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2009 - 2014

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*Committee on Budgets*

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**2009/2167(INI)**

9.2.2010

# **AMENDMENTS**

## **1 - 36**

**Draft report**  
**Andrea Cozzolino**  
(PE430.549v02)

on the protection of the Communities' financial interests and the fight against  
fraud - Annual Report 2008  
(2009/2167(INI))

AM\_Com\_NonLegReport

**Amendment 1**  
**Luigi de Magistris**

**Motion for a resolution**  
**Paragraph 1**

*Motion for a resolution*

1. Notes that the financial impact of irregularities fell from EUR 1 024 million in 2007 to EUR 783.2 million in 2008, with reductions being recorded in all spending areas except direct expenditure and pre-accession funds and the overall amount breaking down as follows:

*Amendment*

1. Notes that the financial impact of irregularities, ***as far as they have been identified***, fell from EUR 1 024 million in 2007 to EUR 783.2 million in 2008, with reductions being recorded in all spending areas except direct expenditure and pre-accession funds and the overall amount breaking down as follows:

Or. it

**Amendment 2**  
**Luigi de Magistris**

**Motion for a resolution**  
**Paragraph 2 a (new)**

*Motion for a resolution*

***2a. Stresses that combating fraud and corruption is an important duty of the European institutions and all Member States, which must provide all necessary resources to combat these scourges effectively so as to protect the financial interests of the Union and its taxpayers and to fight organised crime, which, according to national indicators, is stepping up its capacity for collusion within the institutions by means of fraud against the Community budget;***

Or. it

**Amendment 3**  
**Zigmantas Balčytis**

**Motion for a resolution**  
**Paragraph 2 a (new)**

*Motion for a resolution*

*Amendment*

***2a. Regrets the fact that a large amount of EU funds remains wrongly paid, and calls on the Commission to take appropriate action with regard to recovering those funds;***

Or. lt

**Amendment 4**  
**Olle Schmidt**

**Motion for a resolution**  
**Paragraph 7 a (new)**

*Motion for a resolution*

*Amendment*

***7a. Emphasises that the reporting obligations need to be enforced among all Member States; considers that agricultural subsidy beneficiary databases should be reported in the official working languages of the European Community institutions (French, English and German) to provide transparency;***

Or. en

**Amendment 5**  
**Inés Ayala Sender**

**Motion for a resolution**  
**Paragraph 11**

*Motion for a resolution*

*Amendment*

11. Welcomes the fact that the financial impact of irregularities, as estimated by the

11. Welcomes the fact that the financial impact of irregularities, as estimated by the

Commission, was 27% lower than in 2007; notes, with regard to the legality and regularity of underlying transactions, that the error rate quoted for the cohesion policy area in the Court of Auditors' 2008 Statement of Assurance (DAS) remains above 5%; deplores the fact that Italy, Poland, the United Kingdom and Spain reported the largest amount of irregularities; points out that, as highlighted by the Court of Auditors, structural actions are the spending area with the most stringent rules and most complex management procedures in the EU budget;

Commission, was 27% lower than in 2007; notes, with regard to the legality and regularity of underlying transactions, that the error rate quoted for the cohesion policy area in the Court of Auditors' 2008 Statement of Assurance (DAS) remains above 5%; deplores the fact that Italy, Poland, the United Kingdom and Spain reported the largest amount of irregularities; **welcomes, on the other hand, the good cooperation between these Member States and the Commission in resolving the existing problems and trusts that the other MS will cooperate in a similar manner;** points out that, as highlighted by the Court of Auditors, structural actions are the spending area with the most stringent rules and most complex management procedures in the EU budget **and with the lowest expenditure on control systems, as also highlighted by the Court of Auditors;**

Or. es

## **Amendment 6** **Luigi de Magistris**

### **Motion for a resolution** **Paragraph 12**

#### *Motion for a resolution*

12. Stresses that delays in the approval of management and control systems for the 2007-2013 programmes may have made it more difficult to detect errors in expenditure on advances; considers furthermore that the resulting delays in spending on interim payments could give rise to a rush to spend just before the decommitment deadline is reached; urges the Commission to consider revising the decommitment rules with a view to improving the quality of spending and

#### *Amendment*

12. Stresses that delays in the approval of management and control systems for the 2007-2013 programmes may have made it more difficult to detect errors **and possible fraud** in expenditure on advances; considers furthermore that the resulting delays in spending on interim payments could give rise to a rush to spend just before the decommitment deadline is reached; urges the Commission to consider revising the decommitment rules with a view to improving the quality of spending

ensuring that quantitative targets are met.

and ensuring that quantitative targets are met.

