


2021

INVESTIGATIONS

ACTIVITY REPORT



European
Investment
Bank

The EU bank 

EUROPEAN INVESTMENT BANK GROUP

2021

INVESTIGATIONS

ACTIVITY REPORT



European Investment Bank Group Investigations Activity Report 2021

© European Investment Bank, 2022.

98-100, boulevard Konrad Adenauer — L-2950 Luxembourg

+352 4379-1

info@eib.org

www.eib.org

twitter.com/eib

facebook.com/europeaninvestmentbank

youtube.com/eibtheeubank

All rights reserved.

All questions on rights and licensing should be addressed to publications@eib.org

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 biodiversity. One million species are in danger of extinction, and pollinators are in severe decline. That's a moral challenge to humanity, but it's also an economic problem. Crop pollination contributes the equivalent of €150 billion every year; ecosystems contribute as much as €140 trillion to the world economy annually. The pollinators are small, but their contribution to our lives is huge. That's why we're putting them right on the covers of our major reports this year.

The EIB wishes to thank the following promoters and suppliers for the photographs illustrating this report.

Photo credits: EIB, Shutterstock, GettyImages. All rights reserved

Authorisation to reproduce or use these photos must be requested directly from the copyright holder.

For further information on the EIB's activities, please consult our website, www.eib.org.

You can also contact info@eib.org. To get our e-newsletter, visit www.eib.org/sign-up

Published by the European Investment Bank.

Printed on FSC® paper.

The EIB uses paper certified by the Forest Stewardship Council (FSC), because it is made by people who like trees. The FSC promotes environmentally sound, socially beneficial and economically viable management of the world's forests. We all know reading is good for you. It is good for the planet, too — as long as you read on the right paper.

CONTENTS

v	FOREWORD BY THE PRESIDENT
vi	FOREWORD BY THE INSPECTOR GENERAL
1	ABOUT THE INVESTIGATIONS DIVISION
6	2021 HIGHLIGHTS
7	FIGHTING FRAUD DURING A GLOBAL PANDEMIC
8	INVESTIGATING PROHIBITED CONDUCT
8	2021 INVESTIGATIONS DATA AT A GLANCE
9	THE LIFECYCLE OF AN INVESTIGATION
19	DETECTION OF PROHIBITED CONDUCT
24	DETERRENCE AND REHABILITATION
24	IMPLEMENTATION OF THE EIB EXCLUSION POLICY
25	POLICY INITIATIVES
27	INTERNATIONAL COOPERATION
30	INITIATIVES TO RAISE AWARENESS
32	INTERNATIONAL AWARENESS-RAISING INITIATIVES
35	LOOKING AHEAD — 2022
37	ACRONYMS AND INITIALISMS

FOREWORD

BY THE PRESIDENT



Just as a sustainable future requires major institutions to work together against the chief threats of the day, such as climate change and COVID-19, so too all our efforts must be based on an equitable system that fairly applies EU policy. In the field of anti-fraud policy, the EIB Group continues to build powerful partnerships, even as we refine our anti-fraud framework to make it ever more effective.

The activities laid out in this report demonstrate the intensity with which the EIB Group aims to ensure that our projects truly support EU policies, fulfilling the needs of citizens at a reasonable cost and generating long-term benefits for society. We maintain a robust institutional and policy framework to prevent, detect, investigate and sanction fraud, corruption and other forms of prohibited conduct. In a period of dramatic change, we have revised our framework to keep pace, with a new EIB Group Anti-Fraud Policy approved by the directors of the European Investment Bank and the European Investment Fund in July 2021. The Inspectorate General's Investigations Division remains at the heart of our efforts to tackle fraud and corruption, but more than ever we aim to cooperate with national, European and international bodies.

We are committed to working with the European Public Prosecutor's Office (EPPO), which started operations in 2021. Having a supranational body mandated to investigate and prosecute crimes affecting the financial interests of the European Union, including those of the European Investment Bank, closes an important gap in the EU anti-fraud framework. A working agreement signed in December 2021 between the EPPO, the EIB and the EIF provides a structured framework for efficient and fruitful cooperation between our institutions and within our respective mandates. The EPPO can count on the EIB Group to assist in fulfilling its mission to bring to judgement crimes against the European Union's financial interests.

Alongside our cooperation with the EPPO, we continue to work closely with the European Anti-Fraud Office. We have also signed a working arrangement with the European Union Agency for Law Enforcement Cooperation (Europol) to combat international and organised crime, cybercrime and terrorism. This cooperation is based on the exchange of information, specialised knowledge, and expertise. With this link to Europol, we can add more tools to our prevention and deterrence efforts against fraud and corruption.

Whatever important work the EIB performs in climate finance or, for example, in financing the rebuilding of infrastructure in Ukraine, we need to ensure that our funds truly reach their intended beneficiaries. The Inspectorate General's Investigations Division uncovers hard yet necessary truths. They provide the evidence that enables us to build achievements of which all citizens can be proud and which benefit everyone.

Werner Hoyer
President, European Investment Bank

FOREWORD

BY THE INSPECTOR GENERAL



2021 was a year of rich developments in the EIB anti-fraud framework, from cooperation with partner institutions to policy developments. This included newly established cooperation agreements with key stakeholders including the EPPO and Europol. The directors of the EIB and the EIF approved a new EIB Group Anti-Fraud Policy, which benefits from targeted consultation with our stakeholders and partners. It is the first anti-fraud policy adopted at EIB Group level, establishing harmonised standards across the EIB Group and recognising its common stance against fraud and corruption.

2021 was also a year still affected by the coronavirus pandemic. As the financing arm of the European Union, the EIB Group continued to play a pivotal role in the EU response to health and economic challenges posed by the pandemic. The Group has adopted unprecedented and urgent actions to counter the effects of the crisis. However, this was not done at the expense of the EIB Group's long-held position of zero tolerance for any form of prohibited conduct. It is of utmost importance to ensure that EIB Group funds supporting crisis recovery do, in fact, reach the intended beneficiaries. No entity can be totally immune to the impacts of fraud and corruption, but when this occurs the EIB Group investigates and takes action to remediate.

Continued travel restrictions during the year limited the presence of EIB Group staff in the countries where we have operations and on our project sites. This affected the possibility of first-hand discovery and reporting of red flags of fraud and corruption. The Group has therefore increased its efforts — initiated already before the pandemic — to detect prohibited conduct proactively by using innovative technologies and analysis of big data to identify fraud and corruption risks. These developments are described in this report. Looking at the results between 2010 and the start of the pandemic, our proactive fraud detection work has identified irregularities, resulting in prepayment of loans and ineligibility of project expenditures in a number of cases. These outcomes reassure us that our fraud detection tools are useful and effective. They have also led us to develop additional tools specifically tailored to the EIF.

While the fight against fraud and corruption requires individual commitment and ethical behaviour, it is also a collective duty necessitating cooperation and partnership. I wish to take this opportunity to thank all EIB Group staff, the members of our governing bodies, and our partners for their continued support and cooperation. The staff of the Inspectorate General's Investigations Division also deserve my particular thanks for their hard work and perseverance, often under challenging conditions.

I trust that you will find the information in the following pages interesting and informative.

Jan Willem van der Kaaij
Inspector General, European Investment Bank



ABOUT THE INVESTIGATIONS DIVISION

The Inspectorate General's Investigations Division (IG/IN) provides the EIB Group with the capacity to investigate professionally and objectively allegations of prohibited conduct involving 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 has zero tolerance for all forms of prohibited conduct and is committed to fully addressing any cases arising in its operations in the European Union and throughout the world. Under the Group's Anti-Fraud Policy, prohibited conduct includes fraud, corruption, collusion, coercion, obstruction, theft at EIB Group premises, misuse of Group resources or assets, terrorist financing and money laundering¹.

1. Allegations concerning money laundering and financing of terrorism are investigated by IG/IN in close cooperation with the relevant EIB Group compliance function.

Within the EIB Group, IG/IN is the sole office mandated to conduct such investigations, in close coordination with the European Public Prosecutor's Office, the European Anti-Fraud Office (OLAF) and national prosecution, investigation and anti-corruption authorities.

IG/IN also assists the Bank in other matters requiring investigation, acting as the central point of contact for the European Anti-Fraud Office, the European Public Prosecutor's Office, the EU Agency for Law Enforcement Cooperation (Europol) and national criminal authorities. In addition, IG/IN works closely with the investigation and integrity functions of other major multilateral development banks (MDBs): Asian Development Bank (ADB), African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB) and World Bank.

The Inspector General initiates the procedure leading to exclusion (or debarment) of entities and individuals found to have engaged in prohibited conduct in connection with EIB-financed projects and activities. The EIB's Exclusion Policy enforces the prohibitions contained in the EIB Group's Anti-Fraud Policy and, in doing so, contributes to safeguarding the financial interests, integrity and reputation of the Bank and the activities it finances.

Three independent accountability and control functions operate under the [Inspectorate General](#) (IG): evaluations, investigations and complaints mechanisms. As such, the Inspectorate General conducts independent investigations, evaluations and reviews relating to the EIB Group's activities.

Through IG/IN, the Inspectorate General reports the findings from investigations to the Group's governing bodies. It also provides EIB Group services and governing bodies with the relevant facts and recommendations to form the basis for appropriate decisions and follow-up actions.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

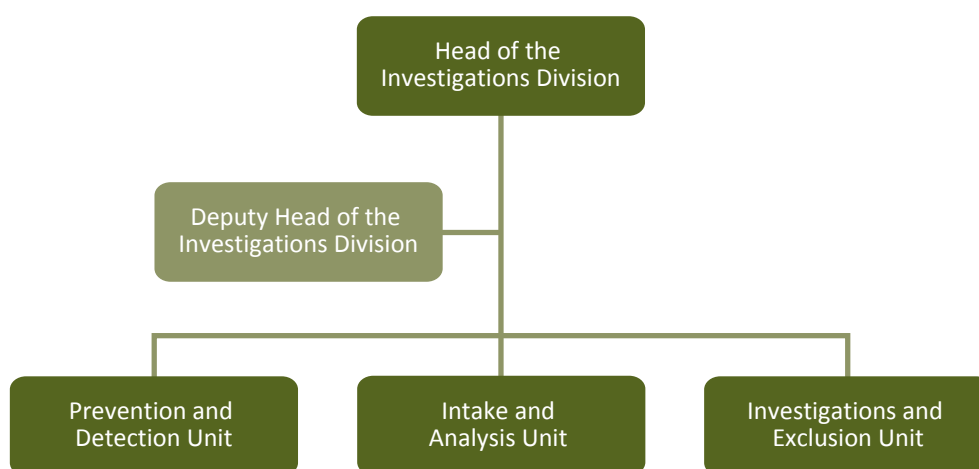


There is significant cross-fertilisation between these activities: Intake assesses incoming allegations of prohibited conduct received by IG/IN, which may trigger an investigation or a Proactive Integrity Review; proactive work uncovers red flags of fraud, which may lead to investigations; investigation findings and recommendations may lead to policy changes and lessons learnt from proactive work and investigations are used to raise staff awareness on fraud and corruption risks, including through annual e-learning training for EIB staff. All these activities require information support and analysis.

