



**REPUBLIC OF POLAND**

**MINISTRY OF FINANCE**

**INFORMATION**

**of the General Inspector of Financial Information**

**on Counteracting Introduction into Financial Circulation of  
Property Values Derived from Illegal or Undisclosed Sources  
and on Counteracting the Financing of Terrorism**

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## **INTRODUCTION**

Monitoring of financial transactions is the basic guarantee of efficiency for a system counteracting money laundering and financing of terrorism. However, neither can the monitoring properly operate without suitable and competent personnel, nor can good control be carried out without a proficient system secured with suitable procedures. In the days of technological progress and swift changes the above-mentioned objectives cannot be achieved without the support of technological background of the highest standard.

For the General Inspector of Financial Information, as probably for the whole Polish administration performing public tasks, 2004 was a year of challenges associated with the accession of our country to the European Union. Because of this new situation, the Polish system of counteracting money laundering and financing of terrorism had to become even more specialised in technical and procedural terms and to be more open to a broad context of multilevel international cooperation under the new formal and legal requirements.

However, the priorities has remained the same – a reliable and efficient analysis of suspicious transactions, broadly conceived cooperation with the obliged institutions and cooperating units, current and active international cooperation, improvement and use of the most advanced information technologies to provide solutions responding to the present challenges, as well as continuous work on the improvement of the quality of tasks, including the provision of suitable legal regulations and back-up facilities which would guarantee their satisfactory standard.

While describing the most important achievements of 2004, we cannot forget about the new task – receiving and processing of millions of data related to the transactions exceeding 15,000 EUR carried out under the Polish financial system.

The presentation of the activities carried out during the last year should also include a comment on those aimed at the counteracting the financing of terrorism. From the point of view of an efficient operation of the whole terrorism combating system these activities are an important element and their results are crucial for the evaluation of the credibility of our economy and the image of Poland. It is evident that a strong specialized and competent unit, able to meet the challenges of the world wide escalation of terrorism and development of modern transfer techniques, is a guarantee of efficiency, quality and speed of action also in this field. An it should be noted that this is the staff that is a mainstay of each dynamic unit.

That is why last year we emphasised the strengthening of organizational, staffing and technical structure of the Department of Financial Information, which is an executive unit of the General Inspector. It seems that in spite of the number tasks and difficulties growing each year – such as the extension of the General Inspector unit (**commitments of the Polish Government laid down in the documents on the preparation of Poland for the EU accession that Poland has failed to fulfill since 2003**) - the Team of the General Inspector for Financial Information (GIFI) undertakes and fulfills all the tasks imposed on it through its full commitment, often at the expense of leisure time and personal engagements. These tasks result from numerous international obligations and the responsibility that Poland bears as a rightful member of many global structures and a leader for new countries which apply for the membership or wish to participate in the works of various international bodies. However, each structure reaches a critical level in terms of efficiency and effectiveness. This is the level that has been reached by the team of General Inspector with personnel slightly exceeding forty persons. Further correct and efficient implementation of the tasks without team strengthening will be extremely difficult. It should also be stressed that already in 2006 the Polish system of counteracting money laundering and financing of terrorism will be evaluated in detail by the European Council, the World Bank and the International Monetary Fund. The results of this evaluation will affect the perception of Poland as a potential location for foreign investments.

## PART I IMPLEMENTATION OF THE ACT

### 1. ANALYSIS OF TRANSACTIONS

Analysis of the transactions identified by the institutions, which submit the relevant information, as transactions that could be associated with an attempt to legalize funds originating from illegal or undisclosed sources in the financial system, is to justify or negate such distrust set forth by an obliged institution or a cooperating unit in accordance with the law.

#### 1.1. STRs received

In 2004 the General Inspector received **1397 STRs** in **paper form**, including:

- 860 STRs from obliged institutions,
- 521 sSTR from cooperating units,
- 16 STRs from other entities.

#### *STRs received between 2001 and 2004*

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Obliged institutions	102	358	739	860
Cooperating units	115	237	211	521
Other sources	14	19	15	16
<b>Total</b>	<b>231</b>	<b>614</b>	<b>965</b>	<b>1397</b>

The above Table shows that the number of submitted STRs has substantially increased in comparison with the previous years. An increase in the number of notifications submitted by cooperating units, which intensified their activity over twice in 2004, is especially visible.

The number of notifications from the obliged institutions also has increased significantly, and this is a confirmation that they are better prepared for the evaluation of transactions and identification of features specific for suspicious transactions.

Suspicious transactions effected electronically are a separate category. Apart from real information on suspicious transactions, there is a number of transaction notifications coming in with a code intended for suspicious transactions, however, the majority of such transactions are carried out by the entities that participated in transactions reported earlier to the GIFI. In such cases data received are attached to the cases under investigation. However, as the office received around 1.5 million of notifications on threshold transactions each month, the employees of the Department of Financial Information practically have to take a close look at several thousand transactions each month in order to classify them correctly, even if we assume that the percentage of transactions coded as “suspicious” is small. It cannot be assumed though that a transaction referred to as “suspicious” is not a basis for instituting new analytical proceedings. The solution of this problem is one of the challenges for 2005 and the following years.

## **1.2. Results of the analytical proceedings under way**

As a result of the conducted analyses, between 1 January and 31 December 2004 the General Inspector:

- submitted **148 notifications to the prosecutor’s office** on the suspected commitment of a crime referred to in Article 299 of the Penal Code,
- requested to **withhold 5 transactions** of a value exceeding 2.600.000 PLN (650.000 EUR)
- requested to block 13 accounts which were used for suspicious financial operations exceeding 12 million PLN (3.000.000 EUR).

In 2004 we were still facing discontinuance of the proceedings initiated in consequence of notifications submitted by the GIFI with allegation of criminal acts referred to in Article 299 of the Penal Code. The discontinuances were mainly due to the lack of the possibility to determine the so-called predicate offence, which is the source of funds introduced to the financial system, and also because of the findings made during the criminal proceedings with respect to facts and sources which are not accessible for the General Inspector (no authorisation). Discontinuance of the proceedings are often accompanied by the presentation of charges on the basis of other legal provisions or referring the case to fiscal offence proceedings.

