

Procurement and external aid: OLAF investigations further concentrate on sensitive areas of the EU budget

Education centres in Bolivia that were billed but never built, an accountant siphoning off fictitious rental payments in a Commission delegation, farmers claiming subsidies for citrus fruit they never harvested, importers evading millions of Euros in anti-dumping duties on the importation of Chinese bicycles to the EU: These are only four examples demonstrating the large variety of cases in which the European Anti-Fraud Office (OLAF) intervened in 2006. OLAF presented today in Brussels its new Annual Activity Report which illustrates its work inside and outside of the EU in 18 case studies and numerous statistical tables. At the end of 2006, OLAF was investigating a total 431 cases.

“Procurement in all possible contexts and external aid remain particularly sensitive areas for the EU budget”, OLAF Director General Franz-Hermann Brüner said on the occasion of the presentation of the new [OLAF Activity Report](#) in Brussels. “That is why, in the coming years, we will concentrate even more of our resources on investigations in these areas”, he explained. Mr Brüner added: “But we cannot go for it alone: It is crucial for OLAF’s success that in our task of protecting the European Union’s financial interests against fraud, corruption, smuggling and other criminal acts we can continue to build on the close cooperation of our partners in the Member States and beyond”.

Within as well as outside the EU institutions OLAF is trusted for dealing efficiently with new information on potential irregularities, fraud or corruption: The volume of information received by the Office has constantly increased from 529 new items in 2002 to a new high of 826 in 2006. At the end of the year OLAF was investigating a total of 431 cases.

While the preventive effect of OLAF action cannot be measured in figures, in 2006 a sum exceeding 450 million Euros was recorded as recovered in the context of OLAF cases. This amount arises from the cases OLAF closed in 2006 (about 114 million Euros) and the actions that were in the follow-up phase at the end of the year (about 336 million Euros). The total financial impact of all cases investigated by OLAF since its creation in 1999 is estimated at over 7.3 billion Euros.

In 2006 OLAF reinforced its strategy to focus on major, complex fraud cases, both within the European institutions or agencies and in sensitive areas of the EU budget. The reorganisation of the Office in 2006 reflects this continuing concentration on its key tasks: OLAF’s new structure provides for two operational and investigative Directorates, one dealing with investigations internal to the EU Institutions and other bodies and with fraud in expenditure programmes managed directly by the European Institutions. The second one deals with cases in those areas of the EU budget where responsibilities are shared between the Commission and the Member States, like Own Resources, agriculture and structural actions. A third Directorate provides specialist operational support, such as analysis, legal advice on criminal law, and the infrastructure for joint Customs operations.

Internal investigations

As far as irregularities within the European institutions themselves and in other bodies like EU agencies are concerned, OLAF was investigating a total of 69 internal cases at the end of 2006 equalling 16 percent of all its cases under investigation at that time.

The figures and the information reported are a clear indication of how seriously irregularities, fraud and corruption are being taken by OLAF and the European

Institutions in general. They also show that the joint action of OLAF and its national and international operational partners, like Eurojust and Europol or the UN and the World Bank, must not be softened but shall be further reinforced.

The European Anti-Fraud Office issues an annual report on its independent operational activities during the previous year. This report has to be distinguished from the European Commission's annual "Report on the Protection of the financial interests of the Communities - fight against fraud" which is being published at the same time.

Both reports are available for download on the OLAF website:

http://ec.europa.eu/comm/anti_fraud/reports/index_en.html

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