EUCPN
EUROPEAN CRIME PREVENTION NETWORK

European Crime Prevention Network

Policy Paper

Policy on Individual Fraud

Preface

This policy paper was written in tandem with the toolbox 'preventing individual fraud' and focusses on the main theme of the Bulgarian Presidency: fraud with a special focus on phone scams. As fraud covers a whole range of topics, we decided to narrow down our focus to individual fraud. This entails frauds committed against individuals by individuals or criminal organisations. Increasingly, this type of fraud has become profitable and a cross-border enterprise, some scholars even call these offenders 'scampreneurs'. Consequently, this type of crime deserves an EU-wide approach.

This policy paper first looks at the existing EU policy on fraud. In this chapter, we argue that there is an evolution to be detected, nevertheless there is still room for improvement. In the second chapter, we formulate recommendations for the EU policy on individual fraud.

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[1] EUCPN (2018). *EUCPN Toolbox Series No.13 Preventing individual fraud*. Brussels

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1. Introduction

In this paper we will investigate the policies on individual fraud at the EU level. We will first look into the evolution towards an EU policy on individual fraud and then we will formulate some recommendations related to this policy. This paper fits into a larger exercise commissioned by the Bulgarian presidency of 2018.

Next to this policy paper, the EUCPN Secretariat has also created a toolbox (EUCPN 2018) which explains the phenomenon and gives some practical guidelines to prevent individual fraud, with a special focus on telephone scams. Furthermore, there is a list of good practices added to the toolbox in order to optimize the exchange of information on the prevention practices.

Even though this paper was commissioned by the Bulgarian presidency, the opinions expressed and recommendations given do not necessarily express the views of Bulgaria or the EU.

2. EU policy on Fraud

In this first chapter we will have a look at existing EU policies on fraud in general. We will first describe the evolution of how fraud became a prioritized phenomenon at the EU level. After this evolution, we will zoom in on individual fraud. We will focus on how the EU level has been treating this phenomenon so far and then we will shed our light on why the EU policy should focus more on individual fraud.

2.1. The evolution

The prevention and tackling of fraud has not always been looked at as extensively as is the case today. In this part we will unravel the evolution of policy related to fraud. We will start from fraud linked to the EU budget and end with the prioritization of fraud as a serious and organized crime phenomenon.

The first area in which fraud was considered as an important issue was fraud linked to EU budget. The European Union budget finances a wide range of programmes and projects. The improper use of funds provided by the EU budget or the evasion of the taxes, duties and levies, which fund the EU budget directly harms European citizens and prejudices the entire European project. In order to deal with this issue a first task force was created in 1988; the Anti-Fraud Coordination Unit (UCLAF). This task force provided the coordination and assistance needed to tackle transnational organised fraud. Even though they had gained the authority to launch investigations on their own initiative in 1995, it was decided that this was not enough to effectively prevent and tackle fraud with EU budget (OLAF, 2018a).

As a result, in 1999, the European Anti-Fraud Office (OLAF[2]), was created. OLAF has stronger investigative powers and is the only EU body mandated to detect, investigate and stop fraud with EU funds. Their main mission is carrying out independent investigations into fraud and corruption involving EU funds, investigating serious misconduct by EU staff and members of the EU institutions and developing a sound EU anti-fraud policy. When focusing specifically on prevention, OLAF helps the authorities responsible for managing EU funds – inside and outside the EU – to understand fraud types, trends, threats and risks, and to protect the EU's financial interests by preventing fraud of all kinds (OLAF, 2018b).

