Basic information

2001/2186(COS) COS - Procedure on a strategy paper (historic) Fight against fraud and protection of the Communities' financial interests. Action plan 2001-2203, annual report 2000 **Subject** 8.70.04 Protecting financial interests of the EU against fraud	Procedure completed

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	BÖSCH Herbert (PSE)	10/07/2001

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2358	2001-06-15
Economic and Financial Affairs ECOFIN	2353	2001-06-05

European Commission

Commission DG	Commissioner
European Anti-Fraud Office (OLAF)	

Key events

Date	Event	Reference	Summary

15/05/2001	Non-legislative basic document published	COM(2001)0255	Summary
05/06/2001	Resolution/conclusions adopted by Council		
15/06/2001	Resolution/conclusions adopted by Council		
22/10/2001	Committee referral announced in Parliament		
06/11/2001	Vote in committee		Summary
06/11/2001	Committee report tabled for plenary	A5-0393/2001	
28/11/2001	Debate in Parliament		
29/11/2001	Decision by Parliament	T5-0644/2001	Summary
29/11/2001	End of procedure in Parliament		
27/06/2002	Final act published in Official Journal		

Technical information

Procedure reference	2001/2186(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/15236

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0393/2001	06/11/2001	
Text adopted by Parliament, single reading		T5-0644/2001 OJ C 153 27.06.2002, p. 0041-0325 E	29/11/2001	Summary

European Commission

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	COM(2001)0254	15/05/2001	Summary
Non-legislative basic document	COM(2001)0255	15/05/2001	Summary
Non-legislative basic document	COM(2002)0348	02/07/2002	Summary
Non-legislative basic document	COM(2003)0445	23/07/2003	Summary

Non-legislative basic document	COM(2004)0573	30/08/2004	Summary

Fight against fraud and protection of the Communities' financial interests. Action plan 2001-2203, annual report 2000

2001/2186(COS) - 29/11/2001 - Text adopted by Parliament, single reading

In adopting this resolution by Herbert BÖSCH (PES, A), Parliament is calling for real improvements in efforts to combat fraud. It notes that detected fraud and irregularities on the revenue side now account for 7.5% of traditional own resources, a total of EUR 1.143m. MEPs are concerned that the real scale of the problem is being obscured by underreporting, i.e. cases that are not detected at all and cases that are detected in the Member States but are not reported to OLAF. Parliament wants to strengthen OLAF's investigation activities and calls for closer cooperation between OLAF and the competent national authorities, as well as for effective parliamentary scrutiny of OLAF investigations. It stresses that the recent cases of irregularities and corruption involving EU funds in Poland and Slovakia must be fully investigated. In addition, it requests the European Court of Auditors to submit to it by the start of 2003 at the latest an opinion on each candidate country showing whether the system of financial control in place in these countries is able to work in a way that will allow the shift to decentralised management of Community funds on accession without jeopardising the Community's financial interests. MEPs also call on the Commission to initiate the relevant investigations in suspected cases of fraud and favouritism related to former Commissioners. Finally, Parliament welcomes the Commission's support for the idea of a European Public Prosecutor to be established by mid-2002. MEPs expect the Commission to examine how to set up such an office, whose remit would initially be confined to internal investigations. MEPs also welcome the Commission proposal to amend the EC Treaty at the earliest opportunity, conferring more extensive powers on the European Public Prosecutor.

Fight against fraud and protection of the Communities' financial interests. Action plan 2001-2203, annual report 2000

2001/2186(COS) - 15/05/2001 - Supplementary non-legislative basic document

PURPOSE: to present a communication from the Commission protecting the Communities' financial interests fight against fraud: Action Plan for 2001-2003. CONTENT: In response to the challenges identified in the overall strategic approach outlined by the Commission in 2000, and without prejudice to more specific initiatives in each Directorate-General or to the operational tasks assigned to the European Anti-Fraud Office by the Commission and the legislator, the Commission intends to implement a number of specific measures over the next three years. This is the purpose of the Action Plan for 2001-2003, the first working programme fully covered by this overall strategic approach. It sets out the priority measures and initiatives to be implemented by Commission departments, including the European Anti-Fraud Office in its non-operational role. As pointed out in the strategic approach adopted by the Commission in 2000, protecting the Communities' financial interests is the business of the Commission and all its departments and of the other institutions of the Member States. This is reflected in the Action Plan for 2001-2003, which lays down the priority measures to be implemented in line with the broad guidelines defined by the multiannual strategic approach: developing an overall anti-fraud policy; fostering a culture of cooperation between all the authorities responsible; an inter-institutional approach to preventing fraud and corruption and strengthening the criminal law dimension. The four challenges are in line with the dynamic of the May 1999 anti-fraud reform and the creation of the European Anti-Fraud Office (OLAF), in response to the high priority attached by the institutions and the Member States to the fight against economic and financial crime. This approach is based on the new Article 280, as amended by the Treaty of Amsterdam, with due regard for the fact that the Commission's special responsibility in this regard is also closely linked with its budget implementation tasks under Article 274 of the EC Treaty. Finally, cooperation between all the competent authorities is crucial to the success of the Action Plan.

