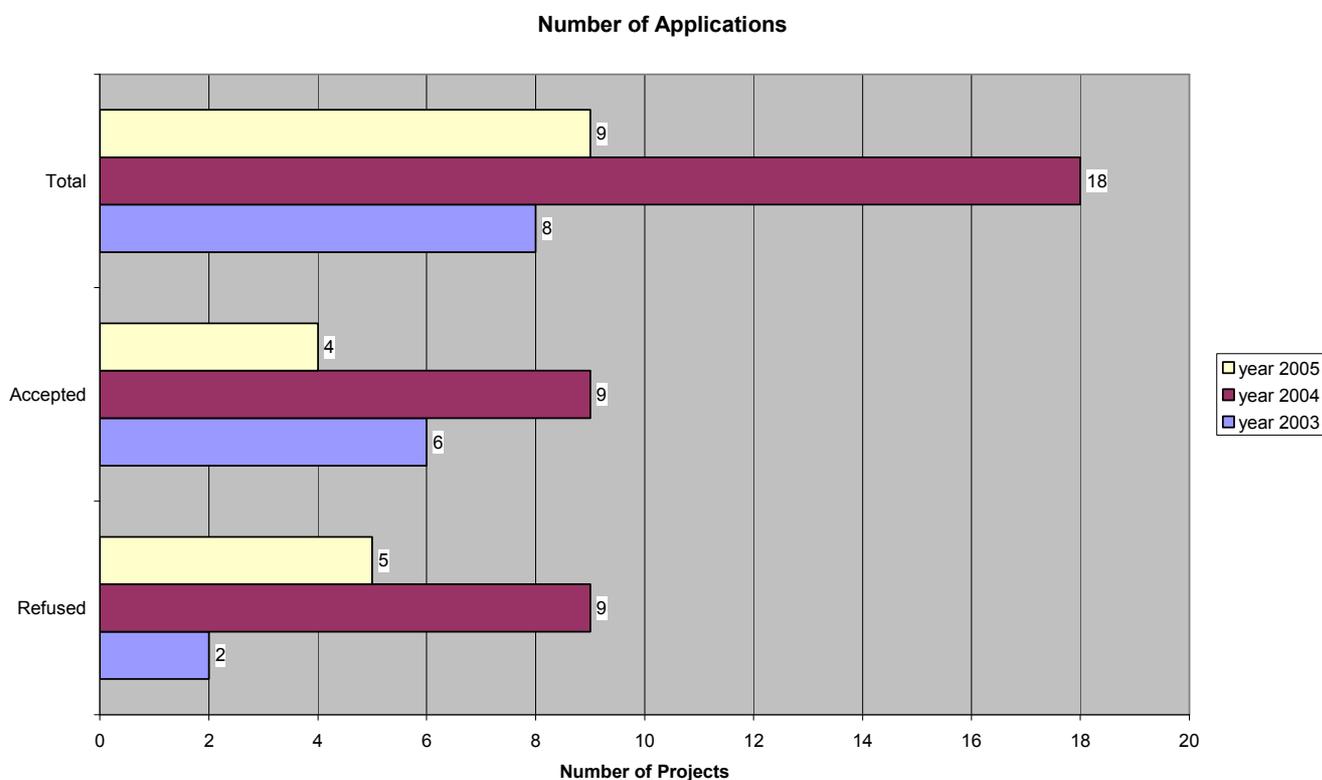
The Calls for Proposals were directed at national or regional administrations in the Member States and Candidate Countries such as the Police, the Judiciary and Customs, or any other organisation in the public sector involved in the fight against fraud. Private sector organisations, in particular research and educational establishments, were equally encouraged to put forward a request for financing.

***Targeted activity***

Eligible actions were seminars, conferences, workshops, exchanges of personnel or any other type of activity leading to the achievement of the above-mentioned objectives in the different investigation sectors (structural actions, direct expenditure, customs and agriculture) covered by OLAF.

**2) Evaluation of the proposals**

In compliance with the Financial Regulation No. 1605/2002 of 25.06.2002, Article 116, the proposals were examined by an Evaluation Committee set up for this purpose. The committee, composed of five members from four units in OLAF, made recommendations to the Authorising Officer on the award of grants.



### **3) Result of the call for proposals**

#### **2003:**

Five applications were received during the first call for proposals and three applications during the second call. Six actions from five different Member States and one Acceding Country were accepted and co-financed with a total commitment of € 334.836. The total amount granted after receipt of the final report was €227.243. 524 participants from 33 countries and European Institutions attended the training actions. The beneficiaries were four public and two private organisations. (see list in ANNEX 1)

#### **2004:**

OLAF received 18 applications in total (one proposal was rejected by the office under the second Call for Proposals and then resubmitted by the beneficiary following the recommendations of the evaluation committee under the third Call). One applicant from Hungary had prepared an application which was sent to OLAF for consultation but which was not finally presented for organisational and budgetary reasons.

Eight actions from seven different Member States (two new Member States) were accepted and co-financed with a total commitment of € 513.090 (102, 6% of total budget available in 2004).

Some 1065 participants from 33 countries and many different European Institutions attended the training actions. The beneficiaries were six public and two private organisations. 94% of the participants came from Member States, 2% from Third Countries and 1% from Candidate Countries. OLAF and EU Institutions together had a 3% share. (see list in ANNEX 2 )

#### **2005(to 08/2005)**

Of the nine applications received under the first Call for Proposals, four actions from three different Member States (one a new Member State) were accepted and co-financed with a total commitment of €171,276 (+€50,000 for 2004 project) 40% of the total budget .

### **4) Implementation and follow up of the training events**

In line with the call for proposals, the training events promoted activities in the field of the protection of the financial interests of the Community, especially in the area of anti-corruption, of combating VAT fraud, cigarette smuggling and on the relationship between money laundering and the protection of the financial interests of the Community funds.

As yet no requests for personnel exchanges have been received under this part of the Hercule programme, although the implementing unit encouraged the potential beneficiaries who consulted the office to apply for follow up actions of seminars in the form of exchanges of specialised staff.

