

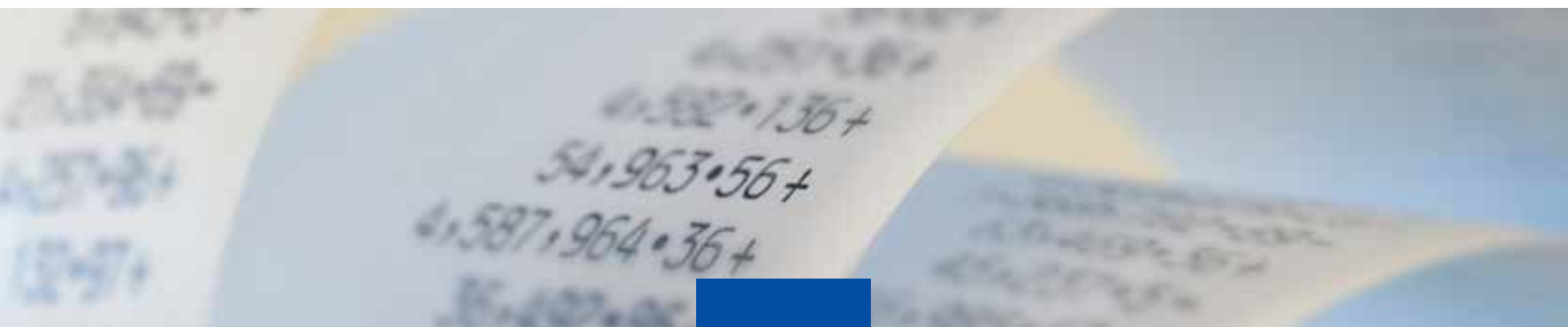


THE EUROPEAN
UNION
EXPLAINED

Fight against Fraud

Inside OLAF —
the European
Anti-Fraud
Office

To protect European citizens and their money, the European Union must fight fraud and corruption. OLAF has a key role to play in winning that fight.



THE EUROPEAN UNION EXPLAINED

This publication is a part of a series that explains what the EU does in different policy areas, why the EU is involved and what the results are.

You can find the publications online:

http://europa.eu/pol/index_en.htm
<http://europa.eu/!bY34KD>

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The European Union explained: Fight against Fraud

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Why we need an effective anti-fraud policy

Corruption and fraud seriously harm the economy and society. Many countries around the world suffer from deep-rooted corruption. It hampers their economic development, undermines democracy and damages social justice and the rule of law.

The Member States of the EU are not immune to this reality. Corruption varies in nature and extent from one country to another, but it affects all Member States. It costs taxpayers billions, and in many cases it helps organised crime groups to operate across Europe.

Corruption alone is estimated to cost the EU economy €120 billion per year, just a little less than the annual budget of the European Union. Therefore, fighting corruption contributes to the EU's competitiveness in the global economy.

Fighting corruption and fraud is a national responsibility. EU Member States have in place most of the necessary legal instruments and institutions to prevent and fight them.

As EU countries manage 80 % of EU funds they also are responsible for investigating and prosecuting cases of corruption and fraud regarding the EU budget. The EU, however, assists the Member States in their investigations through the European Anti-Fraud Office (OLAF).

Ultimately, corruption undermines the trust of citizens in democratic institutions and processes.

Public opinion and confidence

A Eurobarometer survey on corruption, carried out in 2013 and published in February 2014, showed that more than half the population of the EU feel corruption has been on the rise over the last few years. The most conservative estimate of the European Commission, as highlighted in the anti-corruption package adopted in June 2011, is that the cost of corruption in the EU Member States amounts to €120 billion a year. This amount covers any corruption in the EU countries, including offences involving the EU budget. Corruption, therefore, remains one of the biggest challenges facing the EU as it has a damaging impact on public finances and can undermine confidence.

The Eurobarometer survey, carried out across the 28 Member States, showed the following:

- 76 % believe corruption is widespread in their country and 56 % think the problem has grown worse over the last 3 years;
- 67 % think there is not enough transparency and supervision of the financing of political parties;
- two out of three Europeans think corruption is an inherent part of their country's business culture;
- however, 70 % maintain they have not been personally affected by corruption in their daily lives.



Testing the waters of public opinion — is corruption inevitable?

