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First Evaluation Round

Compliance Report on Finland

Adopted by GRECO
at its 14th Plenary Meeting
(Strasbourg, 7-11 July 2003)

I. INTRODUCTION

1. GRECO adopted the First Round Evaluation Report on Finland at its 5th Plenary Meeting (11-15 June 2001). This Report (Greco Eval I Rep (2000) 4E) was made public by GRECO, following authorisation by the Finnish authorities on 15 June 2001.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of Finland submitted their Situation Report (RS-report) on the measures taken to follow the recommendations on 10 March 2003.
3. At its 13th Plenary Meeting (24-28 March 2003), GRECO selected, in accordance with Rule 31.1 of its Rules of Procedure, Greece and Latvia to provide Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Petros KAKALIS, on behalf of Greece and Mr Rudolfs KALNINS on behalf of Latvia. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The RC-Report was adopted by GRECO, following examination and debate pursuant to Rule 31.7 of the Rules of Procedure, at its 14th Plenary Meeting (7-11 July 2003).
5. Under Article 15 para. 6 of the GRECO Statute and Rule 30.2 of the Rules of Procedure, the objective of the RC-Report is to assess the measures taken by the authorities of Finland and, wherever possible, their effectiveness in order to comply with the recommendations contained in the Evaluation Report.

II. ANALYSIS

6. It was recalled that GRECO in its Evaluation Report addressed eight recommendations to Finland. Compliance with these recommendations is dealt with below.

Recommendation i.

7. *GRECO recommended to raise the awareness of public officials, particularly among those more likely to be in contact with corrupt practices, about the need to remain vigilant, report serious suspicions of corruption in accordance with agreed procedures and contribute to the efforts of law enforcement authorities aimed at the detection of corruption offences.*
8. The authorities of Finland have reported that the Government on 30 August 2001 adopted a Resolution laying down guidelines for personnel policy in State administration. These guidelines have the objective of developing a common "operating culture" of staff working in the entire State administration, based on common values. The "operating culture" is being developed through regulations, training and supervision. The monitoring of the adherence of these values shall be carried out within the framework of the continuing process of appraisal of staff (objectives set and results achieved) carried out by superior staff throughout the administration hierarchy. The guidelines do not directly concern the reporting of suspicions of corruption.
9. Within this framework, a project focusing on maintaining and promoting high ethics among civil servants in State administration was launched on 11 September 2002 by the Ministry of Finance. The project aims at enhancing common values and to apply them in the everyday work. Five pilot organisations have been selected to elaborate models for good practice (the Ministry of Transport and Communication, The Economic and Development Centre for Lapland, the National Bureau of

Investigation, the University of Jyväskylä and the Criminal Sanctions Agency). In addition, the State employer's office is preparing basic norms in the form of rules of conduct based on practical examples, with the overall objective of raising awareness of good practice and the responsibilities of civil servants. Moreover, the training of higher civil servants shall be improved in respect of awareness of good practice. The overall objective is to transform the values into concrete management instruments. Different administrative sectors work to enhance the integrity in their administration. Training seminars are the most used means to that end but also discussions between various hierarchical levels, with the overall objective of curbing corruption.

10. The Finnish authorities have reported that in addition to the measures underway at the state level, there are similar activities underway at the local authority levels. The Association of Finnish Local and Regional Authorities, which is responsible for anti-corruption measures at local and regional levels, published already in 1993 ethical guidelines for elected officials and civil servants, "Good Local Governance"¹. Legislation for competitive bidding exist since the 1970's. Currently, local authorities are focusing on the prevention of a "grey economy", including the fight against corruption. Municipalities are, for example, recommended to notify suspicious contracts to tax authorities.
11. GRECO took note of the information provided by Finland and concluded that recommendation i. has been implemented satisfactorily. The Finnish authorities may wish to provide conclusions/results of the pilot projects, once these are available.

Recommendation ii.