Another important step on the way of prioritizing fraud as it is today, was the adoption of the Stockholm Programme in 2010. This Programme is a multi-annual plan for policies in the area of justice, civil liberties and security. Amongst others, it calls upon the EU and its Member States to step up their efforts to combat corruption and other forms of financial crime linked to organised crime (Stockholm Programme, 2010). This is a significant development since it is the first time that an EU policy mentions fraud linked to organised crime. Consequently, this recommendation was taken to heart by Europol as exemplified in the Serious and Organised Crime Threat Assessment (SOCTA) of 2013[3]. This SOCTA identified economic crimes and fraud as having emerged as a more significant

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[2] The European Anti-Fraud Office is also known as OLAF, from its French name: Office de Lutte Anti-Fraude
[3] The SOCTA is seen as the first step in the EU Policy Cycle for Serious and Organised Crime. The EU Policy Cycle has as a goal to increase the effective cooperation between Member States law enforcement agencies, EU Institutions, EU Agencies and relevant third parties delivering coherent and robust operational actions

organised crime activity. The SOCTA 2013 stated that Organised Crime Groups (OCGs) are involved in a wide range of frauds generating very high levels of profit (Europol, 2013, p. 7). Furthermore, this is the first policy document which poses that fraud is not a victimless crime and that it causes significant harm to society and losses of billions of euros per year for all EU Member States. The EU level recognized at that moment that not only the EU budget was affected by cross-border fraud but also the Member States themselves.

The findings from the SOCTA led to the prioritization of Missing Trader Intra Community (MTIC) fraud and excise tax fraud within the EU Policy cycle 2014-2017. Both types of fraud deprive States of tax revenue required to make investments, maintain public sector services and service sovereign debt (Europol, 2013, p.26). During the four years of the EU Policy Cycle, several operational actions took place in order to tackle these frauds, to increase the intelligence picture and the cooperation between Member States' law enforcement agencies.

When looking at how fraud became a prioritized phenomenon an evolution can be deducted. The EU policy started by focusing on the EU budget and gradually added fraud targeting revenue of Member States. The realization that fraud was not a victimless crime, as it causes significant harm to society and losses of billions of euros per year for all Member States, was of vital importance. In the next part we will look at the next step in this evolution: the focus on individual fraud.

2.2. Individual Fraud

In this part we will zoom in on the main topic of this paper; individual fraud. After looking into policy initiatives in regards to fraud targeting EU budget and Member States, we will now look at possible initiatives in regards to individual fraud and the failure of prioritizing this phenomenon. Then we will shed our light on the reasons why EU policy should focus more on individual fraud.

2.2.1. First encounters

At the end of the first full EU Policy Cycle 2014-2017, the Council of the European Union decided that this was a solid methodology and therefore they renewed this effort for the years 2018-2021 (Council of the EU, 2017). As a result a new SOCTA was written in 2017[4]. Similar as in the previous SOCTA, fraud is assessed as one of the criminal activities and threats related to OCGs. What is interesting, is that this time the SOCTA not only focuses on MTIC and Excise fraud but also on multiple types of individual fraud; such as investment fraud, mass marketing fraud and payment order fraud. In order to show the magnitude of these crime, examples are given: an investigation into an OCG involved in investment fraud leading to 50.000 victims in 34 countries, generating 3 billion Euros in profit for the OCG. The fact that these kinds of fraud are now specifically mentioned in the SOCTA, show an increased awareness and a recognition of the depth of the problem.

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targeting the most pressing criminal threats facing the EU. The SOCTA delivers a set of recommendations based on an in-depth analysis of major crime threats facing the EU. This ensures an intelligence-led approach.

[4] The SOCTA 2017 is seen as the most comprehensive study of serious and organised crime in the EU ever undertaken. The amount of data provided for the SOCTA 2017 has more than doubled compared to the SOCTA 2013.

Furthermore, the SOCTA 2017 and the IOCTA 2017[5] also go deeper into social engineering. In the EUCPN toolbox, you can read that social engineering is a much used technique when targeting potential victims for individual fraud. The SOCTA 2017 states that fraud schemes relying on social engineering are particularly hard to counter (Europol, 2017b). Therefore, we can assume that this is an area where the EU could look into creating a strategy and policy to counter and prevent this.

