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FEDERAL MINISTRY
OF FINANCE

Fighting Fraud Electronically

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- **Fighting fraud preventive and restrictive**
- **part of the strategic task of the Federal Ministry of Finance**
 - **to guarantee fair competition**
 - **minimize evasion of taxes and social insurance**
 - taxes on wages
 - VAT
 - corporate taxes
 - social insurance contributions
 - contributions to other employment institutions e.g. unemployment benefits
 - **protection of the national and EU financial interests**
 - **to guarantee security and fair conditions for the employees**

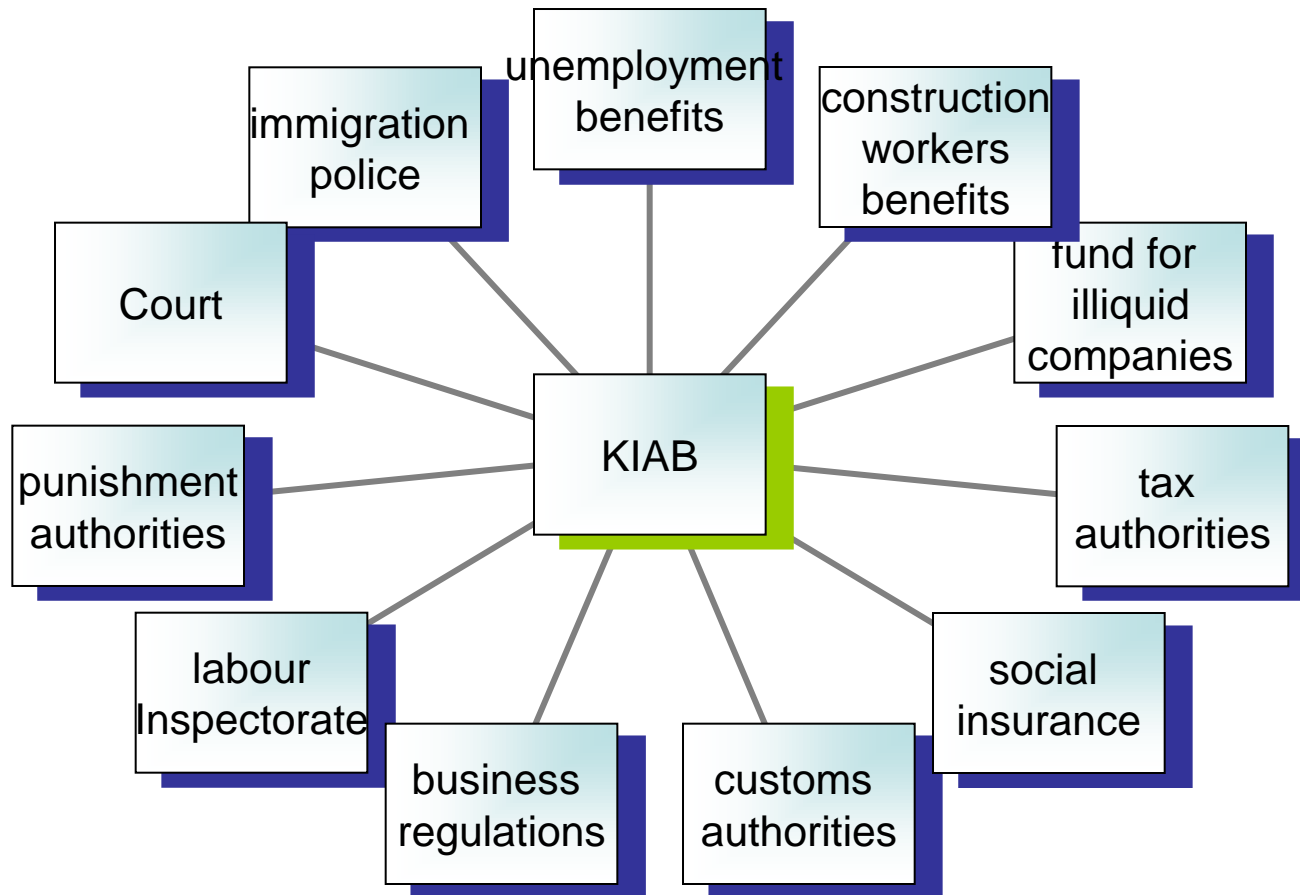
illegal employment manifested as

- **employment without permission**
- **tax evasion**
- **social fraud (no contributions)**
- **infringement of other regulations, e.g. trade law**

