






FIGHT AGAINST EU FRAUDS: THE GREEK EXPERIENCE

**HELLENIC POLICE HEADQUARTERS
FINANCIAL POLICE DIVISION**

Rome, 22ND -23RD April 2015



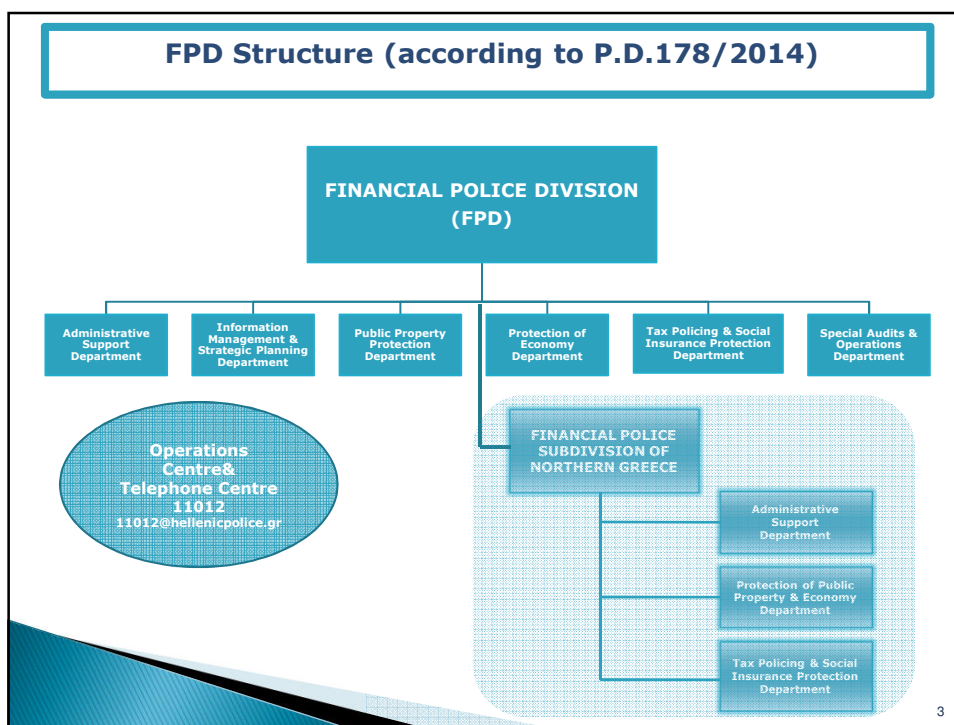
The Financial Police Division was firstly established in 2011 as the former Financial Police Subdivision of the Financial Police and Cyber Crime Unit an independent central Service, of Police Directorate level.


Recently the Service reorganized and renamed to Financial Police Division (L.4249/2014). FPD has its seat in Attica and exercises its competencies to the whole Hellenic territory. Supervised by the Deputy Chief of Hellenic Police.

The mission of FPD is the prevention, investigation and suppression:

- of financial crimes committed against the interests of public sector and national economy, especially those showing characteristics of organized crime.
- of undeclared and uninsured labor, even in cases that are not criminal offenses.

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FPD is included in public administration's supervisory mechanisms whose operational control is exercised by the Minister of State for Combating Corruption (L.4320/2015).

General Secretariat for Combating Corruption (AFCOS authority in Greece), falling under the jurisdiction of Minister of State for Corruption, coordinates FPD's actions.

FPD also participates in the three-year National Operational Plan Against Tax Evasion and implements it through:

- Carrying actions in the areas of unlawful activity and especially in financial crimes that have characteristics of organized crime
- Elaboration of a separate Operational Action Plan for the prosecution of crimes relating to the application of the Tax and Customs Legislation
- Orientation the aforementioned Plan to tackle crimes directly related to the loss of state revenues

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Measures included in FPD's Operational Plan focus on addressing the following crimes, with a view to also combat tax evasion:

- Offences relating to squandering Community & National Grants**
- Frauds against Greek public/E.U. interests regarding the funding of Non-Governmental Organizations (NGOs) and public organizations-enterprises subsidized by Greek state**
- Frauds against Greek public/E.U. interests regarding offences like bribery, abuse of administrative authority and corruption**
- Smuggling (tobacco products - fuels - alcohol)**
- Counterfeit products and Infringement of Intellectual Property Rights**

