

# **OLAF** Report **2022**



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[http://ec.europa.eu/anti-fraud/olaf-and-you/report-fraud\\_en](http://ec.europa.eu/anti-fraud/olaf-and-you/report-fraud_en)

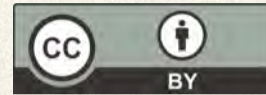


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### Disclaimer

OLAF's report features case studies for illustrative purposes only. The fact that OLAF presents these case studies does not prejudice the outcome of any judicial proceedings, nor does it imply that any particular individuals are guilty of any wrongdoing

# Foreword

I am pleased to submit the latest edition of the annual report of the European Anti-Fraud Office (OLAF) covering the period 1 January to 31 December 2022.

2022 marked the year when hundreds of billions from the Recovery and Resilience Facility started to be disbursed to help Member States recover from the pandemic. OLAF disseminated a risk framework for the Recovery and Resilience Facility and provided over 50 fraud awareness-training sessions to Commission Departments, Agencies and others, including Member States authorities.

The year 2022 also marked Russia's illegal, brutal invasion of Ukraine. OLAF has a long-standing cooperation with the Ukrainian authorities on both the expenditure and revenue sides of the EU budget. Since the beginning of the war, we have supported the Ukrainian anti-fraud authorities to ensure better protection of current and future EU funding.

2022 was also the year of the striking "Qatargate" scandal that rocked the European Parliament. This scandal revealed once again the crucial importance of ethics, integrity, transparency, trustworthiness, and accountability in public institutions, of following the rules, and of protecting those who report wrongdoing.

Integrity and trustworthiness are the core of what we in OLAF work to protect. It's not only just saying the right things, but doing the right things.

OLAF's unique mandate covers serious misconduct by EU staff and members of European institutions, and we will continue our work investigating in the institutions to uphold transparency and accountability. Our role as an external investigative office is crucial to regain the trust of EU citizens.

Despite these significant challenges, OLAF continued its strong investigative performance. We concluded 256 investigations, issued 275 recommendations to the relevant national and EU authorities. OLAF investigations uncovered over €600 million affected by fraud and irregularities: we recommended the recovery of €426.8 million to the EU budget and prevented the loss of €197.9 million from the EU budget. We opened 192 new investigations and reported 71 cases involving possible criminal offences to the European Public Prosecutor's Office (EPPO), 16 of which on behalf of the European Commission. And we helped protect EU citizens by working with national authorities to seize 531 million illicit cigarettes and 14.7 million litres of illicit wine, beer and spirits.

The OLAF annual report 2022 provides an overview of our investigative results and related OLAF activities regarding fraud and corruption and discusses various fraudulent schemes that include collusion, manipulation of procurement procedures, conflicts of interest, inflated invoices, evasion of customs duties, smuggling and counterfeiting.



Cases in the annual report highlight the broad scope of OLAF's work and relate to cross-border fraud, fraud and irregularities in public procurement, fraud in an archaeological site, subsidy fraud and tender manipulation, breach of fellowship obligations, breach of public procurement rules by a public administration, nepotism and misappropriation of EU funds, joint-customs operations, and fictitious employment and unauthorised outside activities.

Importantly, this annual report also provides examples of good cooperation between OLAF, its partners in the Member States and third countries, and demonstrates how sharing critical, accurate, complete and timely information results in successful investigative results.

None of the achievements noted in the report would have been possible without the work performed by the OLAF staff, our most valuable asset. Therefore, I take this opportunity to express my deep appreciation to all my OLAF colleagues for their professionalism, hard work, commitment, motivation, and dedication.

Ville Itälä

Director-General of OLAF

# Mission and mandate

## Mission

Established in 1999, the European Anti-Fraud Office (OLAF) mission is to detect, investigate and protect the European Union Budget.

## Mandate

Conducting independent investigations into fraud and corruption involving EU funds to ensure that EU taxpayers' money reaches projects;

Investigating serious misconduct by EU staff and members of the EU institutions, thus contributing to strengthening citizens' trust in the EU institutions;

Developing EU policies to counter fraud.

## Competences

OLAF investigates matters relating to fraud, corruption and other illegal activities affecting EU financial interests and concerning:

All EU expenditure – the main spending categories are European Structural and Investment Funds, agriculture and rural development funds, direct expenditure and external aid;

Some areas of EU revenue, such as money from customs duties or value added tax (VAT).

OLAF is also in charge of implementing Council Regulation (EC) No 515/97 setting out how national authorities must cooperate with each other and with the European Commission to implement EU customs and agricultural legislation.

## What we do

OLAF's investigative work involves:

Assessing incoming information of potential investigative interest to determine whether there are sufficient grounds for OLAF to open an investigation;

Conducting administrative anti-fraud investigations, where appropriate in cooperation with national criminal or administrative investigative authorities and with EU and international bodies;

Supporting the anti-fraud investigations of national authorities and the European Public Prosecutor's Office;

Coordinating the actions of national authorities and sharing knowledge on fraud with its partners in order to prevent losses and protect health and safety;

Recommending actions that should be taken by the relevant EU or national authorities;

Monitoring the actions taken by these authorities, in order to assess the impact of OLAF's work on the fight against fraud and better tailor the support that OLAF provides to national authorities.

## Main trends

The main trends in fraud in 2022 were mostly those observed over past years with some increases in frauds taking place digitally. OLAF investigated allegations and instances of collusion, manipulation of procurement procedures, conflicts of interest, inflated invoices, evasion of customs duties, smuggling and counterfeiting.

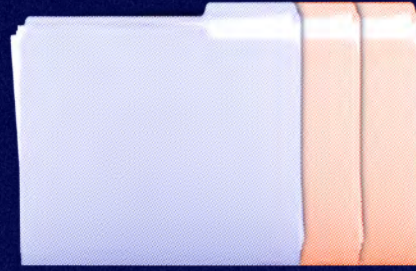
During the COVID-19 pandemic people carried out many aspects of their lives digitally, from shopping to communication, and as the world became more digital, so too did the fraud. Increasing fraudulent activities were carried online and in multiple jurisdictions. This has posed new challenges for OLAF investigators and analysts alike, in tracking down key pieces of data and finding ways to deal with work across boundaries to build a bigger picture of the fraudulent organisations.

2022 marked the year when hundreds of billions from the Recovery and Resilience Facility funding were disbursed to help Member States recover from the pandemic. OLAF provided continuous support and advice to national authorities putting a special accent on the early detection of irregularities due to the new ways in which the money was distributed and accounted for, as well as the large amounts on offer. As the billions started to flow, OLAF started to investigate first cases into expenditure fraud related to RRF funds.

The year also witnessed the illegal invasion of Ukraine by Russia. OLAF has had a long-standing cooperation with the Ukrainian authorities both on the expenditure side of the EU budget and on the revenue side (customs cooperation). Since the beginning of the war, OLAF has supported Ukraine's anti-fraud authorities to strengthen and improve the country's structures to deal with fraud and corruption and to protect current and future EU funding. This partnership continues in 2023. OLAF has also played an important role in identifying possible evasion of EU sanctions against Russia and Belarus following the invasion.

As in previous years, tackling smuggling was another of OLAF's core activities in 2022. During the year, OLAF took part in operations in the EU and around the world to prevent the smuggling of cigarettes, illicit alcohol, fake medicines, as well as counterfeit and potentially dangerous toys and ball bearings.