Showing citizens that fraud and corruption are not tolerated

In 2011 the Commission adopted an anti-corruption package to outline EU policy against corruption and setting up an EU monitoring mechanism assessing Member State efforts on a regular basis. The first 'EU anti-corruption report' was published in February 2014. The report explains the situation in each Member State: what anti-corruption measures are in place, which ones are working well, what could be improved and how. Member States have taken many initiatives in recent years, but the results are uneven and more should be done to prevent and punish corruption. Subsequent reports will follow every 2 years.

In the meantime, the Commission has proposed several measures to reinforce the legislative framework, including: a reform of public procurement rules (proposal 2011), the confiscation of criminals' assets (proposal 2012) extending the scope of corruption to cover bribery of persons who are not formally a public official but are nonetheless involved in the management of EU funds (proposal 2012).

The EU clampdown on fraud — saving money, boosting efficiency

The EU itself, with an annual budget of €150 billion which is used, for the most part, to improve the life of the EU's citizens and communities, is not immune to fraud.

The EU budget is used for all sorts of activities ranging from subsidies for farmers to research grants and large-scale infrastructure projects. At the same time, the EU receives import and excise duties as income. In whatever form public money is used, there is always a risk of fraud.

OLAF exists to investigate irregularities affecting the financial interests of the European Union; a job more important than ever in times where every euro counts.

How OLAF was set up

In 1999 OLAF was created and given the power to investigate fraud, corruption and any other financial irregularities affecting the interests of the European Community. The regulation that established the Office covers the procedures for opening, conducting and finalising these investigations and the flow of information to and from OLAF.

Examples of OLAF investigations

In cases of fraud:

- irregular use of European Union funds for projects in areas such as external aid, agriculture, environment, etc.;
- evasion of customs duties and taxes by importers;
- smuggling of cigarettes by organised crime groups;
- embezzled external aid offered for a construction project;
- financing of non-existent agricultural products (for example unproduced fruit juice, or unplanted trees).

In cases of professional misconduct:

- irregularities in tender procedures;
- conflicts of interest;
- leaking selection test questions and model answers.



Using money wisely for growth.

How the EU goes about combating fraud

Raising the profile of the fight against fraud

In 1999 the European Commission announced a zero tolerance policy with regard to fraud and corruption, and in the wake of this OLAF was created to pursue the fight against fraud on all fronts and to inform the public of the consequences of fraud. Making sure that staff working in the EU institutions are aware of the procedures which they should follow if they think they have come across a case of fraud and training auditors and other employees are high priorities for the European Commission.

A number of awareness-raising activities, some aimed at the general public and others at EU officers, are in place.

- OLAF offers activities designed to make the public more conscious of the impact of counterfeiting and smuggling on the EU economy. They include guidance on how to detect a fake euro coin, a detective quiz and information on smuggling for kids.
- The Commission regularly informs its project managers, financial staff, auditors and staff in delegations around the world about the risk of potential fraud and what to do if they suspect irregularities.
- Training helps officials share their experiences and gives participants the chance to catch up with the latest academic research. Courses have included: fraud prevention and detection for auditors; training

on fighting fraud and corruption for new heads of delegations; and training for officers in countries around the world in early warning systems.

- The anti-fraud website <http://olaf.europa.eu> offers step-by-step guidance to help partner services develop their own strategies, including best practices, fraud patterns and training programmes.

The Early Warning System (EWS)

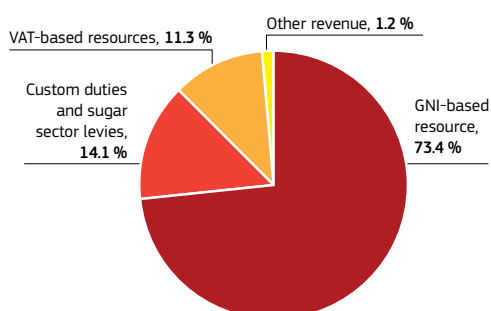
This database of names of persons and companies that are deemed to pose a threat to the financial interests of the EU is an important tool in the fight against fraud. It allows officials to check if people and companies answering calls for tender are suspected of fraud: if they are on the list, the administration may block or suspend a contract or payment.

