

2023

INVESTIGATIONS

ACTIVITY REPORT



EUROPEAN INVESTMENT BANK GROUP

2023

INVESTIGATIONS

ACTIVITY REPORT

European Investment Bank Group Investigations Activity Report 2023

© European Investment Bank, 2024.

All rights reserved.

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

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

In nature, no organism exists without some relation to another one. Oxpeckers nourish themselves on the parasites they clean from the fur of a zebra. A clownfish shelters among the tentacles of an anemone, while fertilising it with its waste. Plovers clean the teeth of the Nile crocodile and, in doing so, feed themselves. The covers of our reports highlight these symbiotic, natural relationships this year, because they mirror the different levels on which each European Investment Bank project operates. When we finance infrastructure or innovation, we seek also to ensure that the project bolsters climate action or environmental sustainability. By investing in startups or green energy, our public finance encourages private investment that might otherwise have been withheld. In a world where humanity seems so often to be at odds with itself, we hope these images of natural collaboration will inspire readers to cross boundaries and build new partnerships.

Photo credits: Shutterstock

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

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

You can also contact our Info Desk, info@eib.org. Get our e-newsletter at www.eib.org/sign-up.

Published by the European Investment Bank.

Printed on FSC® paper.

CONTENTS

iv	FOREWORD BY THE EIB PRESIDENT
vi	FOREWORD BY THE INSPECTOR GENERAL
1	INTRODUCTION BY THE HEAD OF DIVISION
3	ABOUT THE INVESTIGATIONS DIVISION
3	MANDATE OF THE INVESTIGATIONS DIVISION
3	ACTIVITIES OF THE INVESTIGATIONS DIVISION
4	STRUCTURE OF THE INVESTIGATIONS DIVISION IN 2023
5	ROLE AND ADDED VALUE OF THE INVESTIGATIONS DIVISION
6	2023 HIGHLIGHTS
7	INVESTIGATING FRAUD AND MISCONDUCT
9	REPORTING AN ALLEGATION OF FRAUD OR MISCONDUCT TO THE BANK
10	INTAKE AND ASSESSMENT OF ALLEGATIONS
14	INVESTIGATION
14	DIGITAL FORENSIC LAB
15	SCAMS AND FRAUDULENT INVESTMENT SCHEMES
16	CASE STUDIES
20	DETERRENCE AND REHABILITATION
22	PROACTIVE DETECTION OF PROHIBITED CONDUCT
23	PROACTIVE FRAUD DETECTION METHODOLOGY AT THE EIB GROUP
25	PROACTIVE INTEGRITY REVIEWS (PIRS)
26	PREVENTION ACTIVITIES
26	ADVICE TO EIB GROUP SERVICES
27	INTERNAL OUTREACH AND AWARENESS INITIATIVES
28	INTERNATIONAL COOPERATION
32	LOOKING AHEAD TO 2024
34	ACRONYMS AND INITIALISMS

FOREWORD

BY THE PRESIDENT

The EIB Group is playing a key role in supporting our shared policies and contributing to strong growth, job creation, social and territorial cohesion, technological innovation and a strong voice of Europe in the world.

Faced with unprecedented global challenges, throughout the past years, the EIB has reinforced its risk management systems and corporate governance, to ensure the best possible use of the Member states' capital, mandates and guarantees from the EU budget, to finance industrial projects of common interest, physical and social infrastructure, research and development, inside and outside the EU, contributing to economic security and strategic autonomy.

It is our duty to ensure that the EIB Group's resources are used transparently, accountably and solely for their intended purposes. Strong institutions, due process and sound financial management are at the heart of our democracies, contributing to prosperous economies and resilient societies.

The Investigations Division is at the heart of the Group's efforts to tackle fraud and corruption across our projects and operations. In line with our zero-tolerance policy, the Group set an innovative and effective institutional framework to prevent, detect, investigate and sanction any form of prohibited conduct.

This report outlines the main activities of the Investigations Division team in 2023, whose dedication and professionalism I would like to commend. A special mention here to the important work made by the team on the ground in Ukraine to strengthen the cooperation with the national law enforcement authorities. Support to Ukraine's recovery remains a key priority for the EIB Group, in coordination with our European and international partners, and good institutions are of the essence to ensure best use of public resources and maximum impact on the ground.

“ The EIB Group is fully committed to sound financial management, good governance, transparency and efficiency. As the financial arm of the EU, we must ensure the best possible use of European resources to the benefit of our economies and social progress in the EU and beyond. ”



I am grateful for the cooperation of all the EIB Group staff, our partners and stakeholders to remain vigilant and report any allegations of fraud and misconduct. Your constant support and collaboration strongly contribute to the success of the EIB Group's projects to ensure a positive impact on the lives of people in Europe and beyond.

Nadia Calviño
President, European Investment Bank

FOREWORD

BY THE INSPECTOR GENERAL

Fraud and corruption happen everywhere in every society. They are a concern for development, weakening the mutual trust and obligations between a government and its people. They deter investment, which in turn affects economic growth. They fuel and perpetuate the inequalities and discontent leading to conflict.

As the European Union's long-term financing institution, the EIB Group is not immune to these types of crimes. For this reason, the EIB Group has an office tasked with professionally and objectively investigating any prohibited conduct: the Investigations Division, part of the Inspectorate General. The Investigations Division ensures 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.

The Investigations Division is the sole office mandated to investigate fraud and misconduct affecting EIB Group activities and staff. In addition to allegations of prohibited conduct under the EIB Group's Anti-Fraud Policy, the Investigations Division also investigates alleged breaches of the Staff Code of Conduct and the Dignity at Work Policy, and any other serious infringements of Bank rules and policies. The division reports annually on its activities, lessons learnt from investigations and other work fighting fraud, corruption and other forms of prohibited conduct. As Inspector General, it gives me great pleasure to provide you with details of the Investigations Division's work in 2023.

Last year, the Inspectorate General's 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 increased significantly in recent years. The report also provides a statistical overview and specific examples of cases investigated in 2023. All findings and lessons learnt from the division's activities are passed on to EIB Group services and governing bodies to support future decision-making processes.

The Investigations Division is also responsible for initiating actions to exclude any entities and individuals found to have engaged in fraud and corruption from participating in EIB-financed projects. In 2023, five companies were excluded from participating in EIB Group activities for a certain length of time, and settlement agreements were concluded with a further five companies.

Our investigations office continued to build strong anti-corruption partnerships. We launched the EIB Fraud Fighters Network, a forum for exchanges with partner anti-fraud and anti-corruption authorities at the national and EU levels. The launching event in November 2023 included a special panel on cooperation with Ukrainian authorities. Strengthening cooperation with Ukrainian law enforcement authorities remains crucial to ensure that the Bank's unprecedented support for Ukraine effectively reaches its people, enabling them to rebuild their homes and their country.

“ The Investigations Division ensures that the EIB Group’s resources are used for their intended purposes and achieve their intended results. ”



In 2023 the Investigations Division continued to cooperate closely with its main European partners, including the European Public Prosecutor’s Office, the European Anti-Fraud Office, the EU Agency for Law Enforcement Cooperation and the investigative offices of other multilateral development banks and international financial institutions.

2023 was also the year where we said goodbye to Bernie O’Donnell, who has been in the Inspectorate General and led the Investigations Division for over eight years, and I want to take this opportunity to thank him for his excellent leadership. I am also proud to announce his replacement, Michael Bushell, who arrived during the summer of 2023, after a distinguished career as Chief Investigations Officer at the United Nations World Food Programme.

Let me also thank all EIB Group staff for their continued support and cooperation. I wish to thank the staff of the Investigations Division for their hard work and perseverance. Let us all remain vigilant in the face of fraud and corruption risk.

Monique Koning
Inspector General, European Investment Bank

INTRODUCTION BY THE HEAD OF DIVISION

As the Head of the Investigations Division since August 2023, I am honoured to step into this role and present to you the 2023 Investigations Activity Report.

I feel a strong sense of responsibility and am committed to being transparent and accountable. The division I oversee plays a crucial role in protecting our institution's reputation and integrity. Our main goal is to stop fraud and corruption that could harm the work of the EIB Group.

I understand the importance of the work done by this division over the years. The Investigations Division has worked hard to maintain integrity by preventing, detecting, investigating and addressing behaviours that harm EIB Group activities. Whether it's investigating fraud, corruption or other forms of misconduct, cooperating with our national and international partners, raising awareness of the impacts of fraud in our projects or proactively detecting fraud, our team has always been professional and dedicated. The tireless efforts of my predecessors have laid the foundation for our success. Their commitment to safeguarding the EIB Group's reputation and ensuring that public funds are used correctly is commendable.

I will build upon this legacy. We will stay committed and steadfast in our pursuit of justice, fairness and ethical behaviour. Our work goes beyond numbers and statistics; it's about making sure that EIB Group funds and resources make a difference in the lives of Europeans and beneficiaries worldwide.

Thank you for your trust, and I look forward to collaborating with each of you in these critical endeavours.



Michael Bushell
Head of the Investigations Division, European Investment Bank

The **Inspectorate General** conducts independent investigations, evaluations and reviews relating to EIB Group activities. It covers three independent accountability and control functions: the Evaluation Function, the Complaints Mechanism and the Investigations Function.



ABOUT THE INVESTIGATIONS DIVISION

MANDATE OF THE INVESTIGATIONS DIVISION

The Inspectorate General’s Investigations Division (IG/IN) provides the EIB Group with the capacity to independently, professionally and objectively investigate allegations of fraud and misconduct involving Group-financed activities and/or members of governing bodies or staff. It is the sole office mandated to investigate fraud and misconduct within the EIB Group.

ACTIVITIES OF THE INVESTIGATIONS DIVISION

In addition to its primary mission of conducting investigations, the Investigations Division also carries out proactive fraud detection, advises on fraud risks and procedures, and raises awareness of fraud-related issues among stakeholders inside and outside the EIB Group.

