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OLAF recommends recovery of nearly €6 million after alleged abuse of power at Bulgarian ministry

The Bulgarian Ministry of the Interior breached the terms of its grant agreement by using EU money to buy SUVs from older stocks instead of new all-terrain police cars, according to an investigation closed recently by OLAF, the European Anti-Fraud Office. OLAF has recommended the recovery of nearly €6 million in European funds and that criminal proceedings could be considered against officials of the Ministry.

OLAF's investigation began in July 2018 following allegations of fraud and the misappropriation of EU funds from the EU Internal Security Fund grant agreement managed by the Bulgarian Ministry of Interior. The agreement concerned the delivery of 350 all-terrain vehicles for use by the police.

During the course of its investigation, OLAF collected and analysed all the relevant documentation from the Bulgarian Ministry of Interior and interviewed all the key participants in the preparation and implementation of the tender. All parties concerned in the investigation cooperated fully with OLAF's investigators.

OLAF discovered that the Ministry of Interior had breached the provisions of the grant agreement by unilaterally changing its conditions. In particular, the Ministry opted to purchase a number of SUVs (sport utility vehicles) instead of the all-terrain vehicles that were the subject of the grant agreement. OLAF also concluded that there were grounds to believe that a criminal act (abuse of power under the Bulgarian Penal Code) affecting the financial interests of the EU could have been committed by officials of the Ministry.

The investigation was closed by OLAF in December 2020 with recommendations to the European Commission (which manages the fund) to recover €5,948,569. Further recommendations were made to the Bulgarian Prosecutors' Office to consider opening a criminal investigation for abuse of power to the benefit of a third party.

It is for the competent EU and national authorities to examine and decide on the follow-up of OLAF's recommendations. All persons concerned are presumed to be innocent until proven guilty in a competent court of law.

Ville Itälä, OLAF Director-General, said: *"Manipulated tenders allowing potential fraudsters to line their own pockets at the expense of citizens is a typical fraud pattern seen by OLAF's investigators all too often. It is all the more worrying when such a vital public service as the police could have been the victim of this sort of activity, and I urge the Bulgarian Prosecutor's Office to give proper consideration to our recommendation of legal action. This would send a clear message that nobody is above the law and that*

OLAF and its partners across Europe will continue to work tirelessly to protect European taxpayers' money."

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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