


Procedure file

Basic information		
INI - Own-initiative procedure	2003/2248(INI)	Procedure completed
Fight against fraud and protection of the Communities' financial interests. Annual report 2002		
Subject 8.70.04 Protecting financial interests of the EU against fraud		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		29/09/2003
		PSE BÖSCH Herbert	
	Committee for opinion	Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs		
	JURI Legal Affairs		
	LIBE Civil Liberties, Justice and Home Affairs		
European Commission	Commission DG European Anti-Fraud Office (OLAF)	Commissioner	

Key events			
23/07/2003	Non-legislative basic document published	COM(2003)0445	Summary
04/12/2003	Committee referral announced in Parliament		
08/03/2004	Vote in committee		Summary
08/03/2004	Committee report tabled for plenary	A5-0135/2004	
29/03/2004	Debate in Parliament		
30/03/2004	Decision by Parliament	T5-0223/2004	Summary
30/03/2004	End of procedure in Parliament		

Technical information	
Procedure reference	2003/2248(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report

Legal basis	Rules of Procedure EP 148-p2; Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/20477

Documentation gateway

Non-legislative basic document	COM(2003)0445	23/07/2003	EC	Summary
Committee report tabled for plenary, single reading	A5-0135/2004	08/03/2004	EP	
Text adopted by Parliament, single reading	T5-0223/2004 OJ C 103 29.04.2004, p. 0037-0435 E	30/03/2004	EP	Summary

Fight against fraud and protection of the Communities' financial interests. Annual report 2002

PURPOSE: The 2002 Annual Report on the Protection of the Financial Interests of the Communities and the fight against fraud
CONTENT: As in previous years the purpose of this Report is to present what action the Commission has taken with regard to protecting the Community's financial interests. Three aspects are covered. They are: - Community Initiatives - Measures taken by the Member States - Results of operational activities taken by Member States and the Commission to uncover fraud. Generally speaking, the 2002 Annual Report, highlights the interlinking of responsibilities between the various actors involved in anti-fraud activities and how these relate to one another at the different levels - national and EU. The Report notes that the improved flow of information from the Member States allows for better reporting on anti-fraud activities. Commission findings indicate that risks are better covered, especially from the point of view of checks and controls, whether they be controls on operations, audits, investigations and/or prosecutions. Coordination and co-operation amongst the various actors involved in anti-fraud activities are in line with the four axes of the "Strategic Approach". Community level activities are covered by Title I; National level activities are covered by Title II. Title III, on the other hand, throws light on how investigations are being controlled as well as the recovery process. The overall strategic approach on the fight against fraud allows the Commission, with the help of the Member States, to implement certain specific activities.?

Fight against fraud and protection of the Communities' financial interests. Annual report 2002

The committee adopted the own-initiative report drawn up by Herbert BÖSCH (PES, A) in response to the Commission's 2002 annual report on the fight against fraud and protection of the Communities' financial interests. MEPs' verdict was that many of the parties concerned could do better. MEPs believed the Commission should review its policy of decentralising responsibility for financial management, separate the competences for the budget, the accounts, financial control and combating fraud - which are now in the hands of a single Commissioner - and speed up the implementation of its action plan announced in November 2003, as well as its proposals for amending the OLAF regulation. The Member States should take the reporting and the follow-up of irregularities and fraud more seriously. And OLAF should always forward information liable to result in criminal proceedings to the competent judicial authorities. It should also make its activity reports more coherent and complete its internal reorganisation by July 2004 at the latest. MEPs were stunned to learn that in the agricultural sector, where the total sum of money implicated was over 198 million euros, the product concerned could not be identified in 50% of the cases. Specific cases which the committee singled out for criticism included the export of more than 200 000 live cattle to Lebanon - a country which does not possess the processing capabilities required. MEPs called on the Commission to halt the payment of export refunds for cattle going to Lebanon immediately pending further investigation and called on OLAF to start its own investigation. More generally, the committee urged the Commission to abolish the entire system of export refunds, which is prone to abuse. The outsourcing of Commission activities was another point of grave concern to MEPs, who felt that external firms should be contracted to carry out work on behalf of the Commission in exceptional cases only. They also pointed out that the poor handling of public tenders was costing taxpayers billions of euros extra every year. OLAF should therefore report all breaches of the rules governing tendering procedures to the judicial authorities. MEPs also questioned the case of Tempus-Phare training seminars for senior Romanian civil servants, organised by the Université Libre de Bruxelles and said the ULB should pay back the funding allocated for this programme, should no adequate evidence be provided that these officials actually took part in the seminars. Lastly, the committee voiced general disappointment with OLAF's annual report for the year ending 2003 and particularly with the express omission from that report of the Eurostat case.?

Fight against fraud and protection of the Communities' financial interests. Annual report 2002

In adopting a report by Herbert BösCH (PES, A), Parliament called on all EU institutions and bodies and the Member States to do much better in the fight against fraud in the EU. The House is of the opinion that the Commission should review its policy of decentralising responsibility for financial management, separate the competences for the budget, the accounts, financial control and combating fraud and speed up the implementation of its action plan announced last November, as well as its proposals for amending the OLAF regulation. The Member States in particular, which pay out some 80 to 90% of EU funds, should take the reporting and the follow-up of irregularities and fraud more seriously. More generally, the Parliament urged the Commission to abolish the entire system of export refunds, which is prone to abuse. The outsourcing of Commission activities was another point of grave concern for the Parliament.?