



# Management Plan 2019

European Anti-Fraud Office (OLAF)

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## INTRODUCTION

The European Anti-Fraud Office (OLAF) shares its main general objective with other horizontal services of the European Commission: *To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.* This general objective captures most activities and results of the Office. In the context of this general objective OLAF pursues several specific objectives.

Specific objective 1: *Efficient and effective management of OLAF's investigations and coordination actions* is dedicated to OLAF's investigative work and recommendations. As explained in OLAF's Strategic Plan 2016-2020, OLAF currently is performing at its full capacity. As other Commission services, the Office has been subject to the Commission-wide staff reduction while having received more information of investigative interest in the past years. Maintaining the current level of investigative efficiency at a steady level will thus present a significant challenge. Therefore, most of the targets for the investigative and coordination activities will remain stable also for 2019.

Specific objective 2: *Provision of necessary IT tools to support OLAF's investigative activities.* OLAF Content Management, a new system integrating case and document management, was deployed in OLAF in 2016.

Specific objective 3: *Compliance with legal obligations related to access to documents and personal data* will remain unchanged as the targets are linked to the legal obligations.

Specific objective 4: *Protection of the financial interests of the EU by developing anti-fraud policy, legislation and enhancing the cooperation with the Member States and other partners* covers various outputs related to fraud prevention, cooperation with and support of our stakeholders and anti-fraud policy. Some of these outputs are of recurring or ongoing nature, for example organising seminars for anti-fraud coordination services (AFCOS) and supporting Member States in fulfilling their obligation of reporting irregularities. Apart from recurrent activities, the Commission Anti-Fraud Strategy will be updated in 2019 and OLAF will take the lead in implementing it. As follow up to the evaluation of Regulation 883/2013 concerning investigations conducted by OLAF, and to adapt the legal framework for OLAF to the establishment of the European Public Prosecutor's Office (EPPO), in 2018, the Commission adopted a proposal for amending Regulation 883/2013. In 2019, negotiations will continue with the co-legislator with the aim of achieving a first reading agreement within the current mandate of the Parliament.

OLAF's Specific objective 5: *Reduction of illicit trade in tobacco products* remains an important objective and obligation of OLAF and the Commission. In 2019, 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), which entered into force on 25 September 2018. OLAF will also be engaged in the preparation of the ninth Conference of the Parties (COP) and of the second Meeting of the Parties (MOP) to be held in The Netherlands in 2020. Furthermore, the Commission will carry out its updated Action Plan in the fight against illicit tobacco products, as a follow-up to the 2017 Tobacco Implementation Report. The Action Plan takes into account the priorities set up by the FCTC's eighth COP and first MOP that took place in Geneva in October 2018.

Promoting activities in the field of the protection of the European Union's financial interests is done through the Hercule III Programme. Actions under this programme fall under OLAF's Specific objective 6: *To prevent and combat fraud, corruption and any other illegal activities*

*affecting the Union's financial interests.* The achievements of this programme are each year reported in the Commission Staff Working Document accompanying the Report on the Protection of the EU's Financial Interests – Fight against fraud (PIF report). In 2018, 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 new programme will combine the Hercule III Programme and the Anti-fraud information system (AFIS) operational activities. In 2019, negotiations will continue with the co-legislator with the aim of achieving a first reading agreement within the current mandate of the Parliament.

Finally, OLAF's second General objective corresponds to one of the ten policy priorities that President Juncker highlighted for this Commission: *An Area of Justice and Fundamental Rights Based on Mutual Trust*. In his political guidelines, President Juncker stated that judicial cooperation in the EU must improve "by making progress on new tools such as the European Public Prosecutor's Office which is designed to tackle criminal fraud which damages the EU budget". OLAF further specified its work in this regard in its Specific objective 7: *Strengthened legal framework for protection of the financial interests of the EU*. Following the adoption of the European Public Prosecutor's Office (EPPO) Regulation and of the Directive on the Protection of EU's financial interests by means of criminal law (PIF Directive) in 2017, OLAF, in close collaboration with the Directorate-General for Justice and Consumers, will continue to focus in 2019 on the establishment of the EPPO and the support to the Member States in the transposition of the PIF Directive.

## PART 1. MAIN OUTPUTS FOR THE YEAR

### A. Investigative and coordination activities

This section sets specific objectives, indicators and targets for 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 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.<sup>1</sup>

The targets for the indicators related to the selection process will remain the same as in 2018.

The targets regarding the output "Reasonable duration of investigations" will also remain the same for 2019. However, OLAF will endeavour further to reduce the average duration of investigations in 2019 and beyond with the objective of attaining a stable average duration of 18 months.