The Investigations Division also assists the Bank in other matters requiring investigation, acting as the central point of contact for the European Public Prosecutor’s Office (EPPO), European Anti-Fraud Office (OLAF), EU Agency for Law Enforcement Cooperation (Europol) and national law enforcement authorities. In addition, it works closely with the investigation and integrity functions of other major multilateral development banks: the Asian Development Bank, the African Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank and the World Bank.

Through the Inspector General, the Investigations Division reports the findings from investigations to the EIB Group’s governing bodies and gives EIB Group services the facts and recommendations needed for informed decision-making and follow-up.

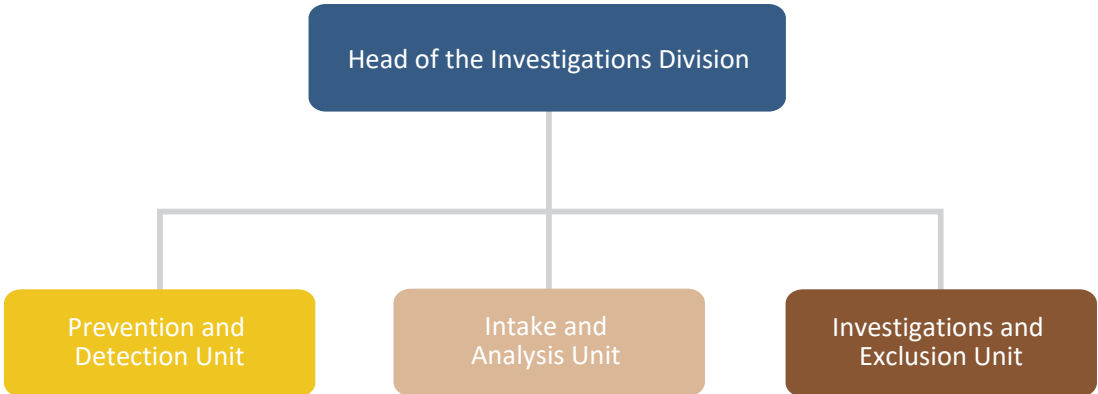
The Inspector General initiates the procedure leading to exclusion (or debarment) of entities and individuals found by the Investigations Division to have engaged in prohibited conduct in connection with EIB-financed projects and other EIB-related activities for a certain length of time. The EIB Exclusion Policy enforces the prohibitions contained in the EIB Group Anti-Fraud Policy, helping safeguard the financial interests, integrity and reputation of the Bank and the activities it finances.



All the activities carried out by the Investigations Division are interconnected: intake assesses incoming allegations, which may trigger an investigation or a Proactive Integrity Review (PIR). Proactive work may raise red flags, potentially leading to an investigation. In addition, findings and recommendations from these activities may result in policy changes and raise EIB Group awareness on fraud and corruption risks.

STRUCTURE OF THE INVESTIGATIONS DIVISION IN 2023

The Investigations 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.



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 oversees various initiatives to raise awareness of the risks posed by fraud and corruption, and fosters a speak-up culture. It also leads EIB Group efforts to develop and maintain an up-to-date 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** is the main reporting channel for all allegations of fraud and misconduct. The unit systematically assesses allegations to determine whether to investigate and/or refer the matter to the EPPO, OLAF or, if appropriate, another interested party (such as a multilateral development bank or national law enforcement). The unit also provides digital forensic and analytical support.

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

ROLE AND ADDED VALUE OF THE INVESTIGATIONS DIVISION



2023 HIGHLIGHTS

169 incoming allegations

232 scams halted

Five companies received five-year exclusions
for fraud committed in **EIB-financed projects**

Settlements concluded **with five companies**

Strengthened cooperation with **Ukrainian law enforcement**

Launch of the **EIB Fraud Fighters Network**

INVESTIGATING FRAUD AND MISCONDUCT

2023 INVESTIGATIONS DATA AT A GLANCE

172 cases completed

27 investigative missions

169 allegations received

67% of allegations reported by EIB Group staff members

74 external or internal referrals

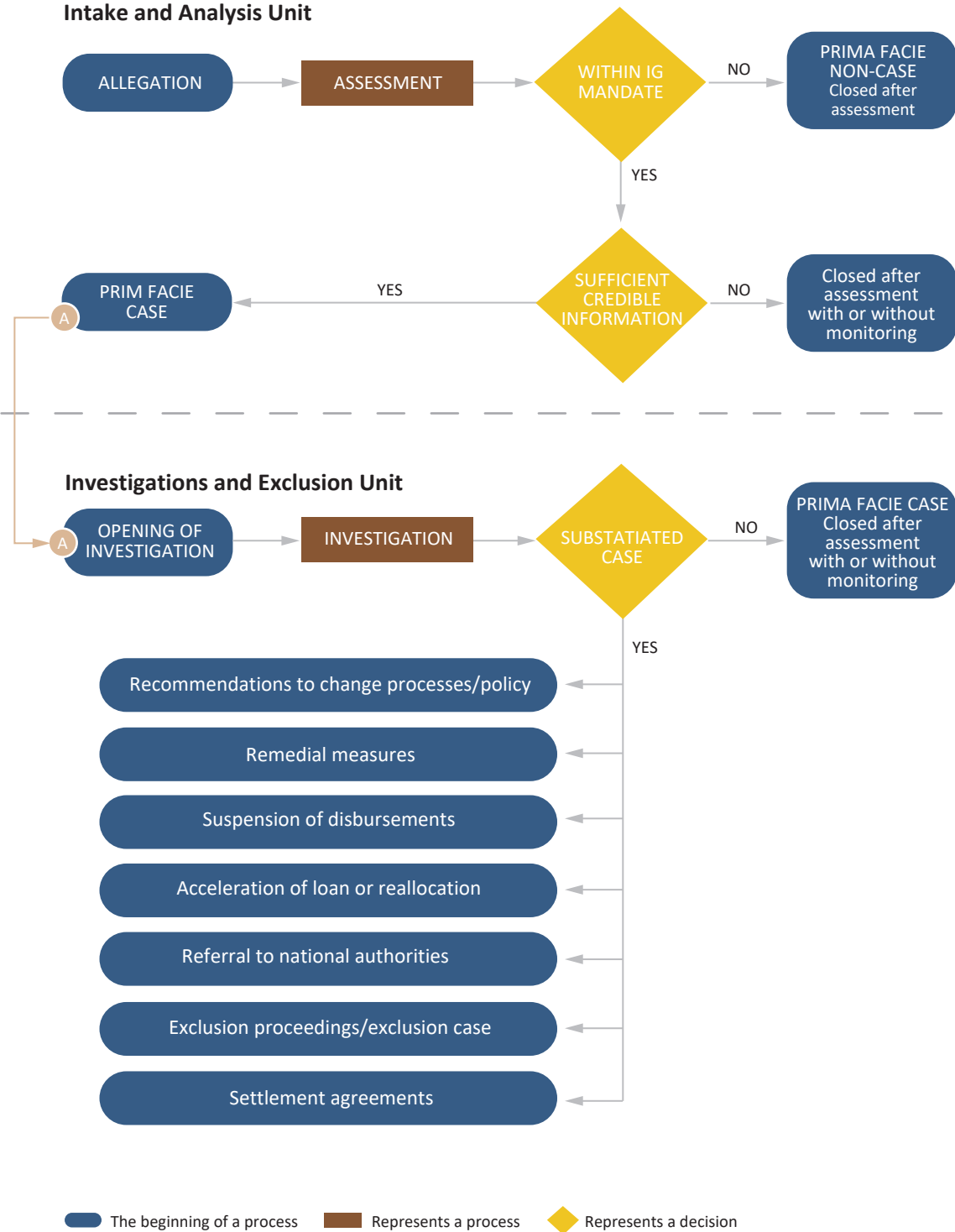
93 cases under monitoring

196 active investigations or assessment cases at year-end

232 scams and fraudulent investment schemes halted

LIFECYCLE OF AN INVESTIGATION

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



REPORTING AN ALLEGATION OF FRAUD OR MISCONDUCT TO THE BANK

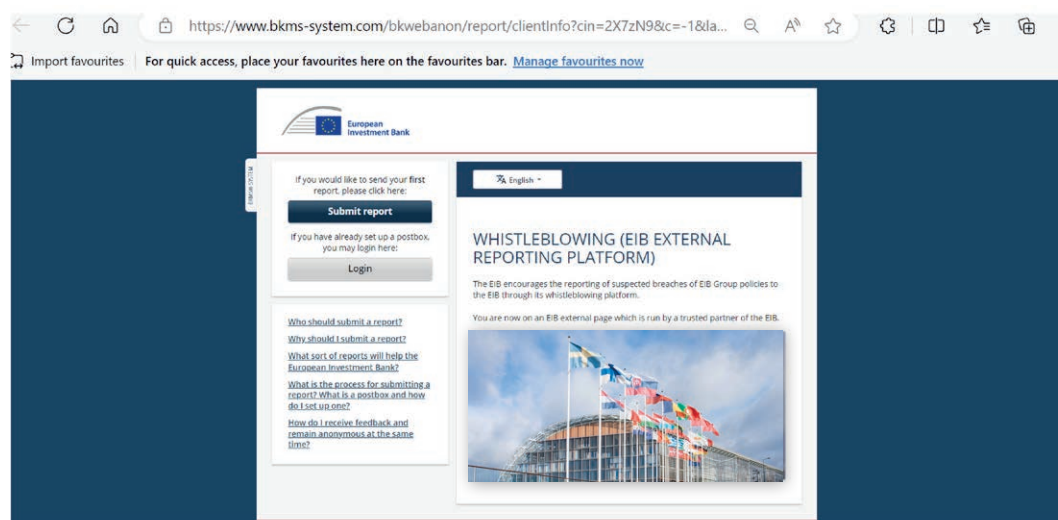
The Investigations Division receives all allegations of fraud and misconduct, including those of prohibited conduct as defined in the **EIB Group Anti-Fraud Policy**, as well as alleged breaches of the **EIB Group Dignity at Work Policy** and the **EIB Group Staff Code of Conduct**.¹

Anyone with relevant information is encouraged to contact the Investigations Division immediately. All allegations are treated by the Investigations Division as strictly confidential, and may be made anonymously.²

Allegations can be submitted to the specific email address for this purpose (investigations@eib.org) or via the **EIB website** (<http://www.eib.org/infocentre/anti-fraud-form.htm>). The reporting form and associated information are available in 30 languages.

