



A NEW LEAF Project

Agricultural Network
Exchanging Witnesses
and Leading Experiences
Against the Fraud

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This programme is implemented by the European Commission.

It was established to promote activities in the field of the financial interests of the European Union.
(for more information see http://ec.europa.eu/anti_fraud/about-us/funding/index_en.htm)



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ACTIVITY REPORT

5th May-23rd September 2015

Padova, September 23th 2015

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A NEW LEAF – An HERCULES III Project

JOINING THE PROJECT



- ✚ PROJECT OBJECTIVES
- ✚ CONDUCTING THE PROJECT & STAFF EXCHANGE
- ✚ STARTING POINT
 - DEVELOP A METHODOLOGY
 - FRAUD RISK ASSESSMENT
- ✚ PROJECT FINAL TARGET and WISHES



A NEW LEAF – Project Objectives shared with OLAF



PROJECT OBJECTIVES

- ✓ Improve awareness about **rules and laws** on antifraud
- ✓ Implement a European **network** among paying agencies
- ✓ Develop technical and **innovative tools** to take on fraud
- ✓ Develop **methods and tools** to prevent, audit and fight frauds
- ✓ Exchange **witnesses and experiences**
- ✓ Compare national **level of fraud risks** and action taken for tackling and reducing it





A NEW LEAF – Conducting the Project



CONDUCTING THE PROJECT

ACTION I - 5th of May in Padua: **Seminar** on regulatory compliance

- Roles of institutions in prevention actions
- Kinds of fraud recurring in the different systems of funding
- Scenarios of corruption risks in Paying Agencies and instruments to manage the alerts

ACTION II – 6th and 26th of May in Padua: **technical training**

- Models and tools to support fraud risk analysis (guided exercises and coaching online)

ACTION III – 27th of May in Padua: **operating workshop**

- Update and share operational knowledge, tools and innovations in control systems



A NEW LEAF – Conducting the Project



CONDUCTING THE PROJECT

ACTION IV, V - from 14th to 16th of July in Warsaw and from the 8th to 10th of September in Padua: **Staff Exchange**

- Exchange of best practices and methodologies to prevent the risk of fraud

ACTION VI – 23th of September in Padua: **Final conference**

- New policies against frauds in agriculture and shared models of detection and control by the Paying Agencies.





A NEW LEAF – Participants



«Participation of foreign Administrations» in the project is specifically required by the Call for Proposal

Foreign partners - Paying Agencies

Italian Paying Agencies

Poland
Romania
Malta
Croatia
Slovenia
Albania

Piemonte
Lombardia
Trento
Bolzano
Emilia Romagna
Toscana

CONDUCTING THE PROJECT



A NEW LEAF – Participants



PARTICIPANTS IN THE ACTIVITIES OF THE PROJECT

CONDUCTING THE PROJECT

PROJECT ACTIVITIES

		PARTICIPANTS						Total Participants For Activities
		AVEPA	AVEPA participants in web conference	Foreign Paying Agencies	Other Italian Paying Agencies	ARMA	AFR	
PROJECT ACTIVITIES	ACTION I, the 5 th of May in Padua: Seminar on Regulatory compliance	32	148	18	30	3	3	234
	ACTION II, the 6 th and the 26 th of May in Padua: Technical training	17	0	19	6	3	3	48
	ACTION III, the 27 th of May in Padua: Operating workshop	42	16	19	15	3	3	98
	ACTION IV, from the 14 th to 16 th of July in Warsaw: Staff Exchange	3	0	0	0	10	3	16
	ACTION V, from the 8 th to 10 th of September in Padua: Staff Exchange	13	0	0	0	3	3	19
	ACTION VI, the 23 rd of September in Padua: Final conference (estimated)	15	60	16	16	6	4	117





CONDUCTING THE PROJECT - Seminar

ACTION I°: 5th May **Seminar** "Fighting frauds: legislative framework and models of governance against frauds and corruption"

