A close-up photograph of a coral reef skeleton, showing its intricate, branching structure against a deep blue background.

2020

# FRAUD INVESTIGATIONS

EIF



European  
Investment  
Bank

The EIB bank



**EUROPEAN INVESTMENT BANK GROUP**

**2020**

# **FRAUD INVESTIGATIONS ACTIVITY REPORT**



## **European Investment Bank Group Fraud Investigations Activity Report 2020**

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This report has been written with the active assistance of many individuals across the European Investment Bank Group. Our cordial thanks go to all of them for their support.

Our investments support sustainability everywhere, including in the oceans, where the rich diversity of coral reefs is threatened by human activity and climate change. Coral reefs are an essential ecosystem. About 25% of all ocean fish depend on them. They protect the coasts and provide a source of income for millions of people. For a long time, their degradation was ignored. Now they symbolise the shift in thinking needed to stop climate change. That's why they deserve a place on the covers of our major reports this year.

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For further information on the EIB Group's activities, please consult our websites, [www.eib.org](http://www.eib.org) and [www.eif.org](http://www.eif.org). You can also contact our Info Desk, [info@eib.org](mailto:info@eib.org).

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# **CONTENTS**

<b>4</b>	<b>FOREWORD BY THE PRESIDENT</b>
<b>5</b>	<b>FOREWORD BY THE INSPECTOR GENERAL</b>
<b>6</b>	<b>ABOUT THE FRAUD INVESTIGATIONS DIVISION</b>
<b>10</b>	<b>2020 HIGHLIGHTS</b>
<b>11</b>	<b>INVESTIGATING DURING A PANDEMIC</b>
<b>13</b>	<b>INVESTIGATING PROHIBITED CONDUCT</b>
13	2020 INVESTIGATIONS DATA AT A GLANCE
14	SCAMS AND FRAUDULENT INVESTMENT SCHEMES
16	INVESTIGATION LIFECYCLE
18	2020 INVESTIGATIONS DATA
22	CASE STUDIES
<b>26</b>	<b>DETECTION OF PROHIBITED CONDUCT</b>
27	THE PROACTIVE INTEGRITY REVIEW (PIR) METHODOLOGY
28	FRAUD AND INTEGRITY RISK SCORING TOOL
29	DESKTOP REVIEWS
30	PROACTIVE INTEGRITY REVIEWS
<b>32</b>	<b>DETERRENCE AND REHABILITATION</b>
32	IMPLEMENTATION OF EIB EXCLUSION POLICY
34	AGREEMENT WITH JSC NENSKRA HYDRO AND HYUNDAI ENGINEERING & CONSTRUCTION CO. LTD
34	IMPLEMENTING THE AGREEMENT WITH VOLKSWAGEN AG
<b>35</b>	<b>POLICY INITIATIVES</b>
37	INTERNATIONAL COOPERATION
39	INTERNAL AWARENESS-RAISING INITIATIVES
41	INTERNATIONAL AWARENESS-RAISING INITIATIVES
<b>42</b>	<b>LOOKING AHEAD – 2021</b>
<b>44</b>	<b>ACRONYMS AND INITIALISMS</b>

# FOREWORD BY THE PRESIDENT



The EIB Group plays a key role in the European Union's response to the health and economic challenges posed by the COVID-19 pandemic across the continent and worldwide. While such crisis times require extraordinary and urgent measures, we do not lessen our zero tolerance of fraud and corruption. We must ensure that the EIB Group resources released to support the recovery from the crisis reach their intended beneficiaries and are not diverted by fraud and corruption. This does not mean we have zero aversion to risk in the challenging situations the European Union and the world are facing, but it does mean that the EIB Group does not tolerate fraud or corruption of any kind and takes appropriate action to investigate and remediate, whenever necessary.

As enshrined in our robust policy framework, the fight against fraud and corruption requires a holistic approach and the associated efforts and responsibilities are shared across the entire EIB Group. While prevention is one of the key pillars of our anti-fraud strategy, the EIB Group also relies on the Inspectorate General's Fraud Investigations Division to address and remediate fraud and corruption effectively when they do occur.

The COVID-19 pandemic required an even greater contribution from the Inspectorate General's Fraud Investigations Division in 2020 to ensure the EIB Group confronted the crisis without lowering our standards of integrity and commitment. The Inspectorate General's Fraud Investigations Division helped develop the framework supporting the Bank's COVID-19 response, which provides much needed assistance in the immediate health-related emergencies and roll out measures aimed at containing the economic effects of the crisis. The EIB Group's investigators also demonstrated their flexibility by implementing astute investigation plans tailored to the pandemic.

Recognising the possibilities that innovative technologies and big data offer for identifying fraud and corruption risks, the EIB Group continued to enhance its state-of-the-art fraud detection tool in 2020. While reactive investigations remain a priority for the EIB Group, it is critically important that we also invest in proactive detection. The EIB Group is already at the forefront of these endeavours, which take on even greater importance in times of crisis when economic pressure can lead entities and individuals to rationalise fraudulent behaviours.

The unrelenting efforts of staff members across the EIB Group and in the Inspectorate General's Fraud Investigations Division are key to ensuring the rational use of funds for a true recovery from the COVID-19 crisis. I thank EIB Group staff members for remaining vigilant and reporting allegations of prohibited conduct to the Fraud Investigations Division. I also sincerely thank the staff of the Fraud Investigations Division, under the leadership of Jan Willem van der Kaaij, Inspector General, and Bernard O'Donnell, Head of the Fraud Investigations Division, for their continued hard work and commitment.

**Werner Hoyer**

# FOREWORD BY THE INSPECTOR GENERAL



**A**wareness about the cost and the overall impact of corruption on our societies has increased in the last decade. Fraud and corruption are not ordinary crimes. They include embezzled public funds and money paid in bribes — resources that could be invested in the economy, used to create jobs, promote equality and improve the lives of people worldwide. Fraud and corruption impact economic growth, development and human rights. They increase inequality, poverty and erode the social fabric. This has never been as relevant as in the current global health and economic crisis.

As the European Union's long-term financing institution, the EIB Group is not immune to fraud and corruption. That is why the EIB Group has an office within the Inspectorate General that investigates prohibited conduct professionally and objectively. This office, the Fraud Investigations Division, contributes to the Inspectorate General's main mission to ensure that the EIB Group's resources are used for their intended purposes and achieve their intended results. This independent function reflects the public character of the EIB Group and its status as an EU body, which bring an increased need for accountability and transparency.

In 2020 the Inspectorate General's Fraud Investigations Division received a high number of allegations of prohibited conduct from both EIB Group staff members and external informants. A specific section of this report is dedicated to fraudulent investment schemes misusing the EIB Group's name and credentials, a trend that has significantly increased since the outbreak of the COVID-19 pandemic. The report further provides a statistical overview and specific examples of cases investigated in the course of 2020 along with case studies arising from proactive integrity reviews. Findings and lessons learned from these cases were passed on to EIB Group services and governing bodies to support the Group's decision-making processes.

The work of the Fraud Investigations Division, directly affected by the restrictions caused by the pandemic, was subject to particular challenges in 2020. The Bank's investigators had to find new and innovative ways to investigate, conduct checks and interviews, but also to coordinate with partner institutions such as the European Anti-Fraud Office and national authorities. They had to invest additional efforts to organise investigative missions whenever checking the reality on the ground was a priority to advance an investigation.

Despite these challenges, the Fraud Investigations Division fulfilled its mission. I sincerely thank the team for their hard work and perseverance and extend my thanks to all staff across the EIB Group for their continued cooperation.

**Jan Willem van der Kaaij**

# ABOUT THE FRAUD INVESTIGATIONS DIVISION

**The Inspectorate General's Fraud Investigations Division (IG/IN) provides the EIB Group with the capacity to investigate professionally and objectively allegations of prohibited conduct involving EIB Group-financed activities and/or members of governing bodies or staff. It provides EIB Group services with the relevant facts and recommendations to form the basis for appropriate decisions and follow-up actions.**

The EIB Group shows zero tolerance to all forms of prohibited conduct, including fraud and corruption, and is committed to continuous efforts in fighting prohibited conduct within its operations all over the world. Our policy and institutional framework ensures a 360-degree approach to fighting fraud, corruption and other forms of prohibited conduct, including prevention, detection, investigation and remediation.

The Fraud Investigations Division is the sole office within the EIB Group mandated with conducting all investigations into alleged violations of the anti-fraud policies approved by the Boards of Directors of the EIB and the European Investment Fund (EIF). As defined in the EIB Group anti-fraud policies, prohibited conduct includes fraud, corruption, collusion, coercion, obstruction, terrorist financing and money laundering.

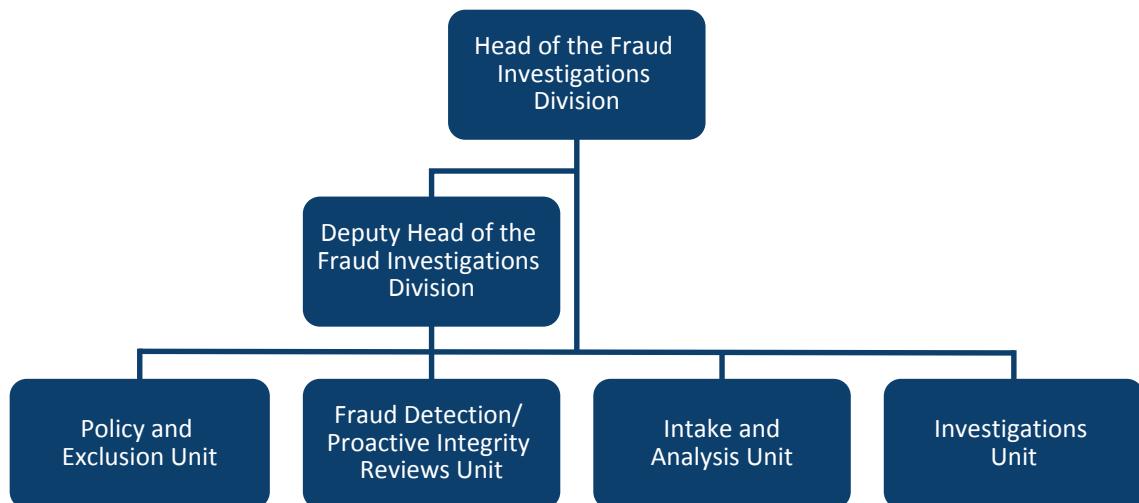
## ACTIVITIES



There is significant cross-fertilisation among these activities: proactive work uncovers red flags of fraud, which may lead to investigations; investigation findings and recommendations may lead to policy changes; lessons learned from proactive work and investigations are used to raise staff awareness on fraud and corruption risks, and all require information support and analysis.

## FRAUD INVESTIGATIONS DIVISION'S STRUCTURE

The Fraud Investigations Division is composed of four units staffed by experienced and highly skilled professionals with previous experience as law enforcement officers, public prosecutors, integrity officers and auditors.



