



European
Commission

Management Plan 2020

EUROPEAN ANTI-FRAUD OFFICE (OLAF)

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INTRODUCTION

The political guidelines of President von der Leyen and the mission letters sent to all Members of the Commission provide the political framework for the work of the Commission services for the period 2020-2024 and have been translated in the services' strategic plans accordingly.

The European Commission's General objectives comprise the President's six headline ambitions as well as a seventh horizontal objective which covers the Commission's work to modernise the administration: "A modern, high-performing and sustainable European Commission". The European Anti-Fraud Office contributes to this general objective together with other horizontal services of the European Commission. This management plan covers OLAF's priorities and challenges for 2020 built upon the seven specific objectives pursued within this context embracing OLAF's mission:

- carrying out independent investigations into fraud and corruption involving EU funds and revenue, so as to ensure that all EU taxpayers' money reaches projects that can create jobs and growth in Europe;
- contributing to strengthening citizens' trust in the EU Institutions by investigating serious misconduct by EU staff and members of the EU Institutions;
- developing a sound EU anti-fraud policy.

A main driver for success will be the Office's new structure, effective as from 16 June 2020. It prepares OLAF for new challenges in fraud and corruption, as well as for a changing institutional landscape with the setting-up of the European Public Prosecutor's Office (EPPO). The project embraces the vision of a strong OLAF for the future, specifying that it requires a change of culture in the Office, developing trust and cooperation with OLAF's stakeholders and possible changes in OLAF's mandate

Specific objective 1: Efficient and effective management of OLAF's investigations is dedicated to OLAF's investigative work and recommendations.

Specific objective 2: Compliance with legal obligations under Regulation (EU) 2018/1725 shows the capability of OLAF as personal data controller to respond in a timely manner to data subjects' requests for access to their own personal data, rectification, erasure thereof, blocking or objection to the processing thereof.

The creation of the **European Public Prosecutor's Office (EPPO)** is a game-changer in the protection of the Union's financial interests, by creating for the first time a Union-level criminal investigation and prosecution body, until now the prerogative of national authorities only. The EPPO and OLAF have distinct but highly complementary mandates. In the context of OLAF's **specific objective 3: A smooth cooperation between OLAF and the EPPO to ensure that the financial interests are protected by all available means**, OLAF endeavours reaching the conclusion in 2020 of the legislative negotiations on the revision of Regulation 883/2013 (the OLAF Regulation), aimed at adapting the OLAF legal framework to the setting up of the EPPO.

OLAF's **specific objective 4: Strengthen EU framework to combat customs fraud** is a major objective for the EU to ensure that the Commission and the Member States, which are facing new challenges in the customs antifraud area, have at their disposal the most effective and modern tools to combat fraud and protect the EU budget as well as security and safety of European citizens. Regulation 515/97, the main legal instrument in this area, is under evaluation. This evaluation could lead the Commission to make legislative proposals to modernise the Regulation and make sure that it still fits its purpose.

Specific objective 5: Strengthen EU framework to fight illicit tobacco trade remains an important objective for the EU. OLAF is leading the EU's investigative and policy work in this field that is relevant not only to the EU's financial interests, but also to the safety and security of its citizens. In 2020, OLAF will continue playing a leading role in promoting the ratification and implementation, both at EU and global level, of the WHO Framework Convention on Tobacco Control Protocol ('FCTC'), be engaged in the preparation of the second Meeting of the Parties (MOP) and the implementation of the new Action Plan to fight the illicit tobacco trade.

Following its adoption in 2019, coordinating the implementation of the new strategy and steering the Commission's fight against fraud is the subject of OLAF's **specific objective 6: Implementation of the Commission Anti-Fraud Strategy (CAFS) with a view to protecting the financial interests of the EU.**

In the context of the preparation of the next Multiannual Financial Framework 2021-2027 (MFF), the Commission adopted a proposal for a Regulation establishing the EU Anti-Fraud Programme. Actions under this programme fall under **specific objective 7: Support to national authorities and other partners in the protection of the European Union's financial interests through the EU Anti-Fraud Programme.**

The new programme will combine the remit of the Hercule III Programme with the financing of technical capabilities for operational activities in the antifraud area performed by the Commission: the Anti-fraud Information System (AFIS) and the Irregularity Management System (IMS). In 2020, negotiations will continue with the co-legislators with the aim of adopting the relevant Regulation by the end of the year.

PART 1. Delivering on the Commission's priorities: main outputs for the year

The European Commission's General objectives comprise the President's six headline ambitions as well as a seventh horizontal objective which covers the Commission's work to modernize the administration: "A modern, high-performing and sustainable European Commission". All of OLAF's specific objectives contribute to this general objective. In addition, OLAF has been placing great emphasis on building the positive reputation of the European project as a whole via its communication outreach. Given its independent investigative mandate, OLAF has its own Spokesperson's team who liaise directly with media on matters pertaining to the investigative process. OLAF's increasingly intense external communication focuses on explaining OLAF's unique and vital role in defending the interests of European citizens (and not only financial), in helping to keep Europe safe, healthy and fit for the future through increasing transparency and visibility for tangible results of OLAF's activities, whilst maintaining a high level of protection for our key procedural guarantees.

Investigative activities

The Office's **first specific objective is to ensure an efficient and effective management of its investigations**. The activities under this objective focus on the selection of cases to be opened by OLAF, the conduct of investigations and coordination activities, as well as the implementation of recommendations issued by OLAF as a result of its investigative and coordination activities.