<b>General objective 1: To help achieve the overall political objectives, the Commission will effectively and efficiently manage and safeguard assets and resources, and attract and develop the best talents.</b>		
<b>Specific objective 1: Efficient and effective management of OLAF's investigations and coordination actions</b>		Related to spending programme(s): No
<b>Main outputs in 2019:</b>		
<b>Other important outputs</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Speedy initial assessment of whether a case should be opened	Average duration of selections	No longer than 2 months
	Percentage of selections closed whose duration is no longer than 2 months	At least 65%
Reasonable duration of investigations	Average duration of investigations	No longer than 20 months
	Percentage of on-going investigations lasting more than 20 months	Less than 30%
Efficient investigations	Percentage of investigations closed with recommendations	At least 45%

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

The following indicators are not a direct output of OLAF's work, as their outcome depends on the implementation of OLAF's recommendations by the recipients of those recommendations. However, these are important indicators of the impact of OLAF's investigative work.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Implementation of OLAF's judicial recommendations	Average rate of indictment following OLAF's judicial recommendations issued between 2012 and 2019	At least 50% for the reporting period 2012-2019
Implementation of OLAF's disciplinary recommendations	Average rate of actions taken by EU disciplinary authorities following OLAF's disciplinary recommendations in the last 3 years	At least 75% for the period 2017-2019
Implementation of OLAF's financial recommendations	Average amount established for recovery in 2017 and 2018 compared to the average OLAF's budget for the same period	A ratio of 2:1 or above between the amount established for recovery by the recipients of OLAF's financial recommendations issued in 2017 and 2018 and OLAF's administrative budget for the same period

## **B. Investigation support**

The Investigation Support Directorate in OLAF provides specialised services to support OLAF's investigation and coordination activities.

Within this Directorate, one unit monitors the efficiency, effectiveness and quality of the investigative process, supports it with the necessary tools and performs the business analysis and testing for the OLAF Content Management (OCM) system. The latter is developed and operated by another IT unit which ensures that the produced software is of good quality and the underlying IT infrastructure is reliable and of high availability.

Digital forensic acquisition, data collection and analysis, as well as other relevant expert tools and related technical assistance are provided to OLAF investigative units and competent authorities in the Member States. An in-house legal advice unit provides advice and support to the investigative processes and handles complaints to the European Ombudsman and to the European Data Protection Supervisor as well as requests for public access to documents and for access to personal data (see Specific objective 3).

OCM is a tool used since October 2016 by all OLAF staff handling case related documents. It allows users to organise case activities, handle case-related information, obtain approvals and decisions, and produce documents.

OCM has introduced electronic workflows in a secured environment as well as the use of an electronic signature to make OLAF's work more secure and better documented. Remote access from outside OLAF premises is also available and facilitates the field work of investigators.

However, the release of OCM has revealed a number of challenges. In 2018, OCM has been enriched with some missing elements and almost all bugs (95%) identified in 2017 were corrected. However, additional work is needed to fix the technical problems that remain, carry out change management initiatives, improve the user experience and finalise the remaining development of missing features of OCM which will continue during 2019.

<b>Specific objective 2: Provision of necessary IT tools to support OLAF's investigative activities</b>		Related to spending programme(s): No
<b>Main outputs in 2019:</b>		
<b>Other important outputs</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Improve the systems' quality	Problems/bugs fixing	<ul style="list-style-type: none"> <li>• Resolution of registration /signature problems</li> <li>• 95 % of bugs reported in 2018 solved by July 2019</li> </ul>
New features implemented in production	Releases in production	3 releases with new functionalities deployed
Simplification and flexibility	User satisfaction	More than 75% of OCM users believe the system has been improved compared to last year.

<b>Specific objective 3: Compliance with legal obligations related to access to documents and personal data</b>		Related to spending programme(s): No
<b>Main outputs in 2019:</b>		
<b>Other important outputs</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Timely replies to requests from the Ombudsman and the EDPS complaints	% of replies within the timeframe foreseen by the relevant Regulations	100%
Timely replies to requests on access to documents and personal data	% of replies within the timeframe foreseen by the relevant Regulations	100%

### **C. Anti-fraud policy, including fraud prevention**

#### **Protection of the financial interests of the EU by developing anti-fraud policy, legislation and enhancing the cooperation with the Member States and other partners**

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.

#### **Revision of Regulation 883/2013**

The Commission proposal to amend Regulation 883/2013 was adopted on 23 May 2018 and transmitted to the European Parliament and the Council. It represents a targeted amendment of Regulation 883/2013 driven by two factors: first, the need to adapt OLAF's operation to the establishment of the European Public Prosecutor's Office (EPPO) and, second, the findings of the evaluation of Regulation 883/2013 completed in October 2017. The limited nature of the

amendments is justified by the need to have a revised Regulation 883/2013 by the time the EPPO becomes operational (the end of 2020 at the earliest). Negotiations are ongoing with the co-legislator with the aim of achieving a first reading agreement within the current mandate of the Parliament.

There is also another pending proposal to amend Regulation 883/2013 and create a Controller of procedural guarantees. It was adopted by the Commission on 11 June 2014 (COM(2014) 340 final) but has not been discussed by the co-legislators to this date.

## **Relations with partners**

The Office operates in collaboration with a number of partners, notably with the EU institutions, EU bodies such as Eurojust and Europol, Member States authorities or third country bodies and international organisations. To this end, it aims at ensuring that the relevant framework for cooperation is in place, by concluding working arrangements with some of these partners.

The existing 2004 Administrative Arrangement between OLAF and Europol was concluded at a time when both were operating under different legal bases, which in the meantime have been modernised. Therefore OLAF and Europol need to conclude a revised working arrangement. The discussions are ongoing and OLAF remains committed to engaging in negotiations with Europol with a view to establish new working arrangements by the end of 2019.

Direct contact with key partners is fundamental to maintain good collaboration, for instance through regular meetings with Member States, chaired by OLAF, in the framework of the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF) and its 4 subgroups ('Reporting and analysis of fraudulent and other irregularities', 'Fraud prevention', 'Anti-Fraud Coordination Services (AFCOS) Group', OLAF Anti-Fraud Communicators Network (OAFCN)) and the seminar with AFCOS of enlargement countries. In these fora, OLAF cooperates with experts from the Member States and candidate countries to exchange views and best practice, which is all the more important.