IG/IN STRUCTURE

The division comprises three units staffed by experienced, highly skilled professionals with previous experience as law enforcement officers, public prosecutors, lawyers, criminal analysts, computer forensics specialists and forensic auditors.

During 2021, IG/IN introduced organisational changes to improve its effectiveness and efficiency. The exclusion and investigations teams have been combined to increase the effectiveness of sanctioning and excluding entities proven to have engaged in prohibited conduct. In addition, the work streams of prevention, policy and proactive detection have been combined in the Prevention and Detection Unit.



The **Prevention and Detection Unit** supports EIB Group services in implementing the Group's Anti-Fraud Policy in a range of activities, such as project procurement, mandates and lending. The unit is in charge of various awareness-building initiatives to raise awareness of the risks posed by fraud and corruption and foster a speak-up culture. In addition, through the Prevention and Detection Unit, IG/IN leads the EIB Group's efforts to develop and maintain an updated anti-fraud framework. In fulfilling its detection role, the unit relies on systems-based, data-driven models to identify the risks of prohibited conduct and other vulnerabilities within EIB Group projects and activities.

The **Intake and Analysis Unit** systematically assesses all allegations (external and internal) brought to IG/IN to determine whether to investigate and/or refer the matter to OLAF, the European Public Prosecutor's Office or, if appropriate, to another interested party (such as another multilateral development bank, or national law enforcement). The unit also provides digital forensic and analytical support.

The **Investigations and Exclusion Unit** takes appropriate actions on allegations requiring investigation. In particular, the unit conducts on-site inspections, collects evidence and interviews relevant individuals. IG/IN investigators conduct these investigations in close collaboration with OLAF, the EPPO and national prosecution and investigation authorities. Evidence obtained during investigations forms the basis for necessary corrective actions by the EIB Group, such as excluding entities or individuals, recovering funds, pursuing other contractual and legal remedies, and making policy/procedural amendments for future similar projects.

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 learnt to EIB Group services

LIAISE

with national prosecuting, investigation and anti-corruption authorities, and with European and multilateral investigative offices

DETER

misuse of EIB Group finance in projects and other activities

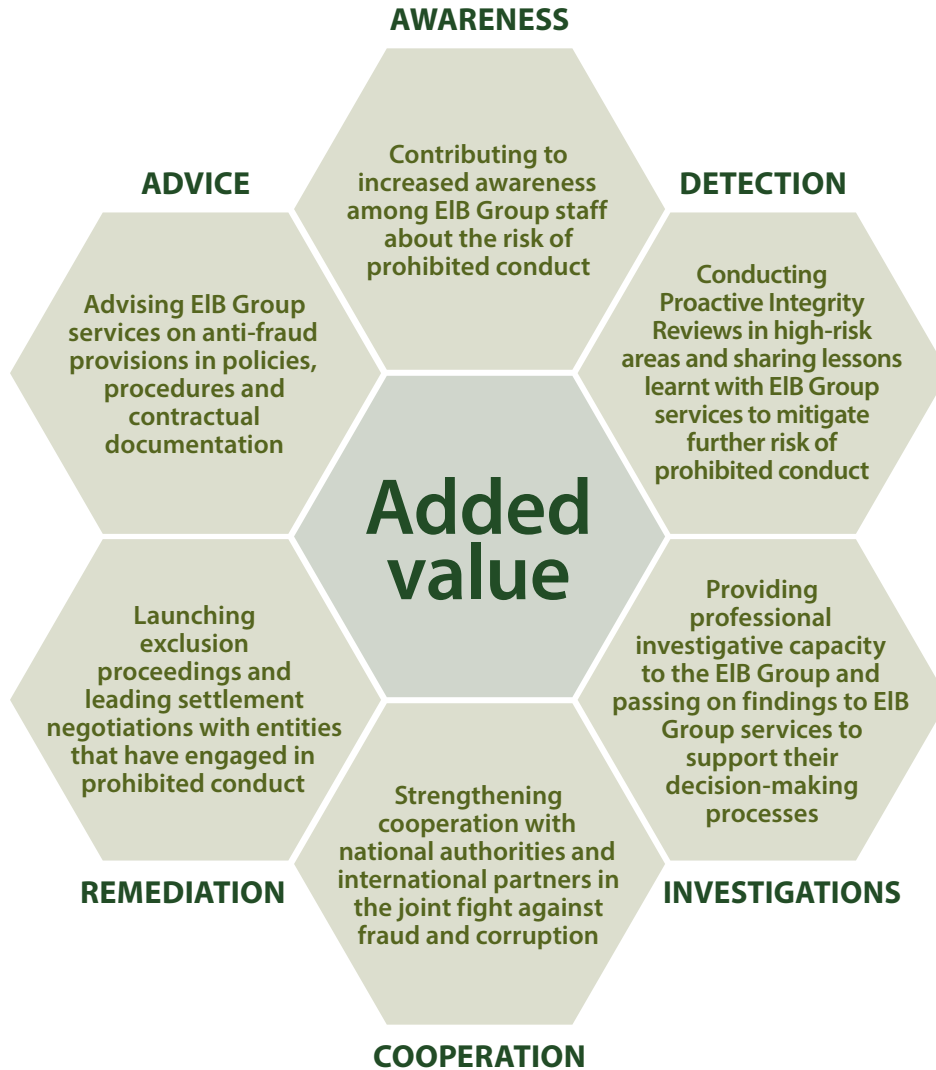
REMEDiate

seek to exclude an entity/ individual for prohibited conduct whenever necessary

KEY POLICIES AND DOCUMENTS

- The **IG/IN Charter** sets out the division's scope of work, authority and core principles.
- The **newly updated EIB Group Anti-Fraud Policy** — replacing the previous **separate policies of the EIB and the EIF** with effect from August 2021 — outlines the principles applied by the EIB Group for preventing, detecting and deterring prohibited conduct.
- The **EIB Group Investigation Procedures** set out IG/IN's methodology for conducting investigations.
- The **EIB Exclusion Policy** sets out the procedures for excluding entities and individuals found to have engaged in prohibited conduct.
- The **revised EIB Whistleblowing Policy**, published in November 2021, aims to provide protection for whistleblowers or persons associated with a whistleblower, and condemns retaliatory action or reprisals. The policy sets out clear channels for any relevant persons to report serious misconduct.

THE ADDED VALUE OF THE BANK'S INVESTIGATIONS DIVISION



2021 HIGHLIGHTS

174 new allegations

Reduced backlog more cases closed (204) than opened (174) in 2021

Signed cooperation arrangements with the **European Public Prosecutor's Office** (EPPO) and **Europol** (the EU Agency for Law Enforcement Cooperation)

45 recommendations and opinions issued

Development of a **robot for measuring corruption risk in procurement (CRIP)** for existing or potential counterparts

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

Negotiation of a **settlement with General Electric (GE)** to resolve historical prohibited conduct by Alstom power companies (now part of GE) in an EIB-financed project

Four-year exclusion of a company that committed **fraud in an EIB-financed project**

Approval by the EIB and EIF Boards of Directors of the new EIB Group **Anti-Fraud Policy**

Launching of new fraud awareness **e-learning** modules for EIB staff

Lead role in developing **harmonised principles** for settlements, jointly agreed by multilateral development banks

FIGHTING FRAUD DURING A GLOBAL PANDEMIC

The EIB Group has taken a number of active steps to ensure its policy framework and capabilities are fit for purpose amid the ongoing challenges of a global pandemic. Commitment to anti-fraud and integrity has been integral to the framework developed by the Bank to support pandemic responses. However, as in 2020, conducting investigations presented numerous challenges to IG/IN and to partner investigative offices at national and international level. The crisis caused by the pandemic continued to generate uncertainty and business disruption, increasing the risk of fraud globally and providing opportunities for fraudsters to exploit both the disruption as well as the vast resources mobilised to their advantage.

One of the most important tools for handling alleged fraud and corruption is investigative missions. These allow investigators to visit the sites of projects and operations, verify the reality on the ground and inspect any relevant work, structures, facilities, equipment, assets or property. Access to relevant premises enables the collection of potentially material evidence.

Investigative missions were less frequent in 2021, due to travel restrictions and uncertain conditions. Time may be of the essence in investigating allegations of prohibited conduct, and the risks associated with postponing (or not being able to conduct) investigative missions may be significant. These risks include the possibility of evidence being tampered with, intentionally destroyed or inadvertently lost. Therefore, when possible, members of the Investigations and Exclusion team travelled to conduct fact-finding missions.

To cope with the crisis and perform duties to the best of its ability, IG/IN adapted its work to the changed conditions. For example, because travel restrictions and lockdowns reduced the presence of EIB staff on the ground, the division mitigated the potential impact on detection and reporting of fraud and corruption by increasing its proactivity. IG/IN also employed innovative technologies, including big data analytics, to systematically and comprehensively identify fraud and corruption risks. The EIB was already at the forefront of proactive fraud detection before the pandemic, but this work is especially important in times of crisis, when economic pressures can increase the risk of fraud and corruption.

The EIB had invested in automation tools to facilitate fraud detection even before the pandemic. The Fraud and Integrity Risk Scoring Tool (FIRST) was developed for real-time monitoring of all active EIB operations through a combination of over 50 algorithms based on internal and external data. Other significant efforts have been made during the pandemic. In 2021, the EIB developed the CRIP Robot, a tool that continuously assesses the risk of corruption and irregularities in procurement for EIB counterparts, using big data from the EU Tenders Electronic Database. This tool is now being used not only in fraud detection but also in the standard project monitoring and compliance risk assessment carried out by other EIB services.

