

Practice Name:

Reporting Channel for Structural funds

Country: Finland

Practice category:

- Whistleblowing



Contact:

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Fraud risk(s) countered

- Conflict of interest
- Collusion
- Manipulation of project costs

Context and objective(s)

In Finland, many authorities accept and process reports on different kinds of malpractices. The current legislation on whistle-blower protection is however lacking in certain aspects, e.g. when reporting allegations of fraud, the identity of the reporting person is not necessarily protected. Only few authorities, including the police and the tax authority, currently offer anonymous reporting channels.

Concerning specifically European Structural and Investment Funds (ESIF), there was no reporting channel in place. The Managing Authority (MA) saw the need to implement a reporting channel specific to fraud in ESI funds which provides the opportunity for anonymous reporting in order to encourage people to speak up without fearing repercussions.

The reporting channel created to address this objective is thus aimed at the general public and can be used should anybody gain knowledge of fraudulent actions relating to projects funded by ESIF. The channel aims to increase the reporting and detection of fraud cases linked to EU funding.

Description of the practice

The MA added the reporting channel on its website for structural funds and it became operational in May 2019. People visiting the website for structural funds can find information about “efforts against fraud” where different reporting channels are listed, including the ones provided by the Finish police and tax authority, OLAF, the Ministry of Justice and the specific reporting channel for reporting fraud in EU funds.

The MA decided not to have the reporting channel on the front page to prevent wrongful reports by people who accidentally stumble upon this option. Instead, the MA wants to encourage reports by persons who purposefully look for a reporting channel.

The reporting channel is accessible in both Finnish and Swedish (it is not accessible via the English version of the webpage). It consists of a simple form where the reporting person can provide a title or subject for their report and then describe the allegation in text form.

The website informs the reporting person that the report is anonymous and advises against disclosing any personal information in the text provided. The report may concern any suspicion of abuse or improper conduct relating to the Finnish Structural Funds Program 2014–2020. More precisely, it is explained that the report could relate to beneficiaries or the activities of the projects financed by the program or the authorities responsible for the implementation of the program. The report could be about cases of non-compliance, bribes, activities that are contrary to the legislation or financing conditions or financial crimes related to the financial support, etc. However, the title for the report can be chosen freely and is not limited to a predefined list.

The reporting person is also informed that the MA itself processes the information. For allegations that do not concern ESIF, the person is asked to contact directly the police or the tax authority.

It is not possible to attach documents and no personal data is collected with the form (unless the person gives personal information in the text box itself). The IP address of the reporting person is collected as part of the website visitor tracking. However, this only provides information about the service provider. The identity of a person is only revealed to the police in case of a criminal investigation and not to the staff of the MA.

The reporting channel is linked to a mailbox at the MA which is regularly checked by employees of the MA. When an allegation comes in, it is assessed by a group of dedicated staff within the MA which decides if an investigation or other types of corrective measures are necessary. In case of suspicion of fraud, the report is handed over to the police. The MA also assesses whether the report is only meant to harm someone, i.e. an allegation in bad faith. In this case the report is not pursued.

The MA employees have received specific training in fraud prevention for the purpose of their role. The staff responsible for dealing with allegations also includes people with legal expertise in the relevant areas.

The development of the channel did not create any significant costs for the MA and was included in the budget for their website design. The maintenance does not cause any additional costs either as it is part of the regular control and audit activities of the MA. Currently, the MA does not publish any reports about the number of allegations received or the outcomes of the investigations.

The reporting channel is regularly covered in trainings for Intermediary Bodies. In 2019, the MA organised an awareness raising campaign during which videos and posts about fraud and fraud prevention were shared on social media during the course of one week. The reporting channel was also advertised through this campaign.

Rapporteringskanal

Rubrik för anmälan

Beskrivning av händelsen



Textverifikation (Obligatorisk)

Skicka

Unique features

The reporting channel offers anonymous reporting specifically for cases relating to ESI funds in Finland and the reports are directly treated by the MA.

Outcomes and results

Since its launch in May 2019, the channel received a total of 4 reports relating to labour costs and conflicts of interest.

3 were linked to specific projects and were consequently investigated. One case has been closed and allowed to identify defrauded funds that will be recovered. The other two cases are currently ongoing.

Key success factors

- Directly accessible on the website for ESIF in Finland
- Easy and quick implementation as addition to the existing website for ESIF
- Easy and quick reporting process using a simple text box
- Anonymity of the reporting person

Challenges encountered & lessons learned

The Finish example shows that offering the option to report fraud does not necessarily require a significant investment. While it didn't create any extra costs for the MA, it allowed to investigate cases of fraud that might have gone undetected otherwise.

Potential for the transferability

Adding a simple reporting channel on the website of the MA can be easily replicated by other countries.

However, depending on the legal landscape, anonymous reporting might not be allowed and specific measures need to be taken to protect the person's identity and prevent retaliation.