



MOONLIGHTING IN BRUSSELS

**SIDE JOBS AND ETHICS CONCERNS
AT THE EUROPEAN PARLIAMENT**

Transparency International EU is part of the global anti-corruption movement, Transparency International, which includes over 100 chapters around the world. Since 2008, TI EU has functioned as a regional office of the global movement and closely works with the International Secretariat in Berlin, Germany.

Transparency International EU leads the movement's EU-focussed advocacy, in close cooperation with national chapters worldwide, but particularly with the 24 chapters in EU member states. Transparency International EU's mission is to prevent and address corruption and promote integrity, transparency and accountability in the EU institutions and in EU internal and external policies, programmes and legislation.

Authors:

Daniel Freund, Head of Advocacy EU integrity
Raphaël Kergueno, Policy Officer EU integrity

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KEY FIGURES

18-41 million €

Total outside income of Members of the European Parliament (MEP) during the current legislature (since July 2014)

31%

MEPs with paid side jobs

8,484 €

Monthly base salary of MEPs, not including other allowances.

9-30

MEPs with higher outside incomes than their MEP salary

24

MEPs that have breached the Code of Conduct in the past 5 years

1,366

Total side activities declared by MEPs

0

MEPs that have ever been sanctioned for ethics violations

EXECUTIVE SUMMARY

Moonlighting a common practice

“Moonlighting” – the practice of having a second job – is relatively common among politicians in democracies. This also holds true for the European Parliament. 60% of the members have declared outside activities that can include regular employment, board memberships or other political mandates. In total, the 751 MEPs have declared 1,366 activities, a 13% increase from the beginning of the mandate. 31% of MEPs now have paid side jobs.

To gain a better overview of what members of parliament are doing outside of their legislative and parliamentary activity, Transparency International EU has analysed over 2,000 declarations of financial interest to find out. The results provide a detailed picture of what outside activities sitting MEPs have had been engaged in since their election in 2014.

Second job and conflicts of interests

The common justification for second jobs is that they allow elected officials to stay in touch with their profession and to return to a previous job when they leave office. Others say it allows them to keep links to the realities of their electorate¹. Participation in unremunerated activities, by sitting on boards for example, can be beneficial for maintaining close links with the society. But having an outside job on top of a full-time activity as an elected member of parliament can also create conflicts of interests or prevent MEPs from devoting sufficient time and attention to their roles as elected representatives.

This is not an automatic consequence. Not all paid outside activities lead to conflicts of interest. However, activities that generate large amounts of income, or are conducted with registered lobby organisations, or have started during the term in office present a greater risk of conflict of

interests. Three MEPs currently hold paid positions in organisations on the EU lobby register. Viviane Reding is a board member for the Bertelsmann Foundation, Agnes Jongerius is on the supervisory board of PostNL and Paul Rübzig holds a position with the Austrian Chamber of Commerce (WKÖ), representing the interests of Austrian businesses. Such roles may not involve lobbying their colleagues in the European Parliament, but the MEPs concerned should make it clear that this is the case, especially in view of the explicit ban on lobbying activities in the European Parliament’s Code of Conduct.

49 MEPs have started new activities since the beginning of the mandate, four of them earning more than 100,000 EUR extra per year. Activities started during the mandate can have higher risk of conflict of interests as these are potentially directly linked to an MEP’s activity in the Parliament. High incomes are particularly worrying when the descriptions of the activities in the declarations are limited to “consultant”, “lawyer” or “freelancer”. The lack of detail makes it impossible for citizens, journalists or civil society to monitor these activities for potential conflicts of interests.

Ethics risks with large outside incomes

By calculating the incomes declared by MEPs since they took office in July 2014, our research shows that MEPs have earned a total of 18 to 41 million EUR from side jobs. MEPs can only declare monthly gross income in broad ranges, leading to a strong disparity between the lower and upper range of our calculations. 35 MEPs have earned over 100,000 EUR on top of their official salaries as MEPs. Between 9 and 30 MEPs have earned more money from outside jobs than from the compensation that MEPs receive from the taxpayer. The monthly base salary of MEPs is 8,484 EUR, but

most MEPs receive between 10,000 and 12,000 EUR per month after taxes and expenses when including allowances.

Moonlighting in the political groups

Our analysis shows that all political groups in the European Parliament are affected by MEPS engaged in outside activities. There is however a strong disparity between the groups in terms of the average income declared by MEPs and the share of MEPs declaring outside income within their respective groups. Outside incomes are, for example, particularly high among members of the Europe of Nations and Freedom (ENF), which has the highest share of its members (54%) declaring paid activities.