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More measures/actions:

- Illegal gambling (audits in stores-recreation rooms, internet café and illegal betting online)**
- Tax Evasion of natural persons and legal entities (with criminal nature)**
- Scams against Social Security Funds and Organizations (illegal prescriptions, overpricing of medicines & medical equipment, non beneficiary persons receiving benefits or medical services)**
- Inspections about undeclared/uninsured work**
- Any illegal transactions or activities relating to the operation of credit and financial institutions**
- Illegal activities of cross-border Organized Criminal Groups, especially with the use of offshore companies**
- Money laundering and tracing assets related to above criminal offences**

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Public Property Protection Department

- Entrusted with the investigation and prosecution of financial crimes committed by natural persons or legal entities which cause damage or threaten the Greek public or the broader public sector interest and European Union's interest:
- ✓ Between other crimes examined is the non-transparent, illegal or other than the provided procedures management of Communal sources and State financing and subsidies (including EU Frauds)

Information Management & Strategic Planning Department

Main duties:

- Evaluation and management of Information and Complaints
- Conducts Operational and Strategic Analysis (Intelligence Led Policing)
- ✓ Writing of FPD's annual report (with crime analysis)
- Administration, development and maintenance of FPD's Information System

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Cooperation with other Agencies

- Other Hellenic Police agencies
- National Intelligence Service
- Coast Guard
- Financial Intelligence Unit (FIU)
- Agencies, organizations and bodies of the European Union and other countries (Europol, Interpol, OLAF, FIOD etc.)
- Cooperation with SDOE, the Tax Administration, Customs, General Secretariat of Information System and other agencies of the Ministry of Finance
- Cooperation development with Hellenic Public Real Estate Corporation, Social Insurance Institute, National Organization for Medicines, Financial Institutions etc.

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Interfaces for Exchange of information between FPD and other Authorities

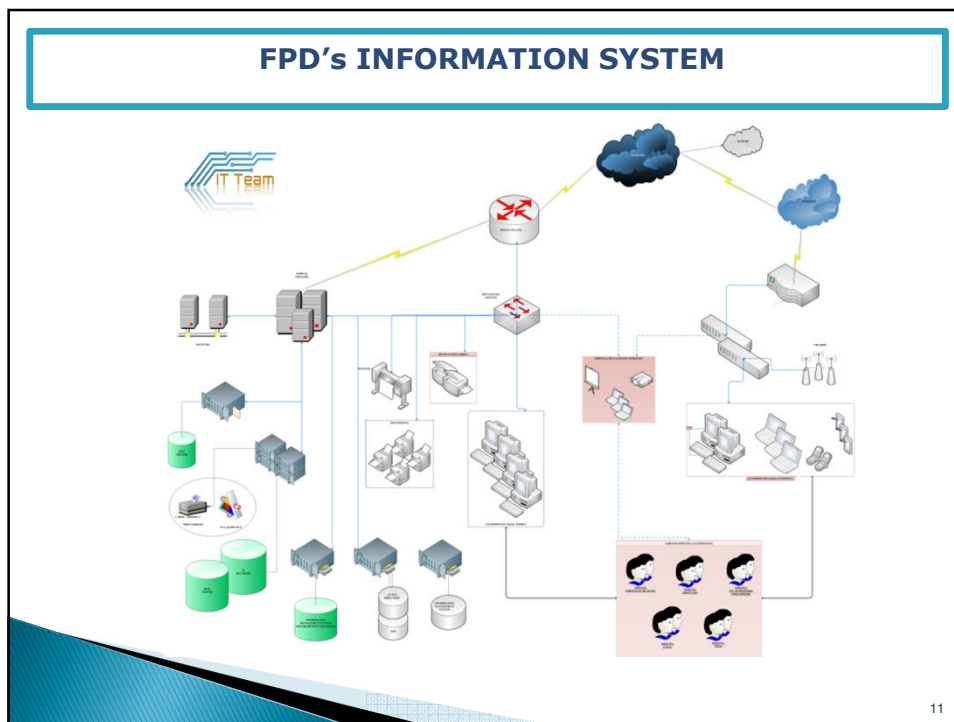
- ❑ Elenxis information system administered by Services of Ministry of Finance, for immediate and authorized access to tax-payer's data (Joint Ministerial Decision 7001/2/1445-κζ')
- ❑ Bank Accounts and Payments Accounts Registers System (article 62 L.4170/2013), facilitates the electronic transmission of requests from competent Authorities fighting financial crime, for information held by banking institutes, in accordance with the legislation for lifting of banking and professional secrecy and confidentiality of data