The Office has invited the Supervisory Committee to negotiate new working arrangements, as proposed by the legal services of the three Institutions. The Supervisory Committee has expressed its willingness to proceed this way.

## **Commission Anti-Fraud Strategy**

The Commission decided to update the Commission Anti-Fraud Strategy (CAFS), which dated back to 2011 and has now been thoroughly revamped in preparation for the coming Programming Period 2021 – 2027. The adoption is expected in the first months of 2019. The priority objectives of this CAFS Update aim at equipping the Commission with a reinforced analytical function and a more centralised oversight function for the services' anti-fraud action. In 2019, the focus will turn to implementing the updated strategy. For the actions related to both priority objectives, OLAF is taking the lead.

Reaping the benefits through more effective and efficient anti-fraud measures will first require the establishment of refined working structures suited to the new approach. With a view to a more comprehensive and profound analysis of fraud-related data, methodological and conceptual groundwork needs to be laid and the development of further analytical tools needs to be launched and steered in the right direction. Tighter corporate oversight of anti-fraud action requires bundling relevant expertise in OLAF's Policy Directorate and putting new cooperation models among Commission services in place, including at senior management level. This enhanced coordination will imply, among other initiatives, monitoring the services' departmental anti-fraud strategies and restructuring the Commission's Fraud Prevention and Detection Network, which brings together anti-fraud experts from the different Directorates General, services, offices and executive agencies.

In parallel, OLAF will maintain, and bolster where appropriate, traditional fraud prevention activities, such as anti-fraud training and fraud-proofing, i.e. optimising the legal framework for the



implementation of the budget to make it more resilient to any attempts at fraud. Through this wide range of activities with a fresh focus, OLAF endeavours to play its role in the fight against fraud to the fullest, not only as investigative body but equally as a policy-making body.

### **PIF Report**

OLAF is also the Commission service *chef de file* for the drafting of the Commission 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 Consultative Committee for the Fight Against Fraud - COCOLAF) and offers an overview of the measures adopted and the results achieved in the fight against fraud and irregularities in the EU during the reporting year.

### **Early Detection and Exclusion System**

The Early Detection and Exclusion System (EDES) database is run by the Directorate-General for Budget (DG BUDG) 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. The workings of the EDES has been further refined with the new Financial Regulation.<sup>2</sup>

OLAF's role in the operation of the EDES is three-fold:

1. Communicating preliminary or final investigation results to EU services. Such communication forms an integral part of OLAF's investigation-related work and is therefore not listed as output below.
2. Authorising Officers consult OLAF when flagging a risk-prone economic operator on the basis of information received from OLAF. OLAF reacts to the consultation within the applicable deadline providing additional information where available.
3. When Authorising Officers propose to exclude an economic operator from EU funding, they send their request to the panel referred to in Article 143 of the Financial Regulation for assessment and recommendation. This panel may ask OLAF for supplementary information and will invite OLAF as observer. OLAF offers its advice and provides the requested information within the deadline set by the panel where such information is available.

<b>Specific objective 4: Protection of the financial interests of the EU by developing anti-fraud policy, legislation and enhancing the cooperation with the Member States and other partners.</b>		Related to spending programme(s): AFIS/HERCULE III
<b>Main outputs in 2019:</b>		
<b>All new initiatives from the Commission Workprogramme</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Commission proposal for amendment of Regulation 883/2013	Conclude the negotiations during the current mandate of the EP ( first reading agreement)	2rd quarter 2019

<sup>2</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, OJ L 193, 30.7.2018, p. 1.

Other important outputs		
Output	Indicator	Target
Organise AFCOS seminar	AFCOS seminar has taken place	3rd quarter 2019
Organise COCOLAF plenary and sub-group meetings (Fraud prevention, Reporting and analysis of fraudulent and other irregularities)	Four (4) COCOLAF meetings have taken place	2019
Organise AFCOS group meeting	AFCOS meeting has taken place	4th quarter 2019
Organise FPDnet meetings	Four (4) meetings (one of those at Directors' level) have taken place	2019 (one per quarter)
Structures necessary for the implementation of the updated CAFS	Degree of completion to which structures have been set up	At least 80% by the end of 2019
Establish new working arrangements with Europol	Signature	2019
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	3rd quarter 2019
Replying to consultations by Commission services on early detection cases.	Proportion of consultations for which deadlines were met	Meet deadlines in 75% of consultations throughout 2019

### **Anti-fraud information system (AFIS)**

AFIS is an umbrella term for a set of anti-fraud IT applications operated by the European Commission (OLAF) which create contacts with the competent authorities in the Member States. These ensure the timely and secure exchange of fraud-related information between national and EU competent administrations. The AFIS Portal is a single and common infrastructure for the delivery of the below-mentioned services to nearly 8 800 registered end-users in more than 1 900 competent services from Member States, partner third countries, international organisations, Commission services and other EU Institutions. The AFIS Project encompasses two major areas: Mutual Assistance in Customs Matters and Irregularities Management.

