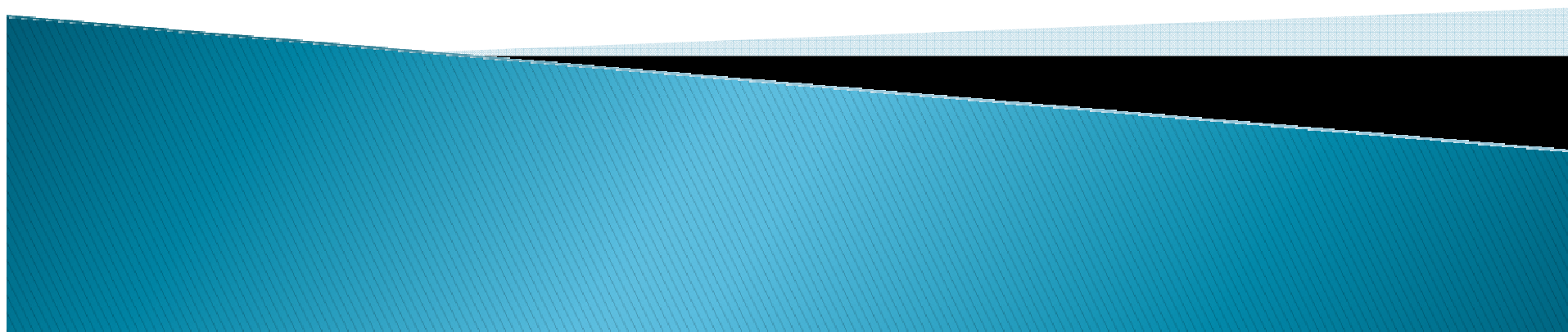


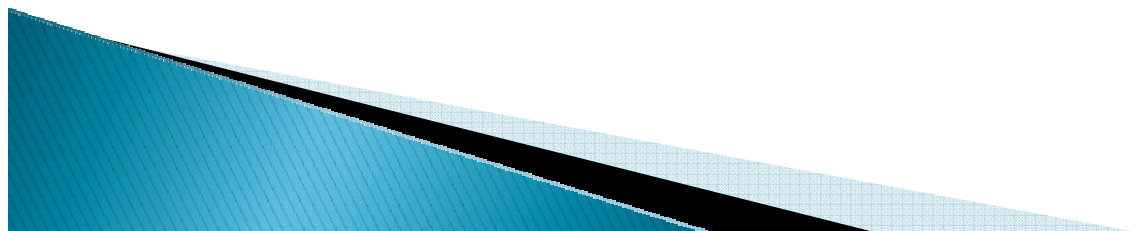
Fight against EU frauds – Polish experience

(On the example of Malopolska Regional
Operational Programme 2007–2013)



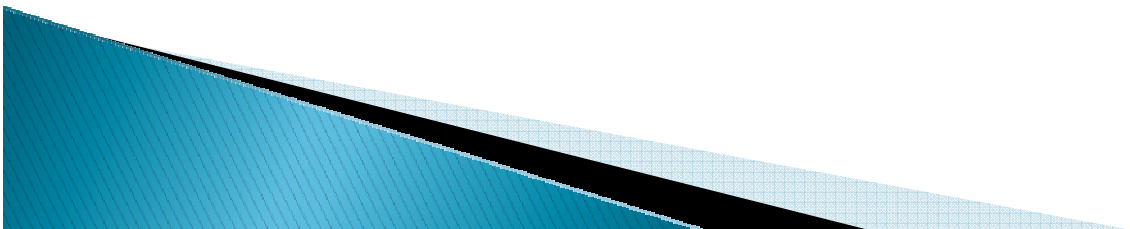
The main reasons of irregularities and frauds

- ❑ Wide definition of irregularity
- ❑ Complicated and not clear law e.g. public procurement law
- ❑ Lack of experience of beneficiaries from the side of the institutional system in case of special projects



Good practises – what we are doing to prevent from irregularities and frauds?

- Preparing information about the most „popular” irregularities
- Data collection and analysis a result of the controls and audits
- Exist proceeding after detection of the irregularity
- The trainings for beneficiaries
- Exist a control list to verifying and qualified that a result of the control are irregularities
- Unit of the Irregularities in Marshal Office (analysis of irregularities, recommendation for system improvements)
- Special regional group periodic meetings (establishing co-operation with the Treasury Control Office and the Police)