**256**  
Cases concluded



**275** Recommendations



61 Administrative recommendations

44 Judicial recommendations

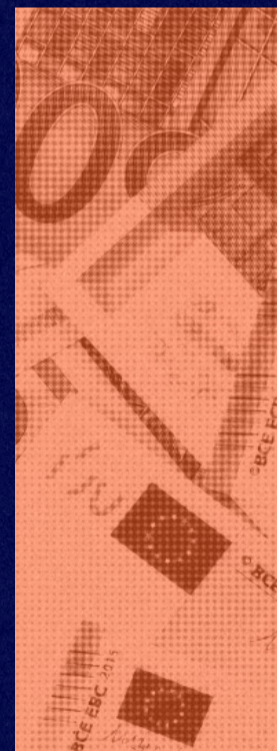
17 Disciplinary recommendations

153 Financial recommendations

**€426.8**

millions recommended for recovery

**€197.9**  
millions prevented from being unduly spent

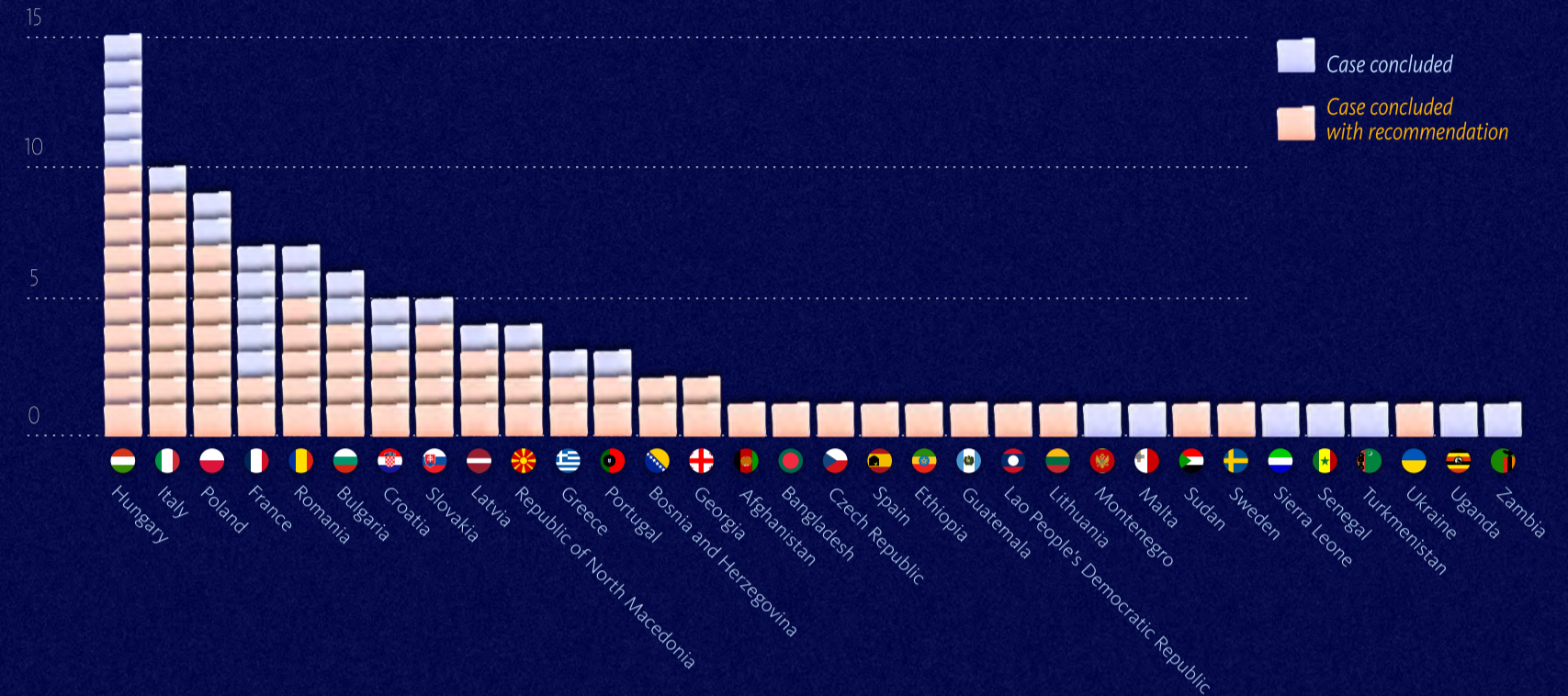


**192**  
Investigations opened

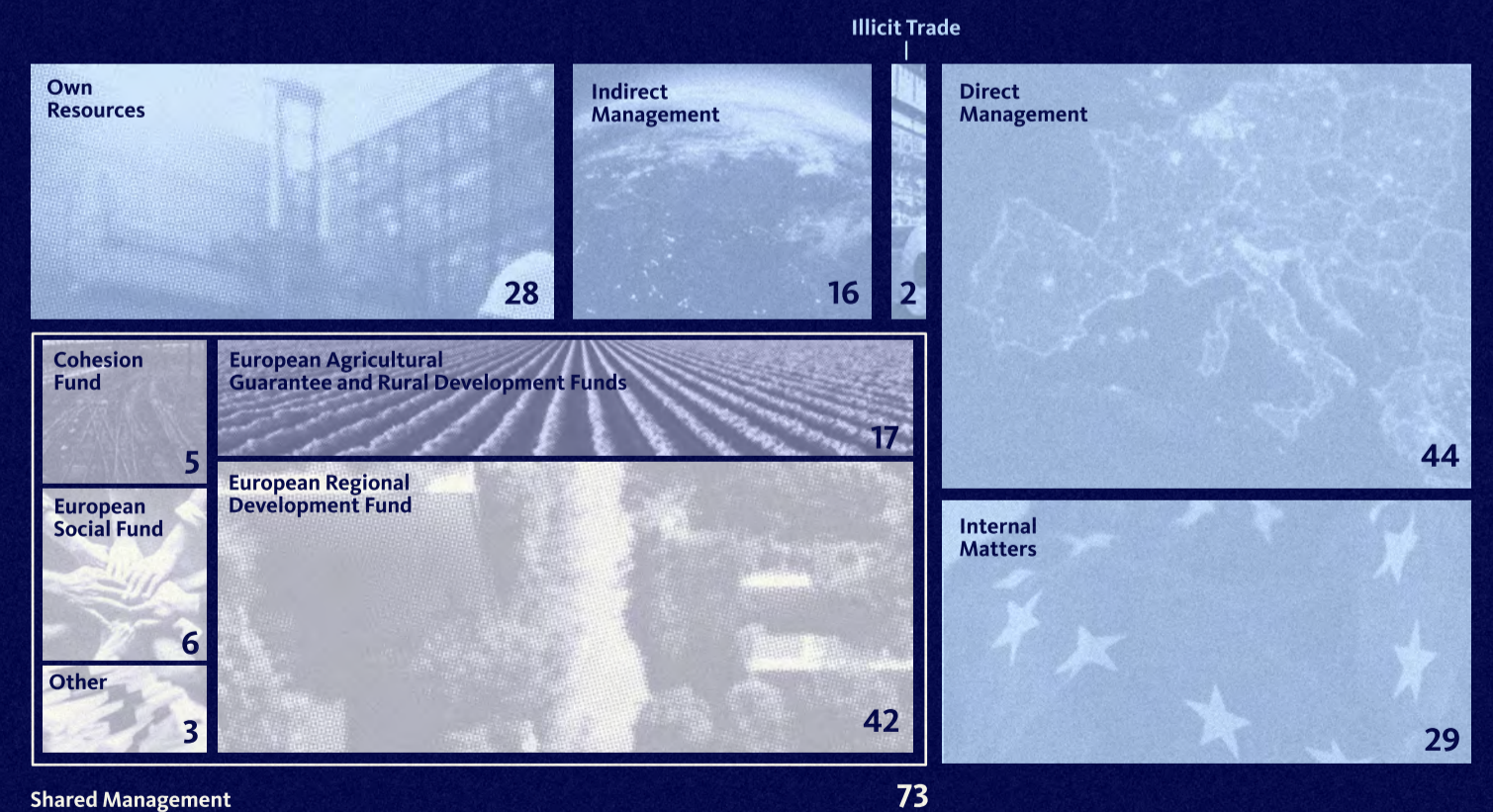
**1017**  
Selections made

## Investigative activity

OLAF had a strong investigative performance in 2022, which saw analysts and investigators work across the EU and beyond to help detect and prevent fraud and protect the EU budget, institutions and citizens.



