



FOLKETINGET
STATSREVISORERNE



FOLKETINGET
RIGSREVISIONEN

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Extract from Rigsrevisionen's report
submitted to the Public Accounts Committee

The Danish Agricultural Agency's administration of applications for support with clear indications of fraud

1. Introduction and conclusion

1.1. Purpose and conclusion

1. This report flows from an earlier report on the administration of support for farmers that was published in May 2021 and worked out by Rigsrevisionen in the period from April 2020 to May 2021.

2. In October 2021, Rigsrevisionen received anonymous information concerning the Danish Agricultural Agency's response to Rigsrevisionen's request for information for the report on the administration of support to farmers. It appeared from the anonymous information that the Agricultural Agency had deliberately withheld information from Rigsrevisionen. The results of a subsequent review of the cases about which Rigsrevisionen had not received any information, caused Rigsrevisionen to initiate this study on the agency's processing of all the 127 cases that the Danish government's legal adviser assessed for fraud in 2018 and 2019. These cases were all included in Rigsrevisionen's request for information for the report that was published in May 2021.

This study is based on the legal adviser's final recommendations from 2018 and 2019 to the Agricultural Agency concerning a number of cases that should be reported to the police. Thus, these recommendations include cases with clear indications of fraud.

3. The purpose of the study is to assess whether the Danish Ministry of Food, Agriculture and Fisheries has administered cases with clear indications of fraud in a satisfactory manner.

4. Rigsrevisionen initiated the study in December 2021.

The legal adviser's 57 recommendations on reporting of potential fraud cases to the police

In 2018 and 2019, the legal adviser to the government worked out 57 final recommendations to report potentially fraudulent cases to the police. The recommendations were discussed with and approved by the Agricultural Agency. The 57 recommendations comprise 100 out of 127 cases. Out of the 57 recommendations made by the legal adviser, the Agricultural Agency has filed 30 reports with the police. These 30 reports comprise 63 cases. The Agricultural Agency has not followed the legal adviser's qualified recommendations concerning 25 of the 57 final recommendations to report cases to the police. The 25 recommendations comprise 33 cases. Additionally, the Agricultural Agency has not followed the legal adviser's recommendations in full regarding two of the 57 recommendations. The two recommendations comprise four cases.



Main conclusion

Farmers' applications for support with clear indications of fraud have been administered in a very unsatisfactory manner by the Ministry of Food, Agriculture and Fisheries, which entails a risk that criminal liability lapses and that not all relevant cases are reported to the police.

The Agricultural Agency's administration of applications with clear indications of fraud is inadequate

The legal adviser to the government submitted 57 final recommendations to the Agricultural Agency concerning cases that should be reported to the police, but the Agricultural Agency has only reported 30 of the 57 cases to the police. The legal adviser's recommendation concerning two of the cases has not been followed by the Agricultural Agency in full. The recommendation to report the remaining 25 cases to the police was ignored by the Agricultural Agency.

The Agricultural Agency took a long time to process the 30 cases that were reported to the police. In spite of the fact that the Agricultural Agency did not receive any new information on 28 of the 30 cases, the average case processing time from receipt of the legal adviser's final recommendations to the filing of reports with the police was 17 months.

The Agricultural Agency made a reassessment of 17 of the 25 cases that the legal adviser had recommended be reported to the police, but which the Agency did not act on, and decided to continue processing the cases without having received new information. New information was received on the remaining eight recommendations. The new information on six of these eight recommendations emerged from consultations with the implicated parties on whether they could confirm the suspicion of fraud.

The Agricultural Agency forwards cases to the government's legal adviser to obtain a qualified legal assessment of whether fraud has occurred. Cases that the Agricultural Agency itself is capable of assessing should therefore not be forwarded to the legal adviser and go through an unnecessary, expensive and lengthy process. The Agricultural Agency should therefore follow the legal adviser's assessment of the forwarded cases, unless new information of significance to the legal adviser's recommendations emerges. Documentation of new information must be filed on the case.

13 of the 22 suspected fraud cases, about which Rigsrevisionen did not receive any information, were processed by the Agricultural Agency although it was unclear whether the agency had legal authority to do so. There may therefore be a risk of deficiencies in the agency's management of agricultural support for farmers that are suspected of fraud

The Agricultural Agency continued processing 13 applications for support that involved an applicant who was suspected of fraud in other cases. The agency did so contrary to the assessment made by the legal adviser and without ascertaining whether this approach was in accordance with current regulations. Rigsrevisionen has noted that the Agricultural Agency made payments in the amount of approx. DKK 4.7 million in these 13 cases.

The Ministry of Food, Agriculture and Fisheries recognizes that it can be questioned whether the Agricultural Agency is permitted to continue processing of cases, when an applicant is suspected of fraud in other cases. The Agricultural Agency has consulted the European Commission for clarification of this issue.

Additionally, Rigsrevisionen strongly criticizes the fact that the Agricultural Agency breached the Danish Auditor General Act by omitting to ensure that Rigsrevisionen received all the information requested

When Rigsrevisionen requested information for the May 2021 report on the administration of support for farmers, the Agricultural Agency submitted an overview to Rigsrevisionen that did not provide information on all the cases that had been forwarded to the legal adviser for assessment of potential fraud. Information on 22 out of 127 was not included in the material received by Rigsrevisionen. The Ministry of Food, Agriculture and Fisheries has informed Rigsrevisionen that this was due to a regrettable error caused by the agency's inadequate quality assurance.

The Ministry of Food, Agriculture and Fisheries has generally conceded that information, including the passing of information to Rigsrevisionen, was handled in a way that is worthy of criticism, and that the administration of fraud cases has been inadequate.