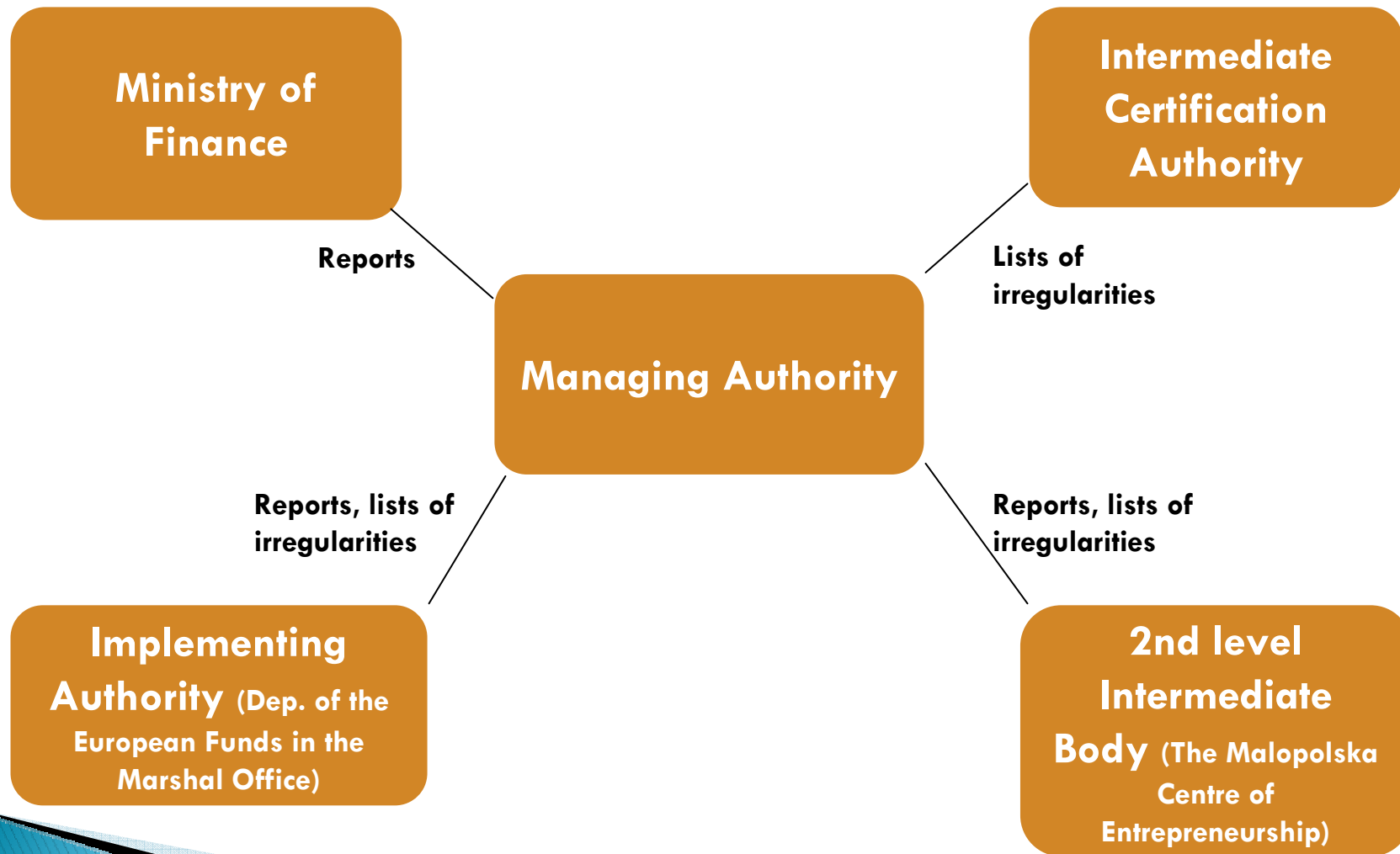


The system of reporting irregularities

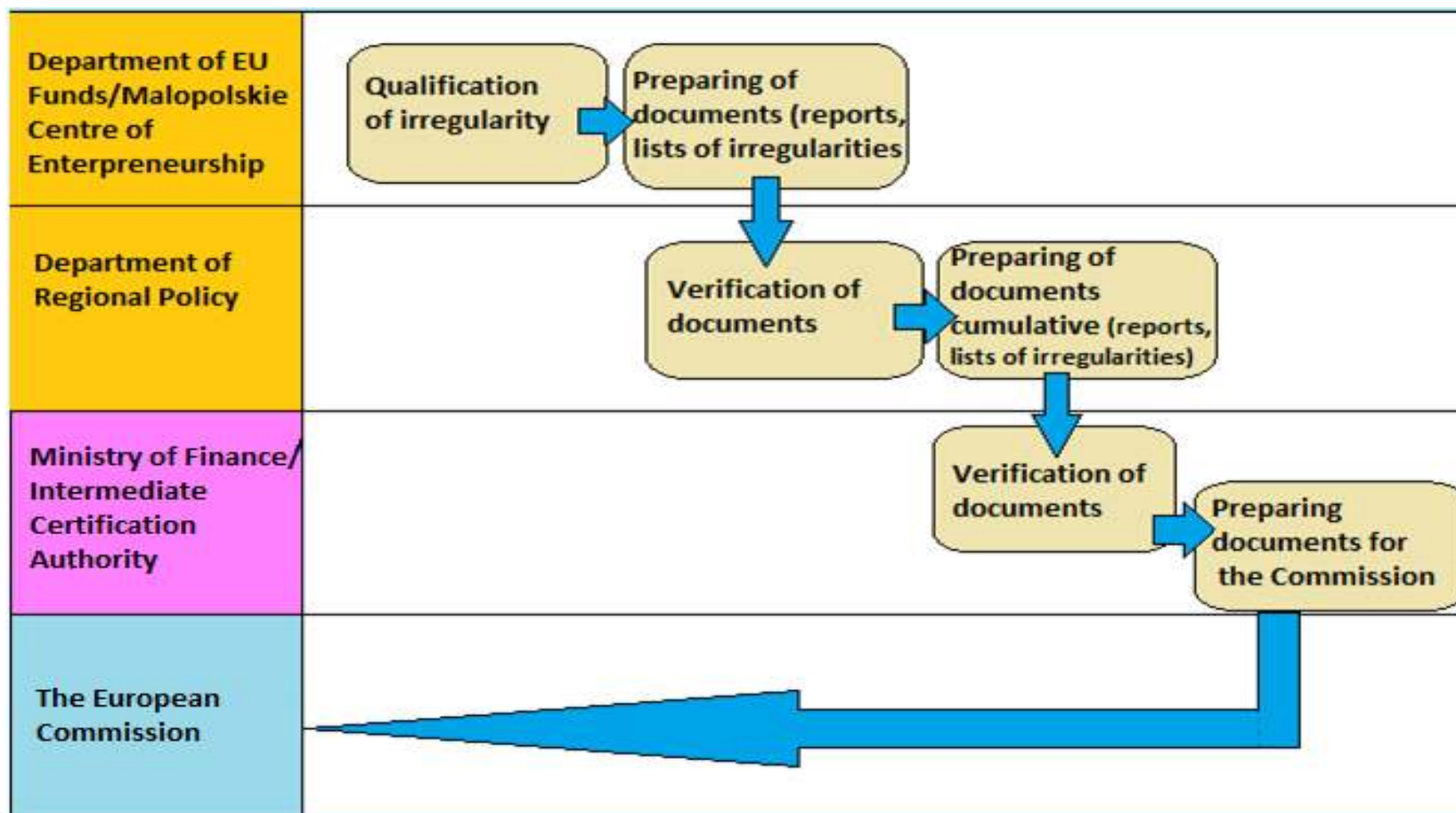
Documents created:

- **Reports** – the irregularities that are submitted to the Commission (usually is made when the amount of the irregularity is over EUR 10 000 except from 3 cases; irregularities preceding a bankruptcy and cases of suspected fraud must be always reported)
- **Lists of irregularities** – the irregularities that are submitted to the Intermediate Certification Authority (usually when the irregularities relate to amounts of less than EUR 10 000)

The procedure of reporting irregularities

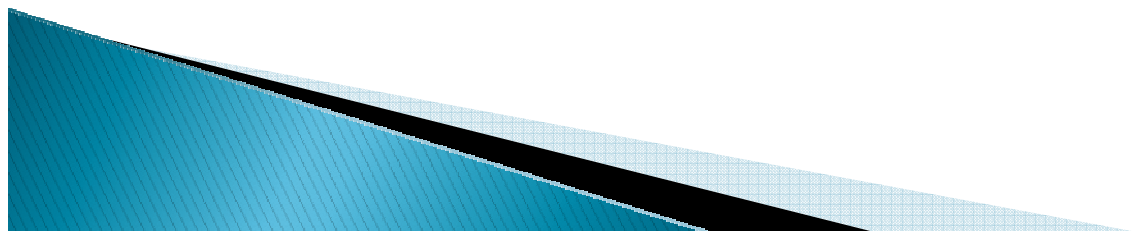


The procedure of reporting irregularities after the detection of the irregularity



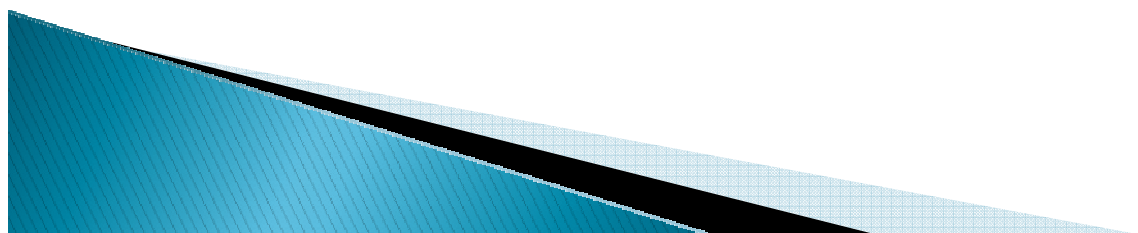
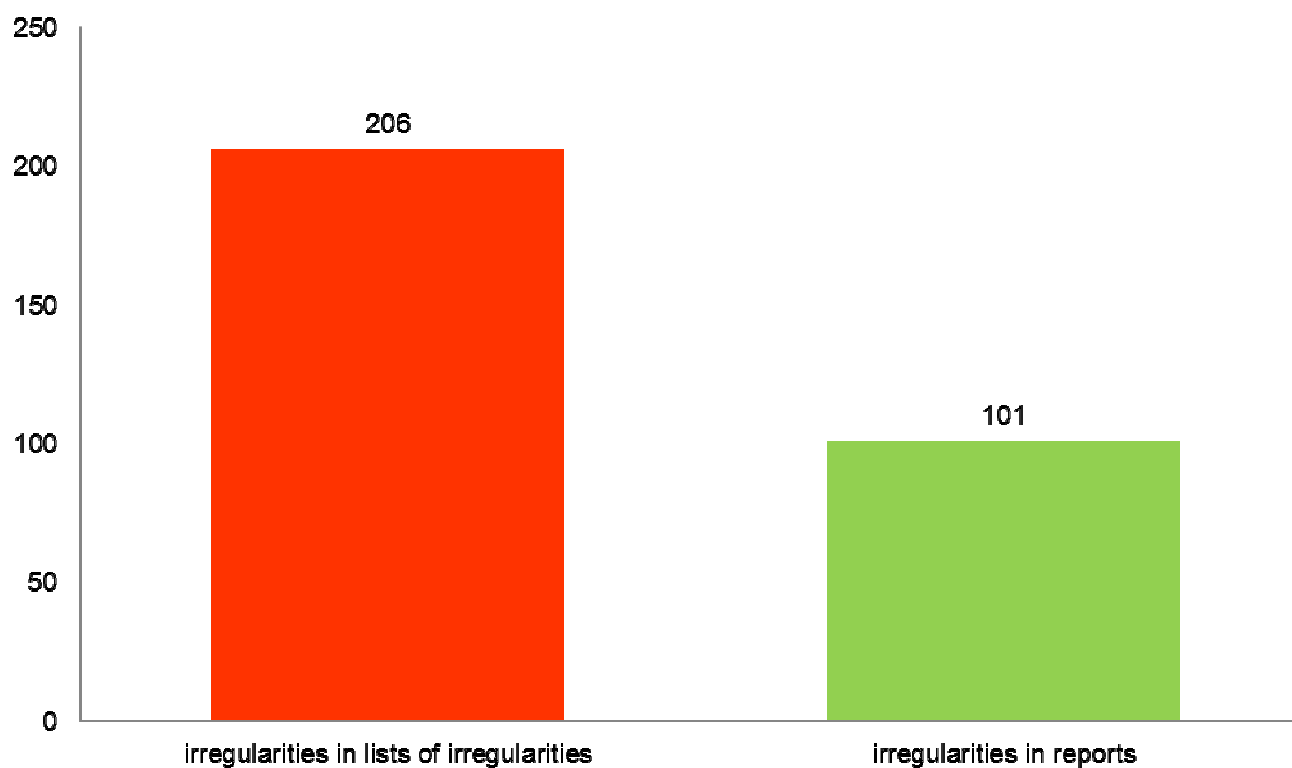
The methods of detection

