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Annual overview with information on the results of the Hercule III Programme in 2014

Accompanying the document

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**Protection of the European Union's financial interests - Fight against Fraud
Annual Report 2014**

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1. Introduction

1.1 Hercule III Programme

The Hercule III Programme is the successor of the Hercule II (2007-2013) Programme and the first Hercule Programme (2004-2006). The aim of the Hercule III Programme (hereinafter referred to as ‘the Programme’) is to protect the financial interests of the European Union (EU) by fighting fraud, corruption and other irregularities. The Programme provides support to national and regional administrations in Member States which ‘*promote the strengthening of action at Union level to protect the financial interests of the Union*’. Grants are awarded to the competent authorities in the Member States to strengthen their operational capacity to investigate activities detrimental to the Union’s financial interests. The financial support goes towards the purchase of technical equipment, such as x-rays scanners, software and hardware for digital forensic examinations, as well as sniffer dogs. To a lesser extent, the Programme also serves to finance training activities and conferences for Member States’ authorities.

The Programme’s legal basis¹ requires the Commission to adopt an annual work programme for the implementation of the Programme and to submit a report² on the main results and achievements every year to the European Parliament and to the Council.

This is the first annual overview of the achievements and results following the implementation of the first annual work programme³ in 2014.

The Programme is the only instrument **specifically** dedicated to protecting the Union’s financial interests and is administered by the European Anti-Fraud Office (OLAF), which, in the field of anti-fraud policy, is a Directorate-General of the European Commission.

The general objective of the Programme is ‘*to protect the financial interests of the Union thus enhancing the competitiveness of the Union’s economy and ensuring the protection of the taxpayers’ money*’⁴, whereas its specific objective is ‘*to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union*’⁵. The five operational objectives⁶ of the Programme are addressed in section 3 of this report, together with an overview of the main results of the actions carried out under the Programme and how they contributed to achieving the operational objectives.

1.2 Hercule III: eligible actions, beneficiaries and budget

There are three types of eligible actions⁷ supported by the Programme:

- (1) ‘Technical assistance’⁸: this relates to support aimed at providing specific knowledge, equipment and information technology (IT) tools to national

¹ Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014, OJ L 84 of 20 March 2014. The Regulation entered into force on 21 March 2014 and was applicable from 1 January 2014 onwards. Article 13 of this Regulation (Monitoring and evaluation) requires the Commission to ‘*provide the European Parliament and the Council, on an annual basis, with information on the implementation of the Programme, including on the achievement of the objectives of the Programme and the results*’.

² Article 13 of Regulation 250/2014.

³ The first annual work programme was adopted by Financing Decision C(2014)3391 final of 26 May 2014.

⁴ Article 3 of Regulation 250/2014.

⁵ Article 4 of Regulation 250/2014.

⁶ Article 5 of Regulation 250/2014.

⁷ Article 8 of Regulation 250/2014.

⁸ It is important to underline that ‘Technical assistance’ as defined in Regulation 250/2014 differs substantially from the term used in Article 121(7) of Commission Delegated Regulation (EU) 1268/2012 of 29 October on the Rules of Application (RAP) of Regulation 966/2012 (Financial Regulation - FR), which defines technical assistance as ‘*support and capacity-building activities necessary for the implementation of a programme or an action, in particular preparatory, management, monitoring, evaluation, audit and control activities*’.

authorities as well as providing specific databases and IT tools facilitating data access and analysis;

- (2) ‘Training’, which relates to support for training activities, conferences and legal studies focused on protection of the Union’s financial interests. This includes legal training and studies;
- (3) ‘Any other action’ necessary for attaining the general, specific or operational objectives of the Programme.

The Programme’s beneficiaries⁹ are:

- National or regional administrations of a Member State;
- Research and educational institutes and non-profit-making entities in the Member States.

They must ‘*promote the strengthening of action at Union level to protect the financial interests of the Union*’. Costs incurred in enabling persons from third countries to participate in an event organised with funding from the Programme, such as conferences, seminars or training, can be considered as eligible costs under certain conditions.

The budget for implementing the Programme in 2014 amounted to EUR 13.7 million in commitment appropriations and EUR 11 million in payment appropriations, and was financed under item 24.0201 of the European Union budget for 2014¹⁰.

1.3 Purpose and scope of this overview

The annual overview is intended to fulfil the requirement under Article 13(1) of Regulation (EU) No 250/2014 to ‘*provide the European Parliament and the Council, on an annual basis, with information on the implementation of the Programme, including on the achievement of the objectives of the Programme and the results*’. To that end, this overview covers information on actions for which financial commitments were made under the 2014 work programme (section 2) as well as the results of actions that were finalised in 2014 but committed under the Hercule II Programme in previous years (section 3).

⁹ Article 7 of Regulation 250/2014 determines the geographical scope of the Programme. The participation of national and regional administrations from third countries (including EEA countries and Switzerland) in the Programme is subject to an agreement between the respective third countries and the Union on the former’s participation in EU programmes. For the time being, no such agreement is in force.

¹⁰ OJ L 51 of 20 February 2014, p. 989 and p. 991-992. The payment appropriations were not sufficient to cover the commitments made in 2014 and in earlier years under the Hercule II Programme. This led the Budget Authority to make additional payment appropriations of EUR 942 750 available in December 2014.

2. Budget implementation in 2014

The budget for implementing the Programme amounted to EUR 13.7 million in commitment appropriations. Table 1 gives an overview of the available **budget** and the **commitments** made in 2014.

Table 1: Available budget and commitments made in 2014

TYPES OF ELIGIBLE ACTIONS 2014		BUDGET	COMMIT ¹¹	%
TECHNICAL ASSISTANCE		10 250 000	10 639 836	104.00
Technical assistance grants	Grants	7 450 000	8 683 356	116.56
IT support				
IT Databases	Procurement	2 400 000	1 756 480	73.19
IT Data analysis (JRC)	Procurement	200 000	200 000	100.00
Tobacco analysis	Procurement	200 000	0	0.00
ANTI-FRAUD TRAINING		3 400 000	3 036 187	89.30
Conferences, seminars and digital forensics training				
Training	Grants	900 000	621 747	69.08
Conferences	Procurement	1 100 000	1 184 132	107.65
Forensic training	Procurement	800 000	734 640	91.83
Legal training and studies				
	Grants	550 000	495 668	90.12
	Procurement	50 000	0	0.00
OTHER ACTIONS		27 700	0	0.00
TOTAL 2014		13 677 700	13 676 023	99.99

The information in the table above only relates to commitments. **Payments** under the grant agreements and most of the contracts committed in 2014 cannot be reported on as most of the payments were only made in 2015.

2.1 Budget implementation by type of financial intervention

The types of financial intervention¹² for implementing the Programme were **public procurement** (contracts) and **grants**. Contracts were concluded between the Commission and one or more economic operators on the basis of Title V of the Financial Regulation (FR)¹³ for the purchase of goods or services, such as access to databases or the development of IT systems. The Commission has availed itself of the possibility to conclude framework contracts (FWC)¹⁴, the purpose of which is to establish the terms governing specific contracts to be awarded during a given period. In 2014, several specific contracts were concluded under existing FWCs amounting overall to EUR 4 750 000 (as shown in Graph 1) for the purchase of IT support (including access to databases) and the organisation of conferences and training events.

¹¹ Commitments cover the total costs in 2014 of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year (Article 7, FR). The total amount for the commitments cannot exceed the allocated budget.

¹² Article 10 of Regulation 250/2014.

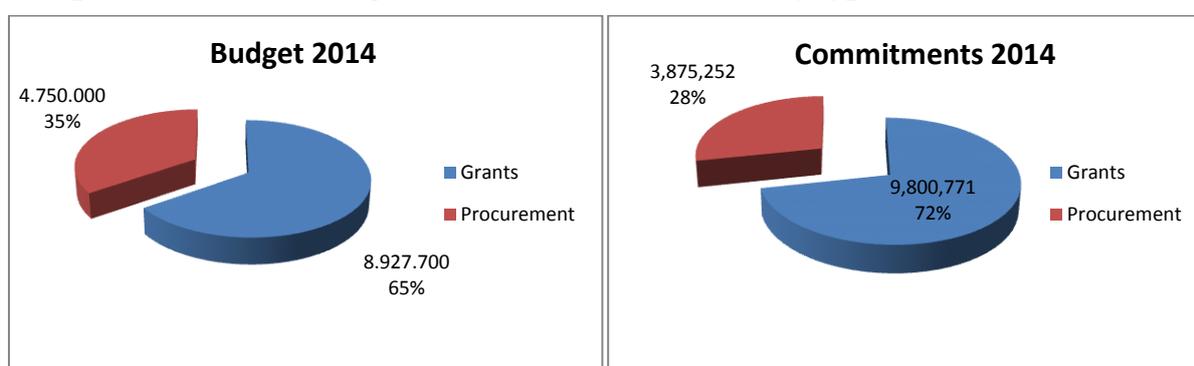
¹³ Regulation 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (Financial Regulation — FR), OJ L 298 of 26 October 2012. Title V (Articles 101-120) determines the rules on public procurement, whereas Title VI (Articles 121-137) contains the rules in relation to the award of grants.