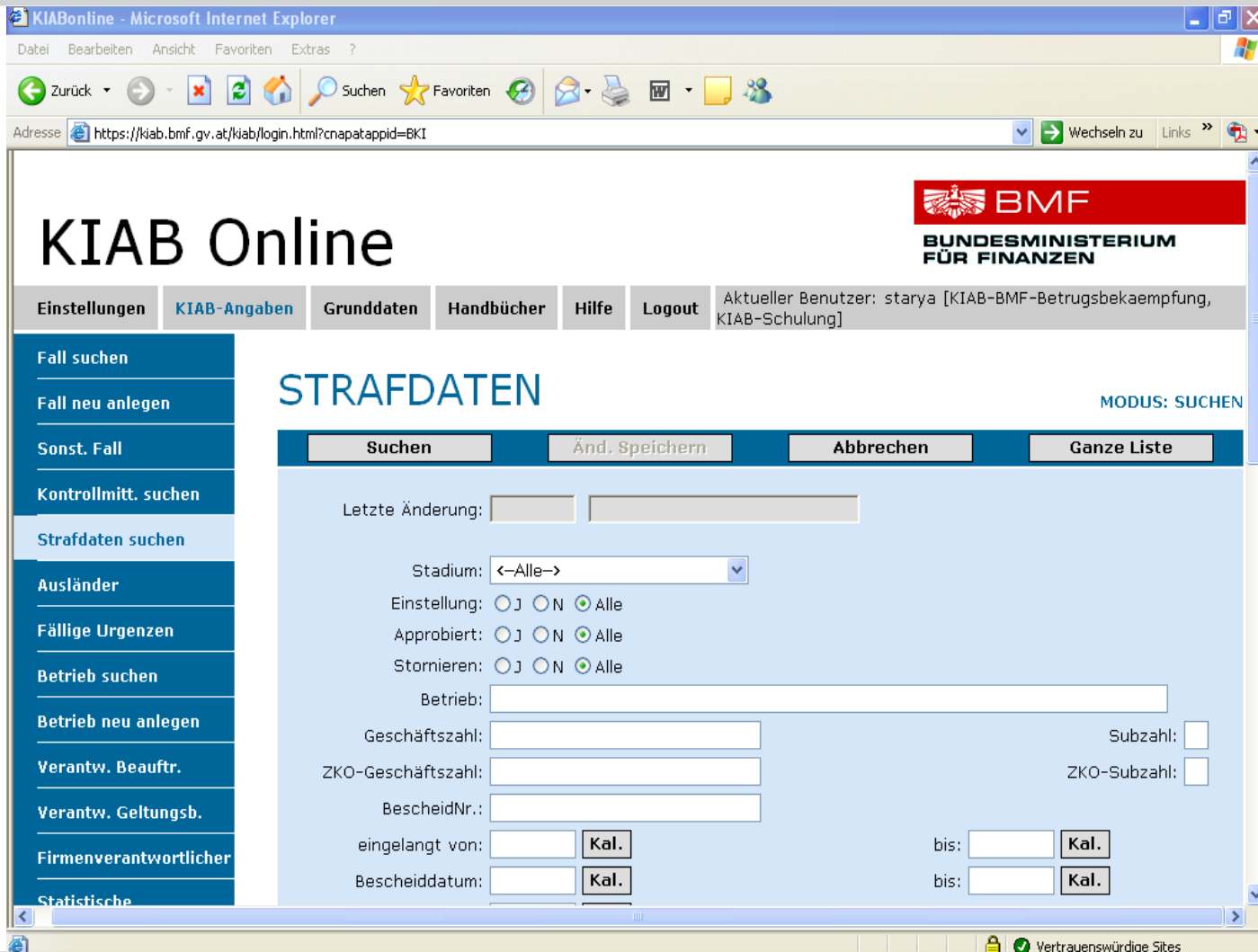
- **in Austria special control units**
KIAB*
 - **control at the workplace**
 - **investigate the working places, contracts and working permits**
 - **initiate legal procedures of the responsible authorities**
 - **do not punish or execute, but have the obligation to inform relevant authorities**
 - **receive verdicts in case of illegal employment of foreigners because of the right to appeal**
- ***Kontrolle illegaler Arbeitnehmerbeschäftigung = Control of illegal employment**