Moreover, within Europol there are multiple directorates that deal with individual fraud on a case by case basis. First of all there is AP[6] Apate which places a particular emphasis on countering CEO fraud and also provides support in cases involving mass mailing and mass marketing fraud, romance scams, pyramid fraud, investment fraud, 419 fraud, acquisition fraud and fake invoice fraud, among others. Secondly AP Furtum, who deals with organised property crime, also supports Member States with cases of individual fraud. Additionally the European Cybercrime Centre (EC3) can be involved in certain types of individual fraud such as phishing, ransomware etc. Important to note here is that the involvement of Europol in cases of individual fraud depends on the reporting of cases by the Member States. As far as we can ascertain, the involvement of Europol is on an operational basis and focused on reactive work, there is no overall strategy or policy involved.

2.2.2. Is it being ignored?

The above mentioned activities at the EU level in regards to individual fraud show that there is some interest in the phenomenon. However, if we look at strategic or policy documents this picture is much more nuanced.

Even though, a number of individual fraud methods are mentioned in the SOCTA 2017, the focus on individual fraud was not maintained in the EU Policy Cycle 2018-2021. In the decision process leading up to the agreements on the EU Policy Cycle, Europol did not propose to maintain fraud as a priority for the cycle (Europol, 2017b). It was due to a communication of the European Commission that it was added back to the list of priorities which ended up in the cycle (COM, 2017), even though they only recommended to focus on VAT fraud. As a consequence one of the 10 priorities in the cycle is described as follows: "*To disrupt the capacity of OCGs and specialists involved in excise fraud and Missing Trader Intra Community (MTIC) fraud.*".

Nevertheless, there are some activities related to individual fraud to be detected in the EU Policy Cycle. However, they are not mentioned under the priority on fraud but rather under the priorities of Organized Property Crime (OPC) and cybercrime. Within the OPC priority, the EUCPN initiative on individual fraud, which focuses around this paper and the toolbox with a list of good practices, is added to the action plan of 2019. Giving policy recommendations and mapping out the existing prevention field related to individual frauds can be seen as the first step towards an increased focus on individual fraud and the production of an EU-wide policy. However, we at the EUCPN can only produce recommendations for policy makers and give practical examples of how the prevention of

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[5] Internet Organised Crime Threat Assessment
[6] Analysis Projects (APs) are within the Europol Analysis System – an information processing system - and focus on certain crime areas. By using Aps Europol specialists can prioritise resources, ensure purpose limitation, and support EU law enforcement authorities and other partner organisations to tackle organised crime and terrorism (Europol, 2018).

individual fraud, with a special focus on telephone fraud, should be started. It is then up to the EU level to take these recommendations to heart and work out a specialized policy for it.

After the above mentioned activities, it should not come as a surprise that there are no specific legislative actions to be found at the EU level related to individual fraud. When we go back to the focus on fraud with EU budget, a new EU Directive was just published in 2017 (Directive (EU) 2017/1371). This Directive gives a comprehensive overview of the different actions which need to be taken to tackle and prevent fraud with EU budget. A similar exercise for individual fraud could be very interesting. However, before we can even think of EU legislation, a policy should be formulated and as the above argumentation shows, this is not the case yet.

In the above paragraphs we have shown that even though some activities related to individual fraud are in place or have started, there is no clear strategy or policy linked to them yet. Therefore, in the next part we will look at why this should be the case.

2.2.3. Why does it matter?

The main reason why there is a need for a policy to tackle and prevent individual fraud is the high number of victims. As stated in the EUCPN toolbox, the dark number on fraud victims is huge. There are multiple reasons for this such as not knowing that they were a victim, not reporting because victims are ashamed they fell for the scam, not perceiving the loss large or important enough etc. In order to circumvent this the Eurobarometer on cybercrime specifically asked almost 30 000 EU citizens some questions regarding scam emails or phone calls. In all but five Member States, at least half of the respondents of the Eurobarometer expressed some degree of concern about being the victim of fraudulent emails or phone calls. Furthermore, around 35% of all respondents stated that they had already received fraudulent emails or phone calls in the past. When looking at these numbers of the Eurobarometer it is also important to keep in mind that there is still a reluctance to report here, there are still victims who do not know that they are victim or who think their particular case is not worth reporting. Nevertheless the fact that fraud is not a victimless crime is well established by now. The above mentioned example from the SOCTA even shows how one OCG can make 50.000 victims with an investment scam.