**In 2004, for the first time in the history of the Polish administration of justice, there were sentences passed for money laundering.**

### 1.3. Trends, phenomena

Just as last year, the most often reported suspicious transactions consisted in flows of funds associated with actual or fictitious trade in fuels, mainly liquid fuels, and components used in the production of fuels. In 60 cases the analytical proceedings concerned fuel issues and provided a basis for 59 notifications to the prosecutor's office. These cases are characterized by ramified financial, territorial and personal interrelations as well as by a large number and variability of the entities involved. It is typical in this case that new entities appear to participate in the criminal activity and operate for a few weeks or months at the very most and then to be liquidated and to emerge as new ones. Usually, these entities do not have any infrastructure necessary for their operation in the fuel sector and most often are the last link of criminal activity chain intended to withdraw the cash from the circulation. So far, despite the so-called "fuel affair" widely disseminated by the media, there is no visible tendency in this respect and more and more businesses, which used to be involved in another, not especially efficient activities, begin to operate as agents in fictitious or actual trading in fuels. More and more often, these activities involve the entities registered as allegedly conducting activities not connected with fuels at all, and which, however, do not carry out the registered activities but act as so-called „shell companies”, i.e. intermediaries in the transfer of financial means.

To conclude, the following statistical data concerning the discussed analyses may be presented. In 2004 the number of instituted analyses with respect to the entities involved in fuel trade amounted to 60. At the same time **59 notifications** were submitted **to the competent prosecutor's offices** about the suspected commitment of a crime, referred to in Article 299 of the Penal Code, by the above-mentioned entities. These notifications included an analysis of the bank accounts, securities and cash accounts of **1.063 entities** in total. The notifications concerned **297 natural persons**, usually running their own businesses or being members of the boards of management.

The approximate value of the suspicious transactions which were notified in connection with the suspected commitment of a criminal act, referred to in Article 299 of the Penal Code, by the entities dealing in fuel trade in 2004, amounted to 717,207,351.38 PLN (180.000.000 EUR).

Within the framework of analyses carried out in 2004 for the entities dealing in fuel trade, the General Inspector of Financial Information sent **1,260 letters** with information request on the above-mentioned entities to the obliged institutions and cooperating units.



Another category of the frequently reported suspicious operations involves trade in scrap metal and recyclable materials. The perpetrators act practically in the same manner as in the case of fuels and it seems that the number of such cases has begun to grow significantly after the “fuel affair” stir in the media. The first signals appear that the entities switch over from the fuel trading sector to a “safer” trade in scrap metal.

The analytical proceedings still show transactions associated with trade in securities. The use of financial institutions operating on the stock exchange and in the civil law proceedings becomes more and more important, especially in the case of large scale money laundering. The trade in securities provides greater anonymity for the entities involved and simultaneously considerably impedes identification of the entities actually involved in money laundering due to a complex character of the stock exchange transactions. The scale of each day operations is another incentive for crime, since it facilitates transactions so that they do not raise any suspicions. Such cases are the most complex ones as the network of interlinked persons and businesses participating in the trade is considerably developed. The number of civil law transactions on the share market is rising mainly when shares are purchased from the so-called petty shareholders, usually the employees of the listed companies or of the companies intending to debut on the stock exchange. Not only is the value of purchased (sold) shares manipulated, but the actual purchasers and the sources of the funds origin are hidden, for instance through a loan granted by a company from a “tax haven”.

On the basis of conducted cases several reproducible phenomena may be distinguished, which, as it seems, have an opportunity for long term existence within the framework of our system of financial institutions and outside thereof; they include especially:

- the majority of so called „shell companies” or simulating enterprises which participate in better organized “money laundering chains” declare that – among the whole range of other activities – they also act as trade agents, and this justifies in their opinion the lack of any means and equipment necessary for a physical movement of goods,
- in the cases where securities investments are made, either through the stock exchange or civil law transactions, foreign entities registered in the so-called tax havens and usually using the banking systems from different parts of the world (mainly from the countries of the former Commonwealth of Independent States) emerge more and more often as investors or entities providing funds for investors,
- the GIFI, and especially the custom service receive a growing number of signals concerning persons from Ukraine, Russia and Belarus, who bring large amounts of

foreign currencies to Poland and declare their deposition in a bank; the search for these persons in the Polish financial system usually brings no results and the information obtained from the foreign financial intelligence units does not provide any guidelines on the probable origin of funds, therefore the GIFI does not have any possibility to make use of these notifications,

- companies from tax havens emerge not only in the cases associated with the trade in securities but also in many cases related to exports or imports, especially when the goods or financial means cross several state borders;
- there is a growing number of cases concerning the economic activities (most often the trade) conducted by foreigners from Asia, who often have permanent resident status in Poland and some of them pay income taxes, but this income is usually negligible. The tax authorities often cannot find those persons, as their places of residence turn out to be fictitious or short-term and they submit tax declarations by post or do not submit them at all.

Keeping in mind the type and the character of entities participating in money laundering and the experience of General Inspector of Financial Information in detecting and counteracting against money laundering in Poland, several most popular methods used for legalization of the funds derived from illegal sources may be distinguished:

- ***Legalization of funds derived from crime through loans and donations***

This method is based on an agreement concluded between two or more natural or legal persons which draw a fictitious loan or donation contract registered it in the inland revenue office and pay the due tax levied on the civil law actions.

- ***Blending of revenues***

It consists of literal blending of proceeds from legal business activity with funds derived from illegal or undisclosed sources. In the first place the method is used in such economic activities where it is difficult to predict the value of seasonal revenues.

- ***A fictitious account***

It is an account opened to conduct one or several transactions within short time intervals for very high amounts, using the maximum number of fictitious data of both persons conducting the transaction and documents that these persons use.

- ***Distribution box***

A distribution box typically consists of depositing small amounts of money on a given account so as not to exceed the threshold which requires registration, derived from various

sources (rarely from one source only) in order to transfer the funds to another account or accounts, also electronically, when the amount of money reaches a proper level.

➤ ***Target account***

This method is characterized by a transfer of large amounts of funds to one banking account, from which they are immediately withdrawn in cash. In this case withdrawal of cash concludes a certain preconceived money laundering “path”. The transfers to a final account are of course preceded by a number of operations (which are an integral part of this method) to impede or to prevent identification of a illicit origin of financial means.

➤ ***Purchase and sale of fixed assets***

This method is based on play with prices of fixed assets such as premises, machines, equipment and means of transport. Funds from illegal sources may be introduced into financial circulation by underpricing or overpricing of such assets.

