

# EU bodies fighting fraud

Clear mandates but exchange of information and Commission oversight remain insufficient



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# 01

## Main messages

### Why this area is important

- 01** The EU and its member states have a duty to counter fraud and other illegal activities affecting its financial interests<sup>1</sup>. The EU's financial interests cover all revenues, expenditure and assets of the EU<sup>2</sup>. Any infringement of the law which might negatively affect the EU budget is an 'irregularity'. Criminal offences against the EU's financial interests can include fraud, active and passive corruption, misappropriation, and money laundering ('PIF crimes'). For simplification, in this report we use 'fraud' as a collective term irrespective of whether it refers to allegations, illegal activities or confirmed fraud cases.

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<sup>1</sup> Treaty on the Functioning of the European Union, [Article 325](#).

<sup>2</sup> [Directive \(EU\) 2017/1371 \(PIF Directive\)](#), Article 2.1.

- 02** In the EU context, investigations of suspected PIF crimes are carried out by the European Public Prosecutor’s Office (EPPO)<sup>3</sup> through criminal investigations. These can lead to judicial penalties imposed by national courts. The outcome of criminal investigations may also lead to administrative action to compensate victims. The European Anti-Fraud Office (OLAF)<sup>4</sup> carries out administrative investigations into fraud, corruption and any other illegal activity, which must not affect the powers of prosecuting offices to initiate and conduct criminal investigations. This allows the EU or national bodies managing the EU budget to take additional action to compensate for any losses to the EU budget.
- 03** Within the EU anti-fraud architecture, OLAF takes the lead on administrative investigations, and EPPO is responsible for criminal investigations. OLAF and EPPO must keep relevant data relating to their investigations confidential. OLAF and EPPO may be supported by the European Union Agency for Criminal Justice Cooperation (Eurojust)<sup>5</sup> and the European Union Agency for Law Enforcement Cooperation (Europol)<sup>6</sup>. **Table 1** sets out the responsibilities of EPPO, OLAF, Eurojust and Europol.

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<sup>3</sup> TFEU, Article 86 and [Council Regulation \(EU\) 2017/1939 \(EPPO Regulation\)](#), last amended by [Commission Delegated Regulation \(EU\) 2020/2153](#).

<sup>4</sup> [Regulation \(EU, EURATOM\) 883/2013 \(OLAF Regulation\)](#), amended by [Regulation \(EU, Euratom\) 2020/2223](#), and [Communication to the Commission: Governance in the European Commission – Section 3.7.2 “Combating Fraud: The European Anti-Fraud Office \(OLAF\)”](#).

<sup>5</sup> TFEU, Article 85 and [Regulation \(EU\) 2018/1727 \(Eurojust Regulation\)](#), last amended by [Regulation \(EU\) 2023/2131](#).

<sup>6</sup> TFEU, Article 88 and [Regulation \(EU\) 2016/794 \(Europol Regulation\)](#), last amended by [Regulation \(EU\) 2022/991](#).

**Table 1 | Roles and responsibilities of the EU bodies in the EU anti – fraud architecture**

 <b>EUROPEAN PUBLIC PROSECUTOR'S OFFICE</b>	 <b>EUROPEAN ANTI-FRAUD OFFICE</b>	 <b>EUROJUST</b>	 <b>EUROPOL</b>
Criminal mandate	Administrative mandate	Judicial cooperation	Police cooperation
Responsible for the protection of the EU's financial interests (PIF)		Support the fight against serious crime*, including PIF	
<ul style="list-style-type: none"> <li>Conducts criminal investigations (PIF crimes)**.</li> <li>Prosecutes in courts in EPPO member states.</li> <li>Notifies those managing EU expenditure and revenue, enabling them to take administrative measures.</li> </ul>	<ul style="list-style-type: none"> <li>Conducts administrative investigations including complementary investigations into fraud, corruption and any other illegal activities (including irregularities) affecting the financial interests of the EU.</li> <li>Recommends measures to protect the EU budget to those managing the EU expenditure and revenues.</li> <li>Commission's leading service in the conception and development of a European Anti-Fraud policy.</li> </ul>	<ul style="list-style-type: none"> <li>Supports cooperation between national judicial authorities and/or EPPO in the investigation and prosecution of serious crimes when these crimes (including those against the EU financial interests) and organised crime affect two or more EU member states, or an EU member state and a third country.</li> </ul>	<ul style="list-style-type: none"> <li>Supports and strengthens action by the competent authorities of the member states and their mutual cooperation in preventing and combating serious crime (including those against the EU financial interests) affecting two or more member states, terrorism and other forms of serious or organised crime which affect a common interest covered by an EU policy.</li> </ul>
<ul style="list-style-type: none"> <li>Reports crime allegations to national judicial authorities where EPPO has no competence.</li> <li>Reports to OLAF non-criminal allegations, the result of EPPO investigations and inform about the possibility to employ administrative measures.</li> </ul>	<ul style="list-style-type: none"> <li>Reports to EPPO PIF related criminal allegations.</li> <li>Provides information, analyses (including forensic), expertise and operational support to EPPO.</li> </ul>	<ul style="list-style-type: none"> <li>Provides support to mutual legal assistance requests with non-EPPO member states or third countries, facilitates the setting-up of joint investigation teams involving the EPPO and provides support during the operational phase.</li> <li>Facilitates coordination meetings, sets up coordination centres with EPPO participation or in support to EPPO's operational centres.</li> </ul>	<ul style="list-style-type: none"> <li>Provides criminal intelligence analysis, operational and coordination support to EPPO investigations.</li> <li>Shares data related to offences that fall within the competence of EPPO, OLAF or Eurojust at EU level.</li> <li>Provides a platform for cooperation at EU level including with respect to private parties supporting crime fighting.</li> </ul>

\* Crime against the EU's financial interests is one out of 30 serious crimes listed in the [Eurojust](#) and [Europol](#) Regulations, Annex I.

\*\* [PIF Directive](#), Articles 3, 4 and 5.

Source: ECA, based on the applicable Regulations.



- 04** Our audit assessed whether, within the EU's anti-fraud architecture, the mandates of EPPO, OLAF, Eurojust and Europol were clear as regards their responsibilities for fighting fraud and the support provided to each other. We assessed, in particular, the exchange of information between EPPO and OLAF before and during fraud investigations in terms of their ability to exercise their powers efficiently. We also looked at the Commission's oversight role in ensuring that the EU's financial interests are protected, including the recovery of fraudulent amounts. The audit did not cover fraud prevention activities.
- 05** We analysed the regulatory framework defining the roles and responsibilities of the four bodies and interviewed their staff to assess the adequacy of the arrangements in place to protect the EU's financial interests. We also analysed data in respect of different stages of the fraud case lifecycle provided by OLAF and EPPO.
- 06** In July 2025, the Commission launched the review of the EU anti-fraud architecture by publishing a [white paper](#) setting preliminary orientations and key questions to guide the review. Our report will contribute to this review. For more background information, and details on the audit scope and approach, see [Annex I](#).

## What we found and recommend

- 07** Overall, we conclude that while the mandates of OLAF, EPPO, Eurojust and Europol are clearly defined, weaknesses remain in terms of exchange of information and Commission administrative oversight. Data made available by the bodies shows variable levels of alleged fraud reported, which is not analysed by the Commission. Fraud reporting requirements may lead to duplicate reporting of allegations, which increases the administrative burden. The limited exchange of information affects the number of investigations and other measures designed to protect the EU's financial interests. We also found that the Commission does not have full oversight of either the amounts owed to the EU budget or actually recovered as a result of fraud investigations.

### The mandates of the bodies involved in fraud investigations are clearly established and do not overlap

- 08** OLAF, EPPO, Europol and Eurojust have specific, clear and complementary roles and responsibilities that have the potential to be an effective safeguard against fraud affecting the EU's financial interests. An important feature in this respect is the distinction between the roles of OLAF and EPPO, with responsibility for administrative and criminal investigations respectively (see paragraphs [16-25](#)).

- 09** As regards collaboration among the main bodies, we observed that the number of support cases has remained relatively small in recent years, compared to the number of investigations opened by both EPPO and OLAF. This is likely to be explained by the fact that EPPO's primary source of support is national authorities, and that OLAF's administrative remit is substantially different from the other three EU bodies. However, when collaboration is requested, the support provided by the different bodies was much appreciated (see paragraphs [26-28](#)).

### **The procedures for reporting and handling fraud allegations increase the administrative burden and limit the scope for further protective measures**

- 10** Fraud reporting obligations are varied and lead to duplicate reporting, with national authorities required to report to EPPO, and EU bodies to both EPPO and OLAF. Other parties may report to EPPO, OLAF, or both, on a voluntary basis.
- 11** The current dual reporting system requires both OLAF and EPPO to assess all fraud allegations they receive. It does not ensure that EPPO receives all allegations with a view to assessing potential criminal conduct. It also makes the procedures for transferring allegations from OLAF to EPPO cumbersome and leaves open the risk that OLAF opens investigations without ensuring that EPPO was not investigating the same facts (see paragraphs [39-47](#)).
- 12** On the other hand, while EPPO notifies administrative bodies at EU and member state levels of the opening of investigations, discontinuation and indictment of a case, there is limited exchange of information from EPPO to OLAF on ongoing and discontinued investigations as well as on cases brought to prosecution. Consequently, the use of administrative investigations by OLAF to complement criminal investigations remains exceptional, limiting the scope for further protective measures (see paragraphs [48-60](#)).





## Recommendation 1

### Establish a system for an efficient exchange of information on fraud allegations and investigations

Against the background of the ongoing review of the EU anti-fraud architecture, the Commission, in collaboration with EPPO, should establish an interoperable antifraud system, in full compliance with the relevant legal framework, data protection rules and the need for confidentiality in criminal investigations. The system should make it clear where allegations of fraud should be reported, and facilitate an efficient exchange of information on fraud allegations and investigations. Within this framework, the new system should be based on the following principles:

- all allegations received are channelled to a central repository with a view to establishing an efficient process for their assessment;
- fraud allegations originated by OLAF and ongoing OLAF investigations that uncover suspicions of criminal conduct, are referred to EPPO without undue delay, or, where EPPO is not competent, to the competent national prosecuting office;
- in the course of its investigations, as soon as EPPO considers that an allegation is not of a criminal nature, key information is made available to OLAF or, when applicable, to other administrative bodies, copied to the Commission, to determine whether it would be cost effective to open an administrative investigation; and
- during EPPO investigations, EPPO periodically assesses at what point access to relevant information may be granted to the Commission , to determine the scope for administrative action, and to OLAF, to determine whether it would be cost effective for OLAF to propose a complementary investigation.

