



PROJECT “OLAF FACING THE EUROPEAN CITIZENS”

NATIONAL REPRESENTATIVE EMPIRICAL SOCIOLOGICAL RESEARCH ON THE SUBJECT “FIGHT AGAINST FRAUD AND MISUSE OF EUROPEAN FUNDS”

MAIN CONCLUSIONS

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OCTOBER–NOVEMBER 2009



METHODS OF RESEARCH

The sample is of two-stage cluster probability, on the methods of Leslie Kish, representative for the country with planned and realized volume of 1,200 respondents. On the first stage accidentally were chosen 120 clusters, of which on the second stage also through stochastic procedure were chosen 10 respondents. The persons subject to research are aged 18-79 years from the whole country. The research was done in the period 6-13 October 2009.

A total 82 specially trained interviewers and team leaders of the whole country participated in the collection of information.

The survey was made by the method of **standardized face-to-face interview** in the respondent's home. The effectively taken interviews are totally 1,200.

The data is entered and processed by a research team of the Institute of Sociology of the Bulgarian Academy of Sciences with a specialized package for statistical data processing SPSS 13.0.

MAIN RESULTS

Level of informedness about EU's financial instruments

- **The general informedness of people about what is happening in the country in connection with fraud and misuse of European funds is not to the required level. There is objective necessity of a purposeful and mass information campaign which will explain in a simple way the mechanisms of functioning of EU's financial instruments, what is the personal and social responsibility in the illegal assimilation of funds from the EU budget.**
- Most popular for Bulgarian citizens are the programs SAPARD and PHARE, probably because both programs were active before Bulgaria's accession to the EU. Least known to people is the Cohesion fund. The operational programs are even more unpopular, the least known is Operational Program "Technical Assistance", more than half of the Bulgarians have never heard of Operational Program "Environment".
- **The predominant part of the Bulgarian citizens (88%) knows that in our country there are established cases of illegal assimilation of EU funds. Among the most popular in society cases of illegal assimilation of euro funds stand out misappropriations in agriculture** (fraud with areas of agricultural land and number of animals, more



precisely SAPARD program); misuse of European money connected with **infrastructure projects in particular with road construction**; illegal assimilation of euro money by **municipalities. A considerable part of the interrogated (24%)** did not mention what particular misappropriations of European funds they have heard about.

- **A considerable part of the people (20.5%)** does not realize that they will be responsible, though indirectly, for the negligence or criminal actions of other people, i.e. that they will return illegally assimilated EU funds through their taxes.
- **The main reasons**, according to respondents, **Bulgaria to lead the countries that have problems with the assimilation of EU funds, are:** “everywhere corruption”; incompetent and corrupt management of funds – lack of administrative capacity, poor, badly planned and written projects; fraud, thefts, misappropriations.
- **Most of the people do not know and cannot say what the main criticism to Bulgaria is in the latest EC report (July 2009).**
- What are the problems that worry people in Bulgaria? **Corruption is a serious challenge to the Bulgarian society** – it occupies the first place, followed by legal offences connected with quality and quantity of food and agricultural production; commercial frauds with prices, weight, products; fraud with EU funds.



Level of informedness about fraud with EU funds and OLAF

- **The asserted poor informedness of people about the financial instruments of EU is closely connected with the low acquaintance of the fight against fraud with EU funds.** A great part of the interviewed citizens (74.8%) do not know *what offices and institutions in the European Union fight against fraud and corruption*. OLAF is indicated by 18% of all requested. Almost half of all requested (555 people of all 1,200 or 46.3%) have not heard of the European Anti-Fraud Office. **Most of the people (79.3%) do not know what the abbreviation OLAF means.** A great part of the requested do not know what crimes the European Anti-Fraud Office investigates (45.3% of the replies).
- **Approximately half of the replied (49%) do not know what Bulgarian institutions and non-governmental organizations OLAF cooperates with in the fight against fraud with EU funds.** Most often as partners of OLAF are indicated the Bulgarian government, the State Agency for National Security and the Ministry of Interior.
- **The free telephone line of OLAF** for signals connected with irregularities in the assimilation and use of allocated by EU funds is almost unknown to people – only 6.1% or 73 people said that they know about the possibility to call free or to report about irregularities directly in OLAF.
- **AFCOS is unknown to the public** – only 3.9% or 47 people of all 1,200 declare that they have heard about AFCOS and know the meaning of this abbreviation. Only two of all requested tell the exact name of the institution, namely Council coordinating the fight against the infringements affecting the financial interests of the European Communities. More than half of the people who have anyway heard about AFCOS (64%) cannot say what is hidden behind this abbreviation.
- People have greatest **confidence** in the European institutions such as Europol, the European Court of Justice (68%). **Foreign media** are also an object of trust for almost two-thirds of all respondents. **The European Anti-Fraud Office** gets relatively high (56.5%) trust but in increasing the informedness of society about OLAF work trust will rise. The customs authorities get the smallest relative share of trust of all indicated institutions and organizations.
- **Corruption is a serious public problem.** A considerable part of the requested (13.3%) said that in the past 12 months they personally or someone close to them were asked for a



bribe. Most often the bribe was asked by a policeman or other inspecting officer (of the health system, construction industry, working conditions, quality of food, sanitary control; licensing and tax administration). Part of the requested (23.3% or 279 people) say that they are informed about cases of fraud with EU funds in the town or village they live and most often they mention fraud in the construction of roads, in agriculture, in the construction industry and in buying machines and equipment.