Investigations into the use of EU funds managed or spent in whole or in part at national or regional level concluded in 2022



Investigations opened by main investigation area in 2022

## Protecting EU Funds

The EU's expenditure budget runs to hundreds of billions for spending programmes under direct, indirect and shared management. Much of that budget is distributed to Member States in the form of grants and loans. OLAF's primary role is to protect this funding from irregularities and making sure it does not fall into the hands of fraudsters. Fraudulent attempts on these funds are known as expenditure fraud (as they are targeting EU expenditure). Agriculture and cohesion policy traditionally account for the largest share of the EU budget. Alas, this funding is also a common target for swindlers. What follows is a selection of cases which OLAF investigated relating to irregularities and attempts to defraud such funding. One particular case that OLAF completed in 2022 related to a waste management project in Hungary.

### Irregularities found in an EU funded waste management project

OLAF was alerted to a series of irregularities linked to four projects, which had received generous EU funding. The projects in question aimed to improve efficiency and environmental impact of an existing waste management plant in Hungary.

However, OLAF, working closely with the Hungarian authorities, discovered a list of problems related to the projects such as basic planning and design errors. These errors and mismanagement led to a breach of project objectives and targets, which resulted in lower-than-expected environmental benefits, including a terrible smell which plagued nearby residents. In addition, the site also became unsafe with several fires breaking out. One such fire eventually destroyed all the projects.

Following the investigation, OLAF recommended the recovery of €11 million and issued an administrative recommendation to tighten up on checks to make sure that EU funded schemes actually met the targets that they had been set.

**€11 000 000**  
recommended  
for recovery



### Georgia on OLAF's mind

OLAF carried out an investigation into an allegation of fraud and irregularities linked to a major road project in Georgia, the funding of which came from the EIB (€220 million) and €10 million from the European Commission (Neighbourhood Investment Facility).

In cooperation with the EIB's Investigation Division and the Office of the Prosecutor General of Georgia, OLAF identified a conflict of interest of one individual who had been contracted by a national Ministry to advise on the construction project.

OLAF found that the person in question, a member of an engineering consortium, had recommended a company linked to a Chinese contractor to provide expert advice suggesting changes in the design of the highway, from which the contractor benefitted.

OLAF also found that the Chinese contractor employed Ministry officials who had been previously involved in the planning and oversight of the construction project.

The investigation was concluded with financial recommendations to the European Commission and the EIB to recover over EUR 10 million representing the total costs paid in respect of the services contract signed with the Engineering Consortium.

**€10 000 000**  
recommended  
for recovery



**€97 800 000**

millions prevented  
from being  
unduly spent

### Highway to fraud

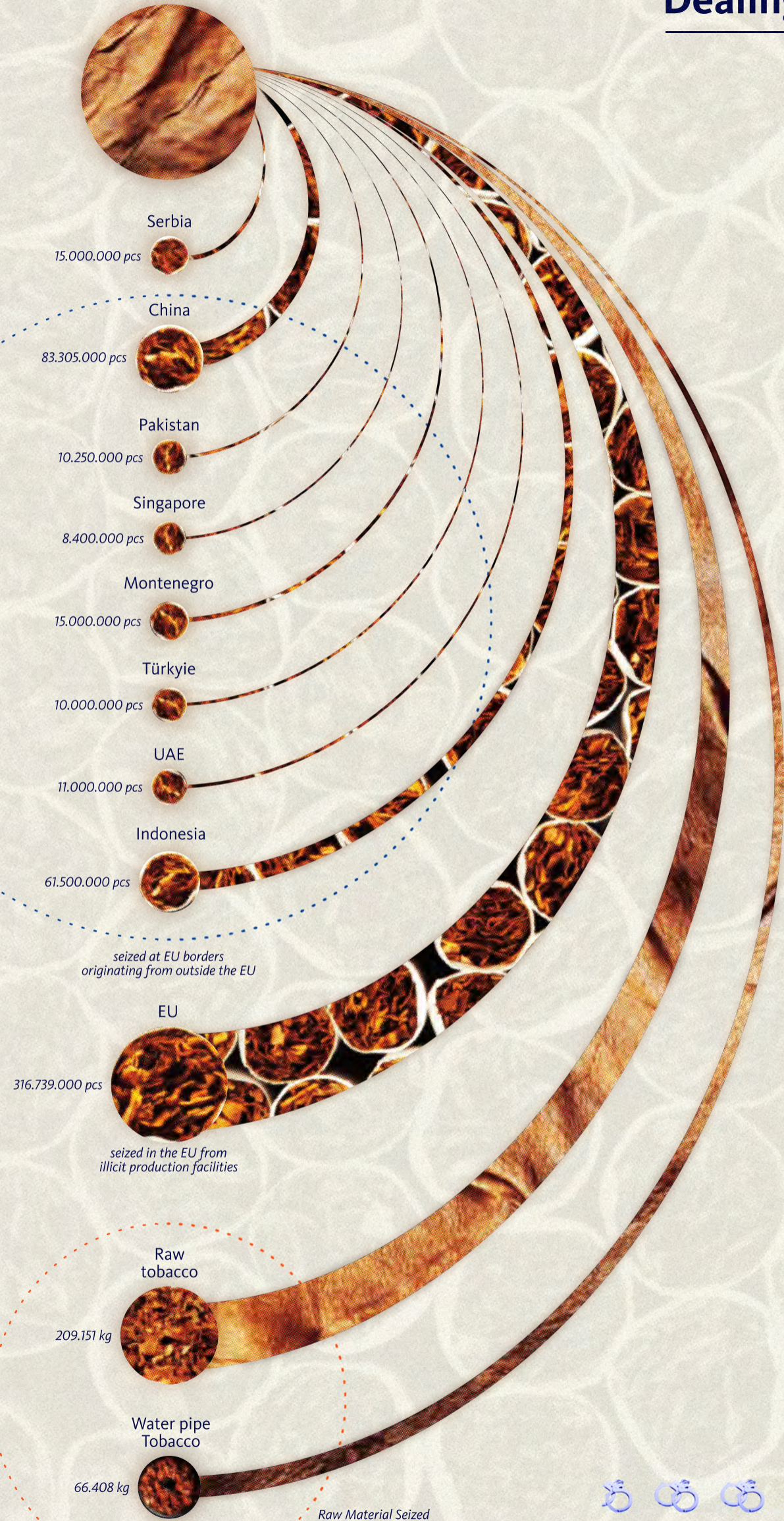
The following case is an example of where OLAF managed to identify a fraud before it began in earnest, thus preventing the misuse of EU funds.

The case in question surrounded allegations linked to the tendering phase of the construction of a highway in Bosnia and Herzegovina. OLAF and colleagues from the European Investment Bank (EIB), which was funding the project with a €200 million loan, investigated the claims and identified multiple irregularities.

