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ACTIVITY REPORT OF THE SUPERVISORY COMMITTEE OF OLAF – 2024

(C/2025/4091)

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Foreword

The year 2024 was a highly productive year for the Supervisory Committee of the European Anti-Fraud Office (OLAF). The Committee addressed four detailed opinions to the Director-General of OLAF, including two opinions on OLAF's powers to carry out internal investigations. The Committee was also consulted and made its observations on a revised draft of OLAF's Guidelines on Investigation Procedures (GIPs), as required by Article 17(8) of the Regulation (EU, Euratom) No 883/2013 (OLAF Regulation). The Committee was able to perform its monitoring tasks with a high degree of efficiency and dedication.

In February 2024, the Committee issued its first opinion on OLAF's complementary investigations. The opinion focused on complementary investigations carried out by OLAF since June 2021, when the European Public Prosecutor's Office (EPPO) became operational. It was intended to provide a better understanding of how OLAF's cooperation with the EPPO is developing. In its conclusions, the Committee commended both the EPPO and OLAF for their genuine efforts to make this new mechanism a success in the fight against fraud. The Committee issued two recommendations to OLAF on making its cooperation and exchanges with the EPPO more transparent and strengthening relevant good administrative practice. Given the evolving nature of complementary investigations, the Committee also monitored 52 complementary OLAF investigations conducted in 2024 and how its recommendations had been implemented. This annual report provides further insights into the conduct of such investigations and their role as an essential tool in the cooperation between the two main pillars of the EU's anti-fraud architecture, OLAF and the EPPO.

In May 2024, the Committee adopted an opinion on OLAF's preliminary draft budget for 2025. In this opinion, it was noted that OLAF's preliminary budget for 2025 had increased by 5 % compared to 2024. The Committee concluded that the proposed increases in certain single budget lines were justified and in line with the Commission's guidelines for drawing up its draft budget for 2025. The Committee also emphasised the importance of maintaining OLAF's capacity for on-the-spot inspections and its information and communication technology budget. The opinion also highlighted the need for sufficient human resources and welcomed the additional resources allocated for OLAF's role under the Ukraine facility.

Two other opinions addressed legal issues around OLAF's investigative competence. In Opinion No 4/2024 the Committee examined whether OLAF has the power to investigate MEPs and members of institutions, bodies, offices and agencies (IBOAs) for serious offences related to the discharge of their professional duties, even when the offences do not appear to affect the financial interests of the EU. The Committee concluded that the Dalli judgment had established that OLAF does have competence to conduct this kind of internal investigations and that this competence stems directly from Article 1(4) of the OLAF Regulation. The Committee considered that the forthcoming revision of the OLAF Regulation would be an opportune moment to fully align Article 1(4) of the Regulation with the Court's judgment in the Dalli case. This would provide greater clarity and remove doubts as to OLAF's competence to conduct internal investigations into members of IBOAs that do not affect the EU's financial interests.

The second opinion, which was formally adopted in January 2025, focused on OLAF's role and powers in investigating inappropriate behaviour and harassment within IBOAs. The Committee examined 20 harassment cases which OLAF had dismissed (investigations not opened) over the last five years (2018-2023) as well as 9 investigations into harassment which were completed during the same period. The aim of the opinion was to assess whether OLAF was the right body to conduct such investigations and the 'added value' that OLAF's interventions provide.

The Committee continued and completed the analysis of the draft GIPs. The Committee formally adopted its opinion in November 2024. In the Committee's view, the revision of the GIPs is a very important task for OLAF as it should lead to the adoption of updated, detailed, clear and comprehensive guidelines. The Committee's recommendations focused on ensuring the following principles are complied with: (i) reasonable time and continuous conduct of investigations; (ii) a clear decision-making process; (iii) the application of procedural guarantees; (iv) transparency; and (v) equal treatment of individuals during investigations. The Committee thanks OLAF for the constructive and transparent dialogue. However, it is concerned by the announcement in early 2025 that the adoption of the final version of the GIPs had been postponed. The Committee deems this delay unjustified, given the significant progress already achieved by OLAF and the considerable time and effort already invested, by OLAF and all stakeholders who have contributed valuable input to the revision.

The Committee continued to monitor the duration of OLAF investigation, the results of which are included in this annual report.

It should also be noted that in July 2024, a member of the Committee resigned, and the Committee continued its activity with four members until December 2024.

As a final remark, I would like, on behalf of the members, to thank the Director-General of OLAF for his open and constructive approach and exchanges with the Committee, and also to acknowledge the valuable support that the members of the Secretariat, acting under the management of its head, provided to the Committee.

Angelo Maria Quaglini

Chair of the Supervisory Committee

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1. **The Committee in a nutshell**

1. The Supervisory Committee of the European Anti-Fraud Office (OLAF) ('the Committee') is an independent body established by Regulation (EU, Euratom) 883/2013 ([1]) (the 'OLAF Regulation') to reinforce and guarantee OLAF's independence by regularly monitoring the implementation of OLAF's investigative function.

2. The Committee is composed of five independent outside experts ('the members'), appointed by common agreement of the European Parliament, the Council and the European Commission for five years ([2]). The members perform their role in complete independence and may neither seek nor take instructions from any government or EU institution, body, office or agency. The Committee is supported in its work by a Secretariat, provided by the Commission, that works on a permanent basis under the Committee's direct authority, independently of the Commission, OLAF or any other body. The Secretariat plays a key role in facilitating and contributing to the Committee's monitoring tasks.

3. Given the nature of OLAF investigations, no recourse to EU Courts is possible against a decision to open or close an investigation made by the OLAF Director-General ([3]). This means that, together with the Controller of procedural guarantees (who handles complaints against OLAF for non-compliance with procedural guarantees and the rules applicable to investigations) ([4]), the Committee plays a crucial role as an independent body entrusted with the supervision and scrutiny of how OLAF conducts its investigations. This places the Committee in a privileged position, as it provides the EU institutions with an insight into OLAF's functioning and provides an assurance that OLAF is acting legally and in compliance with the applicable procedural guarantees.

4. Under the OLAF Regulation the Committee is entrusted with a threefold role: (i) regular monitoring of OLAF's investigatory function; (ii) assisting OLAF's Director-General in discharging his responsibilities; and (iii) reporting to the EU institutions.

5. In particular, by regularly monitoring OLAF's investigations, the Committee seeks to ensure that:

   (i) there is no external interference in OLAF's investigative function;

   (ii) all relevant decisions of the Director-General are adopted according to the principles of legality and impartiality and comply with the Charter of Fundamental Rights of the European Union and the procedural guarantees ([5]).

6. The Committee's work includes: (i) addressing **opinions** to the Director-General of OLAF and, where appropriate, **recommendations** on OLAF's investigative work, the duration of its investigations and the resources needed by OLAF to carry out those investigations; and (ii) formulating **observations** on OLAF's draft guidelines for investigation procedures (GIPs). When issuing its opinions and recommendations, the Committee never interferes with the conduct of ongoing OLAF investigations.

([1]) Article 15(2) of Regulation (EU) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1) as amended by Regulation (EU, Euratom) 2016/2030 and Regulation (EU, Euratom) 2020/2223. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013R0883-20210117.

([2]) To preserve the experience built up in the Committee, the members are replaced on an alternating basis, in accordance with the OLAF Regulation.

([3]) Case T-658/17, *Stichting Against Child Trafficking* v *Commission*, ECLI:EU:T:2018:799.

([4]) See Article 9a(8) of the OLAF Regulation.

([5]) https://www.europarl.europa.eu/charter/pdf/text_en.pdf.

2. **Monitoring activities**

7. During the reporting year, the Committee addressed four opinions to the Director-General of OLAF, under Article 15 of the OLAF Regulation. These set out a number of recommendations. Based on Article 17(8) of the OLAF Regulation, the Committee was also consulted and made observations on the revised draft of OLAF's GIPs ([6]). The Committee also continued to monitor the duration of OLAF's investigations and the application of procedural guarantees.

2.1 ***Opinion 1/2024 on OLAF and EPPO complementary investigations and the annual follow-up exercise***

8. In February 2024, the Committee adopted opinion 1/2024 ([7]) on OLAF's complementary investigations. The opinion was based on a first analysis of 70 complementary investigations carried out by OLAF since June 2021, when the EPPO became operational. Of these 70 investigations, the Committee carried out an in-depth analysis of 40 that had already been closed by OLAF.