Lessons from history

Outside incomes can potentially be used to channel payments to members in return for insider information or legislative action. They can also be used for illicit campaign or party funding. In 2011 three MEPs were caught by undercover journalists accepting payments to table amendments. The practice of moonlighting in the European Parliament has been regulated since the so-called “cash-for-amendments” scandal in 2011. To prevent such scandals in the future, the European Parliament introduced a Code of Conduct designed to govern, among others, the practice of MEPs engaging in outside activities. The objective was to disclose any potential conflicts of interests that might arise between outside activities and their work as MEPs and to prevent them from receiving any advantage in exchange for their activities as elected representatives.

Weak ethics oversight

Despite the ethics infrastructure that has been put in place with the Code of Conduct in 2012, ethics oversight in the European Parliament remains weak. The current system is not independent with the President of the Parliament having the sole responsibility for enforcing the code. In the past five years, there have been at least 24 breaches of ethics rules, yet not a single one has led to

sanctions. Only in one case has there been a reprimand². Repeatedly, members have been found not to declare activities, gifts over a certain value³ or invitations to events. MEPs have for example failed to declare trips paid by foreign government organised under the guise of so-called friendship groups, as well as trips financed by the Azerbaijani government to observe the Presidential elections of 2013⁴. Both Presidents of the current legislature, Martin Schulz and his successor Antonio Tajani, have consistently opted not to sanction violations of the Code, despite the Advisory Committee having substantiated numerous breaches. When revelations are made in the media or through the investigations of watchdog organisations, members are simply invited to submit an updated declaration. This situation, of course, gives little to no incentive to provide accurate declarations in the first place.

This system seems particularly weak in comparison to the ethics regimes in Canada, the US or France. In the United States for example, members of Congress are not allowed to have paid outside activities in professions where there is a risk for conflict of interests (banks, consultants, lawyers etc...) and they cannot receive payments for speeches or board memberships. Any outside income that exceeds 15% of their salary is paid into the US federal budget. In France, an independent authority monitors ethics violations with far-reaching investigative powers including, for example, access to tax declarations.

Key recommendations

In order to strengthen the ethics system in the European Parliament ahead of the 2019 European elections, Transparency International EU recommends to swiftly:

- ▶ enforce a ban on lobbying activities for sitting MEPs
- ▶ improve the information that is provided in the declarations, including on clients and topic areas worked on
- ▶ improve monitoring of declarations by cross-referencing European Parliament declarations with other sources of information
- ▶ establish an independent ethics oversight body to investigate and sanction violations



Main paid activities of the TOP 30

The two highest income, each above 1 million euros, were earned by the founder and CEO of Tiscali, Renato Soru as well as by poker champion and entrepreneur Anatanas Guoga, who invests in start-ups. Most of the top earners hold senior positions, such as CEOs, directors or managers, in private companies. A number of MEPs work as independent consultants, lawyers or freelancers.

A smaller number receives salaries for second mandates at the regional or the local level.

TOP 30 MEPs*

RANK	NAME	GROUP	COUNTRY	TOTAL MINIMUM INCOME	TOTAL MAXIMUM INCOME	ACTIVITIES
1	Renato Soru**	S&D	Italy	1.547.500 €	1.565.035 €	Director Tiscali
2	Antanas Guoga**	EPP	Lithuania	1.356.387 €	1.428.375 €	Poker player + entrepreneur
3	Guy Verhofstadt**	ALDE	Belgium	920.614 €	1.425.000 €	Director SOFINA + Speaker
4	Renaud Muselier**	EPP	France	816.130 €	1.586.487 €	Director Medical Company
5	Rachida Dati**	EPP	France	768.000 €	768.000 €	Lawyer
6	Nigel Farage**	EFDD	UK	590.048 €	790.000 €	Broadcast contracts
7	Daniel Buda	EPP	Romania	444.027 €	543.988 €	Notary
8	Jean-Luc Schaffhauser**	ENF	France	443.022 €	473.520 €	Consultant MWD Dubai
9	Bogdan Brunon Wenta**	EPP	Poland	442.000 €	442.000 €	Individual Economic Activity
10	Remo Sernagiotto	ECR	Italy	408.000 €	408.000 €	Councilor Veneto Region
11	Salvatore Domenico Pogliese	EPP	Italy	300.060 €	600.000 €	Accountant
12	Paulo Rangel	EPP	Portugal	280.048 €	704.000 €	Lawyer + TV Commentator
13	Joëlle Mélin	ENF	France	265.044 €	450.984 €	Doctor
14	Joëlle Bergeron	EFDD	France	246.054 €	510.000 €	Auctioneer + CEO
15	Kostas Chrysogonos	GUE/NGL	Greece	240.096 €	660.000 €	Lawyer
16	Antonio López-Istúriz White	EPP	Spain	240.048 €	480.000 €	SG European People's Party (EPP)
17	Bernard Monot	ENF	France	240.000 €	480.000 €	Senior Manager - Economist-Financial
18	Zdzisław Krasnodębski	ECR	Poland	231.575 €	642.982 €	Professor
19	***			229.389 €	450.821 €	
20	Philippe Loiseau	ENF	France	202.992 €	418.944 €	Farmer
21	Dariusz Rosati	EPP	Poland	180.180 €	900.000 €	Board Bank Millennium + Professor
22	Philippe Juvin	EPP	France	170.598 €	629.000 €	Doctor
23	Nirj Deva	ECR	UK	168.166 €	778.978 €	Entrepreneur
24	***			160.162 €	688.030 €	
25	***			147.612 €	171.588 €	
26	Sirpa Pietikäinen	EPP	Finland	137.600 €	687.461 €	Board Kone
27	Angeliika Niebler	EPP	Germany	123.516 €	735.939 €	Lawyer + Board member
28	Angelo Ciocca	ENF	Italy	120.536 €	246.500 €	Freelancer + Local Mandate
29	Viviane Reding	EPP	Luxembourg	113.089 €	541.000 €	Board Member AFGA + Bertelsman Foundation
30	Angélique Delahaye	EPP	France	110.948 €	303.400 €	Mayor