The **Policy and Exclusion Unit** was created in 2020. It develops and keeps the EIB Group's anti-fraud policy framework up to date, while ensuring its overall implementation. It advises other EIB Group services on prohibited conduct-related issues and coordinates fraud and corruption awareness activities. It also prepares proceedings instigated under the Bank's exclusion policy for the Inspector General's review.

The **Fraud Detection/Proactive Integrity Reviews Unit** was created in 2019. This unit relies on system-based, data-driven models, rather than specific allegations, to identify the risks of prohibited conduct and other vulnerabilities within EIB Group projects and transactions.

The **Intake and Analysis Unit** conducts a systematic assessment of all allegations referred to IG/IN to determine whether an investigation is appropriate. The unit also provides forensic and analytical support to the team.

Allegations requiring investigation are referred to the **Investigations Unit** for necessary action, which may include "on the ground" inspections, collection of evidence and interviews. IG/IN investigators, whenever needed, conduct these investigations in close collaboration with the European Anti-Fraud Office (OLAF), and national prosecution and investigation authorities. Evidence obtained in the course of the investigations forms the basis of necessary corrective action by each EIB Group Entity, which may include the exclusion of entities, along with the recovery of funds or other contractual and legal remedies.

## OUR ROLE

### PROTECT

the financial interests of  
the EIB Group and the  
European Union

### PREVENT

detect and investigate  
prohibited conduct in EIB  
Group activities

### SUPPORT

EIB Group decision-making  
processes by passing on  
findings and lessons  
learned to EIB Group  
services

### LIAISE

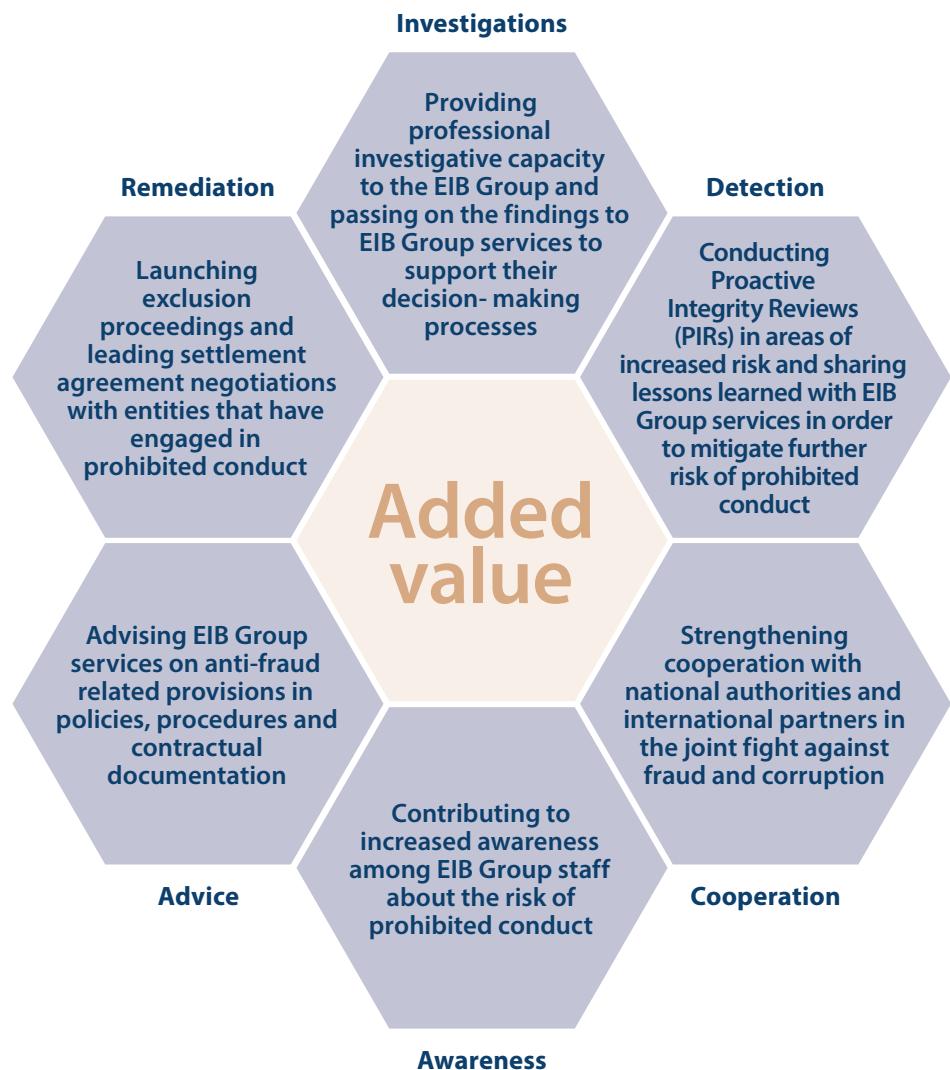
with national prosecutors,  
investigation and anti-  
corruption authorities  
along with the European  
and multilateral  
investigation offices

## KEY POLICIES AND DOCUMENTS

→ The [IG/IN Charter](#) sets out  
the scope of work, authority  
and core principles of IG/IN.

→ The [EIB anti-fraud policy](#)  
and [EIF anti-fraud policy](#)  
outline the principles applied  
by the EIB Group for the  
prevention and the  
deterrence of prohibited  
conduct.

## BENEFITS OF THE EIB GROUP HAVING ITS OWN INDEPENDENT INVESTIGATIONS DIVISION



→ The **EIB Group investigation procedures** set out the methodology and procedures for the conduct of investigations by IG/IN.

→ The **EIB exclusion policy** sets out the procedures for the exclusion of entities and individuals found to have engaged in prohibited conduct.

# 2020 HIGHLIGHTS

**183**

incoming allegations

**Decreased backlog**

more cases closed (195) than opened (183) in 2020

**Support**

for the development of the **EIB Group's COVID-19 response**

**52**

recommendations and opinions issued

**Implementation**

of a **new system for following up and reporting on recommendations** and opinions

**Development**

of a **robot for measuring corruption risk in procurement** for existing or potential counterparties

**Negotiation**

of a **remediation agreement** with Hyundai E&C and JSC Nenskra Hydro under the Nenskra project in Georgia

**New**

**memorandum of understanding** between the EIB and the Asian Infrastructure Investment Bank on cooperating in investigations

**Release**

of a **video for the International Anti-Corruption Day**

# INVESTIGATING DURING A PANDEMIC

**Conducting fraud investigations during the COVID-19 pandemic posed many challenges for the Fraud Investigations Division and national and international partner investigative offices. The crisis caused uncertainty and disruptions in business, which increased the risk of fraud worldwide and presented opportunities for fraudsters to exploit these disruptions to their advantage. In addition, the COVID-19 crisis mobilised many resources to support businesses, health initiatives and economic growth, and these funds were an attractive target for prohibited conduct.**

## CHALLENGES

Investigative missions are among the main tools available to investigators when performing their duties. Travelling enables them to visit the sites of the projects and operations, check the reality on the ground, and inspect any works, structure, facility or other property relevant to an investigation. Access to relevant premises makes it possible to collect evidence that is material to the investigation. The COVID-19 crisis, with its travel restrictions, had a substantial impact on the division's ability to perform investigative missions inside and beyond the European Union. Most of the planned missions had to be postponed and new missions could not be planned. Time is of the essence when investigating allegations of prohibited conduct, as there is a huge risk of evidence being tampered with, destroyed or lost.

Interviewing witnesses and persons concerned is critical when conducting an investigation. The travel restrictions and safety, health and social distancing rules made it difficult to perform these interviews. Throughout 2020, the Fraud Investigations Division modified its methodology, to the extent possible, so that it could continue investigations. Witness and subject interviews, for example, were conducted remotely. Assistance from local authorities was also sought for collecting relevant information and evidence.

Certain high-priority and urgent missions were physically conducted by investigators, which presented significant challenges because the constantly changing situation affected travel and the associated entry and health requirements. Even when these investigative missions were carefully planned in accordance with all applicable health, safety and social distancing requirements, investigators were affected by ad hoc changes of rules, such as the imposition of lockdowns and bans on gatherings, which meant that officials were not authorised to meet.

## SOLUTIONS

To navigate the crisis and perform its duties as effectively as possible, the Fraud Investigations Division had to adapt its work to the changed conditions, choosing the best options for each situation.

Throughout the period, the division made full use of technology and video conferencing platforms to work with internal and external stakeholders; it held more frequent meetings to coordinate between team members; it increased communication with peers such as national anti-fraud and anti-corruption authorities and international investigation offices; it planned missions carefully with due consideration of health requirements and local restrictions; it relied on local consultants to perform on-site visits; and it adopted remote solutions to carry out forensic work.



Virtual meeting of the Fraud Investigations Division during the COVID-19 pandemic.

# INVESTIGATING PROHIBITED CONDUCT

## 2020 INVESTIGATIONS DATA AT A GLANCE

**183** new allegations

**195** cases completed

**10** investigative missions

**71%** of allegations reported by EIB Group staff members

**94** external or internal referrals arising from cases completed in 2020

**21** monitorings completed

**177** active cases at year end

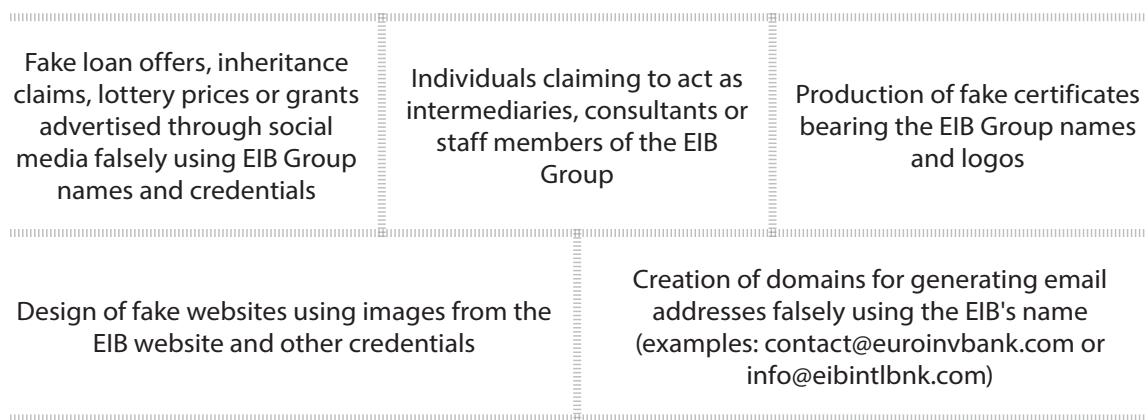
**107** scams and fraudulent investment schemes halted

# SCAMS AND FRAUDULENT INVESTMENT SCHEMES

**The year 2020, especially after the COVID-19 outbreak, brought a significant increase in scams and fraudulent investment schemes carried out on the web and social media, and by other virtual means. Most of the cases related to the fraudulent use of the EIB's or EIF's name on websites, email addresses or social media profiles to embezzle money from individuals or businesses. In other cases, individuals falsely claimed to act as intermediaries for the EIB Group and asked for fee payments for this (fake) service.**

## MODI OPERANDI

The Fraud Investigations Division has identified various *modi operandi*, with different forms and levels of sophistication, varying from the issuance of false certificates to the creation of false websites and the organisation of fake meetings with individuals impersonating staff members within the EIB Group or claiming to act as intermediaries of EIB Group Entities.



