

Commission Presents New Anti-Fraud Strategy



Thomas Wahl

News

More consistency, better coordination, and more data-driven anti-fraud measures – these are the main elements of the Commission’s new Anti-Fraud Strategy (CAFS) that was tabled on 29 April 2019 in the form of a [Communication \(COM\(2019\) 196 final\)](#). The CAFS is an internal policy document that aims at enhancing action to protect the EU budget. It is binding for the Commission services and executive agencies in their fight against fraud and corruption affecting the EU’s financial interests.

In essence, the new CAFS updates the Anti-Fraud Strategy of 2011 ([2011 CAFS](#)). The 2019 CAFS takes into account the 2011 CAFS review and also makes necessary adaptations to meet the challenges of an evolving and changing fraud landscape, e.g., new funding schemes and fraud trends, development of IT tools, etc.

Adaptations were also necessary in view of preparations for the new multi-annual financial framework (MFF) and two key legal developments in the EU’s fight against fraud and financial irregularities in 2017: the adoption of the Directive on the fight against fraud to the Union’s financial interests by means of criminal law (see [euCRIM 2/2017, 63-64](#)) and the Regulation establishing the European Public Prosecutor’s Office (see [euCRIM 3/2017, 102-104](#)).

The Communication briefly takes stock of implementation and evaluation of the 2011 CAFS. Details of this evaluation, which also involved the executing authorities, are contained in an accompanying staff working [document – the “Fraud Risk Assessment.”](#) The 2019 CAFS takes up central weaknesses identified by the fraud risk assessment, i.e.:

- Gaps in IT-supported collection and strategic analysis of fraud-related data;
- Lack of relevant and reliable indicators to successfully fight against fraud;
- Potential for more effective central coordination and oversight.

Some of these shortcomings were also addressed in a [special report by the European Court of Auditors of 10 January 2019](#). Key recommendations in this report also taken up in the 2019 CAFS.

While the overall objectives and guiding principles of the 2011 CAFS remain fully relevant, the 2019 CAFS sets out two priority objectives:

- Data collection and analysis, with the aim of better understanding fraud patterns, fraudsters’ profiles, and systemic vulnerabilities relating to fraud affecting the EU budget;
- Coordination, cooperation, and processes with the aim of optimising coordination, cooperation, and workflows in the fight against fraud, especially among Commission services and executive agencies.
- Further objectives deriving from the guiding principles and the fraud risk assessment are:

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- Integrity and compliance;
- Know-how and equipment;
- Transparency;
- Legal framework;
- Fighting revenue fraud.

All seven objectives are spelled out more clearly in an [Annex](#) to the Commission Communication on the new Anti-Fraud Strategy. An [Action Plan](#) further implements the strategy by detailing individual actions by which to achieve the objectives in the anti-fraud cycle, i.e. prevention and detection, investigations, corrective measures and sanctions, and reporting. This Action Plan will run until the next CAFS update, which is scheduled for the mid-term review in the upcoming MFF.

By placing importance on reinforcing the Commission's corporate oversight of fraud issues, OLAF will play a much stronger advisory and supervisory role in the future. OLAF is to conduct mandatory reviews of the anti-fraud strategies of all Commission Directorates and monitor their implementation. Stronger liaisons with all departments, especially with the Heads of the Commission's central services (Secretariat-General, Legal Service, DG Human Resources, and DG Budget), is also planned. In addition, the Commission will strengthen its follow-up of OLAF's recommendations in order to ensure better implementation.

Ultimately, OLAF is designated as the EU's lead service in the conception and development of European anti-fraud policy. Its role in corporate management will also become stronger. In this way, the 2019 CAFS complements the so-called "[Governance Package](#)" that was presented by the Commission in November 2018.

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