* The top 30 MEPs with highest total minimum and maximum outside income earned since the start of their current mandate until 3 July 2018. It is the responsibility of the MEPs to provide accurate information on their outside income. Transparency International EU has calculated these figures by multiplying the gross monthly income declared in their declarations of financial interests to the European Parliament by the number of months in office, taking into account changes when MEPs provide multiple declarations over the course of their mandate. One-off payments have been added to the totals in our calculations.

** Before 2017, the highest category of income was 10,000+ with no specific figures provided. Since the changes introduced in December 2016, MEPs must provide the nearest 10,000 figure when earning above 10,000 EUR. For older declarations, we made the assumption that MEPs were earning exactly 10,000 EUR, unless another figure was specified or provided in a more recent declaration. This means that the incomes of MEPs could have been higher than the numbers indicated here.

*** When contacted for this report, these MEPs have informed us of lower incomes than originally declared. Under the Code of Conduct MEPs are solely responsible for the information declared and have till the end of the month following any change occurring to update their declarations. In the case at hand, the changes to incomes far exceed the reporting deadline in the Code of Conduct. Due to time-constraints, MEPs were not in a position to provide supplemental verification of the changes to their declarations. Therefore we have opted to remove the names at this time.

Declarations of financial interests

The 2014-2019 legislative term of the European Parliament is the first where Members had to fill out their declarations of financial interest right from the start. Since the first plenary session, all MEPs, old or new, had to update or submit a range of information on their outside revenues, board memberships and financial holdings. While declarations have been required since 2012, these were previously handwritten in the MEPs' native language, scanned and uploaded to the respective European Parliament webpage of each individual MEP. Since 2014, declarations are being completed electronically, but are still not published in a centralised and easily accessible manner.

Outside incomes are not provided in exact amounts, but declared in broad gross ranges per month:

CATEGORIES OF GROSS INCOME / MONTH
Unremunerated
1€ - 499€
500€ - 1.000€
1.001€ - 5.000€
5.001€ - 10.000€
> 10.000€ with an indication of the nearest 10.000€

MEPs are solely responsible for their own declarations and are found to be in breach of the Code if they do not submit a declaration, make false declarations or otherwise omit information that they are obliged to publish. A new declaration must be filed every time MEPs income changes, when they take on or drop a new paid and unpaid activity and when they receive financial and material support for their activities as MEP from third parties.



The President of the European Parliament is in charge of enforcing the Code, supported by the Advisory Committee that can make recommendations in case of breaches, but also serves to assist members on ethical questions. Sanctions for breaches of the Code may include (Art. 166 of the Rules of Procedure): a reprimand, forfeiture of daily allowance (up to 30 days), prohibition to represent the Parliament, or, in extreme cases the temporary suspension from Parliamentary activities with the exception of voting (up to 30 days).

