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Margarete Hofmann



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Editorial

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AUTHOR

Margarete Hofmann

Director
European Anti-Fraud Office (OLAF)

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Dear Readers,

Efficient and proper spending of the Union's budget is a key element in preserving the trust of EU citizens and in boosting the strength of the European project. Fraud and corruption must be fought vigorously and effectively. The ultimate goal is a high and equivalent level of protection of the EU's budget throughout the entire territory of the EU.

Important milestones that changed the institutional and legal landscape for the protection of the Union's budget were reached in 2017. In July, the Directive on the fight against fraud to the Union's financial interests by means of criminal law (the PIF Directive) was adopted by the Parliament and the Council. In October, the Council adopted – in enhanced cooperation among 20 Member States – the Regulation establishing the European Public Prosecutor's Office (the EPPO). These are crucial developments in the protection of the Union's financial interests by means of criminal law.

The criminal law approach to be taken at the EU level by the EPPO will have as natural complement the administrative law approach ensured by OLAF since 1999 as its natural complement. We now need to provide for the highest complementarity between the actions of the EPPO and OLAF. Close cooperation between the EPPO and OLAF is necessary, while preserving OLAF's specific characteristics as an independent administrative investigation body.

Against this background, the adoption by the Commission of its evaluation report on the application of OLAF Regulation 883/2013 on 2 October 2017 is a most timely development. As you will read in this issue, the evaluation concludes that Regulation 883/2013 has allowed OLAF to continue delivering concrete results for the protection of the EU's budget. It brought clear improvements as regards the conduct of investigations, cooperation with partners, and the rights of persons concerned. At the same time, the evaluation highlights some shortcomings, which particularly impact the effectiveness and efficiency of OLAF's investigations.

In response to the evaluation findings and the establishment of the EPPO, the Commission is preparing a proposal for the amendment of Regulation 883/2013 in 2018. It will ensure that the legislation is fit for purpose, so that OLAF can cooperate smoothly with the EPPO and has the tools it needs to continue fulfilling its mandate. The amendment should be in force by the time the EPPO becomes operational, ensuring a seamless transition into the new institutional framework (end of 2020).

First and foremost, it will be necessary to organise the relationship between the EPPO and OLAF in such a way as to create synergies and added value and to avoid overlaps. The EPPO and OLAF are different bodies with different mandates, structures, and tools, all of which contribute to the common goal of protecting the EU's budget – each within its specific mission.

Secondly, OLAF should have at its disposal investigative tools and powers appropriate to its mandate, which is to carry out administrative investigations. In particular, there is a need to increase the coherent application of OLAF's investigative tools across the Member States, to ensure their enforcement and to improve the use of OLAF's reports in judicial proceedings.

Furthermore, one needs to consider clarification of OLAF's mandate and investigative tools in the area of VAT. It is beyond doubt that VAT belongs to the financial interests of the Union, and we have succeeded in making the EPPO competent for the most serious criminal cases. Outside these cases lies an area in which OLAF can play a greater role, with its cross-border and multi-disciplinary approach, to support the Member States. Another issue worth considering is the need for and possibility for OLAF to have better access to bank account information, which is necessary to uncover many types of financial fraud.

With so many changes to the legal framework, OLAF will continue to play an essential and even enhanced role. It will be the EPPO's natural partner and will also continue to serve its purpose as an independent administrative office with a strong focus on the recovery of misused funds.

Margarete Hofmann

Policy Director OLAF

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Editorially reviewed articles published in English, French, or German, are complemented by timely news and analysis of legal and policy developments across Europe.

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