•**Italian Court of Auditors**: Preventing and fighting frauds in the field of the EU funding in agriculture (Alberto Mingarelli)

•**Italian Financial Police to protect the Common Agricultural Policy**: Map of frauds and corruption (Antonio Sassi)

•**Italian Ministry of Agriculture (MIPAAF)**: Fraud and irregularities against the Common Agricultural Policy (Francesco Gurrieri)

•**OLAF – European Anti Fraud Office**: Fighting fraud and corruption across Europe (Andrea Bordoni)

•**Transparency International Italia**: Results, prevention models and best practices; Whistleblowing and ALAC system. How stakeholders and citizens can lift the cover of indifference and take action to combat fraud and corruption (Giovanni Colombo)



CONDUCTING THE PROJECT - Training course

ACTION II°: 6-26th May **Training course** "Risks of fraud: measurement models and analysis supporting tools" and 7-25th May educational activities on the subject of fraud risk analysis - coaching on web

Ernst&Young CONSULTING

- Anti-fraud models
- Elements of anti fraud risk management
- Managing fraud risk through awareness
- Anti Fraud control activities and monitoring
- Introduction to Data Analysis
- Development of Models for Data Analysis
- Solutions (IT) for the Fraud Risk Management
- IT Tools and Techniques
- Anomaly based analysis
- Introduction to IT tools and anti-fraud techniques and exercises with analysis of practical cases





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CONDUCTING THE PROJECT - Operative Workshop

ACTION III°: 27th may **Operative Workshop** “Technical and innovative tools and methods in support of CAP Geo referencing methods/LPIS, legal landscape and models in order to prevent frauds and corruption. A comparison among European experiences.”

•**Joint Research Centre - Mars Unit GEOCAP Action: CAP:** an overall view, from policy outline to management and control methodologies (Philippe Loudjani e Paolo Pizziol)

•**AVEPA: Technological applications for field inspections:** Avepa experience (GIS LPIS/ UAV in OTSC) (Gianluca Bevilacqua)

•**ARIMR Poland:** Polish experience – LPIS (Anna Czarnacka)

•**AFIR Romania:** The system of area based payments in Romania (Alexandru Musaloiu)



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CONDUCTING THE PROJECT - staff exchange

ACTION IV°: The **first staff exchange** in Warsaw



3 working day-Staff Exchange
14-15-16th July 2015

Agencja Restrukturyzacji i Modernizacji Rolnictwa
(ARIMR) Warsaw Poland





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CONDUCTING THE PROJECT - staff exchange

The first staff exchange in Warsaw (2/3)



ARIMR - Direct Payments Department, Social and Environmental Schemes Department, Investment Schemes Department, Investment Projects Evaluation Department, Fisheries Aid Schemes Department

- An overview on Organisation, Tasks & Functions, Support for beneficiaries
- The control system - practical aspects of the detection of irregularities and prevention of financial frauds in ARMA

ARIMR - On the spot control Department

- The role of OTSC in detecting fraud (investment and non-investment schemes)
- Identified fraud by external institutions as part of programs implemented in ARMA

ARIMR - Internal Control Department

- IT systems used in ARMA to transmit information on detected fraud
- Anti-Fraud Policy in ARMA
- Prevention and detection of financial frauds in the Agency for Restructuring and Modernization of Agriculture



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CONDUCTING THE PROJECT - staff exchange

The first staff exchange in Warsaw (3/3)



Exchange of best practices and methodologies for the prevention of fraud risk - Discussion (AVEPA, AFIR, ARMA)

Fraud Risk Assessment (AVEPA - IT)

Controls (ARIMR - PL)

Preventive measures (AFIR - RO)





ACTION V°: The second staff exchange in Padua

3 working day-staff Exchange
September 8,9,10th 2015

AVEPA (Agenzia Veneta per I Pagamenti in Agricoltura)
Padua Italy



The second staff exchange in Padua (2/3)