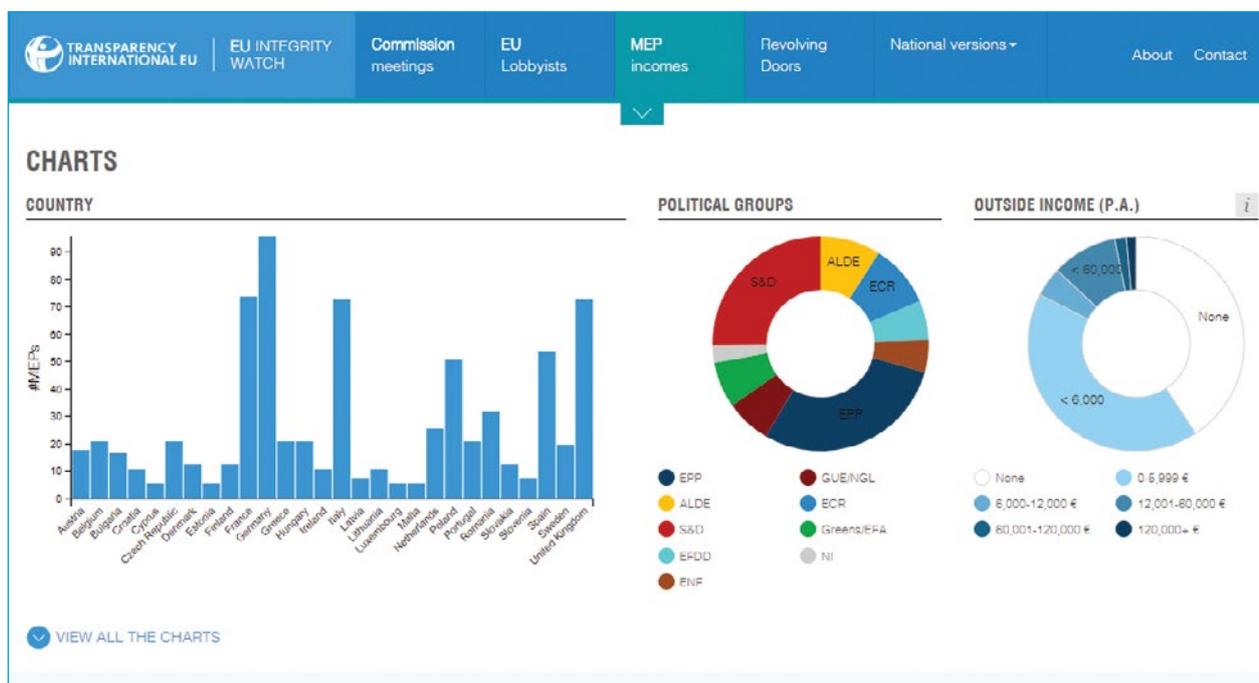
So far not a single MEP has been sanctioned for failing to declare income or for making erroneous declarations. Despite 24 breaches of the Code in the past five years, there has only been one reprimand but no sanctions. Violations included six MEPs failing to declare luxury trips to Azerbaijan, paid for by the ruling family during Presidential elections⁵. Another case was former MEP Louis Michel, who was found to have tabled over 200 amendments to the EU's data protection rules, which had been copied word-for-word from the submissions of lobby organisations⁶. None of these MEPs were sanctioned by the President for breaching the Code of Conduct.

EU Integrity Watch

The research for this paper was produced with our online tool EU Integrity Watch (www.integritywatch.eu). This online interactive database was launched by Transparency International EU on 13 October 2014. The website allows users to search, cross-reference and visualise MEPs' outside revenues and extra-parliamentary activities. Transparency International has combined the information that is published in MEPs' declarations of financial interest with information on their parliamentary activity such as group and committee memberships or their attendance records.

The resulting database provides a unique overview of the activities of the Members of the European Parliament and provides detailed analysis of the differences between countries, political groups or particular national parties. It also allows users to monitor potential conflicts of interest or to identify those MEPs with a large number of external activities.

EU Integrity Watch also has tools that feature information and data on lobby meetings of the European Commission, lobby organisations registered on the EU lobby register and revolving door cases from the European Commission and the European Parliament.