REPORTING PLATFORM

In addition to the above-mentioned reporting tools and in line with the EIB Group Whistleblowing Policy, whistleblowers can also report through a platform managed by a third-party provider, offering an additional layer of identity protection. The platform is accessible via the **EIB website**. The platform aims to make reporting easy and accessible, while ensuring anonymity and a secure communication channel with EIB investigators. For these purposes, a whistleblower can set up a secure postbox on the platform.



Anyone with relevant information about breaches of the EIB Group's Anti-Fraud Policy, Code of Conduct or Dignity at Work Policy may use the platform to report it.

1. Alternative reporting channels are the Inspector General for prohibited conduct issues, the Head of HR for Dignity at Work matters, or the Group Chief Compliance Officer for other forms of misconduct/alleged breaches of the EIB Group Staff Code of Conduct.
2. For information on how to report fraud and misconduct, see [Investigating fraud and misconduct](#).

INTAKE AND ASSESSMENT OF ALLEGATIONS

The Investigations Division receives allegations from multiple internal and external sources. But it can also open cases on its own initiative, for instance based on findings from its own Proactive Integrity Reviews or adverse reports from open sources.



The Intake and Analysis Unit assesses, reviews and prioritises all incoming allegations to determine whether:

- the reported issue is within the mandate of the Investigations Division; and
- whether an investigation is needed.

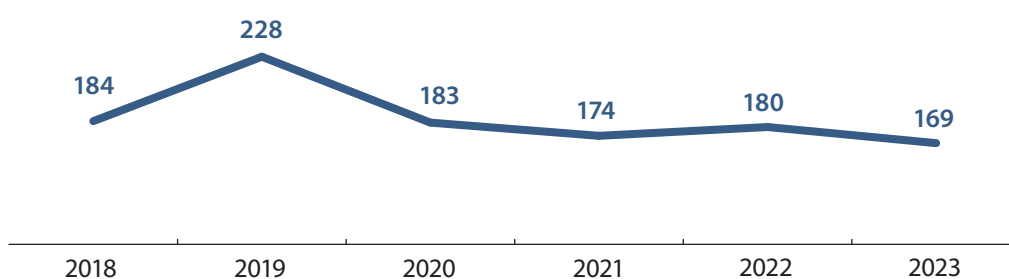
During the initial case assessment, the Investigations Division obtains as much relevant information as possible concerning the allegation, including connections to EIB Group-financed activities, a complete description of the alleged wrongdoing, records and supporting documentation. If the allegation is not related to an EIB Group-financed project or activity, or if it cannot be investigated (for example because the alleged misconduct occurred too long ago or critical information is missing), the case is closed and is not passed on for monitoring or investigation.

If the allegation lies within another institution’s mandate, the Investigations Division refers the matter to that institution. For instance, some complaints may fall within the remit of the investigative office of another multilateral development bank, while complaints related to social or environmental matters lie within the remit of the EIB Group Complaints Mechanism. The Investigations Division works closely with law enforcement and EU agencies like the EPPO, Europol and OLAF. Through the Investigations Division, the EIB Group complies with its obligation to report cases of suspected fraud, corruption and any other illegal activity affecting EU financial interests to OLAF and the EPPO, allowing them to conduct independent assessments.

The table below presents the turnover of assessments performed annually.

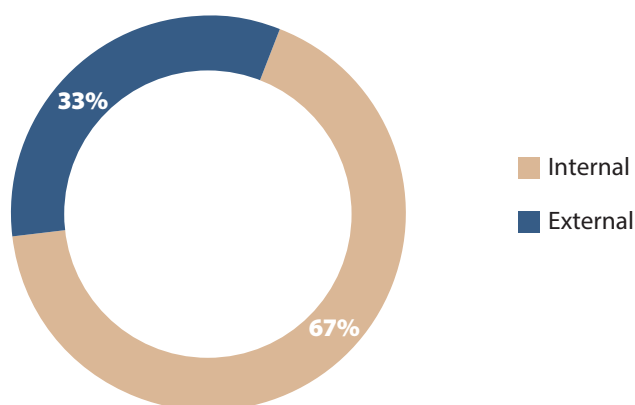
ASSESSMENTS	2020	2021	2022	2023
Active assessments on 1 January³	85	82	42	93
New allegations received	183	174	180	169
Cases closed at assessment ⁴ or Dignity at Work allegations passed on to Human Resources	(104)	(137)	(77)	(117)
Cases passed on to investigation	(82)	(77)	(52)	54
Active assessments on 31 December	82	42	93	91

Allegations received, 2018-2023



As shown above, the number of allegations received annually by the Investigations Division has stabilised in recent years.

Sources of allegations

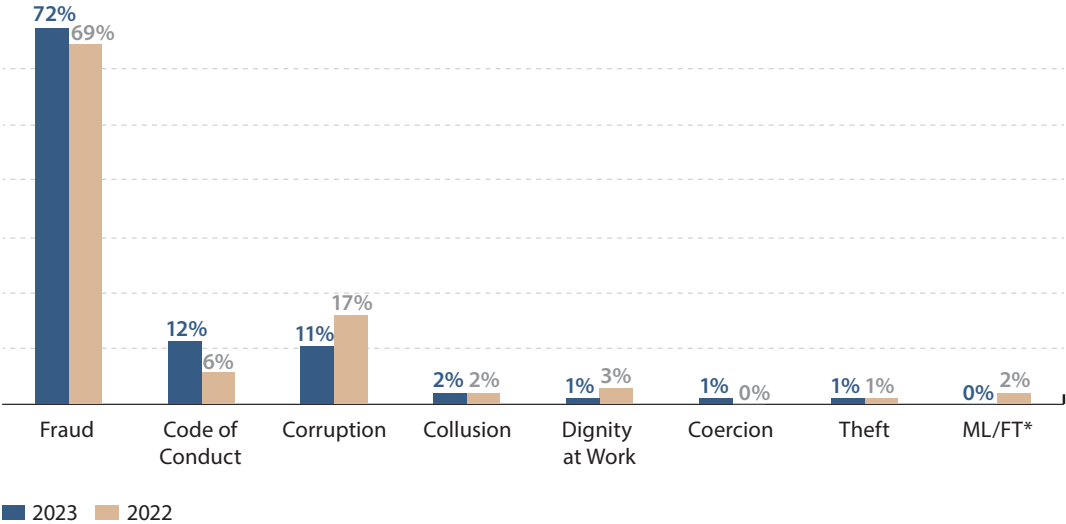


In 2023, internal sources within the EIB Group referred **67%** of allegations received, while **33%** were received from external sources such as other EU institutions or bodies, national authorities, international organisations, project-related parties, civil society and the media. For comparison, the respective percentages in 2022 were 76% internal and 24% external.

3. This refers to cases carried forward from the previous year.

4. This includes prima facie non-cases and cases closed at assessment with or without monitoring.

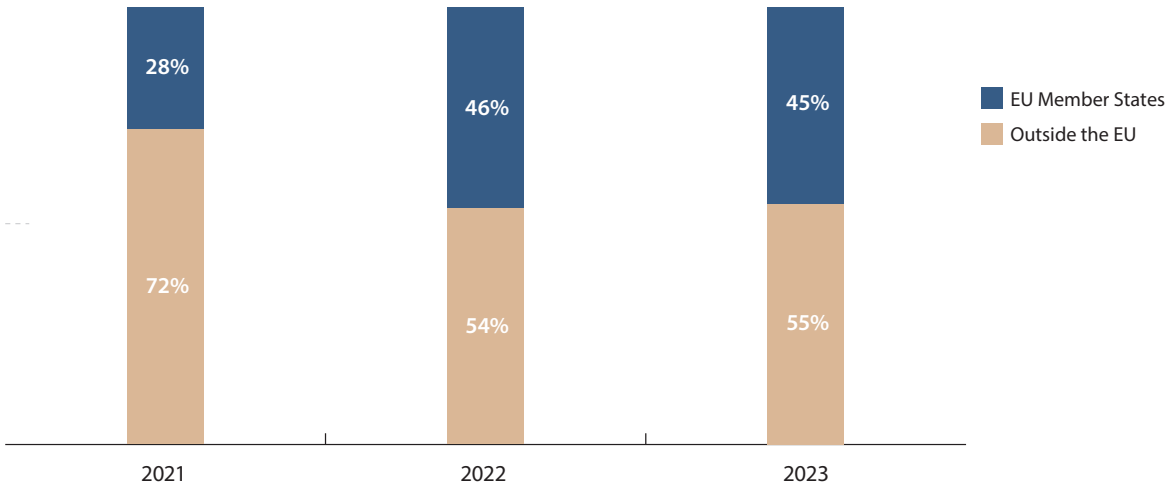
Types of allegations



*Money laundering and financing of terrorism.

As the above chart shows, **fraud**, allegations related to the **Code of Conduct** and **corruption** in relation to EIB Group operations were the most common types of allegations received by the Investigations Division in both 2022 and 2023.

