

Combating economic crime

Summary report on audits by the Swiss Federal Audit Office

Key facts

Between 2015 and 2021, the Swiss Federal Audit Office (SFAO) carried out 16 audits and evaluations in connection with the fight against economic crime. They are listed in table 1:

No.	Topic
15570	Evaluating the effectiveness of the supervision of "classic" foundations
16592	Audit of IT tools and administrative processes of the Federal Criminal Court*
16606	Sequestration management by federal authorities
16615	Reliability of data in commercial register
17436	Combating corruption – Evaluation of the implementation of the Federal Council's resolution of 19 October 2008*
17649	Performance audit of telecommunications surveillance
18293	International mutual legal assistance in criminal matters
18369	Strategy for the restitution of illicit assets
19394	Effectiveness of the fight against cybercrime*
19474	Management of tax-related administrative assistance proceedings*
19476	Effectiveness of the precious metals control
20094	Joining Forces programme
20146	Fulfilment of tasks by the Money Laundering Reporting Office Switzerland
20236	Supreme supervision of debt enforcement and bankruptcy
21267	Reorganisation of the Federal Supervisory Board for Foundations
21529	Overall supervision of the land register*

Table 1 – Topics initially selected by the SFAO in 2014 and added topics indirectly linked to the fight against economic crime (*)

This work was done in response to a forward-looking initiative launched in 2014 by the former Ticino prosecutor Paolo Bernasconi¹. This initiative allowed the SFAO to identify several audit topics. To these, we added the results of six audits that did not focus specifically on economic crime. In spring 2022, three areas remained to be explored².

¹ Paolo Bernasconi, Moyens de protection de l'économie suisse face aux menaces dues à la délinquance économique, 28 May 2015; The fight against economic crime in Switzerland – Overview of audits and topics for the Swiss Federal Audit Office to address, 30 September 2015. They are available on the SFAO website.

² It concerned the efficiency of the Office of the Attorney General (OAG) and the cantonal courts, police cooperation in Switzerland and the applicability of Criminal Code provisions relating to economic crime.

The SFAO reviewed these efforts, highlighting the positive aspects but also the areas for improvement. Across these 16 audits, 74 recommendations were issued, 30 of which are still pending. Another 20 or so have already been implemented by the audited entities, and the rest are either under review in the context of other audits or are obsolete.

A small number of recommendations rejected by the audited entities

In general, the SFAO's work and its recommendations were well received by the audited entities. The SFAO did, however, meet with a few rejections, which is nothing out of the ordinary when compared to the work done in other areas.

For example, the Federal Council rejected some of the proposed improvements with regard to raising awareness of the fight against economic crime. These related to strengthening the effectiveness of the relevant interdepartmental working group, which was set up in 2008 in response to various recommendations from the European Council's Group of States against Corruption (GRECO), to which Switzerland belongs.

Similarly, the Federal Criminal Court was opposed to its role being expanded under a collaboration programme of the Office of the Attorney General of Switzerland (OAG) and the Federal Office of Police (fedpol), which was aimed at ushering the federal prosecution chain into the age of electronic case management. Finally, the Federal Office of Justice (FOJ) rejected most of the substance of four recommendations intended to improve the effectiveness of international administrative assistance in criminal matters, and its implementation and monitoring.

Thematic directions and future audit topics: money laundering, data and contributions by the cantons

The SFAO addressed the topic of money laundering in numerous audits, although it was unable to tackle it fully and across the board. The audits revealed weaknesses and, hence, financial and reputational risks for the Swiss authorities. They also showed that Swiss legislation is lagging behind and seldom anticipates developments at international level. This argues in favour of an overall assessment of the anti-money laundering mechanism in Switzerland, especially given the recent legal developments in this regard.

In addition, people who spoke to the SFAO suggested that two issues relating to money laundering and the fight against economic crime be examined: first, the difficulties experienced by the courts responsible for compulsory measures when sorting sealed data and, second, the low dissuasive effect of criminal sanctions and legal costs.

The reliability and availability of IT data are also potential topics for future audits. The SFAO's audits revealed shortcomings as regards registries, which are important for economic activity and the transmission of information between federal entities. In the two cases concerned, the quality of the available data and the analyses carried out at the prosecution authorities were criticised.

Finally, in eight of its audits, the SFAO was supported by the cantons. This allowed it to obtain a picture of the environment in which the federal authorities operate together with their cantonal partners, and the cantons' perception of this. The experiences of the cantons helped to identify weaknesses in the fight against economic crime in Switzerland.

Original text in French