

21st OAFCN Meeting Minutes, 11th May, 2012

1. Welcome Note

Johan Wullt (JW) presented himself as the new Chairman of OAFCN and welcomed current and new members to the network. He gave a brief history of OAFCN, from its founding father, Alessandro Butticé, to his predecessor, Pavel Borkovec, who launched several initiatives in the past 2 years. He drew attention to the need to put motives into action, especially due to current budgetary constraints.

2. Adoption of the Agenda: The agenda was adopted without amendments.

3. Approval of the minutes from 20th OAFCN Meeting: The minutes were approved without amendment.

4. OLAF New Structure and Procedures

JW welcomed OLAF Director-General's Assistant, Charlotte Arwidi (CA) and gave the floor to her. After apologising for Mr Kessler's absence, she explained that OLAF was reorganised because it had an inadequate organisational structure. She explained that the 'OLAF Manual' had been simplified to concise 'Instructions to Staff on Investigative Procedures'. Two reports from the Court of Auditors (2005/2011) were taken into account. CA presented figures on staff allocation, commenting that there will most likely be a 1% reduction in staff numbers each year, in OLAF as in other Commission services, but that the number of investigators had increased as a result of the reorganisation. She stated that there should be a shortening of the duration of investigations, not least due to the simplified procedures within OLAF. She then introduced OLAF's Investigation Policy Priorities, which are helping to improve the efficiency and effectiveness of the case selection procedure. She clarified that there are no longer dedicated units within OLAF to do the monitoring of the implementation of the recommendations of the Office and that this task is now integrated into the work of the investigative units. She outlined OLAF's role in anti-fraud policy work, stating that it is now clearer thanks to the Commission's Anti-Fraud Strategy of last year. CA stressed the importance of communication and the necessity of the OAFCN network to convey important messages to all Member States.

To Mario Debono's (IAID, MT) question on who would be responsible for the recovery of unspent money and the follow-up in cases related to Agricultural funds, CA replied that it would be the responsibility of Member States and DG AGRI, although OLAF would still be monitoring.

5. The European Commission's Anti-Fraud Strategy

JW introduced and gave the floor to Corinna Ulrich (CU), from Commissioner Semeta's Cabinet. CU explained the need for a Commission Anti-Fraud Strategy (CAFS - COM(2011)376) and the costs of fraud and irregularities, which endanger the efficiency of EU policies and the image of the European project. She presented the 3 CAFS' priorities: adequate anti-fraud provisions in the proposals for spending programmes under the next multi-annual financial framework; sectoral anti-fraud strategies (at DG level) and revision of public procurement directives. The spending programmes and with them the anti-fraud clause are currently under discussion in the Council/Parliament. CU outlined the Commission's internal anti-fraud Action Plan (AP) for the implementation of the CAFS which covers the whole spending cycle, from fraud prevention and awareness-raising before any money is spent, to detection and investigation once there are indications that fraud has taken place despite these preventive measures. She added that there are different levels of reporting; first at DG level (in the context of Annual Management Plans and Annual Activity Reports) and then at Commission level, through the annual Article 325 (PIF) report. CU pointed out last year's progress in the coordination, by OLAF, of Joint Customs Operations (JCOs) in Eastern Europe and actions financed by the Hercule programme.

To David Jones', (Serious Fraud Office, UK - DJ) question on the current UK economic crime rate (€478 million fraud on the EU budget) and on better ways of collecting data, CU replied

that the figures are heavily dependent on the accuracy of MS' data collection/quality controls and that this can be improved through agreed standards on reporting; she added that this matter will be reflected in the new PIF report. In reply to Wolfgang Schmitz (Zollkriminalamt, DE - WS) who asked about any communication plan within the new strategy in order to reach the public at national level, CU explained there is not a specific plan as this is DG Communication's task. However, the OAFCN's help and support in communicating the objectives and the content of the CAFS at national level would be very much welcome. JW outlined that DG COMM chooses issues on which the Commission should communicate, adding that OLAF can independently choose to communicate on any other important issues, in cooperation with the Cabinet.

6. 11th OAFCN Training Seminar Evaluation and Follow-Up

JW thanked all involved in the last Berlin seminar, especially the Advisory Board, stressing that the network should continue to be very active, as in Berlin. He congratulated again WS for successfully co-hosting the Berlin Seminar. Despite the low reply rate to the evaluation questionnaire, JW concluded that the large majority of responses were positive, notably as to the success of the workshops. He suggested that the network should become even more interactive with even closer contacts throughout the year.

7. The protection of the EU's financial interests in the Republic of Croatia

JW introduced Ivana Ramljak, (Ministry of Finance, HR - IR), who outlined the AFCOS role in protecting the EU financial interests in Croatia. She presented the irregularity reporting system and the role of both the AFCOS network and the Independent Service for combating irregularities and fraud. IR presented the Croatian National Anti-Fraud Strategy for 2010-2012 adopted in January 2010 by the Government of Croatia and the communication strategy adopted in October the same year. She then informed the network about the communication strategy and activities in Croatia, stressing the importance to gain the public's attention.