## **2. COUNTERACTING THE FINANCING OF TERRORISM**

There are no doubts that global actions aimed at the suppression of the development and the escalation of terrorism are needed. The basic international regulations in this respect include:

- the UN Security Council Resolution 1373 (2001) on combating international terrorism,
- four Acts of the European Union of 27 December 2001 on issues such as terrorism combating, establishment of special measures against the entities suspected of terrorist activity,
- 9 special recommendations on the combating of terrorism financing prepared by the Financial Action Task Force on money laundering (FATF), operating under the auspices of the OECD.

In response to the calls for changes addressed to the international community, Poland has prepared legal solutions which allow to fulfill international obligations accepted by Poland as a rightful member of international community. To this end, the Act of 16 November 2000 extending the competencies and directly authorizing the General Inspector to combat terrorism through counteracting its financing, has been amended. The *Act amending the Act...* (Journal of Laws No 180, item 1500) adopted on 27 September 2002 introduced legal

solutions which allow the fulfillment of international obligations by Poland with respect to the suppression of the terrorism financing sources.

In order to fulfil the task, internal regulations were introduced to facilitate swift implementation of imposed obligations. The first step consisted in preparation of a database structure and special software. The General Inspector database contains the data from the lists of entities suspected of terrorism published on the websites of the UN, the EU and the US Treasury Department, as well as the data delivered to the Department of Financial Information by the foreign financial intelligence units and the Ministry of Foreign Affairs. Those lists include over 5,500 entities. They are updated on the current basis using newly obtained information.

In 2004 distribution of the lists was carried on among the obliged institutions, which have to examine their own databases and inform the General Inspector without delay about any account of an entity suspected of terrorism. Furthermore, the GIFI team prepared the organizational support for the implementation of the lists transfer procedures with the use of electronic signature. These procedures are to be launched in 2005.

Moreover, multilateral activities are undertaken in the area of cooperation with other entities included in the system of terrorism combating. The objective of these activities is to collect the largest possible amount of data which would allow to make a decision on the application of a particular measure envisaged in such a situation, i.e. the account blockade. The General Inspector carries out analyses of all cases for which there are suggestions of a possible connection between the transferred funds and the financing of terrorism.

Combating the financing of terrorism required to undertake organizational preparations, to establish the rules of cooperation with entities referred to in the Act, as well as to extend the scope of agreements on cooperation with the GIFI foreign counterparts.

In consequence of intense activities on the international forum, the GIFI signed agreements on cooperation, which also included the issue of combating the financing of terrorism, with Andorra, Cyprus, Ireland, Israel, Liechtenstein, Latvia, Monaco, Germany, Portugal, Ukraine, the USA, Thailand and Italy, and instituted actions aimed at the renegotiation of earlier agreements with Australia, Belgium, Bulgaria, the Czech Republic, Estonia, Finland, Spain, South Korea, Lithuania, Russia, Romania, Slovakia, Slovenia, and the United Kingdom. An agreement with Switzerland to cover both the issue of combating money laundering as well as counteracting the financing of terrorism is currently negotiated.

The General Inspector also participates in the works of many international bodies such as Financial Services Working Group, Working Group on Terrorism (international aspects), Working Group on Terrorism, Multidisciplinary Group on Organized Crime, the sessions of EGMONT Group, Financial Action Task Force on money laundering (FATF), Task Force on Organised Crime in the Baltic Sea Region (BALTCOM) and the Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures MONEYVAL. This enables active participation in the work of the groups and in the working meetings, which are of key importance for the decisions to be made.

Development of a mutual notification system concerning the persons allegedly connected with the terrorism financing, in consultation with the financial sector, mainly the banks, was important for the quality and efficiency of cooperation. Apart from that, the General Inspector extended the scope of training courses with the issues related to this problem. As a result of these activities, the banks became more active in the area of analyzes of the transactions targeted at the identification of operations, which may be associated with financing of terrorism but are not directly related to the transferred lists.

It is also worth pointing to the establishment of better cooperation with the customs authorities, inland revenue, Police and the Border Guards. Working contacts in the area of consultations concerning persons suspected of terrorism financing were a natural, and necessary at the same time, consequence of these activities. Swift exchange of information allows for faster operations of all services concerned. Due to the escalation of terrorism, it is necessary to ensure more efficient freezing of assets of the entities, organizations and countries referred to in the Security Council resolutions as financial supporters of terrorism.

### **3. COOPERATION WITH OBLIGED INSTITUTIONS AND COOPERATING UNITS**

In order to efficient fulfil the obligations imposed by law, the General Inspector of Financial Information is required to undertake many actions to ensure cooperation with the entities specified in the Act. In 2004 the cooperation was implemented at many levels. First of all, the program of cooperation with selected cooperating units and economic associations initiated in 2003 was continued. Moreover, training in the form of e-learning project entitled “Counteracting against money laundering” was implemented and completed. It was intended mainly for the employees of obliged institutions and cooperating units. Furthermore, a number of training courses for the representatives of obliged institutions were delivered on the submission of information to the General Inspector of Financial Information. The Department

of Financial Information also advised on the application of legal provisions related to counteracting money laundering and combating the financing of terrorism.

### **3.1. Cooperation programme**

Bearing in mind the need to increase the effectiveness of cooperation with the obliged institutions and cooperating units, the above mentioned programme entitled “*The Programme of cooperation of the General Inspector of Financial Information with chosen cooperating units and economic associations within the scope covered by the act of 16 November 2000 on counteracting introducing to the financial system of property assets stemming from illegal or undisclosed sources and on counteracting the financing of terrorism*” was developed and implemented in 2003. The aim of the *Programme* is, among others:

- to help the cooperating units implement the tasks imposed by the law,
- to improve work with cooperating units and economic administrations rallying obligated institutions,
- to build up confidence in the office and activities of the General Inspector of Financial Information,
- to activate new sources of information on the attempts to introduce funds derived from illegal or undisclosed sources into the financial system and on the attempts to finance terrorism in Poland,
- to ensure the best possible conditions for cooperation between the General Inspector, cooperating units and obliged institutions,
- to increase the number and quality of information on suspicious transactions.

Under the Programme thirteen training courses were delivered for **461 persons** employed at cooperating units. The trainings courses were as follows:

- 8 training courses for the heads of inland revenue: „*The Role and the Tasks of the inland revenue in Counteracting Money Laundering and Combating the Financing of Terrorism*” – **256 persons**.
- 4 trainings for the employees of customs offices: *Reorientation – the control of the entities conducting activity involving games of chance and automatic machine games* – **200 persons**,
- 1 training course for the employees of the Supervision and Control Unit of the Department of Games of Chance and Mutual Betting – The control of the compliance with the provisions of the Act of 16 November 2000 on Counteracting Introduction into

Financial Circulation of Property Values Derived from Illegal or Undisclosed Sources and on Counteracting the Financing of Terrorism – **5 persons**.