**Target implementation date: End 2028.**

## The Commission does not have complete oversight of either the amounts owed to the EU budget or actually recovered as a result of fraud investigations

- 13** The data from EPPO and OLAF does not facilitate assessment of whether the level of detection is adequate for those bodies with responsibility for reporting fraud. We found that, for a number of member states, there is a substantial gap between the share of the EU budget under their responsibility and the number of cases of fraud reported. There is also a significant variation in the number of fraud allegations reported by EU bodies to OLAF and EPPO, with around three times more reported to the former than to the latter. The Commission has not carried out any analysis of the reasons for these gaps and variations (see paragraphs [62-66](#)).



### Recommendation 2

#### Analyse the variations in the levels of fraud reported across the EU

The Commission should analyse the variations in the levels of fraud reported across the EU and take appropriate action by, for example, investigating the causes where significant under-reporting is identified and providing guidance to member states and EU bodies on reporting practices. The analysis should cover in particular why:

- the relative number of fraud allegations reported, concerning both revenue and expenditure fraud, varies significantly between member states; and
- the relative number of fraud allegations reported by EU bodies to EPPO and OLAF varies significantly.

**Target implementation date: End 2026.**

- 14** We found that the amounts affected by the outcomes of EPPO and OLAF investigations are not comparable. OLAF investigations are exclusively related to the EU budget. In contrast, EPPO must estimate the total damages involved at a relatively early stage of an investigation in order to build a criminal case. This amount typically evolves until a case is finalised with a court conviction. Damages to the EU budget are usually only a part of the total amount of damages, as other victims – including national budgets – are also involved (see paragraphs [61-71](#)).

- 15** The Commission must ensure that all amounts due to the EU budget are promptly recovered, regardless of whether the recovery results from criminal or administrative procedures. OLAF periodically follows up recommendations arising from its own investigations. However, the Commission does not have a mechanism to monitor whether the recoveries ordered by courts following a criminal investigation have been implemented and the full amount due to the EU budget actually recovered (see paragraphs [72-76](#)).



### **Recommendation 3**

#### **Enhance oversight of the follow up of fraud investigations**

To obtain oversight of the extent to which amounts due to the EU budget have been repaid, the Commission should develop a methodology to measure the overall financial impact of EPPO and OLAF investigations, including repayment to the EU budget following a national court decision resulting from criminal proceedings, in addition to monitoring the follow up of recommendations made as a result of OLAF investigations. This should include requesting regular updates from member states on asset conversion and recovery amounts, and assessing the proportion related to the EU budget.

**Target implementation date: End 2028.**

## A closer look at our observations

### The mandates of the bodies involved in fraud investigations are clearly established and do not overlap

- 16** We would expect that OLAF, EPPO, Eurojust and Europol would have clearly established mandates in the legislation, with well-defined roles and responsibilities in investigating fraud and no overlaps, and that they would, while acting within these mandates, collaborate to achieve the best possible protection of the EU budget.
- 17** Under EU legislation, OLAF<sup>7</sup>, EPPO<sup>8</sup>, Eurojust<sup>9</sup> and Europol<sup>10</sup> have specific, complementary roles and responsibilities ([Table 1](#)). The regulations governing these four bodies are currently being evaluated by the Commission.

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<sup>7</sup> Regulation (EU, Euratom) 2020/2223 and Communication to the Commission: Governance in the European Commission – Section 3.7.2 “Combating Fraud: The European Anti-Fraud Office (OLAF)”.

<sup>8</sup> TFEU, Article 86 and EPPO Regulation, last amended by Commission Delegated Regulation (EU) 2020/2153.

<sup>9</sup> TFEU, Article 85 and Eurojust Regulation, last amended by Regulation (EU) 2023/2131.

<sup>10</sup> TFEU, Article 88 and Europol Regulation, last amended by Regulation (EU) 2022/991.

- 18** Within the Commission, the Directorates-General for Justice and Consumers (DG JUST) and Migration and Home Affairs (DG HOME) monitor the fight against serious and organised crime. DG JUST oversees the legal framework for judicial cooperation and, in cooperation with OLAF, the implementation of the PIF Directive<sup>11</sup>, and monitors the implementation of EPPO and Eurojust Regulations. DG HOME oversees the legal framework for law enforcement cooperation, including monitoring the implementation of the Europol Regulation. The Commission has no oversight powers over the operational activities of EPPO, OLAF, Eurojust and Europol, which are carried out by, or in cooperation between, these EU bodies; or in liaison with the competent national judiciary authorities (in the case of EPPO and Eurojust) or national law enforcement bodies (in the case of EPPO and Europol).
- 19** The Commission, being ultimately responsible for implementing the EU budget under its management, must take the necessary measures to provide reasonable assurance that irregularities and criminal acts are prevented, detected and corrected<sup>12</sup>. Bodies managing EU revenue and expenditure at EU and national levels (e.g. customs authorities, national authorities managing the EU funds, and EU institutions, bodies, offices and agencies (IBOAs)) must ensure sound financial management when implementing the EU budget. This requires them to have in place control systems to prevent, detect and correct fraud and other illegal activities. Where applicable, they can apply administrative sanctions against fraudsters<sup>13</sup>.
- 20** OLAF, established in 1999, is a directorate-general within the Commission, with powers to independently investigate fraud, corruption and other illegal activities (including irregularities) affecting the EU's financial interests, using administrative means. It leads the Commission's work on the conception and development of the EU anti-fraud policy, monitoring fraud prevention, detection and correction. OLAF may issue recommendations proposing administrative measures to protect the EU budget to those bodies, such as directorates-general and agencies, responsible for budget implementation. These measures may include financial, administrative, disciplinary and judicial recommendations, or precautionary measures. OLAF must, without undue delay, report to EPPO any criminal conduct where EPPO could exercise its powers. If, in the course of its investigations, OLAF suspects criminal activity affecting the EU financial interests that does not fall within

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<sup>11</sup> [PIF Directive](#) on the fight against fraud to the Union's financial interests by means of criminal law.

<sup>12</sup> [Regulation \(EU, Euratom\) 2024/2509](#) (Financial Regulation), on the internal controls systems to prevent, detect, correct and follow up fraud, Article 36 (2d) and (7).

<sup>13</sup> [Financial Regulation](#) on the early detection and exclusion system, Articles 137 to 147.

EPPO's competence, it must refer the outcomes of these investigations to national prosecuting offices and inform Eurojust as appropriate<sup>14</sup>.

- 21** EPPO started its operations in June 2021 as an independent EU body. Its role is to investigate and prosecute actual or attempted crimes against the EU's financial interests committed after 20 November 2017. Previously these activities were the responsibility of national prosecution authorities. All member states, with the exception of Denmark, Hungary and Ireland, have agreed to participate in EPPO, with the result that, for most member states, investigations and prosecution activities for crimes against the EU's financial interests are mainly conducted by EPPO.
- 22** EPPO must open and carry out investigations where there are reasonable grounds to believe that intentional criminal conduct affecting the EU's financial interests<sup>15</sup> has taken or is taking place. This includes cases of inciting, aiding and abetting or attempt<sup>16</sup>. For all suspected crimes where EPPO does not have competence, it is required to inform the relevant national authorities and forward evidence to them<sup>17</sup>.
- 23** EPPO has a decentralised structure, with European Delegated Prosecutors (EDPs) appointed within each participating member state and empowered to initiate and carry out EPPO investigations, and to prosecute cases in the national courts. National authorities (such as police, tax and customs authorities, or managing authorities of EU expenditure) must actively assist and support EPPO in its investigations, according to the principle of sincere cooperation<sup>18</sup>. This cooperation is the main support EPPO uses for handling its investigations. Support provided to EPPO by other EU bodies, such as Europol, Eurojust or OLAF, is additional.

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<sup>14</sup> OLAF regulation, Article 1 (para 1).

<sup>15</sup> EPPO Regulation, Articles 4 and 26.

<sup>16</sup> PIF Directive, Articles 3, 4 and 5.

<sup>17</sup> EPPO Regulation, Article 24(8).

<sup>18</sup> EPPO Regulation, Article 5(6).



- 24** Established in 2002, the EU Agency for Criminal Justice Cooperation (Eurojust<sup>19</sup>) supports judicial coordination and cooperation between national judicial authorities in the fight against 30 serious crimes<sup>20</sup>, if these affect two or more EU member states, or an EU member state and third countries, or affect one EU member state with repercussions at EU level<sup>21</sup>. At EPPO's request, Eurojust supports EPPO in obtaining mutual legal assistance or coordinating criminal investigative work with non-EPPO member states or third countries<sup>22</sup>. As an administrative, rather than criminal body, OLAF cannot request Eurojust's support; however, Eurojust may act on its own initiative and cooperate with OLAF<sup>23</sup> in helping national judicial authorities to implement judicial recommendations.
- 25** Established in 1999, the EU Agency for Law Enforcement Cooperation (Europol<sup>24</sup>) provides specialised support to member state law enforcement authorities to prevent and combat serious and organised crime, terrorism and forms of crime which affect a common interest covered by an EU policy. This support often involves criminal intelligence analysis, alongside operational support from its headquarters and, upon request, on the spot. Europol hosts a network of liaison officers, from 53 countries, including third countries such as the United States, communicating via a single secure IT platform<sup>25</sup> (SIENA). Upon request, Europol may also directly support EPPO<sup>26</sup> and cooperate with OLAF<sup>27</sup>.
- 26** *Table 2* illustrates the extent to which the bodies supported each other over the period 2022-2024. The feedback we received from the four bodies was that, in general, when called on to collaborate, the support provided was much appreciated.

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<sup>19</sup> TFEU, Article 85.

<sup>20</sup> Eurojust Regulation, last amended by Regulation (EU) 2023/2131, Article 3(3) and Annex I. As regards other forms of crime, Eurojust may also assist upon the request of a competent authority.

<sup>21</sup> Eurojust Regulation, Article 3(6).

<sup>22</sup> EPPO Regulation, Article 100 and Eurojust Regulation, Article 50.

<sup>23</sup> Eurojust Regulation, last amended by Regulation (EU) 2023/2131, Article 2(1).

<sup>24</sup> TFEU, Article 88.

<sup>25</sup> Europol – Partners & Collaboration.

<sup>26</sup> Europol Regulation, Article 20a and EPPO Regulation, Article 102.

<sup>27</sup> Europol Regulation, Article 21 and OLAF Regulation, Article 13.

**Table 2 | Support for EPPO or OLAF investigations 2022-2024**

	EPPO				OLAF			
Number of cases supported by	2022	2023	2024	Total	2022	2023	2024	Total
<b>Europol</b> analysis and other operational support on investigations	28	47	83	<b>158</b>	8	3	1	<b>12</b>
<b>Eurojust:</b>								
mutual legal assistance with non EPPO member states and third countries	14	15	7	<b>36</b>	-	-	-	-
cooperation on OLAF referrals of cases to national judicial authorities	-	-	-	-	1	2	4	<b>7</b>
<b>OLAF</b> analyses (including forensic), expertise and operational support	13	4	4	<b>21</b>	-	-	-	-

Source: ECA, based on: Eurojust: Annual Reports 2022 - 2024; Europol: statistics provided by Europol and EPPO's Annual Reports 2022-2024; OLAF: figures provided to ECA on 08/04/2025.

