

ALTER-EU demands ethics and transparency reforms in the wake of the cash-for-influence scandal

Alliance for Lobbying Transparency and Ethics Regulation in the EU
10 April 2011



1: Stricter rules for MEP's second jobs

The cash-for-influence scandal has put a spotlight on the problems that can emerge when MEPs hold second jobs. MEPs Strasser and Severin both held numerous second jobs that had been declared in the Parliament's register of declarations of financial interests. Strasser was the most extreme example, as he was actively involved in lobbying for industry clients of various consultancy firms that he co-owned or was employed by. Increased transparency around second jobs and financial interests is not enough to tackle these problems. Second jobs can easily lead to conflicts of interest and should be curbed.

ALTER-EU recommends – as part of a new **code of conduct for MEPs** – a ban on all jobs that involve lobbying or which can lead to conflicts of interests (corporate board positions, etc.) in other ways. This is not a complete ban on second jobs and would allow MEPs to continue spending a limited part of their time as university lecturers, part-time small-scale farmers, or other in other positions that do not pose any conflict of interests. The new independent ethics committee that is to be established should have powers to assess and decide upon the permissibility of MEP second jobs.

Any shares owned by MEPs should be placed in a blind or neutral trust for the duration of the time that they serve as MEPs.

The rules should be tightened on spouses and partners with financial interests that conflict with the parliamentary duties of MEPs.

The Parliament must prevent outside interests from providing financial contributions to MEPs, including a clear ban on lobby groups paying the salaries of parliamentary assistants.

MEPs should declare all income received in addition to their MEP salary. Additionally, the European Parliament should consider a cap on how much MEPs can earn in addition to their MEP salary, as is the case in several member states including The Netherlands.

2: Curbing gifts and hospitality

The European Parliament needs strict rules to ensure that MEPs do not receive money, gifts, or hospitality above a certain value (maximum 50 euros) from lobbyists and other outside interested parties.

3: Improving the financial interests register of MEPs

The current financial interests register is not working. Information is hard to access (there is no central webpage, information is available in 'pdf'-files and only in MEPs own languages) and is in many cases outdated, unclear and incomplete. The register must become easy-to-access, with data provided as searchable text (not just pdfs) and everything must be translated into English. MEP declarations of interest must be properly overseen and checked and these should be regularly updated. Disclosure requirements must be increased in order to cover all direct and indirect financial interests of MEPs, including all second jobs, additional sources of income and any other financial interests. Furthermore, organisational memberships (including official EP intergroups and other cross-party groups) should be disclosed. The register should capture details of MEP family members who are employed and remunerated through parliamentary allowances, overseas visits, land and property, shareholdings, controlled transactions [i.e. loans for political activities] and any other relevant factors.

MEP Declarations of Interests should be verified by independent auditors to make sure the information is correct and up-to-date. Previous declarations of interests should be made publicly available online in addition to the most recent declarations which are currently available.

4: Blocking the revolving door

Upon ending their term in the European Parliament MEPs should be barred from accepting any employment that involves lobbying or lobby advice targeting EU decision-making for a significant period of time. In the US Congress a two-year cooling-off period exists. MEPs should be barred from any contract negotiations for future employment that involve lobbying or lobby advice whilst still in office. Sanctions for misconduct in this regard could include cuts to allowances and pension payments.

Following the example of the US Congress, access badges and other privileges should be removed from former Members who become lobbyists (ex-MEPs currently have unlimited access to the Parliament and this is abused by ex-MEPs that become lobbyists).

5: Independent ethics committee with enforcement powers

New ethics and transparency rules need to be overseen by an independent ethics committee with significant enforcement powers, including the ability to impose sanctions such as fines, restrictions on functions in the parliament, and withholding allowances.

6: Effective prosecution of corruption

The cash-for-influence scandal demonstrated a very problematic lack of clarity about who has the authority to investigate corruption cases involving MEPs (OLAF, Belgian authorities, the authorities of an MEP's home member state). This must be clarified once and for all. OLAF, as the EU's own anti-fraud office should investigate corruption cases together with a national judicial authority. As the parliament's main seat is

in Belgium and in order to ensure equal treatment of all cases of investigation, we propose that the Belgian public prosecutor is entitled to be involved in all corruption investigations related to parliamentarians. This falls within the responsibilities of the Belgian federal prosecutor, who is entitled to facilitate international cooperation and to act as the central point of contact for international institutions such as the European Anti-Fraud Office (OLAF).

7: Mandatory lobby transparency

The new joint register between the Commission and the Parliament that is to be launched this summer falls short of the goals set in the Parliament's May 2008 Resolution A6-0105/2008 (mandatory registration, names of all lobbyists and detailed financial information). These goals should remain a priority, and they should be achieved through forthcoming reviews of the register over the coming years. Parliament should reaffirm its call for mandatory registration for all lobbyists (Resolution A6-0105/2008) and also demand that the forthcoming review process should include taking the necessary steps to prepare for a transition to mandatory registration. The joint register also falls short of the full financial disclosure that is expressed in Resolution A6-0105/2008. The Parliament must act decisively to improve the quality of data in the register (for example by including financial information).

If the European Commission is unwilling to agree to a mandatory register with comprehensive reporting requirements, then the European Parliament should consider unilaterally introducing measures to achieve effective lobby transparency. This could be done by adding additional disclosure obligations as a condition for receiving access badges to Parliament.

All MEPs should periodically list all meetings with interest groups. These lists should be easily available via a central transparency portal page on the EP website. MEPs must publish a legislative footprint for reports and amendments tabled. Special requirements are needed for MEPs who are selected as rapporteurs and shadow-rapporteurs.

8: Effective transparency and ethics rules are needed for official EP intergroups and other cross-party groups involving MEPs and lobbyists

More comprehensive information on registered intergroups should be made available through the European Parliament website. The enforcement of the current rules for officially recognised intergroups must also be improved. In particular, the disclosure of up-to-date membership and financial information must be secured. All outside parties involved in the activities of the groups should be fully disclosed. Intergroups should receive no funding (or support in-kind) from sources outside the parliament. In addition to official intergroups, transparency obligations should be introduced for all cross-party groups involving MEPs, including unregistered intergroups and MEP-industry forums. Mechanisms need to be put in place to ensure that all of these groups are registered and that key information is fully disclosed to the public. In the UK, registration is compulsory for any group that includes MPs from more than one party. This – combined with reporting requirements on any relevant lobbying interests – would be an obvious step forward for the European Parliament.

9: Other measures to reduce the influence of commercial lobbying on EP decision-making

Some ideas:

- ALTER-EU welcomes EP President Buzek’s proposal that “the Parliament’s own services could offer a more comprehensive service in advising Members on the drafting of potential legislative amendments.” This could be one of several measures taken to reduce the dependency of MEPs on industry lobbyists, including in the writing of amendments.
- MEP Schlyter has made an interesting proposal for establishing quotas for lobbyist access passes in order to create more of a balance between commercial and public interest lobbyists.

About ALTER-EU

The Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) is a coalition of over 160 civil society groups, trade unions, academics and public affairs firms concerned with the increasing influence exerted by corporate lobbyists on the political agenda in Europe, the resulting loss of democracy in EU decision-making and the postponement, weakening, or blockage even, of urgently needed progress on social, environmental and consumer-protection reforms. www.alter-eu.org