# Fight against fraud: protection of the Communities' financial interests, strategic approach

2000/2279(COS) - 04/12/2000

The committee adopted the report by Diemut THEATO (EPP-ED, D) calling for tougher measures to protect the EU's financial interests. The committee stressed that fraud and irregularities remained a great problem for the EU. In 1999, for example, more than 140 000 cases were detected, amounting to EUR 339m, of which less than EUR 120m (36%) was subsequently recovered. The report pointed out that the ultimate victim of such fraud was the European taxpayer and therefore endorsed the four main lines of action proposed by the Commission in the short term. The committee acknowledged the progress made as a result of the entry into force of Article 280 of the EC Treaty (May 1999) and the establishment of OLAF (although this body was not yet fully operational), but noted that the legal and institutional framework was inadequate for effectively combating fraud. It therefore called for OLAF to be given full independence, above all from the Commission, in terms of its staffing and operational activity, and reaffirmed the call for priority to be given, when filling posts in OLAF, to experienced inspectors, investigators and prosecuting officers from the Member States. It also called for the strengthening of the role of the OLAF Supervisory Committee in order to ensure the rights of the defence of parties concerned in an investigation. The committee also wanted OLAF to establish a 'liaison centre' responsible for monitoring investigations and for relations with national judicial authorities. OLAF should also have a unit responsible for recovering the amounts defrauded. The report strongly backed the Commission proposal to set up a European Public Prosecutor's Office and called for an early appointment to the post of public prosecutor. The prosecutor's jurisdiction, the committee emphasised, should be limited, as an initial step, to criminal offences against the financial interests of the EU committed by members and employees of the EU institutions. An EPP would have the task of heading the related OLAF investigations and facilitating the prosecution of such offences in the appropriate national courts. The report stressed the need for the European Central Bank and the European Investment Bank to accede to the interinstitutional agreement relating to OLAF. Lastly, it called on the Commission to make an assessment of the candidate countries' laws in terms of the repression of potential fraud against the EU budget, in particular by organised crime.