

# Rede von Diemut R. Theato, MdEP anlässlich des OLAF- Seminars

Bukarest, 20. Oktober 2003

Your Excellency Mr. President Iliescu,  
dear Mrs. Commissioner Schreyer,  
dear Mr. Butticié, dear Mr. Ponta,  
Ladies and Gentlemen

It is with great pleasure that I accepted the invitation to be with you here in Bukarest, a city which I have visited at several occasions and which thrills me each time I am here. And so does your beautiful country.

I see the progress taking place for a better living of your citizens and promising developments towards the accession of this country to the European Union, foreseen for 2007.

But I recognize that much has still to be done to reach this goal. So hopefully yesterday's referendum - although with low participation - may pave the way for further adapting the Romanian legislation to the "acquis communautaire".

In this context I feel very honoured to participate in your high-rank training seminar, organized by OLAF in co-operation with the Prime Minister's Control Department of Romania.

Within the large and important issue of the "Protection of the Union's Financial Interests" you have chosen the crucial aspect of communication, information and handling of the media.

I assure you that in my capacity as long-standing chairperson of the Committee on Budgetary Control of the European Parliament and Rapporteur on the Protection of the Financial Interests of the European Union I am confronted daily with these topics. Therefore I congratulate you to carrying through this 3-days seminar.

But let me first explain in a few words the role of the European Parliament and in particular that of the Budgetary Control Committee in this state of play:

- The European Parliament is part of the budget authority: the annual budget of the EU amounts to round about 100 billion Euro, more than 80 % of it being executed by the member states.
- This is not "European" money, but the money of the European taxpayer, who we - being directly elected - represent in the EP.
- The larger the Union has become, the more the tasks and the budget have increased and with this the amounts of money that disappeared - be it by irregularities, waste or fraud.

- Therefore the Commission, the European Court of Auditors and especially the European Parliament via its Cocobu (French abbreviation for our Comité Controle Budgetaire) have intensified their attention to the PIF (French abbreviation for Protection des Interets Financiers).

- The legal provisions for this obligation are laid down in the Treaty in Art. 276 and 280.

- The principle tasks to be fulfilled and reports to be prepared by Cocobu for plenary of Parliament are:

- holding to Commission to account in the annual discharge report on the basis of the European Court's of Auditors reports. Our reports are no appraisals but they rather hint distinctly on the shortcomings which have to be remedied by the Commission, such as the:

- unreliable accounting system
- necessity to modernise the payment system
- question of externalisation of tasks
- underimplementation of the budget

- Further reports are drawn up by our Committee on:

- the protection of the Communities' financial interests
- the regrouping of the Commission's annual report and OLAF's activity report, where we criticize i.a. unsatisfactory recovery of undue payments, the number of not yet closed cases, the delay in spending pre-accession aid.

Twice or three times a year we carry through so-called fact-finding missions to various countries, i.e. member states and accession countries. Thus we found that Romania has a good record and great readiness for co-operation. We gathered experience in Slovakia, Poland and Bulgaria.

- What we strive for, is, that EU legislation should be simplified, procedures more transparent and controls more effective.

- Reliable data bases and archives have to be set up for better knowledge of contractors and sub-contractors.

- In the candidate countries we see the challenge in further building up an efficient administration and an independent judicial system.

- We appreciate swift reaction of the national authorities in case of suspected fraud and full co-operation with the EU-Commission and OLAF. Therefore, we favour an independent horizontal structure as well as OLAF-antennas in the candidate countries.

- Last not least we suspect firmly the creation of a criminal law framework at the European level to begin with a European Public Prosecutor for the protection of the Union's financial interests and a shelter for the individual rights of possible wrong-doers.

This well-founded issue, profoundly elaborated by the European Parliament and the Commission has found its way into the Convention. Commonly the Commission - Mrs. Schreyer - and the European Parliament - with me as Rapporteur - try to persuade the IGC to adopt it with some necessary improvements.

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Now let me outline some thoughts on the topic which you are tackling with in the coming hours and days:

- Unfortunately irregularities, fraud and corruption must be considered as part of normal life, especially in the field of public money; to assume otherwise means we close our eyes in front of reality.

- Since we cannot avoid them, it is of prime importance that the public has confidence in that we shed light in them instead of covering-up, in that fraud-preventing measures are undertaken and efficient structures are developed to combat these phenomena.

- Now, as to the press and the media as a whole. We all know that co-operation with the media can be of great importance, for it is through the media that we can reach the wider public. However I am convinced that it is not the task of fraud investigators to be in the press at all. Quite the contrary: their work relies on secretness and confidentiality. Staying out of the media is a sign of quality. The press mostly is interested in sound-bites. Therefore, one has to be careful and precise when having to deal with journalists. There is a role for investigative journalism, a trap into which one should not fall.

- On the other hand, functioning internal information and communication channels are crucial: they are the precondition for both, the management and the political level, to assume their respective responsibilities. Both are held accountable by the public which is mostly informed and influenced by the press. Balanced judgment then is very difficult to be achieved.

- One example in recent times is the still ongoing so-called "Eurostat-affaire". As far as I can see at the moment, it is not a case of embezzlement and personal enrichment, but a case of disrespect of budgetary rules and of internal communication break-down.

- The lessons to be learnt thereof are in my opinion:

- rules have to be clear and known to the people.
- the respective management level must dispose of information which enables them to take responsible decisions.
- the politically responsible level must receive (or also seek) the information in order to be able to be held accountable and shoulder this responsibility
- informants (whistle-blowers) must be listened to and must be protected

- An International information network is absolutely necessary and indispensable: OLAF, European and national Courts of Auditors, Europol, Interpol, police, customs etc. and you, the participants of this seminar as partner services of OLAF.

In the best sense of subsidiarity: the work has to be done at the level where you are most effective and share your information.

- As to OLAF we in Parliament would like to lay more stress on internal investigation. It shows often that it is difficult to judge what is an internal and what is an external case. They may be

linked and it shows often that the starting point lies in internal wrongdoing and /or persons. Therefore investigations should always be pursued in a way as if the file will go to court.

- And in the end the aim is not only to fight against irregularities, misuse of money and fraud, but also to channel information back to the legislator in view of creating fraud-preventing and fraud-proof laws.

May I wish you three days of fruitful information and discussion.

Thank you.