Fight against fraud and protection of the Communities' financial interests. Action plan 2001-2203, annual report 2000

2001/2186(COS) - 23/07/2003

The European Commission has published its Annual 2002 Report on the protection of the financial interests of the Communities and fight against fraud. The first part of the report follows the logic of the Overall Anti-Fraud Strategy 2000-2005 but focuses on the outstanding facts in this activity during 2002. In this part, one year before accession, the Commission wished to emphasise the efforts undertaken to integrate the candidate countries in this approach. Moreover, the more specific elements provided by the Member States this year help highlight the importance of a good organisation of different levels of checks and controls, including investigations for the specific purposes of the fight against fraud. The presentation is punctuated with some exemplary cases. Moreover, the report provides a full and detailed summary of the measures planned for 2002 in the 2001-2003 Action Plan which is annexed: the summary table thus gives the essential elements in terms of responsibility, timetable and follow-up to appreciate the state of progress of this programme. As for 2004-2005, the Commission will prepare a new Action Plan on the basis of the Overall Strategic Approach 2000-2005 which will of course take into account the recommendations made in the Report on the Evaluation of the activities of the European Anti-Fraud Office, the opinion of the Supervisory Committee and the guidelines defined by the other institutions. Part II of the Commission report covers specifically the measures taken by the Member States to implement Article 280. This presentation includes certain information communicated by the Member States on their control activity and its results. It reports on their efforts to coordinate their inspection and investigation services from the

threefold angle of the monitoring of operations, audit of systems and anti-fraud investigations. Part III of the Commission report presents the statistical data concerning the level of frauds and other irregularities as well as the results in terms of recovery and of action by the Member States and the Commission departments. These results are analysed from the point of view of the detection of frauds and other irregularities, as they are communicated by the national administrations in accordance with the obligations provided for by the sectoral regulations. Given the incomplete and not very homogeneous nature of the data transmitted last year, the Commission first gives an account of the progress achieved in the electronic communication of data. Subsequently, the Commission endeavours to carry out a first analysis of the irregularities communicated, according to a budgetary (income/expenditure) and sectoral approach which reflects the major Community policies. As a general rule, the 2002 report shows the interlinking of the responsibility between the different actors and the convergence in the different levels (Community and national). The information provided by the Member States allows for better reporting on the activity of the different services involved in the protection of financial interests. The analysis carried out by the Commission shows that risks are better covered, especially from the point of view of checks and controls, whether they be controls of the regularity of operations, audit of systems, investigations and prosecutions. The coherence that it notes between the variousfunctions, including specific action against fraud, in line with the four axes of the Strategic Approach, appears at both the Community level (Title I) and the national (Title II). Title III throws further light, on the basis of frauds and other irregularities notified by the Member States, on the control and investigation systems, their adaptation to the risks and their results from the point of view of recovery. The presentation therefore consolidates the complementarity logic recommended by the Overall Strategic Approach of the fight against fraud, which makes it possible for the Commission, in addition to the action proper of the Member States, to implement the means at the disposal of the Community.

Fight against fraud and protection of the Communities' financial interests. Action plan 2001-2203, annual report 2000

2001/2186(COS) - 30/08/2004

The European Commission has published its annual report 2003 on the protection of the European Communities' financial interests and the fight against fraud. To recall, Treaty establishing the European Community calls on the Commission in cooperation with the Member States, to transmit each year to the European Parliament and the Council a report on the measures taken to implement Article 280 concerning the protection of the Communities' financial interests. In accordance with the principle of shared responsibility in this field, the 2003 report presents successively the activities of the Community during the year and the measures taken by the Member States.

The priorities of the Community to protect its financial interests and to fight against fraud were established by the Overall Strategic Approach of 28 June 2000 for the period 2000-2005 and implemented by the 2001-2003 Action Plan. The first part of the report highlights some significant Community activities in 2003, without mentioning all of the tasks achieved to implement the 2001-2003 Action Plan and to follow up the Resolutions of the European Parliament and the Annual Report of the Court of Auditors for the financial year 2002.

The second part of the report presents a summary of the measures taken in 2003 by the Member States to implement the EC treaty. Two aspects were favoured in 2003: the structural measures and recovery in the field of direct expenditure. The report is accompanied by two staff working documents: on the one hand, the implementation of the 2001-2003 Action Plan and an inventory of the measures taken by the Member States, on the other hand the relevant statistical information.

The Commission carried out an analysis of the description of the systems in the 15 Member states. Secondly, it proceeded to carry out verifications, made jointly by the DG REGIO and OLAF, at national or regional level to check the effectiveness of the system in question. A report was drafted following each mission and a synthesis of the main results, conclusions and recommendations were sent to the authorities of each Member State. Overall, these audit missions show that undeniable progress has been made since 2001. However, a number of the comments which had been made in the 10/2001 Report of the Court of Auditors are still relevant.