Or. it

**Amendment 7**  
**Luigi de Magistris**

**Motion for a resolution**  
**Paragraph 14**

*Motion for a resolution*

14. Welcomes the Commission's introduction of a joint fraud prevention strategy for structural measures, which was drafted in cooperation with OLAF;

*Amendment*

14. Welcomes the Commission's introduction of a joint fraud prevention strategy for structural measures, which was drafted in cooperation with OLAF ***and stresses the importance of more effective cooperation with the regional authorities and national judicial authorities which are competent;***

Or. it

**Amendment 8**  
**Iliana Ivanova**

**Motion for a resolution**  
**Paragraph 15**

*Motion for a resolution*

15. Deplores the fact that the estimated amount affected by irregularities reported by the EU-10 grew by 8%, while that for the EU-2 increased by 152%, and the amounts recovered were 15.6% down on 2007; calls ***in particular on Bulgaria and Romania*** to build up their administrative capacity to manage EU funding, remove existing or potential conflicts of interest in fund management, improve the supervision and transparency of public procurement procedures at central, regional and local

*Amendment*

15. Deplores the fact that the estimated amount affected by irregularities reported by the EU-10 grew by 8%, while that for the EU-2 increased by 152%, and the amounts recovered were 15.6% down on 2007; calls ***on the beneficiaries of pre-accession funds*** to build up their administrative capacity to manage EU funding, remove existing or potential conflicts of interest in fund management, improve the supervision and transparency of public procurement procedures at

levels and swiftly introduce and notify to the Commission the necessary precautionary, corrective and/or disciplinary measures;

central, regional and local levels and swiftly introduce and notify to the Commission the necessary precautionary, corrective and/or disciplinary measures;

Or. en

**Amendment 9**  
**Olle Schmidt**

**Motion for a resolution**  
**Paragraph 16 a (new)**

*Motion for a resolution*

*Amendment*

***16a. Emphasises that the strategic objectives for pre-accession funds must be defined further for example in the case of Turkey, to facilitate easier evaluation of conducted projects in relation to the overall goals; considers that the objectives and results must be communicated in a transparent manner;***

Or. en

**Amendment 10**  
**Olle Schmidt**

**Motion for a resolution**  
**Paragraph 16 b (new)**

*Motion for a resolution*

*Amendment*

***16b. Emphasises that the Commission should continue with initiatives to improve project design and implementation; emphasises that it is necessary to improve the mechanism for reporting on the implementation of projects and the delivery of their activities and outputs; considers that it should be ensured that project outcomes (results and impacts) are reported at the end of each***

*project and at appropriate intervals thereafter in order to provide performance information to inform future planning;*

Or. en

**Amendment 11**  
**Tamás Deutsch**

**Motion for a resolution**  
**Paragraph 18 a (new)**

*Motion for a resolution*

*Amendment*

*18a. Underlines the fact that the EU has been contributing more than 1 billion euros annually to the United Nations during the last five years; reiterates therefore the necessity of reinforcing OLAF's mandate in an international context and the need to provide OLAF with all the necessary means to carry out its duties of controlling these increasing direct expenditures;*

Or. en

**Amendment 12**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**New subtitle (before paragraph 20 a)**

*Motion for a resolution*

*Amendment*

*Public procurement*

Or. en



**Amendment 13**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 a (new)**

*Motion for a resolution*

*Amendment*

***20a. Notes that public procurement is the area most vulnerable to mismanagement, fraud and corruption, which distort the market, increase the prices paid by consumers for goods and services, and negatively affect the confidence of citizens in the Union; notes that effective Community legislation regarding public procurement, and its trustworthy enforcement, contribute to the protection of the financial interests of the Union; calls on the Commission and Member States to design, implement and periodically evaluate uniform systems of procurement to prevent fraud and corruption, to define and implement clear conditions for participation in public procurement, and criteria on which public procurement decisions are made, and also to adopt and implement systems to review public procurement decisions at the national level, to ensure transparency and accountability in public finances, and to adopt and implement risk management and internal control systems;***

