Fight against fraud: investigations by the European Anti-Fraud Office OLAF

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This report consists of the European Anti-Fraud Office (OLAF) Supervisory Committee's report from the period September 2001 to June 2002. This third activity report marks both the completion of the first Supervisory Committee's term of office and the end of the three-year period following which the institutions must examine how the system has operated in order to adapt or supplement it, where necessary. Having treated its last annual report as a general stock-taking exercise, the Committee has not formulated any proposals or recommendations, as it did in its first two reports, but has concentrated on presenting an assessment of progress in achieving the objectives of the Regulation and of OLAF's status. On the basis of this stocktaking exercise, the Committee feels that OLAF's tasks must now be consolidated so that it can be made to operate in a way that meets these objectives. This should pave the way for the establishment of the European Public Prosecutor, which the Committee considers as vital for the establishment of a complete, coherent system for protecting financial interests. In practice, this report demonstrates that OLAF does not fully enjoy the legal, administrative and budgetary autonomy that would allow it to set up structures offering an adequate guarantee of its independence and of the proper conduct of investigations. However, the Committee feels that, the decisive guidelines having been adopted, we can and must envisage consolidating OLAF's status, structure and mission, as a vital step towards achieving the aims laid down by the legislator. Consolidation should cover: - OLAF's administrative, budgetary and legal autonomy, with its status probably developing along similar lines to that of the European Ombudsman, - the operational level, i.e. the development of an investigation policy, scrutiny and control of the management of investigations and operations, checks on legality, the safeguarding of individual rights and effective follow-up, - the definition of OLAF's mission and how it relates to the spheres of responsibility of its partners (institutions and Member States), in order to develop, spell out and enhance its specific role as an independent investigative body seeking to protect financial interests, - the function and the status of the Supervisory Committee as an independent interinstitutional body. Lastly, a consolidation exercise of this kind, which could then be assessed by a management audit, would allow OLAF to function effectively and fulfil properly the mission assigned to it by the legislator. It would also prepare OLAF to take up its place in a complete, coherent system for protecting financial interests, the need for which no longer requires any demonstration.