The report states that a strategy of cooperation and mutual assistance between all the public partners is particularly necessary to fight efficiently against organised criminality, in particular transnational criminality, affecting the Community's financial interests. The Commission assumes its responsibilities, in particular by giving its assistance in the field of intelligence and in the operational field.

Since May 1999, the Community has had an overall legal framework to fight against fraud, corruption and any other illegal activity affecting its financial interests and to investigate irregular behaviour inside the institutions, bodies and offices. Reflections on the reinforcement of this mechanism, which frames OLAF's activities, advanced in 2003, including on the basis of the Commission's progress report and experience in the Eurostat case.

Lastly, the requirement to prosecute in a more effective way the authors of criminality undermining the Communities' financial interests, a fortiori under an enlarged Europe, led the Commission to propose the creation of a European Prosecutor. In 2001, the Commission had adopted a Green Paper on the penal protection of the communities' financial interests and the creation of a European Prosecutor and led a wide-ranging debate throughout 2002 with all the interested parties. The year 2003 will have been marked by the follow up of this debate and its concrete expression in the proposals of the European Convention on the establishment of a European Public Prosecutor, on which the decision is to be made by the Intergovernmental Conference (IGC).

Fight against fraud and protection of the Communities' financial interests. Action plan 2001-2203, annual report 2000

2001/2186(COS) - 15/05/2001 - Non-legislative basic document

PURPOSE : to present the annual report 2000 from the Commission on the protection of the Communities' financial interests and the fight against fraud. CONTENT : the Commission's 2000 annual report, which is the second on the new treaty base, therefore summarises in its first part the

Community initiatives concerning protection of the financial interests. It reports in its second part on measures taken by the Member States in 1999-2000 and covers in a third and final part the statistical information communicated by the Member States, under the terms of sectoral regulations, on their activities in the fight against fraud in the main Community policies. A first part covers the legislative and horizontal regulatory initiatives, and then the sectoral legislation. For the former, the report mentions in particular initiatives in 2000 to strengthen the penal judicial dimension, more particular those linked to the objective of establishing an area of freedom, security and justice. The operation of the Office, in its reporting activities and in its role amid the institutions, is raised specifically also to illustrate the manner in which it sets up vertical cooperation activities with the competent national authorities and technical and operational assistance.This part also covers some of the actions undertaken by the Community in partnership with the main actors in the protection of financial interests and the fight against fraud. A second part draws the consequences of the ratification of the Amsterdam Treaty and the implementation of the new article 280, paragraph 5 which provides also for the activity of the Member States to be reported. For the first time, the Commission report summarises the resources implemented in 1999 and 2000 by the Member States for the protection of the Communities' financial interests, on the basis of a concerted working methodology. The Member States effectively assume, in practice, the responsibilities conferred on them by the Treaty. A third part contains an analysis of the data gathered from the Member States resulting from the Community's investigation activity to identify the main trends in fraudulent activity or irregular practices as well as the overall results in terms of recovery and financial follow up. In this context it is important to recall that the detection and follow up of cases of fraud and other irregularities committed against the Communities' financial interests must be carried out by the Member States and the Commission in close cooperation. The year 2000 marks a new development in the level of irregularities, including fraud established by the Member States or suspected by OLAF. The figures however must be interpreted in a cautious manner given the heterogeneous character of the data given by the Member States. After a period of stabilisation, the amounts involved are on the increase in several areas (e.g. the EAGGF-Guarantee expenditure and traditional ownresources, structural funds, the direct expenditure sector particularly for external policies,

Fight against fraud and protection of the Communities' financial interests. Action plan 2001-2203, annual report 2000

2001/2186(COS) - 02/07/2002

The Commission presents its third annual report on the protection of the Communities' financial interests and the fight against fraud for the year 2001. To give an account of the shared responsibility of the Member States and the Community, the report presents in turn: - an evaluation of the Community's legislative and regulatory activity in 2001, accompanied by an illustration of cooperation with the Member States, the applicant countries and the third countries (Title I); - a presentation of the measures taken by the Member States pursuant to Article 280 of the EC Treaty, in particular legislative measures and measures concerning the organisation of enforcement authorities (Title II); - a statistical evaluation of the results of activities to protect financial interests and combat fraud undertaken by the Member States and the Commission in 2001 (Title III). This report notes the considerable progress made in the course of 2001 in adopting new measures to combat fraud effectively, both in the Member States and at EU level. The focus has been on improving the legal framework to effectively protect the financial interests of the EU, developing more efficient cooperation mechanisms with and between the Member States, as well as continuing to improve the internal organisation of the EU's anti-fraud office (OLAF). The report highlights a decrease in the number of cases of irregularities reported by Member States over the course of 2001, and an even stronger decrease in the overall amounts concerned (except for structural funds), but remains cautious on the reasons for this decrease.