Since 2003 the number of applicants to the programme has more than doubled. However, the quality of a large number of the applications in 2004 was rather weak and the evaluation committee devoted a great deal of time to making precise recommendations to the applicants in order to enable them to improve the quality of their applications and to encourage a later application under a subsequent Call for Proposals. This opportunity was taken in 2004 by just one applicant<sup>8</sup>.

In line with the objectives formulated in the 2003 Final report, OLAF closely followed the implementation of the actions selected. Although the objectives of the training actions were clearly explained in the grant applications, the agendas were often vague and not specific enough. Unit 0.3 invested considerable time in discussions with the beneficiaries and with other departments in OLAF on the design of the agendas. This work is very time consuming as well as delicate, as the beneficiary should take the lead in the conference. Notwithstanding the fact that OLAF highlighted in the 2004 Calls for Proposals the requirement to provide a draft agenda with the application, frequently this fell short of the expectations of the implementing unit in a number of cases.

Based on the experience of the grant programme in 2003, Unit 0.3 has drawn up a standard model for reporting which was suggested to beneficiaries. Besides questions on the implementation, evaluation and dissemination of the actions, the model also contained a statistical part.

OLAF has increased its efforts in drawing the attention of the beneficiaries to the importance of evaluating the training action. Therefore it was also suggested to the beneficiaries that they distribute evaluation forms to the participants; a model was provided by OLAF (63% used the OLAF form, 37% had drawn up their own evaluations sheets).

Full details of the final technical and financial report requirements were sent to the beneficiaries of the selected projects with the grant agreement instructions.

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<sup>8</sup> ANNEX 1: project 2004 Train 9-2

Beneficiaries were allowed three months to draw up the final report. At the time of writing, two final financial reports relating to the budgetary year 2004 have not yet arrived, whereas all other reports were handed in on time, or even in advance. The evaluation of the final technical and financial reports is ongoing.

The activities themselves were closely monitored by Unit 0.3. The Unit provided support for the implementation and evaluation of the training activities. Furthermore Unit 0.3 coordinated the participation of OLAF staff in the activities and, where possible, attended for evaluation purposes. Although OLAF staff participated in most seminars, it was not possible for Unit 0.3 to evaluate all conferences due to staff shortages during the second half of 2004. It is, however, expected that Unit 0.3 will continue to press for a full on-site evaluation of every event wherever possible.

Based on the final reports of the beneficiaries, the financial balance and the mission reports of staff, Unit 0.3 drew up a final assessment of each training activity which has been finalised. Unit 0.3 is making these reports available to OLAF staff on the intranet and especially to the members of the evaluation committee.

1.2.3. c) Outcome

**In 2003**, 524 people received training from 39 different countries at a cost of 334 836 €.

<b>People</b>	<b>Training/ Seminar</b>
40	“International cooperation in corruption prevention”
93	“Protecting the financial interest of the community
133	“Irregularities, Corruption and Risk in Public Procurement in Europe: Towards more transparency and competition in the Member States of the European Union”
133	Auditors training in the field of “Regulation 4045/89 and the EAGGF”
50	AFCOS round table
67	Europe against VAT fraud

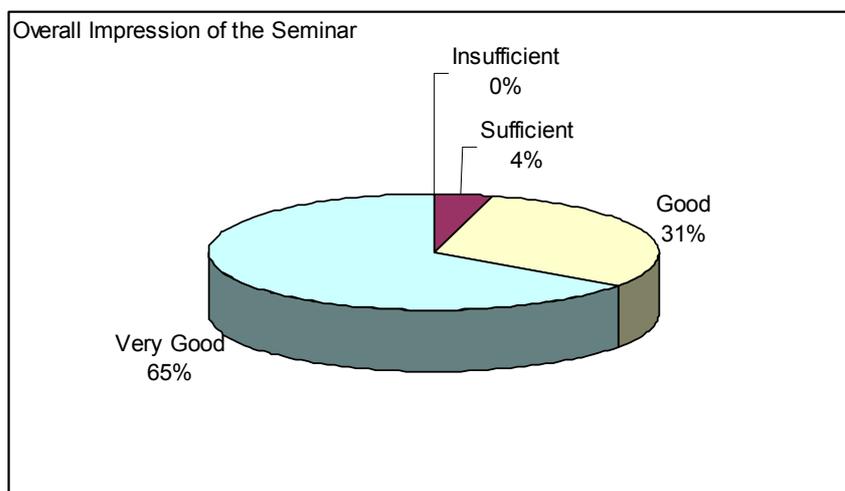
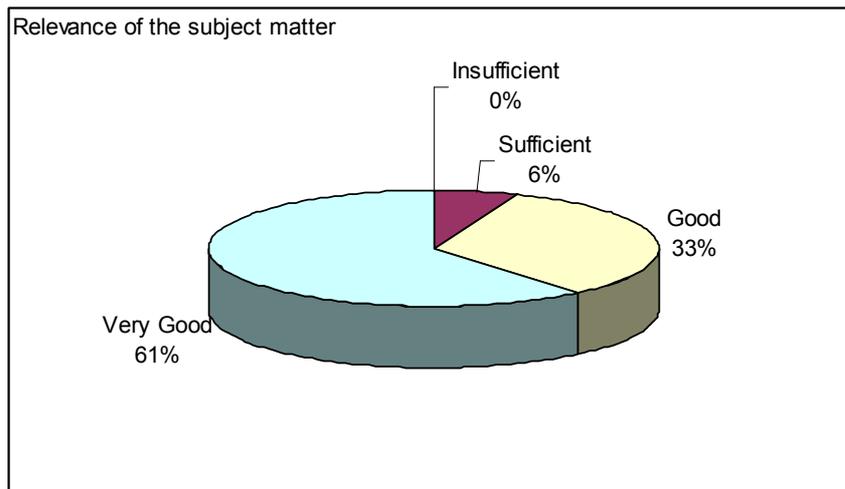
*(For more details see ANNEX 1)*

The participants of the seminars rated the seminars through a quality survey<sup>9</sup>

The two most relevant results for 2003 can be found below:

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<sup>9</sup> The survey was completed by 49 participants



