

UNITED AGAINST FRAUD

FIGHTING FRAUD IN EU EXTERNAL RELATIONS

The European Union (EU) is collectively the biggest development cooperation donor in the world. The Directorate-General for International Partnerships is in charge of international cooperation with partner countries and organisations across the globe. Our ultimate goal is to reduce poverty, ensure sustainable development and promote democracy, human rights and the rule of law across the world. We work hand in hand with organisations and individuals to increase the impact of our support.

We also work closely with our partners and beneficiaries to fight fraud and corruption. Whether you are a committed citizen of the EU, a fund manager, a coordinator or a beneficiary of a project, reporting and fighting fraud against EU funds is a way to help us reach our goals. Any diversion of funds from their intended purpose may affect our support and harm affected citizens. Financial wrongdoing can affect fair and transparent competition, financial interests of projects, and ultimately the sustainable development of partner countries. If you manage or receive EU funds, you must ensure full compliance with your contractual obligations related to the prevention of fraud.

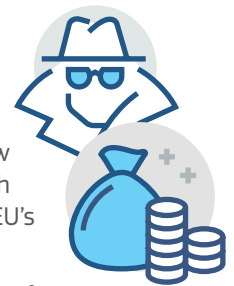
What is fraud?

An irregularity is an infringement of EU law resulting from an act or an omission which has, or may have, a negative impact on the EU's financial interests.

Fraud refers to various types of **criminal and non-criminal illegal wrongdoing affecting EU financial interests** that are **committed intentionally**, for personal gain or to cause a loss to another party.

Examples of EU expenditure fraud:

- ~ intentional misapplication of procurement rules, collusion with the contracting authority or with other candidates, or undisclosed conflict of interests leading to the incorrect awarding of a contract;
- ~ intentional use of incorrect or incomplete statements or documents leading to the wrongful payment of funds from the EU budget;
- ~ intentional misuse of funds for purposes other than those for which they were originally granted.



Fraud indicators

Fraud indicators are **warning signs**, such as patterns, practices and specific forms of activity that could imply **possible fraud**. They do not mean that there is fraud, but that you should pay **extra attention**.



Examples of indicators:

- ~ identical mistakes in bid documents from different bidders;
- ~ similar format of offers from different tenderers;
- ~ the same expert appearing in several projects running at the same time;
- ~ inconsistencies in official documents (concerning numbering, dates, names, etc.);
- ~ false invoices (same invoices with different serial numbers, multiple invoices with same amount, etc.);
- ~ unusual delays in implementation.

How can you report fraud against EU funds?

The EU guarantees a high level of **protection for whistleblowers** who report breaches of EU law.

If you have concluded an agreement with the EU or with a contracting authority from a partner country, in order to report suspected and/or detected fraud and irregularities, please **refer directly to your contractual provisions**.

In addition, **any physical or natural person**, worldwide, can also report allegations of EU budget fraud directly to the **European Anti-Fraud Office (OLAF)**.



To report fraud suspicions in any of the official EU languages, click [here](#).

What happens next?

Depending on when the EU finds out about possible fraud or irregularities in a project, it can interrupt or suspend payments, or introduce financial corrections and recover the money already paid.



In the event of **fraud**, OLAF steps in. OLAF investigates matters relating to fraud, corruption and other offences affecting EU financial interests concerning all expenditure. If OLAF confirms there has been fraud with EU money, the EU will recover the funds.



The Early Detection and Exclusion System

The European Commission's **Early Detection and Exclusion System (EDES)** enables the detection of unreliable entities or persons, their exclusion from receiving EU funds, the imposition of financial penalties and the publication thereof. The associated **EDES database** records the imposed sanctions and identifies unreliable entities or persons.

Partner countries and entrusted partners implementing EU funds under indirect management have to protect the EU's financial interests by preventing, detecting and addressing irregularities and fraud with appropriate measures. In this context, you are encouraged to consult the EDES database. It should be noted that the EDES covers not only irregularities and fraud, but also other illegal activities and situations concerning economic operators that put the financial interests of the EU at risk (e.g. serious breach of contractual obligations). When an entity is registered in the EDES database, you may take this information into account, as appropriate and on your own responsibility. You must also inform your EU contracting

authority, including when the entity is not included in the EDES database but might be in a potential situation of exclusion.

HOW TO ACCESS THE EARLY DETECTION AND EXCLUSION SYSTEM

- 1. Registration.** Register your organisation by sending a request to budg-edes-db@ec.europa.eu. Attach your agreement concluded with the EU and designate an organisation user administrator (OUA). The OUA will be responsible for providing access and maintaining information in the EDES database for your organisation.
- 2. Access.** The OUA should connect to the EDES database through [this link](#) followed by a click on [*Art. 62\(1\) - 63 Log in with EU-Login](#).

If you do not have an EU Login account, click on 'Create an account'. Once it is opened, request the validation and creation of your OUA EDES account to budg-edes-db@ec.europa.eu mentioning your organisation and email address.

Additional resources

You can report allegations of fraud against the EU budget directly to the [European Anti-Fraud Office \(OLAF\)](#).

Please visit the [webpage of the Directorate-General for International Partnerships \(DG INTPA\)](#) to find out more about our activities in the development field.

DG INTPA has developed [useful guides and tools](#) to help you with the management of EU funds.

- ~ The [Practical Guide](#) explains contracting procedures for EU external aid contracts financed by the EU general budget and the European Development Fund.
- ~ The [INTPA Companion](#) provides guidance and instructions to support EU staff when implementing procurement contracts in the context of external actions.
- ~ The [INTPA Academy](#) gives you access to e-learning courses on financial and contractual procedures.

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