www.integritywatch.eu

Analysis by political group

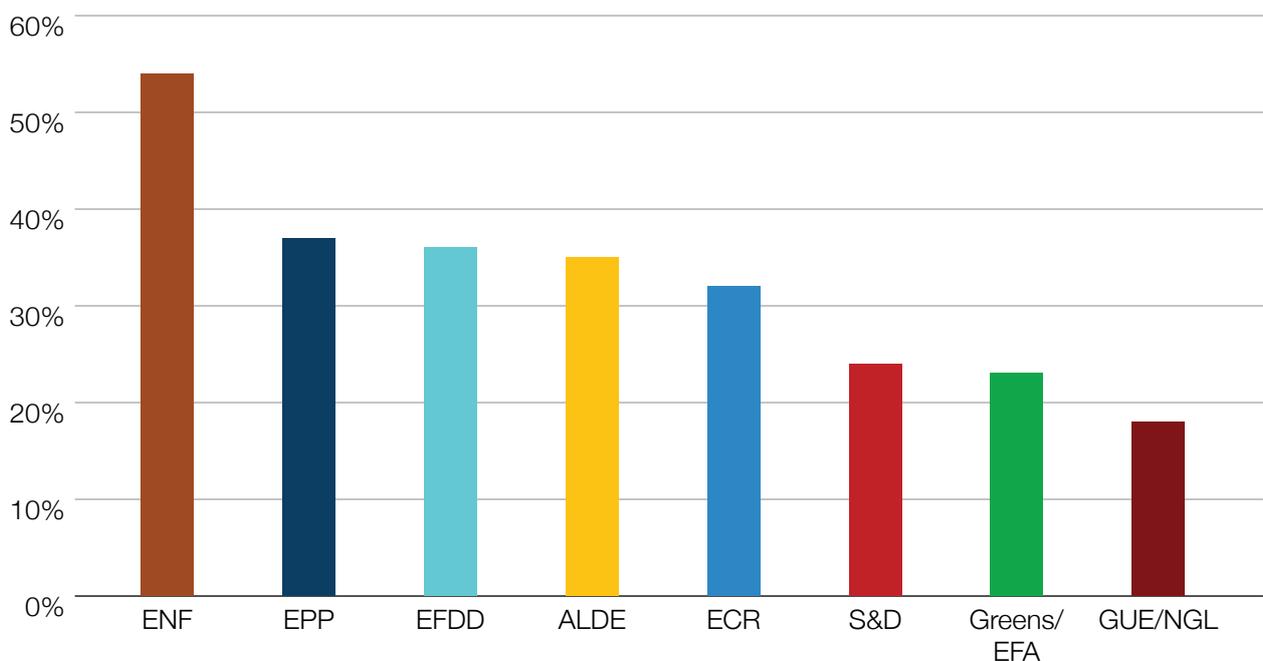
Our research indicates that moonlighting affects every political group in the European Parliament. There are strong disparities between them with regard to the share of MEPs declaring income. While 31% of total MEPs declare income, this share is far higher for members of the Europe of Nations and Freedom (ENF), which has over 54% of its MEPs declaring paid side jobs and the highest average yearly outside income of all groups with 103.429 EUR to 172.175 EUR per MEP.

Notable cases include United Kingdom Independence Party (UKIP) member Nigel Farage and Front National member Jean-Luc Schaffhauser who both increased their income by over 200.000 euros per year over the course of their mandate. Shaffhauser's revenues of now 270.012 EUR per year come from a consultancy called "MWD Dubai" for which no information on clients or fields of activity is available online. The highest increase of outside incomes was found for centre-right EPP member

Antanas Guoga, whose income went from zero euros to now nearly 3 million euros per year from his entrepreneurial activities.

In total, 49 MEPs have seen significant increases in their yearly outside incomes during their mandate. Activities started during the mandate often carry a higher risk for conflicts of interests, as these might be related to their specific roles as MEPs, to their legislative activities, insider information or to their contacts and networks. This is particularly worrisome, as there is hardly any verification mechanism in place to trace where the outside revenues are coming from. Indeed, the European Parliament does not have the competence or the capacity to check declarations beyond basic plausibility. The Parliament has no access to tax records and does not even consult publically available information from similar declarations to national authorities.

MEPs with income per political group



Outside income by political group*

GROUP	MEPS DECLARING INCOME	MEPS WITH OUTSIDE INCOME	AVERAGE PER YEAR MINIMUM	AVERAGE PER YEAR MAXIMUM
ENF	19	54%	103.429 €	172.175 €
EPP	80	37%	93.871 €	226.350 €
EFDD	16	36%	85.573 €	163.173 €
ALDE	24	35%	66.036 €	166.663 €
S&D	45	24%	62.119 €	125.985 €
ECR	24	32%	61.850 €	185.861 €
GUE/NGL	9	18%	43.699 €	147.226 €
Greens/EFA	12	23%	39.667 €	96.940 €
Total**	231	31%	76.511 €	177.793 €

* Average per year was obtained by dividing the total amount declared within the political group by the number of MEPs declaring income.