9. The Committee commended both the EPPO and OLAF for their genuine efforts to make this new mechanism a success in the fight against fraud. The analysis carried out by the Committee indicated the commitment and professional attitude of both parties.

10. Based on the analysis of these 40 closed complementary investigations, the Committee issued two recommendations to OLAF. First, it recommended that OLAF always uses the forms and templates agreed with the EPPO when making a proposal to open a complementary investigation even when the EPPO has already informally told OLAF that it would object to it. It further recommended that this practice be reflected in OLAF's forthcoming revised GIPs. The purpose of these two recommendations was to strengthen transparency and good administrative practice in cooperation and exchanges between OLAF and the EPPO.

11. Given the evolving nature of complementary investigations, the Committee decided, starting with this annual report, to monitor OLAF's complementary investigations on an annual basis as well as the implementation of recommendations to provide further insights into the conduct of such investigations and their role as an essential tool in cooperation between the two main pillars of the EU's anti-fraud architecture, OLAF and the EPPO.

OLAF's complementary investigations in 2024

12. In September 2024, the Committee asked OLAF to provide a list of complementary investigations that had been opened or closed in 2024. OLAF reported 52 complementary investigations in 2024, out of which the Committee accessed and analysed 24. In December 2024, OLAF provided further information on the remaining 25 cases, which were less than one year old and therefore not accessible ([8]) to the Committee in the OCM (the OLAF case management system). OLAF also added three new cases, which were opened after the initial request in September 2024 ([9]).

([6]) Supervisory Committee Opinion No 3/2024 – OLAF Guidelines on investigation procedures, available at: https://supervisory-committee-olaf.europa.eu/document/download/cdd642c0-2339-48e4-89c4-3041316bef1f_en?filename=Opinion%20GIPs%2013.11.24_NON-CONFIDENTIAL.pdf.

([7]) Supervisory Committee Opinion n. 1/2024 – Complementary investigations of OLAF and the EPPO is available at: https://supervisory-committee-olaf.europa.eu/document/download/9017a135-fe82-4471-84fc-eb7030379e3a_en?filename=Opinion%20on%20CI%20-%20non%20confidential%20v.pdf.

([8]) According to Article 7(8) and the second subparagraph of Article 17(5)(d) of the OLAF Regulation the Supervisory Committee has access to investigations lasting more than 12 months.

([9]) The Supervisory Committee requested the list of all the Complementary Investigations, opened and closed in 2024 (January-to December) and access to the respective case-files in OCM on 16 September 2024.

13. Of the 52 complementary investigations analysed by the Committee for 2024, 32 were newly opened investigations and 20 were closed. In 18 closed investigations, OLAF proposed the recovery of approximately EUR 160 million. In the remaining two closed investigations, OLAF issued disciplinary and administrative recommendations.

Analysis

14. The Committee notes that out of 52 complementary investigations, 32 were initiated by the EPPO and 20 by OLAF.

15. Out of 32 complementary investigations initiated by EPPO, 22 were from the Romanian European Delegated Prosecutors (EDPs). The remaining 10 investigations initiated by the EPPO were opened at the request of EDPs from 4 different Member States: FR (2 cases), LT (3), ES (4) and CZ (1). Finally, the 20 cases opened by OLAF break down as follows: CZ (4 cases), SK (3 cases), CR, HU (2 cases), BE, BG, DE, ET, GR, IT, LT, RO (and SIT ([10])) (1 case).

16. 37 investigations were opened as complementary from the start and 15 were reclassified as complementary investigations. Whether an investigation is opened as complementary from the outset or is reclassified as such at a later stage appears to have an effect on its overall duration, as shown below (see paragraphs 23 to 27).

17. The Committee notes that no proposal by OLAF to open a complementary investigation has been formally refused by the EPPO, which may be seen as an indication of a very good level of cooperation between both parties. There is nothing either to suggest to the Committee that the absence of any such formal refusal may be the result of prior informal exchanges between OLAF and the EPPO, whereby the latter would have already signalled to OLAF its objections, were OLAF to make such a request. OLAF has informed the Committee that there is a willingness to explore options on how to streamline the process for discussing proposals for potential complementary investigations.

First recommendation: use of forms

18. One of the Committee's findings in Opinion 1/2024 was that, in practice, if during prior informal exchanges the EPPO were to object to OLAF's intention to open a complementary investigation, then OLAF would not make a formal written request on that matter. This meant that, as a result, there would be no formal trace of OLAF's proposal or the EPPO's objections to it. For that reason, the Committee recommended that OLAF always make a formal written proposal when seeking to open a complementary investigation, using the forms and templates already agreed with the EPPO. This will ensure: (a) compliance with the principle of transparency; and (b) the effectiveness of the Committee's monitoring of OLAF's investigative function.

19. The Committee found that, out of 52 cases, the correct request forms were used in 23 cases. In most of these cases, at least one of the parties followed the formal procedure for communicating with the other. In some of the remaining cases, either the request was made by means of a simple letter without using the appropriate form, or the reply to a formal request was sent by simple email or oral reply.

20. In 11 cases, OLAF used the appropriate forms to request the opening of a complementary investigation, whereas this was not always done by the EPPO, although its practice has been steadily improving throughout the year.

Second recommendation: follow-up on this procedure in GIPs

21. The second recommendation, which follows from the first, was that OLAF should ensure its forthcoming revised GIPs recommends use of the forms and templates agreed on with the EPPO for making a proposal to open a complementary investigation.

([10]) SIT – Special Investigative Team.

22. On this issue, in its comments in Opinion No 1/2024, OLAF committed to explore together with the EPPO on how to streamline the process for discussing proposals for potential complementary investigations and ensure that it is formal and transparent.

Duration

23. In its Opinion 1/2024 the Committee found that the duration of 75 % of closed complementary investigations was less than one year (on average eight months). In very few cases (10 – 20 %), the duration exceeded a year for objective reasons, such as the particularly complex nature of the issues under investigation, including the large number of people concerned and/or countries involved.

24. In the cases analysed since, the Committee has found a difference between investigations opened from the outset as complementary investigations and those that were reclassified as complementary, often at a later and more advanced investigative stage.

25. In the latter case, OLAF would complete its investigation within a few months (or days in some cases) after the EPPO had accepted OLAF's proposal to open a complementary investigation. The advanced stage of the initial EPPO investigation, often including a considerable amount of information already collected in forensic activities and on-the-spot checks carried out before the investigation was reclassified as complementary, could be the main reasons for the swift closure.

26. By contrast, if an investigation was opened as a complementary investigation from the start, its average duration was higher (381 days), and even over two years in more complex cases.

27. In 2024, the average duration of reclassified and external complementary OLAF investigations ([11]) was 12 months, which is below the average duration of other OLAF's investigations (24 months). Most complementary investigations in 2024 had no unjustified breaks, demonstrating an efficient and cooperative approach by the EPPO and OLAF.

2.2 *Monitoring OLAF's budget and resources: Opinion No 2/2024 – OLAF's preliminary draft budget for 2025*

28. Every year, the Committee adopts an opinion on OLAF's preliminary draft budget to provide assurance to the EU institutions that the draft budget preserves the independence of OLAF's investigative function. More specifically, the Committee's opinion examines whether OLAF has sufficient financial and human resources to step up the fight against fraud, corruption and any other illegal activity, and to carry out the tasks assigned to it effectively.

29. On 15 May 2024, the Committee issued Opinion 2/2024 on OLAF's preliminary draft budget for 2025. In this opinion, it was noted that OLAF's preliminary budget had increased by 5 % on the 2024 budget. The proposed increases in certain single budget lines were duly justified and in line with the Commission's guidelines for drawing up its draft budget for 2025.

30. Addressing OLAF's budget line for 'missions and representation costs', the Committee noted the importance of the Commission's recommendation that all Commission departments apply a linear reduction of 20 % for missions and meetings within the framework of the Green Deal. Nevertheless, the Committee welcomed the fact that OLAF's budget for 'mission and representation costs' would remain at the same level as in 2024, thus preserving OLAF's vital capacity to conduct on-the-spot inspections in and outside the EU as part of its investigations.

31. The Committee also welcomed the fact that OLAF's budget for 'Information and communication technology', remained at the same level as in 2024. After years of successive substantial increases, the Committee's view was that OLAF's expenditure on the OCM would now be for maintenance purposes rather than for further development.

([11]) The average duration of OLAF investigations is calculated from the period between the acceptance of the request for complementary investigation and closure of the administrative investigation by the OLAF. In some cases the EPPO continues the criminal investigation.