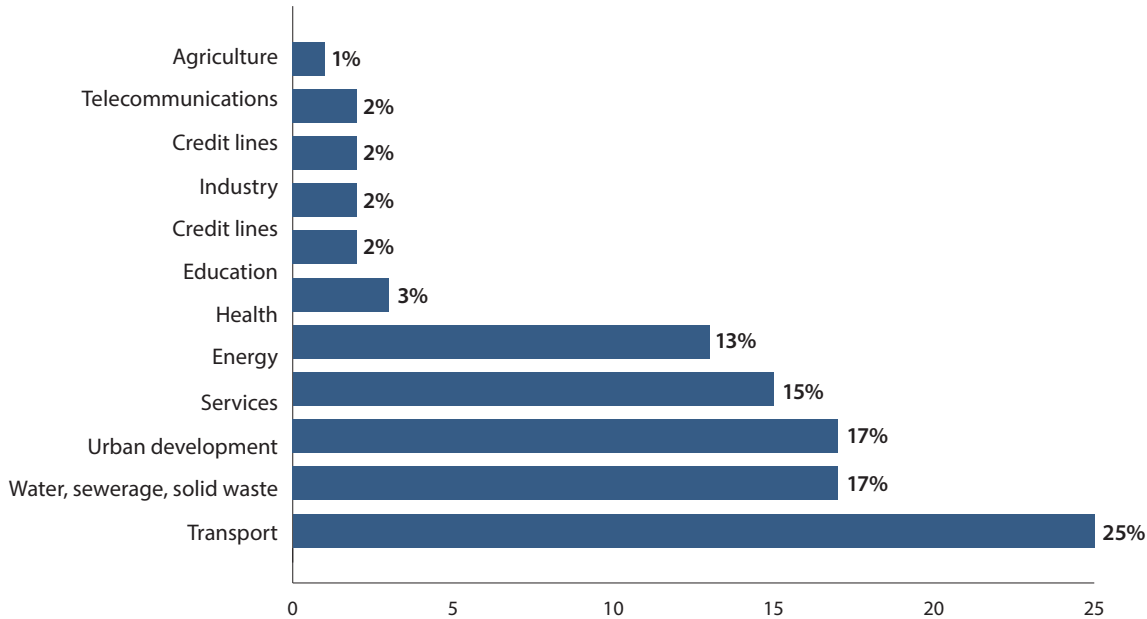
EIB Group external cases — geographical scope



The above chart shows the evolution of the geographical distribution of allegations received in the last three years. Despite some fluctuations, allegations from outside the European Union still make up the majority of cases handled by the Investigations Division.

While internal cases involve alleged prohibited conduct by members of EIB Group staff and/or governing bodies, or by persons treated in an equivalent manner (such as contractors working on EIB premises), external cases concern alleged prohibited conduct involving parties outside the EIB Group.

EIB external cases — sectors



The largest number of incoming allegations in 2023 concerned the **transport** sector, followed by the **water, sewerage, solid waste** and **energy** sectors. These results are consistent with the volume of EIB finance in these sectors.

INVESTIGATION

Allegations passed on following assessment to the investigations team are subject to a comprehensive fact-finding investigation, involving witness testimony, documents, photos, and digital and other evidence. Investigations can be conducted in support of or alongside the work of other investigative or prosecution offices, and of 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 website.⁵

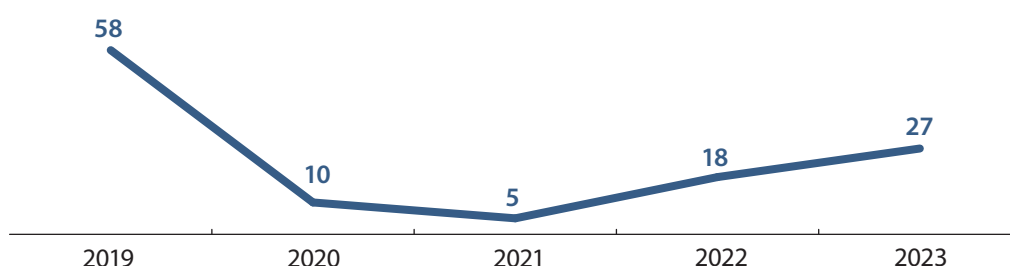
Investigations are undertaken in an objective, confidential, fair and impartial manner, based on a presumption of innocence, with due regard for all individuals or entities involved, and in full compliance with the rules on personal data protection. The EIB Group’s investigators are experienced professionals with a range of backgrounds, such as prosecution, law enforcement and forensics. The Investigations Division has independence in exercising its responsibilities within the EIB Group (without prejudice to powers conferred on the EPPO and OLAF).

The table below presents the annual turnover of investigations.

INVESTIGATIONS	2020	2021	2022	2023
Investigation cases active on 1 January	123	114	124	106
New cases received from assessment	82	77	52	54
Investigations closed and completed	(91)	(67)	(70)	(55)
Investigation cases active on 31 December	114	124	106	105

DIGITAL FORENSIC LAB

To support the investigation process with specialised digital forensic services, the Investigations Division has developed a Digital Forensic Lab equipped with advanced technology and tools ensuring accurate and thorough analysis of digital evidence. Experienced digital forensic examiners conduct in-depth analysis and provide reliable results to support the investigations.



The Investigations Division carried out **27** investigative missions (in Member States and beyond Europe) in 2023.

In 2023, the Investigations Division made **74** internal and external referrals, including referrals to internet service providers, seeking to close down fraudulent websites and social media profiles detrimental to the EIB Group.

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

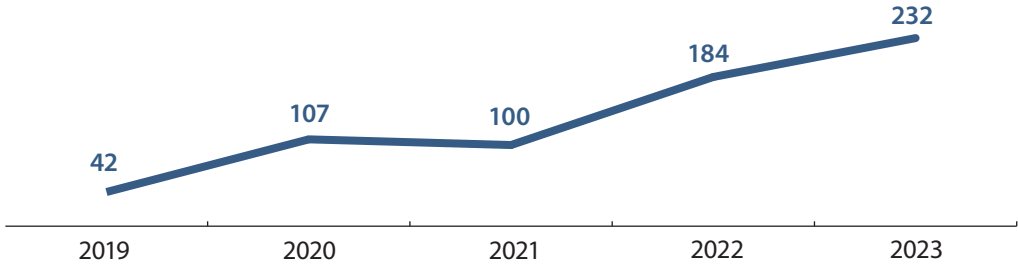
The chart below provides a breakdown of these referrals.

EIB group referrals in 2023



SCAMS AND FRAUDULENT INVESTMENT SCHEMES

2023 brought a significant increase in scams and fraudulent investment schemes carried out via the internet, social media and other virtual means. The chart below shows changes in the number of scams and fraudulent schemes handled by the Investigations Division in recent years.



MODI OPERANDI

As in previous years, most cases involved the fraudulent use of the EIB’s or EIF’s name on websites, in email addresses or in social media profiles, with the aim of embezzling money from individuals or businesses.

ACTIONS TAKEN

The actions taken by the Investigations Division in these different cases ranged from providing support to scam victims, including advice on how to file a complaint with relevant authorities, to referring the matter to competent national authorities. In many cases, the Investigations Division also contacted the website registrars or domain owners to request the deletion of fraudulent domains; in most cases, this was successful. Individuals and businesses are advised to be cautious of suspicious messages.

2023 KEY FIGURES

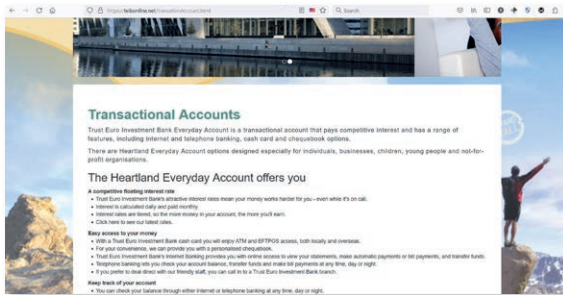
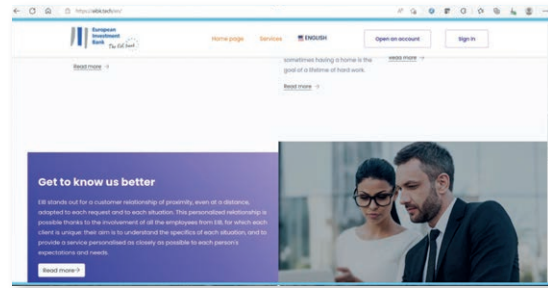
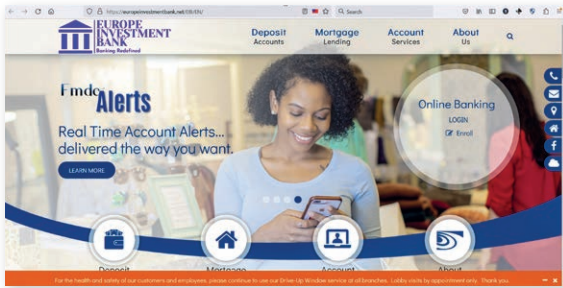
232 scams and fraudulent investment schemes reported to or identified by IG/IN

15 fake websites taken down

34 email addresses created by fraudsters blocked

4 fake EIB staff accounts blocked on social media

Examples of a fake EIB websites



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 the presumption of disclosure and transparency to the extent possible. When disclosing information on the cases it has investigated, the Investigations Division thus seeks an appropriate balance between transparency and confidentiality. Please note that the case examples below have been anonymised.

The following case studies feature some of the different types of allegations handled by the Investigations Division. They cover internal and external investigations, different geographical areas and various types of prohibited conduct. The cases highlighted demonstrate how the Investigations Division operates and raise awareness about the possible risk areas in EIB Group activities. They also illustrate the EIB Group’s zero-tolerance approach to fraud and corruption in practice.

In 2023, the Investigations Division uncovered several new fraud schemes. The evidence obtained from these investigations helped the EIB Group to make appropriate decisions and take necessary actions, based on all the available information.

INTERNAL CASES

These cases involve allegations of prohibited conduct by members of EIB Group staff and/or governing bodies, or by persons treated in an equivalent manner (such as contractors working on EIB premises).

FRAUDULENT EXTERNAL ACTIVITY	
Source of allegations:	Internal
Red flag:	Conflicting information

- The Investigations Division investigated reports concerning fraudulent activity by an EIB Group staff member performed during a period of extended leave.
- **Results: The Investigations Division referred this case to the competent judicial authorities.**

EXTERNAL CASES

External cases concern allegations of prohibited conduct involving parties outside the EIB Group.