**27** Overall, the figures show that the number of support cases has remained small over the three-year period compared to the number of investigations opened by both EPPO and OLAF, 3 277 and 564, respectively – see [Table 5](#) and [Table 4](#) below. Confidentiality applied to individual operational cases limits our ability to assess whether the scope for mutual support was used to the maximum. However, the relatively low level of support cases is likely to be explained by the fact that EPPO's primary source of support is national authorities, and that OLAF's administrative remit is substantially different from the other bodies. The most significant element of support is the criminal intelligence analysis delivered by Europol to both bodies, particularly EPPO. At 31 December 2024, EPPO had 300 active cases involving non-EPPO member states or third countries, including 25 cases benefitting from Eurojust support (8.3 %). For the majority of cases, EPPO has established its own working arrangements with some non-EPPO member states and third countries. For the remaining 136 investigations, EPPO informed us that it used national or EU mutual legal assistance instruments directly<sup>28</sup>. In 2024, 161 European Investigation Orders or Mutual Legal Assistance requests<sup>29</sup> were sent to non-EPPO member states or third countries.

<sup>28</sup> [EPPO Regulation](#), Article 104.

<sup>29</sup> [EPPO Annual Report 2024](#), page 109.

- 28** We conclude that the mandates of OLAF, EPPO, Eurojust and Europol, as set out in the relevant legislation, are clear, complementary and do not overlap in the overall EU anti-fraud architecture. In the following sections we assess the scope for improvements in the way that the bodies operate.

## **The procedures for reporting and handling fraud allegations increase the administrative burden and limit the scope for further protective measures**

- 29** We consider that a sound system for reporting and sharing information on fraud allegations should minimise the administrative burden involved, so that all allegations can be assessed and investigated without undue delay and that information flows between EPPO and OLAF can ensure all cases are duly assessed.
- 30** The current system makes it possible that allegations of fraud are reported to both EPPO and OLAF (see paragraph 34). Both bodies then independently assess allegations to determine whether they are likely to fall under the criminal investigative competence of EPPO or the administrative competence of OLAF. This double reporting of allegations requires OLAF to apply the ‘hit/no-hit’ procedure – a procedure developed by OLAF and EPPO to minimise the risk of duplicate investigations (**Box 1**) – before opening an investigation, while for EPPO the use of this mechanism is optional.

### **Box 1**

#### **Non-duplication of investigations – use of hit/no-hit procedure and complementary investigations**

Where OLAF finds suspicion of criminal conduct, it is required to submit a report (ECR) to EPPO without undue delay.

The objective of the hit/no-hit procedure is to ensure that OLAF does not open an investigation where EPPO has already opened one, on the same facts, and to determine the competence over an investigation.

In accordance with the working arrangements in place, the hit/no-hit starts with OLAF consulting EPPO on whether EPPO is investigating certain persons or projects. Where EPPO does not have an investigation on these persons or projects, OLAF, in the absence of suspicion of criminal conduct, may decide to proceed with its own investigation.

A positive hit will give rise to a series of consultations where both parties try to ascertain whether the facts are the same. If EPPO confirms that the facts are not the same, OLAF may open an investigation.

For positive hits, if EPPO does not object to OLAF's specific reasoned request, OLAF may open a parallel complementary investigation to EPPO, with a view to taking administrative action. During such complementary investigations, OLAF must remain in regular consultation with EPPO.

*Source:* ECA, based on [Regulation 2020/2223](#), Articles 12d, 12f(1) and 12g(1) and recitals 9, 11 and 18, amending [OLAF Regulation 883/2013](#).

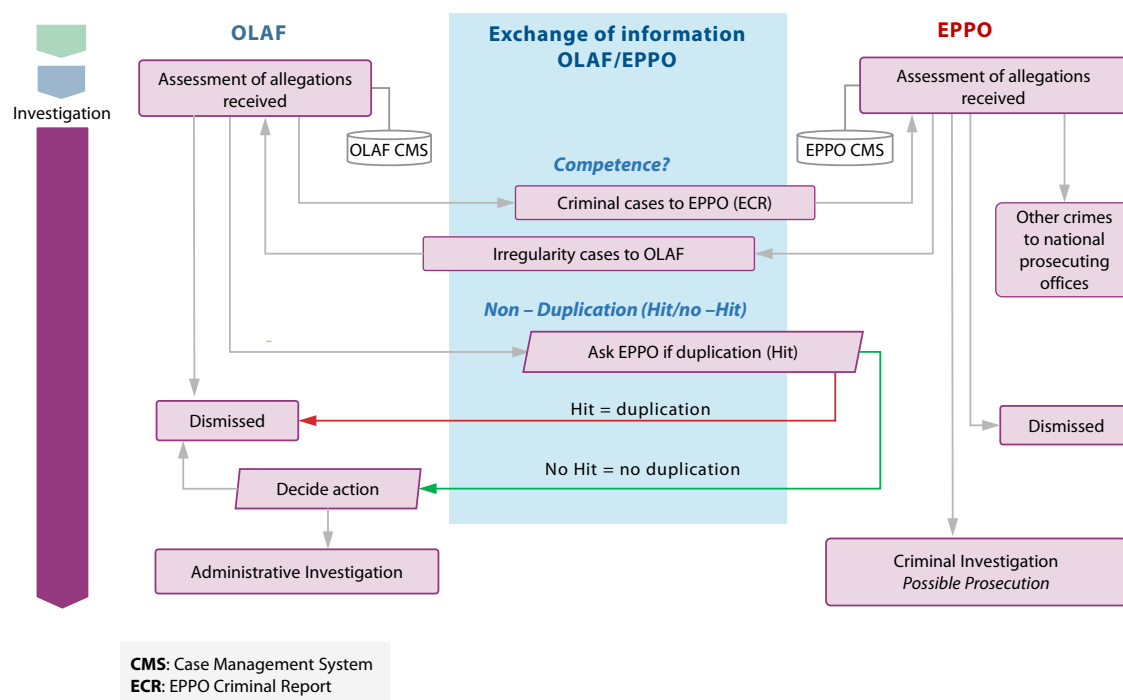
- 31** OLAF remains responsible for reporting to EPPO all allegations likely to involve criminal conduct where EPPO could exercise its competence<sup>30</sup>. EPPO, for its part, may provide OLAF with information on cases where EPPO is not carrying out, or has discontinued, an investigation<sup>31</sup>. The duties of OLAF<sup>32</sup> and EPPO to exchange information continue throughout the investigation stage, whenever new evidence changes the case classification from administrative to criminal or vice versa. We examined the procedures in place at OLAF and EPPO for determining competence, taking account of the relevant legal requirements - see [Figure 1](#).

<sup>30</sup> [OLAF Regulation](#), Article 5 and 12c.

<sup>31</sup> [EPPO Regulation](#), Article 101 (4) and [OLAF Regulation](#), Article 8 (4).

<sup>32</sup> [OLAF Regulation](#), Article 12g.

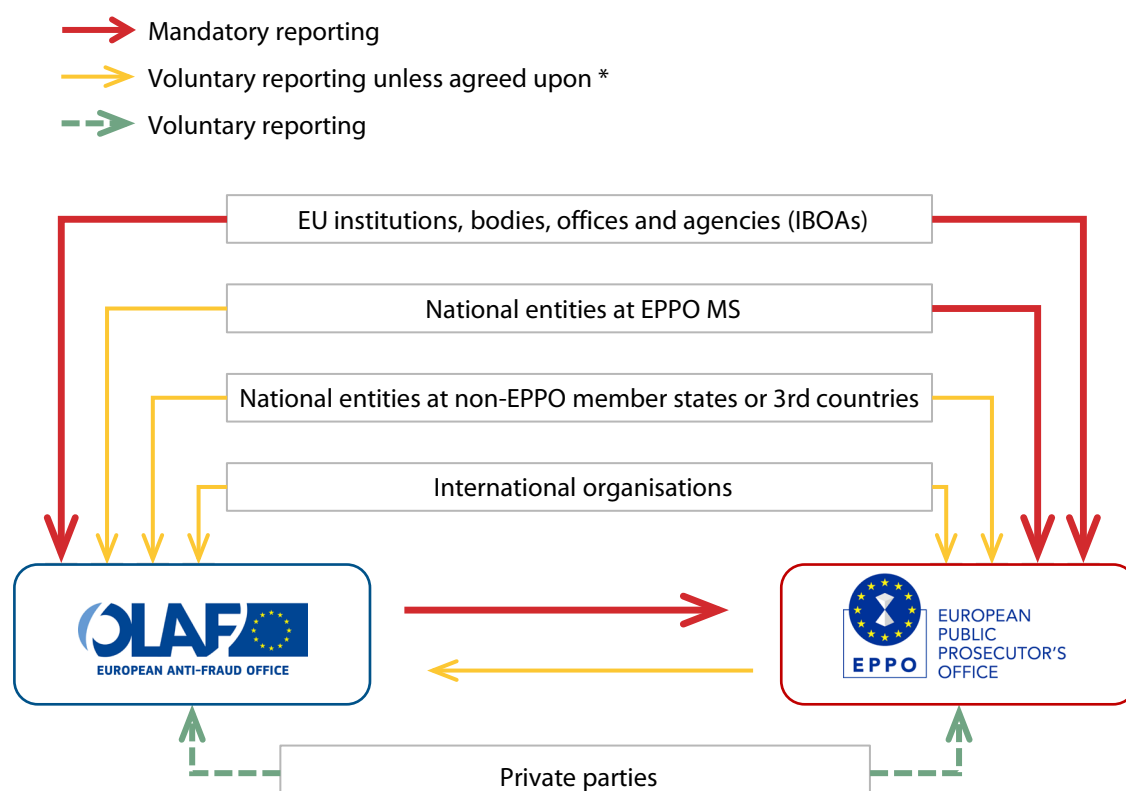
**Figure 1 | Assessing allegations and exercise of powers of EPPO and OLAF**



Source: ECA.

## Fraud reporting obligations vary and lead to duplicate reporting

- 32** Responsibility for detecting fraud lies primarily with those responsible for the internal control systems of EU expenditure and revenue (see paragraph (4) in [Annex I](#)). Their duties to report suspected fraud vary, with national bodies legally required to report to EPPO, and IBOAs to report to both EPPO and OLAF. Other organisations and private parties may report to one or both of EPPO and OLAF (see [Figure 2](#)).

**Figure 2 | Reporting of fraud allegations to EPPO and OLAF**

\* Exceptionally, OLAF may have agreements with e.g. customs authorities, or there may be clauses in relevant financial agreements.