## ACTIONS TAKEN

The actions taken by IG/IN in these different cases ranged from providing support to the scam and fraud victims, including advice on how to file a complaint with the relevant authorities, to referring the matter to the competent national authorities. In many cases, IG/IN also contacted the website registrars or domain owners to request the deletion of the fraudulent domains and in most cases this was successful.

Individuals and businesses are advised to be cautious of suspicious messages:

- official emails from the EIB Group will always come from addresses ending in @eib.org or @EIF.org (or bei.org or fei.org);
- the EIB Group will never request payment of fees in the context of its loan appraisals;
- if you receive what seems to be an unusual money request from someone claiming to work for the EIB Group, or have concerns as to the authenticity of the EIB Group's actual involvement in a project or operation, do not respond to the request and do not send any money or provide your personal bank account details.

## 2020 KEY FIGURES

**107**  
scams and  
fraudulent  
investment schemes  
reported to or  
identified by IG/IN  
(compared to 42 in  
2019)

**18**  
fake websites  
taken down

**34**  
email addresses  
linked to a fake  
domain taken down

**4**  
impersonations  
of EIB staff on social  
media (e.g. fake  
LinkedIn profiles)

Example of a fraudulent website using  
the EIB's name

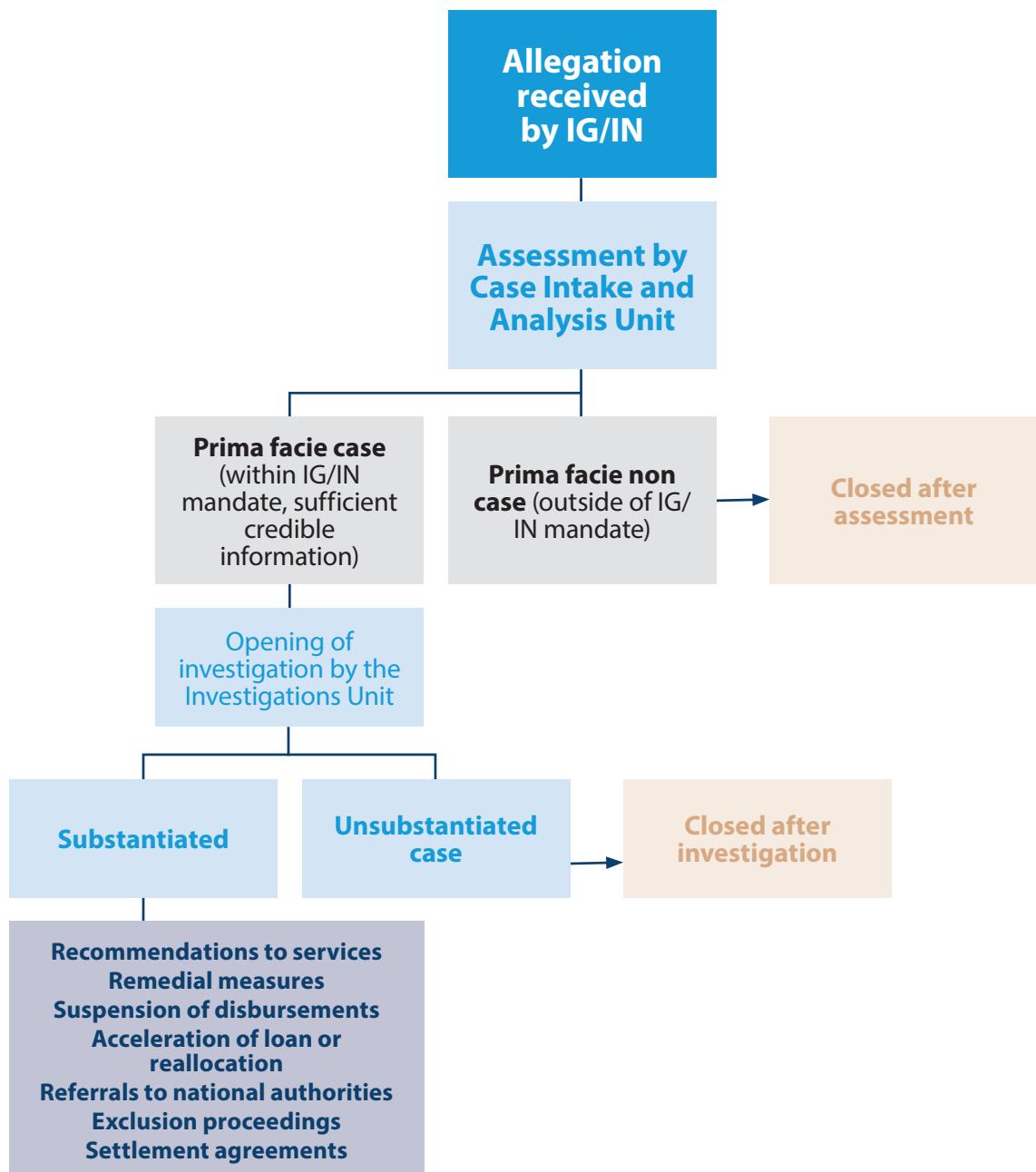


Example of a false certificate using  
the EIB's name



# INVESTIGATION LIFECYCLE

From the initial allegation to the closing of an investigation, the Fraud Investigations Division follows the steps and procedures illustrated in the chart below.



## CASE INTAKE AND ANALYSIS

The Fraud Investigations Division receives allegations of prohibited conduct from multiple sources, both internal and external. It can also initiate cases on the basis of allegations arising from press reports or proactive fraud detection findings. The Intake and Analysis Unit assesses and prioritises all incoming allegations of prohibited conduct to determine whether they fall within the mandate of IG/IN and whether they warrant an investigation.

During the initial case assessment, IG/IN aims to obtain as much relevant information as possible concerning the allegation, including connections to EIB Group-financed activities, a complete description of the alleged wrongdoing and related documents, records and any supporting documentation. If the assessment determines that an allegation does not involve EIB financing or cannot be adequately investigated (due to a lack of specific details or because the alleged matter is too old), the case is closed at the assessment stage and does not proceed to investigation.

If a matter falls under the mandate of another office (for example an environmental complaint within the mandate of the EIB Complaints Mechanism or another multilateral development bank's investigation office), IG/IN coordinates the necessary referral process. The division works closely with the European Anti-Fraud Office (OLAF) to refer all appropriate matters for OLAF's independent assessment. Suspicions of money laundering, financing of terrorism or predicate offences are also reported to the Luxembourg Financial Intelligence Unit through the money laundering reporting officers in the EIB Group, where appropriate.

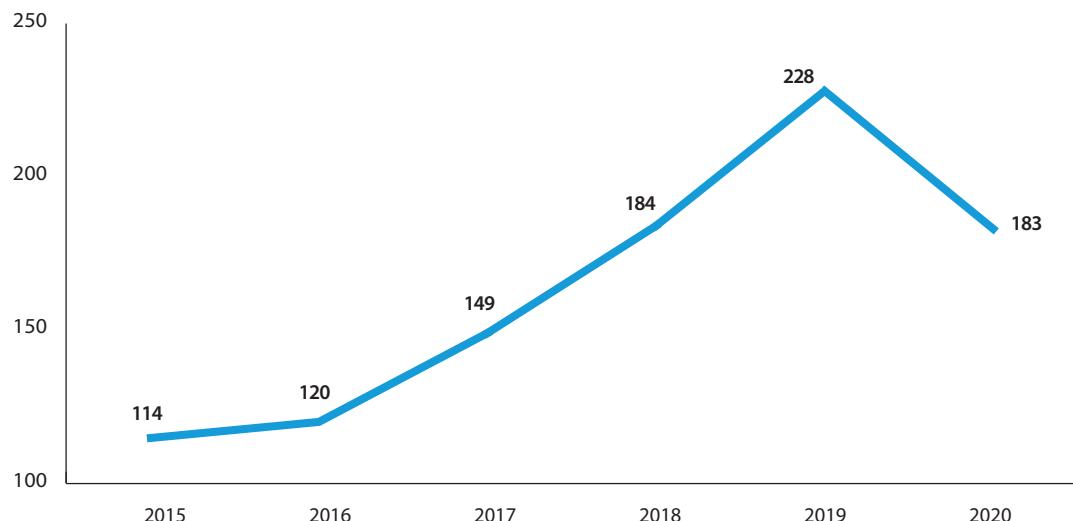
## INVESTIGATION

An investigation is a fact-finding process aimed at determining whether allegations or suspicions of prohibited conduct affecting the EIB Group's activities are based on facts. Investigations are conducted in close cooperation with OLAF, including joint investigation visits as appropriate. IG/IN carries out its activities in accordance with the EIB Group Investigations Procedures published on the EIB website<sup>1</sup>. Investigations are undertaken in an objective, confidential, fair and impartial manner, based on the presumption of innocence, with due regard for all individuals or entities involved and in full compliance with the rules on personal data protection. The EIB Group's investigators come from a wide range of different backgrounds. They are former prosecutors, former law enforcement agents and forensic specialists. To ensure its effectiveness, the Fraud Investigations Division enjoys independence in the exercise of its responsibilities within the EIB Group (without prejudice to the powers conferred on OLAF).

1. <https://www.eib.org/en/publications/anti-fraud-procedures>

# 2020 INVESTIGATIONS DATA

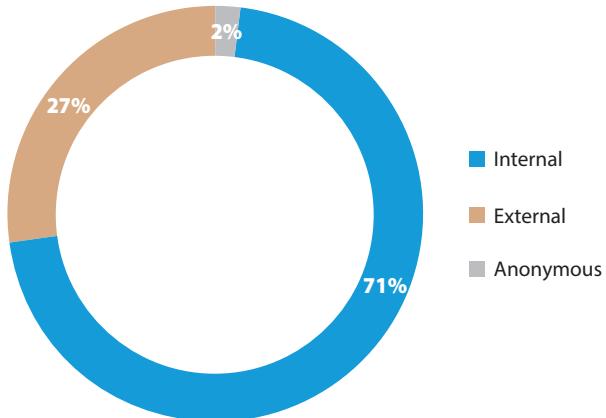
## NEW ALLEGATIONS 2015 - 2020



Between 2015 and 2019, there was a constant increase in the number of allegations received by IG/IN. However, the first half of 2020 saw a decrease in the number of cases reported, which is believed to be at least partly due to the COVID-19 crisis and the limited number of EIB Group staff conducting monitoring missions on site. At the end of 2020, IG/IN had received 183 new allegations compared to 228 in 2019. That said, 2019 had seen an unusual increase in cases from a spate of building thefts involving an external contractor (who was arrested by the police following an IG/IN investigation), along with a higher than average number of internal cases referred for assessment following a comprehensive review of allowance payments (few of which were ultimately substantiated). When these special facts are taken into consideration, the number of incoming allegations in 2020 is roughly in line with previous years.