Or. en

**Amendment 14**  
**Andrea Cozzolino, Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 b (new)**

*Motion for a resolution*

*Amendment*

***20b. Calls on the Commission to begin early discussions and consultations with***

*interested stakeholders, including civil society, on all aspects related to the creation of the European Prosecutor's Office for combating crimes affecting the financial interests of the Union, as provided for in Article 86 of the TFEU, and to step up the adoption of all necessary measures for establishing this office;*

Or. en

**Amendment 15**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**New subtitle (before paragraph 20 c)**

*Motion for a resolution*

*Amendment*

***Fraud prevention and Transparency measures***

Or. en

**Amendment 16**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 c (new)**

*Motion for a resolution*

*Amendment*

***20c. Welcomes the progress on transparency of EU funds beneficiaries; notes that the Commission should take further action to ensure one-stop transparency of the beneficiaries of EU-funds; calls on the Commission to design measures to increase the transparency of legal arrangements and a system where all beneficiaries of EU funds are published on the same website, independently of the administrator of the funds and based on standard categories of***

*information to be provided by all Member States in at least one working language of the Union; calls on the Member States to cooperate with and provide to the Commission full and reliable information regarding the beneficiaries of the EU funds managed by Member States; invites the Commission to evaluate the system of 'shared management' and provide Parliament with a report;*

Or. en

**Amendment 17**

**Andrea Cozzolino, Monica Luisa Macovei**

**Motion for a resolution**

**Paragraph 20 d (new)**

*Motion for a resolution*

*Amendment*

*20d. Calls on the Council to complete the conclusion of the Cooperation Agreements with Liechtenstein in the shortest possible time and urges the Council Presidency to give the Commission a mandate to negotiate anti-fraud agreements with Andorra, Monaco, San Marino and Switzerland;*

Or. en

**Amendment 18**

**Monica Luisa Macovei**

**Motion for a resolution**

**Paragraph 20 e (new)**

*Motion for a resolution*

*Amendment*

*20e. Calls on the Commission and Member States to include the beneficiaries of EU funds managed in partnership with the EU Member States,*

*mainly agricultural and structural funds, into the Early Warning System and Central Exclusion Database, based on identical criteria for all Member States;*

Or. en

**Amendment 19**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**New subtitle (before paragraph 20 f)**

*Motion for a resolution*

*Amendment*

***Combating financial fraud and the fight against corruption***

Or. en

**Amendment 20**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 f (new)**

*Motion for a resolution*

*Amendment*

***20f. Notes that 78 % of Union citizens agree that corruption is a major concern in their country and that 76 % of the Union citizens agree that there is corruption within the institutions of the EU (Eurobarometer, 2009); calls on the Commission, the relevant Union agencies and the Member States to take measures and provide resources to ensure that EU funds are not subject to corruption, to adopt dissuasive sanctions where corruption and fraud are found, to step up the confiscation of criminal assets involved in fraud, tax evasion and money-laundering related crimes, and to apply clear and transparent rules with regard to politically-exposed persons, as defined in***

*the Third Money Laundering Directive (Directive 2005/60/EC); welcomes the invitation from the European Council on the Stockholm Programme to the Commission to develop indicators to precisely quantify the efforts in the fight against corruption, in particular in the areas of public procurement and financial control, and calls on the Commission to act upon it as a matter of priority;*

Or. en

**Amendment 21**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**New Subtitle (before paragraph 20 g)**

*Motion for a resolution*

*Amendment*

*Reinforced fight against financial and economic crime*

Or. en

**Amendment 22**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 g (new)**

*Motion for a resolution*

*Amendment*

*20g. Emphasises that the active protection of the EU's financial interests requires a reinforced fight against financial and economic crime; calls on the Member States to fully implement the relevant Union instruments, including the 2000 Mutual Legal Assistance Convention and its Protocol on banking transactions, the Framework Decision on confiscation orders (2006/783/JHA) and the Framework Decision on Financial*

*Penalties (2005/214/JHA);*

Or. en

**Amendment 23**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 h (new)**

*Motion for a resolution*

*Amendment*

*20h. Calls on the Commission to develop a proposal on the mutual recognition of disqualifications, in particular for professions in the financial area, such as the exclusion of fraudulent offenders from acting as chief executives;*

Or. en

**Amendment 24**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 i (new)**

*Motion for a resolution*

*Amendment*

*20i. Calls on the Commission to develop an impact assessment and a proposal to extend the EU acquis on common definitions of offences in the area of financial and economic crime;*

