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**Reznik M. Oleg**

*Candidate of legal sciences*

*Sumy State University*

*Sumy, Ukraine*

**THE ITALIAN FINANCIAL GUARD AS AN EFFECTIVE MECHANISM TO  
ENSURE FINANCIAL AND ECONOMIC SECURITY:  
EXPERIENCE FOR UKRAINE AND POSSIBILITIES OF ITS  
APPLICATION<sup>1</sup>**

The article is dedicated to the Financial Guard of Italy as subject ensure state financial system. Considered the authority, structure of the Financial Guard of Italy, legal status of its employees and possibility of using the experience of the Financial Guard of Italy in Ukraine. Concluded that it`s necessary for Ukraine to create a new law enforcement agency which will protect the financial and economic security of the state.

**Key words:** *financial and economic security of the state, ensure financial and economic security of the state, Italian Financial Guard.*

In modern European aspirations of Ukraine the main task is to build an effective system of financial and economic security, which will ensure the balance of functioning of law enforcement agencies, promote economic development of the state and its integration into the world economic society. For forming the system of financial and economic security is important to analyze and borrowing European experience about activity of law enforcement authorities, which are ensuring of financial security. Although research of the problems of the financial security system of Ukraine were conducted by domestic scientists, but the experience of law enforcement agencies of the EU hasn`t been investigated in detail and requires processing. An example, in this case can be a positive experience of counteraction financial crimes in Italy where there are authorities of financial policy – The Italian Financial Guard. Borrowing Italian

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experience will allow getting more volumetric and clear view about the European model of ensuring democratic constitutional principles in the work of law enforcement authorities, which will help to find optimal ways of work regulation of law enforcement agencies in Ukraine under the rule of law.

**Analysis of recent research and publications.** Noteworthy, an issue of the organization of the Financial Guard of Italy was considered such Russian scientists as Belik V. N., Kasatkin A. A., Cenyn V.Y. however the peculiarities of functioning the Financial Guard of Italy and prospects for creation law enforcement agency with similar powers in Ukraine haven't been investigated by domestic scientists yet.

**Accordingly, the purpose of this article is** consideration of principles of organization and functioning of the Financial Guard of Italy, characteristic its position and role in the system of law enforcement agencies and providing recommendations about possible ways of nation-building in the area of economic security and rule of law in Ukraine.

The department of the Italian Financial Guard (Corpo della Guardia di Finanza) was formed on October 1st in 1774. The Italian Financial Guard was received authorities on combatation tax evasion and smuggling, the protection of cultural, historic and artistic heritage, ensuring of the state border security and also providing direct help to population in disaster situations [1].

The economic and financial functions of the Italian Financial Guard were defined and expanded and also organizational structure of it was formed during a long period functioning of the Italian Financial Guard [2].

Currently, Financial Guard of Italy is the most equipped law enforcement agencies, which is under the authority of the Ministry of Economy and Finance and it's an integral part of the Armed Forces of the state. Pursuant to the Law № 78/2000 the main goals of the Italian Financial Guard are:

- tax control;
- the excise supervisors;
- customs control, control of public spending;
- combating organized crime;

- counterfeiting of money;
- preventing and combating fraud in the system of the European Union;
- supervising the lawfulness during public procurement, placement of orders, bidding;
- the protection of patents, copyrights, including protection of national products and Italian brands;
- protection of cultural and archaeological heritage of Italy;
- the interaction with other law enforcement agencies, regulatory authorities of state [3].

Institutional mission was entrusted to the Financial Guard of Italy, has a dual direction. Although the main goal of this law enforcement agency is the economic and financial security of the country, but the Italian Financial Guard also executes collective institutional tasks. The tasks of this authority as economic and financial police are twofold:

- financial: for protecting the income and expenditure of the European Union, state and local authorities, combating national and international tax evasion, money laundering and all other forms of financial crime, including intellectual property;
- economic: for ensuring the smooth functioning of markets and compliance with competition rules, which includes the fight against illegal activities of criminal organizations representing the interests of capital markets, goods and services.

