

Check spending better and claw back more lost funds, say budget control MEPs

MEPs demand more thorough checks on EU spending, more efficient measures to claw back EU funds lost through fraud or irregular spending and vigorous anti-corruption policies in member countries in a resolution passed by the budgetary control committee on Tuesday.

Main findings and requests of the committee

- The number of cases of fraud and errors rose significantly, even though their financial impact decreased. The Commission should analyse these cases better to prevent further loss of funds.
- Both member states, who are in charge of spending and managing 80% of EU funds, and the Commission, which bears overall responsibility, should strive to claw back more money lost to irregularities, especially in agriculture.
- The Commission should disclose how much money it has clawed back from member states in the field of cohesion policy in 2013. No such data currently exists.
- The MEPs ask member states to take a uniform approach as they do not currently apply the same criteria to detecting and reporting fraud with EU money. As a result, certain countries detect and report very few cases..
- As member state authorities often merely replace incorrect projects with others without proper criminal investigations into the irregularities, the committee urges the introduction of obligatory criminal procedures at EU level.
- Member states must demonstrate firm political will to fight corruption and VAT fraud.
- On the revenue side of the budget, €61 million (or 0.29%) is affected by fraud. The smuggling of counterfeit or heavily taxed goods, including cigarettes, causes massive losses to the EU budget, notes the committee. MEPs also urge speedier verification of gross national income (GNI) data, which provides part of the basis on which member countries' contributions to the EU budget are calculated..
- Budgetary control MEPs want whistle-blower protection to be enacted.

Rapporteur **Georgi Pirinski (S&D, BG)**:

"We ask for a very strict, persistent fight against fraud, with no compromise on toughness, but coupled with a determined policy to overcome the reasons for the irregularities."

The resolution will be voted by the full Parliament during the March plenary in Strasbourg.

Background

The European Commission prepares an annual report on the performance of the member states and the Commission in stepping up the fight against fraud with European funds. The [2013 annual report](#) includes an overview of the second Barroso Commission (from 2009 to 2013). The annual report forms part of the ongoing discharge process for 2013 in Parliament.

Committee website

[Committee on Budgetary Control](#)

Useful information

Rapporteur: Georgi Pirinski (S&D, BG)

Fraud: countering the misuse and abuse of the EU budget (23.02.2015)

Fight against fraud: 2013 annual report by the Commission

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