¹⁴ Article 101(2) FR.

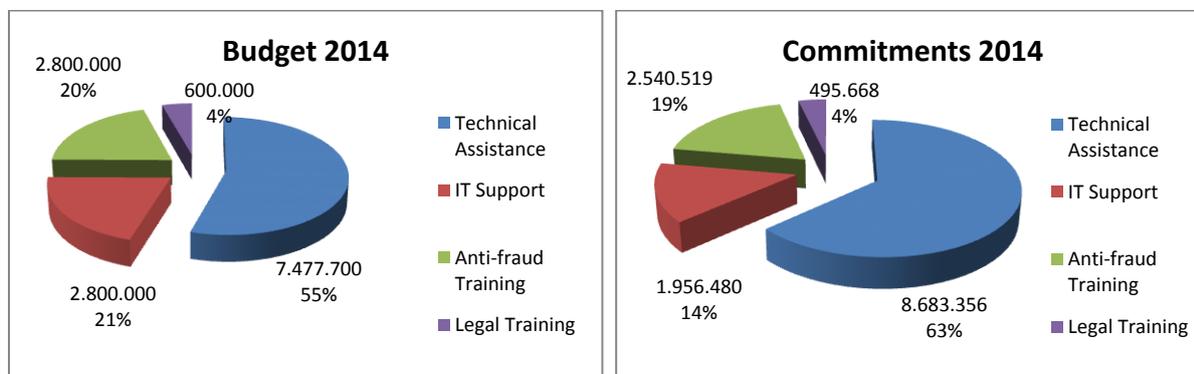
Grants are direct contributions to finance an action intended to help achieve an EU policy objective. Grants are awarded following a call for proposals, inviting applicants to submit a proposal for an action that, in the case of the Hercule Programme, helps in achieving the Programme’s objectives. The beneficiary of a grant becomes the legal and economic owner of the goods or services that are purchased with the help of the grant. Under the Programme, grants covering up to 80 % of the eligible costs¹⁵ can be awarded. In exceptional and duly justified cases¹⁶, the Commission can award grants covering up to 90 % of the eligible costs. In 2014, the overall budget for grants was EUR 8 900 000. The Commission launched three calls for proposals in June 2014 (Technical assistance, Legal training and Training & Conferences), which eventually led to the award of 44 grants in 2014 and 2015.

The graphs below give a breakdown of the budget (planned) and achieved commitments in 2014 by type of financial intervention and by type of eligible action.

Graph 1: Hercule III budget and commitments in 2014 by type of financial intervention



Graph 2: Hercule III budget and commitments in 2014 per type of eligible action



Information on the calls was published in the Official Journal¹⁷, on the Commission’s website and it was also transmitted to the members of the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF). The grants were awarded after an Evaluation Committee had examined the submitted proposals (‘applications’) on the basis of four sets of criteria¹⁸. These criteria had been listed in the calls to ensure that the Programme is implemented in accordance with the Financial Regulation¹⁹ and its Rules of Application²⁰ and to ensure that

¹⁵ Article 10(4) of Regulation 250/2014.

¹⁶ The annual work programme contains the criteria as required under Article 11 of Regulation 250/2014 for the definition of exceptional and duly justified cases. Applicants were given the possibility to indicate whether or not their applications should be considered for the maximum co-financing percentage of 90 %. The Commission decided not to apply the 90 % funding rule as none of the applications managed to demonstrate in a convincing manner their compliance with the criteria in the annual work programme. In addition, the aggregated requests for funding substantially exceeded the available budget and eventually made it impossible for the Commission to consider this option.

¹⁷ OJ C227 of 17 July 2014, p. 11.

¹⁸ Eligibility, exclusion, selection and award criteria.

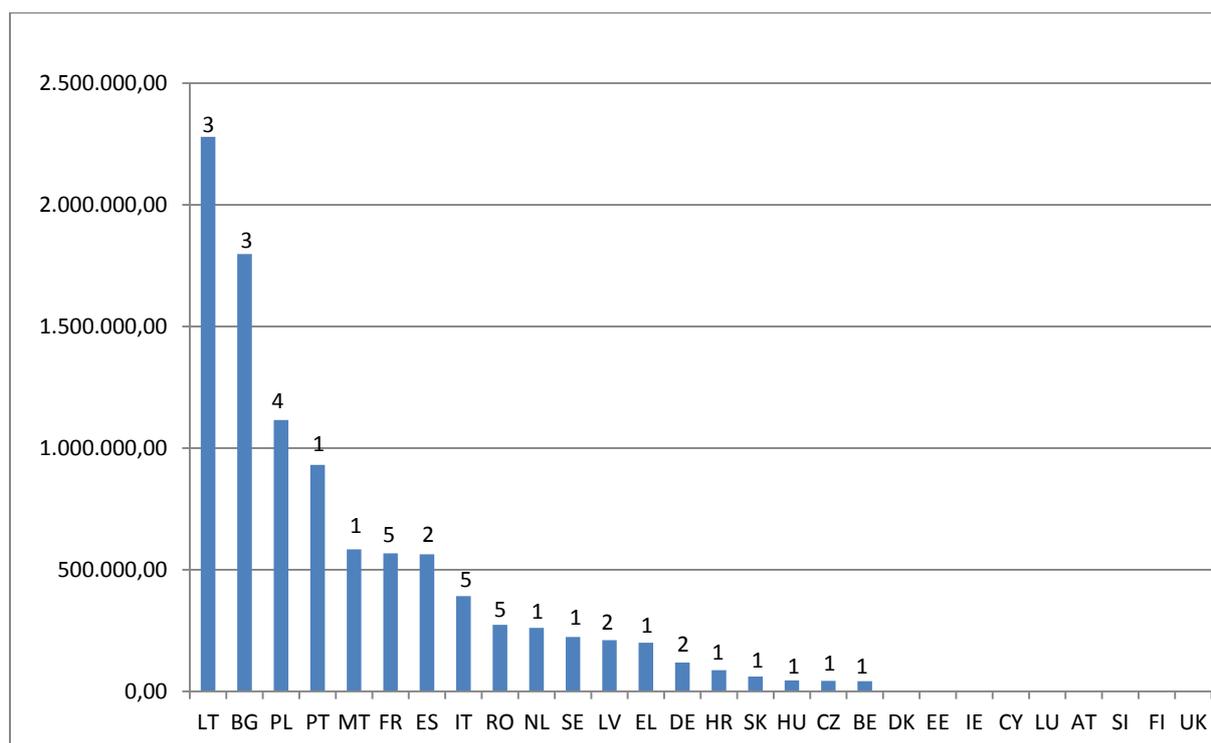
¹⁹ As required under Article 10(1) of Regulation 250/2014.

the ‘best value for money’ is obtained for the actions to be funded under the grants. The award criteria were as follows:

- Added value of the application for protecting the financial interests of the European Union;
- Conformity with the operational objectives of the Programme;
- Quality;
- Value for money.

The graph below gives an overview of the number and amounts of commitments made for grants in 2014 by Member State.

Graph 3: Hercule III commitments and number of grants in 2014 by Member State



2.2 Budget implementation by type of eligible action

2.2.1 Technical assistance grants

The budget for technical assistance grants amounted to EUR 7 450 000 and was available for grants to support national and regional authorities seeking to purchase, implement and install special equipment and tools needed in the fight against fraud affecting the financial interests of the Union. This support included tools and devices for combating cigarette smuggling and counterfeiting. Examples of actions for which funding could be requested were²¹:

- Purchase and maintenance of investigational tools and methods, including specialised training in their use;

Purchase and maintenance of devices and animals to carry out inspections of containers, trucks, railway wagons and vehicles at the EU’s external borders to detect smuggled and counterfeited goods;

²⁰ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation 966/2012, OJ L 362 of 31 December 2012.