- ❑ Audits
- ❑ On the spot checks
- ❑ Verification of the documents
- ❑ Decision about commence a legal proceeding by public prosecutor's office

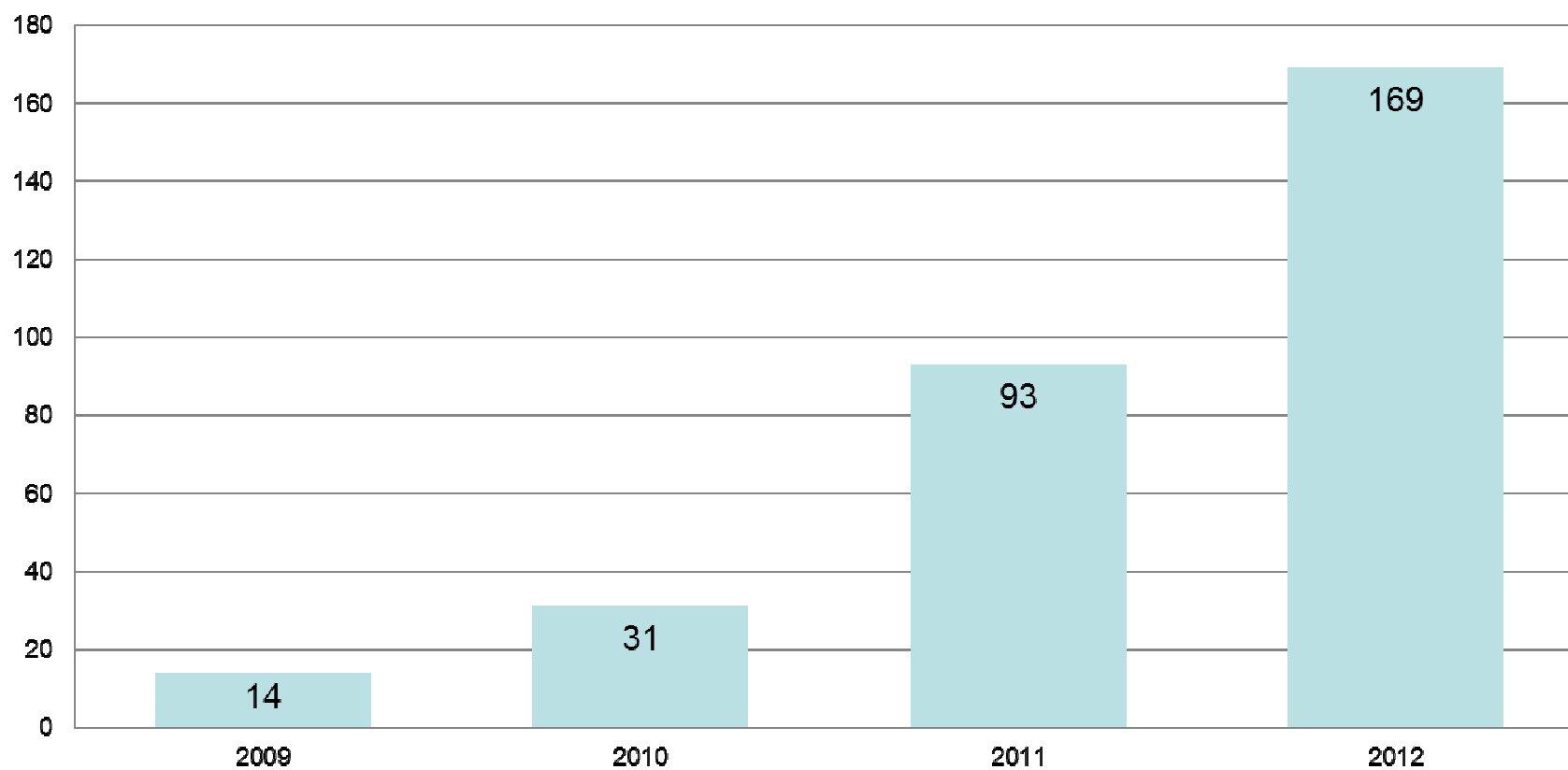


Some of statistics:

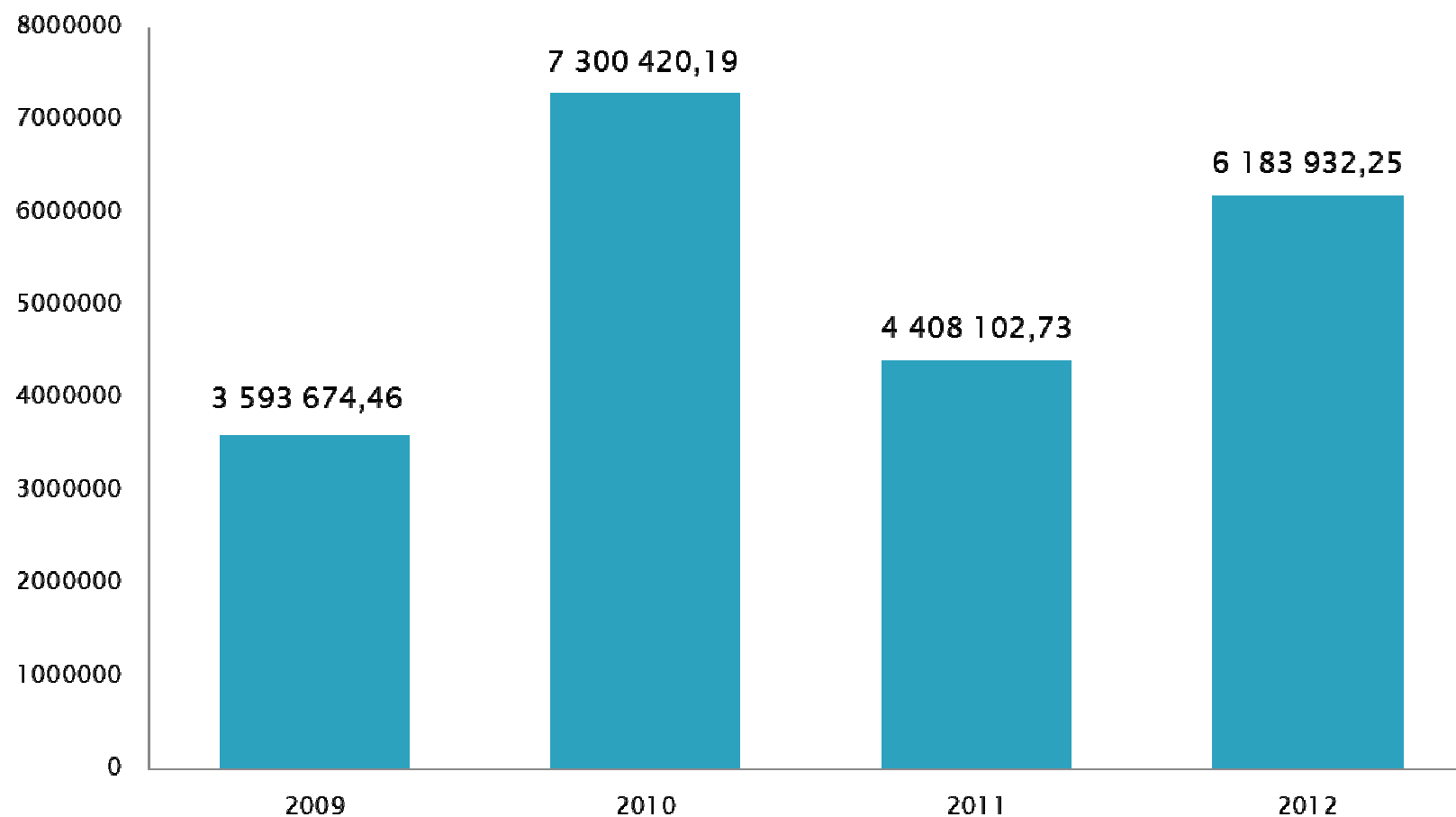
Reports and lists of irregularities



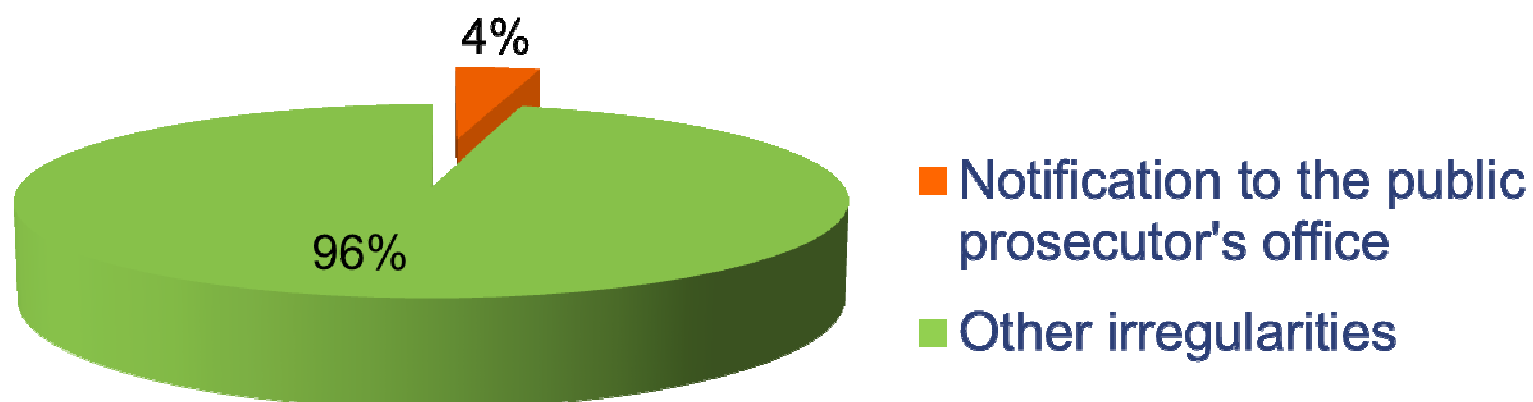
The number of the irregularities in 2009 – 2012



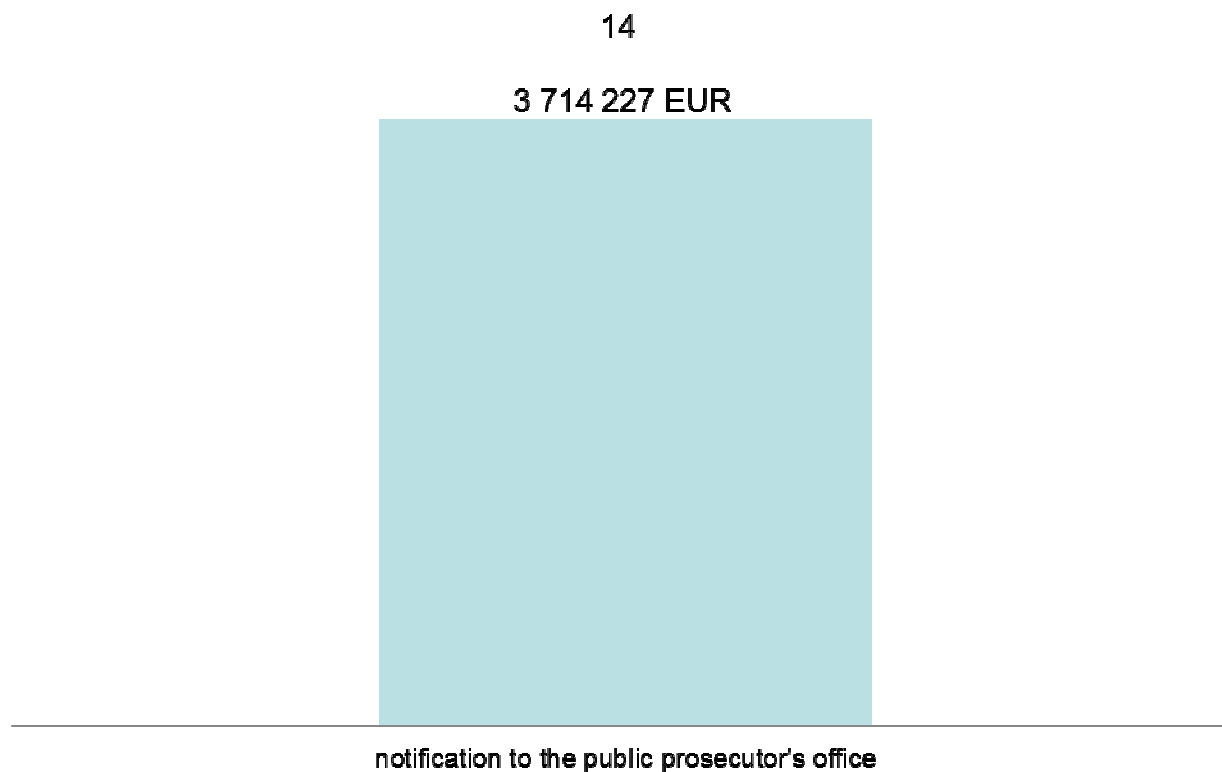
The amount of the irregularities in 2009 – 2012 (in EUR)



Notification to the public prosecutor's office in comparison with other irregularities in 2009–2012



The number and the amount in EUR of notifications to the public prosecutor's office