The investigation confirmed the allegations of fraud. It proved that some members of the management of the operator in charge of the construction exerted undue influence on the members of the tender evaluation committee to exclude one bidder from the process and select a preferred bidder, thus effectively preventing a fair and transparent tender competition. OLAF also proved that both the rules set out in the Finance Contract between the EIB and the candidate country and the EIB Guidelines on procurement procedures were breached.

Thanks to the investigation, which was completed in less than one year, the practices were spotted and stopped before they really got going, thereby preventing €97.8 million from being unduly spent.

All tobacco material seized



## Dealing with smuggling

Preventing cigarette and tobacco smuggling has been one of OLAF's core activities for many years.

In 2022, OLAF's operations led to seizures of over 531 million illicit cigarettes, including 199 million cigarettes smuggled into the EU, 199 million cigarettes confiscated at the EU borders and 317 million cigarettes produced illegally at sites across the EU. Moreover, information uncovered by OLAF led to the confiscation of 209 tonnes of raw tobacco destined for the illicit production of cigarettes. OLAF played an instrumental role in identifying and closing down over 10 factories, which produced counterfeit cigarettes in the EU. All in all, 77 smugglers were arrested during the year and over 15 illicit cigarette producing factories were dismantled.

These seizures prevented an estimated €153 million in lost revenue in the EU.

In 2022, OLAF also continued to be active on water pipe tobacco smuggling and identified suspicious consignments of over 66 tonnes. One such case spanned the European continent from Türkiye to Scandinavia.

17

Factories closed

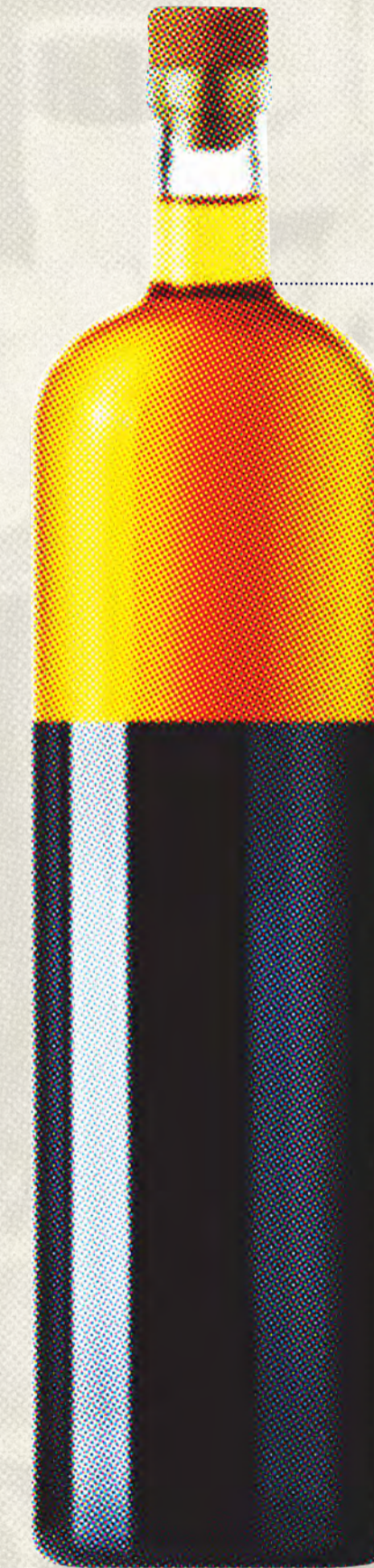


77



## Having a say in what we eat and drink

Over the last years, OLAF worked intensely on cases targeting counterfeit and substandard wine, sparkling wine, whisky and vodka. The exchange of intelligence and actions taken by OLAF in coordination with national authorities from the EU Member States and third countries led to many positive results, including the following



339 696

bottles of counterfeit rum seized in the EU and Honduras

421 000

bottles of counterfeit wine of several brands seized in the EU and Moldova

521 litres of counterfeit Prosecco seized in the EU

1 Factory dismantled



### No money for fake honey

Honey naturally contains sugar and according to EU legislation, must remain pure meaning that it cannot have ingredients added to it. Adulteration occurs when ingredients such as water or inexpensive sugar syrups are artificially added to increase the volume of honey. However, there was a suspicion that a high percentage of honey that is imported into the EU is adulterated.

Therefore, in 2022 the Commission launched an operation to ascertain if that theory was true and OLAF provided investigative support to the operation. National authorities collected 320 samples at border entry points, of which 46% were found to be possibly adulterated. To date, 44 operators have been investigated, many of them thanks to OLAF. OLAF's investigation detected various types of potential fraud besides adulteration.

Learn more about Operation "From the Hives" on the European Commission AV portal.



## Investigating within the EU institutions

OLAF has a unique mandate to carry out independent internal investigations into allegations of misconduct by staff and members of any EU institution, body, office or agency.

Cases investigated by OLAF tend to follow roughly the same patterns. These can include false declarations of expenses or other statements, especially in relation to allowances, undeclared external activities, harassment, or other inappropriate conduct in the workplace.

One such case in 2022 concerns the questionable activities of three Accredited Parliamentary Assistants in the European Parliament.



## “Multitasking” Accredited Parliamentary Assistants

OLAF concluded an internal case concerning suspicions of fraud and other irregularities concerning three Accredited Parliamentary Assistants working for the same Member of the European Parliament (MEP). The investigation centred on instances of undeclared paid external activities, unjustified absences from work, undue payment of allowances, and reimbursement of travel costs for missions.

Following the investigation, OLAF established that two of the assistants were unduly absent from their workplace without any formal authorisation from either the European Parliament or their MEP. It was also revealed that two of the assistants were engaged in outside activities without obtaining the required prior permission of their Appointing Authority (the Parliament). OLAF further established that the assistants

received payments from the European Parliament and reimbursed travel costs in relation to missions, which they did not perform, or which had no professional justification as they were not related to their statutory tasks. It turned out that the MEP failed to regularly monitor or perform any due diligence on the way the office budget was used to fund the missions of his assistants.

OLAF also confirmed that on occasion the MEP would ask one of the assistants to perform tasks linked to their personal life and not to their parliamentary mandate.

The investigation concluded with OLAF recommending that the European Parliament recover an overall amount of around €275 000 and take disciplinary action against those concerned.

