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

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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.