The legal basis for AFIS' support of Mutual Assistance in Customs Matters is Council Regulation (EC) No 515/97 as amended by Regulation (EU) No 2015/1525<sup>3</sup>. It supports Mutual Assistance in Customs Matters with the secure real-time information exchange system V-OCU (Virtual Operations Coordination Unit) used for Joint Customs Operations, secure web mail (AFIS-Mail), databases like the CIS+ (Customs Information System) and FIDE (Customs Investigation Files Identification Database); and analysis tools like A-TIS (Anti-Fraud Transit Information System). In 2019 the Commission will start an evaluation of amended Regulation (EC) No 515/97 as the first step of a review process that may lead to future changes.

The Irregularities Management System (IMS) is a secure electronic tool which facilitates the Member States' obligation to report irregularities detected in agricultural, Structural and Investment

<sup>3</sup> Regulation (EU) 2015/1525 of the European Parliament and of the Council of 9 September 2015 amending Council Regulation (EC) No 515/97 on mutual assistance between the administrative

Funds (ESIF), the Asylum, Migration and Integration Fund (AMIF), the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (ISF) and the Fund for European Aid to the Most Deprived (FEAD), as well as pre-accession aid (IPA), and which supports the management and analysis of irregularities. The legal basis setting the obligation for irregularities reporting lies in several pieces of sectorial legislation for the Member States and in the Financing Agreements for Neighbouring and Candidate Countries. By training and providing guidance and advice to the national authorities in how to use the IMS, OLAF aims to achieve compliance with their obligations to report detected irregularities. This increases the protection of the EU's financial interests, as the potential fraud are signaled, risk analysis are performed and enhanced coordination can happen between OLAF's investigations and those of the relevant national authorities. By training Commission staff in how to consult the IMS, extract and analyse relevant data, OLAF aims to enhance these services' fraud awareness and prevention capabilities.

In the context of Joint Customs Operations (JCOs), OLAF plays a key role in coordinating the work of several national customs authorities, exchanging information and acting against internationally organised contraband. OLAF's target is to initiate two JCOs in 2019. Additionally, OLAF will provide support to at least three JCOs requested by the Member States as it has done in the past. AFIS also provides the IT platform for JCOs.

In 2019, OLAF and the JRC will continue a project to help Member States to make best use of the data at their disposal in existing databases and IT systems, and strengthen their analytical capacities in the anti-fraud customs area. Member States will be closely associated with this work which will include a workshop with national experts and training session(s) for Member States related to OLAF data and analytical tools.

<b>Specific objective 4: Protection of the financial interests of the EU by developing anti-fraud policy, legislation and enhancing the cooperation with the Member States and other partners.</b>		Related to spending programme(s): AFIS
<b>Main outputs in 2019:</b>		
<b>Other important outputs</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Evaluation of amended Regulation (EC) No 515/97	Staff Working Document on the evaluation	End 2019
Support mutual assistance in customs matters through the provision of secure information exchange tools for specific customs anti-fraud information exchange modules and databases (i.a. CIS)	Number of active customs fraud cases for which information is available in the mutual assistance databases	20 000 by the end of 2019
Continue a project on data analysis to strengthen Member State analytical capacities in the antifraud customs area	One workshop with Member State experts and at least one training session for Member States related to OLAF data and analytical tools	2019
Support mutual assistance in customs matters through the provision of secure information exchange tools for Joint Customs Operations	Number of Joint Customs Operations led by OLAF	2 JCOs
	Number of Joint Customs Operations supported by OLAF	3 JCOs

Support Member States in fulfilling their obligation of reporting irregularities.	Development of a B2B tool to facilitate data exchange with national systems.	2019
Support Member States and Commission users of IMS in exploiting the relevant data to enhance their services' anti-fraud capabilities	Development of a built-in analytical/reporting tool in IMS.	2019
IMS training to IMS users (national administrations, OLAF units and Shared Management DGs)	Countries' IMS Liaisons-officers (LO) are regularly updated of relevant developments and training is offered only if needed (major changes in the system).	National LOs are informed at least twice a year about development plans and progress.
	At least one training in the Member States and/or Candidate Countries based on the "train the trainers" principle, including annual feedback regarding training activities in the Member States.	2019
	IMS training to become permanently available on the Commission's EU learn catalogue and trainings to be offered once the minimum number of applications is received	IMS training offered on the Commission's EU learn and on-request as of December 2019

### **Reduction of illicit trade in tobacco products**

In May 2017, the Commission presented a Report on progress in implementing the 2013 strategy to fight illicit tobacco trade. The Report noted that most actions foreseen in 2013 had been completed or are on-going, but that despite these efforts the illicit tobacco trade remained at preoccupying levels. Based on the analysis contained in the 2017 Progress Report, the dialogue with the stakeholders as well as the discussions held in Geneva in October 2018 (COP8 and MOP1), the Commission presented in December 2018 a new Action Plan to fight the illicit tobacco trade. The Action Plan takes into account the upcoming rules on tracking and tracing under the Tobacco Products Directive to be applied as of May 2019. The new Action Plan includes also measures to implement the FCTC Protocol and seeks to deepen engagement with key source and transit countries.

