

OLAF and partners uncover fraud scheme in Mauritania: EUR 3 million recommended for recovery

Wherever European Union funds are spent, within or outside Europe, the European Anti-Fraud Office (OLAF) can investigate. OLAF cooperates with partner organisations in non-EU countries to ensure that EU development and humanitarian aid reaches its intended beneficiaries without being diverted by fraud and corruption. Following the closure of a carefully coordinated investigation into suspected fraud committed by a Dutch company in Mauritania this January, OLAF recommended that the European Commission undertake appropriate measures to recover a total of EUR 3 068 000.

The Dutch Fiscal Information and Investigation Service (FIOD) contacted the European Anti-Fraud Office (OLAF) in April 2016 concerning a Dutch company, which was under investigation for tax evasion. The company had won a large EU-funded contract managed by the Mauritanian authorities for the removal of 57 shipwrecks from the Bay of Nouadhibou in Mauritania. Based on the information provided by FIOD, OLAF suspected that the company had defrauded the European Union budget as well.

OLAF worked closely with the FIOD and the Dutch prosecution service, carrying out on-the-spot checks, interviewing witnesses, and analysing a large amount of technical data. In addition to the Dutch company at the centre of the fraud, a number of additional persons concerned were identified, including Mauritanian officials.

OLAF's investigation established three main findings; a breach of the procurement procedures, a violation of the rules on subcontracting, and strong indications of the active corruption of two Mauritanian officials.

OLAF concluded the investigation on 7 January 2020, issuing recommendations to the European Commission to recuperate EUR 3 068 000 and to the Dutch authorities to prosecute the suspected fraudsters. OLAF also recommended that the European Commission should flag the Dutch company in the Commission's Early Detection and Exclusion System (EDES), which would exclude the company from possible access to European taxpayers' money.

Mr Ville Itälä, Director-General of the European Anti-Fraud Office (OLAF) said: *"This successful investigation undoubtedly shows the importance of OLAF's work. Fraud prevents EU development assistance from reaching those in need and we are fighting hard to stop this. Fraudsters have no limits, and OLAF's investigations know no borders. Thanks to our investigators and the good cooperation with the Dutch authorities these fraudsters can be brought to justice, and EU funds can be recovered."*

This complicated and sensitive investigation required careful coordination between partners in order to arrive at a successful conclusion. Given the requirements of investigative secrecy in these matters and possible pending judicial proceedings, OLAF is not able to issue any further comment at this stage.

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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