- **Workflow**
- **documentation of the case in the IT-system**
- **looking up registers of other authorities**
 - **unemployment benefits**
 - data of allowance and benefits
 - **taxation data**
 - tax files, taxes on wages, tax arrears
 - **social insurance**
 - **central register of business**
 - **central register of companies**
 - **central register of foreigners**
 - **central register of residents**
 - **central register of land**
- **writing demand for penalty**
- **sending control information**

Interoperability of authorities



- **Project E-Government interface**
 - documentation and archiving of the relevant information and involved persons **once**
 - filing demand for penalty and information **electronically**
 - **integration** in the workflow of receiving authority

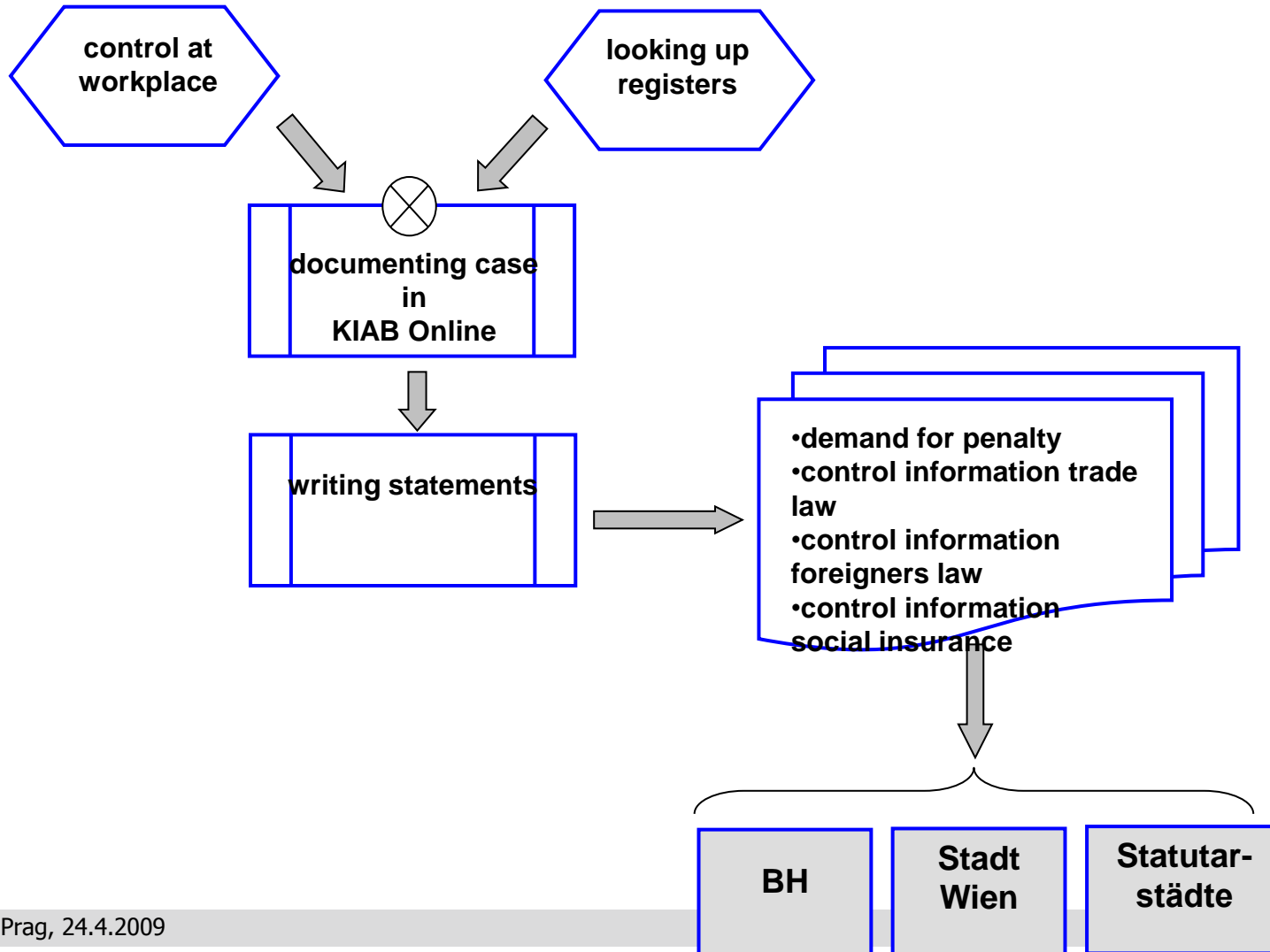


- **KIAB-Online**

- documentation of the cases
- collecting proofs
- writing demand for penalty and information to other authorities
- printing, copying and sending by post electronically generated information and copies of the proofs