<b>Specific objective 5: Reduction of illicit trade in tobacco products</b>		Related to spending programme(s): No
<b>Main outputs in 2019:</b>		
<b>Other important outputs</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Implement the Action Plan as a follow-up to the 2017 Tobacco Implementation Report	This Action Plan contains some 50 non-legislative action items which take into account the decisions adopted at the FCTC	15 action items completed or on-going by end 2019

	Protocol MOP1 in October 2018	
Engaging with Eastern neighbours	Organise a bilateral at ministerial-level with a relevant Eastern neighbour	First half 2019
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 75 TOBLAB Reports produced by JRC in 2019
	Promotion of the TOBLAB facility: Events in the context of the EMPACT initiative, presentations made in Tobacco Policy meetings, in the Council, during the Annual Workshop organised by JRC and in the Task Group Cigarettes Conference	At least two presentations in 2019
FCTC Protocol	Following the entry into force of the FCTC Protocol on 25 September 2018, promotion of ratifications and implementation of the FCTC Protocol: Participation in various fora (e.g., international meetings) to promote ratifications and implementation of the FCTC Protocol in Member States, EU Eastern neighbourhood as well as in main source and transit countries	Participation in at least 3 events in 2019

### **Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)**

The specific objective of the Programme "shall be to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union"<sup>4</sup>. In 2019, the Hercule Programme will be implemented on the basis of a Financing Decision and an annual work programme setting out the programme's priorities. The annual budget in 2019 is EUR 15.9 million. The operational objectives<sup>5</sup> 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 financial interests against fraud by promoting comparative law analysis.

On 30 May 2018, 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 corresponds to 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), which covers the actions tasked to the Commission by Regulation 515/97 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 of fraudulent and non-fraudulent irregularities to the EU budget in shared management and pre-accession funds. The negotiations with the European Parliament and the Council will continue in 2019 with the aim to be finalised during the mandate of this Commission.

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<sup>4</sup> Article 4 of Regulation 250/2014.

<sup>5</sup> Article 5 of Regulation 250/2014.

Specific objective 6: To prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interests		Related to spending programme(s): HERCULE III
<b>Main outputs in 2019:</b>		
<b>Other important outputs</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Commission Proposal for an EU Anti-Fraud Programme (MFF 2021-2027)	Conclude the negotiations during the current mandate of the EP (first reading agreement)	2019
Annual overview with information on the results of the Hercule III Programme in 2018	Commission Staff Working Document accompanying the PIF report 2018	3 <sup>rd</sup> quarter 2019

### **Strengthened legal framework for protection of the financial interests of the EU**

OLAF is co-responsible with the Directorate-General for Justice and Consumers for two legislative initiatives, adopted in 2017, to strengthen the legal framework for the protection of the financial interests of the EU by means of criminal law (Specific objective 7).

The Directive on the Protection of EU's financial interests by means of criminal law (PIF directive) was adopted on 5 July 2017<sup>6</sup>. The Directive will strengthen the existing legal framework by further harmonising the definitions of offences affecting the Union's financial interests (offences of fraud, corruption, money laundering and misappropriation) as well as further harmonising sanctions and introducing time limitations for such cases. It covers cross-border VAT fraud cases when they involve a total damage of at least EUR 10 Million.

The PIF Directive will replace the 1995 Convention and its three protocols on the protection of the EU financial interests for the 26 Member States bound by the Directive (all Member States except Denmark and the UK, where the PIF Convention will continue to apply). The Directive defines the criminal offences which will fall within the material competence of the European Public Prosecutor's Office (EPPO). Member States will have two years to transpose the Directive until July 2019. In 2019, the Commission services will continue to work with the Member States to support the transposition of the Directive, which is due for 6 July 2019. Following the workshop in October 2018, the Commission will analyse which further assistance is needed.

The Council Regulation implementing enhanced cooperation on the establishment of the EPPO was adopted on 12 October 2017<sup>7</sup> and entered into force on 31 October 2017. The EPPO will become operational no earlier than three years after the date of the entry into force of the Regulation. In order for the EPPO to become operational, a number of preparatory steps must be taken by the Commission. In 2018, the Commission delivered on several of these steps, including the establishment of the expert group of Member States representatives, the

<sup>6</sup> 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

<sup>7</sup> 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



designation of an interim Administrative Director, the presentation of the proposal for the composition of the EPPO selection panel and for its internal rules, as well as the start of the selection procedures for the European Chief Prosecutor and the European Prosecutors. In 2019, the Council and Parliament will need to appoint the European Chief Prosecutor and, the Council alone, the European Prosecutors, in order to allow the EPPO College to take its place. The Commission will support this process. The Commission will further give its contribution to the setting up phase, in consultation with the Member States in the framework of the EPPO Expert Group, in the form of preparatory work for the further implementation measures to be taken by the EPPO, and also to support the internal adaptation activities that Member States will 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 possible, ideally in time for the entry into force of the next Multi-annual Financial Framework.

<b>General objective 2: An area of justice and fundamental rights based on mutual trust</b>		
<b>Specific objective 7: Strengthened legal framework for protection of the financial interests of the EU</b>		Related to spending programme(s): No
<b>Main outputs in 2019:</b>		
<b>Other important outputs</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
EPPO Expert Group	Five (5) meetings have taken place	At the end of 2019
Council Implementing Decision containing the transitional rules applicable to the first group of European Prosecutors	Adoption	1 <sup>st</sup> half of 2019
The seat of the EPPO	Agree all details with the view to allow for procurement by Luxembourg authorities	1 <sup>st</sup> quarter of 2019
Appointment of European Chief Prosecutor and European Prosecutors	Support to the EPPO Selection Panel with a view to appoint the European Chief Prosecutor and European Prosecutors	2019
Support Member States in the implementation of the PIF Directive	Discussions with Member States on transposition and transposition checks, at least one meeting	2019



## PART 2. MAIN ORGANISATIONAL MANAGEMENT OUTPUTS FOR THE YEAR

### A. *Human resource management*

#### **Impact of the establishment of the EPPO on OLAF Human Resources**

Following the financial statement attached to the EPPO Regulation, EPPO will be gradually endowed with posts, starting from 2019 and reaching the maximum of 115 posts in 2023. Out of these, 50 posts will be new, while the remaining will be covered from existing sources: 27 established posts and the credits for 18 external posts will be transferred from OLAF. Under such circumstances, OLAF needs to become a more agile organisation: in 2019, a methodology will be developed in order to better match the HR resources with key priorities.