INVESTIGATING PROHIBITED CONDUCT

2021 INVESTIGATIONS DATA AT A GLANCE

174 new allegations

204 cases completed

5 investigative missions

68% of allegations reported to IG/IN by EIB Group staff members

110 external or internal referrals in 2021

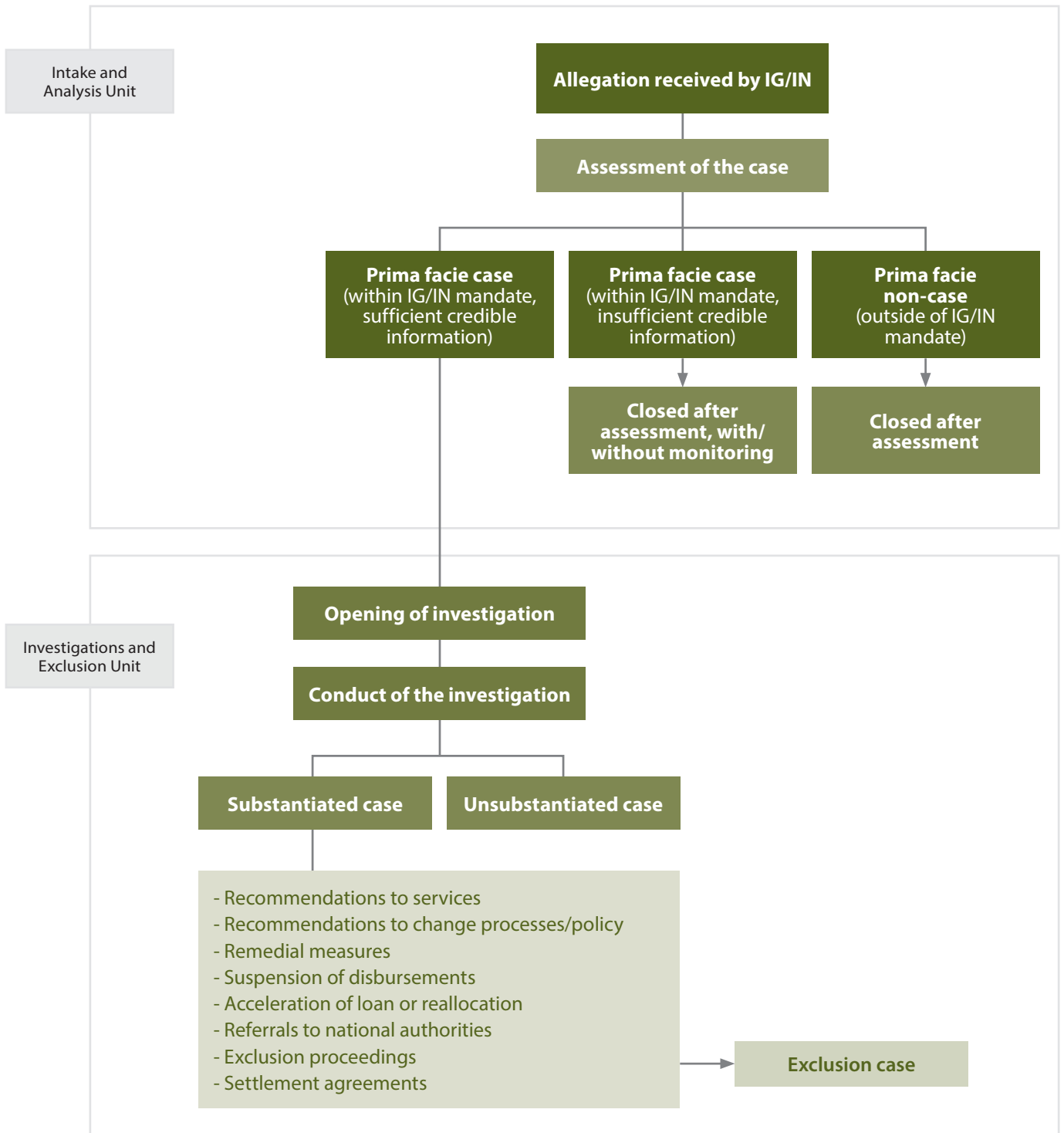
147 cases under monitoring

170 active cases at year end

100 scams and fraudulent investment schemes halted

THE LIFECYCLE OF AN INVESTIGATION

From the initial allegation to the closing of an investigation, IG/IN follows the steps and procedures illustrated in the chart below.



CASE INTAKE AND ANALYSIS

Allegations can be submitted via a dedicated email address (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.

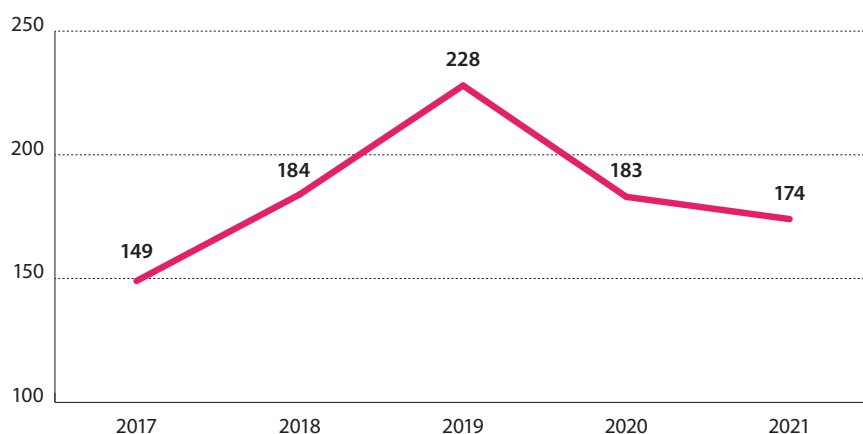
Allegations of prohibited conduct are received from a range of sources. However, IG/IN can also exercise its own initiative to open cases, for instance based on the results from its own Proactive Integrity Reviews (PIRs) or adverse reports on open sources.

All allegations received are initially reviewed by the Intake and Analysis Unit to determine (a) whether the issue is within IG/IN's mandate and (b) whether an investigation is warranted.

In particular, the initial assessment gathers as much information as possible about the entities involved in the allegation(s), the EIB Group-financed activities concerned, and the alleged prohibited conduct, based wherever possible on supporting documents. If the allegation concerns something other than an EIB-financed project or activity, or should not be investigated (for example because the alleged misconduct occurred too long ago or critical information is missing), the case is closed and not passed on for investigation.

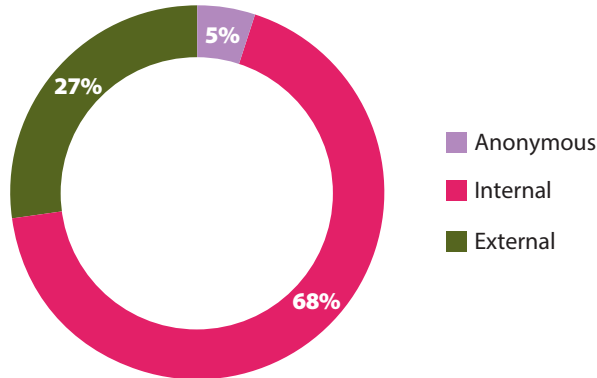
In cases where the allegation lies within another institution's mandate, IG/IN refers the matter accordingly. For instance, some complaints may fall under the responsibility of another multilateral development bank's investigative office, while the EIB's Complaints Mechanism is responsible for social or environmental matters. IG/IN works closely with law enforcement and European agencies such as the EPPO, Europol and OLAF. The EIB Group complies through IG/IN with its obligation to report cases of suspected fraud, corruption and any other illegal activity affecting the financial interests of the European Union to OLAF and the EPPO to allow them to make their own independent assessment.

NEW ALLEGATIONS RECEIVED, 2017–2021



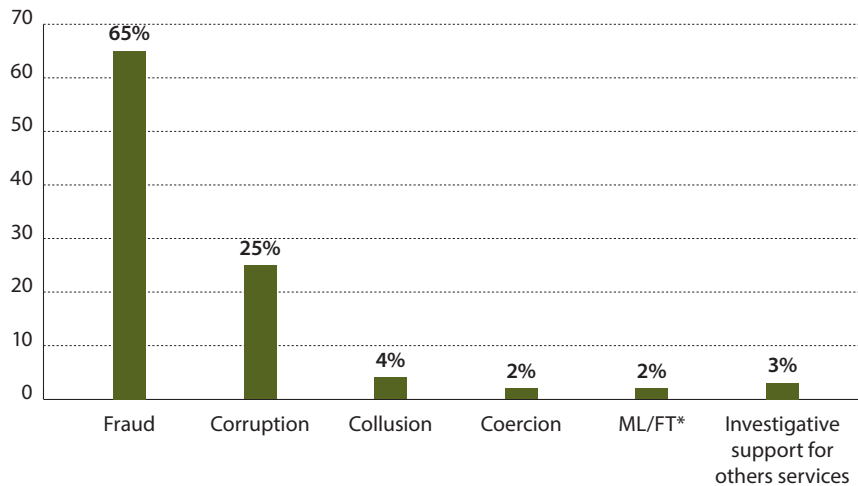
The number of allegations received annually by IG/IN increased substantially from 2017 to 2019. However, the number of cases reported dropped significantly in 2020 and further declined slightly in 2021, during which it received **174** new allegations. This trend may be at least partly due to the COVID-19 crisis and the limited number of EIB staff travelling and conducting on-site monitoring missions.

SOURCES OF ALLEGATIONS



Similarly to in 2020, internal sources within the EIB Group contributed **68%** of allegations received, while **27%** were received from external sources such as other EU institutions or bodies, national authorities, international organisations, project-related parties, civil society and the media. The remaining **5%** were received from anonymous sources.

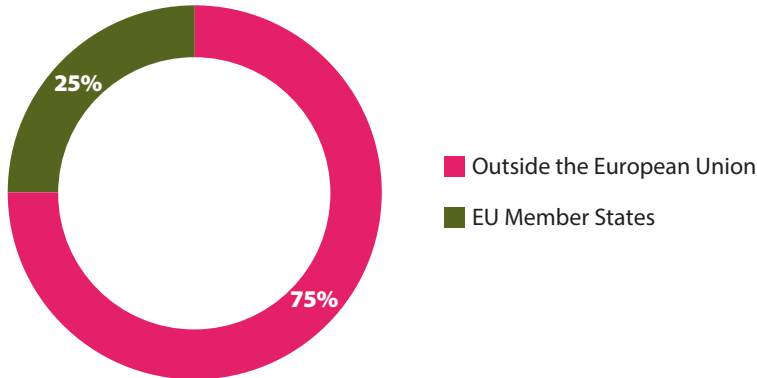
TYPES OF ALLEGATIONS



*Money laundering and financing of terrorism.