IG/IN carried out a total of 10 investigative missions to countries in the European Union and beyond, a significant decrease compared to previous years due to the COVID-19 restrictions.

## SOURCES OF ALLEGATIONS



**71%** of allegations were received from internal sources within the EIB Group and **27%** were received from external sources such as other European institutions or bodies, national authorities, international organisations, project-related parties, civil society and the media. The remaining **2%** were received from anonymous sources. While reports from external sources have remained stable over the last few years, the number of reports by staff members within the EIB Group increased from 54 in 2015 to **130** in 2020. This increase coincides with the launch of enhanced fraud and corruption awareness training modules for staff members.

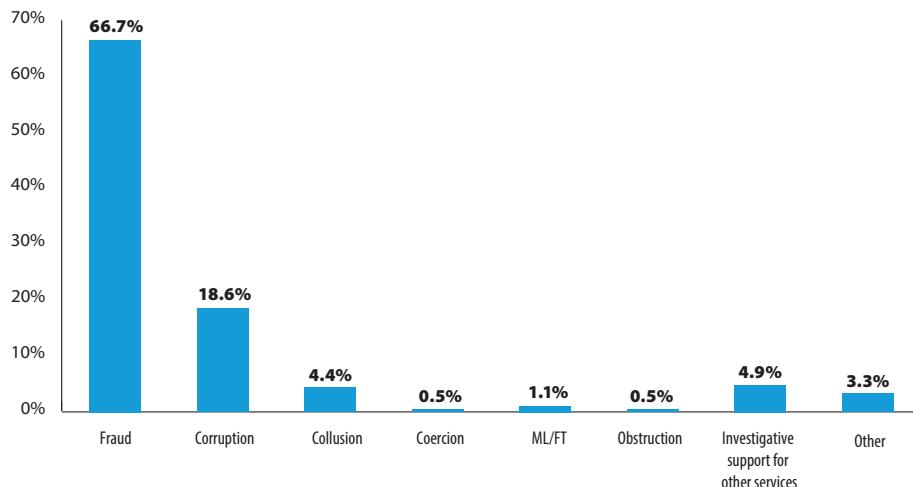
EIB Group	2016	2017	2018	2019	2020
New cases received during the year	120	149	184	228	183
Cases completed during the year	116	126	120	220	195
Of which at assessment stage	*	*	64	146	104
Of which at investigation stage	*	*	56	74	91
Cases still active at 31 December	113	136	200	208	196
Cases under monitoring at 31 December	40	59	44	58	111

\* Data available from 2018, when the Intake and Analysis Unit was created. The unit assesses incoming allegations and decides whether an investigation should be opened or not.

Of the 183 cases registered in 2020, **20%** proceeded to investigation, **41%** were completed during the assessment and **39%** were still under assessment at 31 December 2020.

**37** out of the 195 cases completed in 2020 (**19%**) were found to be substantiated, leading to the issuance of recommendations to the relevant services within the EIB Group and/or referrals to competent authorities (i.e. 37 out of 195 cases finalised after assessment as well as investigation). Of the cases completed following a full investigation, **41%** were substantiated.

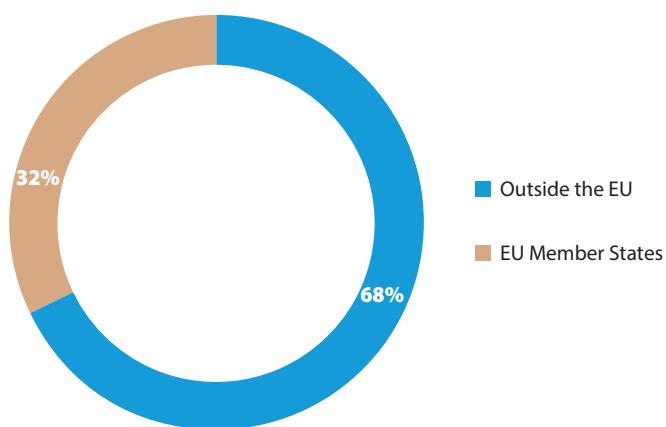
## AREAS OF INVESTIGATION



Fraud and corruption in relation to EIB Group operations are the most common types of allegations received by the Fraud Investigations Division.

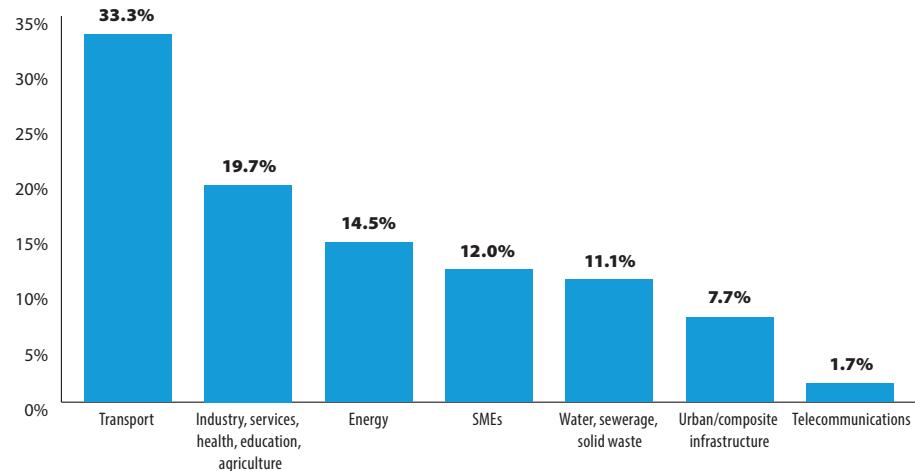
Allegations can be submitted via a dedicated email address ([investigations@eib.org](mailto:investigations@eib.org)), or via the EIB Group website (<http://www.eib.org/infocentre/anti-fraud-form.htm>). The reporting form and associated information pages are available in 30 languages.

## EIB EXTERNAL CASES - GEOGRAPHICAL SCOPE



**68%** of incoming allegations related to EIB projects in 2020 involved activities outside the European Union while **32%** related to activities in EU Member States.

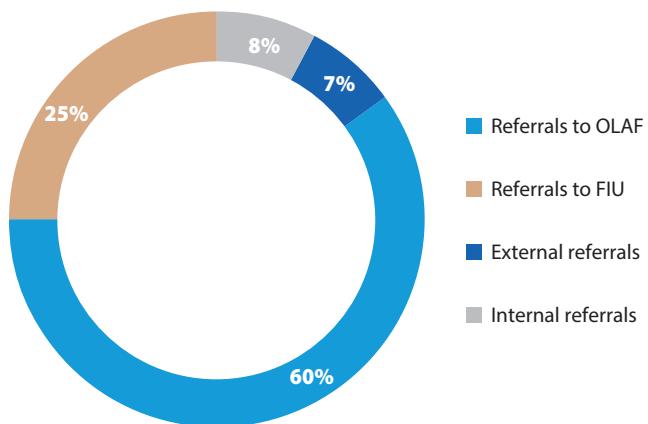
## EIB EXTERNAL CASES - SECTORS



Most incoming allegations in 2020 were related to EIB projects in the **transport sector**. The result is consistent with the data collected in the period 2014-2020 and the volume of EIB investments in this sector.

Based on the outcome of its assessments and investigations, the Fraud Investigations Division refers cases to OLAF, national authorities and investigative bodies, the Luxembourg Financial Intelligence Unit (FIU), or other services within the EIB Group. **94** external and internal referrals arose from the cases closed in 2020. The chart below provides a breakdown of these referrals.

## EIB'S GROUP REFERRALS ON CASES COMPLETED IN 2020



There are limits to what the EIB Group can achieve on its own and within its mandate. International cooperation and referrals are key to increasing the Group's capacity to deter prohibited conduct and advance investigations. Referrals of cases to relevant authorities serve to integrate capabilities and mandates between the EIB, OLAF, national authorities and the Luxembourg Financial Intelligence Unit. If, during an investigation, the EIB Group suspects that the laws of a country have been violated, it also promptly informs the relevant national authorities so they can conduct their own independent assessment.

The EIB Group will also cooperate with the newly created European Public Prosecutor's Office (EPPO) and refer relevant cases to it once it becomes operational.

# CASE STUDIES

**While the EIB Group is committed to a presumption of disclosure and transparency, it also has a duty to respect both professional secrecy in compliance with relevant laws and legislation and the confidentiality of its investigative process. IG/IN seeks the appropriate balance between transparency and confidentiality when disclosing information on cases it has investigated.**

This section of the report provides case studies featuring different types of allegations handled by the EIB Group's investigators. These examples cover internal and external investigations, several geographical areas and different kinds of prohibited conduct. The purpose of these case studies is not only to present how IG/IN operates, but also to raise awareness about the possible areas of risk in EIB Group activities. They also illustrate how the EIB Group applies a zero tolerance approach to fraud and corruption.

Despite the challenges presented by the pandemic, a large number of investigations were successfully carried out, supporting the EIB Group's decision-making processes by uncovering relevant information (through liaison with OLAF and national authorities, among others) and issuing recommendations to remediate prohibited conduct and mitigate future risk.

## INTERNAL CASES

Internal cases involve allegations of prohibited conduct by members of staff and/or governing bodies within the EIB Group, or assimilated persons (such as contractors working at the EIB premises). Examples of internal cases investigated in 2020 include:

### MISAPPROPRIATION OF EIB GROUP PROPERTY

**Source** Internal

**Red flag** Complaint

IG/IN carried out a complex investigation and established that two EIB Group staff members were financially benefiting from the improper use of EIB Group property. As part of the investigation, IG/IN conducted numerous interviews and reviewed voluminous data and documentation, including security logs and electronic correspondence.

**Results:** IG/IN recommended disciplinary actions against the EIB Group staff members involved in the misappropriation of property. IG/IN also issued recommendations to the relevant services of the EIB Group Entities to strengthen security measures.

## FALSIFICATION OF DOCUMENTS

**Source** Internal

**Red flag** Unusual receipts

An investigation established that an EIB Group staff member forged receipts issued by external suppliers and fabricated false EIB letters. The investigation led to the identification of other forms of prohibited conduct by the same staff member.

**Results:** IG/IN recommended the initiation of disciplinary proceedings against the EIB staff member involved and the replacement of a vendor.