²¹ See section 6 of the specifications of the call: http://ec.europa.eu/anti_fraud/policy/hercule-iii/index_en.htm.

Purchase, maintenance and interconnection of systems for the recognition of vehicle number plates (Automated Number Plate Recognition Systems – ANPRS) or container codes. Specialised training needed to operate these systems is included;

Purchase of services to support Member States' capacity to store and destroy seized cigarettes.

Following its June 2014 call for proposals, the Commission received, by the deadline of 1 September 2014, 83 applications from 26 different Member States requesting a total amount of EUR 43 million, which was six times higher than the available budget of EUR 7.45 million. Once the submitted applications had been evaluated, 21 grants for an overall amount of EUR 8.7 million were awarded²². The average co-financing percentage for the awarded grants amounted to 80 % of the eligible costs of the action. The grants were awarded for the purchase of investigational equipment (including forensic equipment: 10 grants); the purchase of x-rays scanners (5 grants); and the purchase and training of sniffer dogs (2 grants). Automated Number Plate Recognition Systems (ANPRS) accounted for 3 grants and one grant was awarded for the destruction of seizures. Table 1 in Annex 1 gives an overview of the grants and co-financing rate, the beneficiaries and the supported action.

2.2.2 IT support: Databases, IT tools and analyses of samples from tobacco seizures

Databases

The Programme provides funds to procure databases or subscription to databases for law enforcement authorities in the Member States in order to support their operations and investigations. The Commission procures and manages the access to databases, thus enabling substantial economies of scale. OLAF staff also use these databases for their investigations. In 2014, the databases were purchased by making use of specific contracts under framework contracts concluded in 2011²³, 2012²⁴ and 2013²⁵. Table 3 in Annex I gives an overview of the contracts awarded in 2014.

Development of specific IT tools for data analyses

Two projects for the analysis of 'big data' that were initiated under the Hercule II Programme were continued in 2014. The Automated Monitoring Tool (AMT) and Container Traffic (CONTRAFFIC) projects are being carried out by the Joint Research Centre (JRC) under administrative arrangements. These two projects provide the appropriate tools for supporting investigations that need data and analyses on container movements (current and past), providing more realistic and effective scenarios for joint customs operations.

The AMT generates automated alerts for outliers in trade data and can be used to monitor trade flows relevant to intelligence analyses and targeted controls by Member States' customs authorities. The AMT has improved authorities' ability to detect the undervaluation of imported goods and made them more efficient, freeing up human resources and time for other investigation work. However, the AMT is only expected to reach its full potential with improvements that aim at reducing the number of 'false positive' alerts. These improvements have only started under the Hercule III Programme and will be continued in 2015-2016.

²² This amount was higher than the earmarked budget in the annual work programme. At the end of 2014, appropriations that were not committed for other types of eligible actions were transferred to technical assistance.

²³ OLAF/2011/C5/027 for ship movements.

²⁴ OLAF/2012/D5/022 for manifest data.

²⁵ OLAF/2013/D5/020 for trade data, OLAF/2013/D5/021 and OLAF/2013/D5/022 for company data.

The CONTRAFFIC Single Administrative Document (CONTRAFFIC-SAD) analysis system is a pilot project run by the Commission (OLAF and JRC) in collaboration with customs authorities in ten Member States. The aim of the project is to evaluate the feasibility and to demonstrate the effectiveness of using Container Status Messages data to identify imports of containerised goods where the origin country is wrongly declared. The project is based on the CONTRAFFIC technology developed at the JRC in collaboration with OLAF over the last 10 years. The administrative arrangement for the CONTRAFFIC project was renewed in 2014 for an amount of EUR 200 000 and runs until the end of July 2015. Section 3 contains examples of the results obtained in 2014 with the AMT and CONTRAFFIC tools.

Tobacco analyses

The work programme provided for financial support to enable Member States' customs authorities to carry out an additional analysis of samples taken from cigarettes and tobacco seizures. Under the Hercule II Programme, these analyses were carried out by a laboratory in Scotland. This contract expired in July 2014. The budget earmarked in this year for this activity was therefore added to the budget for technical assistance grants.

2.2.3 Conferences, seminars and digital forensic training

Conferences organised under grants

The training activities supported under the Programme aim at providing grants to beneficiaries in the Member States for the organisation of targeted specialised and risk analysis training workshops, seminars and conferences. This training is also intended to create networks between Member States, accession countries, candidate countries, other third countries and international public organisations in order to facilitate exchange of information, experience and best practices. The key outcomes were:

- Improved skills and competences of law enforcement officials involved in fraud investigations;
- Increased awareness of fraud risk indicators ('red flags') and EU anti-fraud policy;
- More effective dissemination of specialised methodologies, tools and techniques to fight and prevent fraud, corruption and irregularities perpetrated against the Union's financial interests.

The Commission received 29 applications from 14 Member States by the deadline of 15 September 2014. The aggregated budget of the 29 applications amounted to EUR 3.5 million, and the Commission was asked to contribute EUR 2.8 million, whereas only EUR 0.9 million was available. Following evaluation of the applications, the Commission eventually awarded 12 grants for an amount of EUR 621 747, with 17 applications being rejected. Table 4 in Annex 1 gives an overview of the grants and co-financing rate, the beneficiaries and the supported action.

Conferences under procurement

The Programme also gives financial support for the organisation by the Commission (OLAF) of high-level conferences and ad-hoc training activities focused on protection of the Union's financial interests. The Commission used the services of two firms²⁶ specialised in organising events under framework service contracts for the organisation of its conferences. The overall budget for conferences under procurement was EUR 1.1 million.

²⁶ MCI Benelux S.A., and AMEX, both located in Brussels.

Table 5 in Annex 1 provides an overview of the nine events that were procured by the Commission in 2014. The conferences under procurement included the organisation of the Task Group Cigarettes, the annual conference of fraud prosecutors, training seminars for AFCOS members and debriefings of joint customs operations (JCOs).

Training under procurement: Computer forensics training

The Commission signed a specific contract for the organisation of nine digital forensic training courses during a two-week training session in October 2014²⁷. The training was organised in Zagreb by a service provider²⁸ under a framework service contract concluded in 2013. The target audience consisted of staff employed by national or regional administrations of the Member States and third countries which promote stronger action to protect the Union's financial interests. The training courses were given by 44 trainers and were attended by 275 participants.

The training session consisted of one basic and eight specialised and advanced courses in digital forensics designed to enable the participants to improve their skills and competences in tools and software used to retrieve and secure data from computers, tablets, mobile phones or any other digital devices. The courses were developed by an international organisation of computer forensic experts²⁹, which also provided the trainers and ensured the quality control. At the end of the training sessions, the participants had to pass an exam to assess the newly acquired skills and competences. Most participants succeeded in passing these tests. The training sessions also gave the participants an opportunity to network and to exchange information and best practices in relation to computer forensic examinations.

Overall, the 2014 training costs amounted to EUR 734 640, which included the training itself, accommodation as well as the travel costs for the participants.

2.2.4 Legal training and studies

Legal training and studies is a part of the training that aims at enhancing the degree of development of specific legal and judicial protection of the Union's financial interests by promoting comparative law analyses. The following actions are supported:

- Development of high-profile research activities, including studies in comparative law;
- Improvement of cooperation between practitioners and academics (e.g. through conferences, seminars and workshops), including organisation of the annual meeting of the Presidents of the Associations for European Criminal Law and for the Protection of the Union's financial interests;
- Raising awareness among the judiciary and other branches of the legal profession about the protection of the financial interests of the European Union, including the publication of relevant scientific knowledge.

The Commission received 16 applications from eight Member States by the deadline in September 2014. The aggregated budget of the 16 actions amounted to EUR 1.2 million and the Commission was asked to contribute an amount of EUR 964 303 (79.2 % co-funding), whereas EUR 550 000 was available. The Commission decided to award grants to eight applicants for an overall amount of EUR 495 668, with an average co-financing rate of 80 %.

²⁷ This was the autumn session of the digital forensics training. In June 2014, the spring session took place in Zagreb as well. The latter session was committed under the 2013 budget of the Hercule II Programme.

²⁸ Insig2 Ltd, Zagreb, Croatia.

²⁹ International Association of Computer Investigative Specialists (IACIS), a US based association.

The grants were awarded among other things for the organisation of conferences on the European Public Prosecutor, criminal and administrative investigation in the VAT area, as well as the publication of a periodical on the protection of the Union's financial interests. Table 7 in Annex I gives an overview of the grants awarded in 2014.