A second reason why individual fraud should not be ignored is the high revenue OCGs get from their fraudulent activities. Victims suffer from a number of impacts such as psychological, emotional, behavioural impact, etc. However the most obvious one is often the financial impact of fraud. Because of the huge dark number it is impossible to get a complete picture on the financial losses attributed to fraud. Nevertheless in the UK a more comprehensive victim survey has been undertaken which shows that the financial loss depends on the kind of fraud the victim suffered. In the UK the average loss for a ticket fraud was £80, whereas for a pension fraud it was almost £39.000 (Button and Cross, p.95). This does not mean that only certain kinds of fraud lead to high revenue. Mass marketing emails and phone calls increase the amount of potential victims significantly which leads to a large amount of small financial revenue which can result in high profits. Going back to the same example from the SOCTA 2017, the particular OCG managed to generate an estimated profit of more than EUR 3 billion.

The last reason for the need of an increased prioritisation of individual fraud and the main reason why the EU level should get involved is the transnational nature of fraud. As always, the issue of

transnationality depends on the kind of fraud. Some offences occur (at least in part) face to face; others are done remotely through different communication channels; while others still may start technologically and end with some interpersonal contact (Levi, 2008, p. 392). When focussing on the offenders (next to nationally based offenders) some nationalities are overrepresented. Within the EU, it appears that Eastern Europeans have developed a reputation for technical skills and cross-border operations. Some literature specifically point towards Bulgarian, Romanian and Lithuanian offenders predominating in certain forms of fraud (Levi, 2008, p. 410). There is also a significant amount of criminal activities coming from outside of the EU, with Nigeria as the most known nationality being involved in the 419 scam. When we look again at the same example from the SOCTA 2017, investigators discovered victims from 34 countries being effected by one OCG. In order to deal with these criminal activities the EU should agree on a joined policy to tackle and prevent individual fraud.

2.3. Conclusion

In this chapter we first discussed the already existing focus on fraud in general at the EU level. After the description of this evolution, we took a closer look at individual fraud. Here, we first looked at what is already happening and next we asked ourselves if individual fraud is being ignored and why it should not be ignored.

The above narrative on the evolution of fraud policy in the EU shows that slowly the realization has taken place that fraud is a much bigger crime than first anticipated. The first 20 years of preventing and tackling fraud, the focus was solemnly on EU budget. Then in 2010 the realization at the EU level came that fraud linked to organised crime was also a force to be reckoned with. It was acknowledged that fraud is not a victimless crime and that it costs billions of euros each year to national governments and society.

Currently, the main focus at the EU level still lays at fraud targeting EU budget and national revenues. However, as discussed, the problems of individual fraud are being picked up. Next to EUCPN's attempt of mapping what already exists in the prevention field linked to individual fraud, Europol also looks into serious transnational cases.

Therefore, not surprisingly, our first main recommendation of this policy paper is that **the EU level should start looking into individual fraud more**. In order to tackle and prevent these kinds of fraud, a clear policy is needed. We would argue that this should not be seen as a completely new field of action but rather a next step in the existing evolution. In the next chapter, we will give some recommendations about how to start with this, what and who needs to be included in this policy.

3. Recommendations for a policy on individual fraud

We realize that stating the need for a policy is far easier than creating one. Therefore, in this chapter we will attempt to set some basic aims, discuss some possible methods, propose actions and discuss who should be involved in this future policy on individual fraud. The EUCPN is a network which gathers information, analyses it and then tries to formulate recommendations. On that account, before we started this exercise we looked around to see what already existed. In the first chapter we established that there is no overall policy at the EU level in regards to individual fraud. Nevertheless, there is already a well-established and tested strategy and policy on fraud targeting the EU budget which was created by OLAF. As a result, we will examine if the basic principles of this policy can also work for future policy on individual fraud.