OLAF and EU countries protecting funds together

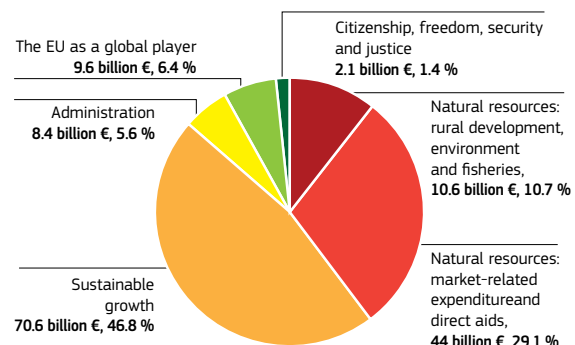
Some 85 % of the EU budget is administered by the Member States (so-called shared management), the ultimate responsibility for preventing fraud lying with each of them. Coordinating cooperation between the national authorities of two or more countries is one way in which OLAF achieves its task.

THE EU 2013 BUDGET AT A GLANCE

2013 budget revenue



2013 budget expenditure (billion € in commitment appropriations)



Countries that joined the EU from 2004, and those wanting to join the EU, have set up national fraud-prevention contact points to:

- coordinate laws, administrations and activities to protect EU finances;
- liaise between national authorities and OLAF and help cooperation between OLAF and prosecuting authorities;
- notify the European Commission when cases of fraud and irregularities are uncovered.

These national offices also raise awareness of the penalties and consequences of fraud and make sure that there are enough capable fraud-prevention staff in their countries.

Countries that joined the EU before 2004 also have a system to address these issues, but not in a centralised organisation.

The European institutions: united in the fight against fraud

To be effective, work to reduce corruption and fraud has to be a cooperative and coordinated effort. Here are some examples of how some EU institutions dovetail their activities to maximise their effect.

- OLAF, although part of the European Commission, is independent, helping countries and EU organisations investigate fraud and contributing to anti-fraud laws and policies.
- The European Parliament's Committee on Budgetary Control monitors the way the EU's budget is used. It works closely with OLAF, looking carefully at the laws against fraud and other irregularities. OLAF keeps the Parliament up to date on its activities, without however disclosing information on ongoing investigations.
- The European Court of Auditors audits the EU's finances and helps the European Parliament and Council to oversee how the EU budget is implemented by providing reports and opinions, not just on financial management but also on other activities. The Court examines whether financial operations have been properly recorded and managed and legally executed, so as to ensure economy, efficiency and effectiveness. The Court of Auditors lets OLAF know of any suspicions it has about possible fraud or corruption.

Legal obligation to combat fraud and corruption

Article 325 of the Treaty on the Functioning of the European Union requires the Commission and the Member States to counter fraud and any illegal activities affecting the financial interests of the Union. This makes the prevention and detection of fraud a general obligation throughout the European Commission as staff go about their daily activities involving the use of resources. Member States are responsible for the establishment of management and control systems, making sure that the programmes they run meet all the requirements in the regulations.

The Convention on the Protection of the European Communities' Financial Interests says that fraud affecting both expenditure and revenue must be punishable by 'effective, proportionate and dissuasive criminal penalties' in every EU country. This should include, at least in serious cases, the possibility of imprisonment for at least 1 year. The Commission proposed in 2012 to raise the level of penalties for these offences. To strengthen the EU rules to protect the EU's financial interests, a new draft directive aims at harmonising definitions of crimes, levels of minimum and maximum sanctions and periods of time limitations, which still differ between the EU Member States. Negotiations at European Parliament and Council level on this legislative proposal are ongoing.

Europol — the European Union's law enforcement agency

Europol is also involved in fighting fraud as part of its mandate to protect the internal security of the EU. Within its 12-point mandate relating to its operational activities Europol is tasked with helping fight fraud relating to the forgery of money and value added tax (VAT).

Euro counterfeiting costs the EU millions of euros every year, while Europol estimates that VAT fraud costs EU Member States approximately €60 billion annually. Europol also operates the analysis project on missing trader intra-community fraud — the theft of VAT from governments by organised crime gangs. This is the only EU-level database for criminal information on this phenomenon.

OLAF and Europol signed a cooperation agreement in 2004 allowing the two organisations to work together to fight fraud, corruption or any other criminal offence or illegal activity in the framework of international organised crime affecting the EU's financial interests. The agreement allows the exchange of technical and strategic information between the two entities as well as cooperation in the field of threat assessment and risk analysis within the areas of common interest, excluding the exchange of personal data.