32. When addressing OLAF's human resources, the Committee has always maintained that it is of paramount importance for OLAF to have sufficient human resources at its disposal to maintain a high-performance level. Thus, the Committee welcomed the fact that no more cuts were planned for 2025 in OLAF's establishment plan, and that OLAF would also be given additional resources given its expected role under the Ukraine facility, financed by the latter instrument.

33. The Committee pointed out that an important feature of OLAF's budget is its interconnected structure, which allows it to make 'internal' budgetary transfers among its different budgetary lines without requesting permission from the EU budgetary authority. This possibility has enabled OLAF to respond to unforeseen events and challenges in the past and manage its budget with a higher degree of flexibility than any other Commission Directorates-General. The Committee has always been in favour of OLAF's autonomy in budget management, as an additional (budgetary) guarantee of its independence.

34. That said, the Committee stressed the importance of OLAF always managing its budget in a manner that as far as possible respects the general budgetary principles set out in Articles 6 to 38 of the Regulation on the financial rules and applicable to the general budget of the EU, including the principles of transparency and specification.

2.3 *Opinion 3/2024 – OLAF's Guidelines on Investigation Procedures (GIPs)*

35. In response to Regulation (EU, Euratom) 2020/2223 of the European Parliament and of the Council of 23 December 2020 amending Regulation (EU, Euratom) No 883/2013 concerning investigations conducted by OLAF, OLAF decided to amend the existing GIPs to transpose the new provisions of the Regulation into new internal guidelines and to establish a clear and coherent framework for all investigation, support and coordination activities. Under Article 17 of the OLAF Regulation the GIPs are adopted by the Director-General, after the Supervisory Committee has been given the opportunity to submit its observations. Against this background, OLAF explained to the Committee that this review process had been carried out in two distinct phases.

36. During the first phase, the OLAF Director-General made a partial revision, limited to what was strictly necessary to align the GIPs with the amendments introduced by Regulation (EU, Euratom) 2020/2223 and the operational start of the EPPO. That phase was finalised, and the new GIPs entered into force on 11 October 2021. In its observations to the Director-General of OLAF on the review of the GIPs of 17 August 2022, the Committee made it clear that it would only issue an opinion on the revised GIPs when the second phase of the review process had been completed ([12]).

37. In the second and current stage of the review, OLAF carried out a more comprehensive process of revision, which included: issues addressed by other internal OLAF instructions and guidelines; practices established under OLAF's cooperation with the EPPO; recommendations from OLAF stakeholders; and issues identified by OLAF staff over the years.

38. On 24 November 2023, OLAF submitted the revised final version of the draft GIPs to the Supervisory Committee for its formal observations. As part of this formal consultation, a constructive exchange of views took place between OLAF and the Committee, which started in the second half of 2023 and continued during the reporting period. The Supervisory Committee's Opinion No 3/2024 on OLAF GIPs, was adopted by the Committee in its plenary meeting of 15 October 2024 and was published on 12 November 2024 ([13]).

39. In the Opinion, the Committee provided its observations and recommendations to the OLAF Director-General before adoption of the GIPs in line with Article 17(8) of the OLAF Regulation.

([12]) Last sentence of Article 17(8) of the OLAF Regulation.

([13]) The Supervisory Committee's Opinion No 3/2024 on OLAF Guidelines on investigation procedures is available at: https://supervisory-committee-olaf.europa.eu/document/download/cdd642c0-2339-48e4-89c4-3041316bef1f_en?filename=Opinion%20GIPs%2013.11.24_NON-CONFIDENTIAL.pdf.

40. For the Committee, as already stated in previous opinions ([14]), it is imperative that the new GIPs are based on an in-depth, comprehensive review of all other existing internal OLAF guidelines and instructions. This is important as the GIPs are the only guidelines, instructions or manual the OLAF Regulation requires OLAF to make public ([15]), so they are an essential part of ensuring the required degree of transparency and legal certainty for people under investigation.

41. In this context, the Committee acknowledged the progress made towards providing investigators with a revised set of guidelines, but considered that the draft GIPs that had been submitted and examined could be further improved. In the Committee's view, comprehensive, extensive and detailed investigation guidelines will better deliver the benefits of upholding principles such as: (i) the reasonable time and continuous conduct of investigations; (ii) a clear decision-making process; (iii) the application of procedural guarantees; (iv) transparency; and (v) equal treatment of individuals in the course of the investigation.

42. The Committee made practical and carefully substantiated recommendations and suggestions in particular on the following points:

(i) Duration of investigations. The Committee addressed various aspects, including: investigation planning; unjustified periods of inactivity; continuous conduct of investigations; mechanisms to scrutinise the duration of investigations; obligation to report to the Committee; and a reasonable period for investigation, which should be proportionate to the complexity and the circumstances of the case;

(ii) Independence of the OLAF Director-General and the decision-making process. The recommendations were concerned with structuring the rules and describing the principles governing transparency, documentation, consultation and collaboration throughout the decision-making process, with specific attention paid to the delegation of powers and hierarchical responsibilities;

(iii) Scope of investigations, in the light of the right of defence and the decision-making process. The recommendations mainly address the need to justify any change in the scope of an investigation and to subject any change in scope to the same rules of evaluation as those required for the opening of an investigation;

(iv) Notion of 'sufficient suspicion' to open an investigation, with specific attention paid to the various sources of incoming information and to the activities during the selection process;

(v) Principle of equal treatment in the conduct of the investigation. This is mainly to incorporate the principle of thorough investigation into the GIPs and to address the issue of the criteria used to determine whether a person can be considered a 'person concerned';

(vi) Respect for everyone's 'private life' and 'telephone conversations';

(vii) Right to legal certainty, with particular emphasis on the classification of investigations and cases;

(viii) Internal advisory and control procedure and the need to strengthen it.

43. The Committee also invited the OLAF Director-General to conduct a thorough review and update the internal instructions and guidance notes that supplement the GIPs to ensure their relevance, alignment with the GIPs and user-friendliness, and to inform the Committee of the outcome of this process.

([14]) Observations of the Committee to the Director-General of OLAF on the revision of the GIPs of 17 August 2021 and Opinion No 2/2017 on the evaluation of the OLAF Regulation.

([15]) The last sentence of Article 17(8) of the OLAF Regulation states that those guidelines will be 'published for information purposes on the Office's website in the official languages of the institutions of the Union'.

44. For the Committee, detailed and practical guidelines, as required under the OLAF Regulation, are instrumental in ensuring that investigations follow OLAF's core values and operational integrity.

45. It is the Committee's belief that the GIPs would benefit significantly from following the recommendations and observations presented in its Opinion.

46. In March 2025 the Director-General of OLAF informed the Committee that, although the revision of the GIPs has been finalised, the adoption of the final text has been delayed due to ongoing discussions on the EU's anti-fraud architecture and the evaluation of the OLAF Regulation.

47. The Committee expresses its regret at the adoption of the final version of the GIPs being postponed and deems the delay to be unjustified given the significant progress already achieved by OLAF and the considerable time and effort invested so far by OLAF and all stakeholders who have made valuable contributions to the revision.

48. The Committee considers that detailed and practical guidelines, as required under the OLAF Regulation, are instrumental in ensuring that investigative work follows OLAF's core values and operational integrity. The Committee's view is that ongoing discussions on the EU anti-fraud architecture and evaluation of the OLAF Regulation should not have an impact on the adoption of the already finalised GIPs.

2.4 *Opinion No 4/2024 - OLAF's power to conduct internal investigations: the case of members of EU institutions*

49. In February 2023, the Director-General of OLAF sent the Committee the correspondence between the President of the European Parliament and himself (March 2020 to September 2023) on the issue of OLAF's powers to investigate Members of the European Parliament (MEPs). OLAF's Director-General informed the Committee of certain difficulties that OLAF was encountering in investigating alleged cases of serious misconduct by MEPs that did not as such affect the financial interests of the EU, including difficulties in accessing MEPs' offices and their IT equipment (laptops), among other issues. Although OLAF could investigate parliamentary assistants and other staff of the European Parliament ('Parliament') as 'persons concerned', it was not in a position to carry out any investigative activity involving an MEP without the authorisation from Parliament. Parliament's position was that the OLAF Regulation does not empower OLAF to investigate matters not relating to the protection of the EU's financial interests, such as MEPs' compliance with Parliament's Code of Conduct.

