

# FLC cooperation in preventing and inhibiting fraud

*22 October, 2020*

## MANAGING AUTHORITY

### First Level Control Unit

- **Greece – Albania 2014-2020**
- **Greece – Bulgaria 2014-2020**
- **Greece – Cyprus 2014-2020**
- **Greece – Italy 2014-2020**
- **Greece – Republic North Macedonia 2014-2020**
- **Balkan – Mediterranean 2014-2020**

## MANAGING AUTHORITY

### **Common Documents in participating countries for all six Operational Programmes**

- **Guidance on Management Verifications**
- **Administrative Verification Report**
- **On-the-spot Verification Report**
- **Control Check list**
- **Table of verified expenditure**
- **Certificate of verified expenditure**

## MANAGING AUTHORITY

### Common Documents / Reports

- **All documents are extracted through the MIS**
- **The certificate of verified expenditure bears the official logo of MIS**
- **The scheduling of the on-the-spot verifications is derived by MIS via the input of certain parameters**
- **MIS Reports are extracted for all participants/beneficiaries for administrative and on-the-spot verifications and Supervision of the FLCs as well**

## PROCUREMENT

### **DIRECTIVE 24/2014/EU**

#### *Article 58 – Selection Criteria*

**Use of discriminatory criteria that favour certain economic operators.**

**Major actors, Universities, Municipalities, Chambers**

**Fraud indications,**

- (a) unacceptable selection criteria and**
- (b) unlawful award criteria**

## PROCUREMENT

### (a) Unacceptable selection criteria

**Not in compliance with fundamental principles of Treaty such as **non-discrimination and equal treatment** . For instance, requirement of origin (person or company), specific experience on certain region/locality for irrelevant content (project management, financial management), excessive prior experience (too many years of experience for a simple deliverable such as publicity)**

**We notified the beneficiaries that such practices will not be acceptable and will be summoned accordingly if ever repeated again. In the meantime, the financial corrections of European Decision of 2019 have been applied.**

## PROCUREMENT

(b) Unlawful award criteria – Use of criteria such as :

- **location** of company or person (Municipalities),
- **Unnecessary technical specifications** not related to the subject matter of the contract (Universities) – research mainly attributed to Ph.D. students instead of applicable deliverables for the project concerned
- **Unacceptable technical specifications** for instance requirement of the following, economics degree, financial management experience, engineering degree, environmental energy saving experience, electronic platforms knowledge, geothermal experience in buildings. This is in contrast to Greek legislation on professionals and non-division of contract to lots.
- The **non-division of contracts** into lots (article 46 of Dir. 24/2014) without any justification as stated at Greek law.

## PROCUREMENT

**The above cases provide indications of fraudulent behaviour as in all cases there was only one participant expressing interest.**

**We notified the beneficiaries to cancel the procurement procedure and repeat tendering to avoid consequences of up to 100% financial correction.**

## CONTRACTING

### **DIRECTIVE 24/2014/EU**

#### *Article 67 Contract award criteria*

**The contracting Authorities shall base the award of public contracts on the most economically advantageous tender (services & supplies)**

**Criteria may comprise the following,**

- (a) Quality, technical merit, environmental parameters & characteristics**
- (b) organisation, qualification and experience of assigned staff**
- (c) after-sales service and technical assistance and support**

## CONTRACTING

### **Art.67 - section 2**

*The cost element may also take the form of a fixed price or cost on the basis of which economic operators will compete on quality criteria only.*

**Has been used on the following,**

- *Project management*
- *Project publicity – meetings – catering services*
- *Services (case studies on market research, surveys, tourist evaluation & promotion studies, expert studies etc.)*

## CONTRACTING

*We, as FLC Unit, have informed the beneficiaries to avoid using this option of contracting because this clause refers to very specific cases of fixed market prices and certainly does not relate to the above services.*

*It is common knowledge that such kind of services and supplies are always contracted on the basis of most economically advantageous tender (normally 20-30% tender offers).*

## CONTRACTING

*The FLC Unit believes that such practices by beneficiaries can be characterised as “fraudulent behaviour” in particular when the operator is the same.*

*It has been observed in,*

- (a) Non-governmental organisations,*
- (b) Chambers of Commerce*
- (c) Municipalities*

## THANK YOU FOR YOUR ATTENTION



KONSTANTINOS CHRISTODOULOU  
HEAD OF FIRST LEVEL CONTROL UNIT  
MANAGING AUTHORITY OF EUROPEAN TERRITORIAL PROGRAMMES

Tel: +30 2310 469600

e-mail: [interreg@mou.gr](mailto:interreg@mou.gr)

e-mail: [kxristodoulou@mou.gr](mailto:kxristodoulou@mou.gr)