NON-DISCLOSURE IN THE COVENANT OF INTEGRITY	
Region:	Eastern Neighbourhood, Africa, Latin America
Source of allegations:	Internal
Red flag:	Sanction by another multilateral development bank

- The EIB requires tenderers under Bank-financed contracts to observe the highest standards of integrity during the procurement and potential execution of such contracts. In this respect, tenderers are required to submit a signed Covenant of Integrity as part of their tender documents.
- In this case, despite requirements specified in a Covenant of Integrity, a tenderer omitted to disclose a past sanction issued by another multilateral development bank in several EIB-financed projects. Such omission qualifies as fraudulent practice under the EIB Group Anti-Fraud Policy. During the Investigations Division’s investigation, the concerned tenderer admitted to having failed to disclose the respective sanction in several instances.
- **Result: In accordance with the EIB Exclusion Policy, the Bank and the respective tenderer entered into a settlement agreement that addressed the past misconduct.**

FRAUDULENT EXPERIENCE

Region: Sub-Saharan Africa, Caribbean and Pacific

Source of allegations: External, internal and Investigations Division analysis

Red flag: Systemic pattern of fraud

- The Investigations Division received similar allegations of fraud from an anonymous complainant and from the Bank's technical assistance under two projects in the energy and water sector in Côte d'Ivoire.
- After reviewing the allegations, the Investigations Division identified that there was a pattern of fraud across several EIB-financed tendering processes and conducted a broader analysis into tendering processes that had not been previously reported in the initial allegations.
- **Results:** The Investigations Division identified that a number of local works companies had submitted fraudulent experience certificates in their bids to qualify for EIB-financed projects. The division initiated exclusion proceedings against these companies. As a result of these proceedings, the companies that had engaged in fraudulent practices are no longer eligible to participate in EIB-financed projects. [The exclusions were published on the Bank's website.](#)

NON-DISCLOSURE IN COVENANT OF INTEGRITY

Region: Sub-Saharan Africa, Caribbean and Pacific

Source of allegations: Internal

Red flag: Publicly available sanctions information

- The EIB requires tenderers under Bank-financed contracts to submit a signed Covenant of Integrity as part of their bidding documents.
- In this case, several tenderers omitted to disclose that they had received debarment sanctions from other major multilateral development banks. Such omission qualifies as fraudulent practice under the EIB Group Anti-Fraud Policy.
- **Results:** The Investigations Division investigation concluded that the concerned tenderers had engaged in prohibited conduct during the procurement process by failing to disclose sanctions in their Covenant of Integrity. The Bank asked the promoters to turn down offers from the concerned bidders as the procurement process was still underway. The Bank also resolved the breach of the EIB Group Anti-Fraud Policy by signing negotiated settlement agreements with the companies concerned.

COLLUSION

Region: European Union

Source of allegations: External

Red flag: Adverse media reports

- The Investigations Division was informed about media reports that a company that had been awarded contracts in an EIB project had engaged in collusive practices.
- **Results:** The EIB negotiated a settlement agreement whereby the company voluntarily agreed to refrain from participating in any EIB-financed projects for a certain period. In addition, the company undertook to implement, maintain and develop rigorous group-wide compliance procedures, and to finance anti-corruption, integrity, sustainability, climate change and/or environmental protection activities.

FAKE DOCUMENTS

Region: Eastern Neighbourhood, Africa, Latin America

Source of allegations: External

Red flag: Fraud

- The Investigations Division received multiple anonymous complaints in relation to fraudulent documents presented by a company participating in an EIB-financed contract. The company also omitted to provide relevant information required in the Covenant of Integrity.
- **Result:** The Investigations Division investigation revealed that the company had submitted fraudulent documentation in their offer during a tender procedure. Once the original offer documents were acquired, the division started negotiations with the company to reach a settlement.

COLLUSION AND CONFLICT OF INTEREST

Region: Eastern Neighbourhood, Africa, Latin America

Source of allegations: Internal

Red flag: Collusion

- The Investigations Division received information from EIB services concerning a suspected case of collusion between a company awarded with multiple contracts financed by the EIB and a politically exposed person (PEP). The suspicion was that the company had colluded with the promoter to secure the contracts by leveraging family ties.
- **Result:** The Investigations Division and OLAF investigation established that the company had presented false documentation during a tender process and that the promoter had failed to disclose the company's conflict of interest. The EIB started an exclusion procedure for the company, halting loan disbursements. The EIB recalled the portion of the loan disbursed by means of an early repayment.

FRAUD/MISREPRESENTATION

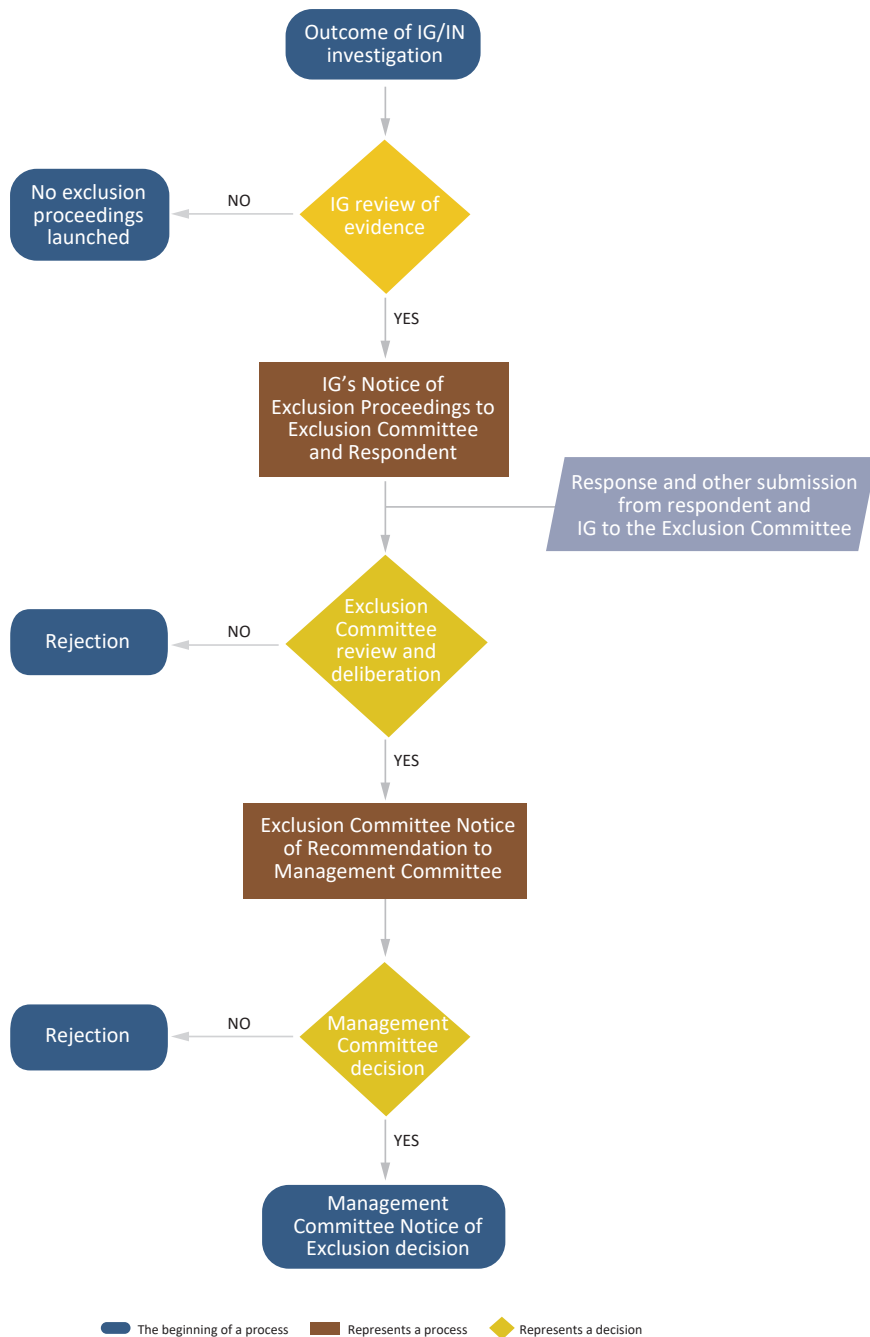
Region: Eastern Neighbourhood, Africa, Latin America

Source of allegations: External

Red flag: Fraud

- The Investigations Division received information regarding a suspected fraudulent submission by a company bidding for an EIB-financed contract. Allegedly, the company had misrepresented the value of a contract listed as previous experience, which was a prerequisite for obtaining the contract.
- **Result:** The Investigations Division investigation established that the value of the contract proposed as previous experience by the bidding company did not match the real value and did not meet the minimum required amount. The division is negotiating a settlement agreement with the company.

DETERRENCE AND REHABILITATION

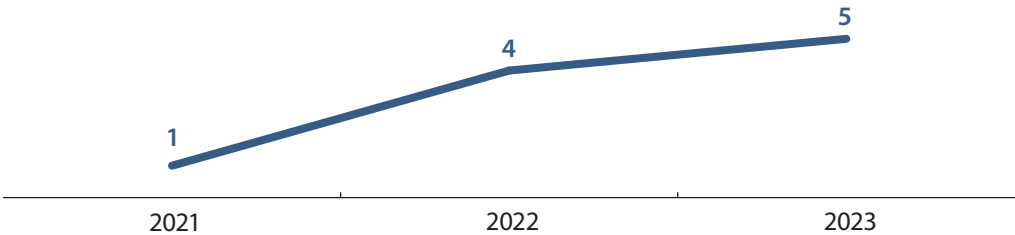


The above flowchart outlines the steps of exclusion proceedings under the EIB Exclusion Policy. These proceedings follow a three-stage process to determine whether the evidence presented convincingly demonstrates that an entity or individual has engaged in prohibited conduct. The Exclusion Committee intervenes in the second stage. As an independent committee, its role is to determine whether the allegations submitted by the Inspector General are admissible and based on further review to make appropriate recommendations to the EIB Management Committee.

