

## **EU high-level conference discusses new challenges in fight against fraud**

**The EU's Member States met in Prague at a high-level conference organised by the European Anti-Fraud Office (OLAF) and the Czech Ministry of Finance to discuss how to prevent, detect and investigate fraud and irregularities against EU funds.**

The EU's 2021-2027 long-term budget and the EU's recovery funds total some €2 trillion – a very large amount that needs to be protected from fraudsters. The Prague conference took place between 23 and 25 November and brought together the anti-fraud authorities of EU's Member States, OLAF and relevant EU actors, to discuss the latest developments in the fight against fraud.

The national authorities of the EU's Member States are in the frontline when it comes to fighting fraud. Transactions have become digital; cross-border schemes become increasingly frequent and complex; organised crime tries to expand its business into fraud against EU funds. Anti-fraud authorities need to constantly adapt to the changing anti-fraud landscape to stay ahead of the game. The Prague conference offered a forum to discuss these challenges and to develop joint responses.

The conference explored the entire cycle of the fight against fraud: how to prevent fraud from happening in the first place; how to detect any attempted fraud; and how to investigate any suspicions of fraud, so that misused funds are recovered and fraudsters do not go unpunished.

Ville Itälä, Director-General of OLAF, said: *"The stakes are high because of the unprecedented amounts of EU funding. We are also seeing how fraudsters have become more sophisticated and digital. But digitalisation can actually be an asset in our arsenal. With the right tools, we can track the money down to its final recipients and see how it is spent. In addition to already existing ones, new analytical tools are being developed across the EU. These systems need to interact with each other to detect cross-border fraud, and anti-fraud investigators need access to the information. These tools can also be rather complex, so they require specialised knowledge and analytical expertise. OLAF is well-placed to provide its support there and to join the dots across the EU –OLAF can support Member States with our ability to process and analyse large amounts of data and work across platforms."*

Jiří Fojtík, Deputy Minister of Finance of the Czech Republic with responsibility for Financial Management and Audit, said: *"The challenges we face in a common Europe confirm that the fight against fraud in its various forms and areas is not losing any of its relevance, whether it is the common market, competition or currency protection. A very specific area*

*in this regard is the protection of the European budget. This places greater demands on sound financial management at all levels of implementation. The increasing trend towards the transnational dimension of fraud calls for closer cooperation between all bodies involved in protection of EU financial interests. And therefore this conference is an opportunity. An opportunity to bring together people who have the same goal. An opportunity to make contacts, exchange experiences and good practice. Today, more than ever, in the face of external and internal threats, it is important that the project of a common Europe is credible and the citizens of the European Union see this project as meaningful.”*

During the conference, anti-fraud experts discussed the latest actions being undertaken to prevent, detect and investigate, as well as what needs to be done to even better protect EU budgets from future irregularities and fraud attempts. A common theme that emerged during the discussions was the importance of gathering, reporting, sharing and analysing data – particularly in a fraud environment that is increasingly digital, international and complex.

The vital role that existing risk-scoring and blacklisting tools can play in sharing that crucial information was also tackled. The increasing use of Artificial Intelligence to estimate, and ideally to predict, occurrence of errors or suspicions of fraud will allow for quicker corrective action. This requires an effective digitalisation of data concerning projects, companies and transactions, collecting fraud indicators and red flags from various actors and crosschecking of information with all relevant partners.

Participants stressed the point of cooperation at local, national and EU level for a strong, effective front against fraudsters. Comprehensive and proactive strategies to prevent, detect and investigate fraud should include all actors at all levels, including political level, managing authorities, auditors and investigators. There was also an exchange of views on how to create innovative approaches to assessing the achievements of targets and milestones related to funding from the EU’s Recovery and Resilience Facility, which has introduced a new, different spending mode of EU funds. Other areas covered included the role that auditors played in fraud detection, as well as the experiences and best practices of several national and EU actors in fighting fraud.

The conference was organised with financial support from the Union Anti-Fraud Programme (UAFP), a line of EU funding that is managed by OLAF on behalf of the Commission to support national authorities in their fight against fraud.

**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.

Once OLAF has completed its investigation, 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 national or EU court of law.

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