

**Nordic Undeclared Work Project 2019-2020**  
**Nordic countries and Estonia and Latvia**  
Work group cooperation  
Joint authorities seminar, Tallinn 28<sup>th</sup> August 2019



**Abstract**

All countries have already some experience with cooperation between authorities on a national level, though some are more experienced than others. It's a common understanding that an holistic and coordinated cooperation is important to fight undeclared work. Political and top-level commitment is crucial for a successful cooperation. Cooperation/activity agreements, dedicated resources and good routines to share information are among other topics that need to be in place to establish and perform a fruitful cooperation between authorities.

It's the organizers understanding that the seminar participants shared useful experiences and ideas they will take home for further refining the national cooperation between relevant authorities.

Next step (for the project and the work groups members) is to encourage to more cooperation in 2020. A survey will be made during spring 2020 to determine new or improved activities in the seven participating countries. The findings will be taken into an updated version of this report.

**Participants**

Public officers from labour inspectorates, tax administrations, police, border control and social welfare administrations from Estonia, Latvia, Finland, Sweden, Norway, Denmark and Iceland, a total of 20 participants.

See contact list, *annex 1*.

## **Agenda:** Annex 2

Pål H. Lund, Norway, welcomes everyone to the meeting. *The aim of the meeting is to share good practice when it comes to cooperation between authorities on a national level, establish network on both national and multinational levels and promote future cooperation activities.*

Short presentation of all participants.

Pål tells about the background and organisation of the project and introduces the agenda for the day. Three parts:

- Presentations from each country, cooperation, priorities and challenges.
- Group discussions and plenum presentation
- Example from Norway-discussions

## *Annex 3*

### **Presentations, short summary**

All seven countries were given the floor to present the current situation in their countries regarding how cooperation between national authorities is organized, what priorities they have and what challenges they meet in their cooperation.

### **Finland**

#### Organisation

- National and regional level
- Several governmental programmes. More than 20 authorities involved.
- National strategy 2016-2020.
- Centralised IT-systems where you can get some mutual information.

#### Priorities

- Saving resources
- Information exchange
- Fluency (communication made easy)
- Same interpretation of the law
- Customer-friendly working methods

#### Challenges

- Secrecy Acts
- Resources
- Matters concerning legal rights
- Dated legislation (new phenomena, for example invoicing platforms)
- Process can take several years from investigation -> decision from court
- International co-operation

### **Iceland**

#### Organisation

- Earlier cooperation at personal level.
- From 2019, WG about social dumping and work-related crimes:

- Advisory group (not established yet)
- Formal cooperation forum, with four authorities.

Administration of Occupational Safety and Health

The Directorate of Labour

Directorate of Internal Revenue

Police

- Discussion of cases and analyze at what extent cooperation is possible within each organization's authority.

### Priorities

- Construction sector.
- Foreign workers.
- Repeated and severe violations.
- Unanimous decision of all member making for further measures of the Forum's behalf, e.g. inspection.

### Challenges

- Coordination challenges
- Advisory Group has not been established.
- Legislation challenges
- Information sharing challenges. Legal basis for data sharing not sufficient
- Sanctions for violations.

## **Latvia**

### Organisation

- Informal – formal
- Agreements concluded between various state institutions. Normally established cooperation is evaluated and where necessary revisited on annual base after meeting in persona.

### Priorities

- Key partners – strategical benefits for reaching goals of the institution (No need to conclude agreements with everybody)

### Challenges

- Shift of mindset/thinking of all persons involved, and society as such (willingness to communicate, communication & working methods). Legal consciousness;
- Effective when not formal and parties are willing to achieve a goal;
- Support (other institutions/support from politicians, etc. is important);
- Gaining trust of society, perception of the Labour Inspectorate;
- Global issue, not isolated to the institution's level

## **Norway**

### Organisation

- Cooperation based on the Governments strategy fighting work related crime
- 4 agencies (Labour inspection, Tax administration, Police and Welfare) get the same orders (same text) in their annual assignment/budget letters: Cooperate to fight work related crime

- Organised from top to bottom: From ministers, via general directors to inspectors/handlers
- Established 7 joint authorities (physical) centres
- Cooperation also in some rural areas
- All centres shall have an analyzing unit and one inspection unit

#### Priorities

- From local challenges in different sectors – from car wash/construction/restaurants... → to risk analyzed activities towards stakeholders/central actors – catch the «spiders» behind.