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Quantitative data from FPD's annual Report for 2014

- ❑ 4.091 complaints received
- ❑ 1.909 cases handled
- ❑ 1.218 audits performed for compliance with tax and insurance legislation
- ❑ 526 files of proceedings formed
- ❑ 749 persons accused, from which 211 persons arrested
- ❑ 82.330.890 € estimated public loss
- ❑ 11.246.055,16 € amount of fines imposed

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FPD's Information System- Aim

- ❑ Developed and administered by the IT Team of Information Management and Strategic Planning Department
- ❑ Contributes to the support of the Division's staff in their duties and tasks with an ultimate view to promoting the achievement of its mission
- ❑ Consists of 2 subsystems:
 - a) closed domain, which hosts the majority of the Service's technological infrastructure along with its applications and databases, utilizing the existing network of Hellenic Police, accessibility of Service's Applications and data from any computer and parallel use of Hellenic Police 's general Applications
 - b) open network with direct connection to internet for collecting OSINT

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FPD's Information System- Components & Functions

- ❑ Consists of servers (domain controller, application, database, print & file servers), external storage devices used for back-up, ups, networking devices (switches, access points, firewall etc.), desktop computers and laptops – tablets.
- ❑ Independent system of Authentication (combination of user name and password), Authorization with controlling access rights to resources or services (Group Policy), Auditing (event logs and log files), use of Single Sign-On (SSO) Technology
- ❑ Information Management System is the heart of FPD's Information System, developed in Microsoft SharePoint Server and hosts the Service's Main applications
- ❑ Case Management app is utilized as a means of storing (structured & unstructured) information related to Cases handled by the Service, for searching information available, export of statistical (quantitative) and qualitative data => FPD's MAIN DATABASE
- ❑ i2 Databases in SQL Server format managed by i2 software (i2 iBase & Analyst's Notebook), for cases with complex data

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Information Management System- Collection of Sites & Applications