Source: ECA, based on Article 24 of [EPPO Regulation](#) and Article 8(1) of [OLAF Regulation](#).

- 33** Between 2022 and 2024, EPPO and OLAF received a total of 27 000 fraud allegations, with a clear upward trend for EPPO in this period. Of these allegations, a third were judged to merit an investigation and were registered in EPPO's and OLAF's case management systems (CMSs): 40 % for EPPO and 26 % for OLAF (see [Table 3](#)).

**Table 3 | Fraud allegations received and registered by EPPO and OLAF, 2022-2024**

	Received				Registered in Case Management System (%)
	2022	2023	2024	Total	
EPPO	3 318	4 187	6 547	14 052	5 573 (40 %)
OLAF	5 567	3 548	3 844	12 959	3 317 (26 %)
<b>Total</b>	<b>8 885</b>	<b>7 735</b>	<b>10 391</b>	<b>27 011</b>	<b>8 890 (33 %)</b>

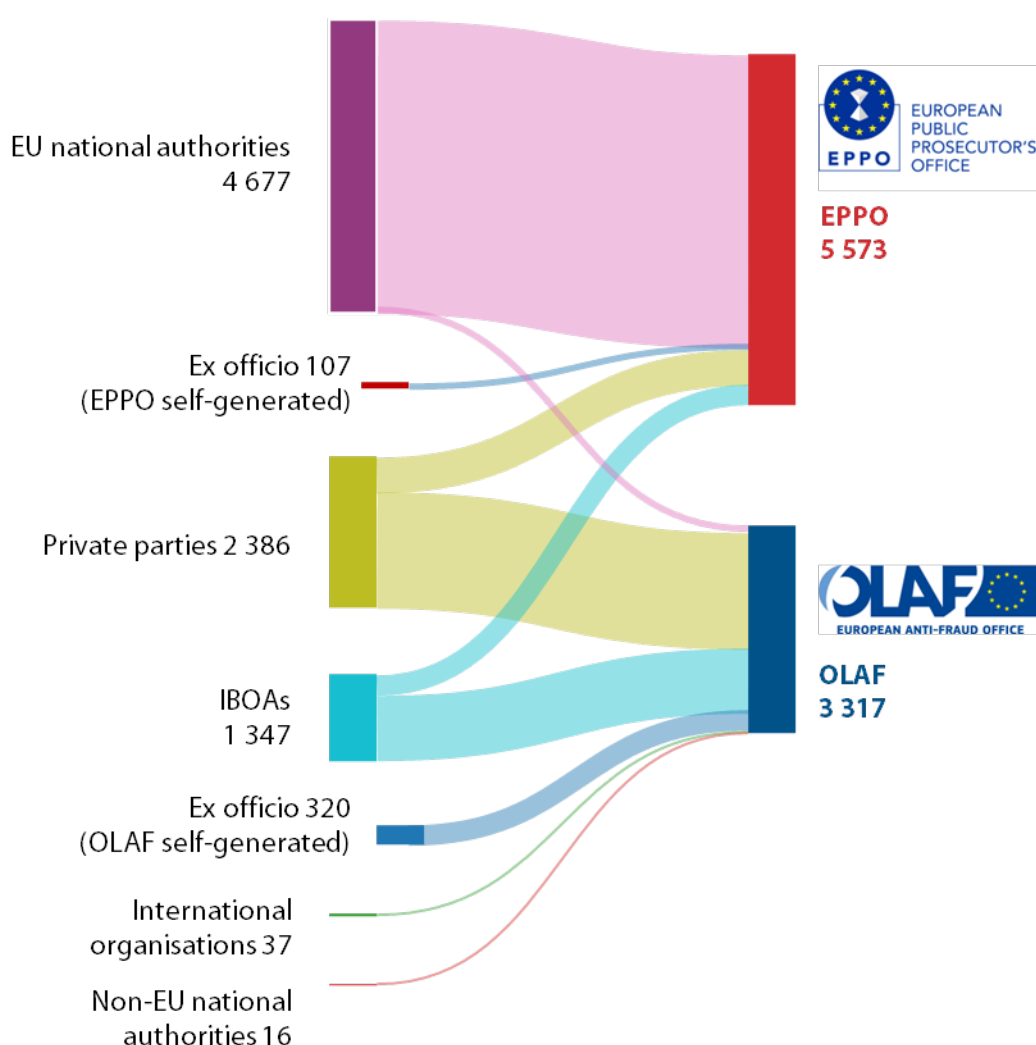
Source: EPPO Annual Reports 2022-2024 OLAF Annual Reports 2022-2023, OLAF 2024, data provided directly to ECA.



- 34** As the CMSs of EPPO and OLAF are not interlinked, and do not use a common case identifier, it is not possible to determine the exact extent to which fraud allegations are reported to both EPPO and OLAF. Reporting to both bodies entails additional work, both for those reporting, as the bodies use different reporting systems, and for EPPO and OLAF, which need to invest resources in registering and assessing those allegations.
- 35** EPPO records in its CMS all allegations received from IBOAs and national authorities. The cases received from private parties are subject to a preliminary analysis by a central office team comprising five staff, which is subsequently validated by a European Prosecutor. Only those judged to have the potential for a criminal assessment are subsequently registered in the CMS. All cases registered in EPPO's CMS subsequently undergo a criminal assessment by an EDP. OLAF has a team of four staff carrying out preliminary assessments. It records in its CMS those cases it assesses as potentially meriting investigation.

**36** Our analysis of the cases registered in both CMSs between 2022 and 2024 revealed that a total of 2 386 allegations were from private parties, representing 10 % and 55 % respectively of the allegations received by EPPO and OLAF. Fraud allegations sent by those with a legal obligation to report, excluding private parties (see [Figure 2](#)), amounted to 6 504, with 5 004 registered by EPPO and 1 500 by OLAF. Of those received by EPPO, 91 % were sent by national authorities; in the case of OLAF, 68 % were sent by the IBOAs (see [Figure 3](#)).

**Figure 3 | Breakdown by type of entities reporting fraud allegations, 2022-2024**



Source: ECA, based on data provided by EPPO and OLAF.

- 37** OLAF, cooperates with customs authorities in third countries and supports EU member state customs authorities when dealing with suspected breaches of customs law<sup>33</sup>, for example in identifying evaded import duties. As a result of its data analytics activities and on-the-spot checks, between 2022 and 2024, OLAF self-generated 320 allegations of fraud related to revenue and expenditure. Over the same period, EPPO also self-generated 107 allegations of PIF crimes ex-officio, based on information in the public domain or as a consequence of earlier investigative activity.
- 38** According to EPPO, law enforcement bodies are its main source of PIF crimes allegations. It is not possible to ascertain from EPPO data whether such allegations result from these bodies' own detection or are a consequence of assessing allegations received from others. Having such details would facilitate better understanding of the level of engagement of various actors in detecting fraud, with a view to improving detection overall.

## **The current system does not ensure that all fraud allegations are assessed by EPPO**

- 39** OLAF has 26 staff assessing the fraud allegations registered in its CMS. [Table 4](#) provides an overview of the results of the assessments of the 3 317 fraud allegations registered in the 2022-2024 period. By the end of 2024, there were 135 allegations where the assessment process was still ongoing, most of which were received in the last quarter of the year.
- 40** When transferring a case to EPPO, OLAF, like any other IBOA or national authority, is required to submit, without undue delay, an EPPO Crime Report (ECR)<sup>34</sup>. An ECR is a standard template developed by EPPO to enable it to assess whether an allegation is of a criminal nature. An ECR therefore includes information on, for example, the nature of the crime, facts of the case, an assessment of the damage caused or likely to be caused and any available information about victims, suspects or other persons involved.

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<sup>33</sup> [Council Regulation \(EC\) 515/97](#) on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters.

<sup>34</sup> [OLAF Regulation](#), Article 12c and [EPPO Regulation](#), Article 24.

**Table 4 | OLAF - assessment of fraud allegations registered, 2022 – 2024**

	Allegations assessed		EPPO Crime Report		Hit/no-hit	
	Number	Average time (days)	Number	Average time (days)	Positive	Negative
Assessment ongoing	135	N/A	N/A	N/A	3	2
Transfer to EPPO	162	68	143	17	29	18
Dismissal	2 314	57	N/A	N/A	22	40
Open administrative investigation	564	61	29	N/A	26	224
Completed	197	N/A	2	N/A	5	65
Discontinued	11	N/A	9	N/A	1	8
Ongoing	356	N/A	18	N/A	20	151
Open coordination or mutual assistance*	142	N/A	N/A	N/A	N/A	11
<b>Total</b>	<b>3 317</b>	<b>58</b>	<b>172</b>	<b>N/A</b>	<b>80</b>	<b>295</b>

\* OLAF considered that member states or other EU bodies would be in a better position to investigate those allegations, offering its assistance.

Note: N/A – not applicable.

Source: ECA, based on data provided by OLAF.

### **Assessing and transferring allegations to EPPO is necessary because the system does not ensure that EPPO receives all allegations**

- 41** OLAF assessed 162 allegations as involving a suspected crime and transferred them to EPPO. On average it took OLAF 68 days to conclude its assessment of these cases, with half taking longer than the two months maximum established in the regulation<sup>35</sup>. In 19 cases it took more than 100 days to assess the possibility of criminal conduct, with the longest assessment lasting nearly nine months (256 days).

<sup>35</sup> OLAF Regulation, Article 12c(4).

- 42** OLAF submitted 143 ECRs. On average, the submission of the ECR added 17 days to the process, with the longest case adding 55 days. For 14 cases, OLAF used the hit/no-hit procedure to ascertain whether EPPO had opened an investigation on the same facts, rather than submitting an ECR. For five dismissed allegations, OLAF notified EPPO that it had dismissed them without using an ECR or a hit/no-hit form. EPPO decided to carry out an investigation into the same facts that had been initially reported to OLAF.

### **The legal framework does not give EPPO visibility over allegations dismissed by OLAF**

- 43** OLAF assessed 2 314 allegations as not containing sufficient evidence to open an investigation, leading to dismissal. On average this assessment required 57 days, which is below the two months maximum established in the regulation<sup>36</sup>. Despite assessing those allegations as cases to be dismissed, OLAF still performed 62 hit/no-hit checks with EPPO. For 22 cases, EPPO replied that it had also received the allegation. For the remaining 40 cases, of which EPPO was not aware, OLAF did not submit an ECR because OLAF considered that there was no suspected criminal conduct. Therefore EPPO had no visibility over these allegations.
- 44** We consider that the variety of requirements to report fraud allegations leads to a complex system which does not ensure that all allegations reach EPPO. Excluding the 62 cases subject to hit/no-hit, in line with its legal framework, OLAF dismissed 2 252 allegations. We note that only EPPO is ultimately competent to assess whether an allegation contains criminal conduct. It is not possible to determine whether EPPO received those allegations, in part or in full, as the two CMSs are not interlinked.