#### Challenges

- New way of thinking and working
- 4 authorities with different culture and tasks
- 7 center's with different approaches
- Sharing of information
- Compiling and storing information

### **Denmark**

#### Organisation

- Cooperation Labour authority, Tax and Police
- Director Generals meet once a year
- Meetings national level, 4 meetings/year
  - national coordinators
- Meetings regional level
  - local coordinators, plan joint inspections

#### Priorities

- Joint inspections Tax authority and police - and SIRI *ad hoc*
- 8 national joint insp./year, more than one company
- 36 regional joint insp./year, more than one company
- Ad hoc joint insp
- Updating a report of results 4 times/year

#### Challenges

- To carry out inspections together without getting in the others way ☺
- To make sure it's worth the effort for all authorities when choosing places to inspect together
- Not all sectors are relevant for all authorities
- To keep each other updated

### **Estonia**

#### Organisation

- Main partners and activities:
  - Police and Border Guard Board
  - Tax and Customs Board
  - Social Security Board

- Meetings on *ad hoc* bases
- Joint inspections
- Data exchange and analyse, different systems/registers

#### Priorities

- Working with employment contract / undeclared work
- 3rd country nationals posting / illegal working
- Posted workers and their working conditions

#### Challenges

- Funding
- Resources
- Different priorities
- Fragmentation of databases
- Failure of the analytical system
- Complexity of regulation

### **Sweden**

#### Organisation

- Assignment to 8 authorities for effective methods of government wide control “UDW”.
  - Swedish Work Environment Authority
  - Swedish Public Employment Service
  - Swedish Economic Crime Agency,
  - Swedish Social Insurance Agency
  - Swedish Gender Equality Authority
  - Swedish Migration Board
  - Swedish Police Authority
  - Swedish Tax Agency
- National and regional levels with contact persons from all authorities
  - Mutual analysis and risk evaluations
  - Criteria's for having a joint action
  - Joint selections
  - Joint actions

#### Priorities

- Priority sectors 2019 for actions are:
  - Construction
  - Hotel/Restaurants/Catering
  - Beauty salons
  - Auto repairs and auto reconditions shops

#### Challenges

- Cultural clashes
- Communication during action / Management and control of these
- Different priorities on resource by different authorities
- The privacy rules sometimes impede the exchange of necessary information.

### Group discussions and plenum presentation - summary

The seminar participants were divided into four multinational groups; Labour inspectorates, Tax administrations, Police and Social security administrations. They were given three cases to discuss, focusing on cooperation.

- 1) A **local** company is suspected to perform undeclared work, hide taxes, pay too low wages and there are also suspicions about social security fraud.
  - a) *What could be the benefit of cooperation between two or more national authorities to reveal these kinds of irregularities/fraud?*
    - Data sharing, combine/compare data between authorities.
    - One occasion - joint inspection good for the company, same information
    - Find more fraud when inspect together
    - Information exchange
    - Saving resources, choose the most effective way to "shut down" a company with illegal activities.
    - Fraud in one matter → usually fraud in other matters as well.
    - Often gaps in different legislation
    - Often assistant role for Police. If people/workers not allowed to be there, another role for Police.
    - When we know what is possible to ask for it is beneficial.
    - If any authority finds possible fraud/illegal activity they would inform for example Tax authority.
  - b) *What kind of knowledge can we share between national authorities?*
    - Often limited possibility for authorities to share information.
    - Labour authorities usually not have so "strong" confidentiality legislation
    - Authorities in some countries already have possibility to upload and share certain information in the same IT-system.
    - Valuable to inform about new phenomena. Better understanding of issues as a whole.
    - Different information sources.
    - Ongoing cases, most information have to be shared.
    - Guide for information sharing between authorities made in Norway and Sweden.
  - c) *What would be the first, or next, step to improve national cooperation?*
    - Cooperation should cover more authorities.
    - More dedicated resources in all authorities.
    - Need of legislation changes.
    - Better ways to exchange information.
    - Both levels important, national/regional.
    - Evaluate the results from a case together and come to some conclusions → learning for next cases.
    - Evaluation of effect in society needed.
    - Describe the problem for government.

