

**THE EXPERIENCE IN THE FIGHT AGAINST EU FRAUDS IN
SUPPORT OF THE PREVENTION AND THE COUNTERACTION IN
ORDER TO PROTECT THE EUROPEAN UNION'S FINANCIAL
INTERESTS**

Kyriakos Braimis

Police Captain

Commander of the Protection of Public Property Department

1. The Greek Financial Police

By virtue of art. 1 of Law 9/21-2-2011 under the title “Establishment of Financial police and prosecution of e-crime service” (YP.O.A.D.H.E.), a new force has been established as an independent Central service, level of Police Directorate, subject to the headquarters of the Hellenic Police, being supervised and controlled by the Chief Commander. This service has its seat in Athens, exercises its authorizations throughout the territory other than these areas which are subject to the Coastal guard Corpus jurisdiction in accordance with the special provisions in force, *having as mission the prevention and suppression of financial crimes and those committed via internet or other means of e-communication.*

The Sub-division of Economic Police (YP.O.A.) has specifically as mission the prevention and suppression of financial crimes committed against the financial interests of State and national economy in general or having the characteristics of the organized crime. It is structured in four departments: 1) The department of Public property protection, 2) The department of economy's protection, 3) The department of tax police action and 4) that of Social and Insurance protection. The first department of the above, that is the department of Public property protection, is competent for the investigation and prosecution of financial crimes committed by natural or legal persons that cause damage or threat the interests of Greek State or the wider public sector especially applying to: aa) The abuse of public property in any way, bb) abuse, trespass of exchangeable and public real estate, lands of forestry character, state installations and other real estate, cc) *the non-transparent, illegal or*

other than the provided procedures management of communal sources and state financing and subsidies, dd) the intended destruction or wear of movable or immovable public property, means, material and installations of local government organizations and public enterprises and organizations, foundations, legal entities, subsidized by the State or European Union if the threatened or damage incurred is considerably high or the accumulative results of the action have seriously upset the social and economic life of the country, and ee) any illegal action threatening or seriously damaging the public interest and the national economy in general.

Economic Police, in order to successfully achieve its mission cooperates with the center of collection and management of Information (KE.SY.D.E.P.) of the Hellenic Police headquarters, the other departments of the Hellenic and Coastal Guard Police and other competent services, bodies and authorities, being staffed with the necessary police and scientific personnel and equipped with the required technical and material means. It may have access, into the frame of its operational activity, in the records of any police service and of other services, authorities, organizations and bodies if the investigation of them is necessary for the investigation of the violations committed. The head of these services is duly informed about the said activities who is obliged to offer them any possible assistance.

YP.O.A. may also cooperate with the corresponding services, organizations and bodies of European Union and of other countries in accordance with the provisions in force and the international agreements and treaties (art. 3 Law 9/2011).

2. The Greek reality

A lot of cases have come to the light of publicity during the past years. In October 2004 has been discovered a cartel of illegal localization and trafficking of agricultural products operating during the years 2000-2004 gaining huge profit. There have also revealed during the same period 545 in total cases of communal subsidies of olive oil having been illegally collected in the name of deceased beneficiaries.

In January 2005 are revealed 17.500 cases of irregularities and overstepping for declared rural lands which did not exist. These rural lands had been declared for two or more cultivations and for overstepping cultivation in relation with the legal rights.

In January 2009, ten farmers filed appeals before the Public Prosecutor with openly and namely accusations for frauds concerning indemnities of the Organization of Greek Agricultural insurance (ELGA). Among them, was involved a producer who had declared a state land as cotton rural land and rumors at the same time for illegal collections from 25-30 owners of large pieces of rural lands.

The last great fraud was discovered in June 2009 with leaders farmers who had made up an "advance technological" method of "stealing" the water in areas of a pilot application of an electronic system of water's payment. Being assisted by "hackers" were tricking the water supply system using once cloning payments cards and once by shorting the circuits of electronic water collectors the result of which was that the water used was not debited.

Unfortunately, Greece usually holds the first place in the E.U. regarding the transparency of the communal funds management in the agricultural sector. Delayed and unreliable controls, absence of olive oil registry (and not only), misapplication of the system of registration of the agricultural and cattle-raising production and serious omissions, errors and irregularities in the way of subsidies payments in Greece with the implementation of the new common agricultural policy in 2006 are the findings of the European Committee which justify the penalties imposed and the freezing of agricultural subsidies.

The amount of penalties that burden the Greek State mainly and the private enterprises as well has been calculated to the sum of 860 million Euro for the period till the beginning of 2004 (in accordance with the routine note issued from the Ministry of Agricultural development calculating the monetary penalties imposed by the E.U. for errors, omissions, irregularities, incomplete controls) while till the beginning of 2009 had approached the sum of 1,1 billion Euro in accordance with the then Commissioner of Agriculture, Marian Fischer Boel. The amount of penalties that had been imposed to our country for misconduct of agricultural funds reaches in total 1,1 billion Euro

according to the data for January 2009, given by the competent for agricultural issues Commissioner. During the period between 1999-2004 there have been registered 17 cases of misapplication of regulations, incomplete controls, overstepping and violations of the communal legislation, the cost of which exceeds the one half billion (526,32 billion) Euro for penalties.

In April 2009, huge penalties are imposed for the failure in creating an integrated system of management and control of Communal subsidies from the Ministry of Agricultural development. The Council of Audits had ruled as invalid the assignment of the project which had financed the Greek State with 821.000 Euro from 1993 till 2001 without having ever been competed, as it had not preceded an invitation to tender. In January 2009, the Commissions freezes (and Greece permanently loses) 244 million Euro (or the 10% percentage of the annual payments) from the communal financing of agricultural expenses after the rejection from the European Court of justice the application filed by our country. The freezing of payments is imposed because the Greek authorities are not in position to inform the Committee about the number and which are the cultivated in the country stremmas and because the control system for the olive oil, cotton, raisin and citrus trees for the period 1999-2004 is considered as incomplete.

Finally, another major case with which the Greek authorities had been engaged was the so called “dirty circuits”. There are elements for the last years showing that the crisis faced presently by the Greek olive oil producers is the result of the activity of a complex and diverse circuit which has expanded its tentacles throughout the country via leg of mutton relationships aiming to the “stealing” of communal subsidies with the coexistence of adulteration and smuggling. The same circuit dominates the communal subsidies, adulterates the olive oil with seed oil, imports stealthily Tunisian and Moroccan olive oil gaining huge profits in this way. There have been issued Court's judgments that confirm that part of olive oil tons which are standardized every year are only standardized in the papers with fictitious purchases and falsified invoices, having fabricated inexistent persons that appear as merchants declaring also false olive oil warehouses.