## EXTERNAL CASES

### CORRUPTION INVOLVING AN EIB GROUP COUNTERPARTY

**Region** Enlargement countries

**Source** External

**Red flag** Investigation by national authorities

The national authorities investigated and arrested persons suspected of having committed a series of crimes and irregularities in breach of national banking law. One of the persons arrested was the director-general of an EIB Group counterparty.

**Results:** IG/IN liaised with the national authorities to obtain information supporting the decisions of the relevant EIB Group Entity in relation to the counterparty concerned.

### ATTEMPTED FRAUD IN TECHNICAL ASSISTANCE

**Region** EU Southern Neighbourhood

**Source** Internal

**Red flag** Dubious exclusivity agreements

EIB services reported to IG/IN that two companies claimed to have exclusive agreements with the same consultant for two different calls for tenders for technical assistance launched by the EIB. IG/IN's investigation established that the consultant signed two exclusivity agreements in breach of the tender rules.

**Results:** The two companies were excluded from the calls for tenders.

### FRAUDULENT USE OF EIB NAME

**Region** European Union

**Source** External

**Red flag** Complaints, fake loan offers

Individuals falsely claimed to act as intermediaries for the EIB and asked multiple companies for the payment of commission fees to help them obtain an EIB loan. When the loan did not materialise, the victims contacted the EIB.

**Results:** IG/IN advised the victims to submit a complaint to the relevant national authorities and provided support to the national investigation.

## POTENTIAL BREACH OF FINANCE AGREEMENT TERMS

**Region** European Union

**Source** Internal

**Red flag** Financial difficulties

Shortly after signing a finance agreement with the EIB and receiving a first disbursement, a startup company went into a severe liquidity crisis. After conducting an in-depth investigation, IG/IN did not find evidence of prohibited conduct. However, IG/IN identified that the startup company channelled the EIB funds outside the European Union in the form of a loan repayment to its parent company. This was a potential breach of the terms of the finance agreement.

**Results:** IG/IN recommended that the relevant EIB services suspend the disbursements and make any further disbursement conditional on the satisfactory audit of the use of the first tranche.

## FRAUD IN PROJECT PROCUREMENT

**Region** Sub-Saharan Africa, Caribbean and Pacific

**Source** External

**Red flag** Anonymous complaint

The EIB received a series of anonymous allegations questioning the technical and financial capacity of a joint venture recommended for a contract in a project in Africa co-financed by the EIB. IG/IN's investigation confirmed that the experience credentials submitted by the joint venture to pre-qualify for the tender was fraudulent.

**Results:** The joint venture was disqualified from the project procurement process.

## FAKE INTERMEDIARY REGISTERED IN AN EU OFFICIAL REGISTER

**Region** European Union

**Source** External

**Red flag** Complaint by a victim

A business was the victim of a fraudulent investment scheme in which a company claimed to act as intermediary in submitting a loan request to the EIB. The business paid over €100 000 to the alleged intermediary, who purported to submit a loan request to the EIB in exchange for the payment. The victim believed the company was legitimate because its name appeared in an EU official register (not managed by the EIB Group).

**Results:** IG/IN advised the victim to submit a complaint to the relevant national authorities. IG/IN also provided evidence of the company's fraudulent actions to the authority in charge of maintaining the register. The company was excluded from the register.

## PHISHING FRAUD IMPACTING INVESTMENT FUND

**Region** European Union

**Source** External

**Red flag** Complaint by a victim

An EIB Group Entity invested in a fund whose general partner was the victim of a phishing fraud. The access credentials of the general partner's chief executive officer were seemingly stolen, enabling the perpetrators to submit their own banking details for an upcoming bridge funding transaction. The fraud was uncovered when the genuine beneficiary of the transaction alerted the general partner that they had not received the payment.

**Results:** The fraud was reported to the police and an investigation was launched. The funds lost due to the phishing fraud were recovered in full through the fund manager's insurance policy, therefore safeguarding the funds invested by the EIB Group Entity.

## FORGED CERTIFICATE IN PROJECT PROCUREMENT

**Region** Asia and Latin America

**Source** Internal

**Red flag** Unusual and dubious certificate

IG/IN was informed by the Bank's services that a joint venture bidding for a project co-financed by the EIB allegedly submitted a forged experience certificate. IG/IN liaised with the Bank's promoter and the certificate issuer and obtained confirmation that the experience certificate was forged.

**Results:** The bidder was disqualified from the procurement process on grounds of non-responsiveness with the tender specifications. IG/IN is assessing the possibility of launching exclusion proceedings against the company.

## COLLUSION IN INTERMEDIATED LENDING

**Region** Sub-Saharan Africa, Caribbean and Pacific

**Source** Internal

**Red flag** Conflict of interest

A case of possible collusion in an EIB multi-beneficiary intermediated loan blended with EU grants was reported to IG/IN. Allegedly, a grant manager illegally provided companies with inside information to help them obtain the grants. OLAF was also alerted. At the time the allegations were reported, the EIB had not yet disbursed any funds. However, the financial intermediary had already been contacted by some grant beneficiaries to apply for EIB financing.

**Results:** EIB funds were not affected but, given the identified collusion scheme, additional preventive measures have been put in place to protect the EIB funds for this particular project.

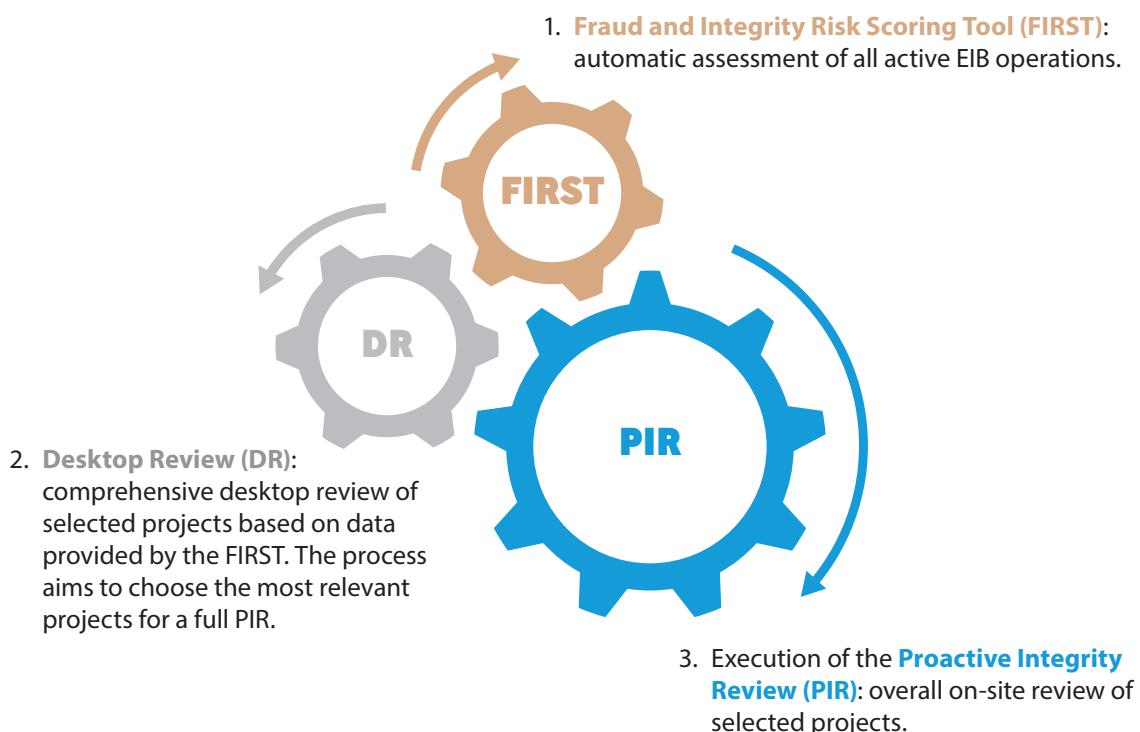


## **DETECTION OF PROHIBITED CONDUCT**

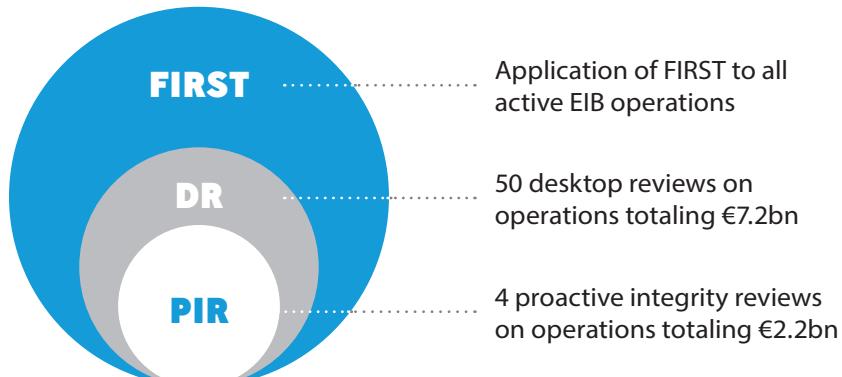
**In addition to investigations, which remain its core area of work, IG/IN's mandate extends to proactive fraud detection. This activity is key to addressing prohibited conduct issues that might otherwise remain undetected by usual monitoring or not reported. Selecting the right projects for proactive review is crucial. IG/IN has developed a proactive integrity review methodology to ensure the selection of the right projects while optimising the use of available resources and maximising its detection capacity.**

# THE PROACTIVE INTEGRITY REVIEW (PIR) METHODOLOGY

The proactive integrity review methodology comprises three key processes, which take place simultaneously:



## EIB FRAUD DETECTION 2020 DATA



# FRAUD AND INTEGRITY RISK SCORING TOOL

The fraud and integrity risk scoring tool (FIRST) is a data-driven application. It was launched in 2018 and has been continuously updated since. As of 2020, the data used by FIRST is refreshed daily. This enables the real-time monitoring of all active EIB operations through a combination of more than 40 algorithms. Because of its proven success in identifying red flags, FIRST is fully integrated in the process of selecting the most relevant projects for proactive integrity reviews.

Thanks to FIRST, IG/IN's Fraud Detection Unit also contributes to the EIB's risk appetite framework. Based on data from FIRST, a fraud index is computed on a quarterly basis to provide an overview of trends in the risk of fraud in EIB lending activities.

## FIRST AT THE EUROPEAN INVESTMENT FUND

In 2020, IG/IN's Fraud Detection Unit continued its joint feasibility study on implementing the proactive integrity review methodology at the EIF, supported by the EIF's compliance function. The study concluded that a tool similar to FIRST could also be developed by IG/IN for EIF transactions. The project therefore moved to the design phase in 2020.

## CORRUPTION RISK IN PROCUREMENT ON EIB PROJECTS

In 2020, IG/IN, in collaboration with the EIB's IT department, developed a new robotic tool for the continuous scoring of corruption risk in procurement for EIB counterparties, using "big data" from the EU public procurement database. This project attracted a lot of interest because of its innovative use of technology and potential for broad application.

