



EUROPEAN COMMISSION

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Statement following Commission proposal to protect financial interests of the EU

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

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Ladies and gentlemen,

Today's proposal ties in to the overriding theme in the EU today.

Just as we are united in our shared economic interests, so we must be united in safeguarding them. Greater coordination of national policies is not an option – it is a requirement for our common well-being.

This is as true for the protection of EU funds as it is for re-building national economies.

We cannot share a common pot to invest in infrastructure, create jobs, support our farmers and promote research, and yet take 27 different approaches to protecting the money.

This becomes all the more evident when we see that the more lax approach in some Member States is undermining the more diligent work of others.

The statistics tell it all. Conviction rates for fraud range from 80% to as low as 14%, depending on the Member State in question.

And penalties for the same crime range from many years in jail to a mere fine, depending where you are in the EU.

If ever there was an incentive for fraudsters to exploit European borders to their advantage, this is it.

We therefore need a more unified, harmonised stance in criminal law when it comes to protecting the EU's financial interests and tackling fraud.

OLAF

At EU level, we have a robust framework in place to protect the EU budget. And it is one that the Commission is constantly working to reinforce.

In addition to multi-level rules, controls and audits for EU funds, we have the European Anti-Fraud Office. Since 1999, OLAF has investigated around 5000 cases of suspected fraud involving EU money.

It has become a cornerstone in protecting our common budget and in fighting fraud. Moreover, work is underway to make OLAF even stronger and more efficient, through the reforms that I proposed last year.

However, OLAF is only one cog in the machine – albeit a very important one.

If the Member States don't follow up on OLAF's findings;

If they don't actively pursue suspicions of fraud involving EU funds;

If they don't adequately penalise such offences;

Then the fraudsters win.

And when fraudsters win, the honest tax-payers lose.

Limitation periods and Confiscation

The proposal that we are presenting today therefore seeks to close national loopholes.

It seeks to create a more harmonised and more effective approach to deterring and punishing fraud.

And it seeks to send a clear message that fraud will not be tolerated, regardless of where it takes place in the EU.

In addition to the sanctions and common definitions that Viviane has just outlined, today's proposal sets down minimum statutes of limitation.

At the moment, national statutes of limitation are adapted to the needs of fighting national fraud cases. However, they are often insufficient for cross-border investigations, given the extra time and complexity these involve.

So our proposal will greatly facilitate investigators and prosecutors, by providing them with adequate time to do their work.

We have also included provisions for the confiscation of goods linked to the offences in question. This links up with Commissioner Malmstrom's proposal earlier this year on the confiscation and freezing of criminal assets.

Confiscation will increase the chances of recovering illegally used funds, which is essential in protecting the EU budget.

Conclusion

To conclude, let's remember what we are ultimately talking about today.

We are talking about upholding two fundamental principles that must underlie all policies in a democratic society: Justice and Fairness.

Justice in the form of an even-handed approach to fraud, wherever it occurs in Europe.

We need punishments that fit the crime and a clear deterrent to those considering defrauding the EU budget.

And fairness for the honest citizens, who are left out of pocket when EU money is lost to fraud.

Because the EU budget is not for "Brussels". It is for villages, towns and regions; workers, students and pensioners across Europe.

It is a key contributor to our growth agenda. And we must take every measure we can to protect it.