50. The Committee therefore decided to issue an opinion under Article 15 of the Regulation ([16]) to clarify the rules applicable to internal investigations by OLAF that involve members of EU institutions in general, and MEPs in particular. In its opinion, the Committee examined the core question of whether OLAF has the power to investigate MEPs and members of institutions, bodies, offices and agencies (IBOAs) for serious offences relating to the discharge of their professional duties which appear not to affect the financial interests of the EU (referred to as 'non-PIF-related matters') ([17]). It also examined the relevance of Parliament's Code of Conduct for MEPs, the MEPs' Statute and their immunity for the purposes of OLAF's internal investigations. Finally, for the sake of completeness, the opinion also assessed whether and to what extent OLAF's power to conduct such investigations may be affected by the 1999 Interinstitutional Agreement and the decisions that each institution, body, office or agency of the EU has adopted under Article 4 of the OLAF Regulation – on the terms and conditions under which OLAF can conduct investigations into their staff or their members.

([16]) Article 15 of the OLAF Regulation states that the Supervisory Committee may deliver opinions also upon request, among others, of the Director-General of OLAF.

([17]) Crimes against the financial interests of the European Union (PIF crimes, as defined in Directive (EU) 2017/1371, from the French '*protection des intérêts financiers*') affect the European Union's financial interests and also harm its reputation and credibility. PIF crimes include fraud related to the EU budget, large-scale VAT fraud affecting two or more Member States, corruption, misappropriation of assets committed by a public official, and money laundering involving property derived from these crimes.

OLAF's powers to carry out internal investigations for non-PIF-related matters

51. For the Committee, it was essential as a first step to clarify the issue of OLAF's competence to investigate MEPs for matters that appear not to affect the financial interests of the EU. For that reason, the Committee referred to the case law of the EU Courts, in particular to the Court's judgment in the Dalli case ([18]), where the Court examined in detail the very arguments that Parliament recently appears to have raised in its correspondence with OLAF to call into question or restrict OLAF's power to investigate MEPs for non-PIF-related offences.

52. The Court stated that it was clear from Article 2(1) of Commission Decision 1999/352/EC establishing OLAF (which is still applicable) that OLAF is responsible **not only** for '*conducting administrative investigations for the purpose of, firstly, fighting fraud, corruption and any other illegal activity affecting the financial interests of the Union*', **but also** to investigate '*serious facts linked to the performance of professional activities which may constitute a breach of obligations by officials and servants of the Union likely to lead to disciplinary and, in appropriate cases, criminal proceedings*' ([19]). According to the Court, this was also laid down in recital 5 of the previous OLAF Regulation No 1073/1999 (now recital 6 of the current OLAF Regulation), according to which **OLAF's responsibility extends beyond the protection of financial interests** to include all activities relating to safeguarding the EU's interests against irregular conduct liable to result in administrative or criminal proceedings. The Court concluded that '*the absence of an impact on the financial interests of the Union* ***does not affect the possibility for OLAF to open an investigation***' ([20]).

53. The Committee notes that the case law of the Courts is so clear that there can no longer be any doubt as to the correct interpretation of Article 1(4) of the OLAF Regulation ([21]) and OLAF's powers to investigate serious matters relating to the discharge of professional duties by EU staff and members of institutions that do not affect the EU's financial interests. Moreover, the case law that followed the Dalli case also clarified that even non-PIF-related offences (such as conduct involving psychological harassment) can have financial repercussions. The Committee notes that OLAF is entitled to investigate such cases even if it considers the misconduct in question has had no financial impact. It is also clear that OLAF's power to conduct internal investigations into members of IBOAs for non-PIF-related matters stems directly from the OLAF Regulation and is not an additional competence voluntarily conferred on OLAF by the IBOAs outside and beyond the scope of application of the OLAF Regulation.

Code of Conduct for Members of the European Parliament

54. In its correspondence with OLAF, Parliament also expressed serious doubts about OLAF conducting parallel internal investigations into issues such as harassment, conflicts of interest or ethical breaches involving MEPs, on the ground that such investigations risk calling into question Parliament's own internal procedures as set out in its Code of Conduct. According to Parliament, the principle of sincere cooperation limits the scope of OLAF's activities involving Parliament.

55. In this context the Committee notes that IBOAs may adopt internal rules, including a code of conduct for their members on ethical matters, but that this does not and cannot preclude OLAF from exercising a competence conferred directly on it by the OLAF Regulation. These internal rules and codes of conduct are binding only on the IBOA concerned. They cannot therefore be used as a basis for preventing OLAF from conducting an internal investigation in line with Article 1(4) of the OLAF Regulation.

([18]) Judgment of 6 June 2019, *Dalli* v *Commission* T-399/17, ECLI:EU:T:2019:384, upheld by judgment of 25 February 2021, *Dalli* v *Commission*, C-615/19P, ECLI:EU:C:2021:133 (Case T-399/17).

([19]) See paragraph 62 of the judgment of 6 June 2019, *Dalli* v *Commission* T-399/17.

([20]) See paragraph 62 of the judgment of 6 June 2019, *Dalli* v *Commission* T-399/17.

([21]) Article 1(4) states that: 'Within the institutions, bodies, offices and agencies established by, or on the basis of, the Treaties ('institutions, bodies, offices and agencies'), the Office [OLAF] shall conduct administrative investigations for the purpose of fighting fraud, corruption and any other illegal activity affecting the financial interests of the Union. To that end, it shall investigate serious matters relating to the discharge of professional duties constituting a dereliction of the obligations of officials and other servants of the Union liable to result in disciplinary or, as the case may be, criminal proceedings, or an equivalent failure to discharge obligations on the part of members of institutions and bodies, heads of offices and agencies or staff members of institutions, bodies, offices or agencies not subject to the Staff Regulations (hereinafter collectively referred to as 'officials, other servants, members of institutions or bodies, heads of offices or agencies, or staff members').'

56. On the principle of sincere cooperation, the Committee refers to the case law of the European Courts which holds that Article 13(2) of the Treaty on European Union (TEU) ([22]) *'reflects the principle of institutional balance, characteristic of the institutional structure of the European Union,* ***a principle which requires that each of the institutions must exercise its powers with due regard for the powers of the other institutions***' ([23]). In that respect, as far as OLAF is concerned, the Court has ruled that OLAF's duty of sincere cooperation cannot have the effect of altering the division of tasks and responsibilities provided for by the OLAF Regulation ([24]).

57. Since the power to conduct internal investigations is not a shared competence but is conferred by the OLAF Regulation on OLAF only, the principle of sincere cooperation among institutions cannot be relied upon by any institution, including Parliament, to prevent OLAF from exercising its power to investigate members of IBOAs. In fact, the principle of sincere cooperation is enshrined in Article 5(3) of the OLAF Regulation, according to which *'while the Office* [OLAF] *is conducting an internal investigation, the institutions, bodies, offices or agencies concerned shall not open a parallel investigation into the same facts, unless agreed otherwise with the Office*'.

The Statute and Protocol No 7 on the privileges and immunities of the European Union ([25])

58. The Committee also examined the relevance of the Statute and of the Protocol No 7 on the privileges and immunities of the European Union, which lays down the regulations and general conditions governing the performance of MEPs' duties and confers statutory protection on their freedom and independence. The Committee notes that Article 1(3) of the OLAF Regulation – which states that its scope is without prejudice to (a) Protocol No 7 on the privileges and immunities of the European Union, and (b) the Statute for Members of the European Parliament – does not restrict the power conferred on OLAF to investigate members of IBOAs for serious matters relating to the discharge of their professional activities. It only makes clear that such competence is to be exercised without restricting or adversely affecting MEPs' electoral mandate or their freedom to perform their role as elected representatives.

59. According to the case law, the privileges and immunities of the European Union recognised by Protocol No 7, and by extension the immunity of MEPs, are purely functional in character; they are intended to avoid any interference with the functioning and independence of the European Union. Consequently, those privileges and immunities are granted solely in the interests of the European Union. According to the Court, the purpose of that immunity is *'to avoid any obstacle to the proper functioning of the institution to which they belong, and therefore to the exercise of the powers of that institution'* ([26]). It follows that, provided that OLAF's investigations into acts committed by MEPs do not impinge on 'the opinions expressed, or votes cast by them in the performance of their duties', they are 'without prejudice' to the privileges and immunities of MEPs under Protocol 7 and/or their Statute ([27]).