8. The OAFCN Advisory Board

David Jones (DJ) introduced the Advisory Board (AB) and recalled its origins and the need to review and refresh the role and purpose of the Network, also referring to Mr Kessler's demand to have an internal review of the OAFCN in order to achieve more concrete results. DJ welcomed OLAF and PB's good initiative to have a "management assistance group" to assist OLAF, exemplifying this with the success of the Berlin seminar, where the contribution from the AB had been crucial and helped a lot in stimulating the cooperation within the OAFCN and contributions from its members.

JW explained that the current members of the AB agreed that a 1 year membership is too short and therefore he proposed for those already a part to continue; he additionally asked the floor if any other members would like to join. Joannes Thuy (Eurojust - JT) also stressed the need to have 'fresher' minds and input.

Michael Cassar (Police, MT) agreed that the mandate is too short and that interrupting it would mean losing the current members' experience.

In reply to Sabina Langus Boc (SLB)'s question about the logistics of being an AB member, JW recalled that the role would mainly entail a few conference calls and 1-2 additional meetings, adding that OLAF would pay for the expenses. He then proposed a show of hands to vote for/against keeping the same AB, but the results were unclear.

Martina Köger (Federal Bureau of Anti-Corruption, Austria) suggested to keep the current AB and to add two new faces, possibly women for a best gender balance. She proposed to nominate Dorota Kwiecinska (Ministry of Finance, PL - DK), who was honoured to accept the role. Irena Kure (Ministry of Finance, SI), suggested Michael Cassar (MC) who confirmed as well his willingness to participate. Sabina Langus Boc (SLB) also volunteered to join the AB. JW welcomed the 3 new volunteers and proposed to temporarily extend the AB to 9 people until next year. This proposal was unanimously approved by the Network.

9. OAFCN Action Plan for 2012

Gian Luca Berruti, Italy (GLB) stressed that the Network needs to put thoughts into action, to put the previous discussions into a concrete initiative. He suggested a structured "Media Campaign", with press conferences held in each country involved, followed by a press review. He also suggested that the next training seminar could take place in Rome. GLB stressed that the AB is not a status, but an individual responsibility within a group.

JW introduced the Action Plan, commencing with the 'Media List': a collated list of journalists specialising in anti-fraud matters which would be used for better networking and liaising. JW opened a *tour de table*. Although the majority found the list useful, several concerns were expressed, notably regarding any specialised press in anti-fraud matters. JW stated there are at least journalists in frequent contact and he urged all members to send a list of these names to the OAFCN mailbox. Everybody agreed to the collation of a list of spokespersons.

JW concluded that the final agreement is to send:

- a list of journalists in frequent contact (optional, for internal use)
- a list of the press officers/spokespersons within the OAFCN member organisations (compulsory, for internal and external use)

He added that OLAF would do all the logistical work and the list should be updated at least once a year.

JW introduced the 'Yearly Press Review', a compilation of articles on anti-fraud activities from all the OAFCN members which would be collected at the end of the year and redistributed as a review in pdf format.

SLB raised concerns over the language of Press Releases. JW replied that OLAF can organise translation of small articles, however it's preferred that documents or at least short summaries are sent in either EN/FR/DE.

JW outlined the 'Image Bank,' and stressed the importance of collecting photos, although he agreed it is easier to find pictures regarding customs operations and smuggling. He showed representative photos of smuggled goods sent by some OAFCN members and he urged the other members to send more photos with a signed copyright. Joannes Thuy (JT –Eurojust) complimentary stressed the importance of collecting photos as they are usually different, depending on cases, and country, and often help a text. JW confirmed Austria's question whether anti-corruption photos would also be included in the project.

JW introduced the 'OAFCN Media Campaign' and he invited the OAFCN members to cooperate with their operational colleagues in order to promote any joint/international operations. The video of the Joint Customs Operation (JCO) *Operation Barrel*, involving 7 different Member States, was shown. Mariusz Koter (MK - Customs service, PL) said they were happy to be involved. JW highlighted that organising joint press releases would be ideal if different Member States are involved in the same JCO. He added that he didn't expect all members to perform all action points within one year, nor all events to happen within the next year. He also clarified that the goal is not to promote OLAF but to jointly communicate results from joint operations, especially JCOs. GLB stressed the need to portray news and publicise the network.

JW introduced the 'Briefing for Journalists', training seminars for journalists in order to educate them on anti-fraud issues so that they could write more accurate articles. He informed the Network about Bulgaria's initiative in preparing a training seminar for journalists in Sofia after the summer break.

JW reflected on 'Yammer', giving a brief description and then reflecting upon previous discussions and references to the extranet on OLAF. He asked the floor their opinions and if it would be worth just using the extranet in the future. Slovenia commented that it is realistic to have another form of communication in addition to the extranet. GLB asked to reflect on the use of Yammer before completely dismissing it for the future, stressing its necessity and the need to be in contact.

