



MINISTRY OF FINANCE
Service for Combating Irregularities and Fraud

Transnational fraud – case example (Croatia)

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Rome, May 19 – 20, 2016

Projects „Inland waters”

- ◆ Fund: IPA III (transport) > ERDF (SF 2007-2013)
- ◆ 3 different projects for 3 different beneficiaries
- ◆ Type of the contract: service contract
- ◆ Source: anonymous e-mail to the Managing Authority (MA), AFCOS Croatia and OLAF

Projects „Inland waters”

- ◆ National proceedings: in accordance to our national procedures we have organized a meeting between MA, State Attorney Office and Ministry of Interior (police)
- ◆ Conclusion of the meeting:
 - State Attorney Office started criminal proceedings
 - MA started administrative proceedings (suspension of further payments)
- ◆ OLAF contacted AFCOS and State Attorney Office and informed us that they have also opened a case for administrative investigation

Projects „Inland waters”

- ◆ **Project 1**
- ◆ **Beneficiary:** Croatian beneficiary „Port X”
- ◆ **Type of the contract:** service contract for developing Action plan for inland waters
- ◆ **Economic operators:** MS company „A” in consortium with Croatian company „A”

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◆ **Project 2**

- ◆ **Beneficiary:** Croatian beneficiary „Port Y”
- ◆ **Type of the contract:** service contract for technical assistance for reconstruction of Port „Y”
- ◆ **Economic operators:** MS company „B” in consortium with Croatian company „B”
- ◆ **Croatian company „A”** was the connection between the MS company „B” and Croatian company „B”
- ◆ From pre-financing amount around 80% is missing

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- ◆ **Project 3**
- ◆ **Beneficiary:** Croatian beneficiary „Port Z”
- ◆ **Type of the contract:** service contract for developing of IT system and education
- ◆ **Economic operators:** Croatian company „A” in consortium with MS company „C”

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◆ Conclusion:

- Croatian company „A” had confidential information before the tendering procedure
- Market division: Croatian company „A” and MS companies „A” and „B” divided projects in which they know that they would win because they had confidential information
- Administrative and criminal investigation was conducted in the premises of the Croatian company „A”

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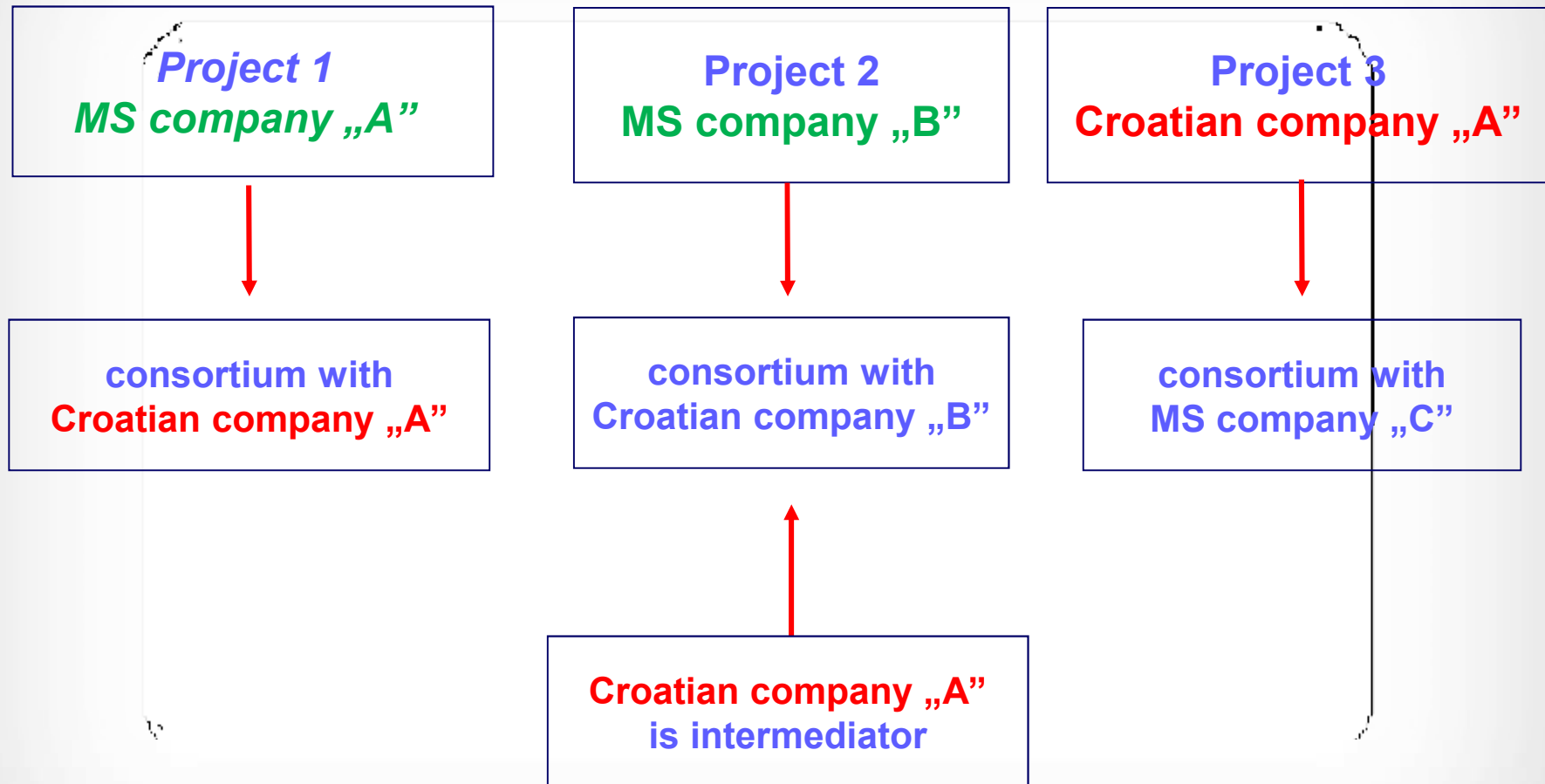
◆ Administrative investigation:

- At the same time OLAF carried out investigation in Croatia (**Croatian company „A”**) and in **MS company „A”**
- Support from AFCOS Croatia and Police
- Investigation carried out in coordination with the State Attorney Office

◆ Criminal investigation:

- State Attorney Office issued a decision on conducting a criminal investigation against the first defendant (director of **Croatian company „A”**)

Projects „Inland waters”



Thank you for your attention!

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