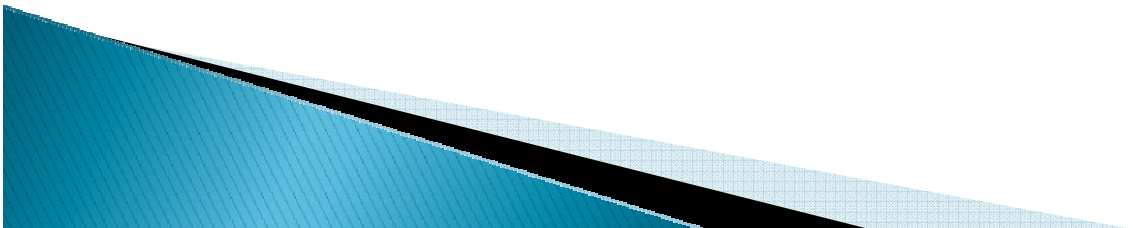


All 14 cases were discontinued by public prosecutor's office or by a court

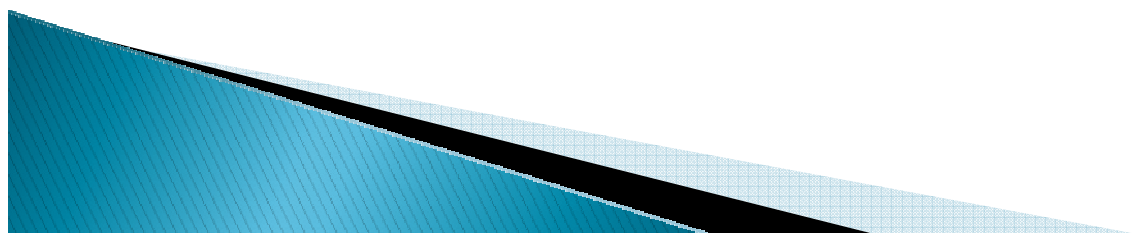
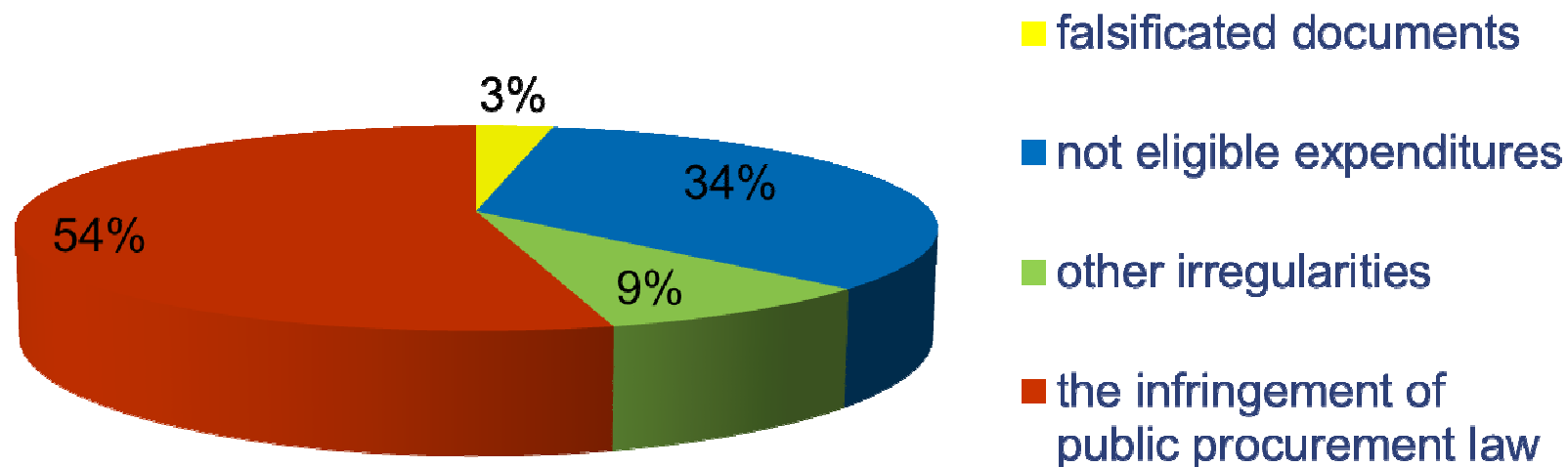
Who detects frauds within Malopolska Regional Operational Programme 2007– 2013

- The Marshal Office – Department of Regional Policy
– 2 cases
- The Marshal Office – Department of EU Funds
– 3 cases
- The Malopolskie Centre of Entrepreneurship – 9 cases

The most popular methods of detection were: on the spot checks and documents verification (in one case there was notification from other institution)



The types of irregularities in 2009 – 2012

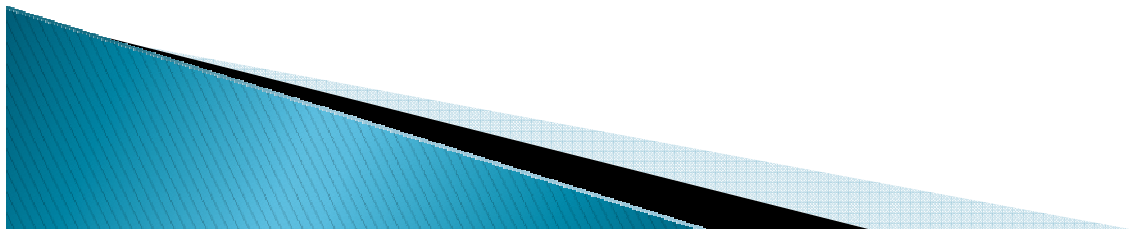


Most common irregularities – procurement

- ❑ the infringement of the rule of competitiveness and equal contractors' treatment
- ❑ the change of the conditions of participation in the public procurement procedure without information in Official Journal of the European Union (OJEU)
- ❑ the change in the technical specification without publishing in OJEU
- ❑ different defining of the term of bidding for a contract in procurement notice and OJEU
- ❑ double enclosing of building work costs (cost calculation to the contract of basic and complementary building work)
- ❑ tenders organised earlier than the contract concerning of elaborating and consultation of technical specification
- ❑ incoherencies concerning the period of realization of the object of the order in the procurement notice, in the technical specification and in the contract

