

**Szabolcs FAZAKAS,**  
**Chairman of the Committee on Budgetary Control**  
**in the European Parliament,**

**Opening address**  
**on the occasion of the OLAF-Seminar**

**Deterring Fraud by Informing the Public:**  
**Round Table on Anti-Fraud Communication**

Wednesday, 24 November 2004, at 9.30 h

Albert Borschette Conference Center  
Rue Froissart 36  
Room 0A  
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I am delighted to address the "OLAF Anti-Fraud Communicators' Network" for the first time in my capacity as Chairman of the Committee on Budgetary Control of the European Parliament. The subject you have chosen - "Deterring fraud by informing the public" - is topical and of extreme importance. I would like to congratulate you on your choice! In the information society sharing information with the public is crucial.

Recently, public attention was drawn to the European Parliament, when the vote on the incoming European Commission had to be postponed. I think the event has sent out three important messages to the European citizen: the European Parliament has gained in stature, the Commission has gained more independence from Member States and the whole procedure was a victory for European democracy.

I am a newly elected Member of Parliament from Hungary and I am honoured to follow in the footsteps of Diemut Theato, who chaired this committee for 10 years. She always took great pride in attending OLAF seminars and discussing with you the issues which are at the very core of OLAF's daily work.

You, the representatives of the Communicators' Network, are a corner stone of OLAF's work: fighting and facilitating the fight for the protection of the Communities' financial interests.

The new Member States look with great interest at the European Union: They want to embrace best practice, they want to meet the high European standards, they want to spend the European taxpayer's money scrupulously, and they want and will be the first to fight fraud. We have no right to disappoint them. This seminar is an important contribution to building our common Europe.

### ***The role of the European Parliament***

Before entering into the seminar's subject, let me begin with a brief outline of the European Parliament's role in the protection of the Communities' financial interests.

The European Parliament is part of the budget authority establishing and controlling the EU's annual budget, worth approximately € 100 billion. In addition, it is the prime task of the committee to control how the Commission executes this budget and to recommend discharge if we think it has executed its task in an appropriate manner. It is worth noting that approximately 80% of the above amount is actually administered by and in the Member States.

In this context the Court of Auditors' annual report (which was submitted to this committee last week in Strasbourg) is an important reference document.

Unfortunately, there is sufficient evidence that Member States often have a rather light-hearted attitude towards 'European' money, although it is collected from the same taxpayers' pocket as national budgets.

Parliament also receives the Commission's annual report on the protection of the Communities' financial interests and OLAF's annual report (upcoming Friday), which are usually commented on in a single parliamentary report.

## *The role of the media*

I think it is fair to say that, when looking at national investigation bodies and prosecutors' offices, the first idea that sprang to my mind was that fraud investigators should not be in the press at all. Indeed, their work relies on confidentiality. Thus, not making headlines is a sign of quality.

However, I have to admit this may be just an instinctive reaction, fuelled on the one hand by the European Parliament's experience with press leaks and sound-bite journalism and on the other hand by the European Parliament's own doubts about how to handle confidential information. Incidentally, the latter is an issue, which is currently under discussion between OLAF and the Committee on Budgetary Control.

It is with this mindset that I have read some of the approximately 30 written contributions for this seminar, many of which have impressed me and have made me reconsider my initial point of view.

Indeed, in a world influenced by the mass media and by information available at random, it is increasingly important that bodies protecting our financial interests are present in the media and that the media portrays a positive image of them.

How can this be achieved? The following proposals, which stem from written contributions, strike me as valid:

- make information accessible to the public, unless access has been limited by law, contractual agreement or secrecy legislation (Swedish example);
- establish media hot-lines, which allow the media to verify information with the authorities concerned at any moment;
- give journalists the possibility of covering investigations ("embedded journalism") (example from RAI);
- give the bodies concerned the possibility of publishing articles, information campaigns or advertisements (example given by General Italo Pappa from the Guardia di Finanza).

More examples could be quoted from the contributions. But I cannot and will not attempt to replace your workshops.

In a nutshell: you will find me on the side of transparency on the basis of the rule of law. The public must learn not only about the villains putting the rule of law at risk, but also about those who protect them.

## *Information and Communication among crime fighters*

Let me now turn to the aspect of information and communication from a more inward looking perspective: in a world in which international crime is growing - and again the written contributions cite, sadly, compelling examples, i.e. cigarette smuggling - it is also of increasing significance that crimefighters communicate and share information amongst themselves.

In this context, OLAF is a great facilitator, a service platform. The greatest success stories of international cooperation and crimefighting are usually found in black boxes in the OLAF annual reports.

Let me just highlight one aspect from a parliamentary view: the rule of law and the protection of citizens' rights. Indeed, transborder crimefighting forces face different national legal systems, which are not only a challenge for the services you represent, but also a challenge to the rule of law.

To a certain extent this problem is highlighted by the existence of the magistrates unit within OLAF.

This is why the European Parliament and the Commission are striving to establish the European Prosecutor's Office, which could regroup the different existing bodies. But this issue is a comprehensive one and it will have to be addressed on a different occasion.

## *Future development*

In concluding, let me just point to a few legislative texts currently in front of the Committee on Budgetary Control, which are the results of OLAF's efforts to improve the protection of European financial interests:

- The Agreement between the European Community and its Member States on the one hand and the Swiss Confederation on the other to counter fraud and all other illegal activities affecting their financial interests;
- The Anti-Contraband and Anti-Counterfeit Agreement and Release between Philip Morris International, the European Commission and Member States; and also
- The Proposal for a Regulation on Mutual Administrative Assistance for the Protection of the Financial Interests of the Community against Fraud and any other Illegal Activities.

My committee has only just started to look at these documents. However, already at this stage I would like to congratulate OLAF on its preparatory work.

Finally, the committee will have to address the revision of the OLAF regulation in 2005. In its discussions with the Council and the Commission, the committee will be guided, to my mind, by the idea of strengthening OLAF's operational capacities. The

OLAF Anti-Fraud Communicators' Network is an important element of these capacities, with the help of which OLAF can strengthen its competence as a service platform.

I wish you every success with your seminar and look forward to receiving your report, which will undoubtedly help us in our parliamentary task.