#### **Staff Development**

In order to renew its investigative capacity, OLAF will continue to recruit laureates of the two specialised competitions for investigators finalised at the end of 2017.

OLAF invests in the professionalisation of its staff through continuous learning and training. Specific in-house training on operational topics such as interviewing, evidence gathering, report writing will be offered to OLAF investigators. In 2019, a specific focus will be put in developing the expertise of OLAF operational staff in interviewing.

The implementation of the learning path for newly appointed investigators will continue to be closely monitored in 2019.

As foreseen by the Learning & Development strategy<sup>8</sup> adopted by the Commission, managers will be requested to identify the training needs of their staff.

OLAF will continue to invest in the development of the managerial competences of the senior and middle management. Managers will continue to be regularly invited to training and coaching sessions in order to enhance their leadership competences. In 2019, a 360° assessment will be launched for the Senior managers.

#### **Female representation in middle management**

In OLAF, the female representation in middle management has increased to 40%. In 2019, the number of female applicants for managerial positions will be closely monitored.

Two candidates will be selected to participate to the second round of the Female Talent Development Programme which will be organised in 2019.

#### **Staff well-being and engagement index**

The results of the staff survey 2018 will be carefully analysed and compared with the ones of 2016. In 2016, the satisfaction rate regarding "professional future" had been particularly low. The respondents to the staff survey pointed to a lack of mobility opportunities and of performance-driven career progression. In 2019, raising awareness activities on career development will be pursued.

OLAF will continue to advertise all internal job opportunities on its Intranet.

Regarding the specific situation of temporary agents with indefinite contract, a new Decision has

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<sup>8</sup> C(2016) 3829 final, Communication to the Commission on Learning and Development Strategy of the European Commission of 24.6.2016; C(2016) 3828 final, Commission Decision of 24.6.2016 on the implementation of the learning and development strategy of the European Commission.

been adopted in 2018 allowing for an annual reclassification exercise.

In the framework of DG HR's health and wellbeing strategy 2017-2020, and in line with what was already organised in 2018 (a Wellbeing Day and a Health and Wellbeing Week), new events and initiatives will be arranged in 2019. Communication and participation of OLAF staff in various specific sport initiatives will be continued (i.e Eikiden marathon, veloMai, Schuman Trophy). Finally, in 2019, OLAF will make additional efforts to raise awareness on the existing Fit@Work and wellbeing activities available throughout the Commission.

**Objective: The DG deploys effectively its resources in support of the delivery of the Commission priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Best use of the list of laureates following the publication of the reserve lists of the two competitions in the investigative field for AD7 and AD9	Number of AD laureates recruited	Decrease of the AD vacancy rate in the investigative field  Less than 15%
Reclassification exercise for temporary agents 2a with indefinite contract	Number of AT2a reclassification in 2019 depending on the budget availabilities	At least one reclassification completed by the end of 2019 in AD and in AST function groups
Increase gender balance through promotion of equal opportunities	Representation of women in Middle Management posts in OLAF (%)	At least 40% female representation overall in senior and middle management
A dedicated management development programme to encourage women to apply for management positions	Share of women candidates applying for middle-management positions	More than 30%
The annual sick leave rate, based on 365 days, is computed for officials, temporary agents and contract staff and includes the following types of absences: with and without medical certificate, medical visit outside place of employment, mandatory leave on health grounds and medical part time	Sick leave rate (%)  Calculated by dividing the number of sick leave days by the number of assignment days	Equal to or lower than 4.2%
Train newly appointed investigative staff	% of newly appointed investigators participating in OLAF's in house training	100% of newly appointed investigators in 2018 participating in at least one in-house training in 2019

Increase of the staff engagement index in the Staff Survey	Average of positive response to DG HR staff survey (%)	Increase of OLAF's Staff engagement Index in the 2018 Staff Survey compared to the 2016 one
Increase of the Wellbeing staff satisfaction rate in the Staff Survey	Average of positive response to DG HR staff survey (%)	Wellbeing staff satisfaction rate close to Commission average.
Action plan as follow-up to the 2018 Staff Survey	Approval of action plan by Director-General	By end of second quarter 2019

## **B. Financial Management: Internal control and Risk 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 the legality and regularity of the 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.