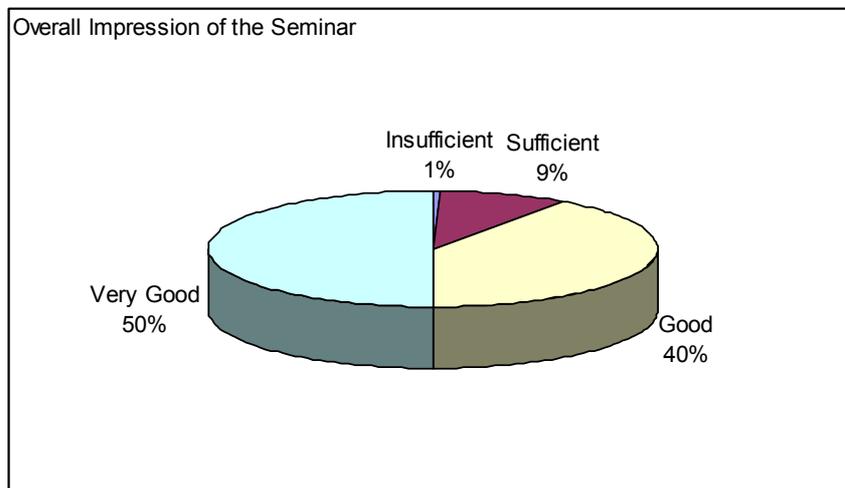
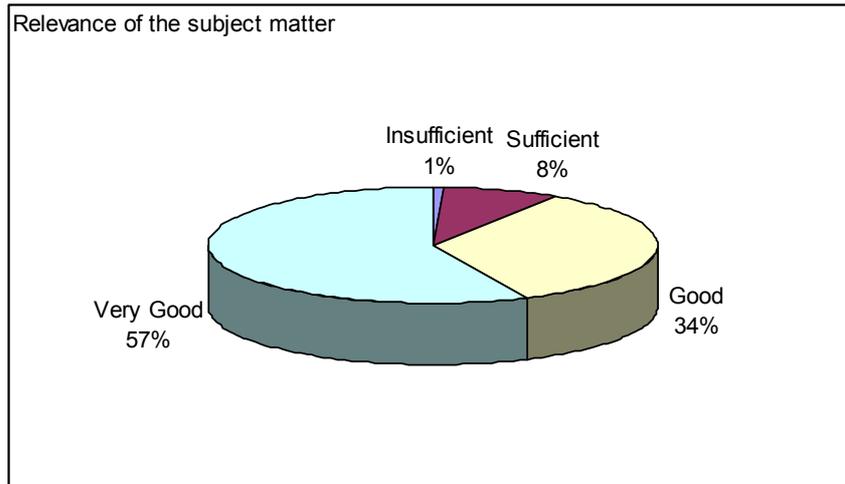
**In 2004** a total of 942 people were trained from 39 different countries, at a cost of 513 090 €

People	Training/ Seminar
22	"EUROCANET" project - Value Added Tax Network
141	International Seminar on Corruption
85	Integrated Strategies against the illicit traffic in tobacco
260	Regional Authorities' Officials Anticorruption Training
115	International Anti-Fraud Seminar for auditors from MS, CC's and CH in the field of Regulation 4045/89 and the EAGGF
72	EU Seminar on Cigarette Smuggling
112	The practice of combating money laundering in the context of EU membership

(For more details see ANNEX 1)

The participants of the seminars rated the seminars through a quality survey<sup>10</sup>

The two most relevant results for 2004 can be found below:



**In 2005 ( to 31<sup>st</sup> October),** a total of 648 people were trained from 29 different countries, at a cost of 221.276 €<sup>11</sup>

<sup>10</sup> For the question on the “relevance of the subject matter” 260 people responded to the survey, for the question on the “Overall impression of the seminar” 350 people responded.

<sup>11</sup> At the time this report was produced not all the 2005 trainings and seminars were held.

<b>People</b>	<b>Training/ Seminar</b>
58	International Anti-Fraud Meeting in the field of Value Added Tax from MS, Candidate Countries, Switzerland and Croatia)
120	Caroustop South – Training on fight against VAT fraud
160	Caroustop East - Training on fight against VAT fraud
192	Periodic multinational workshop concerning fight against financial crime
118	Inspectors – Controllers Continuous Workshop

*(For more details see ANNEX 1)*

When this report was produced, not all the 2005 training evaluation was available and consequently no more detailed information is available on the quality of the seminars and trainings.

#### *1.2.4. d) Conclusions*

OLAF gets a good overview of the quality of the training events and seminars from the standard reporting for beneficiaries. The quality survey (the participants' evaluation forms), which is part of this standard report, was used by a large number of participants in 2004 and provides valid, independent information of the training events/ seminars. To get an even better and more complete view of the situation, the beneficiaries will be obliged to use this standard reporting procedure, which will include the participants' evaluation forms on the quality of the training, from 2005 on.

In comparing the cost efficiency of the training over the years it can be seen that the price per trained person went down from € 639 in 2003 to € 481 in 2004. The continuous drive to improve the cost efficiency shows an even better result if we take the partial results of 2005 into consideration where the cost per trained person went down to € 343

The contribution of the various training events to the overall Hercule Mission “to help protect the Community's financial interests” is shown in several ways, from concrete ongoing actions such as workgroups on specialised topics, to the distribution of best practices and networking. Some training actions lack any

long term objectives, with the training or seminar being a one-off exercise with no further measurable result thereafter.

In order to further enhance the quality of the projects submitted and to make sure that they are directed towards and contribute to the needs of the applicants in the prevention and detection of fraud, OLAF is planning to conduct a small workshop with applicants to ascertain their needs, the expected result of the projects and to encourage an exchange of experiences. This should help to avoid some of the more usual pitfalls in applications and ensure that they are targeted on subject areas which are of significant interest to OLAF and of value to the wider public at the same time.

As in 2003, the results of the evaluations showed that it is of major importance for the participants to use the conferences as a forum for discussions, exchange of experiences and to benchmark their own efforts in the area. For new and old Member States it was equally important to create informal contacts. Unit 0.3 frequently drew the beneficiary's attention to the fact that the agenda was far too heavy to permit the crucial debates which should ensue from the presentations. This is an area to which Unit 0.3 has paid particular attention in the past year.

OLAF has noted that the new Member States especially have expressed the need to enhance cooperation with neighbouring countries who are not members of the EU. Hercule can be the tool for this participation and OLAF recommends including the participation of these states in the programme in the future.