AVEPA

- Presentation of AVEPA, its units, divisions, roles and responsibilities, operative duties and activities
- Hosting organisation tools and procedures of prevention and fight against the fraud
- AVEPA IT-based OTSC

Performing a cross-compliance IT-based OTSC

WHAT'S NEW.....APP ON TABLET

From 2015 all cross compliance
checks are carried out with
the tablet





New technologies to check and verify in agriculture

- UAV and flight plan
- Procedure of measurement by UAV
- Download and data processing
- Analysis of the results and closing of the OTSC by UAV



Last step ...

- Statements about the outcomes of staff-exchange
- Analysis and evaluation on the tools for the fraud risk in the light of project's results and outcomes
- Definition of a common framework in the field of prevention and fighting frauds
- Drafting of a shared presentation about the outcomes of the project





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CONDUCTING THE PROJECT - Final Conference

ACTION VI°: 23rd September : Final Conference – «A New Leaf»
project: “New policies against fraud in agriculture and shared
models of detection and control by the Paying agencies”

European Commission – DG AGRI - Fraud prevention and detection
under the new PAC 2014-2020 (Peter Baader)

OLAF - Anti-fraud methods and tools: doing more with less (Andrea
Bordoni)

Ernst&Young - Risks of fraud: measurement models and analysis
supporting tools (Andrea Giovanni Chiusani, Luca Marzegalli)

**AVEPA (Italy), ARMA (Poland) and AFIR (Romania) - The staff exchange
experience between three European Paying agencies** - application of
the common framework developed during the staff exchange
(Francesco Rosa, referral persons of AFIR, referral persons of ARIMR,
experts of AVEPA)



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ANTI-FRAUD METHODOLOGY

A NEW LEAF – DEVELOP A METHODOLOGY



STARTING POINT

Prepare an exhaustive Fraud Risk Assessment tailored on a
Rural Development Program measure
(assessed as at high risk of fraud)

MEASURE 121

Modernization of agricultural holdings



FRAUD RISK ASSESSMENT – RDP MEASURE 121

ANTI-FRAUD METHODOLOGY

PREPARATORY WORK - MEETINGS May 6th and 26th 2015

Creation of a Fraud Risk Assessment on Measure 121

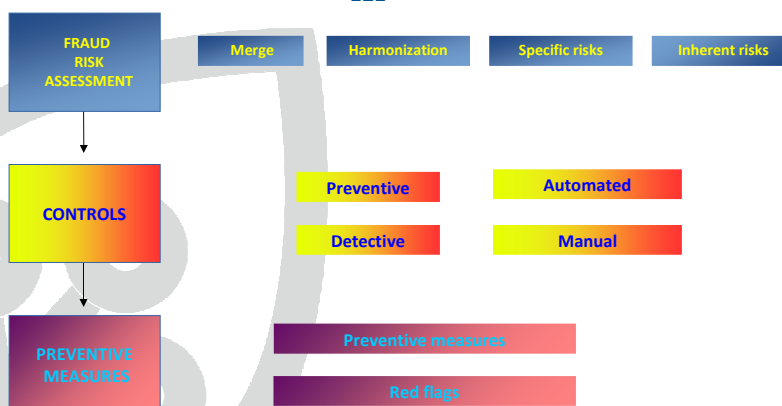
- ✓ Fraud Risk Assessment **Methodology** provided by Ernst&Young
- ✓ Preliminary **analysis** of the Call provided by Ernst&Young
- ✓ Drafting of a Fraud Risk Assessment in the interim period -
risks and controls (May 7th to 25th)
- ✓ **Indicators** for taking action against the risk (May 26th exercise)

All Paying Agencies invited have worked actively
The result is a detailed analysis of possible fraud situations