### **3.2. Training, clarifications of the application of legal provisions**

In connection with numerous queries obliged institutions and cooperating units concerning implementation of the statutory obligations, in 2004, as in the previous years, the submitted questions were answered in writing, the problems were solved within the groups established on the current basis and the specialist workshops addressed mainly to the banking sector were arranged.

The Department of Financial Information received over 200 queries on the practical application of legal provisions. Around 25% of queries concerned the application of provisions of the regulation on the method of filling in and submitting information on the transactions. Apart from the official exchange of letters, working contacts are also maintained and it is difficult to estimate the amount of information and the number of clarifications provided by telephone or email.

The training meetings were dedicated mainly to the presentation of the method of transferring information from the transactions registers by means of electronic information carriers. They accompanied the training courses delivered under Phare 2002 programme.

During 3 workshops 152 representatives of all Polish banks were trained and during another 2 trainings 102 representatives of the remaining obliged institutions (insurance companies, brokerage houses, state public utility enterprise Poczta Polska (Polish Post), the investment funds societies and investment funds, entities engaged in currency exchange and pawnshops, real estate agents, antique shops and entities engaged in activity in the scope of precious and semi-precious metals or stones trade, enterprises conducting leasing and factoring activities, entities conducting activity involving games of chance, mutual betting and automatic machine games and notaries public) received training.

Under Phare 2002 programme 4 workshops were arranged for the employees of cooperating units and authorities supervising obliged institutions (the implementation of a common control strategy of obliged institutions was discussed and the previous experiences were exchanged during these workshops). The workshops allowed to train 261 employees of the revenue chambers, fiscal control offices, customs chambers, regional chambers of audit, the National Bank of Poland (NBP), the General Inspectorate of Banking Supervision (GINB), the Polish Securities and Stock Exchange Commission (KPWiG), the Insurance and

Pension Funds Supervisory Commission (KNUiFE), the National Association of Cooperative Savings and Credit Unions (KSKOK).

### *3.2.1 E-learning*

E-learning training courses were launched on 15 January 2004. By using this form of training the General Inspector of Financial Information wanted to provide the possibility of participating in the trainings for a large group of the employees of obliged institutions. Two week virtual training series may include up to 400 participants at a time (300 employees of obliged institutions, 75 employees of cooperating units and 25 persons from other entities concerned) without the need to bear the costs associated with participation in traditional training courses, such as travel and per diem expenditures.

The course scenario was based on the materials consisting of 9 lessons, prepared by the employees of the Department of Financial Information.

- 1) Basic issues of counteracting money laundering and financing of financing (preceded by an Introduction).
- 2) Entities participating in counteracting money laundering.
- 3) The tasks of Obligated Institutions.
- 4) Identification of suspicious transactions
- 5) „Get to know your client” programme in the entities covered by the Act.
- 6) The internal procedure in an obliged institution.
- 7) Transfer of information to the GIFI.
- 8) Control of compliance with the provisions of the Act
- 9) Criminal responsibility for the infringement of legal provisions.

The course has been prepared on the basis of methodology and didactics principles and contains interactive elements to provide the best possible learning conditions for the course participants. The training course is terminated by a test to check the participants' knowledge. After an employee of an obliged institution successfully passes the online test, he/she receives a certificate confirming of the course completion.

Between 1 January and 31 December 2004, 2194 persons participated in the course and 1788 persons passed the final test.

In 2004 the public procurement procedure for the administration of the course was initiated. Further improvement of this teaching method and expansion of the range of the



recipients of the course with new obliged institutions and to extension of the course contents are envisaged.

### *3.2.2 Guide for the obliged institutions and cooperating units*

In the first half of 2005, distribution of 10,000 copies of the guide *Counteracting money laundering* intended for the obliged institutions started - the guide was issued in the previous year and was prepared by the Team of the General Inspector. The guide copies were distributed among the obliged institutions and cooperating units, participants of the Phare trainings, entities and associations representing various professional groups. The guide presents a transparent typology of suspicious transactions, describes the methods of transactions identification, discusses the duties of the obliged institutions and cooperating units, contains practical guidelines and numerous examples.

## **4. CONTROLLING**

In 2004, the controls were basically carried out in two main areas – direct control in an obliged institution and indirect control consisting of the analysis of the control results submitted by the institutions with mandatory obligation to supervise the implementation of the Act.

### **4.1. Controls carried out by GIFI**

In 2004, 12 controls in total were carried out in the following sectors of obliged institutions (based on information submitted by the Analyses Unit or other organizational units of the Department):

- banks – 9,
- currency exchange office – 1,
- insurance company – 1,
- casino – 1.

The controls revealed the following:

- formal irregularities which reflect failure of the obliged institutions to prepare for the fulfilment of their obligations imposed by law, because of the failure to adjust the internal procedures referred to in Article 28 of the Act to the provisions of the Act and to appoint a responsible person,

- substantial irregularities, i.e. the poor implementation of the Act provisions, mainly in respect of the obligation to record transactions, to identify entities participating in the transaction, to identify transactions and inform about them, to keep the register of the transactions complete with the documents relating to the recorded transactions, as well as irregularities in keeping the registers of transactions and transmitting information from these registers to the GIFI.

In accordance with the binding provisions of the Act The findings of the GIFI inspectors were submitted to the supervising institutions for further processing and use.

#### **4.2. Controls carried out by the institutions supervising obliged institutions**

According to the provisions of the Act, the supervising institutions submit to the General Inspector the results of checks carried out in the obliged institutions they supervise for compliance with the provisions of the Act. In 2004 the General Inspector received information on the controls carried out by:

- the National Bank of Poland – 1301 notifications of the controls in currency exchange offices,
- the General Inspector of Banking Supervision – 17 notifications of the controls in the banks,
- the National Association of Savings and Credit Unions – 23 notifications of the controls in SKOK,
- the Polish Securities and Stock Exchange Commission – 11 notifications,
- the Insurance and Pension Funds Supervisory Commission – 9 notifications of the controls in the insurance companies,
- the Department of Games of Chance and Betting in the Ministry of Finance – 1 notification of a control,
- the President of the Court of Appeal – 9 notifications of the controls.