EXCLUSION PROCEEDINGS IN 2023

Five companies were excluded from participating in any EIB-financed projects or activities for a period of five years. These exclusions were based on Investigations Division findings against three companies in November 2022 and two in May 2023. Based on the Exclusion Committee’s recommendation, the EIB Management Committee excluded all five companies for a period of five years. However, four companies may be released from the exclusion after three years if they fulfil the conditions for early release included in the relevant exclusion decision.

Number of excluded entities, 2021-2023



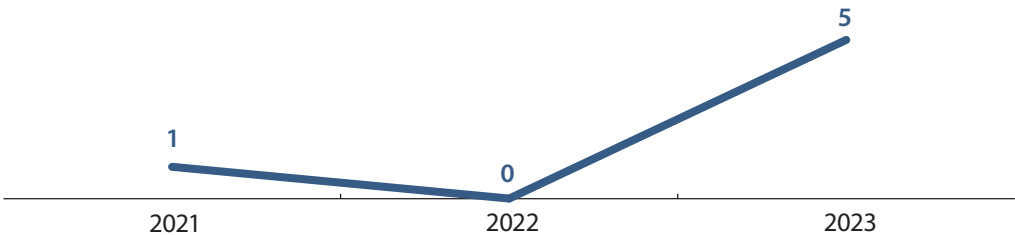
The chart above shows the number of entities excluded in recent years.

SETTLEMENTS

The Investigations Division initiated negotiated settlement agreements with five companies: Strabag a.s., Egis International, Sinohydro Co. Ltd, China Railway 14th Bureau Group Co. Ltd, and China Civil Engineering Construction Corporation. As a result of the settlement agreements, Strabag a.s. and Sinohydro Co. Ltd were subject to voluntary exclusion and the other three companies to conditional non-exclusion from EIB-financed operations and activities.

In addition, settlement negotiations with six companies were ongoing at the end of 2023.

Number of settlements concluded 2021-2023



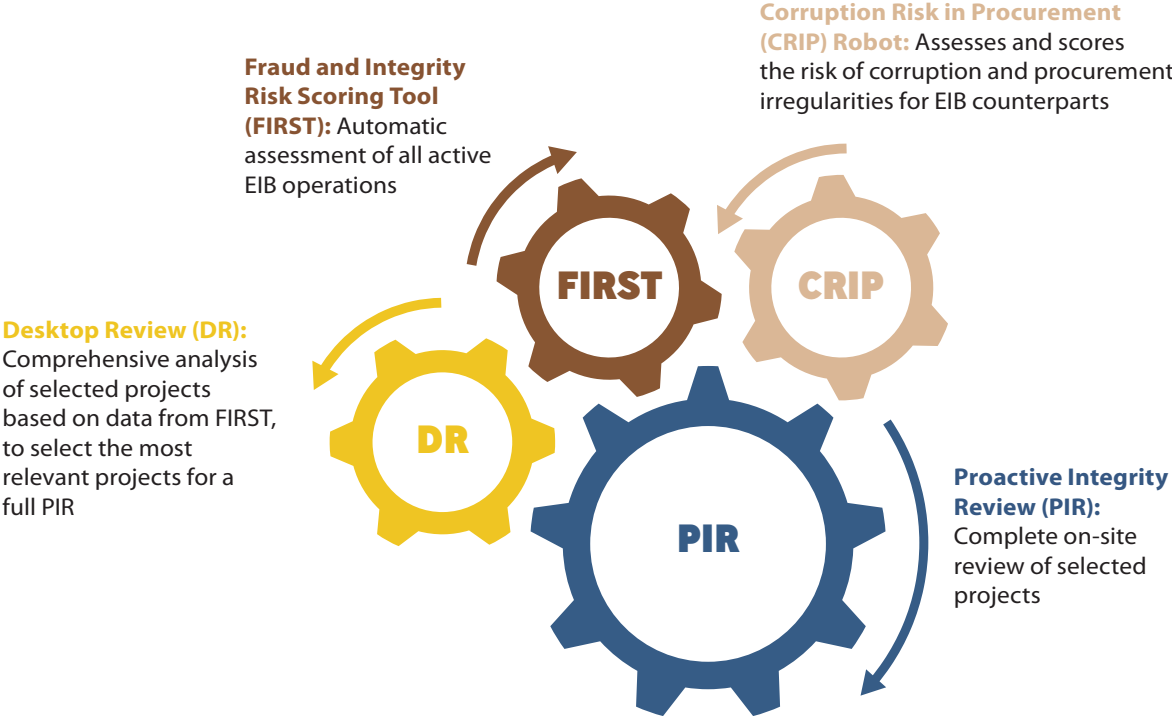
The chart above shows the number of settlement agreements concluded in recent years.



PROACTIVE DETECTION OF PROHIBITED CONDUCT

In addition to the primary mission of conducting investigations, the Investigations Division's mandate includes proactive detection of instances of fraud and other types of prohibited conduct. This activity is key to addressing prohibited conduct issues that might otherwise remain undetected or unreported through the usual monitoring processes. The Investigations Division has therefore developed a specific methodology to ensure the identification of projects at highest risk, while also optimising the use of available resources and maximising detection capacity.

PROACTIVE FRAUD DETECTION METHODOLOGY AT THE EIB GROUP



THE FRAUD AND INTEGRITY RISK SCORING TOOL (FIRST)

Launched in 2018, FIRST is a data-driven application that has been updated continuously ever since. It provides real-time scoring of all active EIB and EIF operations through a combination of over 100 algorithms. Having proven effective in identifying red flags, FIRST is fully integrated into the process of selecting the most relevant projects for PIRs. Based on data from FIRST, a fraud index is calculated quarterly, providing an overview of trends in the evolution of fraud risk across the EIB Group portfolio. Risk scores from FIRST are also shared with other relevant EIB Group services on a regular basis, providing them with fraud risk insights.

CORRUPTION RISK IN PROCUREMENT (CRIP) ROBOT

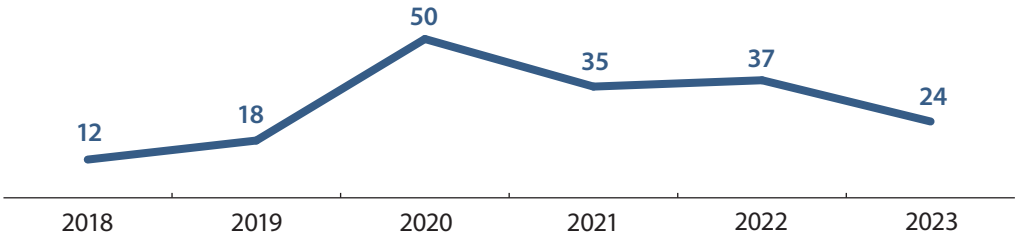
First used in 2021, the CRIP Robot measures and scores the risk of corruption and irregularities in public procurement activities involving EIB counterparts, using big data from the EU Tenders Electronic Database. During 2023, results from CRIP were systematically shared with the Bank’s Projects Directorate to facilitate appraisal of new EIB projects in the European Union.

DESKTOP REVIEWS

A desktop review encompasses a review of the loan file and adverse media reports, plus interviews with operational staff. The primary purpose is to obtain information and documents that support and explain the scoring generated by FIRST. The desktop review ends with the selection of the most relevant projects for a full Proactive Integrity Review. Desktop reviews are a valuable tool for the early detection of prohibited conduct and for collecting information relevant for the first and second lines of defence (including other services like the Compliance, Portfolio Management and Monitoring, Operations, and Projects Directorates).

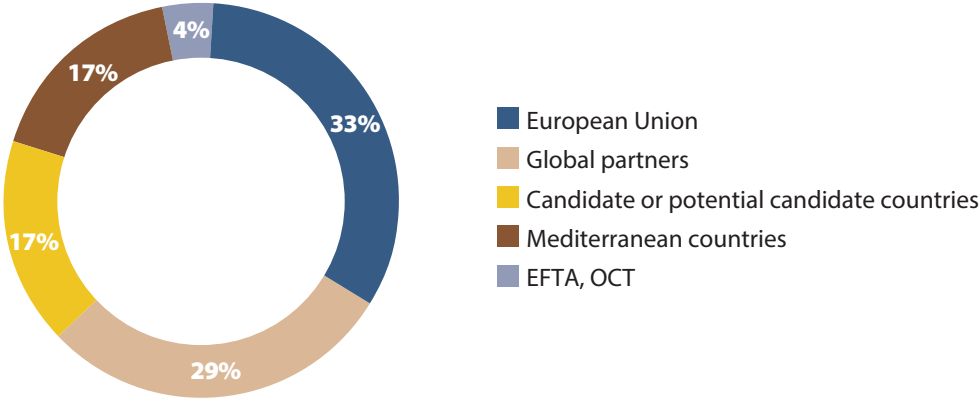
In **2023**, the Investigations Division completed desktop reviews of 21 EIB projects and three EIF products, all selected based on risk scores computed by FIRST. The division shared relevant information from desktop reviews performed on nine projects with other services.

Number of desktop reviews, 2018 -2023



The chart above shows the number of desktop reviews performed by the Investigations Division since 2018.

EIB Group desktop reviews by region, 2023



The chart above shows the geographical distribution of the desktop reviews performed in 2023.