OLAF — watching over our financial interests

The European Commission prioritises fraud prevention and OLAF exists to help make sure taxpayers' money is used to the benefit of all. It has three central goals:

- to protect the financial interests of the European Union by investigating fraud, corruption and any other illegal activities;
- to detect and investigate serious matters relating to the discharge of professional duties by members and staff of the EU institutions and bodies that could result in disciplinary or criminal proceedings;
- to support the European Commission in the development and implementation of fraud detection and prevention policies.



Taking action together to maximise effect.

Although OLAF has no legal remit to prosecute wrongdoers itself, it helps Member States and the EU institutions to track down irregularities and investigate them. As a fully independent body, it can conduct investigations inside any EU organisation or Member State and in non-EU countries in which EU funding is spent.

It assists in the gathering and exchange of information, contributes to the development and implementation of anti-fraud policies and ensures these are systematically included in the law.

OLAF — Key facts and figures for 2012

Staff: 435

Administrative budget: €57.4 million

Incoming information: 1 264 items

Total cases open: 718

— *investigation cases: 431*

— *coordination cases: 287*

Total cases closed: 465

Number of recommendations issued: 199

Amounts recommended for recovery:

€284 million

Average duration of investigations:

22.6 months

What the EU does

The European Commission's anti-fraud programmes

While the wider public and those working in the EU's institutions and delegations around the world learn of anti-fraud activities through public awareness-raising and training programmes, OLAF itself has two key programmes dealing with fraud: Hercule, dedicated to fighting financial irregularities, and Pericles, which operates against euro counterfeiting.



Countries sharing information is key in the fight against fraud.

HERCULE — PROTECTING EUROPEAN CITIZENS' MONEY

Established in 2004, the Hercule programme is dedicated to fighting fraud, corruption and other illegal activities with an impact on the EU's finances, including the fight against cigarette smuggling and counterfeiting.

Hercule I, from 2004–06 with a budget of €11.8 million, then Hercule II, from 2007–13 with a budget of €98.5 million, enabled OLAF to provide:

- anti-fraud training (for instance in the field of computer forensics and the use of specialist equipment for over 5 300 law enforcement staff) and assistance for European associations of lawyers, magistrates and other law practitioners;
- technical assistance and IT support for national authorities;
- a large number of grants to national and regional authorities in the Member States for the purchase of sophisticated technical equipment (x-ray scanners, databases and IT investigative tools) to help law enforcement agencies strengthen their operational capacity.

The sharing of OLAF expertise and the provision of financial support resulted in increased cooperation and information exchange between national authorities. This led to seizures of large amounts of cigarettes, tobacco and other smuggled goods, and allowed the recovery of large sums of unpaid import duties, VAT and excise duties, as well as the arrest and conviction of several people involved in smuggling or other operations detrimental to the Union's financial interests.

The notable successes of Hercule I and Hercule II prompted the adoption in February 2014 of the new Hercule III programme, with an increased budget of €105 million for the 2014–20 period. At least 70 % of this budget will be spent on technical assistance activities that directly benefit Member States services such as customs or police forces in their daily operations. Grants will also be made available for such things as specialised digital forensics training sessions or the purchase and training of sniffer dogs to help in detecting smuggled cigarettes and tobacco. The grants will cover up to 80 % of the total costs.

PERICLES — PROTECTING EURO BANKNOTES AND COINS AGAINST COUNTERFEITING

Your first experience of a counterfeit euro may come when you try to buy something from a machine and the fake coin is rejected. This may be a minor irritation, but the greater picture presents a more serious aspect. According to data assembled by the European Central Bank (ECB), the total established financial damage of counterfeited euros registered in Europe since the introduction of the euro in 2002 amounts to more than €500 million.

According to a recent biannual report from the ECB, 310 000 counterfeit euro banknotes with a total value of around €15 million were withdrawn from circulation in the second half of 2011, and the financial damage for the first half of 2012 seems to be some €13 million.

Counterfeit print shops from Colombia to Bulgaria have been found and dismantled.

As one key step in the fight against counterfeiting, the Pericles programme, with a budget of €7.3 million for 2014-2020, focuses on training and technical assistance for national competent authorities. By bringing together police and customs officials, representatives of national central banks and mints, legal experts such as magistrates and lawyers, and other professional groups in the field from both the public and private sectors, Pericles makes sure the authorities fighting counterfeiters stay one step ahead.

