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## **OLAF investigation uncovers research funding fraud in Greece**

**The protection of EU budget foreseen for research has always been particularly important for the European Anti-Fraud Office. A complex fraud involving a Greek scientist and her network of international researchers has been uncovered by investigators from the European Anti-Fraud Office (OLAF).**

The case involves a grant of around €1.1 million from the European Research Council Executive Agency (ERCEA) to a Greek university. The money was intended to finance a research project run by a promising young scientist, whose father was employed at the university in question. The project was said to involve a network of more than 40 researchers from around the world under the leadership of the Greek scientist.

OLAF first became suspicious when it discovered how the international researchers were allegedly being paid. Cheques were issued in the name of individual researchers but were then deposited into bank accounts with multiple beneficiaries. Suspicions increased when it emerged that the cheques were personally deposited into the bank accounts by the lead scientist.

OLAF's investigative team decided to conduct an on-the-spot check at the university in question. Despite attempts from the lead researcher to obstruct the investigation, and with the help from the Greek national law enforcement authorities which provided access to bank accounts and OLAF's own digital forensic investigations, OLAF was able to piece together the true story behind the fraud.

Hard evidence was found, which demonstrated that the lead scientist had set up the bank accounts used to 'pay' the international researchers and made herself a co-beneficiary of the accounts in order to gain access to the money. OLAF followed the financial trails and was able to prove that large sums were either withdrawn in cash by the scientist or were transferred into her private account. A number of the researchers who were said to be involved in the research project were contacted by OLAF. None of them were aware that their name was linked to the project or had any knowledge of the bank accounts opened in their names or of any payments made into them.

OLAF Director General Ville Itälä said:

*"This investigation demonstrates yet again the importance of being able to access banking records in order to fight fraud successfully. The sheer size and scope of the network of researchers allegedly involved in this project posed a real challenge to OLAF's investigators. Their ability to access and verify accounts set up to allegedly pay researchers from across the world was a vital element in getting to the bottom of this*

*attempt to defraud the EU budget — and that could have had significant detrimental effects on the reputation of the bona fide researchers whose names were being exploited as part of the fraud attempt.”*

The investigation was concluded in November last year with recommendations to ERCEA to recover approximately €190,000 (the share of the €1.1m grant allegedly paid to the international researchers) as well as to the national authorities to initiate judicial proceedings against the persons involved.

**OLAF mission, mandate and competences:**

OLAF’s mission is to detect, investigate and stop fraud with EU funds.

OLAF fulfils its mission by:

- carrying out independent investigations into fraud and corruption involving EU funds, so as to ensure that all EU taxpayers’ money reaches projects that can create jobs and growth in Europe;
- contributing to strengthening citizens’ trust in the EU Institutions by investigating serious misconduct by EU staff and members of the EU Institutions;
- developing a sound EU anti-fraud policy.

In its independent investigative function, OLAF can investigate matters relating to fraud, corruption and other offences affecting the EU financial interests concerning:

- all EU expenditure: the main spending categories are Structural Funds, agricultural policy and rural development funds, direct expenditure and external aid;
- some areas of EU revenue, mainly customs duties;
- suspicions of serious misconduct by EU staff and members of the EU institutions.

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