

**Together we are stronger?  
Harmonising the fight against fraud and corruption in Europe**

**How to prevent and investigate fraud and corruption; the  
Swedish perspective**

*Mr. Kazimir Åberg  
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I would like to share with you how we, in Sweden, deal with prevention and investigation of fraud involving EU funds and corruption. To start with, I would like to state the following: From the Community's point of view, it is always better to prevent a crime, if possible, than to take repressive measures. Once you come to the point when you have to start a criminal investigation, the Community has lost in some way.

My presentation is divided into two main parts; fraud and corruption. Each subject is divided into the parts prevention and criminal investigations.

In late 1994 the Swedish Government presented a governmental proposal to the Parliament concerning the budget effects of a possible membership to the European Union. The proposal was adopted by the Parliament in December 1994. This document contained the Government's decision to establish a special committee under the Ministry of Finance. The committee was named the Swedish EU Anti-Fraud Committee. It was meant to co-ordinate and monitor the national efforts in fighting fraud and irregularities affecting the European Union's budget. The Committee was set up in April 1996 and worked on promoting measures against fraud, misuse and other irregular and inefficient management and use of EU-related funds in Sweden. The members of the Committee were the representing agencies responsible for handling EU funds (both revenue and expenditure), the ministries concerned, the Swedish National Audit Office, the National Tax Board, the police and the judicial authorities in Sweden.

In March 2001, the recently established EU Anti-Fraud Council at the Swedish National Economic Crimes Bureau took over the Committee's tasks. The Bureau (established in January 1998) is a Public Prosecution Authority. Within the Bureau, prosecutors, police officers, financial investigators and other experts work together in teams.

The Bureau is the contact authority with the EU Commission European Anti-Fraud Office (OLAF).

The work done within the frame of the Council is mainly of a preventive nature.

I will now move on to the organisation of the criminal investigations of fraud involving EU funds. These cases are handled within one of the Prosecution Chambers of The Economic Crimes Bureau. According to the Bureau's Ordinance the Bureau investigates cases concerning fraud, fraudulent conduct and gross fraud - if the act concerns the EU's financial interests - as well as subsidy fraud.

Cases are to be reported to the Bureau as soon as there is reason to assume that fraud affecting the Union's financial interests has been committed. The suspicion must be reported regardless of any financial limit. In contrast with the quarterly report to the European Commission there is subsequently no lower threshold for reporting fraud. In addition, administrative sanctions can be issued regardless of potential crimes being reported.

I will now turn to the second part of my speech on the subject of corruption.

Corruption impoverishes national economies, undermines democratic institutions and the rule of law. It also has a negative impact on the process of economic and social development. Fighting corruption is one of the key issues for the future. Sweden attaches particular importance to preventing and combating corruption at all levels.

Effective national and international anti-corruption strategies require a multi-disciplinary approach, consisting of measures both of a preventive and of a law enforcing nature.

It must be borne in mind that openness is corruption's worst enemy. The fact that Sweden belongs to one of the least corrupted countries in the world can, to a large extent, be attributed to our legislation on open access to the authorities' activities. This legislation is founded on the Principle of Public Access to Official Records. As a consequence, media and citizens can gain an immediate and in-depth insight into authorities' work. This is a crucial element to curb corruption.

Free and independent media is also a fundamental prerequisite in the fight against corruption. If the media cannot monitor authorities and companies, the fight against corruption will not be successful.

The detection and investigation of corruption is particularly difficult since the criminal conduct is surrounded by a pact of silence. Neither the briber nor the bribed has any interest to reveal any information. This fact puts special demands on the investigators and their investigative methods.

Specialisation is a good way of strengthening the fight against corruption. In Sweden a special unit for the fight against corruption has been established within the Prosecution Authority. The unit consists of prosecutors, auditors and

economists. The prosecutors have long-standing experience in criminal investigations into financial and organised crime and an extensive experience in international co-operation. The unit does not only focus on identifying and investigating crimes, but also on the prevention of crime. One thing the unit has done is to set up a national network against corruption, which includes many authorities and agencies.

Finally, international co-operation is very important when it comes to fighting fraud involving EU funds and corruption. Each state should, to the fullest extent possible, provide prompt and effective legal assistance in relation both to natural and legal persons. It is also important that the co-operation is not hampered by cumbersome formal requirements.