- register of verdicts for public procurement
- statistics immediately

- **Web based**
- **secure access internal users via Portal BMF**
- **secure access external users via Portal Austria**
- **7/24 available**
- **unlimited access to every case with restrictions of position**
- **log files**
- **interfaces to other applications**
- **process oriented**
- **archive for electronic proofs**

Context example administrative authorities



Electronically filing – avoiding media disruption



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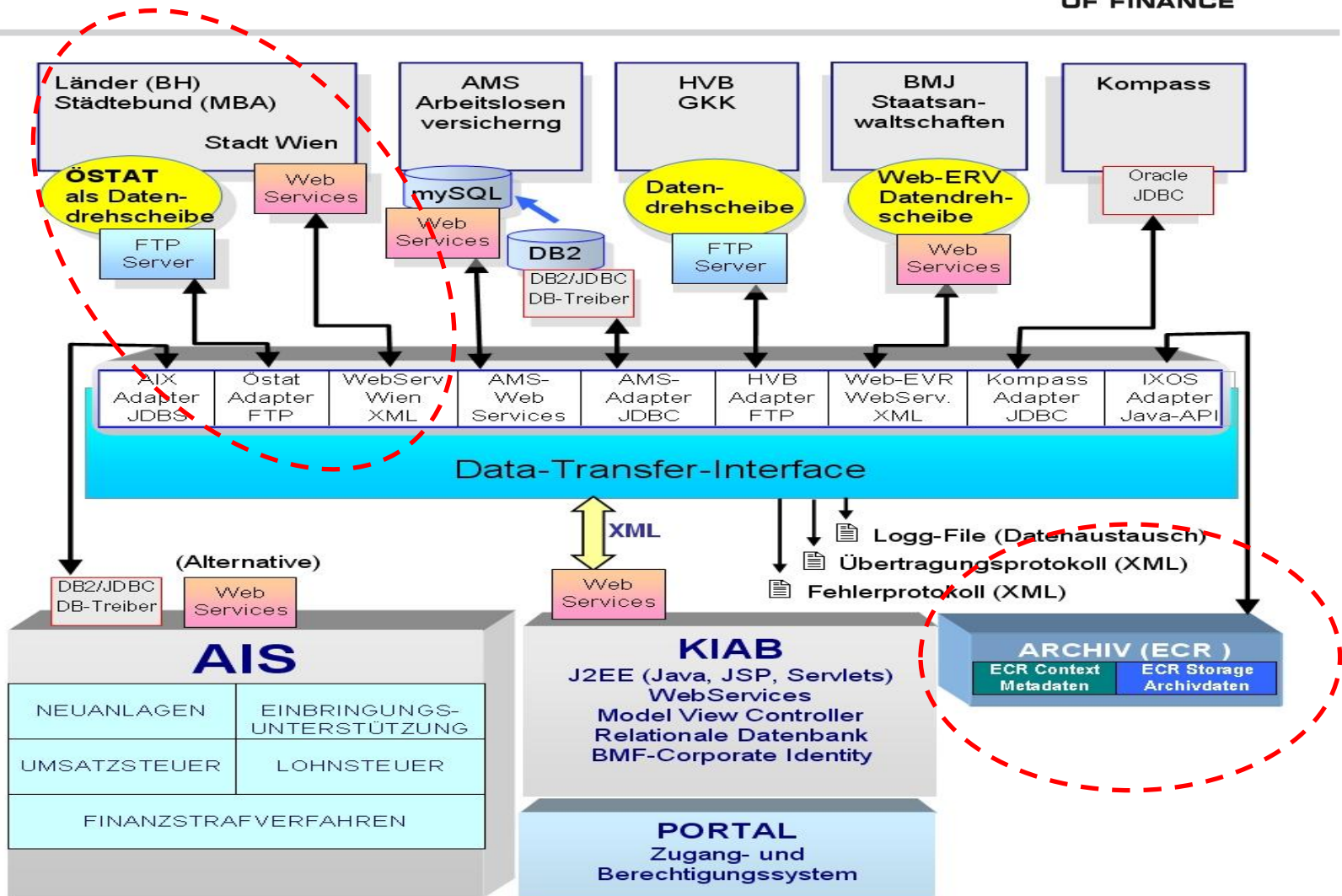
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- **standard notes created by the system**
 - based upon documented information, e.g. personal data of controlled employees
- **filed electronically to defined recipient**
 - no time loss
 - no copying and mailing
 - no errors in delivering
- **taking over by recipient in his system**
 - continue workflow
 - working with same data, person, infringement
 - earlier and quicker
 - faultless