This robotic tool will further increase the analytical power of FIRST and also be useful to other EIB directorates, as it makes it possible to assess the risk of corruption in procurement associated with existing or potential EIB counterparties, as well as all other companies participating in public tenders in the European Union. The tool was successfully tested and will be fully integrated in the proactive integrity review methodology in 2021.

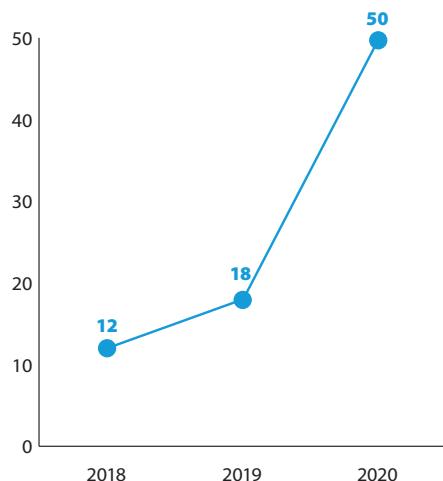
# DESKTOP REVIEWS

A desktop review is a comprehensive documentary review of pre-selected projects based on FIRST data. The review makes it possible to narrow down the list of projects and choose the most relevant ones for a full proactive integrity review. The main purpose of this review is to obtain information and documents that support and explain the risk factor(s) identified by FIRST.

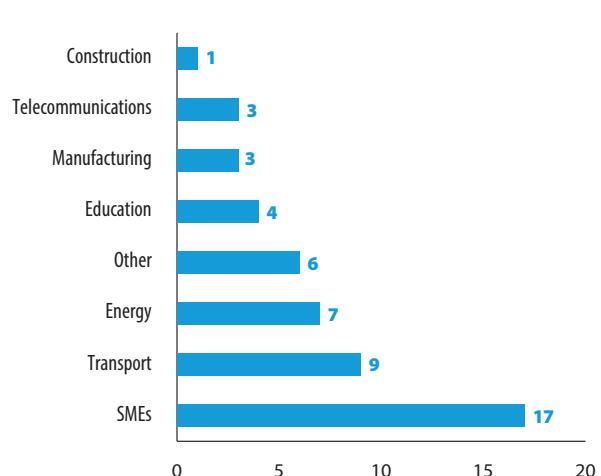
Because of their nature, desktop reviews were not affected by COVID-19 travel restrictions and lockdowns. In fact, 2020 saw a significant increase in desktop reviews compared to 2019 (18 in 2019 compared to 50 in 2020). The outcome of these reviews was the launch of three proactive integrity reviews, and suspicions of prohibited conduct were referred to IG/IN's Intake and Analysis Unit for assessment.

## DESKTOP REVIEWS 2020 DATA

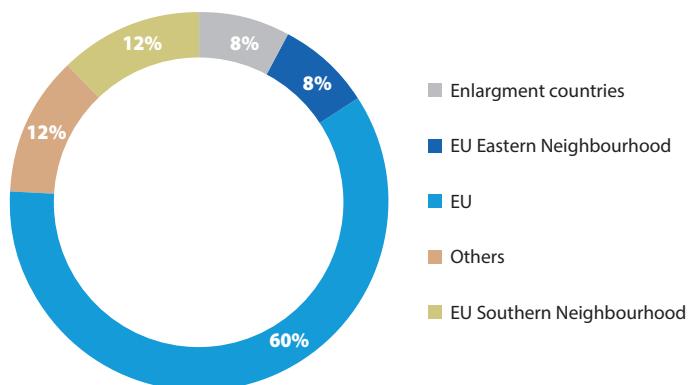
NUMBER OF DESKTOP REVIEWS 2018-2020



NUMBER OF DESKTOP REVIEWS IN 2020 BY SECTOR



DESKTOP REVIEWS IN 2020 BY REGION



# PROACTIVE INTEGRITY REVIEWS

## METHODOLOGY

While a fraud investigation aims at gathering evidence to prove or disprove an allegation of prohibited conduct, the objectives of a proactive integrity review are to:

- help prevent and detect prohibited conduct at an early stage;
- ensure that funds are used for their intended purpose;
- determine if EIB contracts were implemented according to their terms;
- recommend improvements to policies, procedures and controls with the goal of reducing opportunities for prohibited conduct in current and future projects.

## PROACTIVE INTEGRITY REVIEW CASE STUDIES

The case studies in this section illustrate how on-the-ground proactive integrity reviews are performed, what their findings are and what types of benefits they bring to the EIB Group.

### PROCUREMENT IRREGULARITIES IN INFRASTRUCTURE PROJECT

#### Region European Union

In 2020, IG/IN finalised a proactive integrity review on two infrastructure projects implemented in an EU Member State by that country's national infrastructure agency. The review identified a number of irregularities and deficiencies in procurement, such as: (i) a breach of the principle of equal treatment of bidders; (ii) an inflated budget for part of the construction work; and (iii) questionable professional experience of members of the winning consortium.

**Results:** Based on these findings, the EIB concluded that the contract awarded was in breach of national legislation and ineligible for financing. The EIB requested a prepayment of its loan in the amount equivalent to the value of the contract. A set of recommendations was issued to improve the capacity of the contracting authority.

## DEFICIENCIES IN ROAD CONSTRUCTION PROJECTS

### Region Central Asia

In 2020, IG/IN concluded a proactive integrity review on two road construction projects implemented by the national agency for infrastructure. The review identified: (i) strong indications of poor integrity of key stakeholders in the project; (ii) a conflict of interest in one contract; and (iii) poor integrity of the procurement processes. Furthermore, through quality tests carried out during fieldwork as part of the proactive integrity review, deficiencies were uncovered in the quality of part of the work performed, namely the compaction level of the road and the embankment works.

**Results:** Based on the proactive integrity review's findings, the EIB concluded that the contract was in breach of the EIB's guide to procurement, and therefore ineligible for EIB financing. The Bank requested a prepayment of its loan in the amount equivalent to the value of the contract. In addition, the findings led to the issuance of a set of recommendations to improve the capacity of the contracting authority. The Bank also requested further verifications of the quality of the road upon its completion.

## LOAN FOR SMEs AND MID-CAPS

### Region EU Eastern Neighbourhood

This was the first proactive integrity review based on the fraud and integrity risk scoring tool. The PIR team reviewed the loan portfolio of more than 350 allocations and selected a sample of 35 final beneficiaries for an in-depth review. The fieldwork for this review yielded a series of irregularities and weaknesses with both the financial intermediary and the final beneficiaries: (i) missing procedures, (ii) misclassification of final beneficiaries and (iii) Know Your Customer deficiencies.

**Results:** The review fieldwork identified sufficient elements to consider the allocations granted to seven of the sampled final beneficiaries ineligible for EIB financing or otherwise non-compliant with the terms of the financing agreement. The EIB therefore requested a prepayment of its loan in the amount equivalent to the value of these allocations.



## **DETERRENCE AND REHABILITATION**

### **IMPLEMENTATION OF EIB EXCLUSION POLICY**

In 2020, substantial progress was made towards the full implementation of the EIB exclusion policy, in particular through the creation of the new Policy and Exclusion Unit in IG/IN, the recruitment of dedicated staff, and the appointment of the exclusion committee.

## EIB EXCLUSION COMMITTEE

Proceedings instigated under the exclusion policy follow a three-stage review process to determine whether the evidence presented convincingly supports the conclusion that an entity or individual has engaged in prohibited conduct. The exclusion committee intervenes in the second review process. As an independent committee, its role is to:

- determine whether the specific allegations of prohibited conduct presented by the Inspector General are admissible;
- review all evidence and materials submitted by the Inspector General and the respondents in the course of the exclusion proceedings;
- make recommendations regarding the respondents' culpability to the EIB's Management Committee and, where culpability is established, issue recommendations for an appropriate exclusion decision.

The EIB's Exclusion Committee is composed of:

- Nicholas Barclay, Head of Compliance, who is also the chairman of the exclusion committee;
- José Luis Alfaro, Head of Procurement in lending activities;
- Christoph Kuhn, Director of Operations' Mandate Management;
- Rosalind Wright, external member;
- Johan Vlogaert, external member;
- Lukáš Starý, alternate external member.

### WHO ARE THE EXTERNAL MEMBERS OF THE EXCLUSION COMMITTEE?

**Rosalind Wright** is a retired barrister who has worked mainly in the public and regulatory sector. In 2003, she retired from the UK Serious Fraud Office, where she was director for six years. Since then she has been a non-executive director of the UK Office of Fair Trading, the UK Department of Trade and Industry (now, Department for Business, Innovation and Skills), and member and chairman of the supervisory committee of OLAF and of the UK Insolvency Service.

**Johan Vlogaert** served as an investigative judge in Belgium in charge of investigating serious criminal cases and managing the investigation and the assigned police teams and experts, and as a judge in the Brussels Court of Appeal. In 2000, he joined OLAF as head of unit in charge of administrative investigations in direct expenditure, pre-accession and external aid. He served as Head of the EIB Fraud Investigations Division for five years (2010-2015) up to his retirement.

**Lukáš Starý** is currently the national member for the Czech Republic at Eurojust and public prosecutor of the Supreme Public Prosecutor's Office in the Czech Republic. He is experienced in economic crime investigations and prosecutions and in cross-border collaboration in criminal matters through Eurojust. During his career, he has worked closely with prosecutors and investigators and provided support to competent national authorities to overcome challenges relating to the different legal regimes in the European Union and worldwide.

## **AGREEMENT WITH JSC NENSKRA HYDRO AND HYUNDAI ENGINEERING & CONSTRUCTION CO. LTD**

In 2020, the EIB, JSC Nenskra Hydro (“JSCNH”) and Hyundai Engineering & Construction Co., Ltd. (“Hyundai”) came to an agreement regarding certain omissions in disclosing relevant information in the context of bidding for the Nenskra hydropower plant project in Georgia. According to this agreement, Hyundai remains eligible to participate in EIB financed projects as long as it complies with the terms of the agreement, which includes the appointment of a compliance monitor, appointed with agreement from EIB, to oversee and enhance its integrity compliance program, and a closer cooperation between Hyundai, JSC Nenskra Hydro and EIB in the exchange of best practices in relation to compliance standards and in the fight against fraud.

In addition, Hyundai will voluntarily contribute USD 5 million to the Nenskra project’s Community Investment Programme, which aims at financing various activities for the local community, such as by way of example rehabilitation of primary schools and kindergartens, vocational training activities, upgrades of roads, upgrade of a health clinic, supply of medical equipment, supply of new ambulances, design of a new water supply and distribution system and tourism-enhancing activities. Hyundai will identify the actions to be financed in consultation with the Bank, the Community Investment Programme advisory committee and other relevant stakeholders.