- Political will and recognition of problems → mandate and resources from “the top”
  - Formalised structure, not just informal/personal .
  - “Support” from government important.
  - Same shared data base. Compile and store the information
- 2) A company is **posted** from another EU/EEA-country to your country.
- a) *What possible irregularities/fraud can happen, and should we be aware of regarding your authorities’ competence as a direct result of the posting?*
- Is the posting genuine?
  - Is the declaration/ notification of the posting done?
  - Is the declaration/ notification of the posting right?
  - Pay, tax, working conditions, OSH. Even accommodation (Norway) Different legislation/ competences between countries!
  - Worker comes via another EU-country, for example Poland. Working permit in one EU-country, but is working in another EU-country.
  - Make sure that information given about posting is the same to all authorities.
  - False A1.
  - False ID.
  - No “permanent permission”.
  - No working permit.
  - Underpayments posted workers common.
  - Human trafficking.
- b) *What kind of enforcement activities are conducted in your country today to prevent and reveal such irregularities/fraud, both by individual authorities and with joint activities?*
- Joint inspections, for example construction sites. What companies have foreign workers?
  - Tips on certain preeagreed matters.
  - Access to information from companies, for example from register.
  - Sharing information about companies between national authorities.
  - At inspections labour inspectors can check if employers are posted and if the company has registred. If not, fines. (Sweden, Denmark...)
- c) *What kind of assistance and cooperation with the sending countries’ authorities would be helpful for you to better solve your enforcement duties?*
- Three ways to work in another country
    - Forced
    - Volontarely, coming by yourself.
    - Posted, at least two countries involved. Can be different information from a company to the different countries.
  - Same competences important, so you can get answers from another country.
  - IMI, possible even now to ask questions about a company, for example salary.

- IMI, national cooperation important, to be able to answer questions, (for example salary).
  - Possible to give tips via IMI to another country.
  - Need of fast answers/actions.
  - Formal and informal information channels.
  - Information from home country of "fraud history" about companies.
  - Transnational between "sister organisations/authorities.
  - Mapping transnational would help.
  - Inspections in receiving countries.
  - Tax have channels to investigate. Takes time! Average 6 months for an answer. (Depends on the origin country.)
  - Communication officers in several countries. Investigations, it is possible to get answers. (Via Europol.)
  - In October ELA will start with permanent liaison officers, contact with liaison officers from other authorities in Europe.
- d) *If your country was the posting country, what kind of irregularities would you like to be informed about from the receiving country (tips)?*
- Ex Estonia-Finland. Agreement: Specific information which Estonian companies are in Finland, which companies have registered posted workers etc.
  - Specific relevant information from receiving country, which companies have been inspected and of course the result.
- 3) A company in your country are using "**third country**" workers (from outside EU/EEA).
- a) *What kind of regulations can be "challenged" by the fact that the workers are from third countries?*
- Are they allowed to be and work in our country?
  - Are they genuinely posted through an other EU-country?
  - Examples that workers always are in debt, had to pay for the working permit, living, "doing a shitty work" etc.
  - How can we determine amount of actual income!?
  - Need for administrative sanctions! (Resident or not resident, sanctions easier way)
  - Language issues, difficult to get answers/cooperation.
  - Human trafficking/work slavery
- b) *What kind of cooperation on a national level would be useful to do inspections and reveal irregularities/fraud?*
- Fast information exchange amongst competent authorities, contact points.
  - Joint inspections - workers run, cooperation with police is essential to stop them.
  - Structured and pre-planned meetings and activities built on information and analysis.

- Mutual information of new phenomenas
  - Preplanned actions, resources for ex. next year.
  - Possibility to choose the "best legislation" to hunt down the bad guys.
- c) *What kind of assistance and cooperation with the sending countries' authorities would be helpful for you to better solve your enforcement duties?*
- More information from the "go through country" – knowledge about their system.
  - Acceptance of the problem this cause for other MS.
  - Multinational cooperation group.
  - Info permitted to be sent by IMI.
  - Who asks who – offically or inofficially?
  - Information, support fom national level – to regional level.
  - Crossborder inspections.

Important with agreements, but also knowledge about each other (other authorities) and what they can do/contribute with, goals that everyone can relate to, mutual respect and trust.

### **Presentation of joint operation centres in Norway**

Ludvig Guldal and Monica Bredesen, Norway, are doing the presentation

Discussions and questions during the presentation, to clarify and get a deeper understanding. Copies of present strategi and other documents from Norway were handed to the participants.

Examples of issues discussed:

- Important to achive effect in society with activities, not only meeting operative goals.
- Hard to measure effect. One way is longterm check/follow of the "criminals and money".
- Marketchange – if criminals get stopped in one arena, they change to another arena.
- Risk analyzed activities towards stakeholders and central actors – catch the «spiders» behind.
- Stakeholders - you can be prosecuted as a consumer in several countries if you pay black money.
- As a consumer you can check companies via Tax authority, ex. in Norway and Sweden.
- By reducing work-related crime, the agencies are working together to protect social values.

- Get inspiration from other countries strategies, agreements etc, but the process itself is the most important.

Pål Lund sums up the meeting and gives the participants some encouraging words:

- Thank you all for your active participation!
- Use this network!
- Take learning from today!
- Steering group of the project encourage to more cooperation, but can not force any country/ authority, but will ask about activities spring 2020.

The practical output from the day will be a report from the meeting (this document). All participants will get an e-mail with the report, presentations and other documents.

Kicki Höök/Pål H. Lund  
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