3. Achievements 2014

The previous section looked at the grants and contracts awarded under the Programme in 2014. This section provides an overview of the main results achieved by the Programme's beneficiaries using the equipment and services purchased with grant aid. As a condition for the final payment, beneficiaries have to submit a final technical report giving a summary of the results in terms of, for example, the number and value of seizures made with the newly purchased equipment, the number of persons under investigation or arrested and an estimate of the (prevented) losses to the national and the Union's budget. For conferences, seminars and training events, the beneficiaries have to indicate the results of a mandatory survey amongst the participants to measure the relevance and quality of the event. The final report must clearly indicate how the action contributed to the achievement of the Programme's objectives. The report must also address any problems that occurred during the implementation of the action, such as delays in procurement procedures. For a technical assistance grant, the beneficiary has to submit a final implementation report one year after the formal closing date of the grant agreement.

This section looks mainly at the results as reported in the final reports on grants that were awarded before 2014, but they will be discussed in the light of the new Programme's operational objectives³⁰.

3.1 Improving the prevention and investigation of fraud and other illegal activities beyond current levels by enhancing transnational and multi-disciplinary cooperation³¹

All of the activities undertaken in this area contributed to achieving this operational objective. The specialised anti-fraud training ensured a far-reaching anti-fraud and anti-corruption campaign across the EU and allowed wide dissemination of anti-fraud measures protecting the EU's financial interests. The training seminars covered a wide range of disciplines, from fraud prevention and detection to combating the counterfeiting of cigarettes and tobacco, and focused on laws and practices to prevent fraud with EU funds.

The main results of these actions are:

- better understanding of *modi operandi* and knowledge obtained in the field of preventing and combating fraud detrimental to the EU's financial interests;
- specific skills in prevention, detection and investigation in the fight against fraud;
- input for further development and improvement of the activities of national organisations, including legislative work;
- dissemination of information about the latest developments, methods, techniques in the field of the fight against fraud and corruption; and

³⁰ The final payments were made from payment appropriations made available under the new Programme.

³¹ This operational objective corresponds to the requirements set out in Article 1(2)(a) of Decision 804/2004/EC of 21 April 2004 establishing a Community action programme to promote activities in the field of the protection of the Community's financial interests, OJ L 143 of 30 April 2004, as amended by Decision 878/2007/EC of 23 July 2007, OJ L 193 of 25 July 2007.

- information obtained through networks established between organisations.

Two examples of conferences and their results finalised in 2014 are given below. A comprehensive overview of the finalised training events is given in Annex I, Table 6 (training) and Table 8 (legal training):

Transparency International Budapest organised a two-day conference in Budapest in February on ‘**Safeguarding EU funds against fraud & corruption through the civil control mechanism of Integrity Pacts**’. The conference was attended by 41 participants from 12 Member States and it aimed at exploring the possibilities for safeguarding the Union’s financial interests by developing a corruption-prevention tool for use in public procurement and contracting. One of the results of this conference was the publication of a handbook and a compendium providing a toolbox for authorities to prevent and fight fraud and corruption.

The ‘**Partnership for Social Development in Croatia**’ organised two conferences and a number of working group meetings within the framework of the ‘**Cross-Country Legal and Institutional Framework for Suppression of Fraud in Public Procurement**’. The conferences covered a wide range of topics that are relevant in the development and implementation of anti-fraud policies in Croatia and Romania, such as drafting risk assessments, consultations with relevant policy stakeholders, further development of anti-fraud tools as well as ways to address bottlenecks in the current legal and institutional framework to fight fraud and corruption. The conferences and meetings took place between November 2013 and May 2014 and were attended by 188 participants from law enforcement authorities and the legal profession.

The project led to the following results:

- It laid the groundwork for changes in the Romanian public procurement (PP) system;
- The research undertaken gave clear insight into what is happening in the Romanian PP system and possible PP-related risks were identified;
- The Croatian experience was used as a model to try to improve the Romanian PP system;
- Romanian stakeholders have been acquainted with the Croatian PP system and experience regarding the changes that were introduced in 2011/2012;
- The relevant stakeholders started to discuss the need for a new PP Act and more transparent PP system.

3.2 Increasing the protection of the financial interests of the Union against fraud by facilitating the exchange of information, experiences and best practices, including staff exchanges³²

The general and legal training activities in particular contributed to achieving this objective, while exchanges of information through the AMT and CONTRAFFIC tools increasingly support customs in drawing up risk analyses as the basis for their targeted controls.

In October 2014, OLAF organised the **12th OLAF Fraud Prosecutors Conference** in Rome, which was attended by more than 120 public prosecutors from all the EU Member States. The main objective of the conference was to discuss with the practitioners from the Member States the negotiated proposal for the establishment of a European Public Prosecutor’s Office. The conference provided a forum in which practitioners could express their views on the proposal, providing the Commission and the Member States with valuable input.

³² Article 1(2)(b) and Article 1(a)(a)(iii) of Decision 804/2004/EC.

3.3 Strengthening the fight against fraud and other illegal activities by providing technical and operational support to national investigation, and in particular customs and law enforcement, authorities³³

The Programme provided grants for the purchase of technical equipment to be used by investigation, customs and law enforcement authorities in order to:

- ensure the availability of better technical equipment across the EU and increase compatibility to facilitate cross-border cooperation and achieve procurement savings;
- make efficient use of the equipment acquired;
- facilitate joint operations and international support for operations;
- be better at detecting offences and provide higher quality of evidence for use in court proceedings.

The grants also cover expenditure for the maintenance of equipment as well as specific technical training for operational staff to ensure its optimal usage and management. Beneficiaries of technical assistance grants have started reporting on the results one year after the closing date of the agreement, thus enabling a better overview and understanding of the longer-term impact of the Programme. Beneficiaries report for example on the number and amount of cigarette and tobacco seizures, estimates of the prevented losses to national and the Union's budget, the emergence of new fraud schemes, the detection of networks of organised crime groups or the number of arrests made. This information contributes to improving the transparency of the Programme's implementation, insofar as such transparency does not endanger ongoing operations and investigations, and helps identify the strengths and weaknesses of the Programme's implementation.

The Commission received reports on the implementation of grants that were funded under the Hercule II budgets of previous years. Even though it is difficult and sometimes impossible to establish a direct causal relationship between the grant support on the one hand and the results achieved with the equipment purchased on the other hand, it can certainly be assumed that without the financial support a substantially lower number of arrests, seizures and convictions would have been made and that the efficiency and effectiveness of staff using the equipment would not be as high as is the case nowadays. The results obtained with x-ray scanners, for example, clearly demonstrate this relationship, whereas it is more difficult to demonstrate in the case of support given for the purchase of digital forensics software or devices to monitor vehicles or persons suspected of involvement in illicit activities. A few examples are given below.

The **Treasury Intelligence Department of the Polish Ministry of Finance** upgraded telecom devices and purchased optical surveillance systems used in surveillance vehicles. The equipment is used for monitoring the movements of people, cars and trucks during operations in support of investigations in relation to the smuggling of tobacco products as well as the evasion of VAT and import duties. The equipment was used in several operations and investigations, such as:

- an investigation into irregularities with imports from China leading to the undue refunding of VAT to economic operators;
- an operation allowing the detection of illegal cigarette imports by an organised crime group which accounted for losses to the national budget of more than EUR 21 million;
- an investigation into suspicions in relation to illicit trade in fuel, where the estimated

³³ Article 1(2)(c) of Decision 804/2004/EC.

losses to the national budget amounted to more than EUR 10 million.

The **Hungarian National Tax and Customs Administration** (NTCA) purchased thermal cameras and video cameras as well as tracking & tracing devices to improve the monitoring of illegal crossings at its external eastern border. The equipment was, and continues to be, used in many operations with the following tangible results:

- following the deployment of the high-performance mobile observer, 355 581 boxes of untaxed cigarettes (total value of EUR 900 000) were confiscated between August and November 2014, representing increases of 106 % compared with the same period in 2013 and of 412 % compared to 2012;
- hand-held thermal cameras were used in an operation leading to the detection of 56 500 boxes of stolen cigarettes with a total value of EUR 150 000. The same equipment was used for operational procedures in relation to infringements of industrial property rights where counterfeited detergents and cleaning products with a total value of EUR 13 000 were confiscated. Ten persons were heard as suspects, three of whom were held in custody;
- specialised equipment was also used in investigating VAT evasion cases concerning rapeseed oil and biodiesel products, with total damage of EUR 2.5 million. No seizure of goods has been made but EUR 2.7 million was blocked as indemnity. Four persons were detained in custody.