Although OLAF did initially slightly overrun the budget it is anticipated that again in 2004 Hercule funds will not be fully used. Most of the beneficiaries spent less than they anticipated in the provisional budget. However, it is estimated that the share will be above 80%. One solution could be to draw up a reserve list and award grants in case of a re-allocation of funds. However, as the implementation period of the programme is rather short and the time for reporting cannot be reduced, this might be difficult to realise. Certainly OLAF needs to publish the Calls for Proposals as early as possible in the year in order to make maximum use of the implementation period (this aim was better met in 2005) but is very heavily dependant on the date when the Financing Decision is made. The later this happens in the year, the less time is available for rescheduling funds for other actions.

### **1.3. 3) Conferences, congresses and meetings in connection with the activities of the associations of European lawyers for the protection of the financial interests of the Community**

*(9 % of the committed budget 2003-2005)*

#### *1.3.1. a) Objective*

The objective of this part of the Hercule programme is to stimulate relations with other institutions. Grants are awarded to co-finance seminars, for comparative studies and measures to disseminate expertise through periodicals or other means and an annual meeting of the presidents of the associations, aimed at promoting and improving the protection of the Communities' financial interests and dealing primarily with the following subject areas:

- The implementation by the Member States of conventions and related instruments concerning the protection of the Communities' financial interests;
- The incorporation by the candidate countries of established EU law;
- Comparative analysis of methods of recovering Community funds in cases of fraud;
- The implementation and operation of a European Public Prosecutor as provided for by Article III 274 of the Treaty establishing a Constitution for Europe, and in particular its relationship with existing European bodies, defence rights, evidence and the relationship with national criminal systems;
- The legal aspects of cooperation between OLAF and all national anti fraud agencies, including customs, police and judicial authorities;
- The law and administrative practice relating to the fight against fraud in the Member States, in particular checks and inspections and penalties in relation to intra Community VAT;
- The law and administrative practice relating to OLAF investigations, with special reference to procedural guarantees;
- Substantive law, in particular with regard to the criminal liability of businesspeople.

#### *1.3.2. b) Process*

In the period covered by the present report seven calls for proposals were launched (March, May and September 2003, April and June 2004, January and June 2005). They were directed mainly at the lawyers' associations established around Europe (Member States, Candidate Countries and some Third Countries), which fall under point 2 of the annex to the Hercules decision:

- all research and education institutes that have had legal personality for at least one year and are established and operating in a Member State or in a country outside the Community, as defined in Article 3, and that

promote the strengthening of the Community's action in protecting its financial interests;

- all non-profit-making bodies that have had legal personality for at least one year and are legally established in a Member State or country outside the Community, as defined in Article 3, and that promote the strengthening of Community action to protect the Community's financial interests.
- National or regional administrations such as the police, the judiciary and customs, or any other organisation in the public sector involved in the fight against fraud, which have also access to the programme, were also encouraged to submit proposals for financing.

The Authorising Officer, in compliance with the Financial Regulation No. 1605/2002 of 25.06.2002, Article 116, set up an Evaluation Committee for the purpose of evaluating the projects submitted within the deadlines mentioned in the calls for proposals. The committee, which was composed of several members (initially 3 members, then 4) from different OLAF units and DGs of the Commission, with no link between them, made recommendations to the Authorising Officer on the award of grants.

The Authorising officer, on the basis of the recommendations given by the evaluation committee approves the award of the grants and informs both the successful and unsuccessful applicants.

Finally, once the activities are completed, an evaluation of each action takes place, aimed at reviewing its quality and result, as well as its conformity to the objectives of the community programme and the work programmes' financing priorities. The evaluation was made on the basis of an evaluation form filled in by the participants. Qualitative and quantitative data were therefore collected and consequently collected for producing factual information, comparative analysis, and an overall assessment.

### 1.3.3. *c) Outcome*

**In 2004 and 2005, 35 projects were submitted** (13, in 2003), and 20 were awarded (8, in 2003). The amount of grant requested each year was by far higher than the financial resources available (375.000 €). The proposals were refused, either because of an insufficient quality of the project (toward the selection and award criteria detailed in the work programmes and in the call for proposals), or a lack of financial resources (despite the good quality of the projects).

	2003	2004	2005
N° of projects submitted	13	18	17
N° of projects awarded	8	9	11
Total amount requested	466.990 €	796.938,91 €	754.562 €

The percentage of the total amount committed each year<sup>12</sup> has been high: more than 98% (46 % in 2003). This percentage can be explained by the fact that since 2004 the Authoring officer has deployed a lot of effort to explain to the applicants (mainly lawyers' associations) how to submit high-quality proposals.

	2003	2004	2005
Amount committed	173.345 €	367.964 €	338.473,00
% budgetary line	46,22%	98,12%	99,26%

In 2004, 2 projects co-financed will be finalised in the second semester 2005 (2 comparative studies). 4 projects co-financed in 2005, during the first call for proposal (including one project co-financed in the second call for proposals 2004) have taken already place in the first semester 2005. For this reason, it is impossible to give the exact percentage of the amount executed for the period concerned. Therefore, the percentage of the execution in 2004 does not apply to the whole projects.

	2003	2004	2005
Amount executed (%)	20%	72%	On going

The types of activities granted in 2003 to 2005 are the following:

Actions granted	2003	2004	2005
seminars / conferences	3	5	7
comparative studies	1	2	1
dissemination	3	1	0
bulletin	0	0	1
annual meeting	1	1	2

The participants / recipients to the different activities in 2003 (742 participants), 2004 (875 participants) and 2005 (235 participants to the activities already realised, 4337 participants expected for the planned activities) were: lawyers, judges, prosecutors, policemen, professors, representatives ministries (mainly Ministries of Justice, ministries of Interior), members of Eurojust, members of European Judicial Networks, experts on the Corpus juris, members of the European lawyers associations, law students, and EU officials (OLAF, JHA, Council).

The origin of the beneficiaries and their partners were the following:

<sup>12</sup> For 2005 the amount committed refers to 10 projects (out of 11), since for one project the commitment will be made only in November 2005.