## Policing sanctioned goods

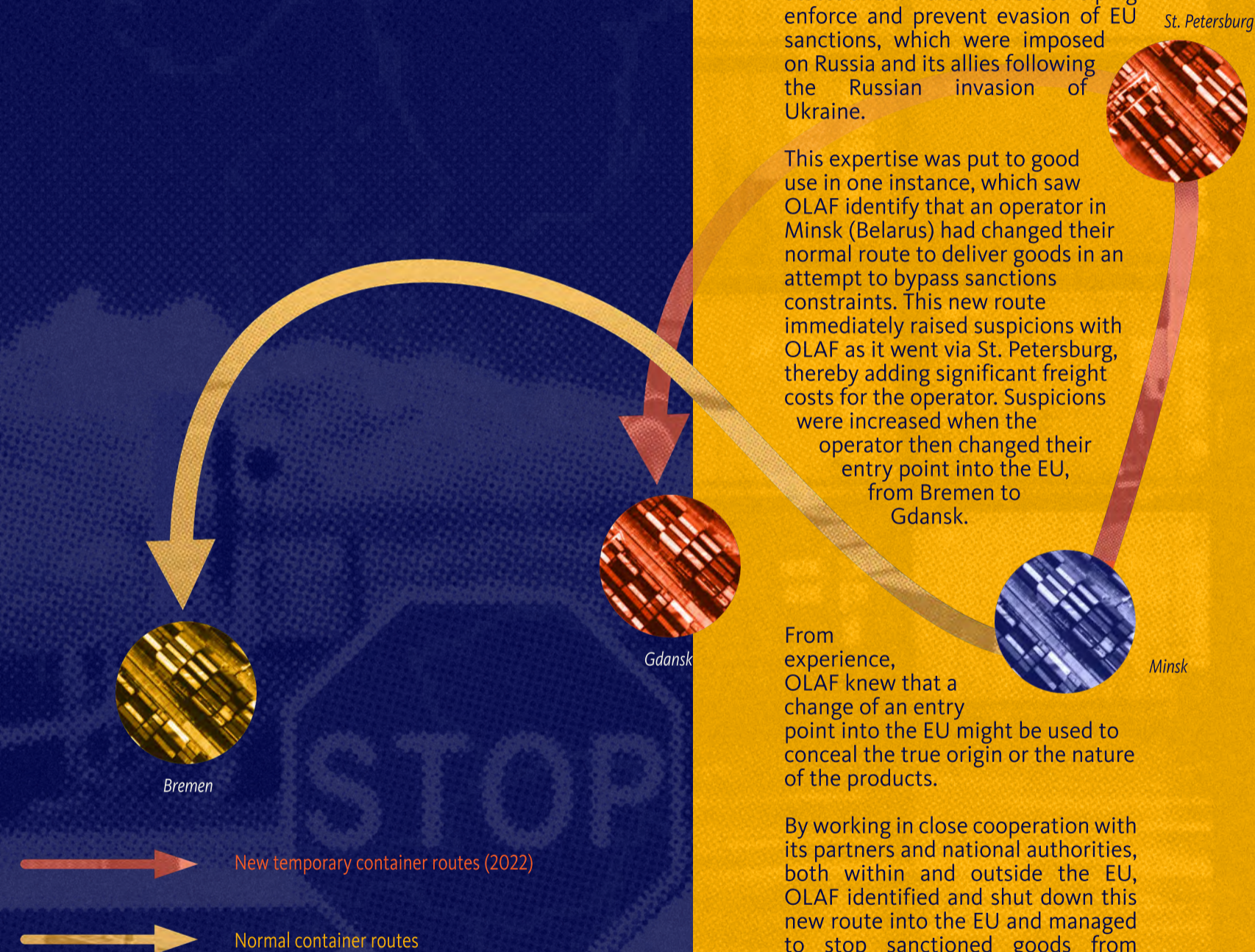
OLAF possesses extensive expertise in data analysis, examining patterns of trade, unusual movements of goods and other irregular behaviour of individual operators, which allows the Office to be proactive and react quickly to new and emerging fraudulent threats. OLAF has stepped up to work with Member States and third countries to help enforce and prevent evasion of EU sanctions, which were imposed on Russia and its allies following the Russian invasion of Ukraine.

This expertise was put to good use in one instance, which saw OLAF identify that an operator in Minsk (Belarus) had changed their normal route to deliver goods in an attempt to bypass sanctions constraints. This new route immediately raised suspicions with OLAF as it went via St. Petersburg, thereby adding significant freight costs for the operator. Suspicions were increased when the operator then changed their entry point into the EU, from Bremen to Gdansk.

From experience, OLAF knew that a change of an entry point into the EU might be used to conceal the true origin or the nature of the products.

By working in close cooperation with its partners and national authorities, both within and outside the EU, OLAF identified and shut down this new route into the EU and managed to stop sanctioned goods from entering the EU.

OLAF's work continues in this area and the Office has already opened several cases where it either coordinates operational activities or carries out investigative activities. OLAF has also been closely monitoring the situation of EU exports of prohibited goods.



## Impact of OLAF investigations

When OLAF concludes an investigation, it issues recommendations to the competent national and European authorities to take action to redress fraud, corruption or other illegal activities uncovered by the investigation. OLAF's recommendations are intended to protect the EU budget and to uphold the rule of law. They help ensure that OLAF's investigations act as a deterrent to potential fraudsters.

These recommendations take several forms namely: financial, judicial, disciplinary, and administrative.

**Financial recommendations** invite relevant authorities to recover amounts that were unduly spent from the EU budget as a result of fraud or other irregularities. In terms of customs this recommendation relates to the customs duty that was not paid.

**Judicial recommendations** invite a Member State's judicial authorities to start criminal prosecution.

**Disciplinary recommendations** aim to sanction wrongdoing by EU staff or Members of EU institutions, bodies, offices or agencies.

**Administrative recommendations** aim at administrative measures different than, or going beyond, financial recovery or disciplinary action.

While OLAF has no powers to enforce its recommendations, recipients are obliged to report to OLAF on the action taken. OLAF systematically monitors that feedback to help measure the success of OLAF's investigations, to evaluate the work of OLAF's partners and, most importantly, to highlight areas for improvement.

In order to reinforce the follow-up of its recommendations, OLAF conducted two stocktaking exercises, in cooperation with the Commission's Directorate-General for Budget (DG BUDG). These exercises looked at how around 1700 financial (issued between 2012 and 2020) and approximately 200 administrative recommendations (issued between 2016 and 2020) were followed up. In addition to this, OLAF continues to monitor the implementation of its recommendations in annual monitoring cycles.

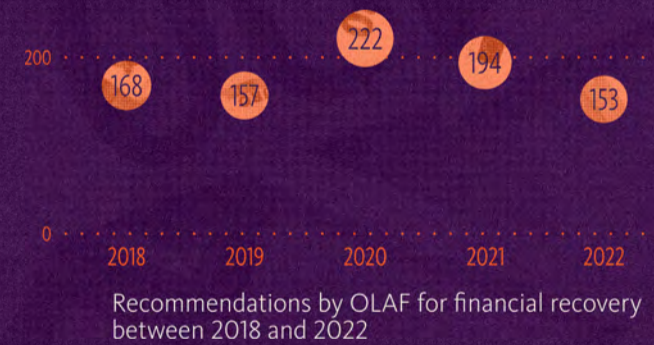
## Financial impact

The sum recommended by OLAF for recovery each year depends on the scope and scale of the investigations concluded in that particular year. The amounts recommended for recovery are therefore not an indication of the overall level of fraud in Europe, instead they relate to specific investigations finalised by OLAF in that year.

Key to an effective implementation of OLAF's financial recommendations is close cooperation with spending services, especially with Commission departments and executive agencies.



