

BLOMSTEIN Background: The European Anti-Fraud Office (OLAF)

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Misuse of the EU budget and evasion of taxes, duties and levies has increased significantly in recent years. This should be prevented to protect the EU-taxpayer. The European Anti-Fraud Office ([OLAF](#)) was established to investigate fraud, corruption and other criminal acts affecting the EU's financial interests. For this purpose, it can conduct investigations both inside and outside the EU institutions and bodies. In its final investigation report, OLAF makes recommendations to the European institutions or to the competent national authorities of the EU Member States as to whether legal, financial, disciplinary or administrative measures should be taken.

According to the [2018 Annual Report](#), in that year OLAF closed 167 investigations, made 256 recommendations to the competent authorities of the Member States and the EU and initiated 219 new investigations. Its recommendations have contributed to the recovery of 371 million euro to the EU budget. OLAF's own budget for 2018 was 59.1 million euro.

Recent events illustrate the special importance of OLAF in the fight against fraud and smuggling: during the Covid-19 pandemic, the cross-border traffic of illegal medicines and medical supplies has increased dramatically. In response, in March 2020 OLAF launched an official investigation of the illegal trade in face masks, medical devices, disinfectants and medicines. The aim of this investigation is to disrupt organised crime and prevent counterfeits from entering Europe.

OLAF has an important role within the EU. Yet knowledge of its activity and functions appears limited. For this reason, BLOMSTEIN will publish a series of client briefings in the coming weeks, dealing with the following issues:

- What powers does OLAF have?
- How does an OLAF investigation work?
- What is the procedure for on-site controls and what are the possibilities for legal protection against OLAF investigations and reports?

BLOMSTEIN advises you on all matters relating to OLAF investigations and compliance. [Roland M. Stein](#) and [Laura Louca](#) will be pleased to assist you at any time.