Or. en

**Amendment 25**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 j (new)**

*Motion for a resolution*

*Amendment*

***20j. Calls on the Commission and Member States to enhance their capacity for financial investigation and combine all available instruments in fiscal, civil and criminal law; calls for stronger cooperation between Asset Recovery Offices, so that the confiscation of assets becomes more efficient;***

Or. en

**Amendment 26**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 20 k (new)**

*Motion for a resolution*

*Amendment*

***20k. Considers that stopping tax evasion and illicit activities that go through offshore havens is necessary in order to protect the financial interests of the Union; calls on the Commission to consider banning companies which operate through offshore havens from making business agreements with companies residing in the European Union if their offshore location will unilaterally delay the adoption of cooperation agreements with the Union;***

Or. en

**Amendment 27**  
**Luigi de Magistris**

**Motion for a resolution**  
**Paragraph 21**

*Motion for a resolution*

21. Acknowledges and voices its support for OLAF's work, which it sees as playing an essential role in protecting the financial interests of the European Union and, thereby, EU citizens, as well as a major role in upholding the reputation of the European institutions; considers, therefore, that a human resources strategy which raises staffing levels and ensures that the current high staff quality standards are maintained should be drawn up;

*Amendment*

21. Acknowledges and voices its support for OLAF's work ***and the need to ensure its full independence from the Commission in the performance of its tasks***, which it sees as playing an essential role in protecting the financial interests of the European Union and, thereby, EU citizens, as well as a major role in upholding the reputation of the European institutions; considers, therefore, that a human resources strategy which raises staffing levels and ensures that the current high staff quality standards are maintained should be drawn up;

Or. it

**Amendment 28**  
**Olle Schmidt**

**Motion for a resolution**  
**Paragraph 21**

*Motion for a resolution*

21. Acknowledges and voices its support for OLAF's work, which it sees as playing an essential role in protecting the financial interests of the European Union and, thereby, EU citizens, as well as a major role in upholding the reputation of the European institutions; considers, therefore, that a human resources strategy which ***raises staffing levels and*** ensures that the current high staff quality standards are maintained should be drawn up;

*Amendment*

21. Acknowledges and voices its support for OLAF's work, which it sees as playing an essential role in protecting the financial interests of the European Union and, thereby, EU citizens, as well as a major role in upholding the reputation of the European institutions; considers, therefore, that a human resources strategy which ensures that the current high staff quality standards are maintained should be drawn up;

Or. en



**Amendment 29**  
**Luigi de Magistris**

**Motion for a resolution**  
**Paragraph 23**

*Motion for a resolution*

23. Considers that OLAF's work can be made still more effective by ensuring careful and detailed planning of investigations, promoting the use of SMART objectives and RACER indicators for the investigations themselves, improving cooperation and data exchange between OLAF and national judicial authorities from the start of the investigative process and introducing a 'core tasks' policy for OLAF, under which small-scale fraud would be handled by other bodies; calls on OLAF therefore to outline in its next report the progress that has been made in this respect and to say to what extent account has been taken thereof in the OLAF operational manual that is to be published in the near future

*Amendment*

23. Considers that OLAF's work can be made still more effective by ensuring careful and detailed planning of investigations, ***through the adoption of an ad hoc procedural regulation as a binding guide***, promoting the use of SMART objectives and RACER indicators for the investigations themselves, improving cooperation and data exchange between OLAF and national judicial authorities from the start of the investigative process and introducing a 'core tasks' policy for OLAF, under which small-scale fraud would be handled by other bodies; calls on OLAF therefore to outline in its next report the progress that has been made in this respect and to say to what extent account has been taken thereof in the OLAF operational manual that is to be published in the near future

Or. it

**Amendment 30**  
**Andrea Cozzolino**

**Motion for a resolution**  
**Paragraph 23**

*Motion for a resolution*

23. Considers that OLAF's work can be made still more effective by ensuring careful and detailed planning of investigations, promoting the use of SMART objectives and RACER indicators for the investigations themselves, improving cooperation and data exchange

*Amendment*

23. Considers that OLAF's work can be made still more effective by ensuring careful and detailed planning of investigations, promoting the use of SMART objectives and RACER indicators for the investigations themselves, improving cooperation and data exchange

between OLAF and national judicial authorities from the start of the investigative process and **introducing** a 'core tasks' policy **for** OLAF, under which small-scale fraud would be handled by other bodies; calls on OLAF therefore to outline in its next report the progress that has been made in this respect and to say to what extent account has been taken thereof in the OLAF operational manual that is to be published in the near future

between OLAF and national judicial authorities from the start of the investigative process and **rapidly applying** a 'core tasks' policy, **as well as follow-up procedures during the initial stage of investigations by** OLAF, under which small-scale fraud would be handled by other bodies; calls on OLAF therefore to outline in its next report the progress that has been made in this respect and to say to what extent account has been taken thereof in the OLAF operational manual that is to be published in the near future