12. *GRECO recommended pursuing and intensifying the process of specialisation of prosecutors, with the early appointment of prosecutors specialised in economic crime, including corruption, and a key prosecutor to deal specifically with corruption related offences, in whichever context it may arise.*
13. The authorities of Finland have reported that the Prosecution service has had specialised prosecutors since 1997, and key prosecutors since 2000. One of the aims of this specialisation is to ensure that the best possible expertise is available when handling certain criminal cases. As to corruption and related crime, the specialised prosecutors' field of activity is financial crime. At present there are 24 prosecutors specialised in financial crime (including corruption) in Finland. Two of them act as State Prosecutors at the Office of the Prosecutor General, and the others are District Prosecutors elsewhere in Finland. Five prosecutors are specialised in offences committed in public office. One of them acts as a State Prosecutor at the Office of the Prosecutor General, and the others are District Prosecutors. This system is constantly improved, attention being paid to such matters as a high level of expertise and a sufficient number of specialised prosecutors, to guarantee that sufficient expertise is available for handling serious criminal cases. Moreover, serious corruption offences are normally forwarded to the above-mentioned specialised prosecutors. Corruption cases with wider significance to society are considered by the State Prosecutors at the Office of the Prosecutor General. In addition, a system of "mentoring" was launched at the beginning of 2003. This system of transferring of know how, from experienced to less experienced prosecutors, aims at improving the skills of specialised prosecutors.
14. GRECO took note of the information provided by Finland (which partly refers to the period before the evaluation visit) and concluded that recommendation ii. has been implemented satisfactorily.

¹ (ISBN 951-598-054-2)

Recommendation iii.

15. *GRECO recommended to systematically treat corruption cases as cases of "wide national significance" for the purpose of entrusting the investigation thereon to the NBI [National Bureau of Investigation], specialising one or several CID [Criminal Intelligence Division] police officers in the pro-active investigation of corruption cases and providing them with special training on typologies, profiling and risk assessment of corruption offences.*
16. The authorities of Finland have reported that the criminal investigation of corruption offences which are considered significant are normally dealt with by the NBI. Corruption offences are considered "significant" when they involve public personalities (e.g. politicians and government officials) or when the corruption offence involves great values or when the political decision-making is connected with the offence. Furthermore, the police departments in big cities, such as Helsinki, Turku and Tampere, have the special expertise and resources needed for investigating financial crime, including "significant" corruption offences, committed in their respective districts. The responsibility for the investigation of corruption offences that are minor or of no significance to society rests mainly with the local police.
17. Moreover, the NBI has the overall responsibility for criminal investigations at the national level and provides prosecutors specialised in financial crime with training on a regular basis, also in the typologies of corruption. Investigators at the bigger city police departments constantly maintain and improve their expertise in corruption offences through special professional training and the know-how of the local police in this area is also maintained and improved through constant training. In addition to the regular police training, the NBI has trained representatives of other administrations, for example in May 2002 some twenty people responsible for internal auditing in the Ministry of Agriculture and Forestry attended a session on corruption; the participants being responsible for control of EU granted subsidies. In October 2002, the NBI lectured about offences in public office and offences committed by employees of a public corporation in an internal auditing seminar. Approximately hundred participants from the civil and public sector were present. The NBI and the Office of the Prosecutor General are planning to arrange more such courses in the beginning of 2004. The invited participants will then be officials of the Police and the Prosecution Service. Furthermore, the NBI analyses - regularly - different types of crime, including corruption, and produces reports on the crime situation.
18. The Finnish authorities have added that corruption offences are so few in Finland that corruption cannot, in criminal justice terms, be considered a crucial problem to the society. Therefore, there has been no need in Finland for a particular anti-corruption unit or office specialised in investigating corruption cases only. The fact that significant corruption offences always may be transferred from the local police to the NBI is considered a sufficient safeguard.
19. GRECO was of the opinion that Finland has improved the specialisation of the police dealing with corruption. Significant corruption cases are dealt with by the NBI and ordinary corruption cases in the bigger cities by police departments with special resources and competence. Moreover, the NBI provides specialised training for police/prosecutors dealing with financial crime (and corruption) and analyses regularly corruption. In this situation and also taking into account the extremely low and stable number of corruption cases, GRECO considered that the measures reported by Finland, even if not all corruption cases are being treated as cases of "wide national significance" could at present be acceptable.
20. GRECO concluded that recommendation iii. has been dealt with in a satisfactory manner.

Recommendation iv.

