Too Close for Comfort?

A report on MEPs, corporate links and potential conflicts of interest

Andy Rowell
SpinWatch

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About the authors

Too Close for Comfort? is an investigation by Andy Rowell, a freelance writer for various publications including SpinWatch.

SpinWatch is a UK-based non-profit making organisation that monitors the role of public relations, spin and lobbying in society. For more information visit: www.spinwatch.org

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To interview the author or for further information contact SpinWatch on: feedback@spinwatch.org

Too Close for Comfort? is available online at:
www.spinwatch.org
Executive Summary

Too Close for Comfort? is an investigation into the potential conflicts of interest arising from the activities of some Members of the European Parliament (MEP), their commercial interests and links to business lobby groups. It profiles twelve MEPs whose activities illustrate these potential conflicts. They have been selected because their activities are representative of the issues, not because their behaviour is deemed extraordinary.

This report forms part of the ongoing debate at both the European Parliament and Commission on lobbying and transparency. It aims to promote serious reflection on the rules and practices in Brussels, in the hope that increased accountability and transparency might lead to greater public trust in European decision-making.

Early 2008 has seen a number of damning revelations about certain British MEPs breaking Parliamentary rules over expenses. However, the activities of MEPs outlined in Too Close for Comfort? are potentially a cause for greater concern due to the significant possible conflicts of interest between their commercial activities and their role as legislators. These include:

- MEPs with financial interests in their parliamentary areas of expertise
- MEPs who receive funding from industries they promote through their parliamentary work
- MEPs in prominent legislative positions – for example, chairing certain parliamentary committees – who are also closely involved with industry lobby groups
- MEPs who are accepting wages, gifts and hospitality from businesses that have a vested interest in their work as legislators.

Examples of potential conflicts of interest contained in Too Close for Comfort? include:

- John Purvis MEP whose financial interests include being a partner in a firm that invests in the biotechnology sector. At the same time Purvis is regarded as the leading Conservative MEP promoting biotech in the European Parliament.
- Klaus-Heiner Lehne MEP is head of regulatory affairs at a law firm that advises clients on patents. He is also a member of the European Parliament’s Legal Affairs Committee and has been involved in patent legislation.
- Giles Chichester MEP was Chair of the parliamentary committee with responsibility for key nuclear issues at the same time as he was President of a pro-nuclear industry lobby group.
- Caroline Jackson MEP sits on the Environment Committee. She drafted a report on the EU’s waste framework directive while at the same time being a paid advisor to a waste company.
- Eija-Riitta Korhola is a vocal pro-nuclear MEP whose euro-election campaign accepted money from a company with nuclear interests.

MEPs defend these commercial and corporate lobby links in a number of ways: some believe that the very act of disclosure takes away any conflict. “This is a pretty old story,” says John Purvis MEP. “Every time it just fades away because these are all declared.” Another repeated defence is that it is surely better to have MEPs with expertise in particular industry sectors because of the
technical nature of much of the Parliament’s work. For example, Sharon Bowles, a patent lawyer, argues it makes sense for her to work on patents; and Malcolm Harbour, who spent years in the car industry, says his detailed knowledge informs his contribution to legislation concerning the motor industry.

While expertise is undoubtedly beneficial to decision-making, it becomes a concern when MEPs are financially benefiting – or receiving gifts – from companies they are meant to be regulating, or where MEPs are still involved with their first profession in such a way that it could conflict with their parliamentary duties.

Many MEPs also defend their close links to industry lobby groups, citing the benefits from stakeholder consultation to better policy making. But as lobbyist Lutz Dommel says: “With all these lobbying companies’ involvement, the problem is that it is not really forbidden. It’s just an ethical question of how far you go.”