Or. it

### **Amendment 31** **Olle Schmidt**

#### **Motion for a resolution** **Paragraph 23**

##### *Motion for a resolution*

23. Considers that OLAF's work can be made still more effective by ensuring careful and detailed planning of investigations, promoting the use of SMART objectives and RACER indicators for the investigations themselves, improving cooperation and data exchange between OLAF and national judicial authorities from the start of the investigative process and introducing a 'core tasks' policy for OLAF, under which small-scale fraud would be handled by other bodies; calls on OLAF therefore to outline in its next report the progress that has been made in this respect and to say to what extent account has been taken thereof in the OLAF operational manual that is to be published in the near future;

##### *Amendment*

23. Considers that OLAF's work can be made still more effective by ensuring careful and detailed planning of investigations, promoting the use of SMART objectives and RACER indicators for the investigations themselves, improving cooperation and data exchange between OLAF and national judicial authorities from the start of the investigative process and introducing a 'core tasks' policy for OLAF, under which small-scale fraud would be handled by other bodies **while recurring small-scale fraud which results in large sums from irregularities due to structural problems may be of interest for OLAF investigations**; calls on OLAF therefore to outline in its next report the progress that has been made in this respect and to say to what extent account has been taken thereof in the OLAF operational manual that is to be published in the near future;

**Amendment 32**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 23 a (new)**

*Motion for a resolution*

*Amendment*

***23a. Calls on the Commission to actively include OLAF in the negotiation of all Cooperation Agreements that deal with the combating of fraud and with the exchange of information on tax matters;***

Or. en

**Amendment 33**  
**Andrea Cozzolino, Monica Luisa Macovei, Luigi de Magistris**

**Motion for a resolution**  
**Paragraph 26 a (new)**

*Motion for a resolution*

*Amendment*

***26a. Calls on OLAF to present, in its future annual report, a detailed analysis of the strategies and measures put in place by each Member State in the fight against fraud and for preventing and identifying irregularities in the expenditure of European funds, including where they are caused by corruption; considers that specific attention should be paid to the implementation of agricultural and structural funds; takes the view that the report, with 27 country profiles, should analyse the approach followed by national judicial and investigating bodies and the quantity and quality of controls performed, as well as statistics and reasons in the cases where national authorities did not file indictments following reports by OLAF; considers,***

*therefore, that the report should provide a knowledge basis for better defining OLAF's strategy and improving cooperation with the Member States and the efficiency of both OLAF and national investigative authorities;*

Or. en

**Amendment 34**  
**Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 26 b (new)**

*Motion for a resolution*

*Amendment*

*26b. Notes that Community legislation requires Member States to report all irregularities no later than two months after the end of the quarter in which an irregularity has been subject to a primary administrative or judicial finding and/or new information about a reported irregularity becomes known; calls on the Member States to make all the necessary efforts, including the streamlining of national administrative procedures, to meet the required deadlines and reduce the time gap between the moment a irregularity is identified and that when it is reported; calls on the Member States to act primarily as a protector of taxpayers' money in their efforts to combat fraud;*

Or. en

**Amendment 35**  
**Andrea Cozzolino, Monica Luisa Macovei**

**Motion for a resolution**  
**Paragraph 26 c (new)**

*Motion for a resolution*

*Amendment*

***26c. Calls on the Commission to restart the procedure for the adoption of the Directive on criminal-law protection of the Communities' financial interests (2001/0115(COD)), blocked by the Council since 2002, and of the Regulation on mutual administrative assistance for the protection of the Communities' financial interests (2004/0172 (COD)), blocked by the Council since 2005;***

Or. en

**Amendment 36**

**Monica Luisa Macovei**

**Motion for a resolution**

**Citation 6 a (new)**

*Motion for a resolution*

*Amendment*

***– having regard to its resolution of 25 November 2009 on the Communication from the Commission to the European Parliament and the Council – An area of freedom, security and justice serving the citizen – Stockholm Programme<sup>1</sup>, particularly the chapter on economic crime and corruption,***

Or. en

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<sup>1</sup> P7\_TA(2009)0090.