The **Greek Ministry of Citizen Protection** purchased tracking & tracing devices as well as two surveillance vehicles for its daily operations. It reported the following results:

- detection of an organised criminal group (6 persons) suspected of involvement in cigarette and tobacco smuggling. The investigation led to the seizure of 1.6 million packages of cigarettes and 540 tobacco packages with a value estimated at EUR 5.5 million;
- detection of a group of 8 persons that smuggled oil, LPG and lubricants and evaded the payment of import duties of up to EUR 1 million.

Examples of procured access to external databases

The Commission has procured access to external databases for use by law enforcement authorities in the Member States. The trade information, company data or container movements provide essential operational information for investigators in the Member States and OLAF and are used as input for risk analyses by customs to target their controls.

A commercial database of **worldwide trade statistics** with aggregated figures is used by both the Member States and OLAF to analyse **trade flows**, identify potentially suspicious trade and cross-check allegations of customs fraud involving Member States. Cross-checks can support decisions on whether to open a case or not, thus saving resources for all concerned.

- The Automated Monitoring Tool (AMT) is an IT tool developed by the Joint Research Centre (JRC) and is used in joint customs operations by OLAF and the Member States targeting the undervaluation of imported goods, which causes huge losses to the EU and Member States' budgets every year. The operation prevented the loss of EUR 80 million in customs duties. In one month, OLAF and the participating customs

authorities detected more than 1 500 containers of goods whose customs value was heavily underdeclared. This involved false descriptions of goods, false weights and quantities, and counterfeit goods. In addition, the authorities identified several ‘missing’ traders and non-existent importers, triggering a number of criminal and administrative investigations in several countries;

- OLAF noticed changes in the trade pattern, namely a sudden increase in the export of biodiesel from the USA to several third countries and a corresponding increase in imports into different Member States of biodiesel from those third countries. A commercial database of worldwide trade statistics was used to identify and quantify the trade flows. If the product originates in the USA then anti-dumping and countervailing duties are due. If originating in the third countries, no extra duties are due. Investigations in several countries established that the product originates in the USA, is transhipped via the third countries and the origin is misdeclared as being the third countries to avoid extra duty payment. The outcome was that the Member States involved recovered substantial amounts in customs duties;
- On another occasion, trade flows identified from the database failed to confirm an allegation of transshipment of a Chinese product via a third country and the case was therefore dismissed. Although no revenue was recovered, there was a cost and time saving to the Member States and OLAF;
- Information related to the movements of vessels and containers has contributed to many successful investigations in the area of international cigarette smuggling led by Member States’ authorities in cooperation with OLAF. In one instance, the analysis based on information collected from a database on movements of vessels produced significant insights into the cigarette smugglers’ methods and *modus operandi* by monitoring the vessels suspected of carrying contraband cigarettes;
- Information on suspect containers is also a vital tool for OLAF and the Member States. The movements of the containers are monitored with the aid of the CONTRAFFIC tool (developed by the JRC) and a database providing information on vessel movements to see where the container or ship is positioned. In the course of one OLAF investigation related to the movements of containers involving several Member States, 12 seizures of large quantities of contraband cigarettes were made with the aid of information on container movements provided by the databases. These operations prevented substantial losses to the EU budget in unpaid customs duties and taxes;
- Customs duties, anti-dumping duties and quantitative or other import restrictions depend on the origin of imported goods. Because of the large volumes of goods entering the EU markets, customs officers are able to check only a small fraction of customs declarations. Given the ever-rising volume of trade, carrying out this type of control manually is a daunting task, as it is difficult to verify the authenticity of the declarations. The CONTRAFFIC tool covers a significant percentage of the worldwide maritime shipments effected by the main ocean carrier companies and was used to develop **automatic cross-checking of the origin declared by importers in the Single Administrative Document (SAD) datasets**, detecting potentially fraudulent declarations and supporting validation, in support of the activity of national customs authorities.

3.4 Limiting the currently known exposure of the Union's financial interests to fraud, corruption and other illegal activities with a view to reducing the development of an illegal economy in key risk areas such as organised fraud, including cigarette smuggling and counterfeiting³⁴

Several actions contributed to achieving this objective in 2014. The widespread availability of illicit tobacco within the EU has led to the loss of considerable tax and duty revenues (losses to the EU and Member State budgets as a result of cigarette smuggling are estimated to be at least EUR 10 billion per year³⁵). One feature of the illicit market for cigarettes in the EU is the significant quantity of counterfeit products available at lower cost than the genuine products. Examples of these actions are given below:

The **Polish Customs Chamber** purchased x-ray scanners and video endoscopes that are used for checking vehicles and baggage at the EU's external eastern border, which is particularly exposed to illegal imports of cigarettes and tobacco. The beneficiary reported that, as a result of the use of this equipment, 228 242 smuggled cigarettes were confiscated, representing EUR 9 000 in unpaid VAT and EUR 35 000 in unpaid excise duty.

The **German Ministry of Finance** purchased 3 mobile x-ray scanners in 2012. The ongoing use of the scanners in 2014 led to the seizure of 56.50 kg of smuggled tobacco, 6 005 860 cigarettes, 588 litres of fuel and 129 kg of amphetamines.

The Romanian Arad County Police Inspectorate coordinated between February and April 2014 an action entitled 'PRO-JET-Development of a professional law enforcement network in Romania, Hungary, Serbia and Bulgaria, involved in the fight against cigarette smuggling and counterfeiting'. It involved on-the-spot checks at border crossing points along the Romanian border, organisation of seminars, working groups as well as the publication of a handbook on preventing and combating cigarette smuggling. The results of a survey among the participants indicated that they had acquired knowledge and awareness on the following issues:

- The national legal framework for protection of the Union's financial interests and the fight against cigarette smuggling and counterfeiting as implemented in the four countries participating in the project (Bulgaria, Hungary, Romania and Serbia);
- Possibilities for combating smuggling at the south-west border of Romania; and
- Inter-institutional cooperation between the Romanian police and other law enforcement agencies.

The training also gave the participants an opportunity to exchange experiences and best practices related to protection of the Union's financial interests and the fight against cigarette smuggling and counterfeiting.

The **Financial Directorate of the Slovak Republic** organised between April and June 2014 several seminars on the subject of 'Fight against smuggling of cigarettes and illegal tobacco production'. The five-day seminars were organised for customs officers from different organisational units of the Slovak financial administration, working in the area focused on fighting against cigarette smuggling and illegal tobacco production. The objectives of the

³⁴ Article 1(2)(e) of Decision 804/2004/EC.

³⁵ COM(2013) 324 final of 6 June 2013: Stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products – A comprehensive EU strategy.

project were to:

- make officers from the Slovak Custom Administration more efficient in detecting customs fraud in the area of cigarette and tobacco smuggling and counterfeiting;
- improve knowledge of procedures and legislation in the fight against cigarette smuggling and illegal tobacco production by exchanging information and experiences in this field.

19th Task Group Cigarettes Conference organised by OLAF in October 2014 in Prague brought together customs and law enforcement officials from all the Member States, candidate countries, third countries and international organisations. Through this type of event the Member States are encouraged to improve operational cooperation by sharing analytical information and intelligence among their customs authorities and relevant EU institutions, bodies, agencies and competent offices.

3.5 Enhancing the degree of development of the specific legal and judicial protection of the financial interests of the Union against fraud by promoting comparative law analysis³⁶

This operational objective is mainly achieved through legal training grants that are awarded to comparative law studies, legal conferences and seminars and publications. The conferences are attended by prosecutors, lawyers, investigators, police officers, academics, researchers and national civil servants, as well as officials of the EU institutions. The purpose of these conferences and seminars is to promote the dissemination of legal information on the latest developments in the area of fraud prevention and the fight against fraud, and they constitute a good forum for discussion of future legislative solutions in the field of protection of the EU's financial interests. The Programme has continued funding the publication of 'eucrim – The European Criminal Law Associations' Forum, which was published four times in 2014 by the German Max Planck Institute. The following subjects were addressed: current developments in the protection of the EU's financial interests and the activities of OLAF, the latest developments in relation to EU criminal policy, threats to the EU internal market and VAT fraud, as well as judicial control in the EU. It has a print run of 2000 copies, which are distributed free of charge to universities, libraries, courts, law enforcement authorities and individual subscribers. The publication is also available on the internet³⁷.

