Olaf chief backs plans for a European Public Prosecutor's Office

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Fraud office chief Giovanni Kessler says European Public Prosecutor would better protect EU budget.

The EU's anti-fraud office (Olaf) concluded the highest number of investigations in recent years and its workload in 2015 was as "diverse as it was significant," according to the organisation's annual report.

The report, published in Brussels on Tuesday, said the agency "doubled capacity" in the last 12 months with the impact "seen in all areas."

There were 93 per cent more investigations closed and 83 per cent more recommendations.
A total of 219 investigations were opened, 304 concluded - a new record for the agency - and 364 recommendations were delivered in 2015.

EU structural funds were the largest area of investigative activity last year, it says.

Speaking at the launch of the report, Olaf director general Giovanni Kessler said, "We are very proud of our strong investigative performance in 2015."

Kessler himself has been at the centre of a long running attempt to force him to be questioned by Belgian prosecutors over claims he broke the law.

Belgian authorities want Kessler's immunity lifted so they can investigate allegations the Olaf chief secretly listened in on a conversation between witnesses linked to the 2012 tobacco lobbying scandal known as Dalligate. Belgian law prohibits surreptitious monitoring or taping of phone calls.

On Tuesday, Olaf preferred to focus on its success in tackling EU-related fraud.

A spokesman said, "Despite limited resources, this analysis shows that Olaf makes a big contribution in ensuring the EU budget can serve its intended goals."

He added, "These are excellent results in the fight against fraud with EU funds."

Complex cases in the past year ranged from investigating fraud in an ecological project in Africa, to cooperating with Japanese and Malaysian authorities on a multi-million case of tax evasion.

The work, it says, "was as diverse as it was significant."

The caseload for the Brussels based agency, which has come under fire in the recent past for being ineffective, included anti-dumping duties and dismantling a criminal network producing counterfeit shampoo in Spain.

In most cases Olaf reported an "excellent investigative performance" and had helped curb cross-border fraud and brought "tangible results in protecting EU taxpayers' money."

"Our investigations in 2015 have once again proved that illegal activities do not stop at national borders," Kessler said.

"Through our strong investigative performance and high number of concluded investigations, I believe we have successfully served European citizens and helped ensure EU money goes where it is most needed instead of being pocketed by fraudsters," he added.

"However, what we need now is an appropriate framework that allows countries to effectively work together in combatting fraud, so we must progress in establishing a European Public Prosecutor's Office."

In the course of the year, Olaf issued 364 recommendations to the relevant member state and EU state authorities.
"These will enable the recovery of EU funds inappropriately spent and facilitate bringing fraudsters to justice," said the report.

With EU structural funds once more providing the bulk of its investigative work, Olaf recommended to national and EU authorities a total €888.1m for financial recovery to the EU budget.

Olaf, says the report, had reached "cruising altitude" after its reorganisation in 2012.

It says, "This year's results also prove that four years after its reorganisation, the office is considerably more efficient in all areas of its work. Not only has Olaf both opened and closed more investigations than before its reorganisation: 83 per cent more investigations opened post-reorganisation, and 93 per cent more investigations concluded, it has done so faster than ever.

"Olaf has also almost halved the percentage of long-lasting investigations compared to the period before 2012."

Olaf, said the report, has made progress in its efforts to fight the illicit trade in tobacco products.

"Through its investigation and coordination cases and in the course of the Joint Customs Operations that the office organised with member states and third countries, Olaf helped national authorities seize 619 million cigarette sticks in 2015."

Throughout 2015, Olaf says it made important contributions to the European Commission's legislative initiatives, taking a particularly active role in the on-going negotiations on the Commission proposal for the establishment of the European Public Prosecutor's Office (EPPO).

"Olaf believes the EPPO would streamline the process of identifying fraudsters and bringing them to justice more swiftly. It would significantly boost the protection of the EU budget and reduce the current fragmentation of national law enforcement efforts in this field."

About the author
Martin Banks is a journalist for the Parliament Magazine

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