The submitted control results confirmed the irregularities similar to those revealed during the controls carried out by the GIFI inspectors. In order to work out a uniform methodology and scope of control, the meetings with the representatives of supervising institutions initiated in the previous year were continued during the whole 2004.

## **5. INTERNATIONAL COOPERATION**

Poland's accession to the European Union was the most important event of the year 2004. The accession enabled direct application of the European legislation in the international

cooperation conducted by the General Inspector and allowed his representatives to fully participate in the works of numerous European institutions.

### **5.1. Cooperation with the European Union**

The most important element of the participation in the works of the Financial Services Working Group and the Money Laundering Contact Committee, which met several times in 2004, was the work on the Third Directive on combating money laundering, amending Directive 91/308/EEC and 2001/97/EC. The activity of the Polish party allows to control the development of new and the change of already existing legal framework, within which the General Inspector performs his statutory tasks. The GIFI developed the draft position of the Polish government, which was preceded by the consultations among the ministries and appropriate external agreements with the institutions engaged in the implementation of the new EU regulations. The draft was supported by the Parliament.

The provisions of the Third Directive proposed by the Commission cover to a large extent current international standards, especially 40 FATF Recommendations (on money laundering) and 9 FATF Special Recommendations (on the financing of terrorism). They will contribute to the extension of the list of entities obliged to combat the crimes of money laundering and terrorism financing. Therefore, further administrative strengthening (in terms of personnel and technical facilities) of the Polish financial intelligence unit will be necessary because it will have to perform new duties associated with the expansion of the list of obliged institutions.

The works on the draft are going on.

Currently a commitology procedure consisting in consultations of specialized expert advisory committees has been launched.

It is aimed to work out in-depth and in detail the existing general provisions of the Directive. The GIFI representatives are directly involved in this process.

The European Commission chose the General Inspector of Financial Information as one of several best financial intelligence units to organize a visit for the representatives of newly established Indonesian unit. The visit resulted in the establishment of contacts between both units; a report was also prepared, in which the Indonesian party suggests to implement several solutions applied in the Polish unit.

## **5.2. Implementation of the Phare programmes**

### *5.2.1. Phare 2001*

Within the framework of a programme implemented in cooperation with a German partner, there were two visits in the Polish financial intelligence unit in 2004. One of them was dedicated to the evaluation of the functioning and structure of the Department of Financial Information, whereas the other one consisted in the training of the employees on the use of the scanning system.

In April 2004 the delivery and installation of the scanning system and reporting software were completed. The activities under Phare 2001 were completed in 2004. The final report from the implementation of the programme was submitted to the European Commission.

### *5.2.2. Phare 2002*

In January 2004, the Phare 2002 programme was launched. The ceremony of opening gathered the representatives of the European Commission Representation, the Embassy of the United Kingdom, the British financial intelligence unit (NCIS), the Office of the Committee for European Integration (UKIE), the Contracting and Financing Unit and the beneficiaries of the programme i.e. the General Inspector of Financial Information, the representatives of the Prosecutor's Office and the Police.

In January, May and October the employees of the Department made Study Tours to the United Kingdom. During the visits they learned about the functioning of the British NCIS financial intelligence unit and other bodies cooperating with the NCIS in the area of counteracting money laundering and the financing of terrorism. During the programme implementation several Study Tours to the Italian, Irish and Spanish units took place and allowed to observe other models of intelligence units operating in the EU countries. The contacts established during the visits allowed to improve the quality of current cooperation.

The Phare programme also allowed to conduct a series of training courses with the participation of the NCIS experts, including:

- 2 seminars on criminal analysis with a special emphasis on counteracting money laundering and the financing of terrorism,

- 1 workshop on the legal and practical aspects of cooperation between the financial intelligence units in the area of counteracting money laundering and the financing of terrorism,
- 1 training on the legal aspects of counteracting money laundering for the beneficiaries of the programme, i.e. Prosecutor's Office, Police and the GIFI.
- 1 seminar dedicated to the analysis of information related to suspicious transactions and accounts, during which the British experts presented the typologies of transactions associated with money laundering and the analysis models used by the NCIS;
- 4 workshops for supervising institutions and the GIFI, dedicated to the development of a common control strategy, the participants of the workshops included the employees of the National Bank of Poland (NBP), the General Inspectorate of Banking Supervision (GINB), the Insurance and Pension Funds Supervisory Commission (KNUiFE), the Polish Securities and Stock Exchange Commission (KPWiG), the National Association of Cooperative Savings and Credit Unions (KSKOK) and the Department of Financial Information;
- 4 workshops for the units cooperating with the GIFI, dedicated to the cooperation and exchange of information on counteracting money laundering; the participants of the workshops included the representatives of customs chambers, fiscal control offices, revenue chambers, regional chambers of audit, inland revenue offices and the employees of the Ministry of Finance;
- 4 workshops for the obliged institution dedicated to the legal aspects of counteracting money laundering, the analysis of suspicious transactions and the transfer of notifications to the financial intelligence unit; the participants of these workshops included the representatives of the banks, insurance companies, brokerage houses, leasing companies and investment funds societies.

The majority of the above-mentioned meetings were complemented with a Polish module prepared and conducted by the employees of the Department of Financial Information.

Since the beginning of 2004 the works on the financial part of the project have been conducted. In May 2004 the *Bilateral Agreement on Cooperation between the General Inspector of Financial Information and the Public Prosecutor's Offices concerning the cooperation with respect to the exchange of information concerning the introduction of proceeds derived from illegal or undisclosed sources into financial system and the financing*

*of terrorism* was signed, on the basis of which a system for the safe exchange of information between the General Inspector and the Prosecutor's Offices will be established with the use of the equipment purchased under the programme investment contract.

The Department of Financial Information prepared a technical specification of the hardware and software, which will be an important element of the system implemented to handle the tasks of the General Inspector SI\*GIIF. In accordance with adopted procedure, the Contracting and Financing Unit submitted the document to the European Commission and the specification assumptions were reflected in a modified programme fiche which was approved by the Commission in July.

In September 2004 the European Commission Representation approved the tender documentation for the supply of computer equipment under the "Financial Intelligence Unit" project. The procedure conducted by the Contracting and Financing Unit was completed in November. The implementation of the signed contracts will begin in the first quarter of 2005. The value of the investment contract implemented under the project amounts to around one million EUR.