The Hague University of Applied Sciences organised a seminar on '**Negotiated settlements for corruption offences: A European perspective**', which took place in May 2014 in the Hague, the Netherlands. The key objective of the seminar was to identify and assess laws and initiatives of selected European jurisdictions in order to determine areas of commonality, differences and scope for harmonisation with regard to negotiated settlements for corruption offences. The seminar also sought to draw up a roadmap of key issues that need to be addressed with regard to a European perspective on negotiated settlements. Researchers and experts from eight European countries assessed the prospects of negotiated settlements as a strategy in the fight against corruption. The country reports produced from this exercise provided a clear and comparative viewpoint of the regulatory and enforcement mechanisms regarding international corruption across the selected jurisdictions. The participants were very satisfied about the quality and the relevance of this seminar. The seminar proceedings as well as a book entitled '**Negotiated Settlements for Corruption**

³⁶ Article 1a (b) (vii) of Decision 804/2004/EC.
³⁷ eucrim.mpicc.de/

Offences: A European Perspective' (edited by Dr Abiola Makinwa, Eleven International Publishing) make a useful contribution to the growing discussion about a European perspective on the issue of negotiated settlements as well as to OLAF's activities in this area.

The **ESADE Foundation – University Ramon Llull** conducted a comparative law study on 'Avoiding Fraud in Cohesion Policy 2014-2020: a comparative study on the correct observance and implementation of the public procurement EU regulations by managing and contracting authorities'. This led to:

- a comparative law study dealing with fraud in public procurement of ERDF and Cohesion Fund projects within different operational programmes 2007-2013 with an analysis of different practices in four Member States (Spain, Italy, Germany and Poland);
- a one-day seminar for presenting and discussing the results of the comparative study structured through round tables with speakers from universities, managing and certifying authorities, national institutions and beneficiaries.

The results can be found on the action's dedicated webpage: <http://www.esade.edu/research-webs/eng/igdp/debate/fraud-prevention>

4. Communication

Successful implementation of the Programme required the development of a structured way to inform potential beneficiaries of funding opportunities, and to provide answers to questions from (potential) beneficiaries by means of four different functional email boxes³⁸. Moreover, the Commission is required³⁹ to disseminate information on the achievements and the results of the actions that receive funding.

4.1 Informing potential applicants

Notices concerning the launch of calls for proposals were published in the Official Journal⁴⁰ and the full texts of the documents were made available on the Commission's website⁴¹. The professional networks were actively informed. Potential applicants were also informed via e-mails sent to the members of the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF), the OLAF Anti-Fraud Communicators Network (OAFCN) and European Judicial Training Network (EJTN). The training call was also published in the news section of the e-Justice portal.

4.2 Dissemination of results

The dissemination of results achieved under the Hercule Programme, in particular technical assistance, is rather sensitive as most of the achievements relate to investigations for which information cannot be disclosed. Electronic and/or paper reports summarising the training activities were distributed. Some beneficiaries posted the training materials on their websites or created a dedicated website.

³⁸ The four functional mailboxes consist of a general e-mailbox for the Hercule III programme and dedicated email boxes for Technical Assistance, Anti-fraud Training and Legal Training.

³⁹ Article 13(1) of Regulation 250/2014: *The Commission shall on an ongoing basis disseminate, including on relevant websites, the results of the activities supported under the Programme to increase transparency on the use of the funds*.

⁴⁰ OJ C 227 of 17 July 2014, p. 11.

⁴¹ http://ec.europa.eu/anti_fraud/about-us/funding/index_en.htm.

4.3 Publicity

All beneficiaries of grants for training activities were requested to mention the support from the Hercule III Programme:

- in every publication (title page) or related material (e.g. studies, booklets, newsletters, leaflets);
- in electronic information (e.g. websites, audio-visual material, videos, software);
- at information events (conferences, seminars);
- via a link from their website to the Hercule III Programme's site.

The Commission continued making improvements to the website giving information on the Hercule Programmes. Beneficiaries of technical assistance grants were only required to mention the Hercule support in their reports and any other document or press release that reported on the results. There is no need to include a reference to Hercule funding on equipment purchased with a grant, in particular if this might endanger operations or investigations.

5. Feedback from participants

As indicated in section 3.1, beneficiaries of grants for conferences have to carry out surveys among the participants to collect information on the perceived quality and relevance of the event. The total number of participants at the events in 2014 was almost 1700, who were all requested to fill in an evaluation form with questions on the event's relevance for their professional activities, the quality of the organisation and the speakers or the venue and other issues. The Commission received 1 401 questionnaires (83 % response rate) expressing a high rate of satisfaction: more than 95 % of the participants considered the event good or excellent. The feedback also confirmed that the events were attended, in general, by an audience as targeted by the organisers. Moreover, the informal feedback collected by Commission staff attending the events as well as the qualitative comments made in the evaluation forms helped in identifying areas for improvement, such as conference logistics, prior information on cancellations or the requirement for trainers to have the necessary pedagogical, linguistic and cross-cultural skills.

6. Conclusions and way forward

As described above, the implementation of the Programme in 2014 and the results reported by the beneficiaries of grants were overall successful. Improved reporting of the results has led to a better understanding of the impact of the EU's interventions and greater transparency. The reporting demonstrates the existence of a link between the actions undertaken within the Programme and the protection of the EU's financial interests, though the modest size of the Programme should be taken into account in this respect. The revised reporting requirements were introduced two years ago and are now starting to produce interesting findings on the achievements of the Programme, in particular in the technical assistance area. These findings tie in with the main results of the external evaluation carried out by an independent evaluator in 2014, which was the input for the Commission's report⁴² on the achievement of the objectives of the Hercule II Programme (2007-2013). For 2015, the Commission will aim at further enhancing the quality of reporting on the Programme and it will also simplify and streamline, as far as possible, the administrative procedures that applicants and grant beneficiaries have to comply with to secure funding under the Programme.

⁴² COM(2015) 221 final of 27 May 2015.

Annex 1: Grants and contracts awarded and finalised in 2014

Table 1 — Technical Assistance grants awarded in 2014

	MS	Beneficiary	Subject	Total Awarded in Euro	Co-fin %
1	LT	Lithuanian customs	Joint ANPRS Baltic States	2 222 560	80
2	FR	French customs -Paris	Tracking services	115 072	80
3	ES	Guardia Civil – Border command	Sniffer dogs	233 527	80
4	FR	French customs -Marseille	Laboratory equipment	104 000	80
5	BG	Bulgarian customs	x-ray scanners	1 467 224	80
6	FR	French customs - Tourcoing	Sniffer dogs	38 777	80
7	LT	FCIS Lithuania	Investigation equipment	46 336	80
8	PL	Polish customs	Backscatter scanner	852 800	80
9	MT	Maltese customs	Backscatter scanner	584 000	80
10	ES	Guardia Civil	IMSI Catcher	330 578	80
11	FR	French customs – Martinique	x-ray scanner	100 167	80
12	SE	Swedish customs	ANPRS	224 000	80
13	NL	FIOD Netherlands	Scanner	261 180	80
14	FR	French customs – Montreuil	ANPRS	209 598	80
15	BG	Bulgarian Home Office	Intelligence equipment purchase	284 442	80
16	RO	Bistrita County Police	Cameras	64 681	80
17	PL	Polish customs	Forensic software & equipment	184 466	80
18	LV	KNAB Latvia	Forensic software & equipment	186 411	80
19	BE	Belgian customs	Forensic equipment	42 520	80
20	EL	Greek customs	Destruction of seizures	200 000	80
21	PT	Portuguese Judicial Police	Forensic software & equipment	931 017	80
Total				8 683 354	80

Table 2 — Technical Assistance grants finalised in 2014

	MS	Beneficiary	Subject	Amount paid	% grant to total cost
1	PL	Ministry of Finance, Treasury Intelligence Department	Modernisation of technical equipment	78 097	49
2	HU	National Tax and Customs Administration	Strengthening the eastern border section of Hungary	302 620	50
3	PL	Customs Chamber in Olsztyn	Procurement of operational equipment (x-ray scanner, video endoscope)	42 730	50
4	DE	Bundeskriminalamt – BKA	Purchase of technical equipment	72 000	46
5	FR	French Customs Laboratories	Lutte contre la contrefaçon et la contrefaçon des cigarettes	94 871	30
6	RO	National Anti-Corruption Directorate within the Office of the General Prosecutor	Surveillance equipment	43 679	46
7	FI	Helsinki Police Department	Technical equipment for strengthening the investigational capacity of the Helsinki Police	115 619	48
8	IE	Irish Tax and Customs, Office of the Revenue Commissioners	Mobile x-ray inspections van	95 000	49
9	ES	Dirección general de la policía y de la Guardia Civil	Technical equipment	162 053	50