### **Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and regularity of the underlying transactions**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Legality and regularity of the underlying transactions in OLAF	Error rate detected on the legality and regularity of the underlying transactions for budget implementation	Error rate below 2%

### **Objective 2: Effective and reliable system in line internal control with sound financial management**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Economy of controls	Control costs over funds managed	Grants < 15% Procurements < 5%
Timely execution of payments	Percentage of payments made within the time limits	>95%
Risk-differentiated and cost-effective internal control system	Review status of the control systems	All controls reviewed
Increased level of awareness of new Internal Control Framework	% of Senior and Middle Managers aware about the change of the Internal Control Framework	100%
Open recommendations from the European Court of Auditors (ECA) and Internal Audit Service (IAS)	Number of critical recommendations overdue for more than 6 months	None

OLAF's second anti-fraud strategy for 2018–2020 was adopted on 24 July 2018 taking into account the fraud risk screening conducted internally in combination with the outcome of the audit assignment carried out by the Commission's Internal Audit Service on ethics. An action plan, designed to implement the anti-fraud strategy, aims at promoting the highest level of integrity of its staff members and maintaining a high level of control over the funds managed by OLAF. OLAF's anti-fraud strategy will be re-examined in 2019 in light of the updated Commission's anti-fraud strategy.

<b>Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and reparation of fraud.</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Implementation of the anti-fraud strategy as planned for 2019	Percentage of implementation of actions planned for 2019	100% target
Updated anti-fraud strategy of OLAF, elaborated on the basis of the methodology provided by OLAF	Updated anti-fraud strategy	Update every year, as set out in the anti-fraud strategy
Increased level of anti-fraud awareness	Number of training sessions organised for newcomers.  Newcomers trained on Ethic's matters. Percentage of population reached.	Minimum 2 per year  100% target population reached

### **C. Better Regulation**

The main planned outputs linked to the Better Regulation objective in the Strategic Plan are listed in Part 1 under the relevant specific objective in the tables.

### **D. Information management aspects**

Effective document management is essential in every organisation. OLAF is therefore paying particular attention to a constant improvement of information recording and retrieval, which is only possible through a proper filing of the information.

OLAF has received a favourable opinion from the European Data Protection Supervisor (EDPS) regarding a retention period of 15 years for its files. Once this agreement is reflected in the EC's Common Retention List (CRL), OLAF will start the transfer of the corresponding files to the EC's Historical Archives.

<b>Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.</b>		
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Accountability and traceability of OLAF activities	Number of ARES registered documents filed.	95% or more Ares filed registered documents

Implementation of new retention period for investigative files <sup>9</sup>	Number of dormant investigative files closed in NOMCOM	Positive trend by end of 2019
Launch of transfer of closed investigative files to the Historical Archives <sup>10</sup>	Number of investigative files transferred to the Historical Archives after expiration of the retention period of 15 years.	Positive trend by end of 2019

### **E. External communication activities**

When European funds are lost to fraud, European taxpayers are ultimately the victims. It is therefore crucial that European citizens are informed about the work of OLAF, as a dedicated service that benefits taxpayers by protecting the EU budget and making sure their money is well spent.

The OLAF Press Office will continue informing its target audiences on how OLAF, through its investigative and policy work, contributes to protecting the EU financial interests and on why it is essential to maintain a policy of zero tolerance to fraud. Communicating about OLAF activities contributes to fostering deterrence and increasing fraud prevention. Raising the profile of the Office also contributes to maintaining a steady flow of incoming information of potential investigative interest.

In the past years, the Press Office has developed a positive relationship with press both in Brussels and in the EU Member States, ensuring fair coverage of our investigations and outcomes. Journalists are increasingly recognising OLAF as the first point of contact in matters of fraud with EU funds, and, as a result, OLAF has established a positive reputation in most EU Member States. To continue facilitating this, the OLAF Press Office will continue to answer press questions in a comprehensive and timely manner, and organise interviews and background briefings, ensuring that journalists know they can always count on quality responses.

In the past years, OLAF has starting using more creative means of showcasing its work in a clearer and more user-friendly manner by using videos and online campaigns. An integrated communication campaign on Customs Regulation 515/97, for example, was disseminated by OLAF and its partners from the OLAF Anti-Fraud Communicators Network OAFCN, reached more than 8000 people. Even after the end of the campaign, the video continued its life-cycle, as it was used by national customs authorities in their training activities.

In 2019, OLAF will continue informing citizens on why the fight against fraud with EU funds matters as well as how they can assist OLAF by providing information of investigative interest, in a more integrated manner. The focus will be on developing communication campaigns that are far-reaching, but also have a clear, measurable impact.

Working will also continue with other Commission services to contribute to their own outreach activities, such as the EU Protect Campaign.

<sup>9</sup> This indicator depends on the timely adoption of the update of the EC's Common Retention List (scheduled for end of 2018)

<sup>10</sup> Idem

**Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Published materials related to OLAF activities and achievements	Number of press releases, news items, speeches and articles authored by OLAF Management published on the OLAF website.	More than 20 items
Press events and organised visits for groups of journalists	Numbers of press events and visits, number of participants	At least 4 events, at least 80 participants
Communication with citizens on social media	Number of Twitter followers	At least 2000
Integrated communication campaigns	Campaign reach	At least one campaign
<b>Annual communication spending:</b>		
Baseline (2017)	Commitments	EUR 70 000
EUR 70 000		

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

OLAF will make best use of some of the flexibilities offered by means of the new Financial Regulation, in particular the simplified costs option in the framework of grant management. For example, unit costs could be applied in the case of trainings and conferences, reducing the administrative burden both at the application and at the reporting stage.

## Annex: THE 2019 Investigation PRIORITIES (IPPs) OF THE OFFICE

At the beginning of the investigation selection phase, first OLAF's competence needs to be confirmed, followed by an assessment of whether there is sufficient suspicion in the allegation. If these two requirements are met, then OLAF decides whether or not to open an investigation based on the criteria set out in the Article 5(1) of Regulation 883/2013. This requires taking into account the Office's IPPs. OLAF shall also take into account whether opening an investigation would constitute an efficient use of the Office's resources and would respect the proportionality principle. In the proportionality check, the level of EU financial resources at risk is a relevant indicator.