** The total includes two MEPs that are not aligned with any political group from the Parliament.

Top 10 MEPs with largest increase during the mandate*

NAME	GROUP	COUNTRY	YEARLY INCOME FIRST DECLARATION	YEARLY INCOME LAST DECLARATION	DIFFERENCE
Antanas Guoga	EPP	Lithuania	0 €	2.952.012 €	+2.952.012€
Nigel Farage	EFDD	UK	12.012 €	372.012 €	+360.000€
Jean-Luc Schaffhauser	ENF	France	30.012 €	270.012 €	+240.000€
Marcus Pretzell	ENF	Germany	0 €	134.220 €	+134.220€
Kay Swinburne	ECR	UK	0 €	66.012 €	+66.012€
Gilles Lebreton	ENF	France	0 €	60.036 €	+60.036€
Salvatore Domenico Pogliese	EPP	Italy	60.012 €	120.024 €	+60.012€
Theodoros Zagorakis	EPP	Greece	6.000 €	60.012 €	+54.012€
Viviane Reding	EPP	Luxembourg	0 €	30.012 €	+30.012€
Paolo De Castro	S&D	Italy	0 €	24.036 €	+24.036€

* The figures in this table were calculated by comparing the largest increases in yearly declared income of the first and last declaration of MEPs declaring income during their mandate.

Outside income per country

Having paid outside activities is particularly prevalent among French MEPs. Taken together they have earned 4.8 million euros since 2014, more than double that of any other country. Belgium takes the top spot in regards the share of its MEPs declaring income (62%) and only one single Estonian MEP declares an income of 14 EUR over the course of a four-year mandate.



Outside income by country*

COUNTRY	MEPS DECLARING INCOME	AVERAGE MINIMUM INCOME	TOTAL MINIMUM INCOME
France	51%	120.026 €	4.560.972 €
Italy	18%	202.258 €	2.629.356 €
Germany	40%	37.677 €	1.431.744 €
UK	30%	64.873 €	1.427.204 €
Lithuania	18%	685.844 €	1.371.687 €
Belgium	62%	98.946 €	1.286.304 €
Poland	29%	76.046 €	1.140.693 €
Romania	16%	116.331 €	581.653 €
Austria	56%	56.434 €	564.340 €
Portugal	29%	67.362 €	404.172 €
Spain	15%	45.769 €	366.152 €
Greece	19%	85.536 €	342.144 €
Denmark	54%	43.319 €	303.232 €
Netherlands	27%	30.020 €	210.139 €
Luxembourg	50%	69.728 €	209.185 €
Finland	31%	45.780 €	183.121 €
Sweden	40%	18.201 €	145.611 €
Czech Republic	48%	14.133 €	141.325 €
Cyprus	33%	43.040 €	86.080 €
Latvia	38%	23.692 €	71.075 €
Croatia	36%	16.411 €	65.642 €
Bulgaria	6%	48.048 €	48.048 €
Malta	33%	19.037 €	38.074 €
Slovakia	8%	23.997 €	23.997 €
Slovenia	25%	9.750 €	19.500 €
Ireland	9%	17.500 €	17.500 €
Hungary	10%	2.510 €	5.020 €
Estonia	17%	14 €	14 €

* Only MEPs with income declared during their mandate are counted in averages and the total

ETHICS IN THE EUROPEAN PARLIAMENT

Revolving Door

In its 2017 report “Access All Areas - When EU politicians become lobbyists”, Transparency International published a detailed overview of the revolving door cases in the European Parliament. We tracked the career paths of those members that had left the European Parliament following the European elections in 2014 and analysed how many moved to other national public office or went on to work for the private sector. In our research, we found that 30% of MEPs who had left politics were now working for organisations registered on the EU lobby register. This created a potential risk of former MEPs using information or contacts gained in office to the benefit of their new employers, potentially providing an unfair advantage over the competition or insider knowledge on how to circumvent rules and push for more favourable regulation.

Despite some changes to the Rules of procedure that entered into force in 2017, the situation regarding the revolving doors remains unchanged and MEPs are free to accept any new employment after leaving office, without any restriction or even information about their new jobs. Indeed, irrespective of their new occupations, they continue to receive their full MEP salary as transitional allowance for between six and 24 months, depending on how long they have served.

Transparency International has recommended that while MEPs receive their transitional allowance they should be barred from engaging in lobbying activities towards the EU institutions. This would bring them in line with rules that apply to their own staff, for which a cooling-off period of up to two years applies under the EU staff regulation.

Legislative footprint

In 2016, the European Parliament introduced a voluntary legislative footprint to be annexed by MEPs chairing committees or responsible for legislative files (rapporteurs). This legislative footprint contains a list of lobby meetings. It should ensure that the public is informed on which interests have shaped legislation. So far few MEPs have opted to include a legislative footprint in the files, for which they were responsible, despite 182 MEPs pledging to do so ahead of their election in 2014. Transparency International EU called for a mandatory publication of meetings.