The first step in the selection phase is to establish whether OLAF is competent to investigate. Once this is confirmed, the available information is examined in accordance with Regulation 883/2013, in order to determine whether there is sufficient suspicion that there has been fraud, corruption, any other illegal activity affecting the financial interests of the Union, or serious wrongdoing by EU staff or a member of an Institution. Only after establishing the competence and the existence of sufficient suspicion do OLAF selectors proceed to the analysis of the criteria of (i) proportionality, (ii) efficient use of investigative resources and (iii) in particular with regard to internal investigations, the institution, body, office or agency best placed to conduct them, based, in particular, on the nature of the facts, the actual or potential financial impact of the case, and the likelihood of any judicial follow-up. The decision further takes into account the Investigation Policy Priorities (IPPs) of the Office (see Article 5 (1) Reg. 883/2013 and Annex), setting out special sectoral priorities, throughout the application of the above criteria. When a case falls within the scope of an investigative priority, this may tip the balance towards the opening of an investigation. The opening and carrying out of an investigation is done by OLAF in full independence, without

instructions from any government, institution, body, office or agency.¹

The selection process underwent a structural reorganisation in the course of 2019. The first results are already visible on the reduction of the average duration of the selections while keeping the high quality of the outputs. However, it is difficult to assess and quantify exactly, at this stage, what the impact of the obligations imposed by the entry into operations of the EPPO will have on the selection process in the future. Therefore, while it is the Office's ambition to keep the target as regards the average duration of selections as low as possible, a prudent and realistic approach recommends to maintain for 2020 the performance reached in 2019, i.e. 2.2 months.

The targets regarding the output related to investigations will remain at the same level as for 2019.

Specific objective 1: Efficient and effective management of OLAF's investigations		Related to spending programme(s): No
Main outputs in 2020:		
Other important outputs		
Output	Indicator	Target
Speedy initial assessment of whether a case should be opened	Average duration ² of closed selections (in months)	2.2 months
Reasonable duration of investigations	Average duration of closed investigations (in months)	24.3 months
Reasonable duration of investigations	Percentage of ongoing investigations lasting more than 20 months	29%
Implementation of OLAF's financial recommendations	Financial impact Average of the amounts established for recovery and of the amounts prevented from being unduly spent or evaded in year N and year N-1, compared to the average OLAF's administrative budget for the same period	Ratio > 3.5 / 1
Provision of advice on anti-fraud matters to Commission services through administrative	Number of instances where OLAF provides advice on anti-fraud matters	50

¹See Article 17(3) of OLAF Regulation 883/2013.

² The duration being the time between the decision to open a selection and the decision of the Director-General to either open an investigation or dismiss the case

Respect of individual data subjects' rights

Regulation (EU) 2018/1725³ requires controllers to respond to a data subject further to his/her request for access to his/her own personal data, rectification, erasure thereof, blocking or objection to the processing thereof, without undue delay and in any event within one month of receipt of the request. That period may be extended by two further months where necessary, taking into account the complexity and number of the requests. Within the scope of its investigative function, OLAF acts as a controller independently from the Commission. OLAF's legal advice unit handles these requests in close cooperation with the units directly involved in the investigative activities.

Requests for access to personal data may involve the scrutiny of large numbers of files and/or files of large volume, as well as the sensitive nature of the information collected during OLAF investigations. OLAF checks carefully whether any restrictions to the data subjects' rights specified in Decision (EU) 2018/1962⁴ apply as it is extremely important to protect the identity of informants and other persons relevant to OLAF investigations, to safeguard the investigation activities of OLAF and related activities of the IBOAs and Member States' authorities, as well as information which could impinge on the integrity and reputation of interested parties. Likewise, OLAF handles incoming consultation requests from Commission services and executive agencies in accordance with Decision (EU) 2018/1962 and from other IBOAs following their own respective internal rules, without undue delay to assist in responding to the time limits equally set to all IBOAs.

To carry out this analysis with due diligence and to involve all relevant stakeholders, the time-limits set by Regulation 2018/1725 are tight in practice, which can lead to a small number of requests being responded to after the expiry of the applicable time-limits, due to particular circumstances. In any event, OLAF aims to respond positively to access to personal data requests as promptly as possible, while taking into account any necessary applicable restrictions specified in Decision (EU) 2018/1962.

³ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

⁴ Commission Decision (EU) 2018/1962 of 11 December 2018 laying down internal rules concerning the processing of personal data by the European Anti-Fraud Office (OLAF) in relation to the provision of information to data subjects and the restriction of certain of their rights in accordance with Article 25 of Regulation (EU) 2018/1725 of the European Parliament and of the Council (OJ L 315, 12.12.2018, p. 41).

Specific objective 2: Compliance with legal obligations under Regulation (EU) 2018/1725		<i>Related to spending programme(s):</i> No
Main outputs in 2020:		
Other important outputs		
Output	Indicator	Target
Timely replies	Percentage of replies to data subjects' requests (access to personal data, rectification, blocking, erasure, objection) within 3 months from registration	80%

Strengthening anti-fraud policy and legislation, in particular by reinforced engagement with the Office's stakeholders

Protection of the financial interests of the EU by developing anti-fraud policy, strengthening the legislation and enhancing the cooperation with the EPPO, the Member States and other partners is essential for OLAF's investigative and policy work.

OLAF is the lead service in the conception and development of a European Anti-Fraud Policy. It deals with all phases of fraud prevention and detection, from the conception of a policy, the implementation of existing and new policies, to the reporting on its progress and effectiveness.

Specific objectives and corresponding indicators in the field of fraud prevention and anti-fraud policy have been defined for the following main areas:

- Smooth cooperation between OLAF and the EPPO to ensure that the EU's financial interests are protected by all available means.
- Strengthen EU framework to combat customs fraud and to fight illicit tobacco trade;
- Implement the Commission Anti-Fraud Strategy (CAFS) with a view to protecting the financial interests of the EU;
- Support national authorities and other partners in the protection of the European Union's financial interests through the EU Anti-Fraud Programme.