### **The current hit/no-hit system while delaying the opening of investigations, does not prevent parallel investigations being opened**

- 45** OLAF assessed 564 allegations as qualifying for its own administrative or complementary investigations. It took on average 61 days for OLAF to complete the assessment process for those cases, which is in line with the statutory two months<sup>37</sup>. Before opening an administrative investigation and to avoid compromising a potential EPPO criminal investigation, OLAF must carry out a hit/no-hit check with EPPO (see [Box 1](#)), which adds complexity and makes the process more lengthy, adding at least 4 days. When EPPO is carrying out a criminal investigation into the same facts, OLAF may propose a

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<sup>36</sup> OLAF Regulation, Article 12c(4).

<sup>37</sup> OLAF Regulation, Article 5(4).

complementary administrative investigation<sup>38</sup>. EPPO decides whether or not to accept such a proposal.

**46** As noted above, the hit/no-hit verification is designed to prevent parallel investigations that may, for example, result from the possibility of dual reporting. In 2022-2024, of the 564 allegations for which an investigation was opened by OLAF, the hit/no-hit check was not performed for 314 allegations (57 %). Of these 314 allegations, 75 (24 %) had been sent by EPPO to OLAF, meaning that no hit/no-hit check was needed. For 236 other allegations, according to information provided by OLAF, OLAF assessed them as not falling within EPPO's competence, or knew from other sources that EPPO had decided not to exercise its powers. We consider that the current hit/no-hit system does not provide sufficient guarantee that a parallel investigation is not opened into the same facts. For the remaining three allegations, originating from OLAF's own analytic assessments, in agreement with EPPO, OLAF opened complementary investigations.

**47** For example, we observed that in four of the 250 cases where a hit/no-hit was carried out, OLAF started its investigation before performing the hit/no-hit check. In these cases, OLAF sent the hit/no-hit check on average one year (357 days) after starting its investigation. In four other cases, OLAF was unable to specify the date on which the hit/no-hit check took place, meaning that we could not determine whether this was before or after starting the investigation.

## **EPPO's limited exchange of information with OLAF reduces the scope for complementary administrative measures to protect the EU budget**

**48** All allegations of fraud registered in EPPO's CMS are assessed by European Delegated Prosecutors (EDPs). When an EDP considers that EPPO is not competent, the decision may still be reviewed by an EPPO Permanent Chamber, which may reverse the EDP assessment and decide that EPPO is competent to investigate<sup>39</sup>. EPPO monitors only the duration of the verifications in each case, but not the actual time spent by its 166 EDPs<sup>40</sup> and 15 Permanent Chambers on assessing allegations.

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<sup>38</sup> [OLAF Regulation](#), Article 12f.

<sup>39</sup> [EPPO Regulation](#), Article 26(3).

<sup>40</sup> [EPPO 2024 Annual Report](#), page 81.



**49** *Table 5* provides an overview of EPPO's assessment of the 5 573 fraud allegations registered in 2022-2024. By the end of 2024, there were 326 allegations (6 %) still being assessed by EPPO. Of these, 112 (34 %) allegations had been received more than three months previously. EPPO was in the process of verifying information for 68 of these cases, and the remaining 44 allegations were under review by the Permanent Chambers.

**Table 5 | EPPO – Treatment of allegations received, 2022 - 2024**

EPPO	2022	2023	2024	Total	Total with split cases*
<b>Merged with other cases</b>	<b>0</b>	<b>7</b>	<b>14</b>	<b>21</b>	
<b>Pending</b>	<b>1</b>	<b>13</b>	<b>312</b>	<b>326</b>	
Received Q4 2024			214	214	
Received before Q4 2024	1	13	98	112	
<b>Dismissal</b>	<b>652</b>	<b>637</b>	<b>660</b>	<b>1 949</b>	
<i>Referred to OLAF</i>	<i>1</i>	<i>29</i>	<i>26</i>	<i>56</i>	
<b>Investigation opened</b>	<b>861</b>	<b>1 220</b>	<b>1 196</b>	<b>3 277</b>	<b>3 491</b>
Ongoing	320	660	905	1 885	1 966
Merged with other cases	136	195	145	476	501
Discontinued	247	279	139	665	722
<i>referred to OLAF</i>	<i>17</i>	<i>11</i>	<i>3</i>	<i>31</i>	<i>33</i>
<i>referred to national authorities</i>	<i>95</i>	<i>146</i>	<i>116</i>	<i>357</i>	<i>377</i>
Brought to court (prosecution)	158	86	7	251	302
<b>Total</b>	<b>1 514</b>	<b>1 877</b>	<b>2 182</b>	<b>5 573</b>	

\* Split cases result from an allegation that can give rise to more than one investigation.

Source: ECA, based on data provided by EPPO.

## **Dismissed allegations are not all brought to the attention of OLAF, which may limit the potential for administrative measures**

- 50** As a result of its assessments, EPPO concluded that 1 949 allegations were not within its competence or were not duly substantiated. These allegations were therefore dismissed. EPPO did not provide us with data on how long it took to assess those allegations. In accordance with the legislation<sup>41</sup>, allegations involving crimes for which EPPO is not competent are reported to the national prosecuting offices, but the data made available by EPPO does not show how many dismissed allegations were sent to the national authorities.
- 51** EPPO's CMS started to record cases transferred to OLAF from October 2023. For the 56 allegations transferred to OLAF between October 2023 and end of December 2024, on average it took 116 days between receipt by EPPO and transmission to OLAF. EPPO's internal rules specify a deadline of two months for transmission to OLAF, but this deadline can be extended by the European Chief Prosecutor<sup>42</sup>. EPPO informed us that for these cases, an extension to the deadline was duly approved.
- 52** The Commission, and OLAF in particular, does not have access to all allegations that are not investigated by EPPO, such as those transferred to national prosecutors or national administrative authorities in line with the EPPO Regulation. This may limit the ability of OLAF, responsible for the EU's anti-fraud policy, to assess the relevance of additional complementary administrative measures to be applied by the Commission with a view to protecting the EU budget.

## **Lack of information on the status of ongoing investigations prevents OLAF from proposing complementary investigations**

- 53** EPPO decided to open 3 491 investigations for 3 277 of the allegations received in 2022 – 2024. We found that 88 % of investigations started within 60 days of initial receipt, as required by EPPO's internal procedures, with 54 % starting within five days. For the remaining 12 % of cases where the assessment took more than 60 days, an extension of the deadlines was approved<sup>43</sup>.

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<sup>41</sup> EPPO Regulation, Article 24(8).

<sup>42</sup> EPPO Internal Rules of procedure, Articles 40(4-5) and 42(4).

<sup>43</sup> EPPO Internal Rules of procedure, Article 39(5)-39(7).

- 54** When an allegation is under investigation, EPPO is bound to limit access to information about the allegation, which is disclosed only on a strict need-to-know basis. This is necessary to protect the confidentiality of criminal investigations and the principle of presumption of innocence, and to safeguard the evidence against destruction by the alleged fraudsters. It is left to the professional judgement of the EDPs whether and when any information can be made available to any other body, including OLAF, with a view to enabling a potential complementary investigation.
- 55** Complementary investigations by OLAF can be an effective way to reinforce the protection of the EU budget by recommending the adoption of administrative measures, such as exclusion from EU financing (blacklisting) and early detection, as early as possible in the process, subject to EPPO deciding when the right moment is to provide OLAF with the information it needs to decide whether opening a complementary investigation would be cost effective. Delaying disclosure until a criminal case is concluded has the drawback that criminal investigations can take several years to finalise.
- 56** We observed that OLAF opened 67 complementary investigations concerning allegations received over 2022-2024, representing around 2 % of investigations started by EPPO. Of these investigations, 49 were opened at EPPO's request and in 18, on OLAF's initiative. As of December 2024, 17 complementary investigations had been concluded, resulting in recommendations to recover €42 million and to take preventive measures with a value of €240 000. For the remaining EPPO investigations, OLAF did not have the information to assess the potential value of proposing a complementary investigation. In addition, by December 2024 OLAF had closed 47 investigations where the allegation had been received before 2022, with a value of €610 million.

### **Lack of information on discontinued investigations prevents OLAF from opening administrative investigations**

- 57** Of the investigations opened by EPPO, excluding 41 VAT cases where competence lies with the member states and not the Commission/OLAF, 681 were subsequently discontinued. Discontinued cases, are not, by default, communicated to OLAF. We found that EPPO informed OLAF about only 33 (5 %) of these cases. For the remaining 648 cases (95 %), OLAF did not have the opportunity to consider whether it would be cost effective to open an administrative investigation which might enable the Commission to adopt appropriate protective measures.

**58** For the 33 discontinued investigations notified to it by EPPO, the Commission considered that the information shared by EPPO was not sufficiently detailed to allow its services to take appropriate measures or to ask OLAF to open an administrative investigation. Under the working arrangements in place, the Commission had the option of requesting additional information. In November 2024, EPPO and the Commission agreed on a new reporting template with more detailed information on each discontinued case. Given that our cut-off date was 31 December 2024, we were not able to assess the impact of the new reporting template within this audit.

**59** EPPO referred 377 discontinued investigations to national authorities, as the EDP responsible for the assessment considered that national authorities were better placed to conduct the necessary measures. While the national authorities have reporting obligations towards OLAF or the Commission, the latter cannot benefit from direct information from EPPO, which means that the monitoring process is not fully effective.

**Incomplete information on the number of investigations brought to prosecution does not allow the Commission to fully apply administrative measures**

**60** Where necessary for the purposes of recovery, administrative follow-up or monitoring, EPPO must notify the competent national authorities, interested persons and the relevant IBOAs of the decision to prosecute<sup>44</sup>. Of the 302 investigations brought to court, the Commission was informed about some two thirds (202), with no information about whether, for the remaining cases, the administrative authorities concerned were outside the Commission, were duly informed, or took the necessary administrative measures. If it is not aware of all these cases, the Commission is not in a position to ensure that all necessary administrative measures are applied.

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<sup>44</sup> EPPO Regulation, Article 36(6).