10	EE	Estonian Tax and Customs Board	Monitoring device for GSM communications	87 225	50
11	RO	General Inspectorate of the Romanian Police	Strengthening the operational capacity for fighting cross-border criminal economic activities	250 000	50
12	LU	Unité Spéciale de la Police Grand-Ducale	Technical tracking and observation equipment	38 427	50
13	LV	Latvian State Revenue Service	Purchase of a fuel unloading system	58 800	50
14	ES	Dirección general de la Policía y de la Guardia Civil	Purchase of technical equipment	210 730	50
15	RO	National Anti-Corruption Directorate (DNA) within the Office of the General Prosecutor	Technical support in fighting corruption	80 048	50
16	BE	Belgian Federal Police	Investigation support	104 424	49
17	HU	National Protective Service	Investigational capacity enhancement in the field of the fight against corruption.	18 073	48
18	IT	Guardia di Finanza	Investigation tools for the prevention of cigarette smuggling in the EU	349 472	48
19	RO	Anti-Corruption General Directorate	Support for implementing the provisions of the National Action Plan for preventing and countering tax evasion	108 340	50
20	LV	State Border Guard of the Republic of Latvia	Sniffer dogs	12 747	50
21	ES	AEAT – Spanish Customs)	Purchase of technical equipment	160 875	50
22	IT	Guardia di Finanza	Mobile forensics tools in the fight against fraud	224 811	50
23	EL	Greek Ministry of Citizen Protection	Investigation support equipment	54 332	49
24	SK	Financial Directorate of the Slovak Republic	Technical equipment used by the Slovak Customs in the fight against cigarette smuggling	56 350	49
25	IE	Office of the Revenue Commissioners, Investigations & Prosecutions Division	x-ray scanners	45 000	50
26	BE	Service Public Fédéral Finances	Assistance technique d'aide à l'enquête	15 578	49
27	PL	Regional Police Headquarters Lublin (KWP)	Investigation support equipment	80 000	44
28	BE	Belgian Federal Ministry of Finance – Belgian Customs	Assistance technique d'aide à l'enquête	26 916	50
29	CZ	General Directors of Customs - GDC	Special audio tool for investigation	78 097	49
30	HU	Special Service for National Security – SSNS	Investigation support and technical equipment	259 100	37
31	ES	Spanish Customs	Giro-stabilised night and day vision system	393 500	50
32	HU	Special Service for National Security – SSNS	Equipment for the fight against smuggling and counterfeiting of tobacco products in Hungary	389 877	31
33	NL	Netherlands Police Agency	Special equipment for improving fraud evidence-gathering abilities	43 464	50
34	BE	Belgian Customs and Excise Administration	Scanners	547 315	49
35	EE	Estonian Police and Border Guard Board – Central Criminal Police	Technical support for detecting the presence of cigarettes and	174 000	50

			tobacco		
36	LT	Special investigation service of the Republic of Lithuania	Special investigation tools	80 513	49
37	PL	Central Anti-corruption Bureau, Warsaw	Purchase of digital radio-communication equipment and development of technical security countermeasures.	41 736	50
38	IE	Central Intelligence & Drugs Enforcement, Revenue, IPD – Irish Customs	Enhanced tobacco detection capability – Sniffer dogs	12 151	50
39	HU	National Tax and Customs Administration (NTCA)	Equipment to fight against fraud and cigarette smuggling	211 943	50
40	DE	GSG9 der Bundespolizei	Technical equipment to monitor persons and vehicles	108 698	48
41	FI	Finnish Customs – Tulli – Enforcement department, Control Unit	Mobile x-ray scanner	734 507	50
42	DE	Bundeskriminalamt (BKA) Meckenheim	Investigation support equipment	80 371	50
43	LT	Lithuanian Customs Criminal Service	Special technical equipment for facilitating investigations	117 151	50
44	PL	Central Bureau of Investigation – Warsaw	Electronic surveillance equipment and training to detect illicit consignments of tobacco products	399 641	50
Total				6 660 881	48

Table 3 — Databases that were contracted under the Hercule III budget in 2014

	Name	Content	Total Price in Euro
1	CTI	<i>China Trade Information: Detailed shipments of Chinese imports and exports</i>	59 960*
2	NTELX	Information on ship manifests	732 000
3	GTI	Global Trade Information Services	200 000
4	GRS	Global Reference Solution: contains basic company information from all over the world and gives information on links between companies	575 000
	D&B reporting system	Dun & Bradstreet: Financial details of companies all over the world	
5	SEASEARCHER	Information on vessels and vessel movements	249 480
Total committed under 2014 budget			1 756 480

* The CTI subscription for 2014 was already committed in 2013 under the Hercule II budget and is not included in the total.

Table 4 — Training grants awarded in 2014

	MS	Beneficiary	Subject	Commitments in Euro	Co-fin %
1	RO	Dolj County Police Inspectorate	INTACT-INcreasing the Awareness of law enforcement agencies involved in the fight against smuggling and counterfeiting of tobacco products in Romania, Hungary, Bulgaria	68 696	80
2	LT	The Financial Crime Investigation Service (FCIS)	Towards more effective cross-border cooperation against fraud affecting the EU's financial interests	10 733	77
3	IT	Istituto Europeo per lo Sviluppo Socio Economico	EU-funded actions: rules, laws and best practice sharing in the field of fraud prevention	76 347.	80
4	HU	National Tax and Customs Administration of Hungary	Enhancing international cooperation between the partner authorities involved to strengthen the fight against infringements affecting the financial interests of the EU on the EU's external and internal borders	45 759	80
5	RO	National Anticorruption Directorate within the Prosecutor's Office attached to the High Court of Cassation and Justice	Fraud in respect of EU revenue by simulated customs operations - typologies and methods of investigation	29 674	80
6	SK	Financial Directorate of the Slovak Republic	Training focused on detection of smuggled and counterfeited tobacco products in air, land and maritime container transport	61 500	80
7	IT	Agenzia Veneta per i Pagamenti in Agricoltura - Avepa	A new leaf - Agricultural networking exchanging witnesses and leading experiences	118 381	80
8	CZ	Oživení, o.s.	Whistleblowing: The way to protect the financial interests of the EU	43 722	80
9	BG	National Revenue Agency (NRA)	Increasing NRA's administrative capacity in preventing and investigating	46 014	80
10	LV	State Revenue Service of the Republic of Latvia	Seminar on detection and prevention of VAT fraud	24 353	80
11	RO	Freedom House Romania	Better legal protection of the EU's financial interests in Romanian public procurement	69 030	80
12	PL	Provincial Police Headquarters in Gdańsk	Identifying illegal production and distribution of excise goods	27 778	80
Total				621 986	80

