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Second Evaluation Round

Compliance Report on Norway

Adopted by GRECO
at its 30th Plenary Meeting
(Strasbourg, 9-13 October 2006)

I. INTRODUCTION

1. GRECO adopted the Second Round Evaluation Report on Norway at its 20th Plenary Meeting (27-30 September 2004). This report (Greco Eval II Rep (2004) 3E) was made public by GRECO, following authorisation by the authorities of Norway on 8 November 2004.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of Norway submitted their Situation Report (RS-Report) on the measures taken to implement the recommendations on 30 August 2006.
3. At its 26th Plenary Meeting (5-9 December 2005), GRECO selected, in accordance with Rule 31.1 of its Rules of Procedure, Albania and Sweden to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Edmond DUNGA on behalf of Albania and Ms Lena HÄLL ERIKSSON on behalf of Sweden. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The objective of the RC-Report is to assess the measures taken by the authorities of Norway, to comply with the recommendations contained in the Evaluation Report.

II. ANALYSIS

5. It was recalled that GRECO in its Evaluation Report addressed 4 recommendations to Norway. Compliance with these recommendations is dealt with below.

Recommendation i.

6. *GRECO recommended to continue developing intensive and comprehensive training to police officers and prosecutors in order to enable them to make better use of legal provisions on detection, seizure and confiscation.*
7. The authorities of Norway report that confiscation of proceeds of crime has been given high priority in recent years and, as a consequence, a number of measures, including training have been taken by various state bodies since the adoption of GRECO's evaluation report:
 - **ØKOKRIM** (The National Authority for Investigation and Prosecution of Economic and Environmental Crime) organises annually two seminars for investigators and prosecutors on economic crime where confiscation and corruption are among the various topics. Moreover, ØKOKRIM held special seminars on confiscation in three police districts for investigators and public prosecutors in 2005/2006. Furthermore, the Corruption Team of ØKOKRIM is in the process of drafting a user manual for practitioners regarding the uncovering, investigation and prosecution of corruption cases, to be published in 2007.
 - **The Ministry of Justice** (responsible for the Police) held a two day seminar in August 2005 for the newly established Economic Crime Units of all 27 Police Districts, at which all districts were represented. The seminar addressed issues such as the new provisions on corruption offences of the penal code, the use of investigative measures in corruption cases as well as practical guidance in financial investigations and procedural and practical aspects of confiscation. The Ministry of Justice also organised a two-day seminar on corruption in May 2005 for investigators, prosecutors and policy makers in the Nordic countries. The seminar focused on the sharing of practical experience and ways to improve Nordic co-operation in corruption cases, including through networking.

- **The Police Academy** has organised an updated, post-education course in investigation and prosecution of economic crime. Corruption was one of the topics and lectures were given on financial investigation, seizure and confiscation. As from 2007, comprehensive training on investigation and prosecution of economic crime will be included in a new module for supplementary in-service training at the Police Academy. Moreover, the basic police training has further focused on investigation of economic crime, including organised crime and corruption, in recent years.
 - Within the framework of **“the Anti-Money Laundering Project”**, a book written by a senior public prosecutor with the title “Confiscation – what must be done?”, endorsed by the Director of Public Prosecution, has been distributed to police and prosecution authorities as a manual for practitioners in the course of 2004.
 - **“The Oslo Police District Training Project”** provides since 2003 an annual five month in depth training in various aspects of economic crime. One of the essential aims of the training has been to contribute to effectively confiscate the proceeds of crime. Since 2003, 38 police officers/prosecutors and 13 external participants (i.a. customs, tax officials) have completed the training.
8. The authorities finally state that statistics indicate that since the establishment of the “Oslo Police District Training Project”, the total amount of confiscated assets in the district of Oslo increased from NOK 12 million (approx. 1,5 million Euros) in 2003 to NOK 50 million (approx. 6.3 million Euros) in 2005, the National figure for 2005 is NOK 123,5 million (approx. 15,5 million Euros).
9. GRECO takes note of the various activities presented. It appears that the priority given to the area of confiscation, including the practical training provided, has had a considerable impact on the use of measures such as confiscation and seizure in Norway.
10. GRECO concludes that recommendation i has been implemented satisfactorily.

Recommendation ii.