Specific objective 3: A smooth cooperation between OLAF and the EPPO to ensure that the financial interests are protected by all available means

The creation of the EPPO marks a fundamental development in the fight against crimes affecting the EU's financial interests and is expected to increase the effectiveness of the criminal law response to fraud in the participating Member States. In addition, in order to ensure that in the future anti-fraud landscape all available means will be used to fight fraud and corruption harming the EU's financial interests, it is necessary to establish close relations with all the stakeholders in charge of the protection of those financial interests, including between the EPPO and OLAF.

OLAF's objective for its future cooperation with the EPPO, from the beginning of its operations, is to be a strong partner that supports and complements the EPPO in the investigations for which the EPPO is competent. At the same time, OLAF will continue acting as it does today by conducting investigations with the possibility of issuing a judicial recommendation, when the EPPO is not competent. Furthermore, OLAF will be at the forefront of anti-fraud action in cases not taken up by the EPPO but calling for administrative action.

The EPPO Regulation contains basic rules concerning the relationship between OLAF and the EPPO, which need to be mirrored and complemented in the framework of the ongoing revision of the OLAF Regulation (Regulation 883/2013). To this end, on 23 May 2018, the Commission adopted a proposal to amend the OLAF Regulation with two main objectives – to adapt OLAF to the establishment of the European Public Prosecutor's Office (EPPO) and to enhance the effectiveness of OLAF's investigations. The negotiations (trilogues) started at the end of 2019. The negotiations will continue in 2020 under the Croatian Presidency and later under the German Presidency. The situation resulting from COVID-19 affected the pace of the inter-institutional negotiations, which resumed only mid-2020. Progress in the negotiations is still expected, and the objective is to reach political agreement on Regulation 883/2013 by the end of 2020.

For a smooth cooperation between the two bodies and to achieve the strongest possible response to fraud, OLAF and the EPPO will conclude working arrangements, with the aim to establish the details of the operational cooperation. It is the agreed objective of the two offices to conclude them by the end of 2020, so that they apply when the EPPO becomes operational.

Implementation of newly adopted legislation (EPPO Regulation and PIF Directive)

OLAF is responsible, jointly with DG Justice and Consumers, for two legal acts that strengthen the protection of the Union's financial interests by means of criminal law.

Council Regulation (EU) 2017/1939 implementing enhanced cooperation on the establishment of the EPPO was adopted on 12 October 2017⁵ and entered into force on 31 October 2017. The EPPO is expected to become operational at the end of 2020. The Commission is responsible for the establishment of the EPPO until the latter can implement its own budget. Following the various steps taken by the Commission in the course of 2018 and 2019 to prepare the EPPO's establishment, in 2020 the Commission will continue supporting the preparatory process. DG JUST and OLAF will further contribute to the setting-up phase, in consultation with the experts of the Member States, to support the internal adaptation activities that Member States have to put in place to prepare their legal system for the arrival of the EPPO. Timely implementation of these actions is crucial to allow the EPPO to begin investigating and prosecuting fraud affecting the financial interests of the EU at the earliest date possible, ideally in time for the entry into force of

⁵ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') OJ L 283, 31.10.2017, p. 1-71

the next Multi-annual Financial Framework. The Commission, upon proposal of the European Chief Prosecutor, will adopt a decision defining the starting date of operations of the EPPO. In order to proceed to the adoption of this decision the Commission will need to assess the preparedness of the EPPO and of the participating Member States.

Directive (EU) 2017/1371 on the fight against fraud to the Union’s financial interests by means of criminal law⁶ (the ‘PIF Directive’) was adopted on 5 July 2017. It enhances the protection of the financial interests of the European Union by harmonising the definitions, sanctions and limitation periods of certain criminal offences affecting those interests. Moreover, it defines the material competence of the EPPO, which will have jurisdiction over the offences established in the Directive. The deadline for transposition of the Directive into national law expired on 6 July 2019. By July 2020, 22 Member States had notified full transposition of the Directive. Four Member States had communicated only partial transposition or had not notified transposition measures. The Commission is actively pursuing infringement procedures where necessary, and carrying out checks to assess whether the Directive has been transposed correctly in those Member States that have notified the transposition.

Specific objective 3: A smooth cooperation between OLAF and the EPPO to ensure that the financial interests are protected by all available means		<i>Related to spending programme(s):</i> No
Main outputs in 2020:		
New policy initiatives		
Output	Indicator	Target
Adoption of the revision of Regulation 883/2013	Political agreement	End of 2020, provided force majeure due to COVID-19 will not impact the inter-institutional negotiations
Commission decision establishing the EPPO	Adoption	4 th quarter 2020
Enforcement actions		
Output	Indicator	Target
To perform full conformity check of the transposition of the PIF Directive by the MS	Compliance checks for all MS that have notified transposition / infringements procedures as necessary	4 th quarter 2020

⁶ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union’s financial interests by means of criminal law OJ L 198, 28.7.2017, p. 29–41

Other important outputs

Output	Indicator	Target
Support Member States in the process of the adaptation of their legal systems to the requirements of the EPPO Regulation and the implementation of the PIF Directive	Discussions with Member States on adaptations and transposition checks (at least 2 meetings)	By end 2020
Working arrangements between OLAF and the EPPO	Adoption	By end 2020

Specific objective 4: Strengthen EU framework to combat customs fraud

Regulation 515/97 is the cornerstone of customs and agricultural mutual assistance allowing Member State national authorities to exchange information among themselves and with the Commission, for the purpose of ensuring the correct application of the EU legislation in these areas. The Regulation is an instrument for enhancing administrative cooperation between Customs and as such reduces the administrative burden associated with such cooperation. Since its last revision in 2015, new challenges with a potential impact on the Regulation have been identified. Therefore the Commission has decided to evaluate the Regulation to check if it is still fit for purpose. The findings of the evaluation, which are due by the end of 2020, will be used to identify possible legal gaps and assess the need for a possible legislative revision. On the international level, it is important that goods imported into the EU are subject to the applicable taxes and duties and respect the EU rules. To this end, in 2020 the Commission will continue to negotiate mutual administrative assistance provisions as well as antifraud measures in trade agreements with its third country partners.