	2003	2004	2005
Slovenie,	DE, IT, RO, PL, F, SI, TR	FR, IT, NL, DE, BE	AT, NL, IT, DE, PL
Partners	-	RO	HR

The **nationalities of the participants** for 2004 and 2005 were the following:

	2004	2005
From EU	BE, DE, EE, EL, ES, FR, IE, IT, LU, NL, AT, PL, PT, HU, FI, DK, CZ, UK	AT, PL, FI, EE, SK, CZ, HU, IT, LU, BE, DE, UK, LT, NL, SI, IE, EL
Candidate Countries and Third Countries	RO, BG, TR, HR, CH	RO, HR, BG
EU Institutions	European Parliament, Europol, Eurojust, EJM, JLS, OLAF, Council JHA	Eurojust, OLAF

Of course, the data which refers to 2005 are partial, since the activities granted in the first and second call for proposals for 2005 are not yet all implemented.

#### 1.3.4. d) *Conclusions*

In conclusion, it is worth mentioning the improvement in the management of the activities relating to the Lawyers' Associations. The improvements confirmed by:

1. the growing number and quality of applications awarded: since 2004 the commitments have been almost 100 % of the available financial resources;
2. the growing percentage of budgetary execution;
3. the variety of the beneficiaries: in the last two years, the number of associations that have been for the first time awarded has increased, contributing at promoting and improving the protection of the Communities' financial interests beyond the established network;
4. the extension of dissemination of the results of the co-financed activities: for instance, the publication of three books by international publishers (on conferences and studies awarded), and the subsequent reviews of the volumes at an international level, may genuinely contribute to promote the Community policy on the protection of the Communities' financial interests beyond the European borders.

Furthermore, the activities co-financed have allowed the Commission to achieve the objectives to promote and improve the protection of the financial interests of the Community. The following data give details on the objectives achieved.

### **1) Organisation of seminars and conferences**

In 2003, 2004 and 2005, 15 seminars and conferences were organised and planned. The topics concentrate on the protection of the community financial interests of the European Communities, from various perspectives:

- (a) The methods of preventing and detecting fraud, corruption and other economic crimes affecting the financial interests of the European Communities;
- (b) Current issues related to the EU criminal law, and the harmonisation of substantive criminal law and criminal procedures in respect of the protection of the financial interests of the European Communities;
- (c) The integration of the legislative proposals of the Commission on the establishment of the European public prosecutor's office into the national legal systems and an area of justice, security and freedom.

These activities promoted legal and scientific discussions on Community policies in this field. Since at least 8 out of 15 seminars were international and multidisciplinary, hosting high profile speakers and experts from several Members states, Candidate Countries and Third Countries, the quality of the debate was satisfactory and useful in promoting the dissemination of scientific, legal and operational information in the framework of OLAF's mission and objectives.

Furthermore, these activities improved the awareness and training of participants on the protection of the EU financial interests and on the reasons to strengthen it. In particular, the attendance of representatives of national law enforcement agencies, together with OLAF officials, contributed to facilitating exchange of information and knowledge on investigative methods and experiences, facilitating further (operational) contacts.

Finally, as a result of the conferences, two books, containing articles in French and English, have been published by international publishers and will be distributed

around Europe. These volumes and contributions will promote further discussion on the fight against EU fraud, and disseminate knowledge on Community action in this field. Reviews of these books at international level are to be expected, therefore contributing to promote awareness on the Community policy, on the protection of the EU financial interests, beyond Europe.

## **2) Promotion of scientific studies and discussions on Community policies in the field of the protection of the EU financial interests**

In 2003, 2004 and 2005, 4 studies were grant aided by OLAF with the objective to:

- Evaluate the risks of frauds related to the Commission's public procurement procedures;
- Assess the national rules on the rights of defence in administrative proceedings;
- Identify strategic analysis to streamline the organization of effective criminal prosecution in the European Union, especially regarding crimes against the financial interests of the EC and other crimes against the community interests.

The intergovernmental conference: developments in the substantial criminal law and the criminal procure at EU level.

The results of these studies will be extremely relevant for the improvement of the operational activities of OLAF, for several reasons. On the one hand, in the field of public procurements, the publication of a set of recommendations on the prevention and detection of frauds in the field is aimed at increasing the efficiency of OLAF investigations. The recommendations have been identified with the active cooperation between the beneficiary and several DGs) of the Commission, including investigators and officials of OLAF.

On the other hand, the recommendations made within the study of the rights of defence in administrative proceedings in the MS will help OLAF to better understand national procedural law and national legal guarantees and safeguards while conducting their investigations. Furthermore, the relevant results of the comparative law study and recommendations could be integrated in the OLAF manual, for the benefit of the investigators and magistrates of the Office.

In addition, to understand the impact of the IGC on the European penal law and the European criminal procedures, as well as to streamline the organisation of effective criminal prosecution in the EU, especially in the field of the protection of the EU financial interests, will support the Commission in identifying current loopholes in criminal prosecution, stimulates high level debate among the experts on European criminal law, and provide backing for Community legislative and political initiatives in this area of activity.

In 2005, one book on the result of the study co-financed in 2003, has been issued and distributed at a national level (France) and around Europe.

### **3) Coordination of activities relating to the protection of the financial interests of the Community**

In 2003, 2004 and 2005, 4 annual meetings of the Presidents of the European lawyers associations have been planned (realised in 2003, 2004, in 2005 and to be realised in 2006). These meetings have the objective to coordinate the activities related to the protection of the financial interests of the EU to be carried out by the experts in European criminal law. In this regard, as a result of this coordination, 4 actions have been realised with a joint venture among lawyers' associations established in the MS and in the Candidate Countries.

Furthermore, these meetings permitted the Commission to exchange updated information on the legal and juridical changes in the States of origin of the presidents, especially in the field of the protection interests of the Community, but also concerning the area of freedom, justice and security.

### **4) Dissemination of information on Community action**

In 2003, the translation into Turkish and Slovenian of the Green paper of the European Commission on the establishment of the European Public Prosecutor COM(2001)715 allowed the dissemination in candidate countries and third countries of a legislative proposal of the Commission, which is aimed at strengthening the protection of the financial interest of the Communities. In 2004, the Italian version of the Corpus Juris was disseminated in Italy among experts of European criminal law, professors, prosecutor's offices, judges, lawyers, and law students. This action, together with the publication of the three abovementioned books and other material (mainly speeches of the co-financed conferences and seminars), contributed to the effective dissemination of information on Community action, and promoting debate in this specific field.