### **5.3. AGIS programme**

In February 2004 the Portuguese financial intelligence unit invited the General Inspector to participate in the AGIS programme financed by the European Commission and addressed entities such as the units combatting money laundering and financial fraud to the detriment of the EU Member States.

The project envisages organization of seminars and exchange of experiences between the financial intelligence units in the area of counteracting money laundering and the financing of terrorism. The financial intelligence units from Portugal, Ireland, Sweden, Hungary and Poland will participate in the programme. The implementation of the programme will begin in 2005.

### **5.4. Cooperation with international organizations**

*5.4.1. The European Council – Special Experts Committee - PC-RM, for revision of the Strasbourg Convention of 1990 on laundering, search, seizure and confiscation of the proceeds from crime.*

At the end of 2004 the General Inspector joined the works of the newly established European Council Committee whose main aim is to adapt the provisions of the Convention to

the world standards on combating money laundering currently in force. The representative of the General Inspector takes part in all the Committee meetings.

The Convention will be signed during the European Council summit scheduled for May 2005 in Warsaw.

The need to revise the provisions of the European Council 141<sup>st</sup> Convention was discussed as early as 1998, but it was not until 11 September 2001 that the works on the revision were intensified.

Members of the PC-RM Committee were faced with a primary task to devise draft provisions of the Protocol that are to supplement the provisions of the European Council 141<sup>st</sup> Convention of 8 November 1990. The decision on the final form of the Protocol will be made by the European Committee on Crime Problems.

Amendment of the 141st Convention of 1990 is designed to generate a uniform document containing comprehensive directions for the obliged and cooperating institutions as well as other entities dealing with combating money laundering and the financing of terrorism. It may be possible that these provisions shall be used at both national and international level without the need to use instruments set forth in different acts. In order to facilitate achievement of the above-mentioned goal the experts engaged in the works of the PC-RM Committee prepared also a comprehensive report explaining individual provisions of the Convention Draft.

The scope of the Convention will be expanded with instruments allowing combat of the illicit dealings of the financing of terrorism with the use of an anti-money laundering system. The Convention will also encompass the currently applicable international standards, especially the 40 FATF Recommendations (on money laundering) and 9 FATF Special Recommendations (on the financing of terrorism).

#### *5.4.2. The Egmont Group*

2004 witnessed several meetings of work groups under Egmont, attended by representatives of the General Inspector. One of the results of these meetings consisted in devising answers to a special questionnaire on cooperation between Financial Intelligence Units in the scope of possibilities of Units to combat the financing of terrorism.

The General Inspector also took part in preparing changes to the so-called “Best Practise” (legal and practical) that particularize the rules and methods of exchanging information between Units functioning in the Egmont Group. He also took part in discussions on the future structure and financing of the Egmont Group as well as in the works on changing the definition of the Unit (the so-called *FIU - Financial Intelligence Unit*).

In accordance with decisions made during the meeting of the Egmont Group in Copenhagen and Guernsey, the General Inspector representing the Member Country bordering with Belarus was entrusted with responsibilities to monitor the Belarus Financial Intelligence Unit.

These responsibilities are connected with the need to supervise the actions of the newly established Unit carefully in terms of compliance with the generally accepted international standards. Acceptance of the Unit into the Egmont Group depends on that evaluation, which in practice means allowing international cooperation.

The General Inspector conducted an evaluation mission in the Belarus Unit in September 2004. The mission objective was preparing a detailed report on the Unit operation. This was the first such mission conducted by Poland. The quality of its preparation and conducting will be the basis for evaluating Poland's engagement in the works of the Egmont Group.

Thanks to participation in the works of the work groups the General Inspector had a chance to take part in constructing the most recent standards of combating money laundering as well as the possibility to influence the ways and methods in information exchange between Units.

#### *5.4.3. Financial Action Task Force on Money Laundering (FATF)*

In August 2004 the General Inspector prepared a draft schedule for actions connected with implementation of the decision by the government European Committee of the Council of Ministers (KERM), entrusting the Minister of Finance with a duty to coordinate actions aimed at accepting Poland into FATF (*Financial Action Task Force*). *The catalogue of arguments for accepting Poland in to FATF* was accepted by the Committee during that same month.

As not all of the foreign partners fully share the view on the legitimacy of Polish postulates connected with joining FATF, the General Inspector, together with the Ministry of Foreign Affairs, has devised a model of further actions in the field of shaping an environment in support of accepting Poland into that organization.

#### *5.4.4. Task Force on Organised Crime in the Baltic Sea Region (BALTCOM)*

A meeting to sum up the results of an analysis of cases investigated by Financial Intelligence Units of Member States was held under Task Force BALTCOM in 2004. The aim of the meeting was to develop practical solutions in the scope of a model of actions related to the process of counteracting money laundering as well as preparing a study on the typology, taking into consideration the specific features of the Baltic Sea region.



## **5.5. Bilateral cooperation**

### **Exchanging information with foreign Financial Intelligence Units**

Since Poland joined the European Union information exchange with foreign Financial Intelligence Units is based not only on bilateral cooperation arrangements but also on the *Council Decision of 17 October 2000 concerning arrangements for cooperation between financial intelligence units of the Member States in respect of exchanging information – 2000/642/JHA*. The Decision is the General Inspector's formal basis of cooperation with 9 countries with which Poland has not signed any specific arrangements – they are: Austria, Denmark, France, Greece, the Netherlands, Luxembourg, Malta, Sweden and Hungary.

In 2004 the General Inspector sent official requests to foreign Financial Intelligence Units on 102 cases concerning 224 national and foreign entities suspected of money laundering. The foreign Units sent 51 requests to the General Inspector concerning 163 national and foreign entities suspected of attempting to legalize proceeds from crime.

### **Cooperation arrangements**

In 2004 the General Inspector signed cooperation arrangements (MOU) on exchange of information concerning combating money laundering and the financing of terrorism with Financial Intelligence Units based in Andorra, Cyprus, Monaco, Germany, Portugal, Thailand and the Ukraine. Such a large number of arrangements is the result of actions conducted on the international forum. It also proves that the Polish Financial Intelligence Unit scores high in partnership terms, it is highly esteemed and trusted by its counterparts from other countries across the world.