Interinstitutional Agreement of 1999 and Decisions taken by each institution, body, office or agency of the EU on OLAF's internal investigations

60. In its correspondence with OLAF, Parliament has also argued that, since OLAF lacks the power under the OLAF Regulation to investigate non-PIF-related acts committed by MEPs, such investigations can be conducted solely on the basis of the Interinstitutional Agreement of 25 May 1999 between Parliament, the Council and the European

([22]) Article 13(2) TEU states: 'Each institution shall act within the limits of the powers conferred on it in the Treaties, and in conformity with the procedures, conditions and objectives set out in them. The institutions shall practice mutual sincere cooperation.'
([23]) Judgment of 6 October 2015, Case C-73/14, *Council of the European Union* v *European Commission* ECLI:EU:C:2015:663.
([24]) Judgment of 5 September 2024, Case C-494/22, P *Commission* v *Czech Republic*, par.149, ECLI:EU:C:2024:684.
([25]) Decision of the European Parliament of 28 September 2005, adopting the Statute for Members of the European Parliament, OJ L 262, 7.10.2005, p. 1 at http://data.europa.eu/eli/dec/2005/684/oj.
([26]) Judgment of 27 April 2022, *Roos* v *Parliament*, Joined Cases T-710/21, T-722/21 and T-723/21, paragraph 132.
([27]) See also Opinion 2/2011 of the Supervisory Committee on 'Powers of OLAF for the independent conduct of internal investigations within the EU institutions, https://supervisory-committee-olaf.europa.eu/supervisory-committee-olaf/opinions-and-reports_en.

Commission concerning internal investigations by OLAF. The view expressed by Parliament is that since recital 6 of that Agreement states that OLAF investigations '*should not affect the responsibilities of the institutions*', OLAF's investigations into MEPs should be conducted in full compliance with Parliament's Rules of Procedure on the enforcement of Parliament's Code of Conduct applicable to MEPs. According to those rules, it is for instance the sole competence of the President of Parliament, after consulting the Advisory Committee on the Conduct of Members, to adopt final decisions on breaches of the Code of Conduct by MEPs. Were OLAF to conduct parallel investigations into such matters, then the authority of the President of Parliament and of the Advisory Committee would be called into question.

61. In this context, the Committee, following the case law of the EU Courts, notes that the power of OLAF to conduct internal investigations into members of IBOAs for non-PIF-related matters stems directly from the OLAF Regulation itself. This is not, therefore, a competence that the signatory institutions to the Interinstitutional Agreement of 1999 'voluntarily' decided to confer on OLAF. Moreover, if restrictions were to be imposed on OLAF's power to conduct internal investigations into members of IBOAs, this could only be done by the OLAF Regulation itself, and not by an institutional agreement, as an agreement is not a legislative act capable of repealing, amending or superseding the OLAF Regulation.

62. Moreover, the Committee considers that, if it is true that '*investigations within the institutions, bodies, offices and agencies in the areas (…) shall be conducted in accordance with this Regulation and with the decisions adopted by the relevant institution, body, office or agency*' (Article 4.1 of the OLAF Regulation), this refers to the implementing provisions that IBOAs must have in place by means of internal administrative decisions. These decisions lay down practical arrangements that OLAF must consider when it conducts investigative activities (inspection and collection of evidence on premises, exchange of information, interviews of staff and members, etc.), but cannot and do not affect the existence and exercise by OLAF of its investigative powers.

63. In conclusion, the Committee finds that, following the Dalli judgment, there is no doubt that OLAF has the power to investigate MEPs and members of IBOAs for serious offences related to the discharge of their professional duties that may not affect the financial interests of the EU. The Committee further finds that the forthcoming revision of the OLAF Regulation would be an opportune moment to fully align Article 1(4) of the OLAF Regulation with the Court's judgment in the Dalli case. This would provide greater clarity and remove doubts over OLAF's competence to conduct internal investigations into members of IBOAs that do not affect the EU's financial interests.

2.5 ***Draft Opinion on OLAF's internal investigations of harassment within the EU institutions, bodies, offices and agencies (IBOAs)***

64. In 2022, the Director-General of OLAF informed the Supervisory Committee of certain difficulties OLAF was encountering in a number of cases relating to internal investigations into harassment which could jeopardise his independence.

65. Based on the information it received from OLAF, the Committee considered it important to issue an opinion to clarify OLAF's role and powers in investigating inappropriate behaviour and harassment within IBOAs, and to examine in detail the added value those investigations bring to the fight against harassment and other similar inappropriate behaviour by EU officials and members of IBOAs. Nevertheless, as the Committee does not interfere in the conduct of investigations in progress, it decided to only look into the issue once the Director-General of OLAF had closed the reported cases.

66. In December 2024, the Committee approved its draft opinion which was then formally adopted in January 2025 ([28]). The Committee examined 20 harassment cases that OLAF had dismissed (investigations not opened) over the last five years (2018-2023), as well as 9 investigations into harassment which were completed during that same period.

([28]) See Opinion 1/2025 at: https://supervisory-committee-olaf.europa.eu/document/download/0aaf5493-9be7-4538-a5c4-f1957b3d479a_en?filename=Opinion%201-2025.pdf.

67. In its opinion, the Committee noted first that, following the Dalli judgment, it is now an established fact that OLAF has the competence to conduct internal investigations into serious matters relating to the discharge by staff and members of IBOAs of their professional duties whether or not they affect the EU's financial interests, and that this competence stems directly from Article 1(4) of the OLAF Regulation. This is not an additional competence voluntarily conferred on OLAF by the IBOAs outside and beyond the scope of application of the OLAF Regulation ([29]). OLAF is therefore competent to conduct internal investigations involving harassment as defined by the case law, even where there is no impact on the EU's financial interests.

68. That said, the analysis carried out by the Committee showed that OLAF would normally refrain from opening an investigation into such matters in cases where a) the allegations refer to harassment committed by officials and other 'servants' or by those in middle management positions, and b) the IBOA concerned has the capacity and necessary expertise and is able to carry out its own internal inquiry in an efficient and independent way, without the need for OLAF's intervention. In such cases, OLAF considers that opening its own investigation would not be a proportionate or efficient use of its resources, nor would it provide any added value. In such cases, the Director-General would dismiss the case and send the relevant information to the IBOA concerned, so that appropriate action could be taken in accordance with Article 5(6) of the OLAF Regulation.

69. However, OLAF would consider it appropriate and necessary to open its own investigations when the allegations of harassment are made against high-ranking and senior management officials and members of IBOAs where only OLAF could guarantee the required degree of independence in the conduct of such investigations.

70. The Committee found that OLAF's approach in handling complaints of harassment is in line with the applicable rules and with its mandate. Moreover, the Committee considered that in cases of harassment by high-ranking and senior officials, an OLAF investigation provides real added value in terms of independence and impartiality in the conduct of such investigations.

71. On this matter, the Committee notes that given the high-ranking position within the IBOA concerned and the high level of responsibility attributed to some EU senior staff or members of IBOAs, an internal investigation by the IBOA concerned may not be adequately objective, independent and impartial. In some cases, IBOAs might not even have the necessary resources to appoint a specialised internal team responsible for conducting an administrative investigation. Finally, allegations of harassment perpetrated by high-ranking officials and members of IBOAs that are investigated by their own institution, body or agency could potentially cause serious damage to the image and reputation of the IBOA in question.

72. The Committee also noted that, although in most of the cases analysed the IBOAs were cooperative and did not interfere in OLAF's investigation, in two cases the IBOAs displayed a clear lack of cooperation, calling into question OLAF's power to carry out such internal investigations. This resulted in further delays to OLAF's investigations and had a negative impact on the efficacy of its action.

73. The Committee therefore noted that, when the Director-General opens an investigation into matters that fall within OLAF's competence, an IBOA's obligation to cooperate with OLAF and to abstain from parallel investigations is unconditional. In this context, the Committee's view is that, when an IBOA does not respond positively to OLAF's requests not to conduct a parallel investigation on matters already being investigated by OLAF or refuses to send information relevant to OLAF's investigations, that IBOA is in fact failing to act in accordance with the OLAF Regulation and the principle of sincere cooperation. Such behaviour has a negative impact on the efficacy and consistency of OLAF's work and ultimately interferes with OLAF's autonomy and independence in carrying out the investigations within its mandate.

([29]) The Supervisory Committee has already expressed its view on this topic in its Opinion No 4/2024 '*OLAF's power to conduct internal investigation: the case of Members of the EU institutions*'.