Regarding the collective institutional tasks Financial Guard of Italy should:

- ensure public safety;
- protect of state borders [4].

The Minister of Economy and Finance of Italy provides overall guidance of Italian Financial Guard. The central body of the Italian Financial Guard is the General Command, which defines strategic objectives, coordinates service unit managers and provides internal and interagency guidance. Commander-in-Chief establishes the number, location and order management of commands. Commander-in-Chief is also empowered to determine the composition and functions of each department of command.

The organizational structure of the Italian Financial Guard meets the administrative-territorial structure of the country so hierarchy of control bodies of Financial Guard Corps basically meets the hierarchy of control bodies other central executive authorities in Italy. This principle of organization of the system helps coordinate the activities of financial guards with the appropriate state bodies, promotes more efficient work of commands and if it's necessary provides operative introduction of them. Thus, the principles of centralization and unity of command are priority for the control system [5].

The structural organization of department consists of six inter-regional commands, one commands of inspectorial personnel management, twenty regional commands, one command for special divisions, one air and sea Central Command, twenty divisions of technical, logistical and administrative support and 102 commands in the provinces. The missions, permanent and temporary offices abroad and in international organizations are also included to the structure of Italian Financial Guard.

The General Command is the body by which general commander fulfills duties of the management, planning, programming, management and control to achieve the organizational goals; supports relations with the central and state authorities. The General Command addresses to the Supreme Council of Financial Police on issues which are strategically important and relate to organizational issues, develop action plans in the medium and long term. Regarding the command of the local level, they usually present as two or more regional commands that are headed by a major-general or brigadier.

The Command of special departments coordinates the activities of the three divisions of the Italian Financial Guard:

1. The Command which protects public finances. It's analyzes expenditure of the state budget and municipal budgets and exploring fraud in the country and in the EU, developing plans for territorial divisions of department which based on conducted analysis.

2. The Command which protects the economy. Its tasks are to protect of public

savings, movement of internal cash flows, financial markets including combating misuse of public funds, combating money laundering and organized crime in the sphere of economics.

For the implementation above mentioned tasks in the Command created the following subdivisions: the subdivision which investigates currency crimes and headed by general or colonel, it protects the financial markets, transboundary movement of capital, financial intermediation, depreciation means of payment, terrorist financing, protects savings and crimes in the sphere of banking;

- the offices combating organized crime are headed by general or colonel, it investigates crimes which are organized by criminal groups, in this context, carefully studying the information, carries out the analysis, maintains a working relationship with the prosecutor to combat the mafia, develops operational projects, provides the necessary support of information with other agencies;

- the special department of government spending and fraud which is responsible for government spending, losing of revenue from the municipal budget and fraud, controls the overall operation of Anti-Fraud Information System;

- the special Anti-Corruption Unit Commission - carries out activities in the field of preventing corruption and abuses of advertising, transparent information dissemination from different branches of government, ensuring the information dissemination of the public procurement sector. The unit carries out operational management in relations with the Anti-corruption National Authority (regarding supervision of public works), also controls the efficiency of the program for monitoring of public contracts - (Mo.Co.P.);

- the special unit of intellectual property protection protects trade marks and patents, safety and quality of products, computer and audiovisual piracy, crimes against business, industry and trade by conducting the analysis and implementation of operational management.

3. The command of special units which directly interact with regional authorities, parliamentary commissions of inquiry, the High Commissioner of preventing and combating corruption and other unlawful phenomena. The Air and sea Central

Command carries out organization, coordination and control of operational, logistical and administrative activities of the Financial Guard and consists of:

- the Operational Command which provides maritime patrol at large distance from the shore;
- the Logistics Command which is responsible for procurement, logistics and administrative support;
- the Command of training of specialists which carries special (profile) training of staff who have passed general preparing [6].