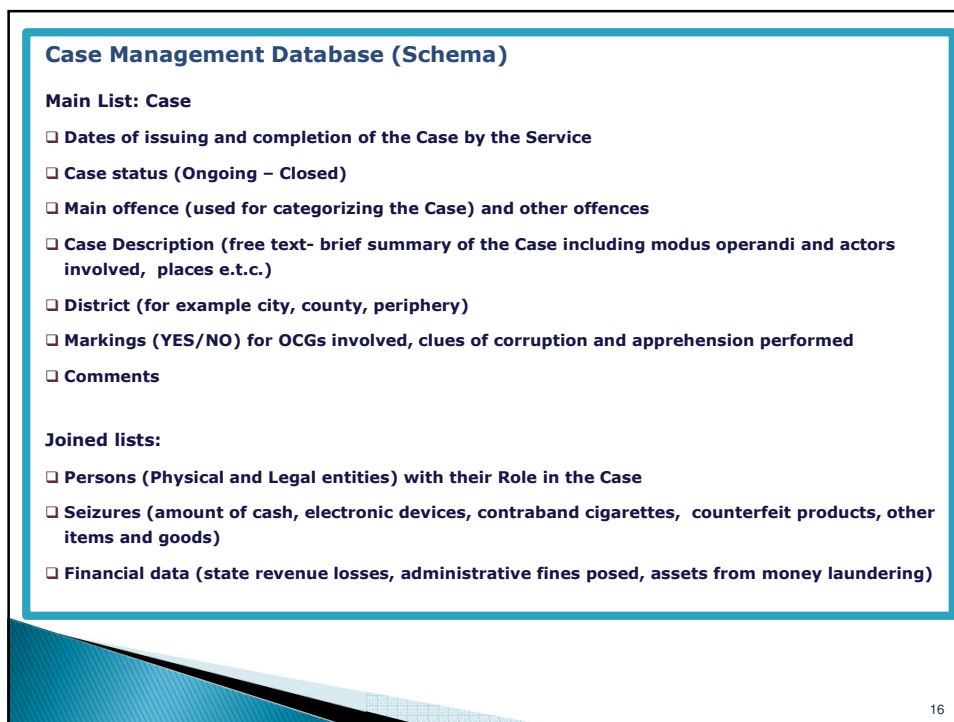
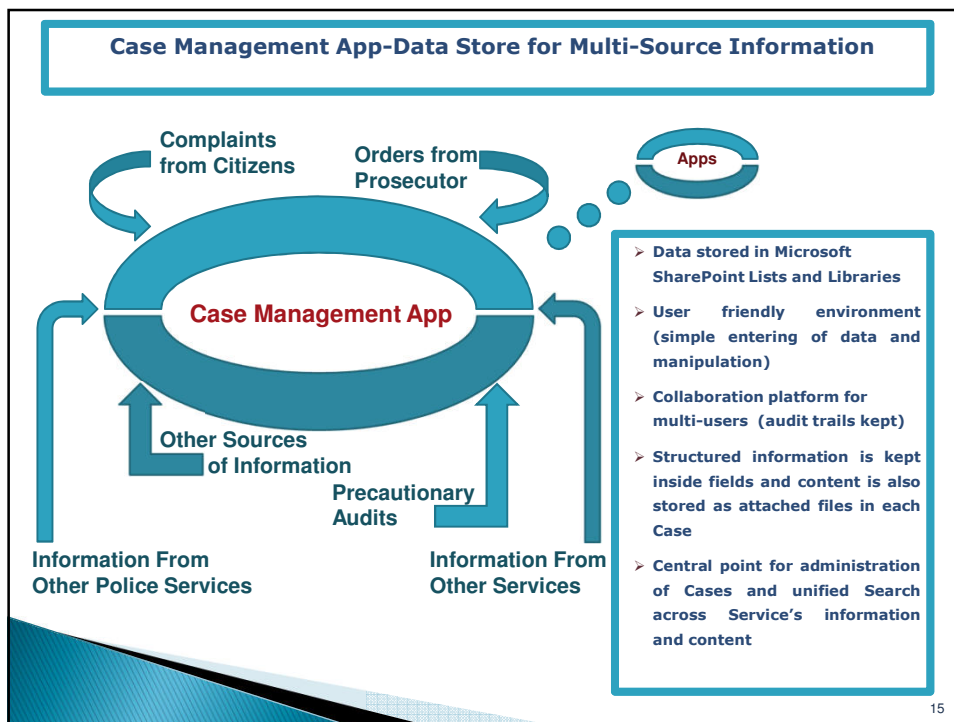
The screenshot shows the Information Management System interface. The main content area displays 'Αιθύουσα Οικονομικής Αστυνομίας Εφαρμογές & Κοινόχρηστα Αρχεία' with a 'Case Management App' highlighted. The interface includes a left sidebar with navigation options, a top search bar, and a bottom section with a red warning message.

Βιβλιοθήκες αποθήκευσης υποθέσεων ανά τμήμα της Δ/νσης Οικονομικής Αστυνομίας
 Με το πλαίσιο που υπάρχει συμπληρώνεται η βιβλιοθήκη υποθέσεων με αρχεία που ανήκουν στην υποθέση.
 Επισημαίνεται ότι οι αρχεία έρχονται να αποθηκευτούν και οι υποθέσεις να υποστηρίξουν αρχείο από τον παρόντα στο Σελίδα Δομημένη Υποθέσεις.

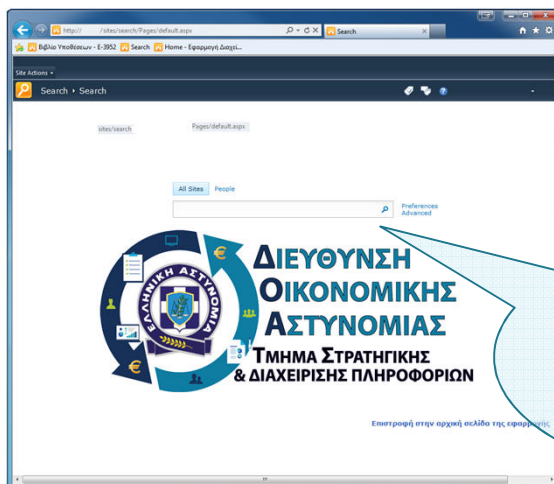
Εφαρμογές

URL	Τίτλος
Αιθύουσα Υποθέσεων Δ/ν. Τμήματος	Στην βιβλιοθήκη υπάρχουν αρχεία των ενεργών Αιθύουσες Υποθέσεων και του αντίστοιχου Τμήματος Υποθέσεων
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Unified Search of Service's Information