## **5.6. Assistance Agreement signed with the United States**

In 2004 the General Inspector continued cooperation with the U.S. Treasury Department responsible for implementing the program connected with the Agreement between the governments of the Republic of Poland and the U.S. Government. The meetings were devoted to discussing detailed requirements that have to be met by analytical software purchased for the needs of the Polish Unit. Purchase of the most advanced analytical tools and delivery for the use of the General Inspector's Team will take place in 2005.

## PART TWO ORGANIZATIONAL AND LEGAL ACTIONS

### 1. LEGISLATIVE ACTIVITIES

#### 1.1. Act amendment

On 5 March 2004 an Act was passed *amending the Act on counteracting introduction into financial circulation of assets derived from illegal or undisclosed sources and on counteracting the financing of terrorism* (Journal of Laws No 62, item 577).

The draft Act was approved by the Council of Ministers as early as 2003 and was the subject of the Sejm legislative work in 2004.

The amendment was primarily designed to adapt the Act provisions to Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering, as well as adapting the provisions of the Act to the needs of effective and competent actions of the General Inspector. The changes still to be introduced encompass unification of regulations in the whole of the legal Act and improvement of procedures counteracting money laundering in Poland. The Act broadened the catalogue of the obliged institutions by expanding the list onto legal advisers performing their profession outside their labor relationship, foundations, entities offering automatic machine games with low prizes and the National Bank of Poland (NBP), in the scope , it operates bank accounts of legal persons, numismatics sale, gold purchasing and exchange of damaged legal tender under provisions of the Act of 29 August 1997 on the National Bank of Poland (Journal of Laws No 140, item 983 as amended). The Act also supplemented the list of cooperating units by adding the Supreme Chamber of Control (NIK). It also introduced a definition of “money laundering,” lowered the threshold value for some transactions subject to compulsory registration, introduced changes in the scope of the procedure of halting transactions and blocking accounts and broadened the scope of control by the General Inspector and other units supervising individual obliged institutions.

## 1.2. Other actions

In 2004 the General Inspector participated actively in the legislative processes concerning amending other legal acts, especially in situations when the planned changes could influence combating money laundering and the financing of terrorism.

## 2. IT SYSTEM FOR SRVICING THE TASKS OF THE GENERAL INSPECTOR OF FINANCIAL INFORMATION (SI\*GIIF)

The General Inspector's most important task in 2004 was launching an IT system that serves GIFI tasks. The production version of the system to collect and store data on transactions registered and submitted to the General Inspector by the obliged institutions was developed in the first quarter of 2004. Construction of the system included:

- preparing a study for the needs of GIFI allowing organisation and control of the process of data collection from obliged institutions,
- installation and consolidation of over ten servers, a disk matrix and customer stations allowing safe and effective system performance,
- reconstruction of the LAN network in the Department complete with a safe internet connection.

The part of the system allowing receipt of data from the obliged institutions was launched for testing purposes as early as June. During the system testing period a few dozen institutions submitted a few hundred thousands transaction records, which allowed the final verification and agreement on the format of transferred data.

**The working exploitation of the data collecting system began on 1 July at 6:59:28 a.m. when the first institution submitted its notification.** During the first 10 days of the system operation identification notifications were submitted by 412 institutions (including 346 notifications from new institutions out of which 341 were approved, and 66 data updates) that submitted a total of 29,480 transaction records. In the first month of the system operation the numbers were as follows: 2,341 identification notifications, including 2,053 notifications from new institutions (out of which 1,881 were approved, there were 288 data updates and 1,023,331 transaction records).

Safety of information transfer was assured thanks to the use of the public sector infrastructure. Data submitted to the General Inspector contain electronic signatures, obtained and used in accordance with the Act on electronic signature, with the use of

eligible certificates issued by certification centers. Thus, with insignificant expenditure by the obliged institutions, not only a safe but also convenient way of transferring data electronically was established. In this way **the Ministry of Finance became the first public institution to use the electronic signature on such a broad scale.** The situation undoubtedly gave an impulse for development of this sector of electronic services (eligible certificates obtained by the obliged institutions can be used not only to submit data to the General Inspector but also to sign any other electronic document). Apart from the electronic signature the safety of data submitted to GIFI is ensured by encoding the transferred files. The General Inspector provided the obliged institutions with a free application for data encoding and electronic signing (nevertheless some of the institutions decided to use encoding applications provided by commercial companies – which was possible i.a. due to the transparent policy pursued by the General Inspector in the scope of defining the conditions of electronic data transfer).

The data are transferred with the use of a secure website or e-mail, or in the form of files delivered on a CD or floppy disk. Data on transactions submitted in paper form are also entered into the electronic system (after scanning or entered manually).

During the second half of 2004 the system accepted 8,960,906 transaction records, which translates into around 1.5 million transactions a month, and 3,939 STRs from the obliged institutions (including 3,045 notifications from new institutions – *out of which 2,632 were approved* – and 894 data updates). At the initial stage a large percentage of submitted files did not meet the requirements set by GIFI in accordance with the regulation on the format of submitted data. During the several initial months the Department focused on cooperation with the obliged institutions in order to eliminate these errors. The process ended successfully.

Among the data on transactions, apart from the threshold transactions, information was also submitted about transactions recognized as suspicious by the obliged institutions.

Unfortunately, some of the obliged institutions submitted data on transactions in paper form. About 13,900 transaction charts were submitted in July. Every month this number is smaller thanks to intensive actions undertaken by the employees of the Department of Financial Information to transfer suitable knowledge to the obliged institutions on complying with the above-mentioned requirements. About 32,929 transaction charts were submitted until the end of 2004. In some cases the intervention

resulted in re-submitting transaction data in electronic form. In such cases verification is necessary to ensure that data contained in charts and those submitted by electronic means are exactly the same. Nevertheless a large number of charts remained solely on paper. Entering so large a number of information into the system from paper charts is time-consuming and demands engaging many people. Efficient entering of data contained in paper charts is impossible due to the present staffing conditions.

### **3. PURCHASE OF HARDWARE FOR THE NEEDS OF THE GENERAL INSPECTOR'S TEAM**

The needs in respect of hardware and software were specified in 2004. Delivery of these items will enable the General Inspector to discharge his statutory duties. A hardware specification was developed and a tender was announced as a result of which at the end of November contracts were signed for delivery of the following:

- 200 work stations,
- servers,
- videoconferences,
- statistical software.

