



EUROPEAN COMMISSION

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Establishing a European Public Prosecutor's Office – A federal budget needs federal protection

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

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1. Delivering on our commitments

Today we deliver on a commitment. A commitment – that Algirdas and I first made at our hearing before the Parliament in January 2010 – to make full use of the Treaty of Lisbon to fight fraud against the EU budget and to uphold the rule of law across the Union.

This also follows the announcement made last year (September 2012) by President Barroso in his State of the Union speech. Before the European Parliament, **President Barroso** committed to uphold our duties under the Treaties and present a proposal for the establishment of a European Public Prosecutor's Office.

The idea has already taken root.

The **Parliament**, who will have to give its consent on the proposal, already voted on a report (by Salvatore Iacolino), with overwhelmingly support, calling for the establishment of a European Public Prosecutor's Office.

And in the **Member States**, France and Germany, in their joint contribution of 20 March 2013, have also called for the establishment of a European Public Prosecutor's Office (EPPO).

In short, the establishment of a European Public Prosecutor's Office does not come out of the blue! It is a much wanted and much needed body.

Today, the Commission is delivering on its promise. We are establishing a European Public Prosecutor's Office that will show zero tolerance to fraud against the EU budget.

2. Why do we need this proposal?

1. The current situation is inadequate

First, because we need to strengthen the protection of the EU budget. EU money must be spent on what it was intended for. And we have an obligation to prevent fraudulent use of EU money. Unfortunately, we still witness far too many illegal activities leading to losses to the EU budget.

Examples:

- Criminals deliberately provide false information to receive EU funding for agricultural or regional development
- or national officials accept money in return for awarding a public contract, in breach of procurement rules.

We have to do more to combat this criminal behaviour. Member States have been slow to do so because of divergent rules, lack of resources and an inability to gather evidence in cross-border cases. As a result, the conviction rate for fraud offences against EU resources varies greatly across Member States [*see slide*], with an EU average of just 42.3% - meaning **less than half of cases result in convictions**. And meaning too that many criminals who have stolen taxpayers' money are getting away with their crimes.

With public finances under pressure throughout the EU, every euro counts.

Member States report an average of about **€500 million of suspected fraud** each year. But the real amount of fraud is likely to be significantly higher.

The victim is the EU budget and, of course, the **European taxpayer**.

It is a federal budget. If we don't protect it, nobody else will do it for us.

2. The Treaties demand it

Second, we are putting the Lisbon Treaty into action. This includes reforming Eurojust (to make it work more efficiently – Article 85) and establishing a European Public Prosecutor's Office (Article 86). The Treaty of Lisbon requires the Union to protect the EU budget. As the guardian of the Treaties, we are doing just that.

3. So what will the new European Public Prosecutor's office look like?

1. Decentralised Structure

There will be an independent **European Prosecutor** with four deputies, leading the European Public Prosecutor's Office and coordinating the work.

The actual work on the ground (gathering evidence, prosecuting, bringing to court and so on) will be done by so-called "**European delegated prosecutors**" who are fully integrated into the national justice systems. They will be wearing a "**double hat**": they will be national prosecutors and part of the European Public Prosecutor's Office. They will use national staff, apply national rules and address themselves to national courts.

The internal working procedures of the European Public Prosecutor's Office, including the rules on the allocation of cases will be decided by a '**College of ten**': the European Prosecutor, the four deputies and five delegated prosecutors.

2. Strong safeguards

The European Public Prosecutor's office will be an independent and accountable prosecution office.

Various safeguards, notably the appointment, as well as the dismissal procedures – which are in the hands of the Court of Justice – will ensure these basic principles. The investigations and prosecutions of the European Public Prosecutor's Office will respect the Rule of Law and the EU Charter of Fundamental Rights. An example: investigative measures such as searches or telephone tapping will always need prior judicial authorisation – also in countries where this is currently not required.

Any act or decision of the European Public Prosecutor's Office can be **challenged before a national court**.

Every suspect will be protected by **strong and robust procedural rights**: they are written down in a special Chapter (Chapter IV of the Regulation on the European Public Prosecutor's Office).

The new European Public Prosecutor's Office will need to build on confidence and trust, which is why we propose to embed it in strong procedural rights.

4. Conclusion

Finally let me add one comment, to make it crystal clear from the start. **Not all EU Member States are concerned by this proposal**. Denmark will not participate in this proposal. The UK – already in its government coalition agreement – has decided not to be part of the European Public Prosecutor's Office. While Ireland still has to decide if it wants to opt in.

I call on Member States and the European Parliament to now rally behind this important project so that the European Public Prosecutor's Office can assume its functions as of 1 January 2015.