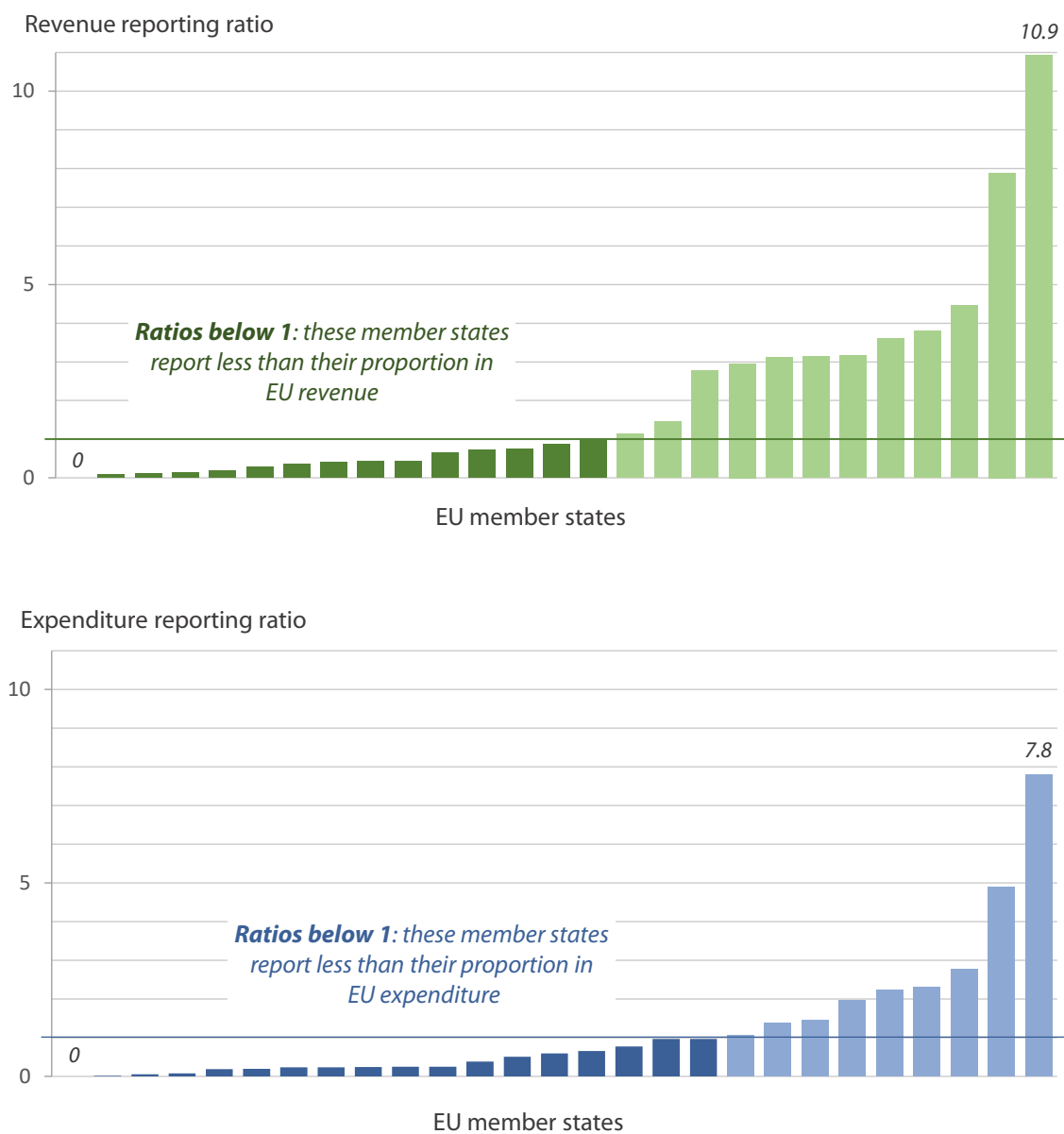
## The Commission does not have complete oversight of the amounts impacting the EU budget resulting from fraud investigations

- 61** The ultimate objective of criminal and administrative investigations conducted by EPPO and national prosecuting offices and OLAF is to protect the EU's financial interests. This can be achieved by sanctioning convicted criminals, and taking appropriate administrative measures, such as the recovery of funds, suspending ongoing contracts or exclusions from future funding. We would expect the Commission, being ultimately responsible for implementing the EU budget, to have an overview of the extent to which the results achieved by criminal and administrative investigations contribute to the protection of EU financial interests. We would also expect the Commission to follow up the outcomes of fraud investigations to ensure that all amounts owed to the EU budget are duly recovered.

### Data on fraud reported shows variations, which are not analysed

- 62** We analysed whether there was any correlation between the number of fraud allegations registered in the CMSs of EPPO and OLAF that had been submitted by member state bodies, and the amount of EU budget under their responsibility.
- 63** For both EU budget revenue and expenditure, we calculated a 'reporting ratio' for each member state, comparing their share of total revenue (traditional own resources (TOR) plus Value Added Tax (VAT) contributions) or their share of total expenditure under their management with their share of total allegations of suspected fraud sent by national authorities and IBOAs to both EPPO and OLAF. A reporting ratio above 1 indicates that allegations in the given member state are proportionately higher than the revenue or expenditure under its responsibility. [Figure 4](#) shows that reporting ratios vary considerably, with some member states reporting far more allegations of fraud than would be expected from the volume of revenue and expenditure they are responsible for. The Commission has not analysed these variations, whether, for example, they might be due to weaknesses in detection or strengths in prevention.

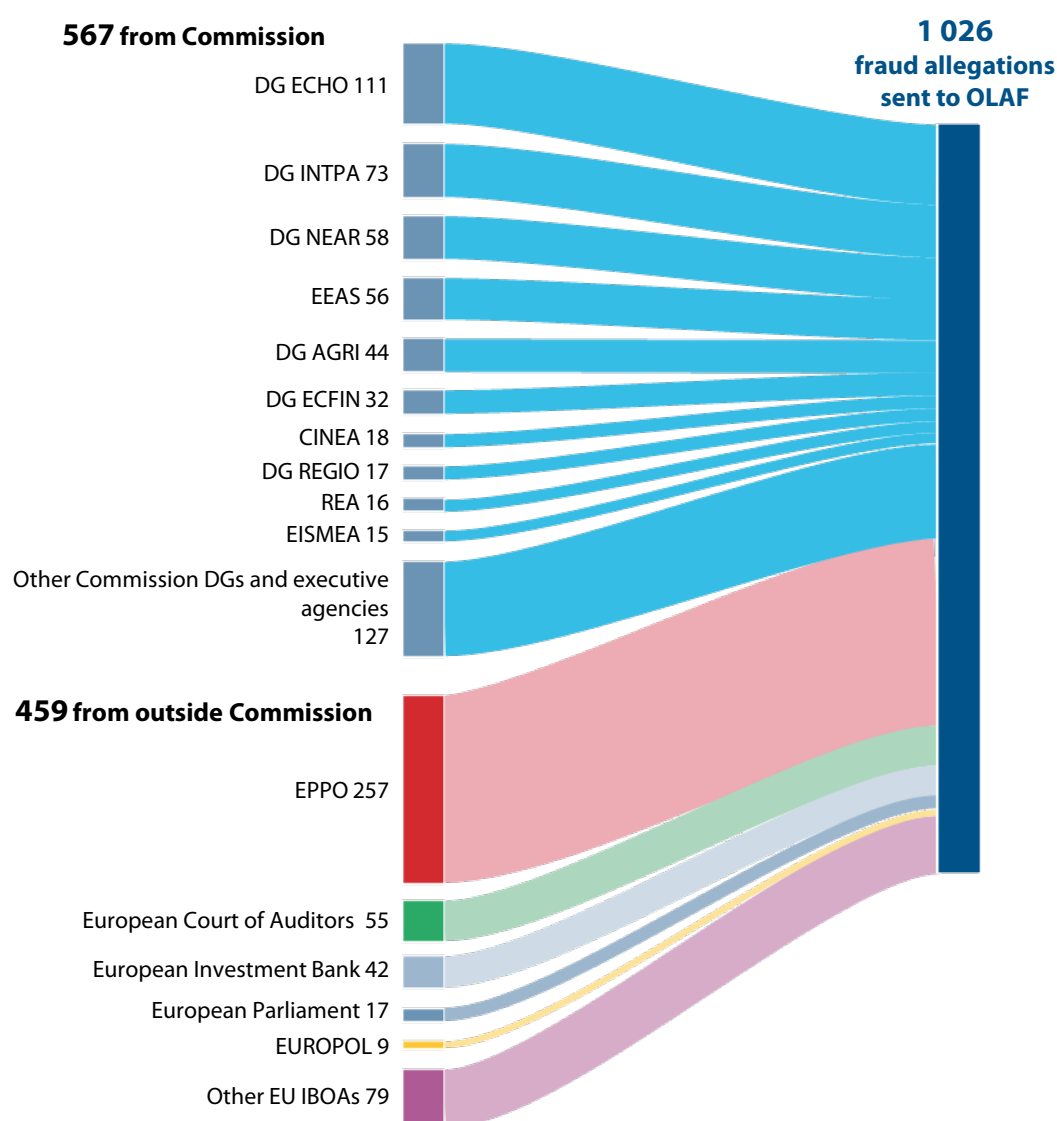
**Figure 4 | 2022-2024: reporting ratio of allegations in relation to the EU revenue and expenditure by member state**



Source: ECA, based on data provided by EPPO and OLAF on the allegations registered, and data on [EU spending and revenue](#) provided by the Commission.

**64** IBOAs have a legal duty to report fraud allegations to both EPPO and OLAF (see paragraph 32). Between 2022 and 2024, OLAF received 567 allegations originated by the Commission services. During this period, OLAF also received 459 fraud allegations from IBOAs outside the Commission, with EPPO, the European Investment Bank (EIB) and the ECA accounting for more than 77 % (see [Figure 5](#)).

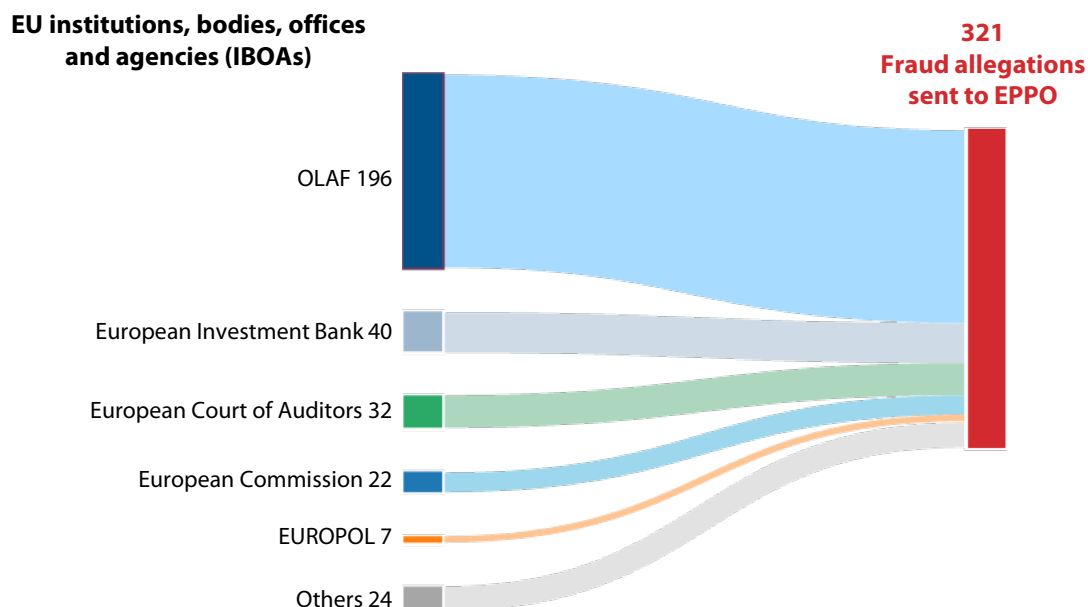
**Figure 5 | 2022-2024: fraud allegations sent to OLAF by the Commission and agencies, and other IBOAs outside the Commission**



Source: ECA, based on data provided by OLAF.