➤ Search can be performed from a single site for all the Service's Applications Content and Data

➤ Indexing extends to file servers' content as well

Searching inside content of common file types (.doc/x, .xls/x, .ppt/x, .txt, pdf e.t.c.) use of appropriate iFilters

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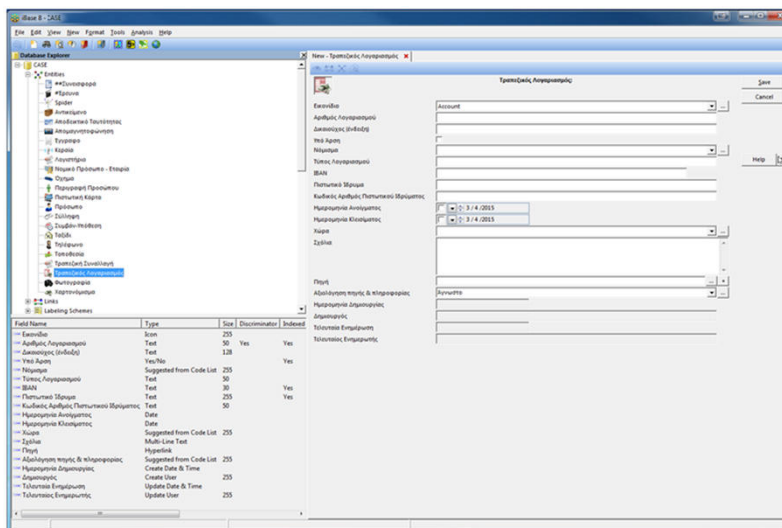


Operational Analysis Databases

- ❑ i2 Databases designed in SQL Server format for collaboration between Operational Analysts (greater performance and flexibility with queries, central administration, features supported like Search 360, Semantic Types)
- ❑ One database per Case for storing, investigating and analyzing vast amount of data
- ❑ A database schema (template) is built once and used by every Case (re-usability) in general, containing entities (real world objects) and links (relationships between entities)
- ❑ Link Analysis is performed with entities of every kind (persons, organizations, places, vehicles, events, telephone numbers, bank account numbers) and relationships between them. Modern techniques are also applied, like Social Network Analysis
- ❑ Diagrams produced: link charting, flow charting, event charting, time and frequency charts, maps etc
- ❑ Data of HIGH interest for Analysis: Telephone Data Calls, Bank Account transactions

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Entering Data in i2 iBase- New entity of bank account type