Purchase of computers in 2005 will allow replacement of the currently operated hardware with hardware that will allow access to both the Ministry of Finance local network and the network assigned to the Department of Financial Information. In order to increase working comfort and to reduce costs a computer set was defined for use by every employee of the Department accessing both networks. The set will comprise two Pentium IV class computers, an LCD 19” monitor and a console switch that allows to easily switch between computers. 120 computer sets were also purchased to be used by prosecutor offices under ProGIFI program (the system of exchanging data with the Prosecutor's Office).

The needs concerning server equipment were established based on conclusions from the analytical activities and the process of accepting data from the obliged institutions. In order to increase the efficiency of data collection and analysis a database server was purchased and the existing disk matrix was expanded. A server and a disk matrix was also purchased for the ProGIFI system.

Current cooperation between the General Inspector and the prosecutor's office requires frequent contacts with prosecutor's offices investigating the given cases. In order to avoid expensive and time-consuming journeys a decision was made to launch a system of

videoconferences under ProGIFI. 58 video cameras were purchased under the project complete with suitable software and a highly efficient videoconference bridge. We are currently waiting for the completion of an IT network, the construction of which is the task of the Ministry of Justice.

In order to analyze data collected by the Department concerning transactions worth more than EUR 15,000 it is essential to use software allowing the analysis of such data. A high computing power server was purchased under the project complete with suitable software allowing data mining with the use of, among others, artificial intelligence and the possibility of text mining. The contract also includes training of analysts who will use the software.

### **3.1. System for exchanging data with the Prosecutor's office**

ProGIFI is a project cofinanced by the European Union under Phare 2002. The major objective of the system is to allow direct contact between the employees of the Department and the prosecutors through a high quality videoconference system. The system will also allow data transefers between Units as well as access to information collected in the Prosecutor's Office IT system that have significant influence on the cases investigated by the Department. The system will operate fully after the Prosecutor's Office completes construction of its wide-area network and connects it with the network of the Ministry of Finance.

The hardware that will constitute the equipment of the ProGIFI system in Prosecutor's Offices will be provided under a mutual agreement by the Ministry of Finance to the Ministry of Justice.

## **4. IMPROVEMENT OF QUALIFICATIONS BY THE EMPLOYEES OF THE FINANCIAL INFORMATION DEPARTMENT**

The employees of the Department participated in training and skill improvement courses less frequently than in 2003, which was a natural consequence of engaging all the employees of the Financial Information Department in the preparation and launching of a complicated system and procedures for receipt and processing of information on threshold transactions submitted by the obliged institutions, as well as many simultaneously conducted tender procedures. In 2004 the strongest emphasis was placed on skills in respect of advanced

IT techniques necessary to operate the General Inspector of Financial Information system and gaining additional knowledge in respect of EU issues.

Additionally, training for the whole Department was delivered in December 2003. The objective of the training comprised, on the one hand, summing up and the presentation of actions taken by individual Department units and, on the other hand, discussion of plans and tasks that the Polish Financial Intelligence Unit would have to face in 2005. The training allowed recital of existing legal regulations as well as discussion of proposed changes to the Department's internal procedures.

## **5. INFORMATIVE ACTIVITIES**

A website containing legal acts, comments to individual provisions, communications and information on the current activities, both Polish and English, is the major tool in the GIFI's medial policy. The website also contains the so-called validation handbook setting forth the requirements concerning electronic information on transactions submitted to the General Inspector by the obliged institutions. It allows to accurately define the electronic transfer so that the system would accept it properly.

Reading the website has repeatedly been an impulse for the readers to ask more specific questions concerning the scope of activities of the General Inspector, cooperation of institutions and entities, to indicate to emerging problems and to comment on the content and information. Discussions confirm also that there is acute interest in the problems of counteracting money laundering and the financing of terrorism among students and post-graduate students. The General Inspector answered to the questions directed to him on a current basis. Most of them touched upon the scale of money laundering and statistical data for individual years when the Act was in force.

## **6. ADAPTATION ACTIVITIES IN RESPECT OF ADEQUATE TECHNICAL BACKGROUND OF THE DEPARTMENT**

In connection with the SI\*GIIF system start-up and installation of software associated with the process of data collection and processing in the databases of the General Inspector, a reorganization of rooms and settings of working teams was carried out in the Department of Financial Information. A part of the office equipment was also modernized in order to protect information circulation and sensitive documents with due diligence. Existing equipment was

supplemented with special metal strongboxes to store documents used as evidence in the investigated cases.

Furthermore, efforts to create a separate room to store documentation concerning analytical cases located outside the Department, were also finalized in 2004. The newly established reference archive will store materials containing legally protected information, hence the emphasis on the proper preparation, equipping and technical protection of the interior.

The above-mentioned activities do not exhaust the list of the most pressing needs in the scope of building a proper background for the tasks of the Team. Assuming that the Unit needs more staffing (the issue was repeatedly raised on different forums and constituted Poland's obligation during preparations for joining the EU) it is necessary to take into account the condition to create new jobs consistent with the standards for units of similar nature. Staff, proper facilities and proper, modern tools are the guarantee of reliability, quality, effectiveness and efficiency of the work of the Unit.



## **SUMMARY**

We ended 2004 with the feeling of honestly fulfilled responsibilities. That was an extremely demanding year of hard work on our part. Members of the Team shared and undertook tasks regardless of the department they worked for and their job descriptions in view of the importance of events marked – from the General Inspector’s perspective – with two dates – 1<sup>st</sup> May (the day of Poland’s accession to the EU community) and 1<sup>st</sup> July (the day of launching SI\*GIIF). Regular, current and efficiently managed allocation of meager forces enabled us to keep the deadlines set by legislators and established under numerous international commitments. Thus we managed to execute most of our tasks. Despite many attempts to solve the staffing problem we were forced to postpone it till 2005.

This will be the year when we will be faced with many new tasks including those most important analytical ones, the number of which is continuously growing as a result of increasing inflow of information on transactions effected by the obliged institutions. Also the statistical analysis of threshold transactions certainly lead to generation of new interesting materials concerning attempts to legalize crime proceeds in legal circulation. Extreme dedication will also be demanded from the Unit in the scope of cooperation (increasingly intensive and developed for a few years now) within the framework of the system of institutions that due to the nature of their mission and tasks were included in the process of sealing the Polish financial system and counteracting the use of its components to introduce illegal means and the financing of terrorism.

Concluding I can only express the hope that finally we will be able to solve our most pressing problem concerning insufficient staffing and office space as compared with the tasks assigned to us.

**General Inspector of Financial Information**

*Wiesław Czyżowicz*