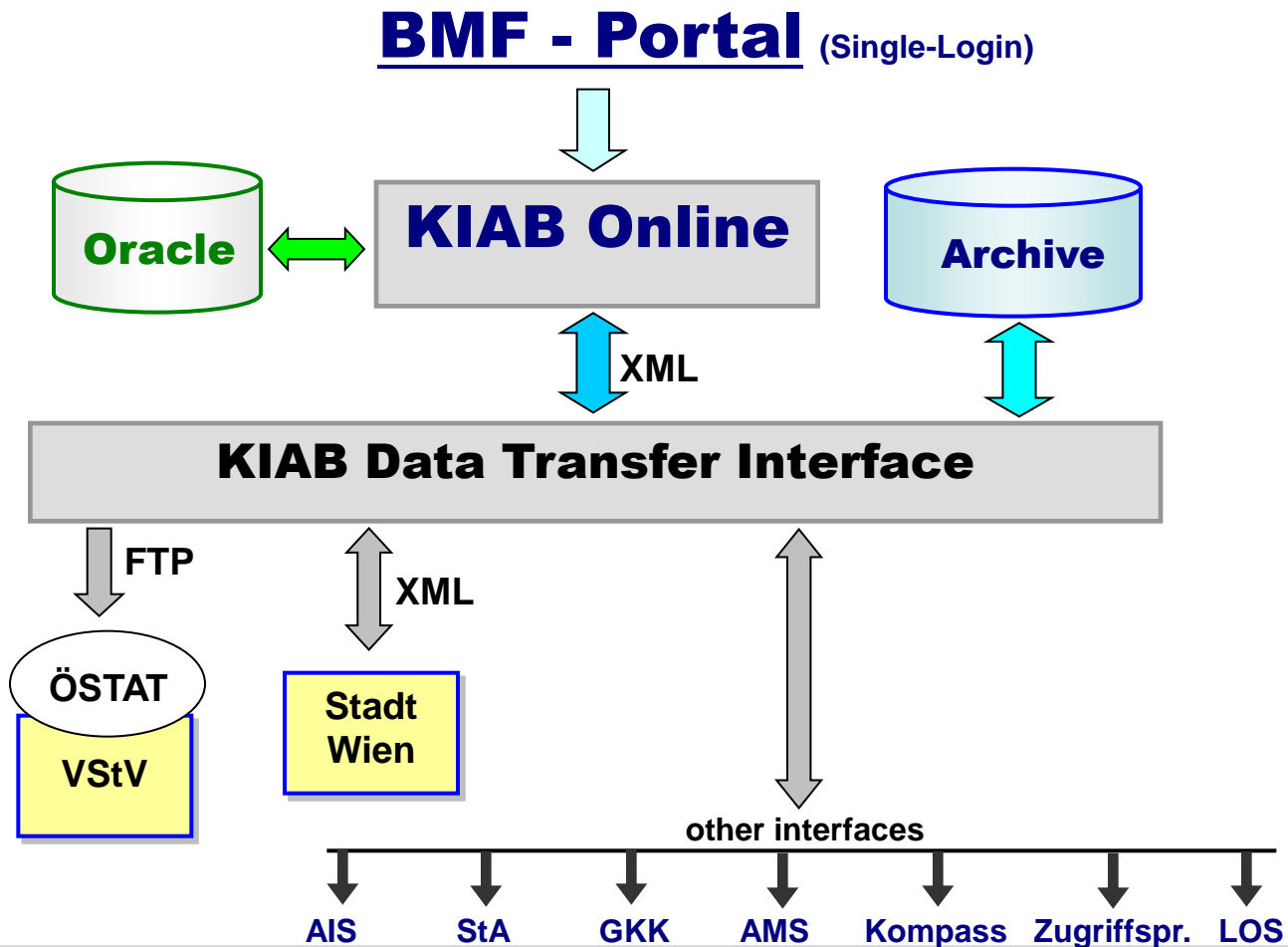
- Open text/IXOS Enterprise Content Repository
- interface via DTI
- access in KIAB Online integrated
- actual format: PDF, JPG
- links for access to interface partners

