


# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) <a href="#">2001/2036(COS)</a>	Procedure completed
Fight against fraud and protection of the Communities' financial interests. Annual report 1999	
Subject 8.70.04 Protecting financial interests of the EU against fraud	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control	PSE <a href="#">BÖSCH Herbert</a>	05/12/2000
Council of the European Union European Commission	Commission DG <a href="#">European Anti-Fraud Office (OLAF)</a>	Commissioner	

Key events			
08/11/2000	Non-legislative basic document published	COM(2000)0718	Summary
27/02/2001	Vote in committee		Summary
27/02/2001	Committee report tabled for plenary	<a href="#">A5-0078/2001</a>	
28/02/2001	Committee referral announced in Parliament		
13/03/2001	Debate in Parliament		
14/03/2001	Decision by Parliament	<a href="#">T5-0140/2001</a>	Summary
14/03/2001	End of procedure in Parliament		
05/12/2001	Final act published in Official Journal		

Technical information	
Procedure reference	2001/2036(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed

## Documentation gateway

Non-legislative basic document		COM(2000)0718	08/11/2000	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A5-0078/2001</a>	27/02/2001	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0140/2001</a> <a href="#">OJ C 343 05.12.2001, p. 0106-0187</a>	14/03/2001	EP	Summary

## Fight against fraud and protection of the Communities' financial interests. Annual report 1999

**PURPOSE :** to present the 1999 annual report from the Commission on protecting the Communities' financial interests and the fight against fraud. **CONTENT :** 1999 marked an important milestone, and establishing the new Anti-Fraud Office was a major priority for the Commission that meant not only assigning staff but also laying down a new anti-fraud strategy aiming to forge closer partnership with the Member States. This report for 1999 not only gives an account of OLAF's "non-operational" activities but, like previous reports, records the measures taken by other Commission Directorates-General and services to protect Community financial interests and crack down on fraud. As in the previous years this report makes a distinction between "fraud" and "irregularities" on the basis of the Member States' regulation reporting activities. Broadly speaking, the rate of established or suspected frauds and irregularities is comparable to previous years. The only significant new trends, in terms of cases reported and amounts involved, concerned structural measures (Structural Funds and Cohesion Fund); this reflects greater efforts made by the Member States to inspect and detect. The report sets out the main events of 1999, highlighting recent trends wherever possible. First, there is a presentation of the reforms of anti-fraud strategy and of developments in the horizontal legal arsenal (first and third pillars) for the protection of the Community's financial interests, referring particularly to protecting the euro against counterfeiting, in the sectoral regulations (own resources, customs and indirect taxation, agricultural and structural expenditure, and direct expenditure administered by the Commission and in cooperation with the Member States and non-member countries, including the candidate countries. The report also contains a chapter which describes the current position regarding protection of the Community's financial interests in terms of Article 280 of the EC Treaty and lays the basis for a new *modus operandi* within existing structures (e.g. Advisory Committee for the Coordination of Fraud Prevention) to be established in 2001, in time for the next report.?

## Fight against fraud and protection of the Communities' financial interests. Annual report 1999

The committee adopted the report by Herbert BÖSCH (PES, A) on the Commission's 1999 annual report. The committee stressed that some very serious cases of fraud came to light in 1999, the complete clearing-up of which would constitute a test case for the effectiveness of the EU's anti-fraud office (OLAF) and for the Commission's credibility. The Commission now had to demonstrate that it intended to follow up its declarations about combating fraud and corruption. The committee also highlighted the case of irregular payments at the Commission's office in Stockholm. The amounts involved were admittedly small but the case had done enormous damage to the EU's standing. According to the OLAF Supervisory Committee, the organisation of the protection of the EU's financial interests had not yet noticeably improved, which was partly due to the fact that OLAF was being prevented from recruiting qualified staff. The committee repeated its view that OLAF and its director must be made independent of the Commission for the purpose of conducting its investigations. OLAF must also obtain the wholehearted cooperation of the staff of the Community institutions as well as the police and judicial authorities in the Member States. Lastly, on the need for Parliament to be kept informed, the committee stressed that in order to exercise its powers of scrutiny, Parliament needed unobstructed access to the reports drawn up by OLAF. In addition, the Director of OLAF should submit a full list of all cases under investigation involving fraud, corruption or other unlawful activities against the Community budget, a list which would have to be updated quarterly.?

## Fight against fraud and protection of the Communities' financial interests. Annual report 1999

The European Parliament voted to adopt the resolution drafted by Mr Herbert BÖSCH (PES, A) on the Commission's annual report on the protection of the Communities' financial interests and the fight against fraud. (Please refer to the previous document). It should also be noted that the European Parliament calls on the Commission once more to make proposals, on the basis of Article 280 of the current Treaty, which would allow for the early appointment of a European Public Prosecutor whose jurisdiction would be limited - initially - to criminal offences committed against the EU's financial interests by members and employees of the EU institutions and who would have the task of heading the relevant OLAF investigations. The Commission's proposals should also cover issues including cooperation between the EU institutions and national judicial authorities and the use of OLAF's powers to bring proceedings. Moreover, the House also welcomed the fact that a number of Member States had now joined the action being brought by the Commission against the big American tobacco companies. In view of the differences that exist between Member States on ways of notifying irregularities and frauds, the Commission is urged to develop a standard methodology which classifies irregularities by degrees of gravity, in order to obtain a precise picture of the extent of the problems to be resolved. Lastly, Parliament should have ready access to OLAF reports in order that it can carry out its tasks of monitoring and controlling the budget.?