To support the mutual assistance activities in the antifraud area, the Regulation establishes several IT systems (CIS – Customs Information System, FIDE – Customs File Identification database, CSM – Container Status Message directory, and IET – Import, Export, Transit directory, which are accessible to competent Member State authorities and designated Commission departments. The Commission is currently developing an automated system for the exchange of mutual assistance requests and replies (Mutual Assistance System, MAS). All these applications are available under the umbrella of the Anti-Fraud Information System (AFIS).

In the field of joint customs operations (JCOs), OLAF plays a key role in coordinating the work of several national customs authorities, exchanging information and acting together against internationally organised contraband. Taking into account past practice, OLAF's target is to initiate two JCOs in 2020 and to do so annually in the future. However, OLAF will, in addition, provide support to the JCOs requested by the Member States and other international organisations as it has done in the past.

In 2020, OLAF and the Commission's Joint Research Centre (JRC) will continue a project (INTEL4CUSTAF) to help Member States make best use of the data at their disposal in existing databases and IT systems, and strengthen their analytical capacities in the customs antifraud area. Member States will be closely associated with this project which will include a workshop with national experts and analysts.

While OLAF is in the technical lead for some of these activities, the achievement of this objective depends also on the readiness and the capacity of the partners in the Member States, (potential) candidate countries and other non-EU countries, to cooperate to this end.

Specific objective 4: Strengthen EU framework to combat customs fraud		Related to spending programme(s) No
Main outputs in 2020:		
Evaluations and fitness checks		
Output	Indicator	Target
Evaluation of Regulation 515/97 on mutual administrative assistance in customs matters	Staff Working Document (evaluation report)	December 2020
Other important outputs		
Output	Indicator	Target
Ensure protection of EU budget and citizens through effective antifraud provisions in international agreements	Number of additional third countries having negotiators' tentative agreement on bilateral customs antifraud provisions	4 by end 2020
Support customs mutual assistance through the provision of secure information exchange tools for Joint Customs Operations	Number of Joint Customs Operations organised or supported by OLAF	6 by end 2020
Support customs mutual assistance through the provision of secure information exchange tools for specific customs antifraud information exchange modules and databases (CIS, FIDE, MAS)	Number of Mutual Administrative Assistance (MAA) information made available in relevant AFIS applications (CIS, FIDE)	19 500
Support and contribution to the antifraud research capabilities of OLAF, other Commission Services and MS analysts and investigators	Progress in preparing for integration of IET with CSM in order to exploit SAD data combined with container movements for analysis: First analysis of the necessary steps for integration	By end of 2020

Specific objective 5: Strengthen EU framework to fight illicit tobacco trade

In December 2018, the Commission published a 2nd Action Plan to fight the illicit tobacco trade 2018-2022. This Action plan built upon the Commission's 2013 comprehensive strategy to fight the illicit tobacco trade and its subsequent progress report of 2017. The Action Plan contains 50 specific policy, analytical and operational actions to be undertaken mainly by the Commission, in particular OLAF, SANTE, TAXUD and GROW, as well as the and Member States. The Action Plan coincided with the entry into force of the new anti-

smuggling treaty known as the FCTC Protocol⁷ and the roll-out, as of May 2019, of the new EU traceability system.

Specific objective 5: Strengthen EU framework to fight illicit tobacco trade		<i>Related to spending programme(s)</i> No
Main outputs in 2020:		
Other important outputs		
Output	Indicator	Target
Implement the 2 nd Action Plan 2018-2022 with its 50 items	Progress in implementing the Action Plan : half of the action items for which OLAF is responsible completed or on-going	By end 2020
Engaging with Eastern neighbours	Start negotiations of a Customs Cooperation and Mutual Administrative Assistance Agreement with Belarus	By end 2020
Operation of the laboratory facility for the analysis of seized cigarettes (TOBLAB)	Tobacco samples analysed by TOBLAB, a laboratory independent from the industry: Usage of results by investigators across Member States (at least 50 TOBLAB Reports produced by JRC)	By end of 2020 (activities were disrupted in 2020 due to the coronavirus pandemic).
FCTC Protocol	<ol style="list-style-type: none"> Active contribution to the international work on implementation of the FCTC Protocol: EU proposal on establishing a 'Global Information Sharing Focal Point' sent to the relevant Working Group. Participation in at least 3 (virtual/in-person) events) 	By end of 2020

⁷ Protocol to Eliminate Illicit Trade in Tobacco Products to the WHO Framework Convention on Tobacco Control

Specific objective 6: Implementation of the Commission Anti-Fraud Strategy (CAFS) with a view to protecting the financial interests of the EU

In 2019, the Commission adopted its **Commission Anti-Fraud Strategy (CAFS)**⁸, elaborated under OLAF's lead in preparation for the new Multiannual Financial Framework 2021-2027. The Commission Anti-Fraud Strategy, first drawn up in 2011⁹, provides a policy framework for the prevention, detection, investigation and reparation of fraud at the level of the Commission and its executive agencies. The strategy puts an emphasis on tightening anti-fraud governance at the Commission and boosting the collection and analysis of fraud-related data, so that OLAF will be able to assist other services to deploy scarce resources in the fight against fraud as effectively and efficiently as possible.