21. *GRECO recommended organising a system according to which information from different sources that could lead to the detection of corruption would be centralised and treated, in particular reports on suspicions of bidding cartels, complaints about irregularities in tendering procedures, reports of the State Auditor and local auditors, reports from tax authorities on suspicious declarations of expenses, reports from competition authorities.*
22. The authorities of Finland have reported that the "Anti-corruption network" was established in December 2002 by the Ministry of Justice. The Network (which is described in more detail under recommendation v.) is, in addition to being in charge of international anti-corruption co-operation responsible for the co-ordination and improvement of anti-corruption policies in Finland and for enhancing procedures concerning detection, investigation and prosecution of corruption offences. The Network is a forum for representatives of more than 10 different authorities and five bodies of the private sector. In addition, two recently nominated special prosecutors for corruption cases will be invited as permanent experts to the Network. The Network covers all aspects of centralised information gathering from various sources. All reports made by different authorities (e.g. State auditors and local auditors) are published on the Internet and are readily available for everyone.
23. Moreover, the authorities of Finland have reported that for the time being they see no need for an additional specific centralised system for the processing of information. They have added, however, that in the light of its priority to the fight against "grey economy", the Government is considering how to further enhance and develop the investigation of corruption offences. In this context it will also consider the creation of a new system of information gathering concerning corruption.
24. The Finnish authorities have furthermore reported that each authority has created its own ways of disseminating information. For example, a web page of the Ministry of Trade and Industry concerning public procurement were introduced in May 2000. This web site provides such information as decisions of the Competition Council on Public Procurement. Moreover, the Market Court, which was established on 1 March 2002 (replacing the Competition Council), also has its own web pages within the site of the Ministry of Justice, which will contain decisions of the Court. Furthermore, the Finnish Competition Authority publishes press releases on the Internet on the issues it has been dealing with.
25. GRECO welcomed the establishment of the Network, which comprises "key players" in the fight against corruption. This body provides the means for furthering the discussion and enhancement of anti-corruption policies and procedures. Moreover, it was assured that the general transparency of public authorities and their decisions - through Internet - was beneficial for state agencies and the private sector and for the wider public. However, the recommendation was not drafted in the context of policy matters and enhancement of procedures, but rather for the reason of making the law enforcement system more effective (and pro-active). The reported information system does not appear to have been developed for the purpose of gathering and processing (treating) information for the disclosure of particular corruption cases by the law enforcement agencies. It rather seems to be a system for optimising the transparency and providing important basis for the overall objective of the Network to improving policies and procedures. Accordingly this recommendation has not been fully complied with. GRECO noted, however, the concern by the Finnish Government to establish an information system in the future to improve the detection of corruption.

26. GRECO concluded that recommendation iv. has been partly implemented.

Recommendation v.

27. *GRECO recommended the establishment of a light structure of exchange of information and practice with the participation of the Prosecutor General's Office, the Police, the State Auditor's Office, the auditors of local authorities, public procurement services and tax authorities; such a mechanism could identify procedures and activities most vulnerable to corruption, criteria to detect corrupt practices and preventive measures, which could be disseminated throughout the Finnish public administration.*
28. The authorities of Finland have reported that there is generally an increasing contact between authorities and that they arrange special activities for exchanging information when needed, for example, with the National Audit Office. Moreover, on 20 December 2002, the Ministry of Justice established the Anti-corruption network, in order to comply with recommendation v. This co-operation network is responsible for:
- i) following the drafting of the United Nations Convention against Corruption;
 - ii) following the implementation and further improvement of the OECD Anti-Bribery Convention and the Recommendation on Combating Bribery;
 - iii) following the implementation of the recommendations of GRECO in Finland;
 - iv) co-ordinating and improving the National anti-corruption policy of action; and
 - v) promoting the detection, investigation and prosecution of corruption offences in Finland.
29. The following authorities are represented in the Network: the Ministries of Justice, Interior, Foreign Affairs, Trade and Industry, and Finance, the Office of the Prosecutor General, the National Bureau of Investigation, the National Board of Taxation, the National Board of Customs, the Association of Finnish Local and Regional Authorities, the Central Chamber of Commerce, the Confederation of Finnish Industry and Employers, the Central Organisation of Finnish Trade Unions and the Federation of Finnish Enterprises.
30. The Anti-corruption network will meet twice per year or more if needed. The first meeting was held in January 2003. The Network may invite particular agencies or experts to the meetings.
31. GRECO took note of the information provided by Finland and concluded that recommendation v. has been implemented satisfactorily.

Recommendation vi.

