

Practice Name:

Practice category:



Contact:

**P.I.A.F.- IT
(Integrated Anti-
Fraud Platform)**

- Systems and tools

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Country:

Italy

Fraud risk(s) countered

- Conflict of interest
- Avoidance or manipulation of public procurement procedures
- Double funding
- Collusion
- Manipulation of project costs

Context and objective(s)

The SIAF IT tool (The Anti-Fraud Information System) managed by the Italian Financial Police/Guardia di Finanza was set up in 2010 within PON GAT, the National Operational Programme “Governance and Technical Assistance 2007-2013”¹. It focused on 4 Southern regions (Puglia, Campania, Calabria e Sicilia) by processing data extracted from different archives in order to improve the analysis and reporting of fraud against EU financial interests. Some aspects of SIAF were also co-funded by EC/OLAF under the Hercule III programme². Building on the SIAF experience, the Italian Ministry of the Economy and Finance and COLAF (the Italian Anti-Fraud Committee in charge of the fight against Irregularities/Fraud in the EU budget acting as the Anti-Fraud Coordination Service - AFCO) launched the PIAF-IT project "Piattaforma Integrata Anti Frode" (Integrated Anti-Fraud Platform) in 2019. Like SIAF, PIAF-IT is supported by Hercule III³.

Description of the practice

PIAF-IT is meant as an innovative Business Intelligence platform to prevent fraud to EU budget. The objectives of PIAF-IT are:

1. To create an IT tool to upgrade information used in fraud risk prevention and assessment of activities of regional and national Administrations managing EU funds.
2. To facilitate the exchange of information, including with AFCOs of another EU MS. The tool aims to increase the expertise of all actors (national and European) managing EU funds and fighting transnational fraud.

PIAF-IT's budget is €627 090 (80% funded from EU resources) and will cover the costs of implementing the IT platform, acquisition of necessary licenses, organising specific training courses and exchanges with other EU MS. PIAF-IT includes the following phases: 1) Analysis, 2) Design and development of Software, 3) Testing and implementation, 4) Training.

¹ <http://www.politicheeuropee.gov.it/media/3203/progetto-di-cooperazione-antifrode-parte-1.pdf>

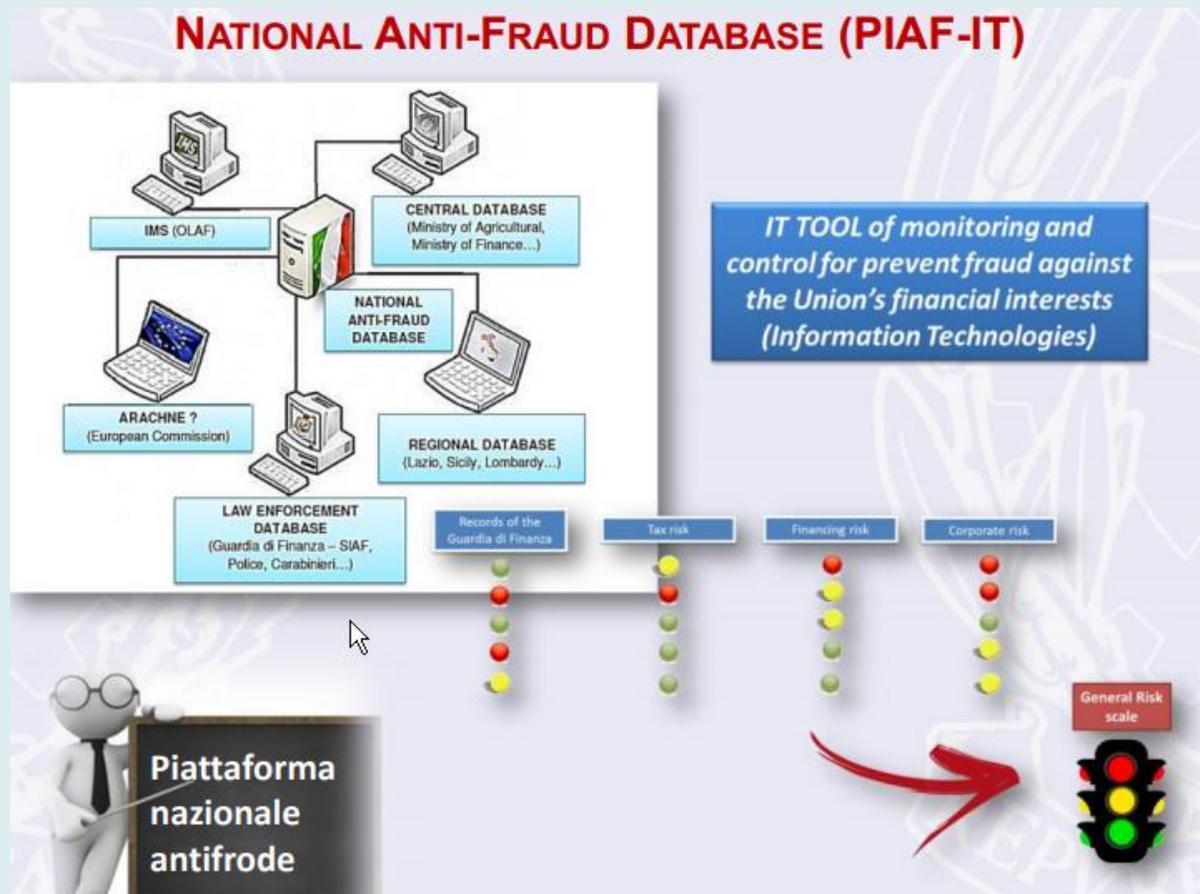
² <https://www.adrionterreg.eu/wp-content/uploads/2019/11/The-Italian-A.F.Co.-S.-and-the-National-Anti-Fraud-Strategy-Vincenzo-Branchi.pdf>