The programme has succeeded in establishing closer cooperation in three main sensitive regions for the protection of the euro against counterfeiting: south-eastern Europe, north-eastern Europe and South America.



An expert checking a euro coin with special equipment.

The laws supporting fraud prevention

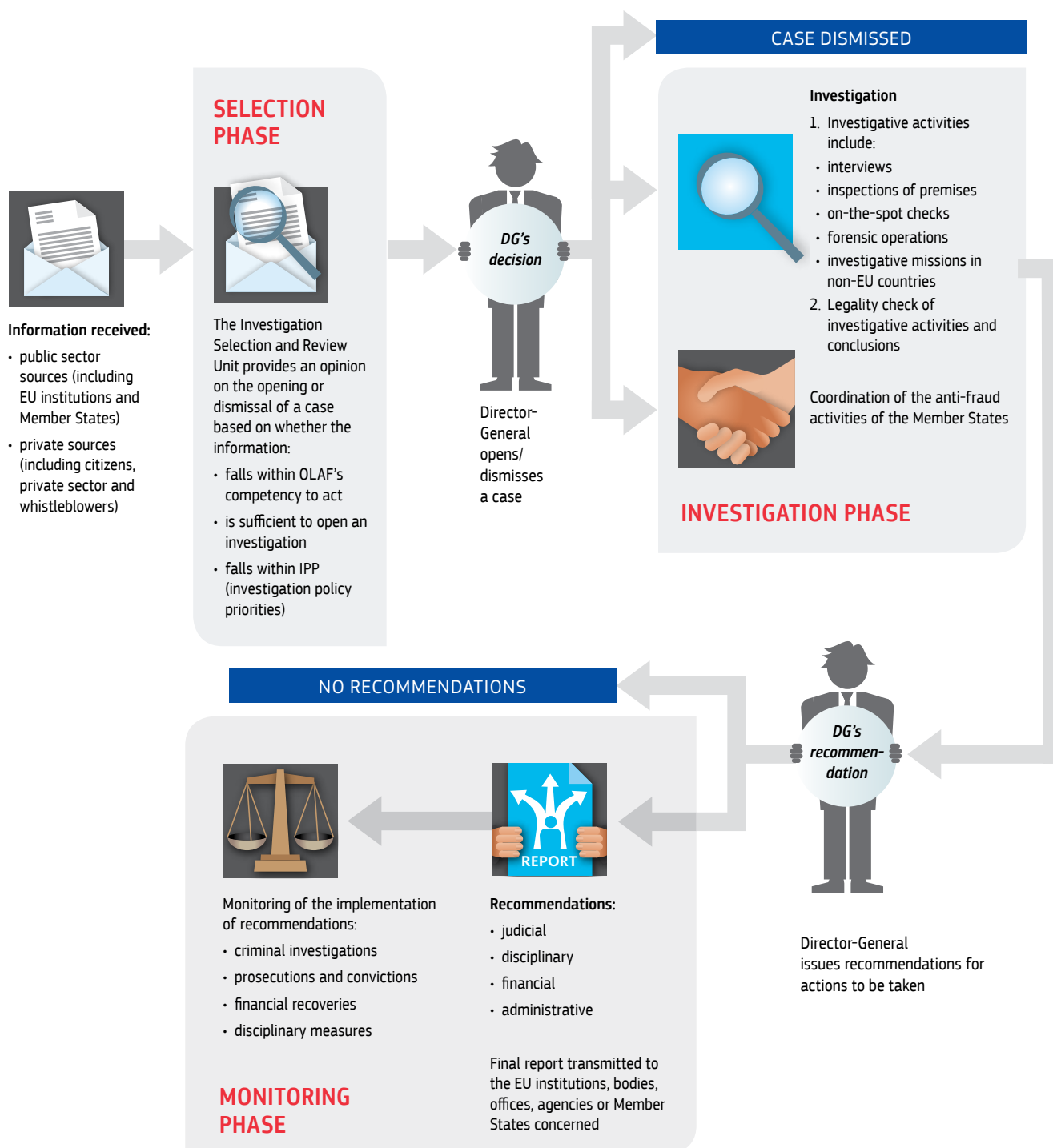
Several regulations were set up to define OLAF's main role and its remit for carrying out administrative investigations.