Lobby contacts

In order to improve ethics at the European Parliament, Transparency International also continues to advocate for a mandatory Transparency Register of Lobbyists that covers the European Parliament, the Commission and the Council. We also actively call for MEPs, their assistants as well as relevant political staff to publish their meetings. Currently, about 50 out of 751 MEPs have opted to publish lobby contacts on their private websites.

Side jobs and activities

We published our first study on side jobs in October 2014, which led about 100 MEPs to drop activities. Since then there has been a 13% increase in activities, with a total of 60% of MEPs taking on second jobs. Large number of side activities does not necessarily mean that they have conflicts of interests but might indicate that they simply declare better than their peers. Paid activities do in general bear a higher risk of conflict of interests, particularly when started during the course of the mandate. Unpaid activities, such as board memberships of organisations on the EU lobby register or discussion forums involving MEPs and industrial organisations, can also lead to ethical concerns.

MEPs with most activities*

NAME	COUNTRY	GROUP	N° OF ACTIVITIES	TOTAL MINIMUM INCOME	TOTAL MAXIMUM INCOME
Antanas Guoga	Lithuania	EPP	16	1.356.387 €	1.428.375 €
Kay Swinburne	UK	ECR	16	108.020 €	216.000 €
Renaud Muselier	France	EPP	15	816.130 €	1.586.487 €
Angelika Niebler	Germany	EPP	14	123.516 €	735.939 €
Sirpa Pietikäinen	Finland	EPP	13	137.600 €	687.461 €
Viviane Reding	Luxembourg	EPP	13	113.089 €	541.000 €
Monika Hohlmeier	Germany	EPP	13	48.071 €	251.477 €
Lukas Mandl	Austria	EPP	12	45.570 €	81.768 €
Burkhard Balz	Germany	EPP	11	89.081 €	390.378 €
Guy Verhofstadt	Belgium	ALDE	10	920.614 €	1.425.000 €
Gerolf Annemans	Belgium	ENF	10	36.036 €	180.000 €
Mirosław Piotrowski	Poland	ECR	8	84 €	41.916 €
Peter Jahr	Germany	EPP	7	97.417 €	243.400 €
Santiago Fisas Ayxelà	Spain	EPP	7	23.016 €	94.000 €
Michel Dantin	France	EPP	7	10.513 €	16.987 €
Francis Zammit Dimech	Malta	EPP	7	5.566 €	43.934 €
Daniel Buda	Romania	EPP	6	444.027 €	543.988 €
Paulo Rangel	Portugal	EPP	6	280.048 €	704.000 €
Antonio López-Istúriz White	Spain	EPP	6	240.048 €	480.000 €
Zdzisław Krasnodębski	Poland	ECR	6	231.575 €	642.982 €
Nirj Deva	UK	ECR	6	168.166 €	778.978 €
Heinz K. Becker	Austria	EPP	6	96.096 €	480.000 €
Hilde Vautmans	Belgium	ALDE	6	95.082 €	436.000 €
Paul Rübig	Austria	EPP	6	49.049 €	245.000 €
Albert Dess	Germany	EPP	6	48.084 €	257.964 €
Cristian-Silviu Buşoi	Romania	EPP	6	45.042 €	216.000 €
Paolo De Castro	Italy	S&D	6	20.030 €	79.980 €
Mary Honeyball	UK	S&D	6	10.020 €	54.990 €
Sander Loones	Belgium	ECR	6	5.026 €	22.974 €

* This table contains all MEPs with more than five activities, of which at least one is paid, as declared in their latest declaration.

INTERNATIONAL BEST PRACTICE

The ethics system in the European Parliament seems particularly weak in comparison with international best practice. Canada, France and the United States have much stricter rules and better oversight. In the US for example, Members of the US Congress are not allowed to have paid outside activities where a monetary relationship is established. This includes most professions such as lawyers, consultants and bankers. The only exception allowed are doctors with other income from side jobs capped to 15% of the annual salary. Any income earned above that threshold is paid into the US federal budget.

Payments for board memberships, speaking engagements or articles are prohibited. Companies and law firms are not allowed to use the name of members for advertising or other purpose. All side jobs must be cleared to the US Congress ethics body on a yearly basis.

There are also cooling-off periods for both members of Congress and Senators between 12 and 24 months during which they are strictly forbidden from taking up lobbying activities.

Ethics and transparency rules governing moonlighting and the revolving door were first introduced in the 1978 Ethics in Government act⁷. The European Parliament adopted its code of conduct in 2012 with safeguard measures far below the standards found in the United States.