#### **IV. CONCLUSION ON HERCULE IMPLEMENTATION AND RECOMMENDATIONS**

##### **Technical assistance funding**

Technical assistance represents more than 80% of the budget and between 2003 and 2005 (08/2005) 16 Member States (including 4 new MSs) were awarded grants totalling € 7.675.800 million. These grants supported operations involving frauds valued at €780+ million, 100 million cigarettes and 2.3 million litres of gas oil. Also during the period of the programme 2 meetings were held which improved the development of the technical support network and included representatives from all 25 Member States and 54 law enforcement agencies.

From our work in preparing this report and discussions with the staff of C3 managing the technical assistance many changes have been made over time, including the introduction of a programme of on the spot controls, the development of a strategy paper and changes to the eligible items of equipments due to operational experience and new technical developments. Finally the new financial rules have brought greater transparency to the application and evaluation process.

The arrival of 10 new Member States into the EU in May 2004 and the delay of the introduction of the Hercule programme until April 2004 has meant that the objectives for the programme could not be achieved. In view of this we think it is reasonable to continue to provide technical assistance for another period.

However we would like to see Unit C3 revise its strategy paper to set targets for the implementation of standardised equipment in all 25 Member States in pursuit of the general goal of the protection of the EU's financial interest.

It would also assist greatly the evaluation report under Article 7 (b) if Unit C.3 continues to develop the impact indicators and collate all the information on the impact of the grants made under technical assistance.

## **Training in the area of the fight against fraud**

Anti-fraud training represents 11% of the Hercule budget and between 2003 and 2005 (08/2005) over € 1,6 million has been awarded to 19 training actions (3 from new Member States) with 2,236 participants (to date) from 33 Member States or other countries and EU institutions.

This activity plays an important role in informing officials in the Member States' services about the mission of OLAF and the need to actively protect the financial interest of the European Union. Thousands of officials have attended the various courses and seminars funded by this part of the programme. The information which Unit 0.3 receives from the participants shows a high level of satisfaction with the training provided. However we would like to see a larger number of evaluation forms returned by participants on the training courses in order to have a more relevant sample.

The staff of Unit 0.3 working on anti-fraud training is aware of the need for good quality projects and this concern is reflected in the work of the evaluation committee. We note the fact that costs per participants has been reducing over time (€639 in 2003 to € 481 in 2004). It would be useful to have a benchmark for these costs to compare with similar events in the programme.

This activity should continue to be supported in a new programme.

## **Conferences, congresses and meetings in connection with the activities of the associations of European lawyers for the protection of the financial interests of the Community (Lawyers Associations)**

This activity represents 9% of the Hercule budget 2003-2005 and is related to legal, academic research and publications in support of the fight against fraud from the EU budget. In this period some 28 proposals have been assisted with 1,852 participants to date. The Commission's support was the catalyst for the development of the Lawyers' Associations and their origin pre-dates the establishment of OLAF.

Over time the Lawyers' Associations have assisted with the development of academic and legal texts required for the establishment of the legal basis for the fight against fraud and the protection of the EU's financial interests.

The introduction of the new financial rules has brought a more rigorous assessment of the proposals submitted by the various associations. In addition other institutions have now become interested in this area of study and this adds to the range of agencies the Commission can call on to advance the message of the need to protect its financial resources.

The outcome of the work in this area is evident in the various publications supported and disseminated and the participation at various meetings, seminars and conferences. OLAF should examine what the impact of the Lawyers' Associations and institutions has been in terms of other works developed or academic courses introduced which included the topic of the protection of the EU's financial interests etc. Also OLAF should ask what level of interest the associations/institutions have received from their partners outside the EU into their work in this area.

It would seem reasonable for the Commission to continue to support the development intellectual basis for the fight against fraud and the protection of the EU's financial interests by continuing their support for this activity in a new programme.

## **Recommendations**

The programme should continue for a further period in order to consolidate the work already done and to allow applicants from the new member States to benefit from the programme and contribute to its objectives.

It would be useful for OLAF to consider the appointment of a programme co-ordinator or the establishment of a monitoring committee to:

- monitor the implementation of the programme,
- assist with the development of indicators to improve the evaluation of the activities and exchange useful information to assist with future impact assessments,
- assist with the development of linkages between the objectives of the programme activities; the geographical spread of successful applicants and the results to be achieved.

This could be achieved by formalising the existing ad-hoc arrangements for the development of the next programme (Hercule II).

OLAF should consider how it can increase applications from new Member States and/or those applicants who have not been successful to date in order to ensure that the objectives of the programme are achieved.

The annual budget for the existing three activities for the programme should remain the same. If new activities are included their budgets will have to be added to an overall revised programme budget.

The period of the new programme (Hercule II) should be longer than the current three (3) years in order to give continuity and stability to these activities of OLAF.

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## 7. ANNEX 1

## BENEFICAIRES FOR TRAINING 2003

	Dates°	Title of seminar / conference / colloquium	Beneficiary	Size of Audience	Committed amount	Amount paid
2003	11-13/05 2003	TRAIN 01 Seminar: Exchange of experience and international cooperation in corruption prevention	Wupperverband Untere Lichtenplatzer Strasse 100, D – 42289 Wuppertal	40	7.553,66 €	6.322,66 €
	23-25/09 2003	TRAIN 02 Seminar on "Protecting the financial interests of the Community"	Guardia Civil Guzmán el Bueno, 11 E – 28003 Madrid	93	35.032,56 €	32.607,23€
	13-14/11 2003	TRAIN 03 Colloquium: Irregularities, Corruption and Risk in Public Procurement in Europe: Towards more transparency and competition in the Member States of the European Union	APASP – Association pour l'achat dans les Services Publics Rue Lafayette, 103 F – 75481 Paris	133	62.630,51 €	33.404,58€