As the above chart shows, fraud and corruption in relation to EIB Group operations were the most common types of allegations received by IG/IN in 2021.

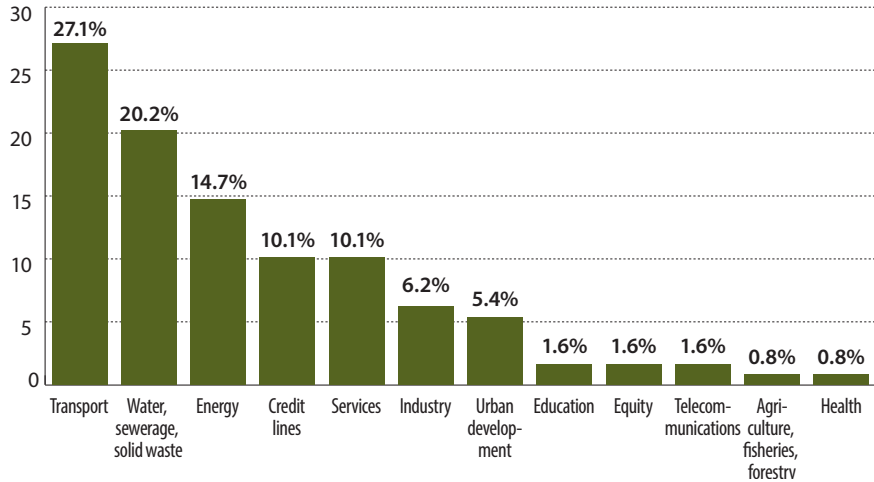
EIB EXTERNAL CASES — GEOGRAPHICAL SCOPE



In 2021, **75%** of incoming allegations involved activities outside the European Union while **25%** related to activities in EU Member States. In 2020, the distribution was 68% and 32% respectively.

While internal cases involve allegations of prohibited conduct by members of EIB Group staff and/or governing bodies, or by assimilated persons (such as contractors working at EIB premises), external cases concern allegations of prohibited conduct involving parties outside the EIB Group.

EIB EXTERNAL CASES — SECTORS



The largest number of incoming allegations in 2021 concerned the **transport sector, followed by the water and energy sectors**. These results are consistent with the data collected over the last seven years, and also with the volume of EIB finance in these sectors.

INVESTIGATION

Allegations passed on to the Investigations team are subject to a comprehensive fact-finding investigation, encompassing witness testimony, documents, photos and other evidence. Investigations can be conducted in support of or alongside the work of other investigative or prosecution offices, including the EPPO, OLAF and any other multilateral development bank that co-financed the project or activities in question. These investigations are conducted under the EIB Group Investigation Procedures, as published on the EIB website².

Investigations are undertaken in an objective, confidential, fair and impartial manner, based on a 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 are experienced professionals with a range of backgrounds, such as prosecution, law enforcement and forensics. IG/IN has independence in exercising its responsibilities within the EIB Group (without prejudice to powers conferred on the EPPO and OLAF).

EIB Group	2017	2018	2019	2020	2021
New cases received during the year	149	184	228	183	174
Cases completed during the year	126	120	220	195	204
...at assessment stage	*	64	146	104	137
...at investigation stage	*	56	74	91	67
Cases still active on 31 December	136	200	208	196	170
Cases under monitoring on 31 December	59	44	58	111	147

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

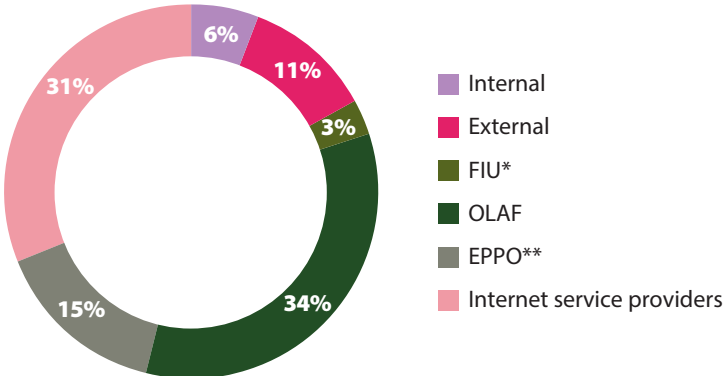
Of the 174 cases registered in 2021, **32%** proceeded to investigation, **22%** were completed during the assessment and **46%** were still under assessment as of 31 December 2021. Of the 67 cases closed in 2021, **17** were substantiated (25%).

IG/IN carried out **five** investigative missions (in Member States and outside the European Union). This represents a significant decrease compared to previous years (ten investigative missions in 2020, 58 investigative missions in 2019), resulting from COVID-19 travel restrictions.

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

In 2021, IG/IN made a total of 110 internal and external referrals. These include 76 referrals to OLAF, the EPPO, multilateral development banks, national development agencies and EIB Group services, along with 34 referrals to internet service providers for the closing down of fraudulent websites and social media profiles which were detrimental to the EIB Group. The chart below provides a breakdown of these referrals.

EIB GROUP REFERRALS IN 2021



* Relevant allegations and suspicions concerning money laundering or terrorism financing are referred to the Luxembourg Financial Intelligence Unit (FIU) by the EIB Group chief compliance officer, who also acts as the money-laundering reporting officer.
** Referrals to the EPPO started in June 2021, when it became operational.

CASE STUDIES

The EIB has a duty to respect professional secrecy (in compliance with relevant laws and legislation) and the confidentiality of its investigative process. However, the Bank is also committed to a presumption of disclosure and transparency to the extent possible. When disclosing information on the cases it has investigated, IG/IN thus seeks an appropriate balance between transparency and confidentiality.

The following case studies feature some of the different types of allegations handled by IG/IN. They cover internal and external investigations, different geographical areas and various types of prohibited conduct. These cases are highlighted to not only demonstrate how IG/IN operates but also raise awareness about the possible risk areas in EIB Group activities. Moreover, they illustrate the EIB Group's zero tolerance approach to fraud and corruption in practice.

In 2021, IG/IN successfully undertook many investigations, despite the limitations presented by the coronavirus pandemic. The evidence obtained from these investigations (including through liaison with Europol, OLAF, the EPPO, other multilateral development banks and national authorities) helped the EIB to make appropriate decisions and take necessary actions, based on all available information. These investigations also led to the issuing of recommendations to remediate prohibited conduct and mitigate future risks.

INTERNAL CASES

These cases involve allegations of prohibited conduct by members of EIB Group staff and/or governing bodies, or by assimilated persons (such as contractors working at EIB premises).

FRAUDULENT SERVICE PROVIDER

Source of allegations Internal

Red flag Irregularities in expenditures by an external service provider

IG/IN investigated an external service provider's claims for reimbursement of expenditures. The investigation found that the service provider had fraudulently altered invoices and proofs of expenditures to obtain an undue financial advantage, resulting in EIB budget losses and a significant risk of reputational damage to the Bank.

Results: The contract with the service provider was terminated and, considering the criminal nature of the misconduct identified, a referral was submitted to the Luxembourgish judicial authority. Appropriate recommendations were also issued to the Bank's services to prevent such cases from recurring.

HIGH OPERATING COST BORNE BY AN EIB EXTERNAL OFFICE

Source of allegations Internal

Red flag High operating cost compared to country average

IG/IN was alerted to unusually high operational costs paid by the EIB in a non-EU country. The investigation identified several irregularities, including an undeclared conflict of interest affecting an EIB service provider and an EIB local agent, as well as internal control weaknesses in the associated contract awarding process.

Result: IG/IN issued a set of recommendations to the internal services concerned to: (a) remediate the identified conflict of interest, (b) review the standards of conduct applied to local staff, and (c) correct identified weaknesses in the corporate procurement procedures used in non-EU countries.

EXTERNAL CASES

External cases concern allegations of prohibited conduct involving parties outside the EIB Group. IG/IN investigated a higher number of procurement-related cases in 2021 than in previous years. Such cases included supplying false documents certifying relevant project experience and failing to declare past convictions and/or prior sanctions.

NON-DISCLOSURE IN COVENANT OF INTEGRITY

Region Sub-Saharan Africa, Caribbean and Pacific

Source of allegations Internal

Red flag Sanction by another institution

In a call for tender for an EIB-financed project in Africa, a bidder did not disclose past convictions as required under the EIB's Covenant of Integrity. Such omission qualifies as fraud under EIB Anti-Fraud Policy.

Result: Based on the evidence gathered, exclusion proceedings were initiated by the EIB.

FALSE REFERENCE CERTIFICATE

Region Asia and Latin America

Source of allegations External

Red flag Multiple identical bidding documents

The procurement rules for an EIB-financed project required bidders to have specific experience in a contract of similar size and nature. The concerned bidder forged a document to falsely certify that it had the necessary professional experience. IG/IN obtained evidence proving the fraudulent origin of the document included in the bid.

Result: Exclusion proceedings were launched by the Inspector General, leading to an EIB decision to exclude the company from any EIB-financed project and activity for four years, with a conditional release after two years.

NON-DISCLOSURE IN COVENANT OF INTEGRITY

Region Asia and Latin America

Source of allegations Internal

Red flag Adverse media reports

IG/IN was informed about negative media coverage of an EIB-financed operation. The investigation established that one bidder had failed to declare previous sanctions by other multilateral development banks in its Covenant of Integrity. When given the opportunity to clarify, the company could not justify the omission of this required information, which constituted a breach of the Bank's Anti-Fraud Policy.

Result: Exclusion proceedings were initiated by the Inspector General, under the EIB Exclusion Policy, with the aim of excluding the company from participating in EIB-financed projects and activities for a certain period of time.

MISUSE OF PROJECT FUNDS

Region European Union

Source of allegations Internal

Red flag Request from national authorities

Cooperating with local judicial authorities, IG/IN investigated an alleged misuse of EIB funds allocated to refurbishing school buildings. The investigation focused on certain changes and variations in the project's implementation by the promoter, which appeared overpriced and unnecessary.

Result: Based on information gathered by the IG/IN investigation, the national judicial authority initiated criminal proceedings for fraud.