Too Close for Comfort? is meant to serve as part of the debate on “how far” it is acceptable for MEPs to go before public trust is damaged. Its aim is to prompt questions such as, what do European citizens consider acceptable practice, and which actions should Europe’s leaders take to improve the reputation of MEPs and build trust in decision-making in Brussels.
Introduction

The conduct of MEPs has recently been in the news. Early 2008 saw a string of damning revelations about how certain British MEPs had been breaking parliamentary rules over expenses. This negative publicity arguably reinforces stereotypes of a ‘Brussels gravy-train’ and once again raises questions about the activities of MEPs.

There have since been moves to tighten the rules over expenses, such as a new code introduced by the UK Conservative Party. These measures have only been taken in the wake of scandals, which have damaged the reputation of individuals and wider public trust in Brussels.

Just as European leaders have shown complacency over expenses, there is now a growing risk that they are sleepwalking into the issue of MEP’s commercial links with outside interests. Once again, questions are being raised about how effective Parliament’s self-regulatory rules are, and how well they are monitored and enforced. As UK MEP Chris Davies says: “The European parliamentary rules are 20 years behind those of Westminster. They really are a scandal waiting to happen.”

Under the current rules, MEPs are required to declare: professional activities and any other remunerated functions or activities; and any support, whether financial or in terms of staff or material (additional to that provided by Parliament) given in connection with his/her political activities by third parties, whose identity shall be disclosed. MEPs are also expected to refrain from accepting any other gift or benefit in the performance of their duties. This second rule could be seen as contradictory to the first.

Despite the rules, MEPs are taking gifts, wages and hospitality from businesses with a vested interest in the work they do as legislators. Other MEPs have received funding from industries they promote, or have financial interests in their areas of parliamentary expertise. Others are in prominent legislative positions – for example, chairing certain parliamentary committees – at the same time as being involved with industry lobby groups.

Too Close for Comfort? profiles twelve MEPs whose activities highlight these potential conflicts of interest. They have been selected because their activities are representative of the issues, not because their behaviour is deemed extraordinary.
Sharon Bowles
Patent lawyer pushing patents

Sharon Bowles is a Liberal Democrat MEP from the UK. She is also a patent lawyer, and a partner in Bowles Horton, Patent and Trade Mark Attorneys with her husband, Andrew Horton, a European Patent Attorney.

Bowles Horton has mainly been concerned with electronics, integrated circuit design and semiconductor fabrication, and “has a client list which includes some of the major leaders in R&D in various electronics fields throughout the world.”

Bowles argues “I don’t think there is any conflict of interest with me being an MEP and a patent lawyer, as I am not practicing. Technically I do maintain my ability to practice because of my partner in the business, my husband, and there might be some occasion where it is necessary to sign a form. I am certainly far too busy as an MEP, but I can’t divest myself from a financial interest via my spouse.”

Although Bowles suggests that her financial interest is via her spouse, she declares on her official register of interests that she is paid for her post as partner of the company.

Bowles is also a member of the parliamentary committee of the Chartered Institute of Patent Attorneys (CIPA), the professional body for UK patent attorneys. The committee’s role is to “lobby the appropriate parliamentary body,” including both the UK Parliament and European Parliaments. Which means that, through the Institute, Bowles could theoretically lobby herself as an MEP.

Bowles says she used to go to meetings of the CIPA’s committee “a long time ago”. “We looked at new legislation to point out where we thought it was not working,” she says. However, she admits that it is “valid” to think there might be a conflict of interest “and would be happy to come off”.

Political opponents ask if it is possible for Bowles to “see the other side of the debate” given that she is so in favour of patents. One example they point to is the debate over software patents (see box right).

Lobbying for software patents

Bowles was one of the prime MEP backers of the EU software patents directive, which its opponents argued granted large corporations stronger intellectual property rights over software. It was rejected by Parliament in July 2005.