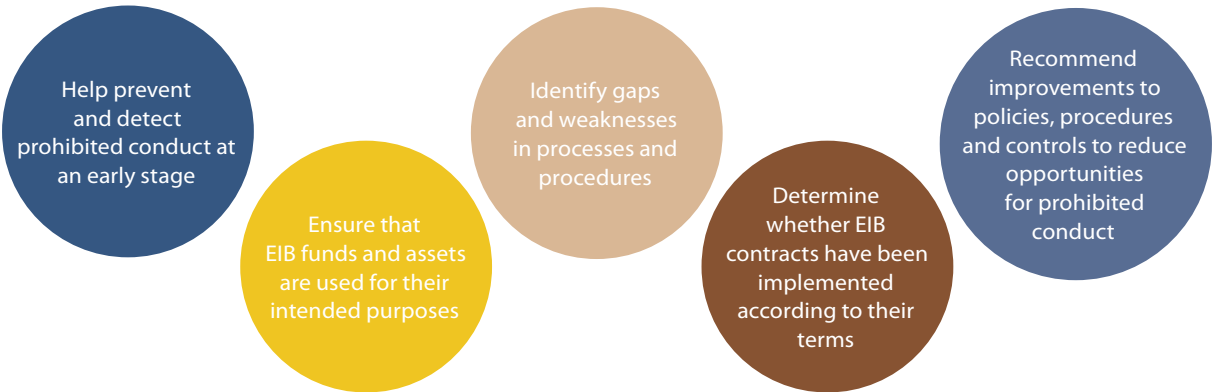
FRAUD RISK UNIVERSE (FRU)

The Fraud Risk Universe (FRU) is a recent addition to the fraud risk management methodology at the EIB. The Fraud Risk Universe is an inventory of fraud risk scenarios and schemes affecting the Bank. Established in 2022, this tool is updated periodically based on the results of investigations, Proactive Integrity Reviews and expert judgement.

Every year, as part of broader operational risk identification and management, the Fraud Risk Universe facilitates the assessment of impact, materiality and capital adequacy for the EIB Group. In addition, it ensures the thorough identification of risks within the EIB Internal Control Framework through regular reconciliation processes, conducted at least annually.

PROACTIVE INTEGRITY REVIEWS (PIRs)

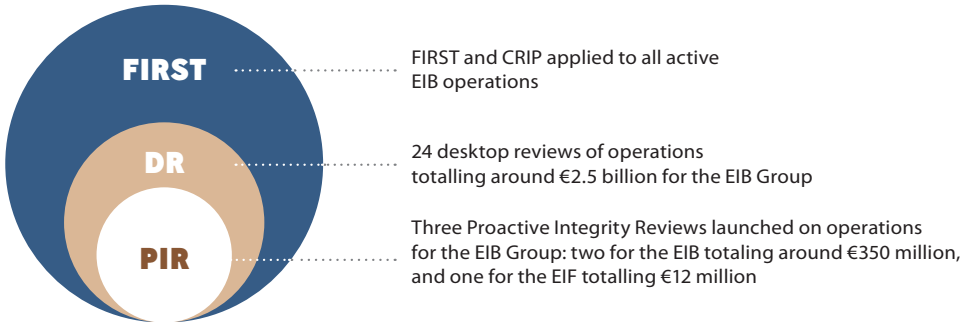
Whereas a fraud investigation gathers evidence to prove (or disprove) a specific allegation of prohibited conduct, the objectives of a Proactive Integrity Review are to:



In 2023, the Investigations Division carried out Proactive Integrity Reviews addressing:

- two internal EIB processes: the disbursements process and the management of EIB external offices;
- two EIB intermediated loans to banks in Egypt and Türkiye;
- an EIF guarantee in Portugal’s agricultural sector as a pilot Proactive Integrity Review at the EIF, because the entire proactive detection methodology had just been rolled out to the EIF.

PROACTIVE FRAUD DETECTION FOR EIB GROUP PROJECTS AND INVESTMENTS IN 2023



The chart above shows the proactive fraud detection activities carried out in 2023.



PREVENTION ACTIVITIES

ADVICE TO EIB GROUP SERVICES

The Investigations Division advises and supports EIB Group services in implementing the EIB Group Anti-Fraud Policy and the EIB Exclusion Policy in a range of activities, such as project procurement, mandates and lending. It also participates in various internal working groups and actively helps implement the Bank's integrity requirements across its various products.

In 2023, the Investigations Division provided specific support to EIB Group services on the anti-fraud provisions applicable to various products and mandates — particularly those related to the amendment of InvestEU, the Guarantee Agreement under the European Fund for Sustainable Development Plus (EFSD+), the External Action Guarantee and the EU for Ukraine Fund.

The Investigations Division also played a key role in negotiating the Master Agreement with UN agencies, designed for joint cooperation initiatives. This agreement allows the EIB to make a direct financial contribution to a UN partner for technical assistance/advisory services in support of existing or potential EIB clients and/or projects. The division also actively participated in the negotiations for a Procurement Framework Agreement with the World Bank, to facilitate mutual reliance for procurement in jointly financed public sector investment operations.

INTERNAL OUTREACH AND AWARENESS INITIATIVES

EVENTS

The Investigations Division organised and participated in a series of events aimed at raising internal EIB Group awareness of fraud and corruption, presenting its activities and case studies of new fraud patterns.

In March 2023, the Investigations Division held the internal event “Promoting business integrity through EIB exclusions and settlements” where the Inspector General, members of the EIB Exclusion Committee and Investigations Division officers presented the rules and implementation of the EIB Exclusion Policy. This was followed by a presentation by Siemens, OECD and the Basel Institute of Governance on the initiatives financed by the settlement agreement between the EIB and Siemens signed in 2013.

The Investigations Division also ran or contributed to:

- A pilot fraud awareness training course for EIB staff at an external office
- A case study presentation on disbursement fraud for EIF staff
- An onboarding training session for local PJ experts based in regional hubs
- An interactive awareness event for EIB staff, held on Global Ethics Day together with the Compliance Department

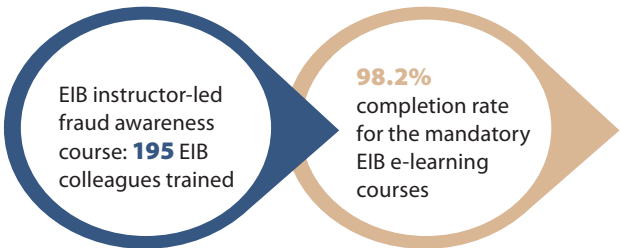
MANDATORY FRAUD AND CORRUPTION AWARENESS TRAINING

The EIB Group has developed a training programme to raise staff awareness of the many risks posed by fraud, corruption and other prohibited conduct to projects and activities, and of the applicable policy framework. Beyond disseminating knowledge, the programme aims to develop staff skills in identifying red flags of fraud and corruption, and to cultivate a proactive attitude toward mitigating fraud and corruption risks. After completing the training, staff are expected to integrate the “duty to report” in their daily work and avoid any rationalisation of fraud and corruption.

The training programme includes mandatory anti-fraud e-learning, targeted instructor-led training in a virtual classroom for newcomers, and a yearly refresher course for all EIB staff. The contents are periodically reviewed to keep them up to date with the evolving policy framework and to include new lessons learnt from investigations and Proactive Integrity Reviews.

With support from the HR Learning & Development team, a new service provider was appointed to redesign and facilitate the virtual classroom element of the training programme. Throughout 2023, the Investigations Division, the service provider, the Learning & Development team and EIF Compliance revised the fraud awareness e-learning for newcomers, adapted it to the EIB Group and set up a yearly refresher course for EIF staff. These will be rolled out in 2024.

In 2023, mandatory e-learning for EIB newcomers and mandatory annual refresher e-learning for all EIB staff had a combined completion rate of 98.2%.



INTERNATIONAL COOPERATION

The Investigations Division understands that no one institution can tackle today's corruption concerns, which are increasingly complex and international.

That is why strengthening international cooperation is crucial for effectively combating fraud and corruption — and why the division is working with partners in Europe and beyond to strengthen collective efforts.

Harmonising and adopting common standards, frameworks and principles for fraud and corruption investigations, and sharing international best practices, are key to developing effective responses to fraud and corruption globally. The Investigations Division is continuously seeking to align its policies with international best practices and standards, and is committed to assisting and cooperating with its partners.

CONFERENCE OF INTERNATIONAL INVESTIGATORS AND MEETING OF THE HEADS OF INVESTIATIVE OFFICES OF MULTILATERAL DEVELOPMENT BANKS



In November 2023, the Investigations Division chaired the regular meeting of the Heads and leaders of the Integrity Offices of the multilateral development banks to discuss the cooperation among these offices, other topics of common interest, challenges and trends in international fraud investigations. The meeting took place on the margins of the Conference of International Investigators (CII), hosted by the European Bank for Reconstruction and Development in London.



Established in 1999, the CII is the primary platform for investigators of international organisations to exchange ideas on integrity matters, share best practices, and address challenges in fighting fraud, corruption and other misconduct. The CII takes place every year and brings together investigations staff from the multilateral development banks and regional development banks, all investigation offices in the United Nations system, Interpol, Europol, NATO, OLAF and several other international organisations. In 2003, the Investigations Division took part in the CII and contributed speakers to several sessions, plenaries and workshops, in particular on:

- Proactive Integrity Reviews
- AI tools to support fraud investigations
- Fraud in green projects

COOPERATION WITH NATIONAL AUTHORITIES

National law enforcement authorities are the Investigations Division's key partners. Under the EIB Group Anti-Fraud Policy, the division may refer suspected prohibited conduct to national authorities within or beyond Europe 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.

OUR SUPPORT FOR UKRAINE

Ukraine's recovery is a priority for the EIB Group, reflecting a commitment to fostering stability and prosperity in the region. As Ukraine faces war and economic challenges, the EIB's financial support is crucial in rebuilding vital infrastructure, fostering resilience and promoting sustainable development. By investing in key sectors like transportation, energy and public services, the EIB contributes to Ukraine's overall well-being and stability.

EIB Group financial assistance for Ukraine must remain free from corruption in order to directly benefit Ukraine's people and foster its sustainable development.

Strengthening cooperation with Ukrainian law enforcement authorities helps protect EIB Group funds and ensure that the Bank can take action in response to allegations of fraud or corruption impacting EIB Group projects.



Since Russia's full-scale invasion of Ukraine, the Inspectorate General has continued to work with the Ukrainian authorities. They have relied on the Memorandum of Understanding between the EIB and the National Anti-Corruption Bureau of Ukraine (NABU), which has been in place since 2018.



