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OLAF finds irregularities in digital project for schools in Hungary

The European Anti-Fraud Office (OLAF) finalised an investigation into a digital project in Hungary with a recommendation to recover more than €3.6 million of EU funding.

The project, financed by the European Social Fund, had the scope to modernise educational facilities while enhancing and increasing access to e-learning. One of the principal elements of the project was the purchase of IT equipment for elementary and high schools and to provide the relevant e-learning training for teachers.

OLAF's investigation identified a number of breaches in the public procurement procedure. These included a last minute modification of the technical specifications of the call and the exclusion of the cheapest bid that gave competitive advantage to the winning company. OLAF found that the irregularities had an impact not only on EU taxpayers but also on the learning experience of the students, as superior hardware could have been purchased for the same price with the correct project implementation.

Ville Itälä, Director-General of OLAF, said: "The EU has been investing important resources into making Europe digital, and into making sure that this transformation works for people and businesses. Digitalisation is also one of the pillars of the EU's Recovery and Resilience Facility. It is crucial for our resilience and innovative potential. In this case, OLAF's investigators found that the impact of the digital project was lower than expected and did not make a good use of the money of European taxpayers."

OLAF's financial recommendation for the recovery of €3.6 million was sent to the European Commission's Directorate-General for Employment, Social Affairs and Inclusion.

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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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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