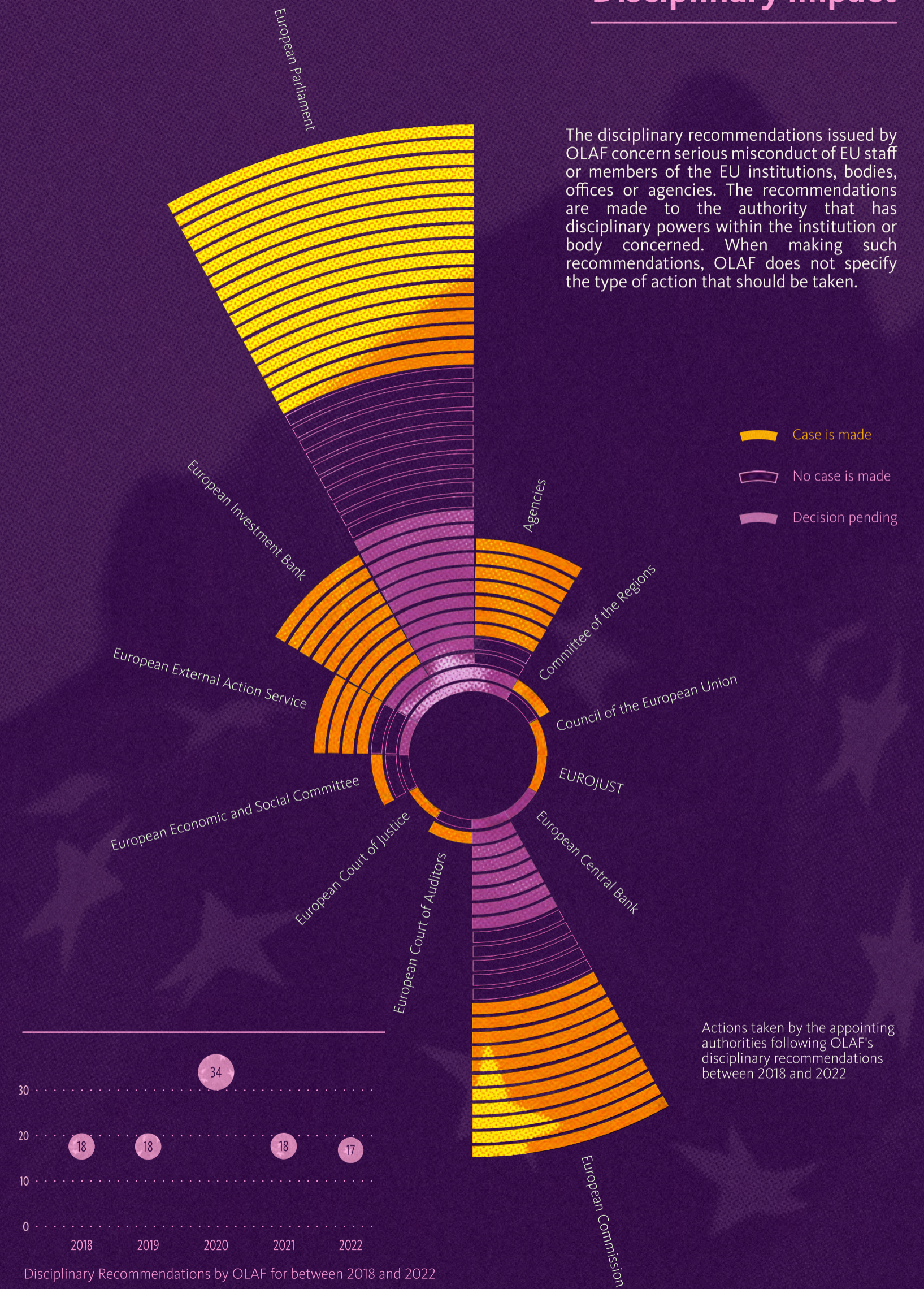
Amounts recommended by OLAF for financial recovery from 2018 to 2022 (in € millions)



Recommendations by OLAF for financial recovery between 2018 and 2022

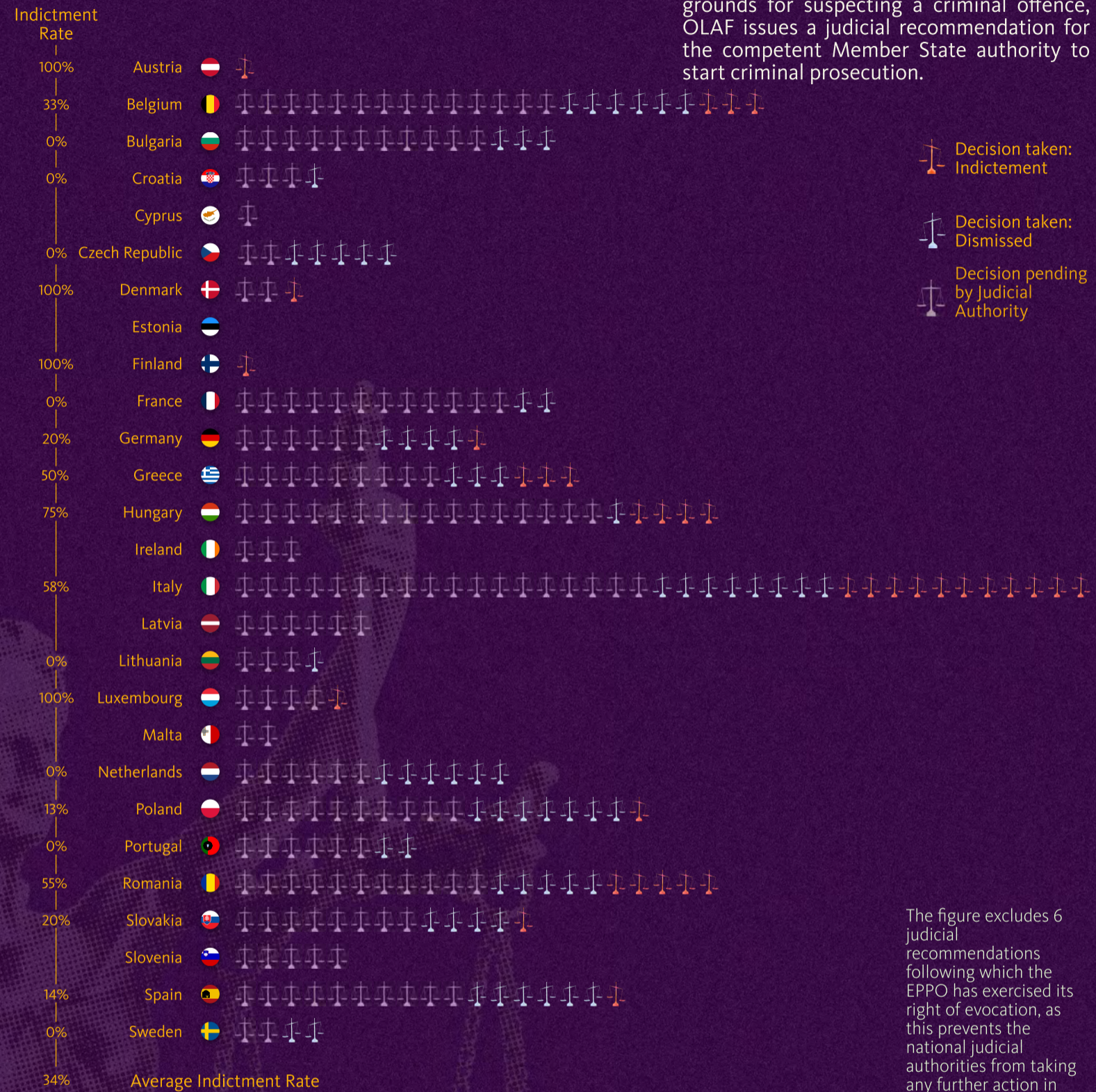
## Disciplinary impact

The disciplinary recommendations issued by OLAF concern serious misconduct of EU staff or members of the EU institutions, bodies, offices or agencies. The recommendations are made to the authority that has disciplinary powers within the institution or body concerned. When making such recommendations, OLAF does not specify the type of action that should be taken.





