

## **OLAF helps bring alleged tomato fraudster gang to court**

**Following a joint investigation led by the European Anti-fraud Office (OLAF), a group of nine persons and companies from Italy and Romania are now due to stand trial in Romania on charges of defrauding nearly €850,000 worth of EU agricultural funds meant for tomato production.**

Working closely with the Romanian National Anticorruption Directorate (DNA) and the Prosecutor's Office of the Italian commune of Enna, OLAF uncovered a series of potentially fraudulent practices that included submitting of false documents, setting up shell companies and bogus land declarations to illegally obtain the funds.

Nine defendants are now formally accused of the fraud scheme in Romania – five Italian citizens and four Romanian legal entities. They will stand trial on charges of forming a criminal gang with the intention to illegally obtain EU agricultural funds in Romania.

OLAF Director-General Ville Itälä said: *"I warmly welcome this development, which is a direct follow up to the excellent work carried out by OLAF's investigators in partnership with the Romanian and Italian authorities. OLAF's mission is to make sure that EU funding reaches its intended recipients so that it can benefit society. It is a simple question of fairness. Building bridges and sharing knowledge underpins the work we do here and leads to positive outcomes, as we can see."*

OLAF became involved in 2018\*, following reports of potential targeting of EU agricultural funds in Romania by a group of Italians. After initial investigations confirmed this, a Joint Investigative Team (JIT) comprising OLAF, the Romanian DNA and the Prosecutor's Office of Enna was set up in 2019\* to pursue the matter.

The JIT discovered a series of complex and sophisticated irregularities connected to the fraud. The alleged criminal group set up shell companies based in Romania with the sole purpose to receive EU subsidies and without any intention of growing tomatoes.

It appears that, using falsified documents such as fake leases and invoices, they managed to obtain €850,000, which accounts for around a quarter of the entire EU farm subsidies allocated to Romania for tomato production\* in 2017. Yet not a single cent of that money appears to have been spent on farming or in Romania. As soon as the subsidy was paid, the money would seem to have been transferred to bank accounts in Italy, where it was swiftly withdrawn and used to finance other criminal activities. It also transpired that the same group could have employed similar tactics before in Romania.

OLAF closed its investigation in October 2020 with judicial recommendations for the Romanian and Italian judicial authorities, and a financial recommendation to the European Commission's Directorate-General for Agriculture and Rural Development to recover the full amount of €850,000.

(\*): amended on 19 January 2022, 19:00, after publication.

### **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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