## **IMPLEMENTING THE AGREEMENT WITH VOLKSWAGEN AG**

In 2009, the EIB granted the Volkswagen Group a loan that was repaid in full in February 2014. Among other things, the loan included funds for the development of diesel engines. Following an OLAF investigation, the EIB and Volkswagen AG finalised an agreement in December 2018 under which the EIB concluded its investigation and Volkswagen AG in turn agreed voluntarily not to participate in any EIB project for an exclusion period of 18 months. Since October 2015, the consideration of loans by the EIB to Volkswagen AG had been under suspension.

In addition, as part of the agreement, Volkswagen AG voluntarily committed to contributing €10 million to environmental and/or sustainability projects in Europe. Volkswagen AG selected the projects in consultation with the EIB in the course of 2020. The EIB’s review mainly aimed at ensuring the projects complied with the conditions of the agreement. The EIB also provided comments to Volkswagen AG on the proposed projects and the final selection is in line with the comments<sup>2</sup>.

2. The list of selected projects was published by Volkswagen AG on 8 January 2021 after the reporting period covered by this report: <https://www.volksvagenag.com/en/news/2021/01-Volkswagen-AG-donates-EURO-10-million-for-European-environmental-projects-under-agreement-with-European-Investment-Bank.html>



# POLICY INITIATIVES

## REVISION OF THE EIB GROUP ANTI-FRAUD POLICIES

Good progress has been made in revising the EIB and EIF anti-fraud policies with the aim of transforming them into a Group-wide policy. The reasons for this revision include recent changes in EU legislation, international best practices, EIB Group policies, as well as lessons learned from past investigations.

Two engagement workshops took place on 6 March 2020 in Brussels to present and discuss the draft EIB Group anti-fraud policy. The morning workshop was for civil society organisations while the afternoon workshop was for EU institutions and bodies. The aim of the workshops was to gather stakeholders' input for the policy revision process. The draft anti-fraud policy had been made available to stakeholders ahead of time and they had the opportunity to submit written comments.

The key changes in the draft were:

- the new policy's applicability to both the EIB and the EIF;
- the amended concept of prohibited conduct (particularly regarding obstruction and theft at EIB Group premises);
- the policy's enlarged scope.

The stakeholders welcomed the discussion and provided valuable and constructive feedback. The comments covered different aspects of the draft policy, including cooperation with national authorities, the potential role of civil society in assisting the EIB Group, the range and implementation of sanctions, as well as the complementarity of the anti-fraud policy and other EIB Group policies. IG/IN aims to finalise the policy review in 2021.

## **COVID-19 RESPONSE — PREVENTION EFFORTS**

IG/IN's Policy and Exclusion Unit advises and supports the services of the different EIB Group Entities on implementing the anti-fraud policies for a range of matters such as project procurement, mandates and financing agreements. It also participates in various internal working groups.

In 2020, the unit supported the EIB Group's COVID-19 response by contributing, for instance, to the content of agreements with UN agencies UNOPS and UNDP. The agreement between the EIB and UNOPS enables both organisations to help governments better respond to emergencies and natural disasters; the agreement between the EIB and UNDP sets out a framework for the two organisations to support governments in tackling global crises.

IG/IN also assisted the services of the EIB Group Entities in setting up the European Guarantee Fund (intended to help businesses recover from the pandemic), by providing advice on implementing the relevant anti-fraud policies. IG/IN also advised on anti-fraud policies for the EIB's contribution to the international COVAX initiative aimed at ensuring global access to COVID-19 vaccines.

## **NEW SYSTEM FOR FOLLOWING UP ON RECOMMENDATIONS**

IG/IN formulates recommendations and opinions when conducting its various activities: intake, analysis, investigations, proactive detection, policy and exclusion. These recommendations are based on the findings of prohibited conduct, deficiencies identified or analyses carried out as part of the activities of IG/IN's four units. The recommendations and opinions may be expressed at the request of the services of the EIB Group Entities or at IG/IN's own initiative. They can target any of the EIB Group's activities and may take various forms: operational, policy-oriented, specific to a particular project or type of project/activity or general in nature. For example, IG/IN can recommend preventive measures to protect EIB Group funds and/or an ongoing investigation, as well as remedies based on its findings. Recommendations can also support a decision on the disbursement of funds or the non-objection to a procurement process.

In 2020, IG/IN's Policy and Exclusion Unit developed a new system to follow up and report on the recommendations and opinions issued by the division's four units. This system aims at ensuring consistency in the formulation and follow-up of recommendations. As a result, the quarterly status report submitted by IG/IN to the EIB's Management Committee, Audit Committee and OLAF (in line with the requirements of the EIB Group's Investigations Procedures) was expanded to include a specific section with recommendations and opinions.

# INTERNATIONAL COOPERATION

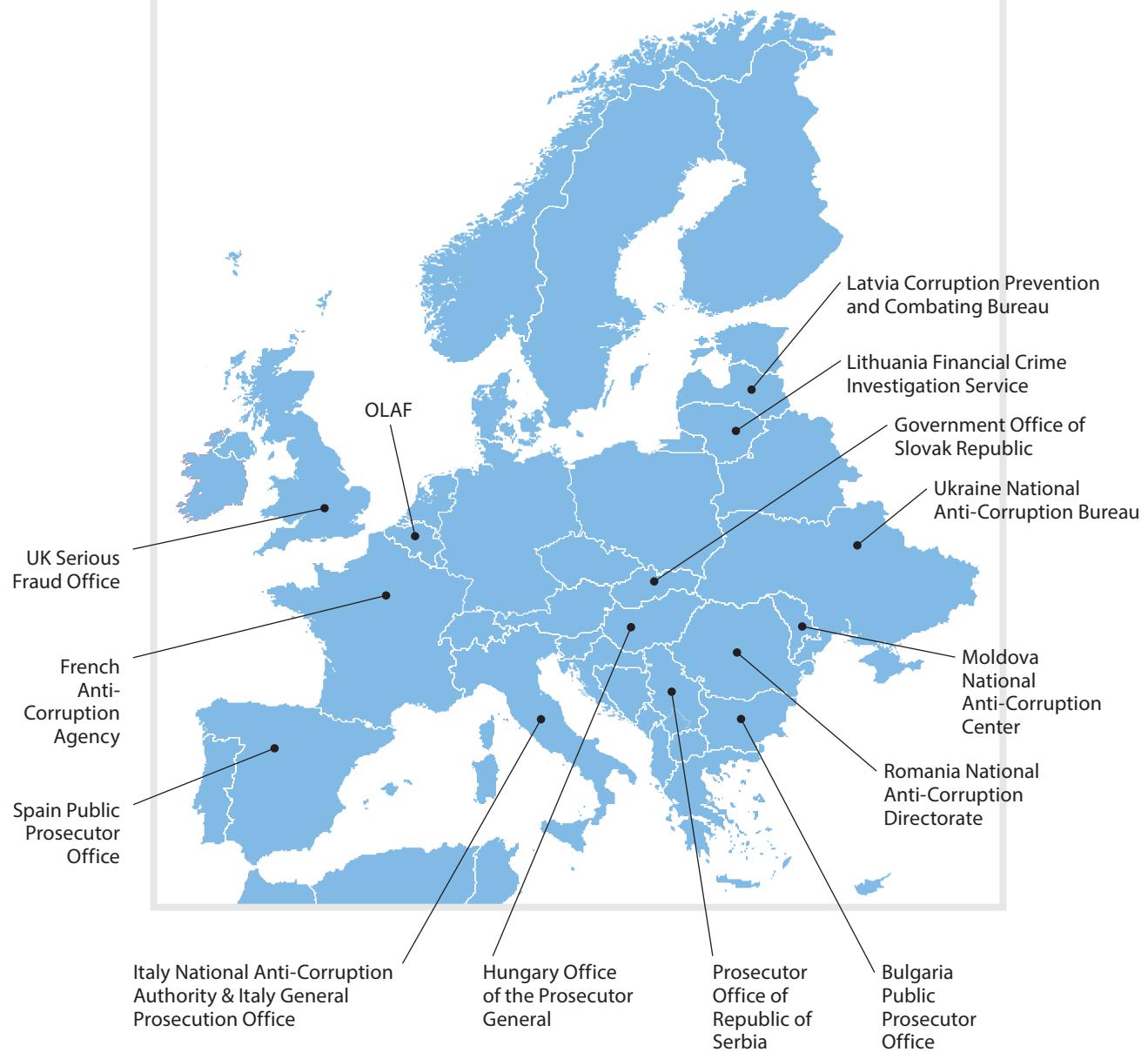
Strengthening international cooperation is a key factor in fighting against fraud and corruption effectively. Under the EIB Group anti-fraud policies, IG/IN may refer suspected prohibited conduct to national authorities within or outside the European Union for further investigation and/or criminal prosecution, and provide further assistance as requested. Such national authorities include law enforcement bodies, prosecution offices and anti-corruption agencies.

IG/IN's cooperation and information-sharing practices extend to the investigation offices of other international financial institutions (IFIs). The EIB made a strong commitment to this cooperation by signing the IFIs' Uniform Framework for Preventing and Combating Fraud and Corruption in 2006 along with the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the Inter-American Development Bank Group and the World Bank.

In 2020, the EIB signed a new memorandum of understanding with the [Asian Infrastructure Investment Bank](#) on cooperating in investigations and information-sharing.



## COOPERATION AGREEMENTS BETWEEN THE EIB AND ITS NATIONAL PARTNERS IN THE GLOBAL FIGHT AGAINST FRAUD AND CORRUPTION



# INTERNAL AWARENESS-RAISING INITIATIVES

## INTERNATIONAL ANTI-CORRUPTION DAY

The EIB Group marked the International Anti-Corruption Day on 9 December 2020 with an awareness-raising video for all staff within the EIB Group, a statement published on the EIB website and a social media post.

The theme of the International Anti-Corruption Day in 2020 was "Recover with Integrity" to raise awareness about the effects of corruption in times of crisis and to emphasise that integrity and accountability are essential for the recovery. This is an important theme for the EIB Group, as it plays a major role in the European Union's response to the pandemic. The EIB Group must ensure that resources aimed at supporting the recovery from COVID-19 reach their intended beneficiaries and are not diverted by fraud and corruption.