In February 2023, the Investigations Division went to Kyiv to connect with law enforcement agencies, which shared information on potential fraud cases and other serious irregularities linked to EIB Group-financed projects in Ukraine. The division also sought updates on recent corruption-related arrests. The General Prosecutor's Office (GPO), the Economic Security Bureau of Ukraine (ESBU) and the State Bureau of Investigation (SBI) were eager to work with the Bank. They discussed plans for collaboration in areas like sharing information, cooperating on investigations, providing technical help, and holding joint training and events.

The Investigations Division is working to improve coordination on Ukraine anti-corruption matters with a range of European (OLAF, EPPO) and international partners, including other multilateral development banks.

The Investigations Division is collaborating actively with the investigation offices of the World Bank, the European Bank for Reconstruction and Development and the Asian Development Bank to better streamline and coordinate the approach taken to optimising anti-corruption initiatives, including through joint training programmes to build the skills and knowledge base of Ukrainian counterparts in effectively preventing and fighting corruption. It is also committed to fostering better coordination in active investigations. Aligning strategies with other international organisations will permit a comprehensive response.

EIB FRAUD FIGHTERS NETWORK

On 27 and 28 November 2023, the Investigations Division launched the EIB Fraud Fighters Network. This inaugural event aimed to create a network of partners to fight fraud and other forms of prohibited conduct that impact the EIB and EU financial interests. It was attended by around 40 representatives of national authorities from EU Member States (Spain, Italy and Lithuania); countries outside the European Union, in particular the **Eastern Neighbourhood (Ukraine, Georgia and Moldova)**; and EU-level investigative and prosecutorial bodies (the European Public Prosecutor's Office, the European Anti-Fraud Office and Europol).



The Head of the Investigations Division kicked off the event and led the first panel discussion on “Success stories and challenges of cross-border cooperation in investigations.” Over two days, the participants discussed many topics relevant to the international investigative community, from real examples of cooperation and information sharing in investigations, to analysing the increasing threat of cyber fraud and exchanging best practices and tools for deterring and investigating such crimes.



One of the main sessions was devoted to strengthening cooperation with Ukrainian law enforcement authorities. It began with an overview of the EU and EIB financial support packages for Ukraine, presented by the EIB and OLAF. The Deputy Prosecutor General of Ukraine, and representatives of the Ukrainian Economic Security Bureau and the State Bureau of Investigations of Ukraine, each gave an overview of their organisation's mandate and critical challenges due to the war. The session

ended with a discussion on how EU investigative bodies, including the Investigations Division at the EIB, can further support the Ukrainian authorities in strengthening their capacities and expertise to investigate alleged misuse of EU/EIB funds.

Inspector General Monique Koning noted in her concluding remarks, “We have a common mission and purpose of protecting public funds, be it EU funds, EIB loans or national funds. We are accountable towards European citizens and citizens worldwide, to ensure that the money reaches their intended beneficiaries, but also to preserve the reputation and trust of our organisations. When we act together, we can make a difference in the fight against fraud and corruption.”

OTHER EVENTS AND SEMINARS

OLAF Anti-Fraud Communicators Network OAFCN, March 2023

Europol, Forensic Experts Forum, April 2023

World Bank, International Corruption Hunters Alliance, June 2023

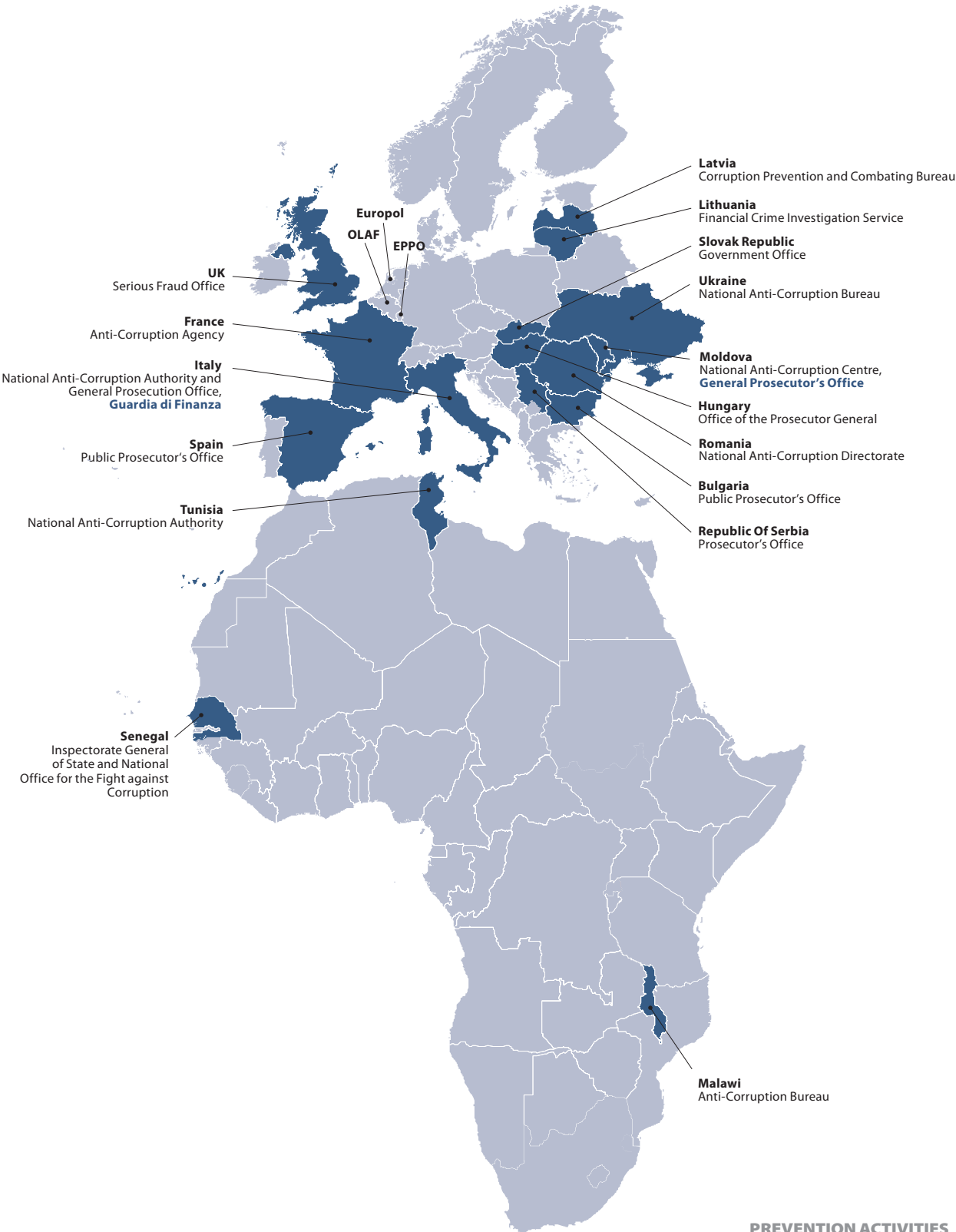
Europol, Cybercrime Conference, October 2023

InvestigAid, Investigating in Emergency Situations, November 2023

COOPERATION WITH NATIONAL AUTHORITIES

This map below indicate the cooperation arrangements in place between the EIB and its partners in the fight against fraud and corruption worldwide.

Cooperation arrangements between the EIB and its national partners in combating fraud and corruption



LOOKING AHEAD TO 2024

The Investigations Division intends to focus on resolving cases either through settlements or by referring them to the Exclusion Committee. It also plans to work on the functionality of its case management system. Furthermore, it plans to enhance its computer forensics capabilities while continuing to explore the possibilities offered by new technologies, and will utilise machine learning.

In the area of prevention and proactive detection, the Investigations Division envisages to focus on improving the fraud risk scoring tools by using AI in cooperation with IT. It also plans to strengthen internal and external awareness and international cooperation by working with national and international investigative, prosecution and anti-corruption offices. The division plans to hold fraud awareness training for various EIB Group services and maintain the EIB Fraud Fighters Network as a platform for dialogue with national and EU partners. It also plans to participate in joint initiatives, sharing best practices and expertise with investigative offices of other multilateral development banks and international financial institutions.

With the substantial support it is providing to Ukraine, the Bank is committed to ensuring that all funds reach the hundreds of projects benefiting the Ukrainian people. The Investigations Division plans to strengthen its cooperation with Ukrainian law enforcement and anti-corruption authorities. Specific actions planned include strengthening ties with Ukrainian law enforcement through Memoranda of Understanding, exchanging information and collaborating during investigations. Bespoke training is planned to be provided for Ukrainian law enforcement agencies, borrowers, promoters and financial intermediaries.

ANNEX KEY POLICIES AND DOCUMENTS

- The **EIB Group Anti-Fraud Policy** outlines the principles applied by the EIB Group for preventing, detecting and deterring prohibited conduct.
- The **EIB Exclusion Policy** sets out the procedures for excluding entities and individuals found to have engaged in prohibited conduct.
- The **EIB Group Whistleblowing Policy** sets out clear channels for any relevant persons to report misconduct. It also aims to ensure maximum protection for whistleblowers acting in good faith or persons associated with a whistleblower, and condemns retaliatory action or reprisals.⁶
- The **EIB Group Staff Code of Conduct** lays down the internal rules and practical arrangements applicable in matters of professional ethics for EIB Group staff members.⁷
- The **EIB Group Dignity at Work Policy** aims to foster a positive working environment and ensure that all employees are treated with dignity and respect.⁸

6. This policy is administered by the EIB Compliance function.

7. This policy is administered by the EIB Compliance function.

8. This policy is administered by the EIB HR function.

ACRONYMS AND INITIALISMS

CII	Conference of International Investigators
CRIP	Corruption Risk in Procurement
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
IG/IN	Inspectorate General’s Investigations Division
MDB	Multilateral development bank
OLAF	European Anti-Fraud Office
PIR	Proactive Integrity Review



INVESTIGATIONS ACTIVITY REPORT

2023