2.6 *Monitoring the duration of OLAF's investigations*

74. Article 7(8) of the OLAF Regulation requires the Committee to carry out a case-by-case analysis of any inquiry longer than 12 months to ensure that OLAF investigations are conducted continuously and over a period proportionate to their circumstances and complexity.

75. By regularly monitoring the duration of OLAF's investigations and the reasons for any undue delay, the Committee seeks to verify that no external or internal interference in the impartial conduct of an investigation has occurred. An investigation that is lengthy without justification may have serious negative consequences for: (i) the procedural rights of the person(s) concerned; and/or (ii) the follow-up to the investigation. By monitoring the length of investigations, the Committee also checks that the human and financial resources allocated to OLAF have been used efficiently.

76. The Committee considers the duration of investigations to be an important indicator of the effectiveness of OLAF's action and over the years has paid particular attention to this subject. In its last opinion on this subject, Opinion 5/2021, the Committee engaged in a comprehensive assessment of OLAF investigations lasting more than 36 months in 2019. The Committee identified certain shortcomings that prompted a number of recommendations to the Director-General of OLAF.

77. In its recent Opinion 3/2024 on the draft new GIPs, the Committee welcomed the progress made by OLAF in managing the length of its investigations and acknowledged the inclusion of some of the Committee's recommendations in the draft revised GIPs. However, the Committee also stressed the importance of the GIPs providing clear guidance to investigators on avoiding unjustified periods of inactivity during the investigation process. In this context, the Committee submitted several recommendations to the Director-General of OLAF on amendments to the GIPs that would help OLAF overcome the issue of over-lengthy investigations. The Committee trusts that those recommendations will be endorsed by the OLAF Director-General in the final version of the GIPs. However, as stated above, the fact that the adoption of the GIPs has been postponed without any concrete timeline is a matter of concern to the Committee.

78. During the reporting year, as every year, the Committee received information from OLAF on investigations lasting more than 12 months. To better understand how OLAF managed the duration of its investigations during 2024 and how it complied with the general principle of proportionality of the duration of the OLAF investigation, also in light of previously formulated recommendations, the Committee carried out an assessment focusing on investigations lasting more than 36 months (see Section 2.6.2).

2.6.1 *Reports of investigations lasting over 12 months received by the Committee in 2024*

79. If an investigation cannot be closed within 12 months of being opened, Article 7(8) of the OLAF Regulation ([30]) requires the Director-General of OLAF to formally report to the Committee 12 months after the investigation has been opened and every six months thereafter. In these reports, OLAF sets out the reasons for the investigation remaining open and, where appropriate ([31]), the remedial measures to be taken to speed up the investigation, and the expected timeframe for completion.

80. In 2024, the Committee received 490 reports from OLAF about 333 ongoing individual investigations lasting over 12 months. Of those, 49 % exceeded 24 months and 16 % exceeded 36 months (Figure 1). The breakdown of OLAF investigations by sector is provided in Figure 2.

([30]) Article 7(8) Regulation (EU, Euratom) No 883/2013 states: 'If an investigation cannot be closed within 12 months after it has been opened, the Director-General shall, at the expiry of the 12-month period and every six months thereafter, report to the Supervisory Committee, indicating the reasons and the remedial measures envisaged with a view to speeding up the investigation.'.

([31]) The wording 'where appropriate' was added to the text of Article 7(8) of the OLAF Regulation by amending Regulation (EU, Euratom) 2020/2223.

Figure 1: 333 lengthy cases reported in 2024

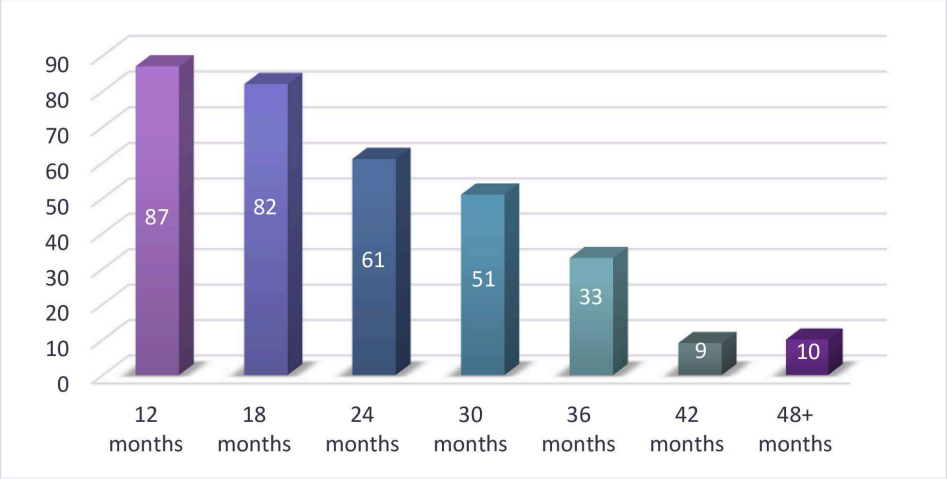
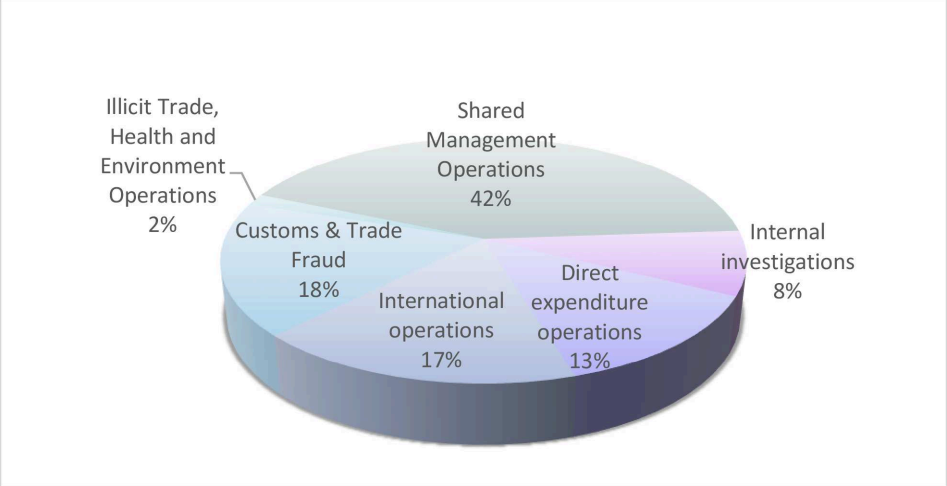


Figure 2: Sectoral breakdown of lengthy cases reported in 2024



2.6.2 *Monitoring of OLAF investigations lasting more than 36 months in 2024*

81. In 2024, the Committee carried out regular monitoring of the duration of OLAF investigations, specifically focusing on those exceeding 36 months. The monitoring took place in two phases. First, the Committee analysed cases that had exceeded 36 months between 1 January and 31 August 2024 (39 cases). Then the Committee reviewed new cases that exceeded 36 months between 1 September and 31 December 2024 (13 new cases). During the latter phase, the Committee also examined progress on the 39 cases analysed earlier in the year.

82. In line with Article 10 of the Working Arrangements agreed on between OLAF and the Committee ([32]), the Committee had access to the case files of the abovementioned 52 investigations. By the end of December 2024, OLAF had closed 44 of these cases, while 8 were ongoing.

([32]) The working arrangements agreed between OLAF and the Committee provide the Committee with partial direct access to case-related information that is available and registered in OLAF's case management system. The working arrangements are available at: https://supervisory-committee-olaf.europa.eu/system/files/2021-10/OLAF%20SC%20WA%20signed.pdf.pdf.

83. The Committee's review looked at the following indicators.

Continuity of investigative activities. The intensity of investigative activities was carefully reviewed throughout the duration of each case. The Committee verified the reasons provided by OLAF in its 12-month reports against the case files and analysed the continuity of activities between the reporting periods. Particular attention was given to any breaks in investigative activities lasting longer than three months. Justifications were looked for in the case file (either explicitly stated or otherwise inferable) ([33]). The Committee also focused on the OLAF Review Team's assessment of the continuity of investigations ([34]).

Investigation planning and operational prioritisation. The Committee reviewed OLAF's internal practice for managing the duration of investigations, with particular emphasis on planning and operational prioritisation. The Committee assessed whether a consistent and uniform approach was adopted across all OLAF units ([35]). The Committee also considered whether investigations exceeding 36 months were given operational priority by OLAF's management, with the clear objective of expediting their completion ([36]).

