Basic information

2002/2211(INI) INI - Own-initiative procedure	Procedure completed
Fight against fraud and protection of financial interests of the Communities. Annual report 2001 **Subject** 8.70.04 Protecting financial interests of the EU against fraud	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	BÖSCH Herbert (PSE)	29/10/2002

Committee for opinion	Rapporteur for opinion	Appointed
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
General Affairs	2463	2002-11-18

European Commission

Commission DG	Commissioner
European Anti-Fraud Office (OLAF)	

Key events

Date	Event	Reference	Summary
02/07/2002	Non-legislative basic document published	COM(2002)0348	Summary
24/10/2002	Committee referral announced in Parliament		

18/11/2002	Resolution/conclusions adopted by Council		Summary
19/02/2003	Vote in committee		Summary
19/02/2003	Committee report tabled for plenary	A5-0055/2003	
12/03/2003	Debate in Parliament		
13/03/2003	Decision by Parliament	T5-0099/2003	Summary
13/03/2003	End of procedure in Parliament		
10/03/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2211(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/16863

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0055/2003	19/02/2003	
Text adopted by Parliament, single reading		T5-0099/2003 OJ C 061 10.03.2004, p. 0319-0392 E	13/03/2003	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2002)0348	02/07/2002	Summary

Fight against fraud and protection of financial interests of the Communities. Annual report 2001

2002/2211(INI) - 18/11/2002

The Council takes note of the annual report 2001 from the Commission on the protection of the Communities' financial interests and the fight against fraud. It recognises that the report is the responsibility of the Commission; however, reiterates its wish expressed in the Council conclusions concerning the annual report 2000 that the Advisory Committee for the Co-ordination of Fraud Prevention (Cocolaf) in the future should be consulted on the entire report in due time before its presentation and publication. In addition, it notes the pursuit of important efforts both at Community level and in the Member States to adopt legislative measures providing for a more effective protection of the Communities' financial interests and fight against fraud, and invites all those concerned to continue these efforts. In this context, stresses the importance of the European Anti-Fraud Office (OLAF) being able to continue to perform its tasks in an independent and efficient manner. It underlines the importance of Cocolaf being consulted in advance on any

legislative initiative in the European Union framework concerning the protection of the Communities' financial interests and the fight against fraud, as well as the importance of OLAF in the incorporation of effective measures to prevent fraud and irregularities in legislative proposals. The Council considers that the new financial regulation that the Council adopted on 25 June 2002 will contribute to the improvement of financial management and control, and thus to the strengthening of the protection of the Communities' financial interests and of the fight against Fraud. Moreover, the Council notes the reported decrease in the number of cases of fraud and other actual or suspected irregularities notified by the Member States in 2001. The Commission and the Member States are invited to pursue work as regards harmonisation of the approach applied to distinguish between suspected fraud and other irregularities. The Council also takes note of the progress made in the field of strengthening the co-operation between the Commission and the Member States. Considers that the development of such co-operation is essential for the protection of the Communities' financial interests and the fight against fraud. It considers that progress should be made e.g. in recovering amounts unduly paid out. Moreover, great importance is attached to the reinforcement of co-operation amongst Member States in the field of the protection of the Communities' financial interests and fight against fraud. There is also a need for improved co-operation amongst OLAF, Europol and Eurojust. The Council reiterates the importance it attaches to the participation of third countries, and especially the candidate countries, in action to fight fraud, and to their co-operation with OLAF. The Commission is invited to present a full summary of activities and actions undertaken in this field in the 2002 annual report. The Council welcomes the fact that all Member States have ratified the Convention of 26 July 1995 on the protection of the financial interests of the European Communities and a number of Protocols. Calls on Member States which have not yet done so to ratify the remaining Additional Protocol. It notes the state of discussions held within the Council on 28 February 2002 on the green paper on criminal law protection of the financial interests of the Community and the establishment of a European Prosecutor and welcomes the that controls concerning the expenditure managed directly by the Commission are subject to a specific presentation in the annual report. The Commission is however invited to elaborate the content of the presentation in the future. It regrets that the Commission has not followed up, in its annual report 2001, the request formulated in the Council conclusions concerning the annual report 2000 for presentation of a balance sheet of the results and costs involved in the framework of the Action Plan for 2001-2003 on the overall strategic approach concerning the protection of the Communities' financial interests and the fight against fraud. The Commission is also requested to present a balance sheet of the results and costs relating to OLAF's activities in the 2002 annual report. Lastly, it recalls that following a request made by the Council in its conclusions of 17 July 2000, the Commission presented a timetable for the implementation of the overall strategy to protect the Communities' financial interests in the form of an Action Plan covering the years 2001-2003. It also emphasises in this context the importance of: - Continuing the establishment of a Community service platform, including an inventory of supplies and services that OLAF can provide; - Developing an investigation policy based on strategic and operational analysis of information on fraud, other irregularities and recoveries reported by the Member States.

Fight against fraud and protection of financial interests of the Communities. Annual report 2001

2002/2211(INI) - 02/07/2002 - Non-legislative basic document

PURPOSE : to present the Commission's third Annual Report on the protection of the Communities' financial interests and the fight against fraud for the year 2001. CONTENT : the Commission has published its third annual report on the protection of financial interests of the Communities and the fight against fraud, in accordance with Article 280(5) of the EC Treaty. 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) (e.g. OLAF, in conjunction with Poland, prepared a PHARE project to help with the establishment of an inter-ministerial anti-fraud structure); - 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). The report notes 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. In 2001, OLAF investigated 381 new cases. 663 investigations were closed in the same period, with an estimated impact of EUR 564,7 million: roughly 40% of this amount concerned agricultural trade and EAGGF subsidies and aid, and 10% the structural funds.

Fight against fraud and protection of financial interests of the Communities. Annual report 2001

2002/2211(INI) - 13/03/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on its own-initiative report drafted by Herbert BOSCH (PES, Austria) on protecting the Community's financial interest and the fight against fraud. (Please refer to the document dated 19/02/03.) It criticised the fact that the amounts still to be recovered in connection with cases of fraud and irregularities established by Member States, OLAF and the Commission have built up over the years to almost EUR 3 billion, which Parliament called an entirely unacceptable state of affairs. Pending the establishment of an effective recovery procedure, the Commission should halt payments as soon as OLAF assessments substantiates reasonable suspicion of fraud and the Office opens an investigation. On the cases connected to Eurostat, Parliament stated that it finds incomprehensible the fact that EUROGRAMME was awarded 70 contracts by the Commission between 1996 and 2001, in spit of giving the Commission false information. OLAF's handling of this case is criticised, and Parliament asks OLAF's Supervisory Committee to make a thorough examination of OLAF's work in connection with Eurostat. On the matter of EuroCost, Parliament criticises the fact that the relevant report by DG Audit was not submitted to the Commissioner responsible for financial control. It expresses astonishment that the Commission apparently approved the activities of the Eurostat official who was a founding member of EuroCost. On

the matter of enlargement, Parliament expressed concern about the financial crime being perpetrated from Kalingrad. and asked OLAF to cooperate with the Russian tax police to draw up a survey of crime in the region. Finally, Parliament required further action from the Commission on the development of an information system designed to exclude bidders already convicted of fraud from public invitation to tender procedures.