To do their duties, soldiers of the Financial Police Corps qualifies as officials, soldiers who perform the functions of the judicial police; officials and agents are subordinated to the police, public security agents.

All military personnel who carry out the functions of the judicial police are divided into 2 categories which awarded the title of "judicial police officer" and "agent of the judicial police." The first category includes financial guardsmen who served in the Financial Guard at least 5 years, with military ranks and have passed a special examination of prosecutors. After this, they are awarded the title of "judicial police officer" by the joint order of the Ministers of Defense and Justice of Italy. According to the law, officers of the judicial police have rights to: to admit to breaking the law, to collect evidence and establish the guilty before the investigation; to carry out the inquiry regarding the crimes the investigation of which hasn't been conducted yet, to investigate obvious offenses; to carry out tasks by investigative judges, receive and consider essentially statements of offenses and complaints from victims. Other Financial Guard soldiers are agents of the judicial police and promote in the work of officers of the judicial police. In contrast to the officers of the judicial police, agents of the judicial police haven't right to carry out instructions of investigative judges, receive and consider essentially statements of offenses and complaints from the public, to carry out the inquiry regarding the crimes the investigation of which hasn't been conducted yet [7].

The interested people don't intervene to the system of investigation of financial crimes because the judicial police subordinate to judiciary, prosecutors and

investigating judges. So, there is a barrier against possible informal interference in criminal investigations and it provides prosecution of many representatives of the financial and political elite if they committed corruption crimes and financial fraud.

The soldiers of the Italian Financial Guard are denied the right to join trade unions, political parties, elect and be elected to various authorities. They have all rights and privileges of servicemen. The task of financial guards is to follow the requirements of the law. The procurator's office ensures legitimacy of the soldiers of the Financial Guard in the performance of their duties. Thus, if it turns a violation of law, the prosecutor will inform the official of Finance Guard, which is empowered to impose disciplinary punishment according to the Statute of the Financial Guard. Moreover, if financial guard commits a crime the prosecutor will institute criminal proceedings and start an investigation. The financial guards will have disciplinary action such as a reprimand, guardhouse or dismissal from service if they violate a military discipline [7].

**Conclusions and suggestions.** Therefore, after analyzing of the mechanism of providing financial and economic security of Italy we can make the following conclusions and practical results. The Italian Financial Guard occupies an important place in the executive branch of the Italian Republic and it`s the major law enforcement agency in a country. By using of the a centralized police system Italy was able to overcome the crisis period despite the political and economic crisis, the weakness and corruption of the government, rampant organized crime and separatism, systematic tax evasion. Today Italy is developing dynamically, without prejudice to public institutions and it`s guaranteeing real exercise of political rights and freedoms of its citizens. These circumstances lead to the author's interest to adopt their experience about functioning of the law enforcement agency in the context of optimization of the Ukraine`s system.

Considering the positive experience of Italy to Ukraine it`s necessary to create a new law enforcement agency – the Financial police of Ukraine, which will protect the financial and economic security of our country. Nowadays the financial and economic security of our country provided by many government agencies, such as the State Fiscal Service of Ukraine, The Ministry of Interior, The Security Service of Ukraine and so

on. So, the Financial police of Ukraine will simultaneously perform the functions of the tax police, financial intelligence, operational and investigative activities in the field of combating economic crime. The Financial police of Ukraine should be created as separate law enforcement agency and subordinated the Ministry of Finance of Ukraine. The competence of the law enforcement agency should include the investigation of tax and customs offenses, money laundering, crimes in the banking and public spheres.

As a result, after the concentration this relevant specified functions in activity of The Financial police of Ukraine, the Ministry of Finance of Ukraine will be able to coordinate the investigation of crimes against the financial and economic security of our country such as tax evasion, theft of government property, breach of public procurement, violation in banking sphere, social insurance and pension, sale of counterfeit money, securities, excise marks. It will help to solve the problem of duplication of functions of law enforcement agencies in the field against economic crime and will provide an effective protection of public order in our country.

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