In France a strong watchdog was created in 2013. The High Authority for Transparency in Public life is fully independent and has the necessary competence and capacity to oversee declarations, including full access to tax declarations and land records. This has enabled the authority to oversee more than 5000 declarations and has transmitted 23 cases of erroneous declarations to the public prosecutor⁸.

Obviously, there is not one simple measure that alone can ensure the absence of conflicts of interests in a political system. But taken together, the above measures can significantly reduce the risks for conflicts of interests and scandals that can harm the trusts in public institutions.



KEY RECOMMENDATIONS

Enforce the ban on lobbying activities

The European Parliament needs to fully enforce a ban on lobbying as a side job and ensure that there are no conflicts of interests. It should introduce a cooling-off period for MEPs. Its duration could be based on a 6–24 months' period, during which former MEPs receive a transitional allowance.

Increase information provided

Members need to provide more detailed information on outside activities to allow a meaningful monitoring of potential conflicts of interests. This includes more precise income instead of broad ranges, detailed description of their outside activities and the name of the entities from which they receive payments. Too broad and general descriptions of activities should lead to an automatic rejection of the declaration of financial interest. MEPs exercising a second job as consultants, lawyers and freelancers should declare their clients and the scope of their activities.

Improve monitoring of submitted information

The European Parliament should better monitor the submitted information by cross-referencing with other sources of information such as national declarations. These are more detailed and are often verified by national authorities. Best practices in other countries, such as France, United States and Canada, have shown that cross-referencing data is instrumental in ensuring compliance with the rules⁹. To facilitate monitoring by journalists, civil society and citizens, declarations of financial interests should be translated into English and possibly other languages and all data should be available in an easily accessible, searchable and machine-readable format.

Set-up and independent ethics oversight body

The European Parliament should establish an independent standing joint ethics body together with the other EU institutions. That body should have the ability to make binding recommendations and impose credible sanctions in cases of ethics violations (conflicts of interests, revolving doors). Such a body should be sufficiently resourced, have the necessary investigative capacity and be able to start investigations itself. It should get access to tax declarations of MEPs, for example, to verify the declarations of financial interest in cases of doubt. An independent body would relieve the current Advisory Committee on the Code of Conduct of the duty to pass judgement on the conduct of colleagues.

END NOTES

- 1 Rosie Campbell and Philip Cowley, Attitudes to moonlighting politicians: evidence from the United Kingdom, *Journal of Experimental Political Science* 2 (2015) p. 63, available at: https://www.cambridge.org/core/services/aop-cambridge-core/content/view/2EF28088663E6B027262F5D993D1E675/S2052263014000219a.pdf/attitudes_to_moonlighting_politicians_evidence_from_the_united_kingdom.pdf
- 2 European Parliament, Code of Conduct for Members of the European Parliament with respect to financial interests and conflicts of interests, available at: http://www.europarl.europa.eu/pdf/meps/201305_Code_of_conduct_EN.pdf
- 3 European Parliament, Minutes, Announcement by the President concerning penalty imposed on Udo Voigt, 14 February 2017, available at: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fTEXT%2bPV%2b20170214%2bITEM-006%2bDOC%2bXML%2bV0%2f%2fEN&language=EN>
- 4 EU Observer, MEP Friendship group offer door to pariah regime, Nikolaj Nielsen, 20 April 2018, available at: <https://euobserver.com/institutional/141654>
- 5 Politico EU, Toby Vogel, No action in Azerbaijan Case, 26 March 2014, available at: <https://www.politico.eu/article/no-action-in-azerbaijan-case-3/>
- 6 Politico EU, Toby Vogel, Michel escapes disciplinary action over amendments to data rules, 2 February 2014, available at: <https://www.politico.eu/article/michel-escapes-disciplinary-action-over-amendments-to-data-rules/>
- 7 Senate and House of Representatives in Congress assembled, Titles I – V Ethics in Government Act, encoded in Appendix of Title 5 of the United States Code, 1978, as amended 2018, available at: <https://legcounsel.house.gov/Comps/Ethics%20In%20Government%20Act%20Of%201978.pdf>
- 8 Website of the French Senate Public Broadcaster: <https://www.publicsenat.fr/lcp/politique/transparence-haute-autorite-transmis-13-dossiers-justice-pointe-23-conflits-d-interets>
- 9 For more information on conflict of interests prevention in France, see website of the High Authority of Transparency in Public Life (HATPV), available at: <https://www.hatvp.fr/la-haute-autorite/que-faisons-nous/prevenir-les-conflits-dinterets/>

TRANSPARENCY INTERNATIONAL EU

Rue de l'Industrie 10
1000 Brussels, Belgium

brussels@transparency.org
www.transparency.eu

 [Twitter.com/TI_EU](https://twitter.com/TI_EU)