3.1. The aims

In order to help authorities responsible for managing the EU funds, OLAF created an anti-fraud policy to prevent fraud of all kinds (OLAF, 2011). The aim of this anti-fraud policy consists of three elements:

- Improve and update fraud prevention, detection and investigation techniques
- Recover a higher proportion of funds lost due to fraud
- Deter future fraud through appropriate penalties

We will investigate if all three of these aims keep their merits when translated to a future policy on individual fraud. When focussing on the first aim, it can be stated that Europol has already started with investigations of cases handed to them by the Member States. However, as discussed above, this depends on the Member States sending the cases to Europol. Furthermore, there is also no active detection of these cases. Here, a great responsibility lies at the level of the Member States. Most of the cases of individual fraud are not linked to organised crime and are therefore not investigated properly or sent to Europol. Furthermore, as far as we can ascertain, not much has happened in relation to the prevention of individual fraud. EC3 has created some EU wide initiatives but these are all linked to cybercrime. As a result, improving and updating fraud prevention, detection and investigation techniques should indeed become an aim for future policy. The first step in this aim will need to be awareness raising on the magnitude of this problem in order to get Member States on board.

The second aim of the anti-fraud policy focusing on EU budget should also be maintained when deciding on a policy on individual fraud. This aim is in the line with the priorities of the EU Policy Cycle. One of the 10 priorities of the EU Policy Cycle is the obligation to, next to criminal investigations, also focus on financial investigations. This mind-set is valid for almost all criminal phenomena since the financial profit of crime is often the most important incentive. As a result of this policy goal, new EU legislation is being discussed in order to facilitate financial investigations into criminal profits[7]. Therefore, the merits of this aim mean that it should also be added to a future policy on individual fraud.

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[7] Proposal for a Directive of the European Parliament and the Council on the freezing and confiscation of proceeds of crime in the European Union; Brussels, 12.3.2012 COM(2012)

The last aim of the anti-fraud policy of OLAF is an interesting point of discussion. Research has shown that when looking at individual fraud in the USA, a disproportional amount of offenders are located in Canada. The researchers assume that the reason for this is the significantly lower penalties for fraud in Canada compared to the USA (Button, Lewis & Tapley, 2009). Furthermore, when looking at the EU, there is also a large discrepancy to be seen amongst Member States and - most importantly - the penalties are overall relatively low compared to other crimes. Here again, it will be important to convince the Member States of the magnitude of this problem. One single case of one or two victims can be seen as a small offence however, the organised crime groups who are behind these crimes make many more victims then those who report the crime. Additionally, Button, Lewis & Tapley (2009, p.19) state that offenders specifically chose to operate from certain Member States because they know there is a lower risk there for prosecution. One Member State which was specifically mentioned is Spain, where law enforcement apparently do not investigate offenders as long as they do not target Spanish victims. Therefore, adopting appropriate and unified penalties should be an important aim of the future EU policy on individual fraud. This can stop the opportunism of the offenders when deciding where they will base themselves for their criminal offences.

We can conclude that the three aims formulated by OLAF for their anti-fraud policy can also be of great value when they are directed to individual fraud. We do not pose that there are no other valuable aims which could be added to a policy on individual fraud. However, these three aims have already convinced OLAF about their value and as described above, they all have a very logical and easy-to-defend value for a policy on individual fraud.