- **heterogeneous IT-landscape**
- **different systems**
- **standard interfaces – too many restrictions**
- **→ creating individual solutions**
 - **adopted to needs of partners**
 - **open for new solutions**

KIAB Online eGovernment-Interfaces



KIAB Online eGovernment-interfaces



- **Consequences of controls – verdicts by administrative authorities**
 - in Austria there exist not only court procedures but also administrative procedures (simple, only financial fines, no arrest)
- **collecting verdicts that became effective**
- **→ relevant for reliability in public procurement**
- **→ special needs for the quality of data and workflow**
 - review of the relevant verdict before documenting
 - counting of the relevant offence
- **information to inviting bids for public procurement**

- **Companies may be imposed from public procurement in case of certain verdicts**
- **receiving verdict demands**
 - look up for the right company
 - kind of infringement
 - person accused
 - a lot of brain work and no techniques
 - to provide right information brain work must be brought on the machine
- **KIAB Online stores the companies' data historically,**
 - match every verdict with the company
 - attribute the kind of verdict
 - every infringement visible if there is a request for a company's data

- **free movement of workers**
 - one of the fundamental freedoms guaranteed by the Treaty of the European Union
- **in Austria announcement to the Federal Ministry of Finance**
 - posting company
 - partner in Austria
 - data of posted workers
- **stored in KIAB Online**
 - to look up for control units if announcement was according to law

- **Output**
 - amount of controls, fines
- **Outcome**
 - fair economy
 - compliance of companies
 - raising taxes and social contributions
- **KIAB Online cannot value the outcome**
 - but out of statistics make evident trends of infringement
 - make visible raising offences in certain branches
 - offer base for political and legal measures

- **illegal employment = tax evasion**
 - **information about illegal employment filed to the tax authorities**
 - **controls out of data from tax authorities**
 - **tax audits based on a risk system – one risk is information about illegal employment**

long-term - advantages

- **Reducing administrative costs**
- **Getting synergies in the Ministry and in cooperation with other authorities**
- **more efficiency in fighting illegal employment**
- **protection of honest economy and workers**
- **Support of other authorities doing their tasks**
- **better results of the penalties**
- **gaining penalties and tax debts more efficiently**

Thank you for your attention

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