8-12/09 2003	<p>TRAIN 04</p> <p>Seminar: International Anti-Fraud Seminar for auditors from MS, CC's and CH in the field of Regulation 4045/89 and the EAGGF</p>	<p>Ministry of Finance</p> <p>Himmelfortgasse 4-8</p> <p>A – 1015 Vienna</p>	141	172.814,16 €	112.158,57€
13-14/10 2003	<p>TRAIN 06</p> <p>AFCOS Roundtable</p>	<p>IAID Internal Audit and Investigation Directorate</p> <p>South Street CMR 02, MSD 11, Malta – Valetta</p>	50	15.811,00 €	11.016,59€
14-16/01 2004	<p>TRAIN 07</p> <p>Seminar "Europe against VAT fraud"</p>	<p>Federal Police</p> <p>Rue Fritz Toussaint 47</p> <p>B – 1050 Brussels</p>	67	40.993,73 €	31.733,34€
<b>Total 6</b>			<b>524</b>	<b>334.835,62€</b>	<b>227.242,97€</b>

## BENEFICAIRIES FOR TRAINING 2004

	Dates°	Title of seminar / conference / colloquium	Beneficiary	Size of Audience	Committed amount	Amount paid
TRAIN 01	27-29 Sept. 2004	– EUROCANET Project: Implementation of European network between seven Member States to control companies active in the field of Value Added Tax Carousel Frauds.	Service Public Fédéral Finances Rue de la Loi 12  B-1000 Bruxelles	22	€15.878	€14.435
TRAIN 02	10-12 January 2005	International seminar on the fight against corruption and fraud with regard to the Communities financial interest. Participants came from all 25 Member States and Romania and Bulgaria.	POLÍCIA JUDICIÁRIA Rua Gomes Freire, 174  P-1169-007 LISBOA	141	€100.969	€70.714
TRAIN 03	18-21 October 2004	Seminar to promote and reinforce the exchange and dissemination of information, experiences and good practice between customs and territorial controls relative to the illegal tobacco traffic (participation of five Member States and Andorra).	Dirección General de la Guardia Civil –Servicio Fiscal  Guzmán el Bueno 110,  E-28003 MADRID	85	€34.601	€23.618
TRAIN 06	March 2005 – May 2005	Anticorruption training for middle and top management of Regional Authorities in the Czech Republic in order to increase and prevent corruption in their services	TRANSPARENCY INTERNATIONAL Chlumčanského 497/5 CZ-180 00 PRAGUE 8	383	€21.781	Advance of € 10.890,5 paid, final report has not arrived by 31/08/05
TRAIN 07	4-8 October 2004	International Anti-Fraud meeting for auditors from Member States, Candidate Countries, Croatia, Switzerland, Belarus and the Russian Federation, in the field of the Regulation 4045/89 and the EAGGF. Main objectives are exchange of risk analyzing methods and of methods for detecting frauds and irregularities	FEDERAL MINISTRY OF FINANCE (BMF) Himmelfortgasse 4 A- 1010 VIENNA	115	€164.886	€115.925
TRAIN 09-2	29 Nov-1 Dec. 2005	The practice of combating money laundering in the context of EU membership: The conference aims at increasing effectiveness of financial crime prosecution in Poland, limiting the “grey economy”; facilitating the exchange of views between institutions dealing with combating financial crime, developing a common set of rules and methods with regard to combating money laundering.	POLICE SCHOOL PILA, Plac Staszica, 7, PL-64-920 PILA	112	€20.040	€19.639

<b>TRAIN 10</b>	21-22 April 2005	EU Seminar on Cigarette Smuggling: Follow up of work being carried out within the framework of a Task Group Cigarette (TGC). The seminar should help delegates from all Member States as well as from certain third countries to closely follow the work plan established between the annual meetings of the TGC, enhance analysis and exchange of information and international cooperation between administrations in charge.	MINISTERO DE ECONOMÍA Y HACIENDA Departamento de Aduanas e II.EE Avenida Llano Castellano 17 E 28071 MADRID	72	€106.936	Advance paid of € 53.468, final financial report has not arrived by 31/08/2005
<b>TRAIN 16</b>	15-16 April 2005	Fight against money laundering in the Balkan region – Cooperation between the administrative authorities of the EU Member States and the Non-Member States. The conference aims at exchanging information, ideas and suggestions concerning the improvement of mechanisms for cooperation and mutual assistance between national authorities in the Balkan region	European Public Law Centre Achaiou 16 (EPLC) EL-10675 ATHENS	135	€47.999	Advance of €23.999,5 paid, final report has not been financially evaluated
<b>Total 8</b>				<b>1065</b>	<b>€513.090</b>	<b>€397.047</b>

## BENEFICAIRIES FOR TRAINING 2005

	Dates°	Title of seminar / conference / colloquium	Beneficiary	Size of Audience	Committed amount	Amount paid
2004 TRAIN 12	11-13 April 2005	<p>International Anti-Fraud Meeting and trainings meeting for Member States, Candidate Countries, Switzerland and Croatia in the field of Turnover Tax.</p> <p>Main objectives: Strengthening of the Member States strategies in the field of cross-frontier traffic, exchange of experience of fraud methods, methods of risk analysis, network of European countries against fraud and mutual assistance in the fight against fraud</p>	FEDERAL MINISTRY OF FINANCE (BMF) Himmelfortgasse 4 A- 1010 Vienna	58	€50.000	25.000  Advance paid, final report not yet handed in
2005 TRAIN 02	Mid Sept. – Nov. 2005	CAROUSTOP SOUTH: The objective of the project is to arrange information days for tax and police agents on trans-frontier tax fraud and the diffusion of theoretical knowledge and operational knowledge in the field of combating VAT fraud. The trainings are planned in the following countries: Spain, Portugal, Malta, Cyprus, Italy, Greece	SERVICE PUBLIC FEDERAL FINANCES  Boulevard du Roi Albert II, 33  B-1030 Bruxelles	120	€23.337	Grant agreement to be signed
2005 TRAIN 03	Mid Sept. 2005– April 2006	CAROUSTOP EAST: The objective of the project is to arrange information days for tax and police agents on trans-frontier tax fraud and the diffusion of theoretical knowledge and operational knowledge in the field of combating VAT fraud. The trainings are planned in the following countries: Hungary, Czech Republic, Slovakia, Estonia, Poland, Slovenia, Lithuania and Latvia.	SERVICE PUBLIC FEDERAL FINANCES Boulevard du Roi Albert II, 33  B-1030 Bruxelles	160	€32.382	Grant agreement to be signed
2005 TRAIN 06	August 2005– May 2006	Periodic multinational workshop concerning fight against financial crime: The objective of the action: Establishing of direct contacts with financial administrations of Belarus and Ukraine in order to define principles of co-operation of tax administrations between the border countries in the following groups: (1) Poland Slovakia and Ukraine and (2) Poland Lithuania and Belarus. Eight workshops are foreseen over a period of 10 months; each workshop will comprise 24 participants.	MINISTRY OF FINANCE, Fiscal Documentation Office  Swietokrzyska 12, PL 00-916 Warsaw	192	€64.163	€32.081,5  Advance