# Judicial impact



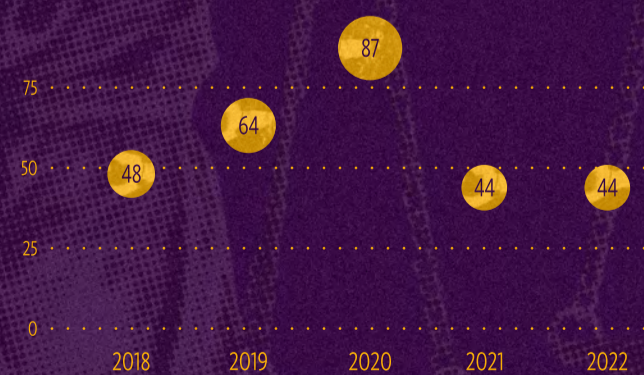
Where an OLAF investigation finds sufficient grounds for suspecting a criminal offence, OLAF issues a judicial recommendation for the competent Member State authority to start criminal prosecution.

- Decision taken: Indictment
- Decision taken: Dismissed
- Decision pending by Judicial Authority

The figure excludes 6 judicial recommendations following which the EPPO has exercised its right of evocation, as this prevents the national judicial authorities from taking any further action in relation to those recommendations.

The European Public Prosecutor's Office (EPPO), operational since June 2021, is mandated to directly investigate and bring to court criminals responsible for damaging the EU's financial interests in 22 EU Member States. This changed the nature of OLAF's judicial recommendations. In addition, the EPPO may take over a case opened by the competent national authorities following OLAF's judicial recommendations.

Actions taken by national judicial authorities following OLAF's recommendations issued between 1 January 2018 and 31 December 2022



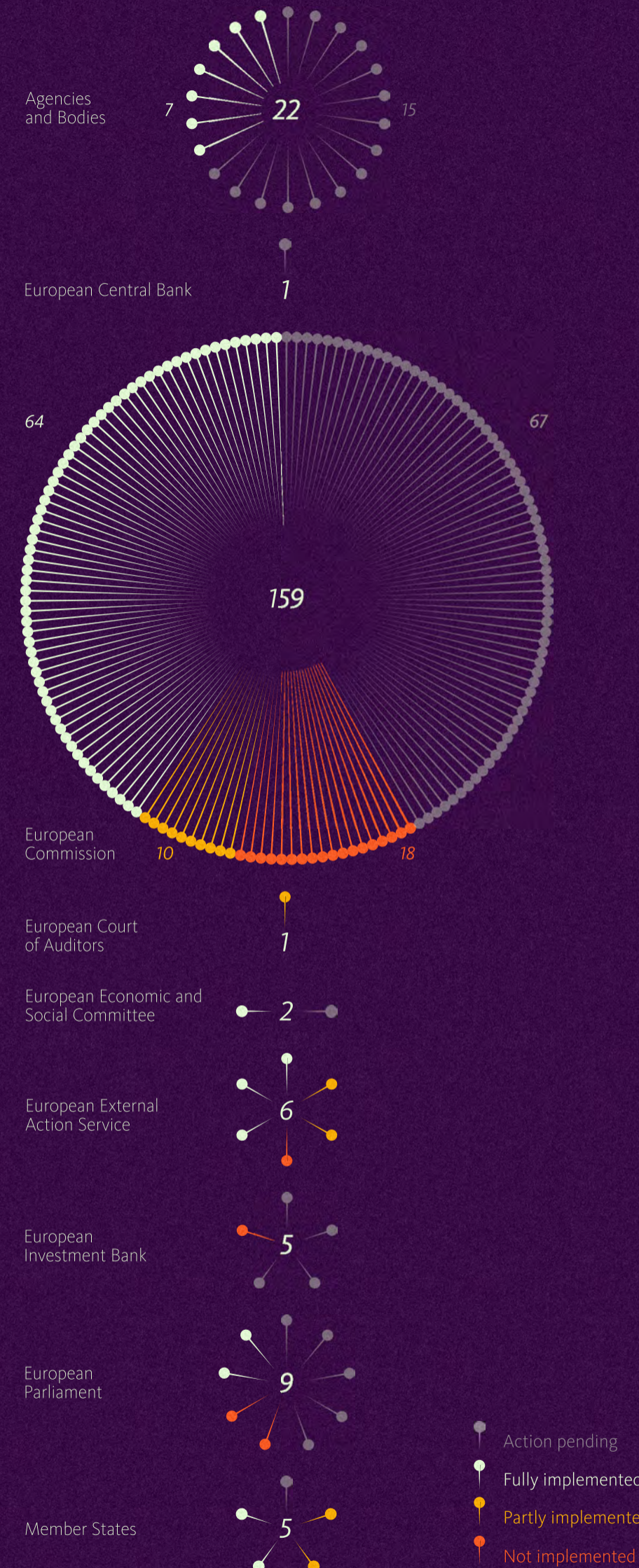
Judiciary Recommendations by OLAF for between 2018 and 2022

# Administrative impact

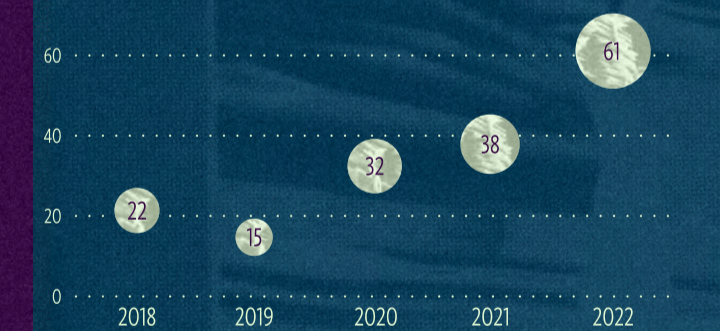
OLAF can issue two forms of administrative recommendations, either specific or generic.

**Specific recommendations** call for measures to be taken to address issues or irregularities which have been identified during the course of an investigation. These recommendations often take the form of, additional audits and administrative verifications, which are focused on specific beneficiaries or spending transactions. Between 2018 and 2022 OLAF issued 137 such recommendations.

**Generic recommendations** go beyond a single investigation and are made to address systemic weaknesses in the regulatory framework and/or management and control systems. Between 2018 and 2022 OLAF issued 73 generic recommendations. Generic recommendations, especially those targeting regulatory frameworks, are often more difficult to implement as they often require a consensus between various actors and may be subjected to complex adoption procedures and as such explains why the implementation of a considerable part of the administrative recommendations issued is still ongoing.



Actions taken by the competent authorities following OLAF's administrative recommendations issued between 1 January 2018 and 31 December 2022



Administrative Recommendations by OLAF for between 2018 and 2022

## Anti-fraud Policies

One of OLAF's core missions is to develop anti-fraud policies for the European Commission. Prevention is better than cure and putting in place a framework, which makes sure that EU money reaches its intended recipients is a key objective for OLAF.

To achieve this, OLAF developed the Commission's latest anti-fraud strategy together with other Commission departments in 2019 and coordinates its implementation since then.

The strategy seeks to improve the prevention, detection and sanctioning of fraud at an EU level and is a key part of the Commission's ongoing efforts to reduce frauds against the EU budget. The strategy is accompanied by an Action Plan made up of 63 actions for the Commission to carry out, 60 of which were implemented by the end of 2022.

During 2022, OLAF continued its role in offering support to the European Commission and EU Member State authorities to improve their fraud prevention policy and practices. This was done in a number of ways including collecting and analysing fraud related data, disseminating a risk framework for the Recovery and Resilience Facility and providing over 50 training sessions to Commission departments, agencies and other external partners, including Member States' authorities.

In addition, OLAF advised Commission services, notably on their anti-fraud strategies, and continued cooperation in the framework of the Early Detection and Exclusion System. 2022 also saw OLAF increasing its support to decentralised agencies through advice in drafting their anti-fraud strategies and providing dedicated training sessions. OLAF worked with the Commission to monitor the implementation by Member States of the so-called 'PIF Directive', which aims to fight against fraud to the Union's financial interests by means of criminal law.