Proportionality and effectiveness. The Committee also conducted a preliminary assessment of the proportionality of the duration of each investigation, evaluating whether the duration was justified based on the circumstances of the case. Furthermore, the Supervisory Committee assessed whether the remedial measures proposed were meaningful and apt in addressing the reasons for non-completion.

84. The analysis carried out by the Committee in 2024 can be summarised as follows.

Reporting

85. The Committee noted that the '*complexity of the matter*' was the most frequently invoked reason by OLAF to justify the duration of an investigation (invoked in 85 % of the cases). The circumstances in which an investigation could be considered complex can vary from case to case, depending on the subject matter and the specific circumstances. Complexity is typically mentioned by OLAF when documents are numerous and difficult to examine due to their format, volume and language. Complexity is also mentioned when inter-jurisdictional difficulties and other legal issues arise, when the case involves or could potentially involve many persons ([37]) and/or countries, when the scope of the investigation is broad or when transactions are difficult to analyse.

86. Other reasons reported by OLAF to justify duration are internal (e.g. HR issues such as a long absence of a lead investigator or reorganisation of an investigative team), or external circumstances beyond OLAF's control (e.g. difficulties in cooperation with stakeholders, waiting for input from European institutions, national authorities or other stakeholders, or the impact of the COVID-19 pandemic).

87. The Committee assessed the content of the OLAF's 12-month reports against all the data available in each case file without finding discrepancies. In more general terms, the Committee considers that the template used for reporting to the Committee, if filled in correctly, can provide a reliable overview of the case. It is important to update the information therein every six months, with particular attention to remedial measures taken during the reporting period and their effectiveness. The Committee has already pointed out ([38]) that an investigation being in the process of completion when the 12-month report is drafted does not relieve OLAF of its duty to inform the Committee of the remedial measures taken during the investigation.

([33]) See Supervisory Committee Opinion 5/2021, Recommendation 1b.
([34]) See Supervisory Committee Opinion 5/2021, Recommendation 2.
([35]) See Supervisory Committee Opinion 5/2021, Recommendation 3.
([36]) See Supervisory Committee Opinion 5/2021, Recommendation 4c.
([37]) The cases analysed featured a range of natural/legal persons, spanning from 1 to 29.
([38]) See Supervisory Committee Opinion 5/2021, paras. 38 and 39.

Continuity of investigations

a. *Breaks in investigative activities*

88. The Committee carefully examined the intensity of investigative activities throughout the duration of each case and identified periods of inactivity in the lifecycle of most of the cases analysed (47 cases) ([39]). In most instances, a case had more than one period of inactivity. In 44 cases, the Committee found breaks lasting 3-8 months ([40]). In 12 cases, the breaks lasted 9-15 months ([41]). In 4 cases, the Committee found longer periods of inactivity, of 16-23 months ([42]). The Committee, as already stated in previous opinions, acknowledges that analysis of the duration cannot be based solely on the number and length of the activity breaks in an investigation and that any analysis must take account of the whole investigation case file and, in line with Article 7(5) of the OLAF Regulation, the specific circumstances and complexity of each case.

89. The Committee reiterates ([43]) that periods of inactivity must be properly recorded and justified in the case file, and that obstacles or delays encountered by the case team during the lifecycle of an investigation should always be registered and traceable in the OCM (e.g. in the form of a note to the file). This would enable OLAF's management to effectively monitor progress in an investigation and ensures the required degree of transparency and accountability.

90. In its previous analysis of duration, the Committee noticed that, in most cases, OLAF had not properly recorded the circumstances behind periods of inactivity in the OCM ([44]). The analysis carried out in 2024 shows an improvement in this field, as OLAF regularly documented breaks of over three months, so the Committee could understand the reasons behind such periods of inactivity. Only in a minority of cases did the Committee detect undocumented breaks ([45]).

91. In this regard, the Committee commends the practice of documenting the incremental progress of OLAF's data analysis in case-file notes, as well as recording any procedural obstacle encountered by the investigation team ([46]).

92. The Committee also noted that while in most cases OLAF registered documents on time, on few occasions this was done with some delay (e.g. email exchanges dating back some time before they were entered in the OCM) ([47]). This practice deviates from the need for clarity and transparency in the OCM, which is in turn instrumental for the streamlined conduct of investigations, managerial supervision, and the Committee's monitoring work. The Committee, therefore, stresses the importance of entering all relevant documents in the OCM without delay.

b. *Opinions of the Review Team*

93. In all 44 closed cases, the Committee also analysed the opinions issued by the Review Team before the closure of a case ('opinion on closing'). The Committee found a degree of heterogeneity in the analysis carried out by the Review Team on the continuity of investigations: in some cases, the Review Team's opinion referred to periods of inactivity or the complexity of the case without providing explanations or additional details to support their assessment ([48]); in other cases, the opinion simply states that 'no such indications [of undue delays]' were found, although the case-file content may suggest otherwise ([49]).

([39]) [No periods of inactivity were identified in five cases - confidential].
([40]) [Confidential].
([41]) [Confidential].
([42]) [Confidential].
([43]) See Supervisory Committee Opinion 5/2021, para. 44.
([44]) See Supervisory Committee Opinion 5/2021, paras. 45 and ss.
([45]) [Confidential].
([46]) [Confidential].
([47]) [Confidential].
([48]) [Confidential].
([49]) [Confidential].

94. The Committee echoes its previously expressed view ([50]) that the assessment carried out at the end of the investigation is extremely relevant to monitoring the efficiency of OLAF's activity. It is therefore important that the opinions issued by the Review Team identify the exact periods of any inactivity and draw clear and well-argued conclusions.

Investigation planning and prioritisation

95. As part of the last update of the GIPs, OLAF amended Article 9(1) to include the requirement for investigation units to '*outline an initial work plan*'. The Committee welcomes this development and recognises the efforts of the Director-General of OLAF in implementing Recommendation 3 of Opinion 5/2021.

96. The analysis carried out, however, revealed that in 60 % of cases initial investigation plans were not drawn up. In the remaining 40 % of cases an initial working plan was produced, though in only three cases did the initial work plan get updated ([51]). The Committee acknowledges that the vast majority of investigations analysed were opened before the GIPs were updated in October 2021. The Committee, however, reiterates its view ([52]) that a more consistent approach would be beneficial to OLAF's operations. Having work plans drawn up at the start of an investigation, and updated whenever necessary, provides OLAF's management with a concrete tool to monitor the duration and progress of investigations and make the best use of its staffing resources.

97. The Committee's analysis also found a certain degree of heterogeneity in the assignment of operational priority to cases. Only eight investigations that exceeded 36 months were explicitly granted priority ([53]). The analysis however did also show that, despite not being explicitly granted operational priority, 30 cases were closed shortly after exceeding 36 months of duration ([54]).

98. On this issue, the Committee welcomes – as a positive development fulfilling Recommendation 4c of Opinion 5/2021 – the fact that OLAF automatically assigned priority to most investigations running for over 36 months. Nevertheless, the Committee also stresses the importance of recording decisions to grant priority to an investigation in the case file, as well as documenting any subsequent change to such decisions.

99. The analysis conducted by the Committee on cases running longer than 36 months in 2024 shed light on a number of findings. First, there was a slight increase in these cases compared to 2019 (up from 10 % to 16 % of all the reported cases in 2024). This figure appears consistent with the decreasing number of OLAF staff in the last five years and the increasing complexity of investigations conducted by OLAF ([55]). The analysis, however, highlighted that most of the investigations were speeded up after reaching 36 months of duration, resulting in most cases being closed between 36 and 42 months.

100. When looking at the continuity of investigations, the Committee found that in almost 70 % of cases the identified breaks were in fact justified ([56]). In the remaining 30 %, the Committee found that a recurrent element with an impact on duration was the long absence of the lead investigator and/or consequent changes in the composition of the case team ([57]). Finally, a limited number of analysed cases ([58]), in the Committee's view, raise concerns about the proportionate character of their duration; the Committee considers that in these cases OLAF's investigations were not continuous and the breaks not justified. In light of the above considerations, the Committee stresses the importance of limiting investigative breaks to the minimum. It also emphasises the need to clearly justify such periods of inactivity in the case file.