STRUCTURE OF THE FRAUD RISK ASSESSMENT – RDP MEASURE 121

ANTI-FRAUD METHODOLOGY



A NEW LEAF – FRAUD RISK ASSESSMENT

FRAUD RISK ASSESSMENT – RDP MEASURE 121
Activities - from May 28th to September 10th, 2015

ANTI-FRAUD METHODOLOGY

- ✓ Creation of the spreadsheet borrowing E&Y **FORMAT**
- ✓ Broad aggregation **CATEGORIES** identified for placing the risk
- ✓ Content analysis of the identified **RISKS**
- ✓ Description of applied **CONTROLS**
- ✓ Description of **PREVENTIVE MEASURES**
- ✓ **RED FLAGS** identification



RISK ANALYSIS – FORMAT STRUCTURE

ANTI-FRAUD METHODOLOGY

RISK ASSESSMENT								
RISKS				CONTROL APPLICATION			PREVENTIVE MEASURES	RED FLAGS
CATEGORIES	AREA	DEFINITION	SOURCES/EXAMPLES	CONTROL DESCRIPTION/ COMMENTS	PREVENTIVE OR DETECTIVE	MANUAL/ AUTOMATED/ PARTIALLY AUTOMATED	Description / Comments /Examples	Description / Comments /Examples
COMPLIANCE	Clarity in the drafting of the Call for Applications	Possible absence of binding elements (which can be used for fraudulent transactions)	Lack in communicating appropriate instructions for a correct evaluation about the acceptance/ protocol / etc. to the entities that receive the application.	The calls are made by qualified personnel. The manuals on operational implementation are made with detailed examples.	P	M	Conducting training courses to employees involved in receiving and verifying the applications in order to clearly explain the objectives and rules. Clear explanation of these rules to possible beneficiaries through the beneficiary's guides.	N/A
	Clarity in the drafting of the Call for Applications	Possible absence of binding elements (which can be used for fraudulent transactions)	Collusion between PA officials and prospective beneficiaries. Undue pressures from potential individual beneficiaries of the various sectors.	Implementation of Guidelines	P	M	Limiting the procedures, eligibility and selection criteria modifications over the entire financing period, establishing clear priorities before starting the financing period.	Strange modification of eligibility and selection criteria shortly before the call for applications which were not used before and also will not be used in the future, temporarily derogation for particular forbidden activities
	Biased Call for Applications	The call for applications may be issued with a particular beneficiary or a category of beneficiaries in mind, limiting the possibility for all prospective beneficiaries to apply under the measure.		Internal audit function	P/D	M		
				Code of ethics and anti-corruption special procedures defining the relationship between the beneficiaries and paying agency employees	P	M		



RISK ANALYSIS – BROAD AGGREGATION CATEGORIES

- ✓ COMPLIANCE
- ✓ EVALUATION
- ✓ OBJECTIVE REQUIREMENTS
- ✓ SUBJECTIVE REQUIREMENTS
- ✓ BENEFICIARIES STATEMENTS
- ✓ ELIGIBLE INTERVENTION
- ✓ FINANCIAL REPORTING
- ✓ PAYMENT
- ✓ FINAL COMPLIANCE
- ✓ CHECK - OTSC



A NEW LEAF – FINAL TARGETS and FORECASTS

- ✓ Fraud risk assessment on **other measures**
- ✓ **Integrated** and shared **system** among partners
- ✓ Get a **feedback** from OLAF
- ✓ Implement **automatic systems** for detecting the existing fraud-risk situations
- ✓ Identify tools for **monitoring fraud** situations already in place
- ✓ Provide suggestions to **prevent future fraud** situations

... AND WHY NOT A NEW PROJECT?





A NEW LEAF – HERCULES III Project



The project is published on the AVEPA's website at the link <http://www.avepa.it/aneleaf.it>

All the programs and materials produced within the project are published and available on the AVEPA's website at the link <http://www.avepa.it/aneleaf.it>

Thanks for the attention...!

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Padova, September 23th 2015

