


Procedure file

Basic information		
INI - Own-initiative procedure	1997/2043(INI)	Procedure completed
Tourism sector: fraud and irregularities		
Subject 4.50 Tourism		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		16/12/1996
		PSE WEMHEUER Rosemarie	
	Committee for opinion	Rapporteur for opinion	Appointed
	TRAN Transport and Tourism		26/02/1997
		PSE CUNNINGHAM Tony A.	

Key events			
14/03/1997	Committee referral announced in Parliament		
03/02/1998	Vote in committee		Summary
03/02/1998	Committee report tabled for plenary	A4-0049/1998	
16/02/1998	Debate in Parliament		
17/02/1998	Decision by Parliament	T4-0064/1998	Summary
17/02/1998	End of procedure in Parliament		
16/03/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2043(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/08714

Documentation gateway					
Committee report tabled for plenary, single reading		A4-0049/1998 OJ C 080 16.03.1998, p. 0004	03/02/1998	EP	
Text adopted by Parliament, single reading		T4-0064/1998 OJ C 080 16.03.1998, p. 0017-0036	17/02/1998	EP	Summary

Tourism sector: fraud and irregularities

The Committee on adopting by a substantial majority the report by Rosemarie WEMHEUER (PES, D) on the Commission's handling of fraud allegations in the tourism sector. In a strongly worded text the Committee found that since 1989 the Commission had, after unjustified delay, provided Parliament with incomplete and misleading information about the extent of fraud and corruption within its own services and the measures taken to deal with it. It also noted that the Commission had been slow to act against the persons concerned, at either the disciplinary or judicial level, delaying in some cases the progress of criminal investigations, and only moving when the force of public opinion made action unavoidable. Such behaviour the Committee considered, formed part of a wider administrative culture which placed the avoidance of public criticism above the need to deal effectively with internal mis-management and mal-practice. In the circumstances, Parliamentary supervision of the Commission was fundamentally undermined and public confidence in the EU institutions seriously threatened. In conclusion the Committee called for a sweeping reappraisal of the relationship between Parliament and the Commission, with new powers of democratic control for the EP urgently required to reaffirm the principle of accountability in a Commission grown accustomed to a bureaucratic culture lacking in transparency. Furthermore the Committee felt that Parliament should not rule out the creation of a Committee of Inquiry and that the 1996 discharge should not be granted until Parliament had been fully informed in a satisfactory manner. Before the vote Commissioner Erkki LIIKANEN had expressed regret that the Commission had not acted as rapidly as it should have done on the tourism case. "The Commission accepts, he said, that many aspects could and should have been handled differently". He then explained the measures taken since 1995, when the present Commission came into office. These included measures to bring about sound and efficient management, restructure DG XXIII and ensure that a situation similar to the one in the tourism sector be avoided in the future. "We have learned the lessons he concluded, the Commission will be providing the European Parliament with full information". This report would not rule out a future Committee of Inquiry into this subject.

Tourism sector: fraud and irregularities

Adopting the report by Mrs Rosemarie WEMHEUER (PSE, D) concerning the European Commission's conduct in respect of alleged fraud and irregularities in the tourism sector, the European Parliament concluded that: - since 1989 the Commission had withheld important information from Parliament or had provided information only after delays and, at times, had provided misleading information on the extent of fraud and corruption within its services; - the Commission had been slow to take the necessary disciplinary action against officials suspected of fraud and had still not take action against senior officials responsible. Parliament stressed that, in certain cases, the Commission had delayed the progress of criminal investigations by refusing to comply with requests for the waiver of official immunity. Parliament took the view that this reflected lax, unsatisfactory and irregular administrative practices which had been tolerated until they became public knowledge; - the accountability of the Commission to the political and judicial authorities of the Member States was neither guaranteed nor enforceable. It added that its power of discharge was subverted by its inability to obtain accurate information, thereby seriously compromising public confidence in the European institutions; - the investigations carried out were characterised by poor coordination between the Commission and the national departments affected by the fraud. In conclusion, the European Parliament called for re-examination of the reasons for which neither the European Parliament nor national judicial authorities were informed of the actions taken by Commission officials. It considered that reforms were necessary to make the Commission a more open and accountable administration and proposed the implementation of an interinstitutional agreement in which the Commission has the same obligations towards the Committee on Budgetary Control of the European Parliament as it has in the committee of inquiry procedure (Parliament decided against proposing the setting up of a committee of inquiry as requested by its Committee on Budgets). It called on the Commission to submit regular information on the list of all current internal investigations and a list of all special audits carried out by the directorate-general for financial control. Finally, it announced that it would not grant the 1996 discharge until the information had been provided in a form acceptable to Parliament and the Commission had taken the necessary steps to inform the relevant national legal authorities. It also instructed its Committee on Budgetary Control to reform its internal structures and procedures in order to take account of the growing importance of its control tasks.?