2005 TRAIN 07	19-21 October 2005	<p>CONTROLERS Workshop: Three days seminar is intended to give training support to Inspection &amp; Control Services by prototyping control methods. The beneficiaries of the training action will be controllers and inspectors performing operational control and legislative audits coming from the Greek Public Administration and the Member States Cyprus and Malta, the Candidate Countries Bulgaria, Turkey and Romania, and the neighbouring countries Albania, the former Yugoslav Republic of Montenegro and Serbia and Montenegro</p>	<p>NATIONAL CENTRE OF PUBLIC ADMINISTRATION AND LOCAL GOVERNMENT</p> <p>Pireos Avenue 211, 16232</p> <p>EL- Athens</p>	118	€ 51.394	Grant agreement to be signed
<b>Total 5</b>		<b>645</b>			<b>€ 221.276</b>	

## 8. ANNEX 2

**In 2004**, the projects co-financed in the area of Conferences, congresses and meetings in connection with the activities of the associations of European lawyers for the protection of the financial interests of the Community were the following:

	Date	Beneficiary	Call	Activity	Title	Grant	EU contr.	N° p.
1	2nd semester 2004	Centro di diritto penale europeo – IT	1	Dissemination	Dissemination of the Corpus Juris in Italy	9.100 €	85,78%	500
2	Dec 2004- Sep 2005	APASP Association pour l'achat dans les services publics – FR	1	Comparative law	Evaluation des risques de fraude relatifs aux pratiques de la Commission européenne en matière de marchés publics	14.000 €	89,49%	/
3	24.11.2004	DASEC - NL	1	Annual meeting	Réunion annuelle des Présidents des Associations de juristes européens	21.540 €	89,60%	35
4	25-26.11.2004	DASEC - NL	1	Seminar	The European Evidence Warrant and Transnational Judicial Inquiries in the EU	98.961 €	89,91%	100
5	21-22.10.2004	Centro di diritto penale europeo - IT	2	Seminar	Methods of detecting and preventing fraud and corruption. Means of harmonization with the acquis communautaire"	10.990 €	90,00%	40
6	10-11.12.2004	Centro di diritto penale europeo - IT	2	Seminar	La mise en œuvre dans le système juridique italien des instruments de l'Union visant la coopération judiciaire en matière pénale: les projets de loi relatifs au mandat d'arrêt européen et à l'Eurojust et les perspectives d'intégration d'un Ministère Public Européen	12.163 €	90,00%	60
7	11-12.3.2005	Union des Avocats Européens - IT	2	Seminar	La protection des intérêts financiers dans l'Union et le rôle de OLAF vis-à-vis de la responsabilité pénale des personnes morales et des chefs d'entreprises et l'admissibilité des preuves	50.000 €	79,03%	80
8	22.4.2005	Max Planck Institut - DE	2	Seminar	<i>Practising Criminal Justice and Comparative Criminal Law in Europe : A Criminal Justice Information System for Europe</i>	34.000 €	87,82%	60

9	Oct 2004- June 2005	IIAS Institute of International Advanced Studies – BE	2	Comparative law	Study on the Rights of Defence	113.400 €	90,00%	/
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**In 2005, the projects co-financed** in the area of Conferences, congresses and meetings in connection with the activities of the associations of European lawyers for the protection of the financial interests of the Community were the following:

	Date	Beneficiary	Call	Activity	Title	Grant	EU contr.	N° p.
1	13-13.5.2005	Österreichische Vereinigung für Europäisches Strafrecht	1	Annual meeting	Annual meeting of the Presidents of the Lawyers Associations	32.784 €	89%	35
2	15.5.2005	Österreichische Vereinigung für Europäisches Strafrecht	1	Seminar	Current Issues in European Criminal Law and the Protection of EU Financial Interests	75.987 €	88,25 %	100
3	Jan 2006	DASEC – NL	1	Seminar	Procedural guarantees related to OLAF investigations	8.825 €	79,53 %	[20]
4	27.5.2005	Centro di diritto penale europeo – IT	1	Seminar	Methods of detecting and preventing fraud and corruption. Means of harmonization with the <i>acquis communautaire</i>	5.205 €	90%	100
5	22.4.2005	Max Planck Institut - DE	1	Comparative study	Organising Criminal Prosecution in the European Union	84.029 €	60,00 %	/
6	24-25.3.2006	European Law Research Association in Poland	2	Seminar	Protection of the Financial Interests of the European Union of 25: new challenges, old obstacles	59.065 €	90%	[110]
7	26.3.2006	European Law Research Association in Poland	2	Annual meeting	Annual meeting of the Presidents of the Lawyers Associations	9.905 €	90%	[22]
8	1-2.12.2005	Transparency International - DE	2	Seminar	Protection of the EU's Financial Interests through Management of Effective and Transparent Debarment Systems	24.072 €	90%	[25]
9	Jan – Dec 2006	Max Planck Institut - DE	2	Bulletin	New AGON	35.000 €	90%	[4000]

1 0	10.12.2005	Centro di diritto penale europeo – IT	2	Seminar	Presunzione di innocenza e criminalità transnazionale a danno degli interessi finanziari dell'Unione Europea: ormative PIF e Procura europea	3.601 €	90%	[70]
1 1	Jan 2006	Centro di diritto penale europeo – IT	2	Seminar	Principio di ne bis in idem e criminalità transnazionale a danno degli interessi finanziari dell'Unione europea	[3601 €]	90%	[70]