10. Adoption of the OAFCN Action Plan for 2012

JW summarised again the following decisions:

1. Media list: OAFCN members to send
 - a list of journalists in frequent contact (optional, for internal use)
 - a list of press officers/spokespersons within the OAFCN member organisations (compulsory, for internal and external use)
2. Yearly press review: OAFCN members to send a list of articles related to anti-fraud issues at the end of the year
3. Anti-fraud image bank: OAFCN members to send photos with a signed copyright, which will in turn once collated be at your disposal.
4. OAFCN media campaign: OAFCN members to think about any joint operation to advertise
5. Briefing for journalists: OAFCN members to think about trying to host one
6. Yammer: to put on hold and to concentrate on the Extranet

The 'OAFCN Action Plan for 2012' was approved without any further comments.

11. OLAF and Forensics techniques

Alex Boone (AB – OLAF, Unit C3) introduced how IT is used to deter fraud, as it is needed to understand certain elements of data (covering email communication, file types and languages). He gave a detailed description of Text Mining, whereby due to so much data IT tools can help reduce, for example, 500,000 cases to 1000. He explained how one discovers tax havens, by discovering new entities and possible new cases in relation to the same fraudster. He described the importance of the evaluation stages, where a different code language found in correspondence between beneficiary and fraudster can identify details of the fraud. He added that Fact Extraction can help discover the type of jargon used in order to detect anomalies and codes, hidden behaviours and identities. He stressed the importance of source data, and the need to spend money on IT resources because fraudsters are not stupid as they equally use high tech methods. The floor was opened.

Mario Debono (IAID, MT) inquired into the IT packages that OLAF use and the length of investigations, to which AB referred to a range of software and their respective costs, and stated that investigations can last one year or longer. Joannes Thuy (JT, Eurojust) asked how OLAF first initiates analysis and if they search proactively for fraud. AB stated that OLAF start investigations based on information provided by Member States and on external reports of suspicion. Dorota Kwiecinska (DK- Ministry of Finance, PL) enquired into the time it takes respectively to solve the case and to gain expertise, to which AB stated that most of his skills have come from (17years) experience and exposure to a variety of cases in addition to training/forensics courses provided by OLAF, adding that an investigator's software is a tool. AB stated that he works in all areas, in reply to WS query. AB confirmed that forensic training is available to other Member States under the Hercule budget.

12. Getting the message across: A successful anti-fraud awareness raising campaign

Dorota Kwiecinska (DK- Ministry of Finance, PL) introduced a successful anti-fraud awareness campaign targeted at citizens and businesses, with the aim to increase the number of legitimate till transactions; by using the slogan 'Take Your Receipt.' DK stressed the power of pictures and national idiom, which was transmitted through postcards, promotional activities and documentation. She stressed that the use of the cartoon was immediately effective at getting the message across without even reading the slogan. DK highlighted the results of commitment and involvement from local governments and businesses. She expressed that as a result of this campaign 20% more taxes were paid, adding that most ideas which were developed in the Berlin seminar (humour, emotion, celebrity participation, visual aids) were included in the campaign. In reply to Isobel Maltby (Taxud)'s question about the benefits for children, DK concluded they wanted to encourage the younger generation for future development, adding that the same information was

presented to children but presented on a more understandable scale compared to that to adults.

13. Deterring fraud and corruption by informing the public: Understanding the various types of cultures first

Mario Debono, Internal Audit & Investigations Dept., Malta (MD) gave a presentation on the importance of understanding the different types of cultures when conveying a message to the public in a more effective and productive way. His presentation was mainly inspired by the book 'Gods of Management – The changing work of organisations' by Mr Charles Handy where 4 types of different cultures are defined: Power/Club Culture (god Zeus); Role Culture (god Apollo); Task Culture (god Athena) and Person/Existential Culture (god Dionysus).

14. Review of OAFCN membership

JW announced that the Commission (Secretariat-General) asked to review the expert groups' rules, namely concerning their composition, functioning and transparency. DGs have been asked to provide information describing how members were selected, and justifications for keeping the current composition or modifying the expert group. Additionally, full transparency on the activities carried out by expert groups will have to be ensured, making public all relevant documents (i.e agendas, minutes and discussion documents), either by publishing them in the Register or by providing a link from the Register to a dedicated website. As a result, JW called on the OAFCN members to help achieve a more coherent and balanced list. OAFCN members are kindly asked to provide any useful information and/or contact to any other national (not regional) authorities in their Member State. He also proposed to cancel from the list any OAFCN members who didn't attend 5 consecutive OAFCN events and/or whose e-mail is no longer working anymore, without notification. No objections were raised by the audience to this proposal.

15. AOB

JW announced that according to an OLAF internal decision, OAFCN training seminars will be biannual and therefore the next one will take place in the first half of 2013; while the next OAFCN regular meeting will take place in Brussels in the last quarter of 2012.

Joannes Thuy (Eurojust) presented a video, celebrating the work of Eurojust, in celebration of their 10th anniversary.

End of meeting