Council Regulation (EC) No 515/97 provides a legal framework for mutual assistance between the administrative authorities of the Member States, and cooperation between them and the Commission, to ensure the correct application of the law on customs, agricultural matters and intellectual property rights.

The main tool for mutual assistance is the Anti-Fraud Information System provided by OLAF. It is a single, common, secured infrastructure for nearly 10 000 registered end-users in more than 1 200 competent services from Member States, partners in non-EU countries, international organisations, Commission services and other EU institutions. The Anti-Fraud Information System provides a set of databases and information exchange systems for use in the fight against customs fraud.

Particularly important elements of the Anti-Fraud Information System include the Customs Information System (CIS) and the Customs Files Identification Database (FIDE). The CIS is a database in which information is stored concerning goods, cash, means of transport, businesses and persons in connection with breaches of legislation. The FIDE is a database in which file numbers of both ongoing and completed investigations into persons and businesses are stored for the purpose of cooperation (mutual assistance) in conducting investigations.

HOW OLAF INVESTIGATES INFORMATION RECEIVED



What is a joint customs operation?

A joint customs operation is an operational, coordinated and targeted measure of limited duration, implemented by the Member States and customs authorities in non-EU countries, for combating the cross-border trafficking of goods.

How the investigations work

FOLLOWING UP FROM START TO FINISH

In 2011 OLAF received 1 046 pieces of information of possible investigative interest and, thanks to a new Internet-based fraud notification system, more private-sector sources came through than ever before.

HOW DOES OLAF DECIDE WHAT TO FOLLOW UP?

The decision to open an investigation or coordination case is based on whether the information falls within OLAF's competence to act, whether the information is sufficient to open an investigation or coordination case and whether the information falls within the investigative priority policy.

WHAT HAPPENS WHEN A CASE IS CLOSED?

Once investigations into a case are concluded, OLAF can recommend judicial, disciplinary, financial or administrative action, based on the final report. The action can be taken by EU authorities or the authorities in a Member State.

ACTION TAKEN AFTER OLAF'S FINDINGS

Once a case is closed OLAF can recommend that administrative, disciplinary, financial and/or judicial measures be taken. The time it takes for Member States, or the relevant EU authorities, to carry out these recommendations varies depending on the nature of the case; it can be longer if legal action or financial recovery is necessary.

This is often the case with serious fraud and organised crime groups that use methods such as planned bankruptcies or high-tech paper trails to hide their assets.

TAKING THE FRAUDSTERS TO COURT

Many months of imprisonment were handed down in sentences resulting from trials in Member States in 2011, following recommendations from OLAF, but the number of cases still waiting for a judicial decision is high as well.

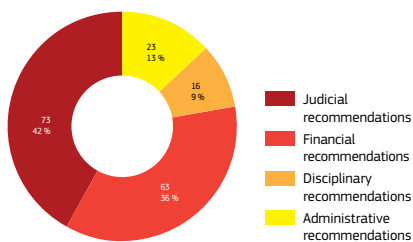
Not all OLAF cases lead to convictions. In 2011 slightly over half of the cases were dismissed before trial, 42 % resulted in a conviction and 7 % in acquittal. The results of the legal action varied greatly from country to country. Ensuring more consistency between Member States is one of the objectives of the Commission's proposal in 2013 to establish a European Public Prosecutor's Office, which will be competent to investigate and prosecute crimes affecting the EU's financial interests.

GETTING THE MONEY BACK

Since its creation OLAF has conducted 3 500 investigations. OLAF does not recover the funds itself; recovery is the responsibility of the EU institutions and Member States.

WHAT RECOMMENDATIONS WERE MADE AT THE END OF CASES IN 2011?

