



EUROPEAN ANTI-FRAUD OFFICE

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OLAF and EPPO jointly uncover 9.5 million fraud and money laundering scheme

The European Anti-fraud Office (OLAF) played a key role in investigating a sophisticated fraud and money laundering scheme involving European Regional Development Fund (ERDF) resources, with an estimated financial impact of EUR 9.5 million.

OLAF's investigation started following a request from the European Public Prosecutor's Office (EPPO) regarding suspected EU fraud, document forgery, and money laundering in an IT project in Romania. The EU financial support, intended to develop an innovative IT platform, was in reality exploited by an organised group to fraudulently obtain the EU funds and launder the proceeds of crime.

OLAF's investigative activities, conducted in close cooperation with EPPO, included several on the spot checks in Cyprus and Czechia, along with operational intelligence analysis of the IT platforms developed under the EU project. As a result of the investigative cooperation, EPPO has indicted 12 defendants—six individuals and six legal entities—on charges of EU fraud and money laundering.

"Good news for European taxpayers and Europe's digital transformation. This investigation is another excellent result of the close cooperation between OLAF and the EPPO. Fraud knows no borders and conducting cross-border investigations is essential: not only for protecting the EU's financial interests but also safeguarding Europe's digital transformation and a fair economy that works for all", said Ville Itälä, OLAF Director-General.

Sophisticated money-laundering network

The evidence gathered points to a sophisticated and structured money-laundering scheme, orchestrated by a network of individuals and companies across Romania, Cyprus, Czechia, and the United Arab Emirates. OLAF's investigation helped to determine that the group operated systematically, with each member playing a specific role in the criminal acquisition of EU taxpayers' money and laundering the proceeds of crime.

The funds were diverted through fictitious contracts before being used for personal enrichment. Operational intelligence analysis revealed suspicious banking transactions spanning multiple jurisdictions, including Cyprus, Czechia, France, Germany, Hungary, Monaco, Romania, Russia, Ukraine, United Arab Emirates, United States.

OLAF shared its final report with EPPO and issued a financial recommendation to the European Commission to recover the suspected misappropriated funds. Subsequently, in November 2023, EPPO conducted [38 searches](#), seizing significant evidence. OLAF then analysed seized IT servers, which revealed that the same network had also been using the same modus operandi in another ERDF funded project implemented by another private company part of the group, which also fed into the EPPO's case.

For more information, please see the [EPP0's press release](#).

OLAF mission, mandate and competences:

OLAF's mission is to detect, investigate and stop fraud with EU funds.

OLAF fulfils its mission by:

- carrying out independent investigations into fraud and corruption involving EU funds, 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.

In its independent investigative function, OLAF can investigate matters relating to fraud, corruption and other offences affecting the EU financial interests concerning:

- all EU expenditure: the main spending categories are Structural Funds, agricultural policy and rural development funds, direct expenditure and external aid;
- some areas of EU revenue, mainly customs duties;
- suspicions of serious misconduct by EU staff and members of the EU institutions.

Once OLAF has completed its investigation, it is for the competent EU and national authorities to examine and decide on the follow-up of OLAF's recommendations. All persons concerned are presumed to be innocent until proven guilty in a competent national or EU court of law.

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