Article 17(5) of Regulation No 883/2013 provides that the OLAF Director-General each year shall determine, within the Office's annual management plan, the investigation policy priorities of OLAF. These IPPs are determined on the basis of the information resulting from OLAF's activities, inter alia taking into account feedback as well as key documents issued by stakeholders.

The OLAF IPPs should not be used by other Commission services, EU bodies or national authorities as justification not to report a suspected fraud to OLAF.

### **For 2019, the IPPs are established as follows:**

1. Cases in relation to transport and infrastructure network projects, in particular public procurement procedures;
2. Cases concerning projects (co)financed by the European Structural and Investment Funds<sup>11</sup>, the European Agricultural Guarantee Fund and the Pre-accession Funds, in which action by the Member States or Candidate Countries may be insufficient or which have cross-border elements;
3. Cases indicating possible abuses of origin rules, tariff classification in both preferential and non-preferential trade regimes and valuation-related fraud, in order to evade payment of conventional customs duties, including tariff measures being part of the Union trade defence policy;
4. Cases of smuggling of tobacco, alcohol, counterfeit medicines and other goods dangerous for health and security which could be suspected of infringing on intellectual property rights into the EU; illegal manufacturing of tobacco.
5. Cases in relation to humanitarian and development aid provided to migrants, refugees and internally displaced persons; and other support provided to these target groups.

The feedback and documents from stakeholders that were considered in this context are in particular the following:

- The views expressed by participants during the inter-institutional Exchange of Views on 28 September 2015, 30 November 2016, 23 November 2017 and 24 September 2018.

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<sup>11</sup> The European Social Fund, the European Regional Development Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund.



- The feedback received from the Commission's Fraud Prevention and Detection Network following meetings held on 15 September 2016, 19 September 2017 and 18 September 2018.
- The latest PIF Reports<sup>12</sup>:
  - These reports indicate breaches of the public procurement rules and procedures as amongst the most significant causes for irregularities and frauds, given the financial amounts involved. Transports and infrastructures are the sectors most affected. A relevant outside study identified procedures relating to infrastructure networks as particularly vulnerable<sup>13</sup>. In 2014, new rules were adopted at EU level to strengthen the legal framework, through a package of directives, which will have to be progressively followed-up through implementation in the Member States. Therefore, currently, this particular area remains sensitive.
  - The same PIF Reports also identify the Pre-accession Funds as an area in which fraud detection rates are consistently higher than any other sector.
- The European Court of Auditors Annual Reports<sup>14</sup> over the last years have indicated an overall improvement. Nevertheless, certain areas still show an error rate above the materiality threshold. Among these, expenditure under Economic, social and territorial cohesion, Rural development and Fisheries.
- The European Court of Auditors' Special Report on **Import procedures** highlights that shortcomings in the legal framework as well as ineffective implementation of customs controls on imports adversely affect the financial interests of the EU since importers can deliberately reduce or evade customs duty liability.
- European Parliament Resolutions: These resolutions e.g. point out the abuses of origin rules and tariff classification in both preferential and non-preferential trade regimes, as well as undervaluation, as an important problem<sup>15</sup>, and stress the significant impact on the budgets of both the EU and the Member States caused by tobacco smuggling<sup>16</sup>.

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<sup>12</sup> Commission Reports on the Protection of the European Union's financial interests – Fight against fraud: 2011 (COM(2012) 408 final); 2012 (COM(2013) 548 final); 2013 (COM(2014) 474 final); 2014 (COM(2015) 386); 2015 (COM(2016) 472 final); 2016 (COM(2017) 383 final); 2017 (COM(2018) 553 final).

<sup>13</sup> Study financed by the European Commission (OLAF): Identifying and Reducing Corruption in Public Procurement in the EU, conducted by PricewaterhouseCoopers and Ecorys, 2013.

<sup>14</sup> Including the ECA Annual Reports concerning: the Financial Year 2012 (OJ Reference: 2013/C 331/01, 14.11.2013), the Financial Year 2013 (OJ Reference: 2014/C 398/01, 12.11.2014), the Financial Year 2014 (OJ Reference: 2015/C 373/01, 10.11.2015), the Financial Year 2015 (OJ Reference: 2016/C 375/01, 13.10.2016), the Financial Year 2016 (OJ Reference: 2017/C 322/01, 28.09.2017), the Financial Year 2017 (OJ Reference: 2018/C 357/01, 04.10.2018).

<sup>15</sup> See e.g. European Parliament Resolution of 3 July 2013 on the Annual Report 2011 on the protection of the EU's Financial Interests – Fight against fraud (A7-0197/2013 / P7-TA (2013) 0318) (From now on: "EP Resolution"), paragraphs 16-31, as well as more recently EP Resolution of 3 May 2018 on the Annual Report 2016 on the protection of EU's financial interests – fight against fraud (A8-0135/2018), paragraphs 20-21.

<sup>16</sup> EP Resolution A8-0135/2018, paragraph 15. See also progress report from the Commission to the Council and the European Parliament on the implementation of the Commission Communication "Stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products - a comprehensive EU strategy (COM(2017)235 final of 12.5.2017) and Council Conclusions of 7.12.2017 (15638/17).