

ECA: Action Needed in the EU's Fight against Fraud



Thomas Wahl

News

In a [special report of 10 January 2019](#), the European Court of Auditors (ECA) details weaknesses in the Commission's fight against fraud in EU spending.

According to the report, OLAF's administrative investigations resulted in recovery of less than a third of unduly paid funds. Furthermore, OLAF investigations led to the criminal prosecution of suspected fraudsters in only about 45% of cases.

The ECA further reprimands the Commission for not having comprehensive and comparable data on the scale, nature, and causes of fraud. So far, the Commission has also not carried out any assessment of undetected fraud. There is no detailed analysis about what causes some recipients of EU money to behave fraudulently. This lack of information reduces the practical value of the Commission's strategic plans, which need to be partially updated.

Incoherencies further exist in the internal governance structures of the Commission to detect and report fraud. The reliability of fraud information from the Member States was also not fully verified by the Commission.

As summed up by [Juhan Parts](#), the responsible rapporteur at the ECA, anti-fraud activities are still insufficient to date.

The report recommends the Commission do the following:

- Put in place a robust fraud reporting and measurement system, providing information on the scale, nature, and root causes of fraud;
- Clearly refer to fraud risk management and prevention in one Commissioner's portfolio and adopt a renewed anti-fraud strategy based on a comprehensive risk analysis;
- Intensify its fraud prevention activities and tools;
- Reconsider OLAF's role and responsibilities in light of the establishment of the European Public Prosecutor's Office (EPPO) and give OLAF a strategic and oversight role in EU anti-fraud action.

The ECA considers the establishment of the EPPO to be a step in the right direction, but also warns of several risks. These include the fact that detection and investigation is heavily dependent on national authorities. The scheme did not put in place any mechanism enabling the EPPO to urge Member States to allocate the necessary resources to the new body.

According to a [news report from euractiv](#), the European Commissioner for Budget and Human Resources, [Guenther H. Oettinger](#), rejected the auditors' allegations. [Oettinger](#) said the Commission has "zero tolerance for

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fraud and corruption with EU funds.” Furthermore, “there is nothing new in the anti-fraud policy recommendations that ECA tabled.” “Most areas of improvement have long been identified and tackled already, or we are about to,” *Oettinger* remarked.

As regards the ECA’s criticism on the EPPO, *Oettinger* pointed out that the new European Public Prosecutor’s Office will be up and running by 2020 and that it will not need to rely upon traditional instruments of EU law for cooperation among judicial authorities of different Member States.

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