3.2. The methods

Next to the aims, the anti-fraud policy of OLAF also identifies three methods (OLAF, 2018c) in order to fulfil the aims of the policy:

- Introduce anti-fraud strategies
- Clarify and enforce the different responsibilities of the various stakeholders
- Ensure that these strategies cover the whole expenditure cycle, and that anti-fraud measures are proportionate and cost-effective

The three methods stated by OLAF are very much linked to each other. When creating an anti-fraud policy it is rather logic that a strategy is needed with clear steps and goals. You could argue that we are creating the basis for this strategy in this paper. Nevertheless, in order to really succeed with preventing and tackling individual fraud, all Member States should introduce specific anti-fraud strategies themselves. Furthermore, individual fraud is a catch-all term for multiple types of offences. Depending on the type of fraud, there are different stakeholders who need to be involved[8]. Policymakers will need to reach out to these stakeholders in order to clarify their role and enhance their feeling of responsibility. Putting the need for action on the radar of the various stakeholders will be a challenging task. Nevertheless, it is only when all stakeholders are aware of their responsibilities that the strategies can cover the whole expenditure cycle and this is needed to improve the likeliness of success. Lastly, in the current financial climate it is only logic to make sure that the measures are proportionate to the problem and that they are cost-effective. An added benefit here is that proving the cost-efficiency of certain measures will persuade policymakers to act.

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[8] More information on possible partners can be found in the toolbox.

Next to the three methods mentioned in the anti-fraud policy of OLAF, we would also suggest to focus on two extra methods: the gathering and sharing of information between Member States and legislation initiatives. In order to fulfil the first aim of the strategy "to improve and update fraud prevention, detection and investigation techniques", the gathering and sharing of information will be of vital importance. This method will also lead to an increased awareness of the problem. Furthermore, this suggestion is also linked to the second method of OLAF, since all stakeholders need to be aware of their responsibility to share information. Additionally, in a later stage of the future policy, it could be necessary to create some legislative initiatives in order to comply with the third aim of the policy to "deter future fraud through appropriate penalties" or to face challenges which might come up.

Therefore, when an anti-fraud policy is written for individual fraud, we would suggest to add five methods:

- introduce anti-fraud strategies;
- clarify and enforce the different responsibilities of the various stakeholders;
- ensure that these strategies cover the whole expenditure cycle and that anti-fraud measures are proportionate and cost-effective;
- promote the gathering and sharing of information;
- the possibility to start legislative initiatives.

We are convinced that starting with these methods will contribute to the realisation of the above mentioned three aims.

3.3. Actions

The discussed aims and methods create the basis for a future policy on individual fraud. In order to make these recommendations as practical as possible, we will now look at possible actions which are linked to the above stated aims and methods. As mentioned before, the underneath list of proposed actions is not exhaustive. We want to provide policymakers with a starting point.

The first action which should be taken into account is *awareness raising*. On one hand, there is awareness raising towards the Member States to increase the understanding of the magnitude of the problem. However this is something which will, most probably, be dealt with when creating the policy. Furthermore, next to the Member States, the stakeholders who are involved into the prevention and tackling of the phenomena should be made aware of the problem. Nevertheless, on the other hand, the main awareness raising should be targeting the general public. The general public needs to be informed of the various ways scams are targeting them and how they can prevent themselves from becoming victims. In order to do this, campaigns will need to be created. Additionally, investigators should communicate about modi operandi and successful example cases towards the media. Together with campaigns, this will raise the awareness of the general public on the phenomena.

Another important action is the need for an increase in *training* of individual fraud for law enforcement. Law enforcement needs to be trained to recognize the organized crime elements of this phenomena, to recognise risk indicators and to know how to start with the investigations. According to the experience of OLAF, the *early detection* of fraud has an important part to play when

preventing and tackling fraud. The earlier a 'new' fraud scam is detected, the faster law enforcement can start up their investigation and the faster they can communicate about it to the general public in order to avoid more victims falling for the scam.

Linked to these actions is the need to create a kind of *casebook*. OLAF creates these casebooks based on anonymised cases. They highlight fraud indicators ('red flags') and techniques used by fraudsters. Based on this information they make an analysis and formulate recommendations. This should also be systematically done for individual fraud. Through this analysis problems can be detected which can then be addressed to prevent further victimisation.

