


# Procedure file

Basic information	
INI - Own-initiative procedure	2002/2237(INI)
Procedure completed	
Commission's progress report on the European Anti-Fraud Office OLAF activities	
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>	04/11/2002
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Environment</a>	<a href="#">2556</a>	22/12/2003

Key events			
19/12/2002	Committee referral announced in Parliament		
03/11/2003	Vote in committee		Summary
03/11/2003	Committee report tabled for plenary	<a href="#">A5-0393/2003</a>	
03/12/2003	Debate in Parliament		
04/12/2003	Decision by Parliament	<a href="#">T5-0551/2003</a>	Summary
04/12/2003	End of procedure in Parliament		
22/12/2003	Resolution/conclusions adopted by Council		

Technical information	
Procedure reference	2002/2237(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/5/16930

Documentation gateway					
Committee report tabled for plenary, single reading		<a href="#">A5-0393/2003</a>	03/11/2003	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0551/2003</a> OJ C 089 14.04.2004, p. 0036-0162 E	04/12/2003	EP	Summary

## Commission's progress report on the European Anti-Fraud Office OLAF activities

The committee adopted the own-initiative report drawn up by Herbert BÖSCH (PES, A) in response to the Commission's progress report on the activities of the EU anti-fraud office OLAF. The committee was sharply critical of OLAF and called for strong leadership, clear priorities and a clear investigation policy at the anti-fraud office as well as a greater role for OLAF's Supervisory Committee. MEPs criticised the inefficiency of OLAF's investigations, the inadequate protection of the rights of people affected by its enquiries and inconsistencies in OLAF's communication policy: it demands silence from the institutions being investigated but itself divulges information to the media. The committee also criticised the Commission for presenting its report on OLAF's activities more than a year late and for not addressing the serious problems identified. The committee demanded that an audit be carried out at OLAF as of January 2004 to assess the effectiveness of its investigations. The audit should come under the responsibility of the Supervisory Committee, which consists of five independent outside individuals appointed by common accord of the Parliament, Council and Commission. The Supervisory Committee should ensure in future that the rights of people affected by OLAF investigations are respected and should approve new rules, to be drafted by the director of OLAF, governing its investigative activities and the information it provides on these activities. The Supervisory Committee secretariat should be moved from OLAF itself to the European Parliament. OLAF's budget should have a separate heading, in the same way as the Ombudsman's. MEPs said that, in establishing its working programme for 2004, OLAF should give priority to investigations where national authorities have no particular interests or powers, such as investigations within the EU institutions and agencies. At least 140 posts should be made available for internal investigations. MEPs also criticised the fact that the post of coordinator of anti-fraud activities in the accession countries had not yet been filled. Other recommendations made by the committee were for more effective controls of directors-general in order to avoid misuse of power, for example by having the DGs' internal auditors answer to the central internal auditor rather than to their director-general; and ensuring better protection of whistle-blowers and the possibility for EU civil servants to address OLAF directly, without informing their own superiors. In its final reports OLAF should include a recommendation for a thorough investigation of any inadequate administrative structures. The anti-fraud office should also carry out a detailed analysis of those sectors in which most investigations have been launched, namely the structural funds, trade, customs, aid, agriculture and direct expenditure. Member States should identify which national authorities should assist OLAF with on-site checks. Finally, MEPs called on the Commission to advertise the post of Director of OLAF in spring 2004, as the present Director's appointment was due to end in March 2005 and the procedures for this appointment take a long time. ?

## Commission's progress report on the European Anti-Fraud Office OLAF activities

The European Parliament adopted a resolution based on the own-initiative report drafted by Herbert BösCH (PES, A) on OLAF. (Please refer to the summary dated 03/11/03.) The vote was adopted with 381 votes in favour, 88 against and 18 abstentions. Parliament noted that the progress report has already been overtaken by events, because it provided no answers to serious problems in the Office's investigative activities which have now become obvious as a result of the Eurostat case. This is further proof that it was a mistake to concentrate the competences for drawing up the budget and keeping accounts and for combating fraud in the hands of one Member of the Commission, because this inevitably creates a conflict of interest. On the matter of internal investigations, Parliament came to the following conclusions on the basis of the internal investigations carried out in the European Parliament: - OLAF must inform the European Parliament if an investigation takes more than nine months. It must also contact the European Parliament at any time if parliamentary measures seem necessary to protect the rights of the parties concerned, the financial interests of the institution, or the investigation; - final reports which are forwarded to the European Parliament should also take account of which information needs to be available to whom; - the European Parliament should establish rules in collaboration with OLAF as to how final reports on internal investigations should be handled in the European Parliament. On external investigations, Parliament stressed the importance of OLAF's acting when the Member States have no opportunity to intervene or do not want to take action, e.g. in the case of direct expenditure. It asked OLAF to clarify by May 2004 how its cooperation with the Member States operates and how it could be improved (e.g. by a service platform). In particular, national authorities should take on a greater role in investigations of fraud and other illegal activities (e.g. by on-site checks), in accordance with the subsidiarity principle. ?