

# Snapshot of government favoritism in European public procurement

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# OLAF MISSION AND MANDATE

## **Mission**

- Detect, investigate and fight fraud affecting the EU financial interests.

## **OLAF Mandate is**

- to conduct independent investigations into fraud, **corruption** and irregularities affecting the EU financial interests;
- to investigate serious misconduct by EU staff and members of the EU institutions, thus contributing to strengthening citizens' trust in the EU institutions;
- to develop EU policies to counter fraud against the financial interests of the EU;

## **OLAF's actions are important**

- as to contribute to EU taxpayers' money reaching projects that can stimulate the creation of jobs and growth in Europe.

# PATTERNS OF CORRUPT BEHAVIOUR IN PUBLIC PROCUREMENT

- OLAF's experience shows :
  - ▶ Public procurement is still an attractive marketplace for perpetrators of fraud;
  - ▶ Many procurement fraud cases are transnational (e.g. contracting authority from one Member State and bidders from several other Member States who subcontract in different countries);
  - ▶ Unlawful splitting of contracts;
  - ▶ Situations of conflict of interests;
  - ▶ Fraud at procurement level also regularly leads to fraud at the implementation level (false invoices, product substitution, etc.).

# STRENGTHENING THE PARTNERSHIP BETWEEN THE COMMISSION AND THE MEMBER STATES

- **Anti-Fraud safeguards in public procurement should be a matter of priority for both EU Member States and EU institutions**
  - ▶ Becoming familiar with possible types of fraud and red flags;
  - ▶ Raising awareness of the new public procurement integrity rules among all public procurement actors including the judiciary;
  - ▶ Promoting a culture of integrity in the public service;
  - ▶ Improving public procurement governance such as ensuring better collection and analysis of data.

## LAST ACHIEVEMENTS AND OUTLOOK

- OLAF supported the European Commission in making progress on two important policy initiatives: the Directive on the fight against fraud to the Union's financial interests by means of criminal law (so-called "**PIF Directive**") and the establishment of the European Public Prosecutor's Office (**EPPO**) under an enhanced cooperation procedure.
- OLAF will work together with the EPPO in the fight against fraud, combining stronger deterrence with effective prevention tools.



**Thank you for your  
attention!**

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