Data revealing fraud-prone sectors, frequent fraud patterns and fraudsters' profiles are key to devising well-targeted, cost-effective anti-fraud measures. The Commission already uses a number of fraud-related IT tools and databases, fed to a large extent by reports from the Member States. The new strategy focuses on improving the quality and completeness of information about fraud affecting the EU budget and on interlinking different tools and data sources to exploit them to their full potential.

During 2020, OLAF will concentrate on two essential project areas in this respect: the development of the Irregularity Management System (IMS), on the one hand, and a 'Methodology for country profiles in the anti-fraud area' on the other hand. The former is a database kept by OLAF and fed by the Member States', Candidate Countries' and Potential Candidate Countries' authorities with information about established and suspected cases of fraud and other irregularities detected in shared and indirect management¹⁰, for analysis by OLAF and other Commission departments. The latter project aims at a common understanding of the cornerstones of an effective anti-fraud system, as a reference for the Member States and for a better reading and interpretation of country-specific results in the fight against fraud.

The Commission Anti-Fraud Strategy also pushes for more and deeper coordination and cooperation among Commission departments and Executive Agencies in the fight against fraud and seeks to reinforce the Commission's corporate oversight of fraud issues, by giving OLAF a stronger advisory and supervisory role.

To optimise cooperation, the Commission's Fraud Prevention and Detection Network (FPDNet), a forum of anti-fraud experts from all Commission departments and Executive

⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the Court of Auditors of 29 April 2019, Commission Anti-Fraud Strategy: enhanced action to protect the EU budget, COM(2019) 196.

⁹ COM(2011)376.

¹⁰ In indirect management with Candidate Countries and Potential Candidate Countries.

Agencies, will be further restructured in 2020 to facilitate targeted exchanges of views in smaller circles. To support and guide services in their work on their departmental anti-fraud strategies, OLAF will continue its systematic review of strategy updates put forward by Commission departments and Executive Agencies and will monitor the implementation of departmental anti-fraud strategies, thus contributing to corporate oversight of services' anti-fraud action.

Another priority for closer coordination and cooperation concerns the implementation of financial, administrative and disciplinary recommendations issued by OLAF to other services after closing an investigation in their field of work, as well as of judicial recommendations addressed by OLAF, together with its final report on an investigation, to authorities in the Member States responsible for criminal prosecution.

OLAF will, in cooperation with the Secretariat-General, the Directorate-General for Budget and other central services, regularly analyse the follow-up of its recommendations and possible obstacles and mitigating measures in this respect. The main results of this exercise, and in particular any resulting systemic issues, will be communicated to the Commission's Corporate Management Board¹¹, who assumes a strategic oversight role for the Commission's fight against fraud¹².

In parallel, OLAF will maintain, and bolster where appropriate, traditional fraud prevention activities, such as anti-fraud training, fraud-proofing¹³ and contributing to the Commission's Early Detection and Exclusion System¹⁴. Through this wide range of activities, OLAF endeavours to play its role in the fight against fraud to the fullest, not only as an investigative but equally as a policy-making body.

Finally, OLAF will consider during the year how to align the actions of the 2019 CAFS to the changing priorities of the Commission and in particular with the new budget proposal for a Recovery Plan for Europe.

OLAF is also lead service for drafting the Commission's annual report on the Protection of the EU financial interests, adopted under Article 325 TFEU ("PIF Report"), which is prepared in cooperation with the Member States (in the framework of the Advisory Committee for the Coordination of Fraud Prevention - COCOLAF) and offers an overview of the measures

¹¹ Secretariat-General, Legal Service, Directorates-General for Human Resources and Budget. The Heads of these services are the members of the 'Corporate Management Board'.

¹² Pursuant to Commission Decision C(2018) 7706 final of 21 November 2018 on the Corporate Management Board (Article 2, paragraph 1, first subparagraph, last bullet point).

¹³ Optimising the legal framework for the implementation of the budget to make it more resilient to any attempts at fraud, for instance by replying to consultations from other Commission services.

¹⁴ The Early Detection and Exclusion System (EDES) database is run by the Directorate-General for Budget) with important input from OLAF. Results of OLAF investigations (as well as audit findings established by EU institutions and bodies) feed into action taken by Authorising Officers to exclude unreliable tenderers and grant applicants from EU funding and to flag suspicions in this respect. Such exclusion or flagging is recorded in the EDES.

adopted and the results achieved in the fight against fraud and irregularities in the EU during the reporting year.

Specific objective 6: Implementation of the CAFS		<i>Related to spending programme(s)</i> No
Main outputs in 2020:		
Stakeholder communication		
Output	Indicator	Target
Organise COCOLAF plenary and sub-group meetings (AFCOS ¹⁵ , OAFCN ¹⁶ , Fraud prevention, Reporting and analysis of fraudulent and other irregularities)	COCOLAF meetings have taken place in 2020	Five by end 2020
	Number of attendees	At least 60 attendees in plenary and 40 attendees in sub-group meetings
	Attendees' satisfaction rate	At least 80%
Other important outputs		
Output	Indicator	Target
Peer reviews and other exchanges necessary for the implementation of the updated CAFS	Degree of completion to which Peer reviews and other exchanges have been set up	95%
Organise FPDNet plenary meetings	Number of meetings organised	2
Reply to inter-service consultations through DECIDE, the Commission's all-in-one IT system to handle its decision-making processes	Percentage of consultations for which deadlines were met throughout 2020	90%
Define the role and responsibilities of OLAF contact points in the Commission services	Agreement among Commission services reflected in a Staff Working Document	End 2020
Initiate work on Action 29 of the Action Plan ¹⁷ accompanying the Commission Anti-Fraud Strategy (Evaluate fraud risks and vulnerabilities with regard to spending in emergency situations)	Roadmap agreed with the Commission services concerned	End of 2020
Organise AFCOS seminar with Candidate and Potential Candidate	Seminar has taken	End 2020

¹⁵ anti-fraud coordination services

¹⁶ OLAF Anti-Fraud Communicators' Network

¹⁷ SWD(2019 170).

