

# Recovery of Community funds

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The committee adopted the own-initiative report by Paulo CASACA (PES, PT) on the recovery of Community funds. The report welcomed the three proposals submitted by the Commission as part of the 2002 reform of the Financial Regulation, including a five-year deadline for recovery of sums owed to the Community. It also called on the Member States to prove their compliance with international accounting standards and raised the possibility of the EU developing a common approach in this matter.

The committee referred to some well-known cases of wrongdoing (notably the 'Italburro' scandal over adulterated butter and the 'Blue Dragon' affair involving Spain and France), and stressed that "the Commission should not only seek to recover European funds from a Member State where they have been misused, but should also use its best endeavours to see that wrongdoers are prosecuted and their victims compensated". The possibility of closer cooperation with Eurojust and Europol needed to be explored in order to strengthen the real protection of the Union's financial interests, and an evaluation should be carried out into the possibility of OLAF's full administrative independence from the Commission and the other institutions.

The committee noted that OLAF did not possess suitable information on the quantities of incriminated products, while undertaking the inquiries in a criminal law context had proved "disastrous from the viewpoint of recovery, even if it is true that in strictly legal terms OLAF is entitled, on behalf of the Commission, to contest a national decision". MEPs also recalled that, while in some countries recovery proceedings may be initiated even if a criminal action is under way, in others criminal law has precedence over civil law, so that the existence of an action on the part of a judicial authority makes it impossible to recover the disputed sums. The committee deplored the fact that "in some Member States irregularities and frauds are admitted only in respect of individually proven sums, that is, lot by lot, and that where no lot is present the operator is automatically deemed innocent".

The report said that the creation of the office of European Public Prosecutor would be a decision of major importance, since it would facilitate direct access to the national public prosecutor's offices, thus working in the interests of a more 'joined-up' procedure. This should help reduce complexity, since the result should be a converged use of the European Prosecutor's services. The committee pointed out that, while OLAF enjoys powers of intervention in the context of its inquiries, it does not enjoy judicial powers. The report also noted that the project to establish a European Public Prosecutor must be regarded more as a long-term undertaking, and that, in order to achieve an improvement in the short term, "coordination between Member States' public prosecutors must be central to plans to create added value", in terms of reducing OLAF's workload and protecting the financial interests of the Community.