- A small part of the people declares that they would inform the respective institutions if they have information about misuse in the assimilation of EU funds. **The Ministry of Interior and the police, as well as OLAF are the most preferred in case of wish to give a signal. The leading motive** with those who would not inform the respective institution is *the fear of punishment*. A considerable part of society still does not realize the direct connection between itself and the state, between the misuse of EU funds for projects and the individual citizen, his quality of life, the amount of taxes that he pays to the budget, etc. – most of the people would not signal in cases of misappropriation of euro funds because “*That’s none of their business*”.
- People are not yet disposed to think spontaneously of the direct connection between fraud with European funds and the taxpayer’s pocket. **The unfavorable effects** of this illegal assimilation of funds from the EU budget are ranged in the following manner: first, the compulsory negative effect will be impoverishment and aggravation of quality of life of the Bulgarians in the sense of high prices and low income. A consequence and an unfavorable effect will be delay in financing and suspension of funds from the European financial instruments which on its part will lead to lag or suspension of economy as a whole. Every tenth expectation is directed to a rise in the tax burden – either by increasing the level of taxation or by introducing new taxes.
- **The radio and television** are undoubted favorites concerning preferences of the interviewed for the type of media that inform them about fight against fraud and the possibilities for sending signals for misuse of European funds.

MAIN RESULTS OF THE ELECTRONIC POLL AMONG EXPERTS

The sample is non-representative, by **the method of those who responded**.



The inquiry forms are spread among the following **target groups**: journalists, experts from the Ministry of Interior, the Chief Prosecutor's Office and the Court. The access to the target groups for the electronic poll is kindly given by Club – Journalists against Corruption. The research was conducted in the period October-November 2009. The collection of information was done through electronic asynchronous email interview. A total 53 effectively filled in inquiry forms were processed.

The data was entered and processed by a research team of the Institute of Sociology of the Bulgarian Academy of Sciences with a specialized package for statistical data processing SPSS 13.0.

- The interviewed experts demonstrate **high level of informedness** about the EU financial instruments, as well as about the cases of illegal assimilation of these funds. However, a considerable part of them do not know to which sectors the main criticism of the EC to Bulgaria is directed.
- **What are the greatest worries for experts and journalists in social-political and social-economic plan?** These are “corruption, fraud with EU funds and legal offences connected with state institutions – tax evasion, VAT fraud”, as well as legal offences connected with the quality of food and agricultural production.
- All interviewed experts and journalists without hesitation say that they have heard about OLAF and reply that OLAF means the European Anti-Fraud Office. Experts quite categorically enumerate the full list of the main groups of crimes that OLAF investigates. Most often are pointed frauds with EU structural funds, as well as misappropriation of funds from the SAPARD, PHARE and ISPA programs. OLAF cooperates in the fight against fraud with EU funds mainly with the Ministry of Interior, the Chief Prosecutor's Office, AFCOS and the Bulgarian government. Of the non-governmental organizations that cooperate with OLAF, the interviewed journalists and experts point out Club – Journalists against Corruption.
- The interviewed experts evaluate as **good and satisfactory** the work of the Council coordinating the fight against the infringements affecting the financial interests of the European Communities (fig. 7). All interviewed journalists have heard about AFCOS but some of them find difficulties in spelling the full name of the Council.



- The experts are rather disposed critically about the adequacy of Bulgarian legislation as a whole in connection with the fight against fraud with EU funds. A number of **concrete recommendations** are given that could help in the fight against fraud – first of all, that is **alleviation of the procedures for establishing and proving fraud**. Also recommended in connection with **evidence** is a change in the concept “evidence - evidence means” in the penal law, accepting evidence collected during investigation done by OLAF in criminal actions in the pre-trial and trial phase of the process and their equal interpretation by the court together with all other evidence. For facilitating the fight against fraud with EU funds, according to experts, are necessary on the whole the same changes needed for facilitating the whole pre-trial phase of the criminal proceedings. Another recommendation is punishment to be adequate to the crime done, as well as amendments to the respective normative acts to be discussed among all possible institutions concerned.
- Data from the research shows that it is necessary to be organized a specialized information campaign even among journalists and experts because neither of the interviewed **feels totally informed** about the fight against fraud with EU funds except for the importance of this kind of fraud.
- Some of the interviewed experts and journalists have seen the film “OLAF – THE EURO FUNDS WATCHDOG” broadcast on BNT and received a useful information.