**65** Between 2022 and 2024, the IBOAs reported 321 fraud allegations to EPPO. The IBOAs that reported the most were OLAF (196 allegations), followed by the EIB and the ECA (see [Figure 6](#)).

**Figure 6 | 2022 - 2024: fraud allegations sent to EPPO by IBOAs**



Source: ECA based on data provided by EPPO.

**66** The Commission has not analysed why OLAF receives more allegations from IBOAs than EPPO, by a factor of around three. This might be partially explained by the fact that IBOAs, which have an obligation to send allegations of PIF crimes directly to EPPO without undue delay<sup>45</sup>, may also request OLAF to conduct an initial assessment of their fraud allegations<sup>46</sup>. Another possible explanation might be the fact that fraud allegations concerning non-EPPO member states, or EU institutions' internal matters, such as non-criminal wrongdoing by staff, are sent to OLAF. However, while these possible explanations may account for some of the differences in levels of reporting by IBOAs to the two bodies, the extent of those differences remains significant.

<sup>45</sup> EPPO Regulation, Article 24 (1).

<sup>46</sup> OLAF Regulation, Article 12c (6) and EPPO Regulation, recital 51.



## Data on the outcomes of EPPO and OLAF investigations is not comparable

- 67** The objective of EPPO's criminal investigations is to sanction criminals; this can also include recovering the proceeds of crime. During its investigations, EPPO may identify assets to be frozen to safeguard the repayment of damages, if conviction is subsequently secured. In such cases, and when the amount of damages has been established by national courts, member state authorities are responsible for recovering the proceeds of crime. These will typically concern the total damage resulting from the criminal activity, including amounts due to the national or EU budget, and potentially other victims of the crime. Finally, frozen assets and all other assets need to be confiscated and monetised. EPPO must notify the victims of a case, whether they are national authorities or EU IBOAs. These authorities can take appropriate administrative measures at any point in time, as long as these do not interfere with criminal proceedings<sup>47</sup>.
- 68** The outcome of OLAF investigations is recommendations to IBOAs and national authorities (such as customs or managing authorities for EU funds). These recommendations focus on proposing measures to protect the EU budget from past or future misconduct, such as identifying amounts to recover for the EU budget, exclusion from EU financing, early detection, suspending payments on ongoing contracts for EU expenditure, or proposing measures for customs authorities when EU revenue is at stake. OLAF does not have the power to take these measures itself. It is up to those bodies with responsibility for managing EU expenditure to implement OLAF recommendations<sup>48</sup>. On the revenue side, OLAF recommendations are addressed to the member states and the Commission's role is to ensure that they are implemented.
- 69** *Table 6* presents the outcomes of EPPO and OLAF investigations as of 31 December 2024, related to cases registered between 2022 and 2024. The results achieved by EPPO and OLAF are not directly comparable: all recommendations resulting from OLAF investigations relate directly to the EU budget, while in the case of EPPO, the amounts in question also concern national budgets and other victims. This means that a consolidated overview of the amounts affecting the EU budget from the outcome of EPPO and OLAF investigations is difficult to obtain.

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<sup>47</sup> [PIF Directive](#), Article 13 combined with duties set in the [EU Financial Regulation](#) and applicable sectorial legislation.

<sup>48</sup> [EU Financial Regulation](#), Articles 98 and 100.

**Table 6 | Outcomes of EPPO and OLAF criminal and administrative investigations related to allegations registered, 2022-2024**

EPPO criminal investigations		
All victims combined		
Number of investigations with granted asset freezing	347	
with final court orders	32*	
	Granted	Executed
Value of asset freezing orders granted by EPPO (million euros)	3 007.4	764.1*
Value of the final judicial recovery orders issued by national courts (million euros)	231.7*	
OLAF administrative investigations		
EU budget only		
Number of investigations with proposed recommendations	163	
with financial recommendations implemented (recoveries)	16	
Number of investigations by type of recommendation proposed:		
Financial recommendations	90	
Precautionary measures	78	
Administrative recommendations (blacklisting**)	26	
Judicial recommendations	16	
	Proposed	Implemented
Value recommended to be recovered (million euros)	615.3	23.1
Value recommended to be prevented (million euros)	52.4	9.7

\* Includes only the final court orders issued in 2024 concerning the investigations opened in 2022-2024. It was only in 2024 that EPPO was able to allocate the necessary resources to collect and record this information, generated by national judicial authorities.

\*\* Exclusion under the early detection and exclusion system.

Source: ECA, based on data provided by EPPO and OLAF.

- 70** Over the period 2022-2024, EPPO froze assets (either directly or by obtaining a judicial order), with a value of €3 billion, in 347 investigations. During 2024, 32 of these investigations reached a final court decision; in these cases, the court confirmed total damages of €232 million and ordered the national authorities to recover these proceeds of crime, including by confiscating frozen assets. Other cases reached a court decision in 2022 and 2023, but EPPO does not have data on the damages confirmed by the courts for these cases. The sum of €232 million represents the total damages resulting from the crime, not just the element affecting the EU budget,. In addition, repayment can only be made after the assets confiscated have been converted into cash. The Commission has not received information to monitor the extent to which the €232 million of final judicial recovery orders, made by national courts, relates to the EU budget. The Commission informed us that, in November 2024, it started putting in place an ‘EPPO Overview Mechanism’ designed to monitor the outcome of EPPO investigations that are communicated by the latter. The results of this new mechanism remain to be seen.
- 71** In comparison, based on its administrative legal framework, in 90 investigations, OLAF issued recommendations with financial implications: to recover €615 million and to apply a further €52 million in preventive measures. Sixteen of these recommendations had been implemented by the respective authorising officers by the end of 2024. As a result, €23 million had been recovered and all €10 million of preventive measures applied. Both these sums relate directly to the EU budget.

## **The Commission lacks complete information on the amounts impacting the EU budget resulting from national court decisions**

- 72** EPPO and OLAF are not responsible for recovering EU funds themselves. The Commission, being ultimately responsible for implementing the EU budget, must ensure that all amounts due are recovered promptly by the relevant national or EU authorities<sup>49</sup>, regardless of whether the recovery results from a criminal or an administrative procedure. To achieve this, it needs to be aware of the amounts due to the EU budget.

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<sup>49</sup> [EU Financial Regulation](#), Articles 98 and 100.

- 73** While OLAF monitors the implementation of its recommendations, the EPPO Overview Mechanism was only put in place by the Commission in November 2024, covering cases related to EU expenditure and TOR revenue. As regards VAT, in January 2025 EPPO provided information to the Commission on all cases under investigation that had been brought to judgement between June 2021 and December 2024.
- 74** As regards OLAF recommendations, in response to our report on fraud risks in EU spending<sup>50</sup>, OLAF set up a follow up mechanism to monitor the final recoveries established by authorising officers at the Commission. The data made available by OLAF shows that between 2022 and 2024, €4.5 billion was recovered (€3.4 billion relating to one case), and preventive measures amounting to €0.8 billion were applied as a result of its recommendations. These recoveries concern OLAF investigations into allegations registered between 2008 and 2024, which explains why the amount recovered was more than five times higher than the sum shown in [Table 6](#) above.
- 75** In terms of EPPO investigations, amounts relating to VAT fraud that are recovered as a result of criminal court decisions are retained by the member states. In the EU's system for collecting revenue, this should affect the VAT bases of the member states, used to calculate their annual VAT-based own resource contributions. Member states communicate their VAT bases for a given year to the Commission for this purpose, and the Commission performs regular inspections to assess the correctness of the data provided by member states. However, at the time of our audit, the Commission had no information on those VAT cases and therefore no specific mechanism to monitor whether the recoveries ordered by courts were included in the VAT base of a given member state.
- 76** EPPO investigations on TOR and EU expenditure can lead to recoveries ordered by national courts. To monitor these recoveries, the Commission needs to be aware of the existence of such cases, at the latest when the investigation is brought to court. We observed that, for cases opened by EPPO in the period 2022-2024, the Commission was informed about 202 of the 302 investigations brought to court (see also paragraph [60](#)). In November 2024, the Commission started putting in place a mechanism to monitor the extent to which those amounts affect the EU budget (see paragraph [70](#)). For the remaining 100 cases, this lack of information on EPPO cases brought to court leaves the Commission unable to determine whether any of those amounts will affect the EU budget.

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<sup>50</sup> [Special report 01/2019: "Fighting fraud in EU spending – action needed"](#).

This report was adopted by Chamber V, headed by Mr Jan Gregor, Member of the Court of Auditors, in Luxembourg at its meetings of 11 and 18 November 2025.

*For the Court of Auditors*

A handwritten signature in blue ink, appearing to read 'Tony Murphy', with a small horizontal line at the end.

Tony Murphy  
*President*

# Annexes

## Annex I – About the audit

### Definitions

- (1) Fraud<sup>1</sup>, as a crime, generally refers to any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and the perpetrator achieving a gain. An example of fraud is if a grant beneficiary tries to intentionally mislead the funding provider in order to claim unjustifiably high expenditure.
- (2) Irregularity<sup>2</sup> is a broader concept than fraud. It is defined as any infringement of the law, which has, or would have, the effect of prejudicing the EU budget. If such a breach of law has been committed intentionally, then it is fraud. Hence, what differentiates fraud from other irregularities is malicious intent on the part of the perpetrator.

### Background

- (3) The EU anti-fraud architecture envisages two separate courses of action to address fraud: criminal investigations carried out by EPPO, and administrative action carried out by the institution responsible for budget management, such as the Commission. The Commission may also benefit from administrative investigations carried out by OLAF. [Figure 1](#) provides an overview of how these responsibilities are exercised, together with the roles of other bodies that take part in the fight against fraud.