([50]) Recommendation 2 of Supervisory Committee Opinion 5/2021.
([51]) [Confidential].
([52]) Recommendation 3 of Supervisory Committee Opinion 5/2021.
([53]) [Confidential].
([54]) [Cases closed between 36 and 42 months – confidential].
([55]) In 2019, OLAF invoked 'complexity of the matter' as a reason justifying the duration of the investigation in 43% of cases whereas in the reporting year this amounted to 85 % of cases.
([56]) [Confidential].
([57]) [Confidential].
([58]) [Confidential].

101. The analysis further indicated that, although the drafting of work plans is a requirement under Article 9(1) of the current GIPs, work plans are not yet consistently adopted across investigative units. The Committee trusts that Article 9(1) of the GIPs will be applied more consistently in the future.

2.7 *Committee monitoring of individual complaints submitted to OLAF*

102. As every year, the Committee received twice-yearly reports and relevant documents on individual complaints handled by OLAF. In 2024, the Director-General informed the Committee that OLAF dealt with three complaints in total. The Director-General also provided an overview of complaints dealt with by the European Ombudsman. OLAF provided automatic access to the corresponding cases in the OLAF case management system, which contains all relevant documents and information ([59]). The Committee focused on the three complaints directly handled by OLAF in 2024 all based on Article 90a of the Staff Regulations ([60]).

103. Under Article 90a of the Staff Regulations, EU officials and other staff members may submit requests to the Director-General of OLAF relating to their rights and how they are treated in the context of investigations conducted by OLAF. They can also submit complaints against an act adversely affecting them in connection with investigations by OLAF.

104. The Committee notes that in two complaints, submitted by persons concerned in OLAF investigations, the applicants filed requests for compensation for damages for alleged breach of procedural guarantees. Both complaints were submitted after the OLAF investigations had been closed. The remaining complaint was submitted by an informant and concerned a 'dismissed case' where OLAF decided not to open an investigation.

105. The Committee considers that, in the above-mentioned complaints, OLAF provided sufficient explanations to all complainants and acted in accordance with its obligation under Article 41(2)(c) of the Charter of Fundamental Rights of the European Union on '*the obligation of the administration to give reasons for its decisions*'.

3. **Cooperation**

3.1 *Cooperation with OLAF*

106. In 2024 the Committee consolidated its fruitful cooperation with OLAF by maintaining an open and meaningful dialogue with the Director-General of OLAF and his team.

107. The Committee continued the practice of inviting OLAF's Director-General and his staff to its monthly meetings to discuss and be informed about any matter relevant to the Committee and OLAF's work. The members of the Committee and the Secretariat also held formal and informal meetings with OLAF management and staff as part of preparations of the Committee's work.

108. The Committee received the following reports from OLAF in line with the OLAF Regulation and the established working practices: (i) reports on investigations lasting over 12 months; (ii) reports where recommendations issued by OLAF since 1 October 2013 had not been followed up and for which OLAF received replies from the authorities concerned in the 2023 annual monitoring exercise; (iii) reports on complaints made to OLAF about procedural guarantees in ongoing OLAF investigations; (iv) reports on cases for which information has been sent to national judicial authorities; and (v) reports on deferrals under Article 4(6) of the OLAF Regulation.

([59]) Pursuant to Article 6(2) of the Working Arrangements between OLAF and the Supervisory Committee.

([60]) Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community, available at: EUR-Lex - 01962R0031-20140501 - EN - EUR-Lex.

3.2 *Relations with stakeholders*

109. The Committee is accountable to the institutions that appointed its members, and it is also a dialogue partner of the EU institutions. The Committee reports to the EU institutions on its activities, it may issue opinions at their request, and produces reports on investigative matters and exchanges views with them at a political level ([61]).

110. The Committee considers it important to maintain regular contact with EU institutions and OLAF partners and stakeholders in order to improve the flow of information and obtain feedback about OLAF's performance. The Committee and its Secretariat were in contact with: (i) the European Ombudsman (participation in the Committee's plenary meeting of 9 July 2024); (ii) the Council Working Group Against Fraud (GAF) (presentation of the 2023 annual report by the Chair on 18 July 2024); (iii) the Budgetary Control Committee (CONT) of the European Parliament (presentation of the Committee's 2023 annual report by the Chair on 5 September 2024). The Chair of the Committee also participated in the OLAF-EPPO Conference on 22 April 2024 and the anti-fraud coordination service (AFCOS) rapporteur in OLAF's 2024 AFCOS Conference on 16 October 2024.

111. The Committee also participated in the annual interinstitutional exchange of views on OLAF that took place on 3 December 2024 and focused on the use of artificial intelligence (AI) by EU anti-fraud actors. The Committee actively participated in the meeting, acknowledging the potential benefits stemming from the use of automatic algorithms in detecting fraud and streamlining investigations. In its simplest application, AI could automate repetitive tasks and support OLAF staff in assessing and understanding the different national legal frameworks. In more advanced cases, the use of AI increases capabilities in processing large volumes of data more efficiently and more accurately than before. In line with its specific remit, the Committee highlighted that using AI should include compliance with the limits imposed by the legal framework, with case law and ethical standards. It also underlined the risks embedded in the use of AI, in terms of bias, explainability and transparency, together with the issue of costs and the consequent need for adequate funding.

4. **Administration and resources**

4.1 *Supervisory Committee working methods*

112. In 2024, the Committee held 11 plenary meetings, either hybrid or in person ([62]). For every major issue examined, the Committee appointed a rapporteur. The rapporteurs worked with the Secretariat to prepare draft reports for discussion at the plenary meetings, they also held informal and formal meetings with relevant OLAF staff and the Secretariat on the drafting of opinions. The Chair, the rapporteurs and the members of the Secretariat also met regularly to work on specific issues.

113. Following Mr Cretin's resignation from his position in July 2024, the Committee continued to work with four members until the end of the year. The member replacing Mr Cretin for the remainder of his term of office will be appointed from the reserve list included in the Decision appointing the members of the Supervisory Committee of OLAF ([63]) adopted by the European Parliament, the Council and the Commission on 28 March 2022.

([61]) Article 15(1) of Regulation (EU) No 883/2013: 'The Supervisory Committee shall address to the Director-General opinions, including where appropriate, recommendations on, inter alia, the resources needed to carry out the investigative function of the Office [OLAF], on the investigative priorities of the Office and on the duration of investigations. Those opinions may be delivered on its own initiative, at the request of the Director-General or at **the request of an institution, body, office, or agency**, without however interfering with the conduct of investigations in progress. […]
[…] The institutions, bodies, offices, or agencies shall be provided with a copy of opinions delivered pursuant to the third subparagraph.'

([62]) From January to December 2024.

([63]) Decision (EU, Euratom) 2022/521 of the European Parliament, the Council and the Commission of 28 March 2022 appointing the members of the Supervisory Committee of the European Anti-Fraud Office (OLAF).

4.2 *The Secretariat*

114. In 2024, the Secretariat continued to support the Committee members in carrying out their duties, reinforcing OLAF's independence. The Committee recalls, as in the previous report ([64]), the importance for the Secretariat to have sufficient resources to support both the Supervisory Committee and the Controller of procedural guarantees and to preserve the necessary separation of tasks between the two bodies. Following last year's exchange between the Committee and the European Commission's Secretary-General on this issue, the Secretary-General reassured the Committee that the requested support will be provided.

115. Over the course of the reporting period, the Secretariat launched two recruitment processes. Two people are expected to join the Secretariat in the first quarter of 2025.

116. The Committee was involved in these recruitment processes. Officials assigned to the Secretariat must never seek or take instructions on the exercise of the Committee's monitoring functions from any government or any institution, body, office or agency. The Committee's involvement in these recruitments ensures and guarantees the independence of the selection process.

117. Throughout the year, the Secretariat, like the rest of the Commission, continued to operate in a hybrid mode, combining onsite and remote work, and carried out the work programme as agreed with the Committee.

118. The Secretariat continues to be administratively attached (since March 2017) to the Office for the Payment of Individual Entitlements of the European Commission (PMO), although it is located in a separate security zone within OLAF's premises. The Committee expressed its doubts on many occasions in the past as to whether the 'hybrid' attachment of its Secretariat to the PMO is the most appropriate location.

4.3 *Budget matters*

119. The Committee's budget for 2024 was EUR 200 000. The actual amount disbursed by the end of 2024 was EUR 160 580,99, which is approximately 80 % of the total amount.

120. The authorising officer by sub-delegation responsible for expenditure is the Director of the PMO.

([64]) Supervisory Committee Annual Report 2023, para. 49.