

Protection of the financial interests of the Communities, fight against fraud. 2004 annual report

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The committee adopted the own-initiative report drawn up by Herbert BÖSCH (PES, AT) in response to the Commission's 2004 annual report on protection of the financial interests of the Communities and the fight against fraud. The committee criticised individual Member States' efforts and the Commission's lack of efforts to improve the situation, and also called on the European Anti-Fraud Office (OLAF) to reform itself in order to confirm its credibility.

The report stressed that the importance of year-on-year fluctuations in losses reported should not be overestimated and that they may be affected by a wide variety of factors. However it singled out certain members of the EU for criticism, saying that it was completely unacceptable that there were still 'old' Member States (Germany, Greece and Spain) failing to forward notifications on irregularities to the Commission electronically, that those notifications were incomplete and that they were forwarded with several years' delay. It pointed out that Spain and Germany accounted for more than 65% of losses. The committee accordingly called for a report from the Commission "setting out the steps it has taken to prevail upon the Member States concerned to fulfil their Treaty obligations".

MEPs emphasised that falling figures in the area of agriculture were also the result of the effective operation of the integrated administration and control system (IACS) and therefore insisted that that system be used in all Member States. They pointed out that customs, agriculture and external aid had proved to be particularly susceptible to fraud, and stressed that OLAF put the financial loss resulting since 2000 from cigarette smuggling and the marketing of counterfeit products at EUR 1 317 m.

Concerning the groundwork for amending the OLAF regulation, the report said that Parliament would not endorse any proposal which would restrict the prerogatives it had enjoyed to date, and that it wanted to see all OLAF's investigatory powers grouped together in a single regulation. As far as priorities and prospects were concerned, MEPs backed the Court of Auditors' recommendation that OLAF's activities should be "geared to its investigative function".

The committee expressed concern at the financial loss caused by lost VAT receipts, much of which stemmed from the problems of applying VAT in intra-Community trade. It pointed out that only actual receipts can be used for levying VAT own resources, and called on the Commission to forward to it a copy of the study that had been commissioned into combating VAT fraud.

MEPs criticised the fact that, to date, the Commission had submitted no interim report on the activities of the 'Eurostat Task Force' despite its having been announced on several occasions. Lastly, they voiced concern, against the backdrop of the current risk of bird flu, that a new trend was emerging involving the illegal import of poultry meat from countries banned by the European Union (particularly China), and called on the Commission and OLAF to take the necessary measures as soon as possible.