Countries	place in 2020	
Annual Report (under Article 325(5) of TFEU) by the Commission to the EP and Council on the Protection of the EU's financial interests	Adoption of the report	3rd quarter 2020
Support Member States and Commission users of IMS in exploiting the relevant data to enhance their services' anti-fraud capabilities	Further development of a built-in analytical/reporting tool in IMS.	End 2020
Support Member States and Candidate and Potential Candidate Countries' users of IMS	User satisfaction rate for the use of IMS	At least 70%
Fraud awareness actions with internal and external stakeholders	Satisfaction rate	At least 75%

Specific objective 7: Support to national authorities and other partners in the protection of the European Union's financial interests through the EU Anti-Fraud Programme

The specific objective of the Hercule III Programme is "to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union". The operational objectives of the Programme are:

- to improve the prevention and investigation of fraud and other illegal activities beyond its currently reached levels by enhancing transnational and multidisciplinary cooperation;
- to increase the protection of the financial interests of the Union against fraud, facilitating the exchange of information, experiences and best practices, including staff exchanges;
- to strengthen the fight against fraud and other illegal activities providing technical and operational support to national investigations, and in particular customs and law enforcement authorities;
- to limit the exposure of the financial interests of the Union to fraud, corruption and other illegal activities compared to the level of exposure known today with a view to reducing the development of an illegal economy in key risk areas such as organised fraud, including cigarette smuggling and counterfeiting;
- to enhance the degree of development of the specific legal and judicial protection of the EU's financial interests against fraud by promoting comparative law analysis.

In 2020, its final year, the Hercule Programme is implemented on the basis of the adopted Financing Decision and an annual work programme setting out the programme's priorities. With an annual budget of EUR 16.44 million, the Programme will continue supporting the Member States in their fight against fraud and illegal activities. The funded activities are diverse, covering different existing needs: from the purchase of specialised detection and investigation equipment and tools, to the organisation of anti-fraud training, conferences

and staff exchanges. Access to databases and analytical IT tools is also provided to the Member States' authorities via the Programme.

The final evaluation of Hercule III (required by the programme's Regulation 2050/2014) will be launched in 2020 for completion by the end of 2021.

In the context of the preparation of the next Multiannual Financial Framework 2021-2027 (MFF), the Commission adopted a proposal for a Regulation establishing the EU Anti-Fraud Programme. The general objectives of the proposed Programme are (1) to support the protection of the EU financial interests and (2) to support mutual administrative assistance, including operational activities, between Member States' customs authorities and cooperation with the Commission.

The proposed Programme is a combination of two different types of activities: the first one is a classic spending programme following up on the Hercule III programme, which will come to an end on 31 December 2020, while the second one constitutes the financing basis for operational activities which are tasked to the Commission by secondary legislation. In the latter category, the proposed Programme would comprise the Anti-Fraud Information System (AFIS), on mutual administrative assistance between customs authorities and cooperation with the Commission, as well as the Irregularity Management System (IMS), the information system established for the reporting by Member States and (potential) candidate countries of irregularities to the EU budget in shared management and pre-accession funds. AFIS is being evaluated as part of the on-going evaluation of Regulation 515/97 on mutual administrative assistance in customs and agriculture matters, as this is the legal base for AFIS and, until the proposed EU Anti-Fraud Programme is adopted, for its financing.

Trilogue negotiations have started, as the Parliament wishes to close discussions on horizontal MFF issues first. First discussions scheduled in the second quarter of 2020 were postponed due to the COVID-19 crisis. OLAF, which is the lead Commission service in the negotiations, still aims to conclude the negotiations in 2020 to ensure continuity in the financing, provided sufficient progress is made in the MFF and that inter-institutional meetings resume in spite of the generalised remote work situation.

Specific objective 7: Support to national authorities and other partners in the protection of the Union's financial interests through the EU Anti-Fraud Programme¹⁸		<i>Related to spending programme(s): EU Anti-Fraud Programme</i>
Main outputs in 2020:		
New policy initiatives		
Output	Indicator	Target
Commission Proposal for an EU Anti-Fraud Programme (MFF 2021-2027)	Political agreement	End of 2020
Evaluations and fitness checks		
Output	Indicator	Target
Evaluation of Hercule III	Roadmap and selection of external contractor	3-4 quarter 2020
Other important outputs		
Output	Indicator	Target
Annual overview with information on the results of the Hercule III Programme in 2019	Commission Staff Working Document accompanying the PIF report 2019	3 rd quarter 2020

PART 2. Modernising the administration: main outputs for the year

The internal control framework¹⁹ supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls.

OLAF has established an internal control system tailored to its particular characteristics and circumstances with special attention for safeguarding the sensitive information it handles. The effective functioning of the service's internal control system will be assessed on an ongoing basis throughout the year and be subject to a specific annual assessment covering all internal control principles.

¹⁸ For the result indicator related to the AFIS part of the programme, namely on the "Number of mutual assistance information made available and number of supported mutual-assistance related activities", see indicator 4.4 above mentioned.

