

OLAF Activity Report 2020



Thomas Wahl

News

On 10 June 2021, OLAF published its [activity report for 2020](#). The report highlights that OLAF's work was much marked by the COVID-19 pandemic, when OLAF had to act against fake and substandard medical products which risked floating the EU market especially at the beginning of the pandemic. However, OLAF successfully continued work on other issues affecting the EU's financial interests, such as collusion and manipulation of public procurement and illegal tobacco trade. The key figures regarding OLAF's performance in 2020 are as follows (for activity reports of previous years, → [eucrim 3/2020, 167](#) and → [3/2019, 163](#)):

- Olaf concluded 230 investigations, and issued 375 recommendations to the relevant national and EU authorities;
- OLAF recommended the recovery of over € 293 million to the EU budget;
- OLAF opened 290 new investigations, following 1,098 preliminary analyses carried out by OLAF experts.

OLAF also reports on several trends that came up during OLAF's anti-fraud investigations in 2020:

- Manipulations or circumvention of public procurement procedures was often used to hide conflict of interest and demonstrated collusion between beneficiaries and contractors;
- Frauds in farming and rural development funds of the EU continuous to be one of the major fields of investigations, e.g. frauds through false or inflated invoices;
- Fraud in relation to EU research funding remains at high risk;
- Smuggling and counterfeiting tobacco products remains one of the highest concerns in the area of EU revenue – trends in 2020 include the illegal production of cigarettes by criminal networks within the EU and the increase in illegal sales of water pipe tobacco;
- Fraud affecting the environment and biodiversity is growing.

As in previous years, OLAF informs on its coordination role in joint customs operations with EU and international partners, such as SILVER AXE V, OPSON IX and DEMETER VI (which have also been reported in [eucrim](#)).

The focus chapter of the 2020 annual report deals with OLAF's role in keeping citizens healthy and safe. OLAF stresses that tackling counterfeit and dangerous goods has been a priority for a long time. However, the COVID-19 pandemic suddenly offered new business opportunities for counterfeiters and fraudsters which required urgent reaction to the risks on the part of OLAF and its partners. Right at the very start of the outbreak, OLAF opened investigations in counterfeit or substandard medical products. Tracking down fake hand sanitisers from Turkey is given as one example where the authorities could prevent a major threat to

AUTHOR

Thomas Wahl

Senior Researcher
Max Planck Institute for the
Study of Crime, Security and
Law

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the citizens health (→ [eucrim 4/2020, 278](#)). Beyond COVID-related products, OLAF was able to keep away other counterfeit products from European consumers, e.g. by one operation that succeeded in the seizure of 1.3 million litres of wine and alcoholic. The environment is an increasing business area for fraudsters. OLAF participated in actions for example against illicit pesticides and illicit refrigerant gases.

Other topics of the report include:

- OLAF's relations with its partners;
- Monitoring the outcome and impact of OLAF's recommendations to the national authorities and EU bodies;
- Communication;
- Data protection and complaints, including relevant case law from the European Courts.

Ultimately, OLAF outlines its contributions to the EU policy to fight and prevent fraud. In 2020, OLAF continued to work on the development of the new Commission anti-fraud strategy, and took an active role in the new EU Recovery and Resilience Facility.

When presenting the report, OLAF Director-General *Ville Itälä* said: "(...) Indeed, the new opportunities for fraud brought by the virus – in particular the lucrative market for counterfeit or substandard products such as facemasks or hand sanitisers – brought new challenges for OLAF in 2020. I am extremely proud that my OLAF colleagues proved so adept at rising to those challenges, showing resilience, creativity and flexibility to keep on working as normally as possible, keeping European citizens safe despite all the challenges posed by the pandemic".

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