Table 5 — Procured conferences organised by the Commission in 2014

	Dates	Conference Title	Location	No of participants	Amount paid in Euro
1	6-9 October 2014	19th Task Group Cigarettes Conference	Prague, Czech Republic	93	150 809
<u>Objectives:</u> To strengthen international cooperation and coordination in the EU and with third countries through comparison and discussion of the most salient issues and most important criticalities and by exchange of best practices.					
2	13-14 October 2014	Operational Aspects of Fighting Fraud in Structural Funds	Rome, Italy	80	125 284
<u>Objectives:</u> Sharing best practice on the implementation of anti-fraud measures; Presenting to Member States challenges on Structural Funds fraud; Promoting cooperation between OLAF and Member States; Promoting cooperation between administrative, law enforcement and judicial authorities in the Member States and at EU level; Describing success stories and offering support in facing difficulties.					
3	26-28 October 2014	12 th OLAF Conference of Fraud Prosecutors	Rome, Italy	127	168 533
<u>Objectives:</u> To discuss with practitioners from all Member States the currently negotiated proposal for the establishment of a European Public Prosecutor's Office (EPPO). The EPPO file is a priority for the Commission and OLAF; once established, the EPPO could have a major impact on OLAF's future competences and structure.					
4	24-26 September 2014	AFCOS Training Conference	Sofia, Bulgaria	60	63 772
<u>Objectives:</u> The main objectives of the conference were: to bring together AFCOS and other relevant authorities' representatives from the candidate countries, potential candidate countries and some of the Member States; to present the work of OLAF and AFCOS, their cooperation; to discuss challenges relevant to mutual cooperation; to share best practices and experience in the areas of protection of the EU's financial interests and fight against fraud, which are especially important to countries joining the EU (e.g. functioning of AFCOS, investigative cooperation, preparation of anti-fraud strategy, irregularity reporting).					
5	9-11 December 2014	Regional Workshop on the Implementation of the FCTC Protocol	Naypyitaw, Myanmar	50	97 352
<u>Objectives:</u> To promote the entry into force of the Framework Convention Tobacco Control (FCTC) Protocol; To exchange views and information on ways to implement the Protocol after its entry into force.					
6	27 June 2014	Debriefing meeting JCO Ermis	Athens, Greece	38	37 338
<u>Objectives:</u> Drawing up of recommendations on specific actions; exchange of information, best practices and anti-fraud methods, techniques and modus operandi; Improvement of operational cooperation between the Commission (OLAF) and its partners.					
7	4-5 September 2014	Debriefing meeting JCO Snake	Brussels, Belgium	47	48 874
<u>Objectives:</u> Drawing up of recommendations on specific actions; exchange of information, best practices and anti-fraud methods, techniques and modus operandi; Improvement of operational cooperation between the Commission (OLAF) and its partners and the drafting of a final report.					
8	4 December 2014	Debriefing meeting JCO Athena IV	Riga, Latvia	32	22 091
<u>Objectives:</u> Drawing up of recommendations on specific actions; exchange of information, best practices and anti-fraud methods, techniques and modus operandi; Improvement of operational cooperation between the Commission (OLAF) and its partners and the drafting of a final report.					
9	2-3 October 2014	Debriefing meeting JCO Replica	Brussels, Belgium	60	92 022
<u>Objectives:</u> Drawing up of recommendations on specific actions; exchange of information, best practices and anti-fraud methods, techniques and modus operandi; Improvement of operational cooperation between the Commission (OLAF) and its partners and the drafting of a final report.					
Total				587	806 075

Table 6 — Training grants finalised in 2014

	MS	Beneficiary	Title	Participants	Total paid	Grant %
1	DE	The Chief Public Prosecutor	European Public Prosecutor's Office – Protection of the EU's financial interests – Jan 2014, Munich	93	94 064	80
2	BE	Institute for Judiciary Training	Case management and the use of EU legislation/tools: Key components in the fight against financial crime – May 2014, Brussels	65	75 051	76
3	RO	Arad County Police Inspectorate	PRO-NET- Development of a professional law enforcement network in Romania, Hungary, Serbia and Bulgaria, involved in the fight against cigarette smuggling and counterfeiting – Dec 2013/ Feb 2014/Apr 2014, Arad	120	56 120	80
4	RO	Neamt County Police Inspectorate	Seminar on Countering Tobacco Smuggling and Counterfeit Goods - March 2014, Piatra Neamt	125	16 941	79
5	HU	National Development Agency	Comprehensive as well as practical training sessions for Balkan countries and Turkey in the field of public procurement control in order to further strengthen the capacities of ex-ante and in-built controls for detecting and eliminating possible irregularities and fraud cases - July-Aug. 2014	168	146 344	80
6	PL	Province Police Headquarters in Olsztyn	Protecting the European Union's financial interests through acquisition of practical skills in identifying illegal production and distribution of tobacco, spirits and pharmaceuticals, and collaboration between services - June 2014, Mikolajki	127	37 502	67
7	HU	Transparency International	Safeguarding EU funds against fraud & corruption through the civil control mechanism of Integrity Pacts - Nov 2013, Budapest	41	46 114	80
8	RO	Center for Independent Journalism	Monitoring the spending of publicity budgets of the EU-funded projects – the Romanian experience - June 2014, Bucharest	60	40 265	79
9	PL	Provincial Police HQ Gdańsk	Pomeranian Police Protecting the European Union's financial interests – May 2014, Gdansk	200	51 512	80
10	EE	Estonian Tax and Customs Board	Training on interpretation of the images generated on the scanning devices – May 2014, LV/EE	40	23 203	80
11	BG	C.R.E.A.M. Bulgaria	Balkan forum for the promotion of public-private partnerships as an anti-corruption instrument – Dec 2013, Sofia	116	41 983	80
12	BG	National Customs Agency	Strengthening the capability of Bulgarian customs authorities to fight customs fraud with a project on combating customs-related illegal activities through the Internet – Nov 2013, FR/ DE/CZ study visits	14	14 993	80
13	SK	Financial Directorate of the Slovak Republic	Fight against smuggling of cigarettes and illegal tobacco production seminar – April-June 2014, Vysoka Tatry	84	37 665	79
14	IT	Agenzia delle Dogane e dei Monopoli	Cooperation and strategy to fight against illicit trafficking of counterfeit cigarettes and medicines in the Western Balkans, Mediterranean Region, Eastern neighbouring countries, Turkey and Italy – Feb-July 2014, Bucharest, Zagreb, Brussels	64	179 145	80
15	HR	Partnership for Social Development	Cross-Country Legal and Institutional Framework for Suppression of Fraud in Public Procurement	142	48 260	80
16	IT	Corte dei conti - Seminario di formazione permanente	Seminar and training activities aimed at exchanging professional experiences amongst the Courts of Audit of France, Greece, Italy, Portugal and Spain and the EU institutions in the prevention of and fight against fraud and other irregularities affecting the EU's financial interests – March 2014, Rome	179	56 978	64
Total				1 638	966 140	78

Table 7 — Legal Training & Studies grants awarded in 2014

	MS	Beneficiary	Subject	Commitments in Euro	Co-fin %
1	DE	European Law Academy (ERA)	Annual Forum on Combating Corruption in the EU 2015: Freezing, Confiscation and Handing over of Proceeds of Crime	54 358	80
2	RO	Association Institute for Public Policy (IPP)	Effective coordination of control systems for preventing fraud with Structural Funds in new EU Member States	41 443	79
3	DE	Max Planck Society for the Advancement of Science	euocrim: The European Criminal Law Associations' Forum - periodical on the protection of the EU's financial interests	64 315	80
4	IT	University of Bologna - European School of Advanced Fiscal Studies	Criminal and Administrative Investigations in the field of VAT and Customs Duties. From National Practices to an EU Integrated System of Information and Evidence Exchange	59 242	78
5	IT	Fondazione Lelio e Lisli Basso - ISSOCO	EPPO and OLAF investigations: the judicial review and procedural guarantees	78 147	80
6	HR	Croatian Association Of European Criminal Law	European criminal procedure law serving to protect the EU's financial interests: State of play And challenges	87 631	90
7	PL	European Law Research Association (ELRA)	Interactions between the EPPO and national authorities	50 990	90
8	IT	University of Ferrara	Relationships between national judicial authorities and investigative agencies in view of the EPPO: operational models and best practices in the fight against EU fraud	59 542	78
Total				495 668	82

Table 8 — Legal grants finalised in 2014

	MS	Beneficiary	Title	No of part.	Total paid	Co-fin %
1	DE	Max Planck Institute	Euocrim - the European Criminal Law Associations' Forum – 4 issues/year	N/A	49 033	78
2	IT	Fondazione Lelio e Lisli Basso	Protecting fundamental and procedural rights - from the investigation of OLAF to the future EPPO' – June 2013, Rome	106	69 412	90
3	IT	Centro di Diritto Penale Catania	The challenges of setting up a European Public Prosecutor's Office: definition of common rules and their impact on internal legal systems – June 2013, Catania	140	75 853	87
4	BG	Center for the Study of Democracy	EU's financial interests under threat: New approaches in assessing the risk from fraud and corruption – May 2013	60	23 059	80
5	AT	Austrian Association for the European Criminal Law	New challenges for anti-corruption measures and for protection of the EU's financial interests (and the annual meeting of Presidents of the Associations) – May 2014, Vienna, Laxenburg	99	47 447	83
6	DE	Academy of European Law, Trier	Annual forum on combating corruption in the EU 2014: new prevention and investigation techniques – Feb 2014	67	46 824	89
7	ES	Galician School of Public Administration	Seminar on the administrative transparency and protection of the financial interests of the European Union in the Galicia-North Portugal Euro region – March 2014, Santiago de Compostela	115	20 686	90
8	IE	Irish Centre for European Law	Prospects for criminal law at EU level in relation to the protection of the EU's financial interests – March 2014, Dublin	53	27 650	90
9	IT	Centro Studi di Diritto Penale Europeo	The acquisition of evidence and defence guarantees in crimes against the financial interests of the European Union - Jan 2014, Milano	200	33 559	90
Total				840	393 523	86