

## Protecting EU-taxpayers' money in Europe and beyond

**A sum of 2.3 million Euros illegally diverged from a drinking water project in South America, over 18 million Euros in anti-dumping duties for Asian TV sets fraudulently evaded, 300,000 Euros embezzled from a European Commission delegation's account in Africa: These are only three of the cases where the European Anti-Fraud Office (OLAF) investigated beyond the Union's borders in order to protect EU-taxpayers' money against fraud and corruption. OLAF presented today in Brussels its new Annual Activity Report which illustrates its work inside and outside of the EU in 28 case studies and numerous statistical tables. At the end of 2005 OLAF was investigating 452 cases.**

"Threats for the EU budget do not only derive from fraudsters inside the EU. More and more we have to look beyond our borders if we want to fight fraud and corruption efficiently", OLAF Director General Franz-Hermann Brüner said on the occasion of the presentation of the new [OLAF Activity Report](#). "In its task of protecting the Union's financial interests against fraud, smuggling and other criminal acts OLAF can count on the close cooperation of its operational partners in the Member States and Candidate Countries", he added, and he stressed: "However, we also continue to extend and strengthen our relations with third countries and International Organisations like the UN".

During the year 2005 OLAF recovered a total of 203 million Euros that had been lost through fraud and other irregularities, the highest yearly amount recovered so far. On the other hand, at the end of 2005 OLAF was investigating 452 cases.

In 2005 OLAF further extended its activities in the fight against fraud affecting aid funds, an area where irregularities do particular harm as the EU money is destined to grant relief to the poor. In addition to its own investigations OLAF addressed this matter in a symposium in Brussels and in the framework of the Conference of International Investigators in which all the main donor organisations like the World Bank, the IMF, the UN are represented. The UN, in particular, demonstrated its confidence in OLAF's integrity and operational expertise by entrusting the Office with a peer review of the UN investigative arm, the Office of Internal Oversight Services (OIOS).

Smuggling, evasion of anti-dumping duties and other illegal trade, for example with counterfeit goods, are other main areas that require wide-ranging international cooperation. The joint customs operation "FAKE", organised in the new operational facilities available in the OLAF building in Brussels, resulted in a major strike against counterfeit imports from Asia. Apart from this, OLAF investigators undertook missions to several Far Eastern countries in order to enquire against illegal trade, be it with textiles, metal products, electronic devices or other products.

### Internal investigations

As far as irregularities within the European institutions themselves are concerned, OLAF investigated a total of 57 internal cases at the end of 2005. Even here, the Office had to open its horizon far beyond Brussels and Luxembourg as there appears to be an increase in allegations of irregularities and corrupt practices in delegations and other bodies away from the seats of the Institutions – a development that is in line with OLAF's own risk assessment.

## **Background**

Once a year, the European Anti-Fraud Office issues a 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.

The figures and the information reported are a clear indication that fraud is being taken seriously by OLAF and the European Institutions, notably the European Commission. It is also a sign that the joint action of OLAF and its national and international operational partners should not be softened but reinforced.

The reports are available for download on the OLAF website:

[http://ec.europa.eu/comm/anti\\_fraud/reports/index\\_en.html](http://ec.europa.eu/comm/anti_fraud/reports/index_en.html)

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