NON-DISCLOSURE IN COVENANT OF INTEGRITY

Region The Americas and the Caribbean

Source of allegations Internal

Red flag Entity part of a group subject to another IG/IN investigation

Upon investigating the winning bidder in a procurement process of an EIB-financed project, IG/IN identified that the entity had previously been sanctioned by another institution but had not included this information in the EIB's Covenant of Integrity as required. This omission constitutes a breach of the EIB's Anti-Fraud Policy.

Results: Based on IG/IN's recommendation, the bidder was disqualified from the procurement process, which it would have otherwise won. The investigation also obtained sufficient evidence to consider exclusion proceedings.

UNRESPONSIVE FUND MANAGER

Region European Union

Source of allegations Internal

Red flag Unresponsive counterpart

An EIF counterpart (a fund manager) failed to provide the required periodic information and was unreachable for a long time. After multiple attempts by the EIF to re-establish communication, the fund manager advised that it was liquidating a portfolio company and claimed to be worthless, while subsequently investing in the same portfolio company through a different financial entity.

IG/IN's enquiries found that the fund manager had potentially violated its administrative duties and reporting obligations. Other elements suggesting a conflict-of-interest transaction and fraudulent bankruptcy in relation to one of the fund's portfolio companies were also identified.

Result: The case was referred to EIF legal services for potential remedial actions against the fund manager.

BID MANIPULATION IN A PROCUREMENT PROCESS

Region Eastern Neighbourhood

Source of allegations External informant

Red flag Irregularities in the procurement process

IG/IN and another multilateral development bank received information from an external informant regarding possible fraud in a co-financed project. It was alleged that bidding documents in a procurement process had been manipulated after submission to favour a specific bidder. Investigators from IG/IN and the other multilateral development bank met with the informant and obtained a significant amount of information (including digital data concerning the project). IG/IN's computer forensic analysis identified evidence of wrongdoing and the matter was then referred to the national authorities. To support the national authorities' investigation, IG/IN assigned two specialist investigators and provided valuable digital forensic support. Due to COVID-19 travel restrictions, IG/IN participated remotely in several interviews carried out by the national judicial authority.

Result: The assistance and evidence provided by IG/IN enabled the national judicial authority to issue criminal proceedings against the persons concerned.



DETECTION OF PROHIBITED CONDUCT

In addition to the primary mission of conducting investigations, IG/IN’s mandate includes proactive fraud detection. This activity is key to addressing prohibited conduct issues that might otherwise remain undetected or unreported through the usual monitoring processes. Selecting the right project or operation for proactive review is crucial. IG/IN has developed a Proactive Integrity Review methodology to ensure the selection of projects at highest risk while also optimising the use of available resources and maximising detection capacity.

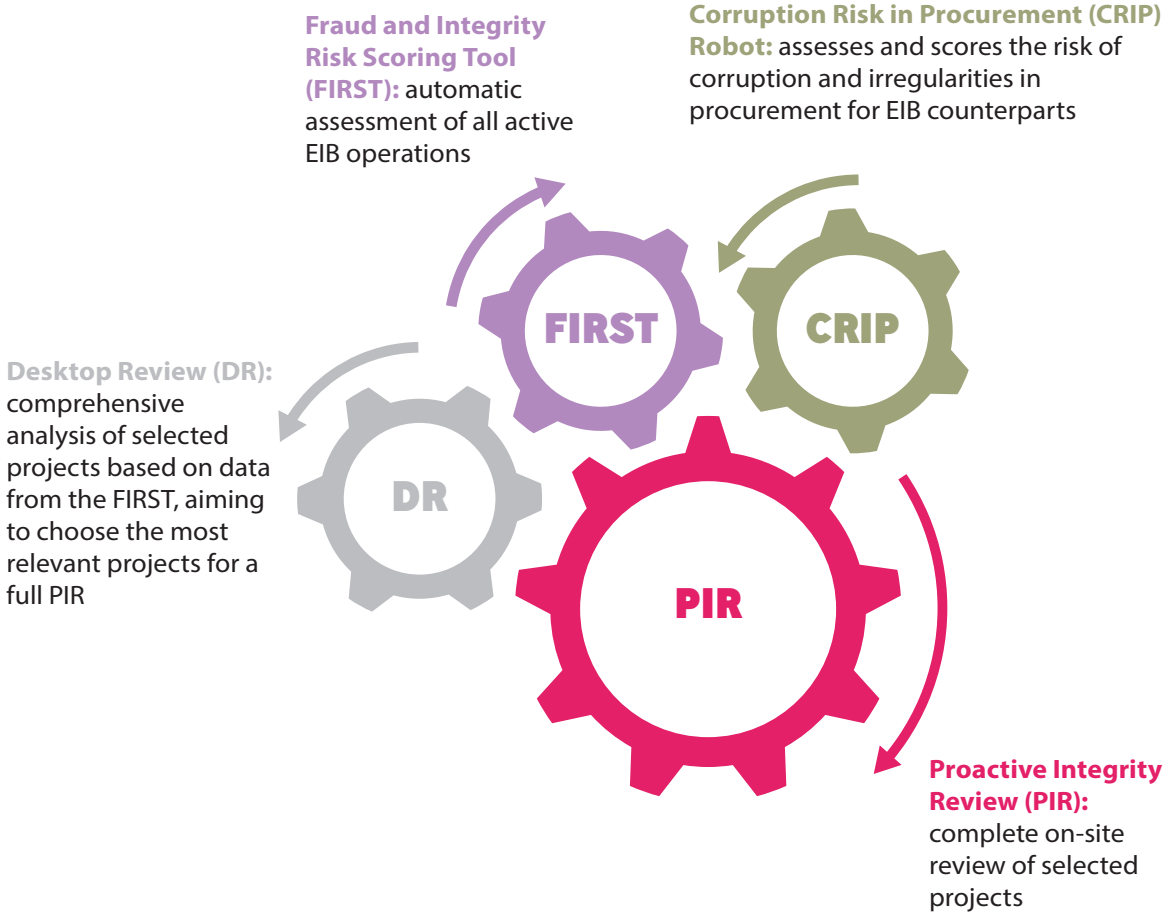
The global coronavirus pandemic has not majorly affected IG/IN’s proactive detection methodology owing to reliance on automated detection tools and on Desktop Reviews of EIB projects and operations posing higher risk. However, travel restrictions did cause delays in Proactive Integrity Review (PIR) fieldwork.

During 2021 the fraud detection team worked on:

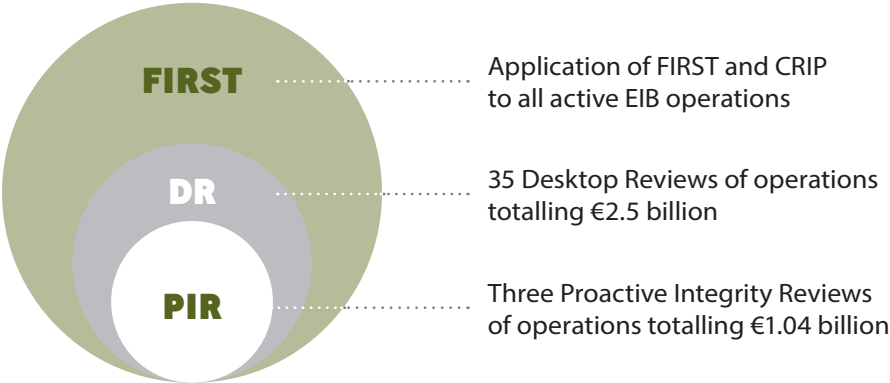
- (i) developing automated tools — FIRST and the CRIP Robot;
- (ii) Desktop Reviews; and
- (iii) Proactive Integrity Reviews.

In 2021, IG/IN also enhanced its collaboration with the EIB compliance function. Both services rely on each other’s work performed on operations: IG/IN’s Proactive Integrity and Desktop Reviews and the compliance function’s Relevant Counterpart review. In addition, the fraud risk scores for all EIB operations generated by IG/IN’s scoring system are shared on a regular basis with the compliance function.

Overall, the EIB continues to be a leader in this area among major multilateral development banks, thanks to the innovative work of the fraud detection team and the use of highly sophisticated, automated tools.



EIB FRAUD DETECTION DATA, 2021



THE FRAUD AND INTEGRITY RISK SCORING TOOL (FIRST)

FIRST is a data-driven application launched in 2018 and continuously updated since. It provides real-time monitoring of all active EIB operations through a combination of over 50 algorithms. Having proven effective in identifying red flags, FIRST is fully integrated into the process of selecting the most relevant projects for Proactive Integrity Reviews. Based on data from FIRST, a fraud index is calculated on a quarterly basis, providing an overview of trends in the evolution of fraud risk in EIB lending activities. In addition, the risk scores from FIRST are shared with colleagues in other EIB services, enabling colleagues to leverage fraud risk insights.

In 2021, IG/IN initiated an independent external assessment of the accuracy, quality and overall performance of FIRST. This entailed various tests of the algorithms embedded in the tool, complemented by staff interviews. The assessment confirmed the business relevance of the risk factors and their ability to distinguish high and low-risk operations. In addition, the risk factors demonstrate expected stability over time, variability and risk coverage.

ROBOT FOR MEASURING THE CORRUPTION RISK IN PROCUREMENT (CRIP)

IG/IN has collaborated with the EIB's IT department to develop the CRIP Robot. This new tool continuously scores the risk of corruption and irregularities in procurement involving EIB counterparts, using big data from the EU Tenders Electronic Database. The CRIP Robot was first used in 2021 and the results are fully integrated in FIRST and shared with the Bank's Projects Directorate to facilitate monitoring of EIB projects.

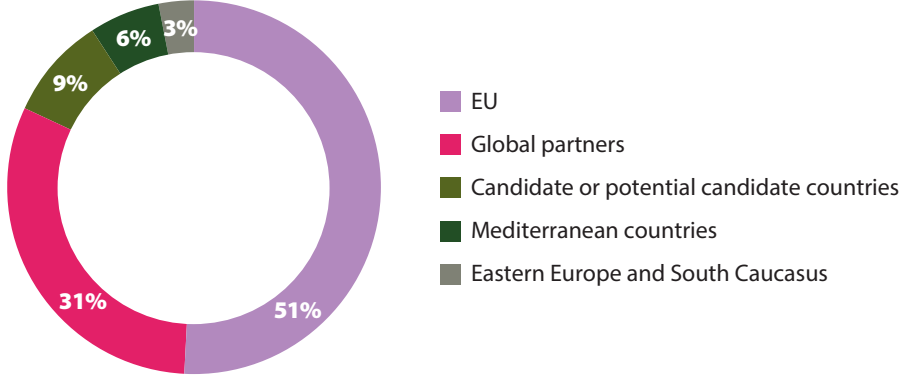
This tool enables the Bank to proactively assess prospecting borrowers and beneficiaries, as it provides a risk score on all counterparts operating on the EU market.