11. *GRECO recommended to consider introducing the regular rotation of staff in such areas which entail a particular risk of corruption (awarding of contracts, public procurement, etc.).*
12. The authorities of Norway report that the Government considers it important to reduce risks of corruption or other criminal, improper or unethical behaviour at all levels of government. The possibility of introducing obligatory rotation of personnel specially exposed to any form of corruption has been considered both at central and local government level. However, the introduction of such rules would be problematic for a number of practical reasons, it could for example, have a negative impact on the recruitment to and career development of such posts. Notwithstanding this position, the Government is continuously working to improve the rules and practices regulating public sector activities and in 2005, the Ministry of Modernisation introduced *“Ethical Guidelines for the Public Service”*, which apply to public administration as a whole. The guidelines deal with matters such as gifts and the duty to report illegal activities. Moreover, a draft law on whistleblowing was pending before Parliament expected to be debated in October 2006. The authorities further report that the Ministry of Local Government and Regional Development is of the view that a well-developed control system, ethical awareness programmes and transparency are more efficient and adequate measures than rotation. That Ministry is currently in the process of establishing a forum on ethics for the county and municipal levels and a working group has been entrusted with conducting a survey of the rules that govern the ethical aspect of the public activities at local level. A report of the working group is expected by December 2006.

13. GRECO notes that the introduction of rotation of staff has been given consideration by the authorities. Although rotation has not been deemed appropriate in Norway, GRECO is satisfied that the authorities continuously pay attention to risks of corruption. The introduction of the Ethical Guidelines for the Public Service represents an important improvement since GRECO's on-site visit and the possible introduction of whistle blower protection by law would further develop this area of interest.
14. GRECO concludes that recommendation ii has been dealt with in a satisfactory manner.

Recommendation iii.

15. *GRECO recommended to introduce clear rules/guidelines for situations where public officials move to the private sector ("pantouflage"), in order to avoid conflicts of interests.*
16. The authorities of Norway report that *Post-Employment Guidelines for the Public Service* were enacted in July 2005. As a point of departure, it is recognised in these Guidelines that the flow of personnel between the public and private sector is important and that there should be no unnecessary impediments in this respect. The Guidelines provide for measures, such as "temporary disqualification" and "abstinence from involvement in certain actions". However, these measures cannot be used unless they are incorporated into the employment contract of the particular employee. Three situations may justify the use of the relevant measures: 1) the need to protect internal information; 2) the need to protect other organisations' trade secrets and 3) the need to protect the general public's confidence in the public service.
17. The authorities further report that *Post-Employment Guidelines for Politicians* came into force in October 2005 and that similar guidelines concerning specific posts, such as Secretary General and Director General, were adopted in February 2005. It has also been reported that some rules in this area exist at the local level, however, this matter will be further explored as it forms part of the mandate of the working group, mentioned under recommendation ii.
18. GRECO takes note of the positive developments reported and encourages the authorities to continue their effort with regard to local administration.
19. GRECO concludes that recommendation iii has been dealt with in a satisfactory manner.

Recommendation iv.

20. *GRECO recommended to ensure that tax authorities employees who might be in a position to detect corruption during the course of their duties are well aware of their obligation to report serious crime and are given sufficient training and the means to detect corruption.*
21. The authorities of Norway report that tax authorities have a well-functioning co-operation with various public authorities such as the Police and the Prosecution Service. In order to provide its employees with information on corruption, the OECD Bribery Awareness Handbook for Tax Examiners has been provided to all relevant tax authority staff. The Handbook has been translated into Norwegian. In 2006/2007 the tax authorities will work more in detail to identify methods that can contribute to the detection of corruption and the Directorate of Taxes has therefore employed one person who will specialise in this area. The authorities further report that in 2005 the tax authorities entered into a formal cooperation with the police and the prosecuting

authorities with the main aim of securing efficient handling of tax cases. This cooperation agreement includes regular meetings both at regional and central level. Another agreement provides the Police and the Prosecution Service with assistance and support from tax auditors in investigating economic crime offences. The authorities finally report that the Directorate of Taxes and ØKOKRIM conducted three seminars for tax auditors, investigators and prosecutors in November 2005.

22. GRECO takes note of the information and concludes that recommendation iv has been implemented satisfactorily.

III. CONCLUSIONS

23. **In view of the above, GRECO concludes that Norway has implemented satisfactorily or dealt with in a satisfactory manner all the recommendations contained in the Second Round Evaluation Report.** Recommendations i and iv have been implemented satisfactorily and recommendations ii and iii have been dealt with in a satisfactory manner.
24. The adoption of the present Compliance Report terminates the Second Evaluation Round compliance procedure in respect of Norway. The Norwegian authorities may, however, wish to inform GRECO of further developments with regard to issuing of post-employment rules in local administration, referred to in the reply to recommendation iii.