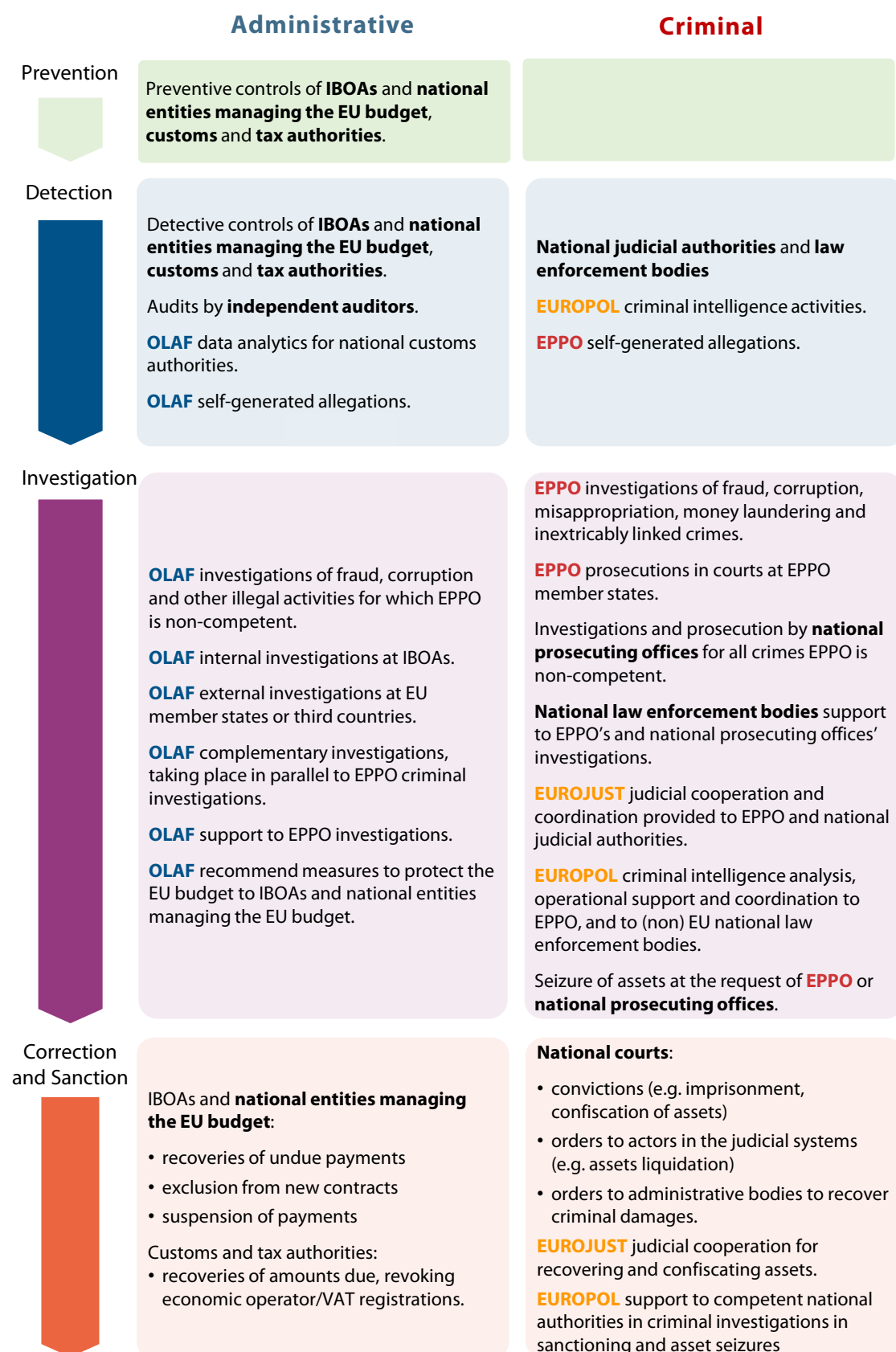
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<sup>1</sup> Legal definition in the [PIF Directive](#), Article 3.

<sup>2</sup> PIF Regulation ([Council Regulation \(EC, Euratom\) No 2988/95](#)), Article 1(2).

- (4) Responsibility for preventing, detecting, and correcting, fraud lies primarily with the member state bodies managing EU expenditure or revenue, and the relevant EU institutions, bodies, offices and agencies (IBOAs). In the Commission, this is the responsibility of departments implementing EU budget expenditure (directorates-general (DGs) and executive agencies using direct or indirect management) and revenue (mainly the Directorate-General for budget. At the national level, law enforcement and other judicial bodies must report suspected crimes against the EU's financial interests to EPPO. Suspected fraud should also be reported by independent auditors at national or EU level, and voluntarily by private persons (including whistleblowers).

Figure 1 | EU anti-fraud architecture



Source: ECA.



## Audit scope and approach

- (5) Our audit covered EPPO, OLAF, Eurojust and Europol, together with the over-arching role of the Commission, over the period from 1 January 2022 to 31 December 2024. It will contribute to the Commission's ongoing review of the EU's anti-fraud architecture, as set out in its July 2025 [White Paper](#).
- (6) We assessed:
- the four EU bodies' mandates, in terms of clarity and the collective comprehensiveness of their roles and responsibilities for investigating fraud, together with the support provided to EPPO by OLAF, Eurojust and Europol during the investigation lifecycle;
  - the procedures for handling allegations of fraud, in particular whether OLAF and EPPO avoid duplications and inefficiencies when assessing allegations and whether they ensure a regular flow of information between them; and
  - the mechanisms used by the Commission to oversee fraud detection activities and monitor the outcome of criminal and administrative investigations, to ensure due compensation of the EU budget and with a view to its annual reporting on the protection of the EU's financial interests.
- (7) We analysed the regulatory framework defining the roles and responsibilities of the different bodies (including regulations, working arrangements and other relevant reports and documents) and interviewed the staff of the bodies concerned. We were not granted access to the CMSs of OLAF and EPPO, which limited our ability to analyse data. Instead, we aggregated a number of granular reports provided by both bodies to obtain as much information as possible on the lifecycle of a fraud allegation, continuing into the investigation and the (final) outcome.

# Abbreviations

**CINEA:** European Climate, Infrastructure and Environment Executive Agency

**CMS:** Case Management System

**DG AGRI:** Directorate General for Agriculture and Rural Development

**DG ECHO:** Directorate General for European Civil Protection and Humanitarian Aid Operations

**DG ECFIN:** Directorate General for Economic and Financial Affairs

**DG HOME:** Directorate General for Migration and Home Affairs

**DG INTPA:** Directorate General for International Partnerships

**DG JUST:** Directorate General for Justice and Consumers

**DG NEAR:** Directorate General for Neighbourhood and Enlargement Negotiations

**DG REGIO:** Directorate General for Regional and Urban Policy

**ECR:** EPPO Crime Report

**EDPs:** European Delegated Prosecutors

**EEAS:** European External Action Service

**EISMEA:** European Innovation Council and Small and Medium sized Enterprises Executive Agency

**EPPO:** European Public Prosecutor's Office

**EUROJUST:** European Union Agency for Criminal Justice Cooperation

**EUROPOL:** European Union Agency for Law Enforcement Cooperation

**IBOAs:** Institutions, bodies, offices and agencies

**OLAF:** European Anti Fraud Office

**PIF:** Protection of the Union's financial interests

**REA:** European Research Executive Agency

**TOR:** Traditional own resources

**VAT:** Value added tax

## Glossary

**Administrative investigation:** Procedure [used] by an administrative body, such as OLAF, to establish whether activities brought to its attention are irregular. This does not preclude criminal investigations.

**Administrative recommendation:** OLAF recommendation to bodies managing EU funds, to take administrative actions to prevent the continuation of wrongdoing.

**Asset confiscation:** By order of a national court, the permanent removal of a criminal's assets, including any that were previously frozen, and making them available to compensate the victims of the crime.

**Asset freezing:** By order of a national court, the provisional seizure of a suspected criminal's assets as a guarantee to cover any damages that may finally be agreed.

**Complementary investigation:** Administrative investigation conducted by OLAF at the same time as an EPPO criminal investigation.

**Conviction:** A court judgement in which a defendant is found to be guilty of having committed a crime.

**Criminal investigation:** Activity of a criminal investigative body (EPPO or another public prosecutor) to obtain evidence of criminal conduct with a view to bringing criminals to court.

**Disciplinary recommendation:** OLAF recommendation to IBOAs' to sanction or restrict staff for carrying out further wrongdoings against the EU financial interests.

**Financial recommendation:** OLAF recommendation to IBOAs or national entities, indicating the amounts of funds found irregular or affected by fraud, in view of establishing administrative recovery orders. These may also include preventive actions, as proposing amounts linked to the suspension of payments in ongoing contracts.

**Hit/no hit:** Administrative check carried out by OLAF to confirm whether EPPO has received the same allegation of fraud.

**Indictment:** An official notification by the prosecutor of an allegation the recipient has committed a criminal offence, by which the prosecutor brings the prosecution to court.

**Judicial recommendation:** OLAF recommendation for follow up by national judicial authorities, when investigation reveals potential suspected PIF crimes or other crimes.

**PIF Directive:** EU directive on the fight against fraud affecting the EU's financial interests, through the application of criminal law.

**Precautionary measure:** Action proposed by OLAF, after an administrative investigation to prevent the continuation of activities that are damaging to the EU financial interests and/or safeguard evidence of past wrongdoing.

**Prosecution:** A prosecutor's decision to charge the defendant with a crime.

**Recovery order:** Requirement to recover funds affected by irregularity or fraud, either judicial (issued by a court) or administrative (issued by a body managing the EU budget).

## Replies of the Commission

<https://www.eca.europa.eu/en/publications/sr-2025-26>

## Timeline

<https://www.eca.europa.eu/en/publications/sr-2025-26>

## Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber V – Financing and administering the Union, headed by ECA Member Jan Gregor. The audit was led by ECA Member Katarína Kaszasová, supported by James Verity, Head of Private Office and Iveta Turčanová, Private Office Attaché; Bogna Kuczynska and Alberto Gasperoni, Principal Managers; Luís Rosa, Head of Task; Marco Fians, Deputy Head of Task; Anžela Poliulianaitė, Jan Guman and Agathokleia Varytimou, Auditors. Michael Pyper provided linguistic support. Christopher Troisi provided administrative and technical support. Jesus Nieto and Cynthia Matala-Tala provided graphical support.



*From left to right: Agathokleia Varytimou, Marco Fians, Luís Rosa, James Verity, Katarína Kaszasová, Jan Guman, Iveta Turčanová, Anžela Poliulianaitė.*

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Fighting fraud against the EU financial interests is a joint responsibility of the EU and its member states. We assessed the key institutions involved in the EU anti-fraud architecture, including EPPO and OLAF, and how they cooperate in investigating fraud. We found that these bodies' responsibilities are clearly defined, but weaknesses remain in terms of exchanging information which affects the number and timeliness of EPPO's and OLAF's investigations, as well as the Commission's wider role in protecting the EU budget. We recommend that the Commission should establish a new system to simplify handling fraud allegations and investigations; analyse variations in the level of fraud reported across the EU; and measure the impact of fraud investigations, including amounts recovered to the EU budget.

*ECA special report pursuant to Article 287(4), second subparagraph, TFEU.*



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