DESKTOP REVIEWS

In 2021, IG/IN completed Desktop Reviews of 35 EIB projects, selected on the basis of their FIRST risk scores. A Desktop Review encompasses a review of the loan file and adverse media reports, together with interviews with operational staff. The primary purpose is to obtain information and documents that support and explain the risk factor(s) identified by FIRST. The Desktop Review process ends with selection of the most relevant projects for a full Proactive Integrity Review.

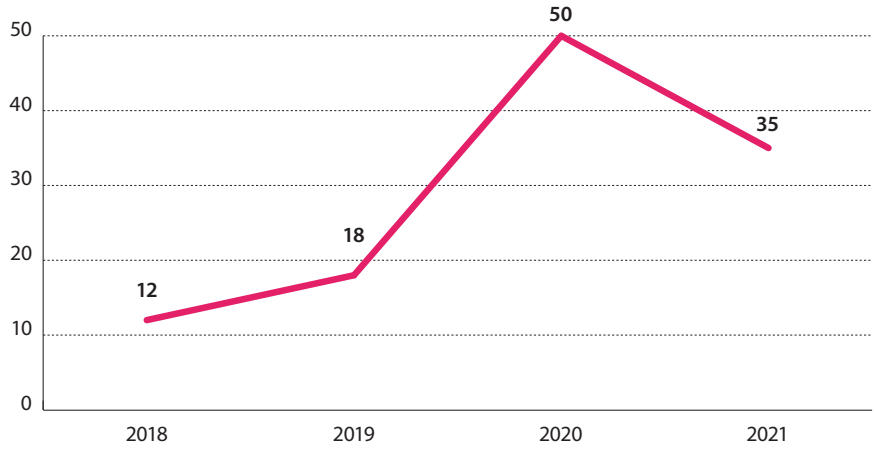
Given their nature, Desktop Reviews have not been affected by COVID-19-related travel restrictions and lockdowns. They are a valuable tool for the early detection of indications of prohibited conduct and the collection of information relevant for the first and second lines of defence (including other services such as the Compliance, Portfolio Management and Monitoring, Operations and Projects Directorates). During 2021, IG/IN shared information on 15 projects with other services.

DESKTOP REVIEWS BY REGION, 2021

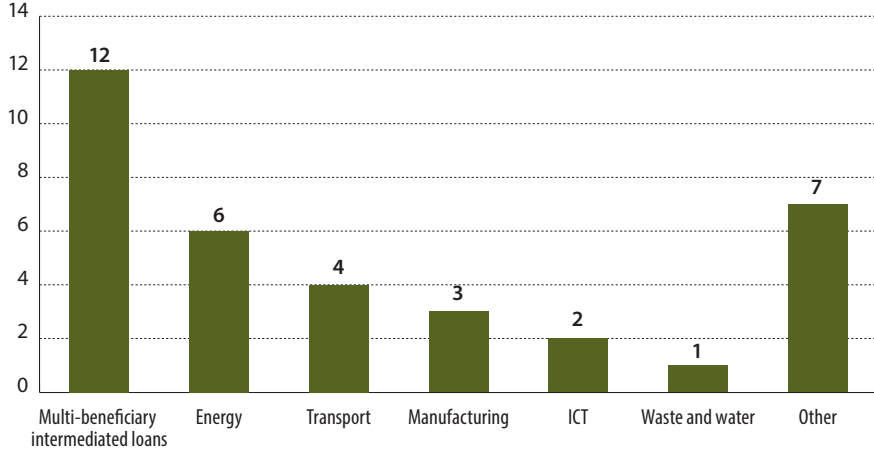


DESKTOP REVIEWS DATA

NUMBER OF DESKTOP REVIEWS



NUMBER OF DESKTOP REVIEWS BY SECTOR, 2021



PROACTIVE INTEGRITY REVIEWS

While a fraud investigation aims to gather 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 EIB funds and assets are used for their intended purposes;
- identify gaps and weaknesses in processes and procedures;
- determine whether EIB contracts have been implemented according to their terms; and
- recommend improvements to policies, procedures and controls to reduce opportunities for prohibited conduct.

In 2021, IG/IN completed fieldwork for three Proactive Integrity Reviews on multi-beneficiary intermediated loans. The services (Operations, Portfolio Management and Monitoring, Legal and Projects Directorates) were briefed on the findings and recommendations. A way forward was developed to resolve the issues identified. In addition, IG/IN launched three new Proactive Integrity Reviews, which are currently ongoing.

PROACTIVE DETECTION BY THE EUROPEAN INVESTMENT FUND

In 2021, IG/IN progressed towards implementing the Proactive Integrity Review methodology in the EIF, supported by the EIF's compliance function. A tool similar to FIRST is being developed by IG/IN for EIF transactions. The rollout of the complete Proactive Integrity Review methodology in the EIF's operations is planned for 2022.

DETERRENCE AND REHABILITATION

IMPLEMENTATION OF THE EIB EXCLUSION POLICY

Following the recruitment of dedicated staff and the appointment of the EIB Exclusion Committee in 2020, the EIB Exclusion Policy was fully implemented in 2021.

EIB EXCLUSION AND SETTLEMENT CASES

IG/IN investigated the procurement processes undertaken in a project in the region of Asia and Latin America following allegations of prohibited conduct by certain bidders. Two companies were found to have engaged in misconduct.

Discretionary exclusion proceedings were initiated against both companies by the Inspector General under the EIB Exclusion Policy. In July 2021, based on the Exclusion Committee's recommendation, the EIB Management Committee decided to exclude one company from participating in EIB projects for four years, with a conditional release after two years. The exclusion proceedings against the other company were ongoing at the end of 2021.

NEGOTIATED SETTLEMENT WITH GENERAL ELECTRIC STEAM POWER

The EIB and GE Steam Power reached agreement regarding historical cases of prohibited conduct by various Alstom Steam Power companies, in particular, Alstom Power Systems S.A (France), Alstom Power Systems GmbH (Germany) and Alstom Hrvatska d.o.o. (Croatia) in the Šoštanj Power Project in Slovenia.

According to the agreement, the EIB has concluded its investigation and the three Alstom Steam Power companies involved have voluntarily agreed not to participate in any EIB project during exclusion periods of 12 months for Alstom Power Systems S.A, 12 months for Alstom Power Systems GmbH and 18 months for Alstom Hrvatska d.o.o., as from 15 November 2021.

In addition, GE Steam Power has implemented and will continue to maintain its rigorous compliance procedures in these Alstom Steam Power companies to mitigate the risk of any similar issues arising in the future.

Furthermore, the three companies involved will finance anti-corruption, integrity, sustainability, climate change and/or environmental protection activities and, in this context, have agreed to provide €7 million to fund such projects in the next five years.

The three companies involved will cooperate with the European Investment Bank in the exchange of best practices in relation to compliance standards and the fight against fraud and corruption³.

3. <https://www.eib.org/en/press/news/agreement-between-eib-and-ge-steam-power>



POLICY INITIATIVES

PUBLICATION OF THE NEW EIB GROUP ANTI-FRAUD POLICY

The EIB and EIF boards of directors approved the new EIB Group's Anti-Fraud Policy in July 2021. [The policy became effective in August 2021 upon its publication on the EIB website.](#) This is the first Anti-Fraud Policy of the EIB Group. The EIB and the EIF previously operated under their own separate anti-fraud policies.

The policy describes the measures put in place to prevent and deter prohibited conduct in the EIB Group's activities, and by doing so protecting European Union and EIB Group financial interests. It also gives rise to the EIB Group's commitment to zero tolerance of prohibited conduct.

The fundamental principles of the EIB Group Anti-Fraud Policy are the same as those of the 2013 EIB Anti-Fraud Policy, and the policy introduces a new EIB Group-wide scope. It aligns policy with revised EU legislation and other EIB Group policies. New to the policy are inclusion of **"theft at the EIB Group premises" and "misuse of EIB Group resources or assets"** within the concept of prohibited conduct. Under this newly defined concept, the Bank and the Fund will be able to take action under the Anti-Fraud Policy against misuse of resources or assets, which cannot qualify as fraud or other types of prohibited conduct. This includes cases of misapplication of EIB funds or assets for purposes other than those for which they were originally granted.

The new policy reflects the competences of the European Public Prosecutor's Office (EPPO). The revised policy provides for the EIB Group's cooperation with the EPPO through the Inspectorate General, which is expanded upon in the next section on international cooperation. The policy also acknowledges that EIB Group staff members can in their individual capacity contact directly the EPPO and/or OLAF, with whom IG/IN works in close partnership.

PREVENTION EFFORTS

IG/IN also advises and supports EIB Group services on implementing the Anti-Fraud Policy and Exclusion Policy in a range of activities, such as project procurement, mandates and lending, and participates in various internal working groups.

In 2021, IG/IN provided specific support to EIB services on the anti-fraud provisions applicable to various products and mandates, particularly those related to the Pan-European Guarantee Fund and to mandate agreements negotiated with the European Commission (such as InvestEU and the Neighbourhood, Development and International Cooperation Instrument).

CONFERENCE OF INTERNATIONAL INVESTIGATORS' INFORMATION SHARING AGREEMENT

During 2021, IG/IN was part of the core group led by the investigation office of Gavi, the Vaccine Alliance, responsible for drafting the Conference of International Investigators (CII)'s Information Sharing Agreement. This agreement is intended to facilitate the timely and effective exchange of information between CII member organisations, where no other agreement is in place. The CII members include the investigation offices of multilateral and regional development banks, the United Nations agencies, the International Monetary Fund and OLAF, among others. The EIB has applied to become a party to this information sharing agreement.

MDB GENERAL PRINCIPLES FOR SETTLEMENTS

In 2021, IG/IN led discussions with the investigative/integrity functions of other major multilateral development banks (World Bank, EBRD, ADB, AfDB and IADB) to agree a set of non-binding, harmonised General Principles for Settlements, with the aim of ensuring consistency in their settlement of investigations of prohibited practices.