Additionally, in order to increase the prevention, detection and investigation of individual fraud, the reporting of this crime by the victims needs to increase. In part 1 of the toolbox, you can read that the dark number of these crimes are very high. There are a number of reasons for this, one being that victims do not know to whom they should report. Creating a *central agency or task force* could amend this. Button (2014) argues that this should be the main action when looking into preventing and tackling individual fraud. According to him this agency could focus on the above mentioned actions such as training and early detection. The UK has created such an agency in 2011 and recent research shows that the understanding of these scams and the realisation of the magnitude of the problem has increased.

As a last concrete action, we would like to again refer to the need for generalised *penalties* in the whole EU. As a penalty, OLAF proposed to exclude offenders from using EU funding. This is less adoptable when talking about individual fraud. Therefore, appropriate penalties throughout the EU could be an important step.

A general aspect in almost all the above mentioned actions is the need for information sharing. The creation of trainings, casebooks and campaigns, all need to use this information in order to make a success of preventing and tackling of individual fraud. These actions should not be seen as single aspects, but are to be linked to each other. As already stated, this is not an exhaustive list, there are more actions possible, however we believe that these six form a good starting point.

3.4. Who should be involved?!

Now that we have given some input into the aims, methods and actions of a future policy on individual fraud, we also believe it is important to state who should be involved when creating this policy.

First of all the Member States have an important role to play. The Member States are the driving force behind the discussion and adoption of a future policy on individual fraud. Without their willingness, this policy will never see the light of day. Therefore, convincing the Member States that this phenomena is a growing problem and that it is far larger than assumed is the first and most important step for all advocates for the creation of such a policy.

The second partner who needs to be involved is Europol. Europol holds the mandate to start investigations into criminal offenses when at least two Member States are affected. Currently they have already investigated certain cases but this could be extended greatly if the Member States send in more cases. At Europol, individual fraud is being looked at currently in the framework of

cybercrime and organized property crime, we would suggest to add the tackling and prevention of individual fraud to the EU priority of fraud. As can be deducted from above reasoning, there is a lot of knowledge within the already existing EU priority of fraud (MTIC, VAT and EU budget) which can be reused to tackle and prevent individual fraud.

Finally, the last partner which should be involved in the EU policy on individual fraud is OLAF. We realize that the mandate of OLAF only focuses on fraud targeting the EU budget. However their extensive knowledge and expertise in preventing and tackling fraud should not be ignored. The prevention and tackling of individual fraud can learn a great deal of OLAF's experience. We see this point as our main recommendation for this chapter.

3.5. Conclusion

In this chapter, we discovered that the aims, methods and actions mentioned in the anti-fraud policy of OLAF hold great merits for future policy on individual fraud. Their experience and knowledge should not be ignored. By using their existing and tested policy, you avoid having to start from zero and it will increase the possibility of success. This is also the reason why we would suggest that OLAF, next to the Member States and Europol, is an important partner to be involved in the drafting and follow-up of future policy on individual fraud's.

4. Conclusion

In this paper, we tried to give information about the EU policy on individual fraud. While doing so, we ended up with two main recommendations. Throughout the first chapter we explained that there is an evolution to be seen when dealing with fraud at the EU level. Even though individual fraud has not yet received special attention creating a policy for it should be seen as the logic next step in the evolution of how the EU has been looking at and dealing with fraud.

In the second chapter we examined how much of the existing anti-fraud policy of OLAF could be reused for a future policy on individual fraud. It turned out that almost all aspects of this policy could be and should be translated towards the policy on individual fraud. Obviously, there are more methods and actions which can be added to this policy but those mentioned by OLAF should give a solid base in order to start with a policy on individual fraud. As a result, not only Europol and the Member States should be considered as important partners in this policy, but OLAF should be given a seat around the table in order to share their experience and knowledge. By doing so, this future policy on individual fraud will have a greater chance of success.

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