

## **Series of indictments in Romania in agricultural fraud case uncovered by OLAF**

**On 13 June 2016, Romanian anti-corruption prosecutors pressed criminal charges against a group of 31 persons and companies involved in defrauding EU funds for agriculture. The alleged fraud scheme was initially uncovered by the European Anti-Fraud Office (OLAF), working in close cooperation with the Romanian Fight against Fraud Department (DLAF).**

The OLAF investigation as well as subsequent controls made by DLAF revealed the activities of a group of persons who were fraudulently creating artificial conditions in order to obtain EU financing for agricultural machinery. The fraud scheme was the following: the managers of an agricultural "mother" holding that could not receive EU funding twice, had set up 20 new shadow companies belonging to their employees or relatives. Once these companies obtained the EU funding, they purchased agricultural machinery which was then used exclusively by the "mother" holding. Further checks of the Romanian authorities also uncovered instances of alleged corruption and bribery of officials of the Romanian Paying Agency. It is estimated that the detriment to the EU budget caused by the overall activities of this organised group amounted to approximately EUR 2.7 million.

### **Background:**

Having cooperated with the relevant Romanian authorities throughout the investigation, OLAF had issued a judicial recommendation addressed to the Romanian National Anticorruption Directorate (DNA) in 2015. Together with the investigations of DLAF, this led to the above-mentioned indictments. Judicial proceedings will follow on the basis of national legislation. OLAF fully respects the presumption of innocence.

For more information, please see the following press releases issued by the Romanian [National Anticorruption Directorate](#) and by the [Romanian Fight against Fraud Department](#) (*available in Romanian*).

### **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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