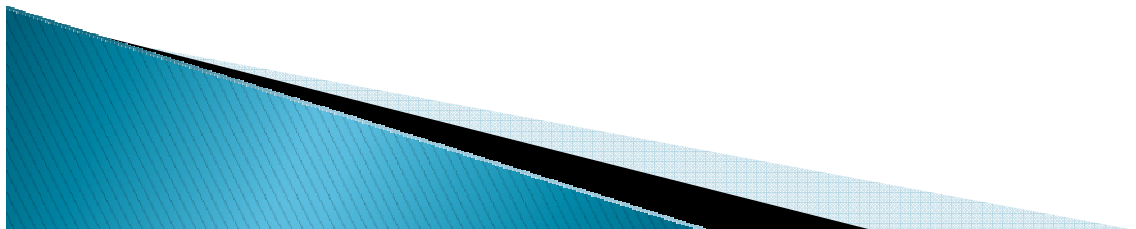
Most common irregularities – procurement

- ❑ too many documents requested (e.g. sworn translation of documents into Polish)
- ❑ different documents requested from national and foreign contractors
- ❑ the lack of defining which documents have to be submitted by foreign contractors
- ❑ choosing the wrong type of the public procurement procedure
- ❑ illegal division of the order
- ❑ using patents and trademarks in technical specification



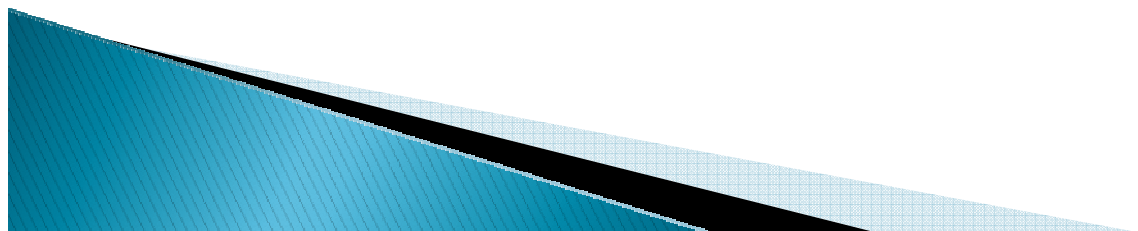
Most common irregularities – not eligible expenditures

- ❑ not beared costs of taxes
- ❑ the expenditures beared after the end of the period of project realization
- ❑ the expenditures not confirmed
- ❑ the expenditures not connected with the project
- ❑ irrational expenditures of preparing of the documentation
- ❑ not eligible Valuable Added Tax
- ❑ the expenditures as a result of wrong calculation of eligible amount of the project
- ❑ the expenditures beared before the decision concerning building works validate
- ❑ the expenditures connected with exceeding the limit of EUR 15000 for transactions in cash
- ❑ the expenditures not contained in the application form



Most common frauds

- ❑ Falsified confirming or complementary documents (e.g. invoices from the person who does not have authorization to give the invoices)
- ❑ Documents witness untruth
- ❑ Untruth statement of circumstances that are important for the case

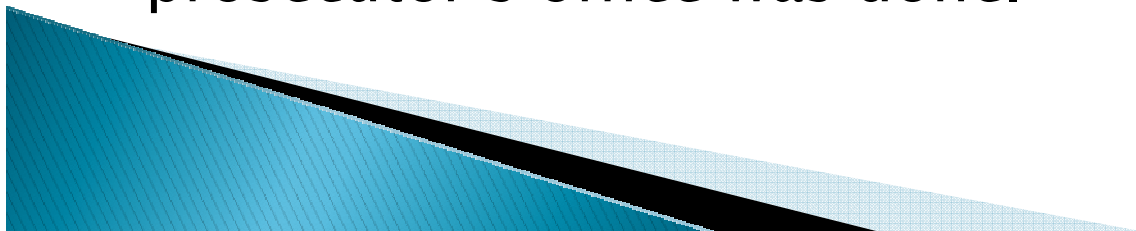


Case study 1: notification to the public prosecutor's office

There was an information in the application form that the applicant had validate decision concerning building works. Then, during the next stage of project assessment, the applicant submitted all documentation of the project. Documentation contained validate decision concerning building works. The date of the decision was later than the date of submitting application form in which applicant declared that he had the decision concerning building works. This means that in fact, in the time of submitting the application form, the applicant didn't have the decision and he gave falsified information concerning the documents. That is why the notification to the public prosecutor's office was done.

Case study 2: notification to the public prosecutor's office

The beneficiary wanted to buy the machine which had specific technical parameters. After verification visit, control team had doubts if the machine really had specific technical parameters. In response to the letter of Malopolskie Centre of Entrepreneurship the beneficiary propounded written statement in which he confirmed the machine had specific technical parameters. These parameters weren't confirmed by the expert's report that was made on request of Malopolskie Centre of Entrepreneurship. That is why the statement concerning technical parameters of the machine was untrue and the notification to the public prosecutor's office was done.



Thank you for your attention!