³ <http://www.politicheeuropee.gov.it/it/comunicazione/notizie/al-via-la-piattaforma-nazionale-antifrode>

The project team includes: 3 staff from the Ministry of Economy and Finance (Project Manager, Project Communication Manager and Project Financial Manager), 8 staff from Italian AFCE and 8 trainers from foreign AFCEs (Bulgaria, Latvia, Lithuania, Romania, Spain and Slovenia) and experts from SOGEI (an in-house IT company of the Ministry of Economy and Finance) for developing the IT platform.

In practice, PIAF-IT combines data from different sources (MEF, Ministry Justice, Court of Auditors, Business Register, etc) and allows "cross-referencing" for the purpose of "risk analysis" and providing information profiles on the reputation of beneficiaries by signalling anomalies and potential "risk of irregularity". This helps to stop possible illegal behaviour at the early stages of the evaluation of projects and payment of beneficiaries.

PIAF-IT-IT helps share information between national bodies (first phase) and European ones through a joint working procedure with experts from EU Member States, OLAF and the EC's authorising departments responsible for EU funds (DG REGIO/EMPL).



Unique features

PIAF-IT being complementary to ARACHNE, operates by grouping data from certified national authorities such as:

- the Ministry of Economy and Finance,
- the Ministry of Justice providing information on court cases,
- the Court of Auditors providing information on cases that have a financial impact or damage suffered by the Italian State. The Italian Court of Auditors has judicial authority with financial accounting duties while the majority of EU MS do not confer these specific powers to their national Court of Auditors.

- The Business Register, managed by Infocamere, providing information on the structure and history of companies, and their shareholders,
- As well as the Irregularities Management System I.M.S. managed by EC and the list of direct beneficiaries of the EU budget to identify double funding on direct managed programmes such as Horizon 2020

Furthermore, the Ministry of Economic Development can rely on the cooperation of a special Unit of the Italian Financial Police (Guardia di Finanza) with expertise in detecting fraud and illegal activities.

Outcomes and results

The PIAF-IT system is still under development and therefore activities (and outcomes) are still ongoing. Ultimately, PIAF-IT will allow:

- an effective information technology (IT) tool and basic specific knowledge to facilitate national and transnational cooperation (with AFCOS, EC/OLAF/EPPO);
- technical and operational support to Italian Financial and all Managing Authorities/Audit Authorities in the area of EU funds to fight against cross-border national illegal activities.

Key success factors

The use of IT databases at the national level has already given results for better prevention, detection and sanctioning. PIAF-IT will improve this even further by achieving all of the objectives of Hercule III by:

- 1) centralising and making more visible all information relating to beneficiaries of EU funding;
- 2) strengthening the fight against fraud and other illegal activities against the EU budget through national and transnational investigations;
- 3) increasing the protection of EU financial interests by facilitating the exchange of information, experience and best practices.

Challenges encountered & lessons learned

The Grant Agreement was signed on 7 November 2019 and the duration of the project was set at 18 months, with the possibility of extension for a further 6 months following the COVID-19 crisis. It is important to note the level of complexity of the PIAF-IT project due to the number of stakeholders and the sheer volume and heterogeneity of information gathered from the court cases of the Italian Ministry of Justice and the Italian Court of Auditors, as well as the nearly 6 000 000 companies registered in the Business Register.

One issue was however identified early on: double funding between shared management and direct management. The tracking of double funding is complex to identify as the payments linked to direct management happen directly from EC to the bank accounts of beneficiaries, such as research bodies, without transiting into the Italian national budget.

Potential for transferability

PIAF-IT is a tool that could be replicated in other EU MS to prevent irregularities and fraud to the EU budget. PIAF, however, is currently supported by EC/OLAF through Hercule III but is meant to be kept operational through the Italian budget afterwards at the end of the project to ensure sustainability.