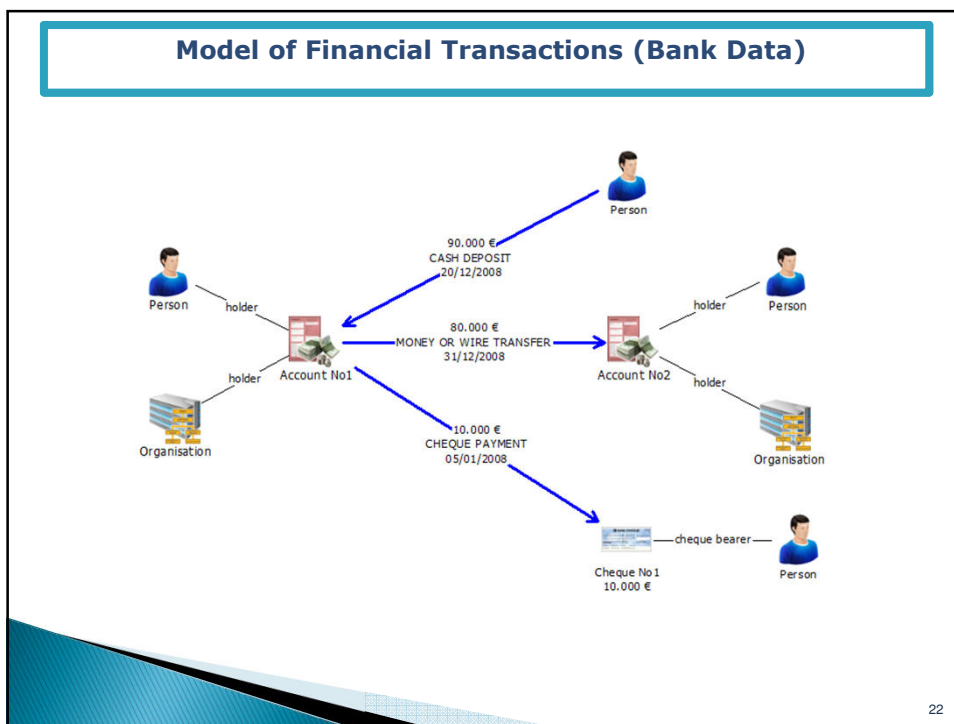
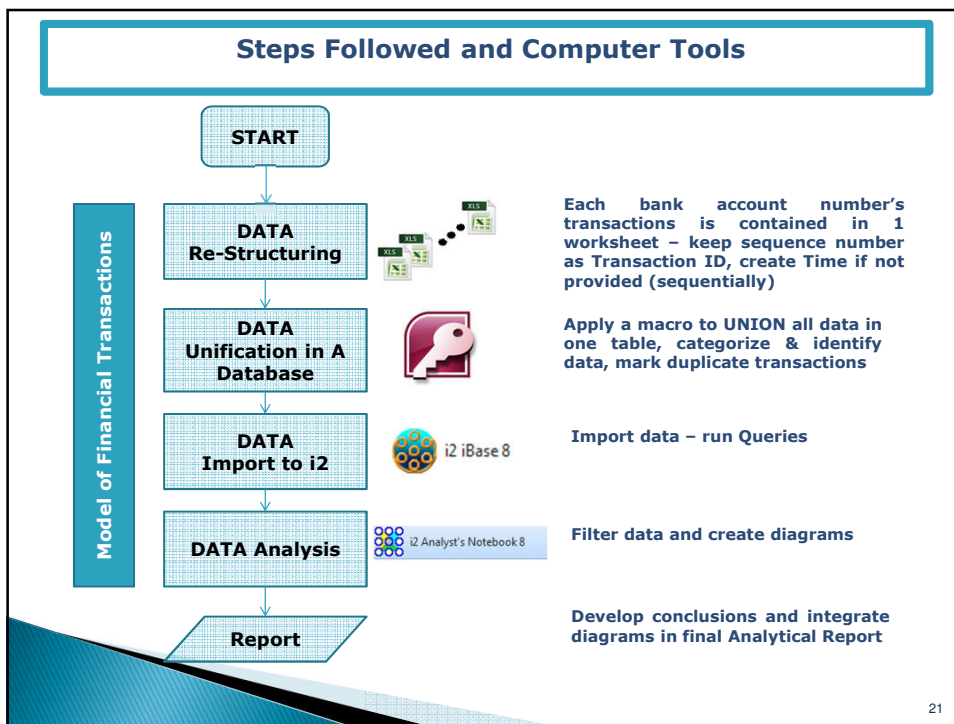
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Case Study

- ❑ Case where FPD conducted Preliminary Examination to investigate possible fraud committed against European Union's financial interest and money laundering offences (L.2803/2000 and L.3691/2008, respectively)
- ❑ Network of domestic and foreign legal entities involved in EU research projects funding
- ❑ Data for analysis: relationships between legal entities and their members, ≈200 bank account numbers containing ≈55.000 bank account transactions
- ❑ Aim was to trace unusual or suspicious transactions related to EU funding, reveal the existence of specific paths through bank accounts and companies in Greece and abroad ("Follow the money" approach) and study the relationships

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i2 Database (part of its Schema)

Link type: Bank Account Transaction

Necessary fields and markings used for storing a financial Transaction:

- Date of Transaction and Value Date
- Time of Transaction (for visualization in time charts)
- Value of Transaction
- Currency
- Bank account Balance
- Description of Transaction (Reasoning)
- Transaction Type (WIRE TRANSFER, CHECK PAYMENT, CASH DEPOSIT etc)
- Marking (A transaction may be DUPLICATE when we examine bank data from two Accounts transferring each other money, a pair of DUPL_1 and MERGED_1, only one should we visualize for intra-group transactions)
- Transaction ID (sequence number of transaction)
- Rate conversion to € (for specific date)
- Value of Transaction (in €)