¹⁹ [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

A. Human resource management

OLAF continuously streamlines its working methods, optimises allocation of its workforce and improves its efficiency by clearly establishing measurable targets and demonstrating results.

OLAF's large-scale reorganisation came into force in June 2020 affecting the majority of its staff members. OLAF will update and review its Human Resources Strategy and adopt a revised HR Strategic Plan in the last quarter of 2020 that will ensure effective management of human resources and the capacity to deliver on the business priorities of the DG in response to and as a follow-up to the reflection on the future of OLAF. OLAF will also review and update the OLAF Development Plan, endorsed by the Director-General in 2019 in response to the 2018 staff satisfaction survey.

An OLAF internal mobility plan will be developed to facilitate mobility, anticipate rotation and identify medium-term options. This will respond to the concerns expressed by the respondents to the 2016 and 2018 staff surveys who pointed at a lack of mobility opportunities and of performance-driven career progression. Raising awareness activities on career development and career guidance will be pursued.

OLAF will continue to monitor the use of the workforce to ensure adequate staffing across the Office. This is essential in view of the agreed transfer of 4 establishment posts and of the credits for 5 external posts to EPPO only on 1 January 2021.

As a starting point for a comprehensive workload assessment that will be undertaken in the coming years, OLAF will first establish in 2020 the workload indicators to be used for such a future assessment. The assessment will take place once OLAF will have gained first experiences in cooperating with the EPPO, taking into account other changes in OLAF's operating environment, such as an increased use of simplified cost reimbursement schemes under the new multi-annual financial framework, and possible changes in the relative use of the various management modes (direct management versus other management modes) under the new framework

OLAF will continue to actively support staff and managers through the COVID-19 crisis and its aftermath, through guidance on learning and professional development, internal communication actions, virtual participatory events and flexible solutions to ad hoc needs.

OLAF pays particular attention to diversity and inclusion. Integration of newcomers is facilitated by providing welcome and specialised training courses. In 2020 the learning path of the newcomers will be reviewed and their onboarding in 2020 will be further facilitated by putting more emphasis on e-learning and continued targeted communication.

An OLAF Learning and Training Plan will be developed to propose in-house specialised, general and external trainings for investigators, support and policy staff so that the connection between the HR strategy and the business strategy is enhanced. Emphasis will be placed on e-learning and internal OLAF trainers will be encouraged to be trained for the delivery of on-line courses.

Objective: OLAF employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business

Main outputs in 2020:

Output	Indicator	Target
Continue to encourage female candidates by targeted information diffusion, by stimulating participation in specific trainings and by endorsing the Commission Female Talent Development Programme	Percentage of female representation in the middle management	At least maintaining the level of 2019 (47%)
Continue to encourage female candidates by targeted information diffusion, by stimulating participation to specific training and by endorsing the Commission Female Talent Development Programme;	Number of first female appointments to middle management positions	1 first female appointment to MM between 2020 and the end of 2022.
Reviewing and further updating the specific actions included in the OLAF Development Plan in the context of the OLAF reorganisation	OLAF staff engagement index	At least equal to the Commission's average

B. Sound financial management

In relation to the control effectiveness as regards legality and regularity, OLAF has set up the internal control processes aimed to ensure the adequate management of the risks relating to underlying transactions. The control objective is to ensure that the cumulative budgetary impact of any residual error rate does not exceed 2%. The capacity to detect and correct the errors having a financial impact is also a key element in the control strategy that is carefully monitored in OLAF. The indicators regarding the estimated overall amount at risk for the year for the entire budget under the DGs responsibility and the estimated future corrections are not key management indicators for OLAF but rather corporate ones. Therefore, OLAF is maintaining corporate targets for these indicators.

OLAF's new organisation chart (into force as from 16th of June), is expected to provide for synergies and even more robust control systems in areas such as public procurement and will entail an even better control over payment times.

The atypical position of OLAF as the Office in charge of the fight against fraud pleads for a strong control environment. As the corresponding costs of control have been assessed as adequate over the past years, the same level is to be maintained for 2020.

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

Main outputs in 2020:

Output	Indicator	Target
Effective controls: Legal and regular transactions	Risk at payment	Remains < 2 % of relevant expenditure
	Estimated risk at closure	Remains < 2 % of relevant expenditure
Efficient controls	Time-to-pay	Remains > 90 % of payments executed within legal time limits
Economical controls	Overall estimated cost of controls	Remains < 4 % of funds managed

C. Fraud risk management

OLAF has developed and implemented its own anti-fraud strategy (AFS) for 2018-2020 in July 2018, on the basis of the methodology provided by OLAF at corporate level.

Taking into account the fraud risk screening conducted internally and in combination with the audit assignment carried out by the Commission's Internal Audit Service on ethics in the second half of 2017, it was decided to concentrate efforts on achieving the following two strategic objectives:

- Promote the highest standards of professional ethics
- Maintain a high level of control for funds managed by OLAF

An action plan, designed to put into effect OLAF's anti-fraud strategy, covers the period from 2018 to the end of 2020 and comprises 11 actions in total, all of which have been implemented.

The OLAF anti-fraud strategy, embracing the provisions of the Commission's antifraud strategy (CAFS), will be reviewed in the context of the reorganisation of the Office in 2020.

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CASF)²⁰ aimed at the prevention, detection and correction²¹ of fraud

Main outputs in 2020:

Output	Indicator	Target
Review of OLAF anti-fraud strategy	New anti-fraud strategy 2020-2023	By end 2020

D. Digital transformation and information management

In 2020, the **OLAF Case Management System (OCM)** project will continue the development of the remaining features, i.e. on regrouping of investigative activities, finalisation of reporting/dashboarding and monitoring of disciplinary and administrative recommendations. The last project release is planned for Feb 2021, after which the system will enter in (reduced cost) maintenance mode.