These general principles are consistent with IG/IN's current practices and previous settlements that the EIB has already entered into, and so do not require any amendment or adjustment of the Bank's approach in this area⁴.

4. [http://lnadbg4.adb.org/oai001p.nsf/0/299CA009578916A84825870F007B1604/\\$FILE/General%20Principles%20for%20MDB%20Settlements.pdf](http://lnadbg4.adb.org/oai001p.nsf/0/299CA009578916A84825870F007B1604/$FILE/General%20Principles%20for%20MDB%20Settlements.pdf)

INTERNATIONAL COOPERATION

Strengthening international cooperation is key to effectively combating fraud and corruption. As noted above, IG/IN can refer cases of suspected prohibited conduct to national authorities within or beyond Europe for criminal investigation and/or prosecution. IG/IN serves as the central point of contact within the Group and assists national law enforcement, prosecution and anti-corruption agencies as requested.

COOPERATION WITH EU LAW ENFORCEMENT BODIES

During 2021, the Bank and the Fund negotiated and signed an arrangement with the EPPO. The EIB also entered into an arrangement with Europol. These two organisations are key European stakeholders in the fight against fraud and corruption.

EIB GROUP AND EPPO REPRESENTATIVES MEET TO SIGN WORKING ARRANGEMENT



The arrangement with the EPPO, signed on 7 December 2021, aims to provide a structured framework for efficient cooperation between the EPPO, the EIB and the EIF, within their respective mandates and competences. The established cooperation concerns the areas of crime within the EPPO's mandate, specifically those criminal offences affecting the European Union's financial interests. IG/IN is the contact point for the EPPO under this arrangement, and will report to the EPPO any criminal conduct within its competence to fulfil EIB and EIF reporting obligations. The EPPO may request IG/IN support and expertise in a range of investigative activities.

Although the arrangement was signed in December 2021, IG/IN and the EPPO started collaborating in June 2021 and a number of cases were reported to the EPPO during the year.

EIB GROUP AND EUROPOL REPRESENTATIVES SIGN WORKING ARRANGEMENT



The arrangement between Europol and the EIB, signed on 29 October 2021, establishes a cooperation framework in the fight against serious crime. The cooperation includes regular meetings, the exchange of information and specialised knowledge, and consultation on policy issues and other matters of common interest. It aims to contribute to preventing and combating all forms of serious international and organised crime, cybercrime and terrorism.

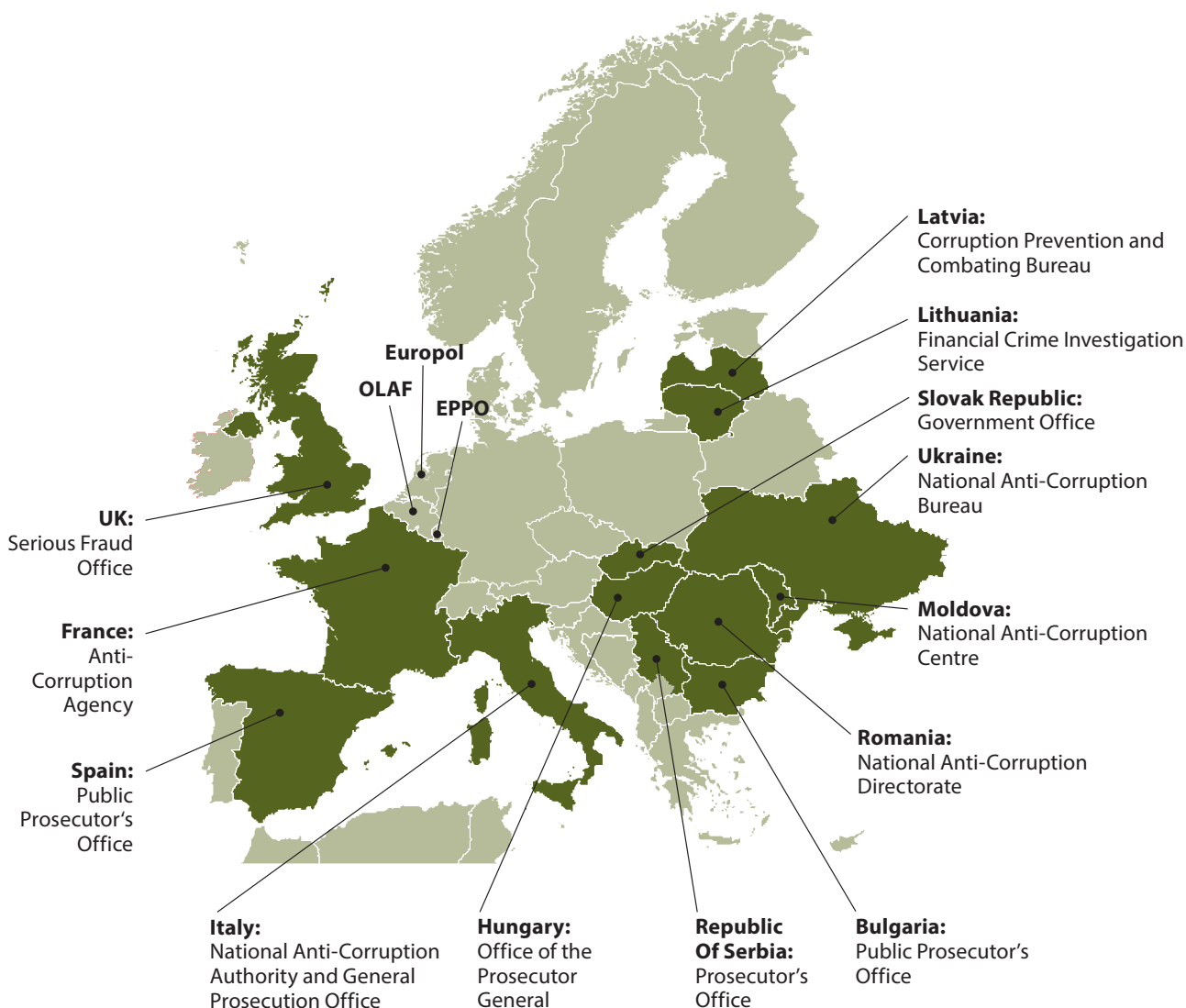
Europol's extensive network of law enforcement agencies, both within and outside the European Union will be invaluable for the Bank's efforts to identify and prevent sources of serious crime linked to its funding.

COOPERATION WITH INVESTIGATIVE OFFICES OF OTHER MULTILATERAL DEVELOPMENT BANKS

IG/IN's cooperation and information-sharing practices also extend to the investigative offices of multilateral development banks. The EIB made a strong commitment to this cooperation by signing the Uniform Framework for Preventing and Combating Fraud and Corruption in 2006, along with the AfDB Group, ADB, EBRD, the International Monetary Fund, IADB Group and the World Bank⁵.

In Q1 2021, the EIB signed a procurement procedural framework with ADB, aimed at improving the implementation and monitoring of public sector projects in Asia jointly financed by the two financial institutions. Under this procedural framework, investigations into prohibited conduct are conducted collaboratively with due consideration to division of labour, efficient use of resources and coordination of actions.

COOPERATION ARRANGEMENTS BETWEEN THE EIB AND ITS NATIONAL PARTNERS IN COMBATING FRAUD AND CORRUPTION IN EUROPE



5. <https://www.eib.org/en/about/documents/ifi-anti-corruption-task-force-uniform-framework.htm>

COOPERATION ARRANGEMENTS BETWEEN THE EIB AND ITS NATIONAL PARTNERS IN COMBATING FRAUD AND CORRUPTION IN AFRICA



INITIATIVES TO RAISE AWARENESS

INTERNATIONAL ANTI-CORRUPTION DAY



On 9 December 2021, [International Anti-Corruption Day](#) provided an opportunity to reflect on the importance of combating corruption, fraud and other serious misconduct as major threats to economic, social and human development.

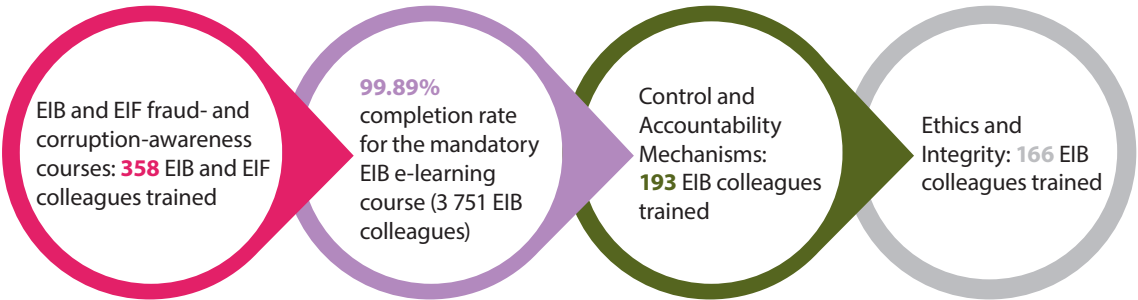
The Bank and the EPPO marked the occasion by jointly releasing a video to highlight the importance of cooperation to effectively tackle corruption. The video highlighted the EIB Group’s efforts to fight corruption, fraud and other prohibited conduct, and the EPPO’s role in collaborating with the EIB Group to tackle misconduct affecting EU financial interests.

FRAUD AND CORRUPTION AWARENESS TRAINING

The EIB Group has developed a training programme aiming to raise staff awareness of the multiple risks posed by fraud, corruption and other prohibited conduct to EIB Group projects and activities, and of the applicable policy framework. Beyond learning, the programme is aimed at developing staff skills to identify red flags of fraud and corruption and at developing attitudes such as being proactive on fraud and corruption risks, integrating the duty to report in their daily work and avoiding any rationalisation of fraud and corruption.

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

The teleworking environment in 2020 required adaptation to ensure the virtual delivery of various anti-fraud training sessions, and this continued in 2021. The fraud awareness training is periodically reviewed to keep it up to date with the evolving policy framework and to include new lessons learnt from investigations and Proactive Integrity Reviews.