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Data Processing- Drawbacks

Main Drawback

Second part (entities like account, person, cheque) in every transaction is not presented in a separate structured field, only hints of it included in the Description of the transaction, so the specific documents held for each Transaction of interest by the Banking institute should be requested => increase in time spent in data processing via introducing a stage of manually identifying each entity and category

- Ideal identifiers for entities
 - ✓ of category "Account" the IBAN number
 - ✓ of category "Person" the taxpayer's Registration Number (VAT number)
- Bank Accounts and Payments Accounts Registers System => can speed up access to data and processing

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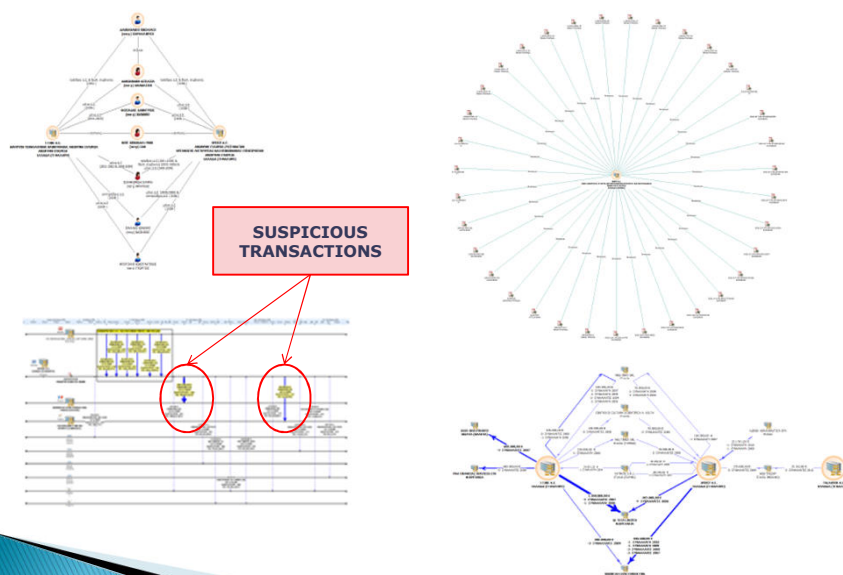


Analysis contribution in case investigation

- ❑ Examined the relationships between main legal entities (Companies) under investigation, their members and bank accounts
- ❑ Traced the bank account transactions and accounts used for receiving grants from EU projects
- ✓ Two Suspicious Transactions were found following an EU grant with nearly all the amount of money received being transferred to 2 suspect foreign Companies
- ❑ Visualized aggregate flows of money between Greek Companies and Companies based abroad (with and without bank accounts for simplicity)

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i2 Diagrams from Analytical Report



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Other Supportive/Useful IT Tools



IDEA by CaseWare

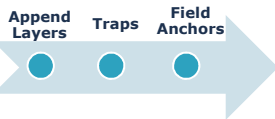
- a powerful and user-friendly data analysis tool
- ideal for internal auditors & fraud detection analysts
- guarantees data integrity
- ✓ source data is protected and data access is read-only
- simplified and powerful analysis with over 100 audit-specific tasks like duplicate and gap detection, join and relate databases, stratification, summarization, aging, Benford's law analysis etc
- processing power (infinite number of records – no limits like spreadsheets with 1.048.576 rows)
- imports data from any source easily via Import Assistant
- keeps audit trails and logs of operations performed
- supports automated tasks via IDEAScript
- communicates results via a variety of file export options and Report Assistant

Other Supportive/Useful IT Tools



Invoice No. 10230

Item	Description	Quantity	Unit Price	Total
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
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ITEM	QTY	UNIT PRICE	TOTAL
1
2
3
4
5
6
7
8
9
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17
18
19
20
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✓ Useful feature: Import Assistant with Report Reader Module helps in importing semi-structured data, like print reports or electronic invoices (.prn , .csv, .txt, .dat ,.pdf file formats), to IDEA databases.



Thank you!

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