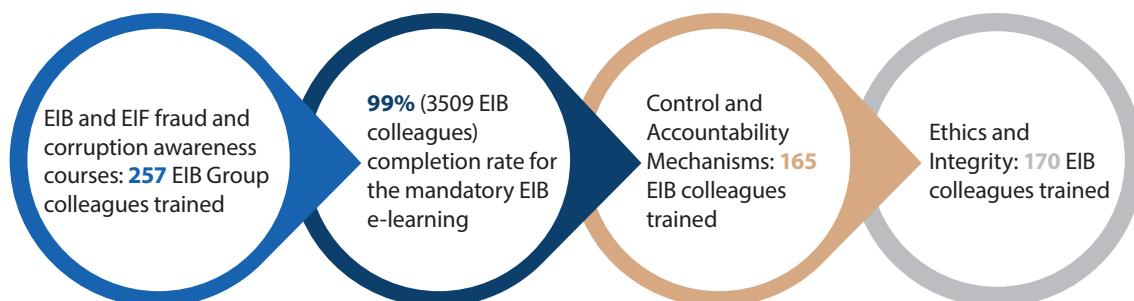
## INTERNAL OUTREACH EVENTS

The COVID-19 teleworking environment has called a halt to the organisation of physical outreach events on fraud and corruption. IG/IN adapted to the new reality of working remotely and hosted virtual internal presentations on its fraud detection methodology along with virtual awareness sessions on the EIB Group Whistleblowing Policy with the EIB Compliance Directorate.

## FRAUD AND CORRUPTION AWARENESS TRAINING

The EIB Group's fraud and corruption awareness training programme aims to raise staff awareness of the multiple risks that fraud, corruption and other prohibited conduct pose to the EIB Group, along with the applicable policy framework. It helps colleagues recognise the red flags indicating possible fraud and corruption and become more aware of their duty to report any suspicion of prohibited conduct to the Fraud Investigations Division.

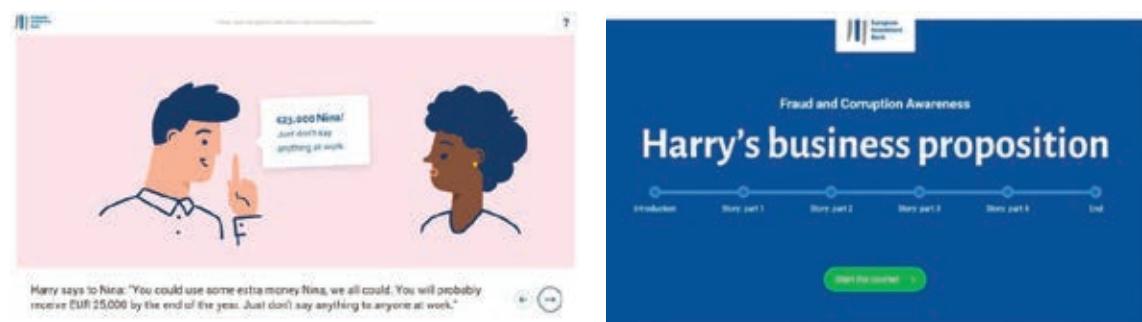
This training programme was launched in 2009 as an in-person course. In 2019, it was expanded to include mandatory anti-fraud e-learning courses for all EIB staff. Also in 2019, a specific classroom course was customised for EIF colleagues. In 2020, all anti-fraud training was delivered online.



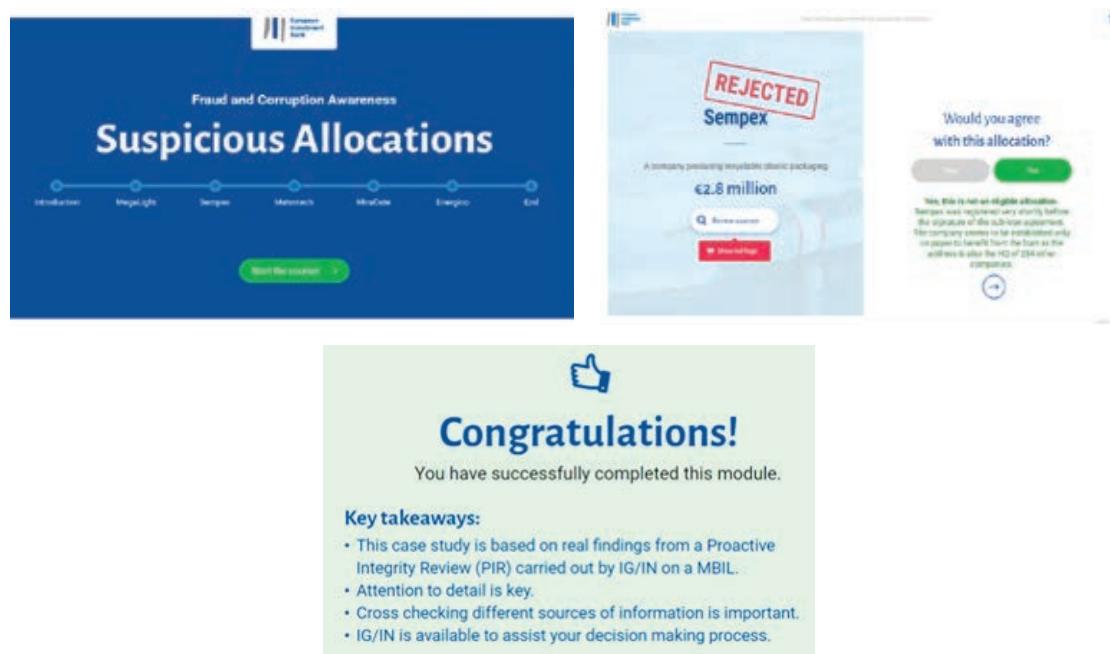
## DEVELOPMENT OF NEW E-LEARNING COURSES

In 2020, the existing EIB anti-fraud e-learning courses were updated and a new e-learning fraud awareness refresher course was developed for launch in early 2021. The new refresher course consists of a knowledge check module and two case studies.

In the first case study, "Harry's business proposition," EIB colleagues are asked to identify warning signs of prohibited conduct in relation to potential allegations of corruption and obstruction committed within the EIB, and to identify the right course of action.



In the second case study, "Suspicious allocations," EIB colleagues are asked to review allocation requests submitted by a financial intermediary and assess if they are eligible for EIB financing. This case study is based on real findings from a proactive integrity review carried out by IG/IN.



# INTERNATIONAL AWARENESS-RAISING INITIATIVES

In addition to raising awareness within the EIB Group, IG/IN participated in various events and seminars on fraud and corruption. Harmonisation and exchange of international best practices are important for designing effective responses to the global fight against fraud and corruption.

- **OLAF Anti-Fraud Communicators Network**, January 2020
- **Counter Balance seminar**, State of Play and Future Challenges for the European Investment Bank, March 2020
- 4<sup>th</sup> Advanced Conference on Anti-Corruption & Compliance Programmes, September 2020
- **European Ethics Bowl**, October 2020
- Financial Crime Academy, **International Fraud Awareness Week**, November 2020
- Multilateral Development Banks' **Heads of Integrity meeting**, November 2020
- 19<sup>th</sup> **International Anti-Corruption Conference**, December 2020
- **OLAF International Anti-Corruption Day**, December 2020
- International Law Institute Cybercrime, **Data Protection and Transnational Cooperation Seminar**, December 2020
- 5<sup>th</sup> **ICC International Integrity & Anti-corruption Conference**, December 2020

In December 2020, IG/IN also delivered training on EIB Group anti-fraud policies and procedures for staff at the European Anti-Fraud Office (OLAF).

Furthermore, IG/IN published several articles aiming to raise awareness of its work and the EIB Group's efforts to enforce its zero tolerance policy:

- FCPA Blog (6 May 2020): **What is the European Investment Bank's Covenant of Integrity?** - <https://fcpablog.com/2020/05/06/what-is-the-european-investment-banks-covenant-of-integrity/>
- Basel Institute on Governance (4 June 2020): **A fast way to identify fraud risks and vulnerabilities: Proactive Integrity Reviews** - <https://baselgovernance.org/blog/fast-way-identify-fraud-risks-and-vulnerabilities-proactive-integrity-reviews>
- FCPA Blog (8 September 2020): **More allegations of 'Prohibited Conduct' in 2019 from the European Investment Bank** (based on case studies published in IG/IN's Fraud Investigations Activity Report 2019) - <https://fcpablog.com/2020/09/08/more-allegations-of-prohibited-conduct-in-2019-from-the-european-investment-bank/>

# LOOKING AHEAD – 2021

**In 2021, IG/IN is committed to continuing its work in the fight against prohibited conduct.**

## INVESTIGATIONS

Depending on how the COVID-19 pandemic evolves, IG/IN will conduct in-person missions to finalise pending investigations. In addition, it plans to implement a new case management system and upgrade its forensic laboratory. It will continue to advise the governing bodies and services within the EIB Group.

## FRAUD DETECTION

Following the successful implementation of the proactive integrity review methodology, the Fraud Investigations Division will finalise its new tool to assess corruption risk in procurement and develop a fraud and integrity risk scoring tool at the EIF.

With a robust methodology in place for detecting risk in EIB operations and projects, the goal for 2021 is to launch proactive reviews of fraud risks and controls in other areas at the EIB.

## POLICY AND EXCLUSION

IG/IN plans to finalise the revision of the existing EIB Group anti-fraud policies and will continue to implement the EIB exclusion policy.

IG/IN will continue to strengthen international cooperation by liaising with national and international investigation, prosecution and anti-corruption offices and expand its network of partners. In particular, IG/IN looks forward to cooperating with the European Public Prosecutor's Office (EPPO).

IG/IN plans to launch new fraud awareness e-learning modules for EIB staff members.

## **FIGHTING FRAUD AND CORRUPTION IS A COLLECTIVE RESPONSIBILITY.**

**Anyone with information or suspicions about prohibited conduct that might affect EIB Group-financed projects and activities is encouraged to contact IG/IN.**

### **HOW TO SUBMIT ALLEGATIONS OF PROHIBITED CONDUCT:**

- ➔ Via the dedicated email address [investigations@eib.org](mailto:investigations@eib.org);
- ➔ By a confidential letter to the Head of the Fraud Investigations Division, European Investment Bank, 100 Bd. Konrad Adenauer, L-2950 Luxembourg; or
- ➔ Via a form on the EIB website:  
<https://www.eib.org/en/infocentre/anti-fraud-form.htm>.

# ACRONYMS AND INITIALISMS

<b>EIB or the Bank</b>	European Investment Bank
<b>EIB Group</b>	The EIB and the EIF together
<b>EIB Group Entity</b>	Any entity of the EIB Group
<b>EIF or the Fund</b>	European Investment Fund
<b>EPPO</b>	European Public Prosecutor's Office
<b>EU</b>	European Union
<b>FIRST</b>	Fraud and Integrity Risk Scoring Tool
<b>IG</b>	Inspectorate General
<b>IG/IN</b>	Inspectorate General's Fraud Investigations Division
<b>OLAF</b>	European Anti-Fraud Office
<b>PIR</b>	Proactive Integrity Review
<b>UNOPS</b>	United Nations Office for Project Services
<b>UNDP</b>	United Nations Development Programme





# FRAUD INVESTIGATIONS

ACTIVITY REPORT 2020



The EIB Group consists of  
the European Investment Bank and  
the European Investment Fund.

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EN 07/2021