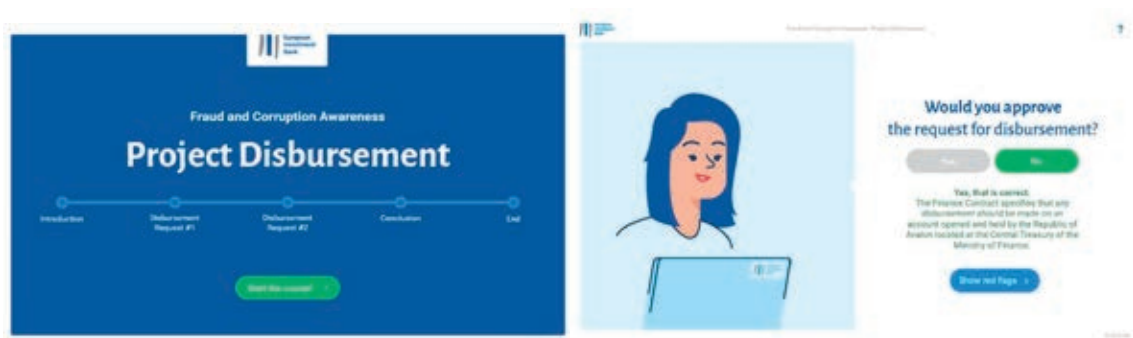
E-LEARNING COURSES

Early in 2021 the new e-learning fraud awareness refresher course was launched. The new refresher course consists of a knowledge check module and two case studies, respectively concerning **internal misconduct and allocations to small and medium-sized enterprises via financial intermediaries**⁶.

Two additional new case studies have been developed. The first covers project procurement and requires EIB staff to analyse bid evaluation reports for fictional projects, aiming to identify and assess red flags of prohibited conduct.



In the second case study, on **project disbursements**, EIB staff are asked to analyse disbursement requests and their eligibility against the finance contract's conditions and relevant additional information in fictional EIB projects. One example is based on a real historical case of attempted fraudulent disbursement uncovered by an EIB staff member. These cases were launched in early 2022.



6. Both cases were presented in the EIB Fraud Investigations Activity Report 2020, available at: <https://www.eib.org/en/publications/fraud-investigations-activity-report-2020>

INTERNATIONAL AWARENESS-RAISING INITIATIVES

In addition to raising awareness within the EIB, IG/IN participated in various events and seminars discussing fraud and corruption in 2021. Harmonisation and exchange of international best practices are important for designing effective responses to fraud and corruption worldwide.

ADB'S INTERNATIONAL ANTICORRUPTION DAY CELEBRATION 2021

On International Anti-Corruption Day, ADB's Office of Anticorruption and Integrity hosted a knowledge-sharing session on "Integrity: Enforcement and Impact" to discuss multilateral development bank integrity enforcement frameworks, their positive impacts, areas of improvement and the role of personnel in their successful implementation.

The programme featured a panel discussion with the participation of the EIB's Inspector General Jan Willem van der Kaaij. His presentation focused on the role of the EIB's Inspectorate General, the key features of the EIB Group Anti-Fraud Policy and the EIB Exclusion Policy. The Inspector General underlined how cooperation among colleagues across the organisation can be detrimental to resolving efficiently a fraud case by providing a real case example.



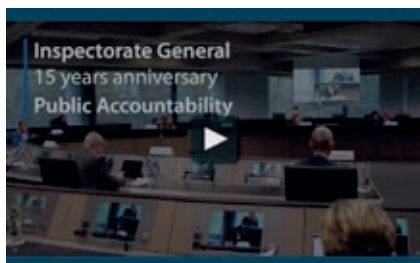
ASSOCIATION OF CERTIFIED FRAUD EXAMINERS (ACFE) CONFERENCES 2021

Bernard (Bernie) O'Donnell, head of IG/IN, was a keynote speaker at the ACFE European Fraud Conference 2021, held virtually on 10-12 March, and at the ACFE's Asia-Pacific Conference held on 22-24 September 2021. He emphasized IG/IN's role and mandate, including its use of proactive fraud detection methods in line with the EIB's Proactive Integrity Review methodology, and presented case examples and findings.

C5 ANTI-CORRUPTION LONDON CONFERENCE

Duncan Smith, deputy head of IG/IN, spoke at the C5 Anti-Corruption London Conference in October 2021, addressing a range of topics including multilateral development bank investigations, exclusion of entities that have engaged in prohibited conduct, and other relevant matters (such as fraud awareness training and proactive reviews).

CONFERENCE ON PUBLIC ACCOUNTABILITY



On the occasion of its 15th anniversary, the EIB's Inspectorate General organised a conference on public accountability entitled "How important is public accountability for the EU bank?" The event, held at the end of October 2021, gathered colleagues and experts from the EIB, EBRD, European Court of Auditors, the EPPO, the European Ombudsman and Counter Balance, among others. Participants exchanged views on the importance of public accountability in the European Union and in the financial sector, and discussed how accountability interacts with transparency, integrity, control and learning.

To mark the occasion, the Inspectorate General also published a brochure to present its story and overall mission. While this report focuses on Investigations, the Inspectorate General also operates two other independent accountability and control functions: [Complaints Mechanism](#) and [Evaluation](#).



Publication:

***The European Investment Bank's Inspectorate General
— From past to future***

[https://www.eib.org/en/publications/
inspectorate-general-from-past-to-future](https://www.eib.org/en/publications/inspectorate-general-from-past-to-future)

PODCAST: UNSPOKEN GIANTS



The Unspoken Giants podcast series brings together multilateral development banks and international financial institutions to discuss the global fight against corruption.

Dominik Adamski and Mirela Lascu, respectively the head of and a senior officer in IG/IN's Prevention and Detection Unit, presented in one podcast episode IG/IN's advanced fraud detection systems and how the Bank is seeking to prevent and combat fraud and corruption.

PARTICIPATION IN OTHER EVENTS AND PUBLICATION OF ARTICLES

IG/IN also contributed to discussing fraud and corruption issues, as well as sharing best practices and possible solutions, in various international forums, including the following events and seminars:

- 30th **OLAF Anti-Fraud Communicators' Network**, February 2021
- Multilateral Development Banks' **Heads of Integrity meetings**, May, September, November and December 2021
- Financial Crime Academy, **International Fraud Awareness Week**, November 2021
- **European Ethics Bowl**, November 2021
- 20th **International Anti-Corruption Conference**, December 2021
- **OLAF International Anti-Corruption Day**, December 2021
- **ADB Conference**, December 2021
- French Development Agency Anti-Corruption Conference, December 2021
- Lecture to Master students at Sorbonne University, December 2021

IG/IN also published several articles aiming to raise awareness within and beyond the European Union of the EIB Group's efforts to enforce its zero tolerance policy and to prevent, deter and detect fraud and corruption:

- Basel Institute on Governance (6 December 2021): **Siemens and the European Investment Bank: Fostering integrity through collective action and constructive settlements** - <https://baselgovernance.org/blog/siemens-eib-collective-action>
- Article published on the FCPA (Foreign Corrupt Practices Act) blog (12 August 2021): **The European Investment Bank's 2020 Fraud Investigation Activity Report is an important compliance resource**- <https://fcpablog.com/2021/08/12/the-european-investment-banks-2020-fraud-investigation-activity-report-is-an-important-compliance-resource/>



LOOKING AHEAD – 2022

IG/IN is committed to continuing its work in combating prohibited conduct in 2022.

INVESTIGATIONS AND EXCLUSION

The Investigations and Exclusion Unit will seek to increase the number of cases referred to the Exclusion Committee or resolved by settlement. IG/IN's mandate has been broadened to include the assessment and, where necessary, investigation of alleged breaches of the EIB's Code of Conduct, whereas the qualification of breaches remains with the compliance function for matters falling in its remit. As of 1 January 2022, IG/IN has become the central investigation office for all alleged prohibited conduct, code of conduct and dignity at work cases requiring investigation.

INTAKE AND ANALYSIS

Priorities for the Intake and Analysis Unit in 2022 include:

- further enhancing IG/IN's computer forensics capacity, which is of increasing importance to fraud and corruption investigations;
- finalising and implementing a case management system for IG/IN;
- developing operational analysis as an important support tool for investigations; and
- implementing an external reporting tool to further streamline the reporting process and enhance whistleblower reporting options.

DETECTION AND PREVENTION

The priorities of the Detection and Prevention Unit in 2022 are to:

- commence proactive reviews of fraud risks and controls in other selected key processes within the EIB; and
- roll out the complete Proactive Integrity Review methodology to the EIF.

Furthermore, IG/IN will continue to strengthen international cooperation by liaising with national and international investigative, prosecution and anti-corruption offices; if necessary, the division will expand its network of partners by seeking to conclude further memoranda of understanding.

IG/IN will focus on adapting its procedures to the new processes for handling code of conduct cases and to the new EIB Group Anti-Fraud Policy and Whistleblowing Policy, including the revision of the EIB Group's Investigation Procedures.

Finally, IG/IN will continue its efforts in raising fraud awareness through:

- staff training and developing e-learning modules for the EIF;
- engaging in initiatives with other multilateral development banks; and
- speaking and presenting at anti-corruption events.

22ND CONFERENCE OF INTERNATIONAL INVESTIGATORS 2022

The EIB will host the 22nd Conference of International Investigators (CII) in Luxembourg in June 2022.

Established in 1999, the CII is a forum for investigators from international organisations (including multilateral development banks, regional development banks, OLAF and UN agencies) to exchange ideas, discuss integrity issues, address challenges in fighting fraud/corruption, learn of new developments in the field, and share leading practices. Its annual conferences enable and enhance close cooperation, collegiality and dialogue among investigative offices, provide advanced hands-on training and enable participants to hear from industry specialists.



ACRONYMS AND INITIALISMS

ACFE	Association of Certified Fraud Examiners
ADB	Asian Development Bank
AFD	French Development Agency
AfDB	African Development Bank
CII	Conference of International Investigators
CRIP	Corruption Risk in Procurement
CSO	Civil society organisations
EBRD	European Bank for Reconstruction and Development
EIB Group	The EIB and the EIF
EIB / the Bank	European Investment Bank
EIF / the Fund	European Investment Fund
EPPO	European Public Prosecutor's Office
EU	European Union
Europol	EU Agency for Law Enforcement Cooperation
FIRST	Fraud and Integrity Risk Scoring Tool
FIU	Financial intelligence unit
IADB	Inter-American Development Bank
IG	Inspectorate General
IG/IN	Inspectorate General's Investigations Division
MDB	Multilateral development bank
OLAF	European Anti-Fraud Office
PIR	Proactive Integrity Review



INVESTIGATIONS ACTIVITY REPORT

2021



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