Total recommendations made in 2011: 175



TRIALS RESULTING FROM OLAF INVESTIGATIONS LED TO MORE MONTHS OF IMPRISONMENT IN 2011

| Judicial results | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | |
|-------------------------------|-------|--------|-------|--------|-------|--------|-------|---------|-------|--------|
| | CASES | VALUES | CASES | VALUES | CASES | VALUES | CASES | VALUES | CASES | VALUES |
| Suspended sentence (months) | 13 | 246 | 12 | 452 | 9 | 339 | 18 | 1 249 | 35 | 840 |
| Imprisonment (months) | 9 | 326 | 15 | 955 | 15 | 1 240 | 23 | 1 503 | 59 | 6 137 |
| Financial penalty (million €) | 13 | 1.8 | 16 | 175.3 | 12 | 17.3 | 23 | 1 467.7 | 42 | 154.7 |

Some examples of OLAF's achievements

Caught inflating CVs

A project to build a plant in Bulgaria was due to receive €34 million from the EU along with €25 million from the European Bank for Reconstruction and Development. An advance payment of €7 million had already been made. But alarm bells were sounded following information passed on to OLAF by the Directorate-General for Regional and Urban Policy.

The group that had won the tender were alleged to have misrepresented their employees' qualifications and relevant experience.

OLAF steps in

After carrying out investigations in several Member States, the investigation discovered that the winning group had indeed prepared their paperwork in a misleading way, giving an incorrect account of its experience and qualifications.

OLAF recommended cancelling the €34 million payment and reclaiming the €7 million advance. The directorate-general is going to follow the recommendations and OLAF has also passed on the case to the Bulgarian judicial authorities.

Caught accepting bribes

An EU official acting as project manager in one of the Commission delegations was suspected of demanding bribes and allegations were made to OLAF. National investigators accessed relevant computer records and the data was scrutinised and referred to the relevant legal authorities. These authorities drew on OLAF's expertise to conduct their searches and evaluate findings.

Paid to give favourable treatment

OLAF gained access to the necessary information and investigations showed that over years, the official allegedly established links with participants in projects allowing them to enjoy improper contacts during the selection procedure. As a result, some participants were given favourable treatment.

Suspension

A criminal investigation of both the official and the participants was launched. OLAF recommended the official be removed from his post as a precautionary measure and the project participants be put on the Commission's Early Warning System to stop them taking part in future projects.



Biofuel imports can benefit from 'preferential origin' labelling.

Caught evading import duty on biodiesel

Biodiesel imported to the EU from India is free from import duty. In this case OLAF established that biodiesel exported by an Indian company was in fact fuel originally sent from the United States, passing through India to benefit from the 'preferential origin' label and thus avoiding import duties.

Since the anti-dumping duties for biodiesel of American origin came into force in 2009, significant amounts of biodiesel had been shipped from a company in the United States to one in India. Similar amounts had been sent on from the Indian company to the EU.

Caught passing test answers on to a friend

In another case relating to an EU official, OLAF opened an investigation into the management of an examination. It became clear that an official had passed on answers to a candidate.

Investigations covering three continents

OLAF's investigations took place in Belgium, France, India, Spain, Switzerland and the United States, with assistance from the authorities in each country. Evidence was collected from storage and inspection companies, along with national authorities and economic players.

€32 million at stake

The investigation uncovered the fact that the Indian company had been importing biodiesel from the United States, storing it temporarily in its warehouses, adding a small amount of biodiesel of Indian origin and then shipping it to the EU under certificates of preferential Indian origin.

In one case the company shipped the American fuel to its factory in India and argued it had been reprocessed in India to meet EU standards. OLAF investigators found that the American fuel already conformed and the alleged reprocessing was unnecessary.

OLAF has provided the evidence needed to reclaim the evaded duties to Belgium, Spain and other EU Member States involved in the importation. The total sum amounts to €32 million.

Computer forensics come into play

Forensic examination of computer records proved the high-ranking official had sent the questions and model answers to a friend of his. The ensuing disciplinary procedure saw the resignation of the official.

Operation Barrel seizes 1.2 million smuggled cigarettes

The EU loses an estimated €10 billion a year through cigarette smuggling, which has a direct impact on how much we raise through import duties.

Almost exclusively the domain of organised crime gangs, smuggling came under OLAF's spotlight in 2011 under Operation Barrel, which confiscated and destroyed 1.2 million contraband cigarettes. Combating tobacco smuggling continues to be a key priority.

Smugglers exploiting regional flaws

At the eastern border of the EU, the exchange of information on operations between authorities is often insufficient, corruption is prevalent and infrastructure and equipment is often old or inadequate due to underfunding. All these factors are put to work as smugglers use these flaws to their advantage.



The running of complex programmes can sometimes be unlawfully exploited.

Coming together to fight organised crime

OLAF is highly active in the fight against tobacco smuggling, using all the tools at hand. It has launched investigations, coordinated cases and offered technical assistance including co-financing of equipment and other support to the authorities in Member States.

