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**Inge Gräßle (EPP/CDU):**

## **Annual Report 2014: OLAF Supervisory Committee gives Director-General a devastating testimonial**

"The OLAF Supervisory Committee's annual report 2014 is an utterly worrying document reporting breaches of law and manipulations, also of Parliament", said the rapporteur for the European Anti-Fraud Office OLAF's legal basis in the European Parliament, Inge Gräßle, when the report was presented in the Budgetary Control Committee yesterday.

The Supervisory Committee (SC) shows that during the reorganisation of OLAF in 2012, the OLAF Director-General opened 423 cases on the same day without any appropriate assessment of information and without even establishing that there was a sufficiently serious suspicion of fraud or corruption. "This is a clear breach of the legal requirements for opening an OLAF investigation as stated by the Court of Justice. The side effect of this exercise raises also a lot of concern: the figures for completed cases were boosted and the average duration of investigations were lowered", says Gräßle. "And the Director-General praised himself in his annual report for having managed to cut down the duration of investigations." Moreover, the SC points out that OLAF changed its methodology for calculating the average duration of investigations in 2011, now including on-going investigations as well. This has led to a further artificial reduction of the figures. Finally, the SC found out that in 2012 and 2013, OLAF split up a large case into a multitude of smaller cases, which were subsequently closed with no discernible investigative activities, once again artificially boosting OLAF's work speed. Gräßle: "Parliament was misled with these figures. They show that we cannot trust OLAF's official figures: The sugar-coated information provided by OLAF is really a joke. In fact, when you compare the average duration of an OLAF investigation with and without all distorting effects, the figure jumps from 17.3 to 32 months for 2012, and from 17.5 to 26.8 for 2013, which means that the average duration has even increased since 2010!"

The report leaves further doubts about how effectively OLAF protects the Union's financial interests: out of 134 investigators at the end of 2014, one tenth (13) were allocated to the Unit "Tobacco & Counterfeit", even though no financial interests at stake were identified for this area. On the contrary, the Units for agricultural and structural funds, which accounted for 86% of the financial interests at stake (EUR 1.9 billion), were allocated less than a third of the available staff (44 out of 134 investigators). "The staffing policy with its focus on counterfeit may please the European luxury industry, but it does not reflect the real risks to the EU budget. It is therefore not surprising that the backlog of unfinished investigations is more than six times as high for agricultural and cohesion expenditure as for tobacco and counterfeit", concludes Gräßle.

However, the most disconcerting insight from the SC's annual report is the constant deterioration of the working relationship between the Office and the SC. "The Supervisory Committee is faced with harassment and sabotage, which makes it quite difficult for it to perform the task that it was meant to do in the first place: ensure OLAF's proper functioning", says Gräßle: "The OLAF Regulation provides for a clear role of the Supervisory Committee, which is not respected by the Director-General. This is an intolerable situation, but it is unfortunately being tolerated by the Commission."

For further information:

**Dr. Ingeborg Gräßle MEP, Tel. +32 2 284 7868**