In the course of 2020, OLAF will also complete an internal study to identify and assess the alternative solutions for a future modern, adaptive and efficient case management system taking into account the current and foreseen legislative, business, financial and technical challenges including the implementation of interfaces with a wide variety of other systems hosted internally by OLAF (e.g. getI), other Commission services and beyond (such as EPPO, Europol, Eurojust, Frontex).

The **AFIS** (Antifraud Information System) programme will strengthen the interoperability of the platform in 2020. It will develop web services for the Customs Information System (CIS+), which would allow to connect the relevant systems of partner administrations. This will facilitate the automated exchange of relevant cases and would contribute to the once-only principle by avoiding that the same information has to be entered multiple times in different systems by Member States' authorities.

The resources owned by OLAF are: CMS, OCM and AFIS with all its applications. The rest of the resources listed in the EC Data Inventory are 3rd party owned.

All these systems are operational in nature (contain sensitive and personal data) and follow their own project management documentation (including Security Plans and Data Protection Records).

²⁰ Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

²¹ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

From a data management perspective, both OCM and AFIS contain information that needs corroboration in order to generate intelligence in support of the OLAF investigative capacities.

The main objectives for the Operational Analysis Unit in OLAF will be to enhance the principles of the EC Data Strategy with regards to corporate principles for the creation, collection or acquisition of data assets:

- Cooperation with the EC Services and Agencies for sharing “corporate tools, platforms and services for creating, managing and visualising data”
- Reusability of data for the purpose of supporting antifraud investigations
- Contribute to the EC Data Strategy with metadata from OLAF data assets

The objectives in relation to data interoperability and standards are the identification of the data assets that are useful for OLAF investigative tasks and in the process ensure a cooperation with the data owner to improve the access, data validation, data quality and feed-back

Data protection forms an integral part of the OLAF’s business processes whenever these require the processing of personal data. A prerequisite for compliance with data protection is staff awareness of data protection rules applicable to particular areas of their work (e.g. investigative activities at OLAF, anti-fraud policies areas, rules regulating document management or security of information in the Commission). As part of a continuous effort, OLAF aims at delivering a dedicated data protection training for all investigative staff and awareness raising activities in this domain for all other staff.

Objective: OLAF is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

Main outputs in 2020:

Output	Indicator	Target
High-quality reporting for case related information in OLAF	One-stop-shop for case related reporting and dashboarding	Reporting/dashboarding for case related information is fully implemented in OCM for all concerned units and user roles, on the basis of a robust data warehouse by the end of 2020
Improved interoperability of AFIS with partner administrations’ systems	Anti-fraud cases in CIS+ are automatically exchanged with at least one partner administration	Web service for CIS+ implemented and operational by the end of 2020
Cooperate with JRC for enrichment of the Data Inventory	Data Assets	100%
Analyse the EC data assets reported in the Data Inventory in order to identify	Data Reusability, Anti-fraud Obtain access and share information with the relevant	80%

OLAF relevant resources	Services and Agencies	
Explore the existing publicly available data relevant to OLAF in order to corroborate with operational information	Interoperability New resources added	>5 resources added
Implement state-of-the-art software and make use of open sources software to analyse the data	Corporate tools New tools added	>1 tool/technique added
All OLAF staff to attend awareness raising activities or targeted data protection training	Attendance registered via EU Learn	70%
OLAF investigative staff to attend trainings on data protection	Attendance registered via EU learn	90%

E. Sound environmental management

OLAF has set up in 2018 a Green Team, an open cross-directorate group, aiming at supporting its two Eco-Management and Audit Scheme (EMAS) correspondents and proposing local actions beside the EMAS framework. The activities of the Green Team are coordinated with the EMAS team and hierarchy accordingly.

In 2020 OLAF will continue its active support to EMAS corporate campaigns at local level and launch actions for its own administration and activities, fitting its needs or specificities. OLAF's priority is to give a more visible structure to the EMAS-related actions through a regular reporting to Senior Management to ensure their support and participation. OLAF's actions will consist of inter alia monitoring resource (electricity, gas and water) and paper consumption, combining this with awareness raising campaigns to link the impact of personal behaviours with a reduction of resource consumption. OLAF will also focus on the reduction of CO2 emissions thanks to the organisation of online events replacing missions and external meetings. It will also raise awareness of staff on waste reduction and waste management through the use of recycling bins. For its actions, OLAF intends to organise meetings and debates, draft articles in OLAF's newsletter, or ad hoc activities concerning greener approach both in the private and professional spheres.

Objective: OLAF takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work

Main results and outputs in 2020:

Output	Indicator	Target
Monitor the consumption of resources: electricity and gas	Nulber of KhW of electricity and gas per person	Reduction of 5%: 7268,74 kWh (baseline 2018: 8054 kWh)

Monitor the consumption of resources: water	Number of cubic meter water per person.	Reduction of 3%: 7,52 m ³ (baseline 2018: 8m ³)
Promote staff awareness about eco-tips in OLAF's newsletters	Articles with eco-tips in OLAF's newsletters	≥3
Raise staff awareness through events and actions organised by the EMAS correspondents or the OLAF Green Team	Number of conferences, meetings and campaigns	2

F. Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities

OLAF's new structure, effective as from 16 June 2020, will allow for improved flexibility and for adequate prioritising of all activities, by combining some tasks and creating synergies. A first tangible result should consist in a further centralisation of the procurement related tasks in the Office's budget and finance Unit. This would entail a more robust control structure and is also expected to yield some savings in terms of human resources.