OLAF coordinated Operation REPLICA, a joint customs operation targeting the import of counterfeit goods by sea. The operation facilitated cooperation between all EU Member States, Norway, Switzerland, China, 11 international partners, Interpol, Europol and the World Customs Organisation. Over 1.2 million counterfeit goods and 130 million cigarettes were seized.

Outlook — what the future holds for fraud fighting ...

... at the European Commission

In 2011 the Commission adopted its new anti-fraud strategy, which updates and modernises the way fraud against the EU budget is tackled. The strategy covers in particular the 20 % of the EU budget directly managed by it.

The overall goal of the strategy is to increase the rate of detection, boost prevention and improve the conditions for investigation. New actions relating to fraud prevention and detection have been up and running since the end of 2013. Others relating to investigations, recovery, access to information and how procurement is organised will be put in place by the end of 2014.

Under the strategy, OLAF will have a greater role in helping the Commission tackle fraud and offering guidance. New technology has a key part to play and a recent project, Pluto, an auditing and investigation system using analytical tools and information on fraud indicators, has already shown how joint approaches between Commission services and OLAF can improve audits and controls.

Harnessing the power of technology to fight fraud — Pluto and the Anti-Fraud Information System

Putting powerful analytical tools to work and flagging fraud indicators, intelligence projects such as Pluto show how information technology (IT) can bust the fraudsters. New IT can speed up the process of spotting irregularities and, in recognition of this, a single technical platform for the secure exchange of data between customs officers and other national authorities has been set up.

Known as the Anti-Fraud Information System, it saves time by allowing one authority's analysis of suspected illicit movements of goods or cash to be seen by other participating law enforcers. No duplication of input and a proactive sharing of knowledge means that authorities can free up the time spent spotting suspected cases and use it where it's needed, tracking down the evidence that will bring the perpetrators to justice.



Scanner used to check trains at the border between Poland and Ukraine.



Mr Giovanni Kessler, OLAF Director-General, setting out the direction for the future.

... and in OLAF

Fraudsters develop new techniques; organised crime cashes in. The European Commission implements new programmes and supports new priorities. Technology advances. Law enforcers and fraud fighters are challenged by all these elements and more.

OLAF's role in investigating and supporting, smoothing the lines of communication between authorities

and enforcers and providing technical help is more important than ever.

To help further the Commission's anti-fraud strategy OLAF is setting up a fraud prevention and detection network covering all services and agencies to provide support and advice, including on fraud risk management.

Finally, the Commission tabled a proposal for the establishment of a European Public Prosecutor's Office in 2013 and negotiations are ongoing in the Council of the European Union. Once the European Public Prosecutor's Office is established, the present OLAF competence of carrying out investigations into EU fraud or other crimes affecting the financial interests of the Union will move to this new structure. As for OLAF, it will continue to conduct administrative investigations into irregularities affecting the financial interests of the EU where there is no suspicion of criminal behaviour, as well as into serious misconduct by EU staff or members of the institutions in the context of work which is not related to the EU's financial interests.

Keep an eye on OLAF's website (<http://olaf.europa.eu>) to see how these developments unfold.

Find out more

If the issues raised in this brochure have sparked your interest, you can find more information at the following sites.

- ▶ **How to report fraud:** http://ec.europa.eu/anti_fraud/investigations/report-fraud/index_en.htm
- ▶ **OLAF:** <http://olaf.europa.eu>
- ▶ **Annual report:** http://ec.europa.eu/anti_fraud/documents/reports-olaf/2012/olaf_report_2012_en.pdf
- ▶ **Success stories:** http://www.ec.europa.eu/anti_fraud/investigations/success-stories/index_en.htm
- ▶ **European Commission anti-fraud strategy:**
<http://www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0376:FIN:EN:PDF>
- ▶ **Fraud facts and figures:** http://www.ec.europa.eu/anti_fraud/investigations/fraud-in-figures/index_en.htm
- ▶ **Protecting our financial interests:**
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0293:FIN:EN:PDF>
- ▶ **Hercule:** http://www.ec.europa.eu/anti_fraud/about-us/funding/index_en.htm
- ▶ **EU anti-corruption report:** <http://ec.europa.eu/anti-corruption-report>