OLAF was also tasked with managing the European Commission's Union Anti-Fraud Programme in 2022 (budget €24.4 million in that year) which supports Member States in building up their national anti-fraud capacities and by providing dedicated anti-fraud IT systems.

## Cooperation with partners

OLAF often achieves best results through close cooperation with partners in the EU and beyond. This means that OLAF has developed good working relations with a range of actors on the EU and international anti-fraud stage, including national authorities, customs and crime agencies.

2022 was another busy and productive year in building those relations and this chapter will give a brief insight into some of those relationships and some of the interactions that OLAF has had with its partners in the past year.

### European Public Prosecutor's Office



Operational since June 2021, the EPPO's mandate is to investigate, prosecute and bring to judgment crimes against the financial interests of the EU. Since 2021, both OLAF and the EPPO have been cooperating closely and effectively with the common goal of protecting the EU's financial interests.

This has seen both offices establish close communication and efficient exchanges of operational information and develop necessary tools to create the right conditions to offer a joint response to fraud and irregularities affecting the EU budget.

In a short space of time, OLAF and the EPPO have become important sources of information for each other. OLAF reported 71 cases to the EPPO, which resulted in 42 criminal investigations being opened by the EPPO. In turn, the EPPO reported nine cases to OLAF. OLAF assisted the EPPO in 13 support cases and 19 complementary investigations. It is expected that cooperation between OLAF and the EPPO will grow.

### European Court of Auditors



In September 2022, OLAF organised a joint annual workshop with the European Court of Auditors (ECA), which was attended by around 130 participants from OLAF and the ECA. During the day, participants gave examples of their involvement in protecting the Recovery and Resilience Facility and discussed how OLAF and the ECA could increase cooperation in this area. Other topics discussed included, fraud in procurement in EU Agencies and protection for whistle-blowers.

During the year, the ECA reported to OLAF 20 cases, based on which OLAF opened five investigations.

### European Parliament



In 2022, OLAF continued to develop good relations with Members of the European Parliament and Parliamentary Committees to strengthen the protection of the EU's financial interests. The Director-General of OLAF, Ville Itälä, had numerous meetings with key actors in the Parliament, including President Roberta Metsola, and together with OLAF senior management made 12 presentations to the Budgetary Control Committee.

OLAF staff members were also invited to the Economic and Monetary Affairs, Civil Liberties, Justice and Home Affairs committees and the Working Group on the Scrutiny of the Recovery and Resilience Facility to discuss issues of common interest.

OLAF also initiated talks with the European Parliament to agree on an update of the existing Practical Arrangements of 2013 to bring them in line with the revised OLAF Regulation and to facilitate cooperation on internal investigations in this institution.

### Eurojust



During 2022, OLAF and Eurojust liaison teams met to explore new ways of collaborating as well as how to adapt to the ever-changing crime landscape.

Following the meeting, an updated Working Arrangement, which establishes practical, strategic and operational cooperation between OLAF and Eurojust, was signed in March 2023. Most notably, in the area of operational cooperation, it includes mutual advice and assistance, the cooperation in operational cases in general and the participation in joint investigation teams.

### Europol



Early in 2022, Europol and OLAF published a joint report assessing the threats to the NextGenerationEU funds. At the end of the year, OLAF provided financial, technical and logistical support to Operation Belenos, a joint customs operation in cooperation with 25 Member States and Europol, focused on tackling money mules and cash couriers. During the year, OLAF continued to participate in Europol's Operation Sentinel, which provides a forum for intelligence sharing, information exchange and coordination of operations concerning the infiltration of organised crime into the economy by abusing the RRF. The operation involves the EPPO, Eurojust and 21 EU Member States.

### Administrative cooperation agreements with partners in the EU and beyond

Administrative cooperation arrangements (ACAs) are another productive avenue of cooperation, which often leads to positive results. ACAs are signed with investigative bodies and other partners fighting fraud across the world. They increase operational exchanges of information and allow for greater cooperation.



During 2022, OLAF signed ACAs with the Inspection Générale d'Etat of Mauritania and the Ministry of Finance of Viet Nam. These arrangements laid the groundwork for greater cooperation

in fighting fraud especially in the area of customs, as well as providing opportunities for OLAF to pass on their expertise via training.

2022 also saw OLAF sign a working arrangement with the Inspector General's Office of the United Nations High Commissioner for Refugees (UNHCR) to ensure that humanitarian aid goes to those who desperately need it and is not lost to fraud. This arrangement puts in place a new framework, which covers exchanges of information, cooperation in investigative activities, risk analysis and training.



## Legal affairs and resources

### Case law - The biggest customs undervaluation case in EU history

Four relevant judgments affected OLAF during 2022. These judgments were related to investigations that OLAF led or were part of. One stand-out judgement concerns a multi-billion customs undervaluation fraud, which largely took place in the United Kingdom (UK), and that OLAF played a leading role in uncovering.

In March 2022, the European Court of Justice ruled partially in favour of the European Commission and validated the risk assessment methodology developed by OLAF to assist Member States in identifying undervalued consignments.

The judgment stated that the UK did not adopt the measures recommended by OLAF and the Commission to combat fraud concerning undervalued imports of textiles from China and that the UK had failed to fulfill its obligations under EU law by failing to apply effective customs control measures in relation to imports of certain textiles and footwear from China. Furthermore, the UK was found to have failed to provide OLAF with all the information necessary to calculate the amount of customs duties lost.

As a result of the ruling, the UK agreed to pay back a total of €3 billion (including interest) the last of which was paid to the EU in February 2023.

### Resources

In 2022, OLAF further strengthened its staff performance by engaging and retaining the best and diverse talents and developing further the staff competencies through diverse learning and career opportunities.

To achieve this, OLAF worked in close cooperation with the European Commission (Directorate-General for Human Resources and Security) to ensure that all HR processes run in a diligent and timely manner.

OLAF is constantly adapting itself to reflect the reallocation of resources, its new areas of activity and the reality of transnational fraudsters' activities.

In the first quarter of 2022, the OLAF establishment plan provided for 322 statutory staff posts, 58 external posts and 96 external service providers' posts.

In the fourth quarter of 2022, OLAF transferred in total 16 posts to the European Public Prosecutor's Office.

The challenge for OLAF will be to maintain its high level of performance despite fewer resources and increasing workload.

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The European Anti-Fraud Office is commonly known as OLAF, which is the acronym of its title in French, Office européen de lutte antifraude.

#### Communicating with OLAF

<http://olaf.europa.eu>

#### Reporting fraud to OLAF

[http://ec.europa.eu/anti-fraud/olaf-and-you/report-fraud\\_en](http://ec.europa.eu/anti-fraud/olaf-and-you/report-fraud_en)

#### Complaining about an OLAF investigation

[http://ec.europa.eu/anti-fraud/olaf-and-you/complaints-olaf-investigations\\_en](http://ec.europa.eu/anti-fraud/olaf-and-you/complaints-olaf-investigations_en)

#### Requesting information on OLAF

[https://ec.europa.eu/anti-fraud/contacts/general-contacts\\_en](https://ec.europa.eu/anti-fraud/contacts/general-contacts_en)

#### Media:

[http://ec.europa.eu/anti-fraud/contacts/media-enquiries\\_en](http://ec.europa.eu/anti-fraud/contacts/media-enquiries_en)

#### Mailing address:

European Commission/European AntiFraud Office (OLAF)/1049 Brussels, Belgium

#### Address for visitors:

European Anti-Fraud Office (OLAF)/Rue Joseph II 30/1000 Brussels, Belgium

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