32. *GRECO recommended organising appropriate training for prosecutors dealing with corruption and connected offences, in particular on the typologies of this form of criminality, planning legislation and public procurement procedures as well as regional training events reuniting local authorities and officials and prosecutors should be undertaken.*
33. The authorities of Finland have reported that the Office of the Prosecutor General is responsible for the training of prosecutors. All prosecutors receive initial training concerning corruption, which is an element of the topics "malfeasance" and "financial crime" (criminal law, including criminal procedure), during their basic training period. *Key prosecutors in malfeasance* have their own specialised training on a regional basis (ten regions, yearly) and in small teams locally. *Key*

prosecutors in economic crime participate in training three times per year (three days each) on malfeasance and corruption. Moreover, the prosecution training will include other authorities such as the police and the state audit. In addition, prosecutors participate in training organised by the police administration and vice versa. The authorities have also pointed to the recent nomination of two State Prosecutors as responsible for corruption cases.

34. GRECO took note of the information provided by Finland and concluded that recommendation vi. has been implemented satisfactorily.

Recommendation vii.

35. *GRECO recommended improving the measures already in place for the protection of witnesses and collaborators of justice.*

36. The authorities of Finland have reported that the Finnish legislation in force includes a number of separate provisions on the protection of witnesses and collaborators of justice. The whereabouts of witnesses may be kept secret for the duration of a trial, where necessary. In addition, the contact information of witnesses may not be disclosed, and a police officer may be appointed to protect witnesses. A court may also give a restraining order to protect witnesses from inappropriate contacts. Furthermore, a person threatening a witness or another person heard before the court may be sentenced to imprisonment for at most three years. Witnesses may also be heard in court proceedings held *in camera*. The publishing of a person's name and address in the population register may be forbidden, and a person is entitled to change his or her name and place of residence. Moreover, the police are not entitled to reveal the identity of persons who have provided them with confidential information.

37. On 18 October 2002, the Finnish Government sent a draft Law to Parliament, which was approved by Parliament on 30 April 2003 on further improving the protection of witnesses. According to this text, witnesses could be heard without the presence of the offender under certain conditions, such as when they must be protected from a threat to their life or health. Under certain conditions, witnesses could also be heard without being present at the trial hearing, by means of long-distance interviewing or through similar means of communication (telephone in certain cases). Moreover, other pre-trial investigation authorities than the Police, i.e. the Customs and the Border Guard, would also be obliged not to reveal the identity of persons who have provided them with confidential information. The Law enters into force on 1 October 2003.

38. GRECO took note of the information provided by Finland and concluded that recommendation vii. has been implemented satisfactorily.

Recommendation viii.

39. *GRECO recommended including corruption in the list of serious offences enabling the use of wire-tapping and other special investigative means.*

40. The authorities of Finland have reported that at the moment, technical surveillance, i.e. interception or technical observation, can be used in Finland in the investigation of aggravated corruption offences. Telecommunications monitoring, however, is not permitted in such investigations at present. However, on 10 June 2003, Parliament adopted an amendment to the law concerning coercive means (52/2002) in order to allow for the use of telecommunications

monitoring in the investigation of aggravated corruption offences. The date of entry into force is not yet decided², see footnote 2.

41. GRECO took note of the information provided by Finland. It was pleased that the essence of the recommendation had been followed through the adoption of legislation on the wider use of special investigative techniques for serious corruption offences. There is, however, no definite date for the entering into force of the Amendment.
42. GRECO concluded that recommendation viii. has been partly implemented.

III. CONCLUSIONS

43. GRECO reached the overall conclusion that Finland has implemented most of the recommendations of the First Round Evaluation Report.
44. Recommendations i., ii., v., vi. and vii. have been implemented satisfactorily. Recommendation iii. has been dealt with in a satisfactory manner. Recommendations iv. and viii. have been partly implemented.
45. GRECO invited the Finnish authorities to submit additional information as well as, where appropriate, supporting legislation relating to the implementation of recommendations iv. and viii.
46. Moreover, the Finnish authorities might wish to send to GRECO the additional information mentioned in the parts of the report relating to recommendation i.
47. GRECO invited the Head of the Finnish delegation to submit an additional report, containing the information requested in paragraph 45, by 31 December 2004.

² Finnish Authorities have stated that the law "most likely" will enter into force not until 1 January 2004.