Key to the software patents debate was an organisation called “Campaign for Creativity” that claimed to represent artists, musicians, designers, engineers and software developers. The campaign lobbied MEPs with the aim of securing a parliamentary majority for the proposed changes. It was exposed as a fake ‘grassroots’ campaign run by Simon Gentry of London-based public affairs firm Campbell Gentry and supported by software giants like Microsoft and SAP. The Campaign won the “Worst Lobby Award” in 2005. In July 2005, Gentry noted how “a number of MEPs excelled in putting the case for our side of the argument. In particular, Socialist Arlene McCarthy, Sharon Bowles Liberal Democrat – and a patent lawyer – followed by Malcolm Harbour, Christian Democrat, all of whom laid out the case effectively and clearly. There were many others supporting our case but these three stood out.”

By the end of 2005, the Campaign for Creativity had transformed itself into the Innovation and Creativity Group (ICG), again essentially a business front group. Its chair was Sharon Bowles and secretary was Simon Gentry.
Following the defeat of the software patents directive in 2005, the European Commission in early 2006 launched a new consultation on the patent system in Europe. Later that year Bowles was one of two MEPs – the other being Klaus-Heiner Lehne (see page 9) – at the forefront of pushing the new Commission proposal called the European Patent Litigation Agreement.

In October 2006 Bowles and Lehne were among seven MEPs to put forward a motion for a resolution to the Parliament urging the European Commission to explore “all possible ways of improving the patent and patent litigation systems in the EU”.

In March 2007, Bowles and Lehne travelled to the European Patent Conference at which Bowles was a speaker. On her blog, Bowles wrote: “The panel session goes well. I get the feeling that I am the most in tune with those attending. Several of the patent attorneys... come to me afterwards and say that I had done well and made things very clear. I am gratified for I can think of nothing worse than my former colleagues thinking I was doing a bad job!”

Bowles defends her work on the software patents directive by saying “It was more a question of technical expertise. People used to say ‘she would say that wouldn’t she’. [The directive] was more concerned about [the patent] industry in general. It’s like saying judges like crime. It is ridiculous.” She argues “the patent work I do as an MEP is looking at how we get a common European system that is cheaper for businesses to operate under. That is of interest to everybody. I don’t just think you should have patents.”

Finally Bowles likens her critics to the “forces of evil who are girding their loins because they think something might be happening and they want to take me out of the equation.”

Several of the patent attorneys say I had done well. I am gratified… I can think of nothing worse than my former colleagues thinking I was doing a bad job!”

John Purvis
*Investing in industry*

John Purvis is one of two Scottish Conservative MEPs. He is the Vice Chair of the Committee on Economic and Monetary Affairs and substitute member for the Industry, Research and Energy Committee. During his time as an MEP, he has had a number of financial interests in the nuclear, biotech and financial sectors.

Until February 2008, when it went into voluntary liquidation, Purvis was a non-executive Director and significant shareholder of the European Utilities Trust (EUT). According to its 2006 annual report, nearly 50 per cent of the investment trust’s assets were in companies with nuclear interests, and in 2007, investments in nuclear represented some 35 per cent of the company’s assets. Many of the companies listed:
Iberdrola, RWE, E.On and Suez could benefit financially if there was strong support from the EU for new nuclear build.

Purvis is a keen supporter of nuclear power. In October 2005 he was one of the signatories to a European Atomic Forum (FORATOM) declaration in support of increased nuclear power in the EU. Two years later, Purvis was again one of a number of MEPs who signed another FORATOM declaration calling for EU leaders to recognise that “nuclear energy is an important part of the EU low-carbon energy mix and will play an increasing role in limiting CO₂ emissions.”

Purvis is currently involved with biotech investors, Life Science Capital (see box right). He is also the non-executive Chairman of Belgrave Capital Management (BCM), which “specialises in the research and selection of talented investment advisors”. In 1999 BCM became part of the Banca del Ceresio Group, “a Swiss Bank…considered to be one of the historic and most respected investors in the field of hedge funds.” BCM is the investment manager responsible for Vitruvius, a multi-portfolio fund.

Vitruvius holds different investment portfolios. The company’s 2007 accounts show that it has significant investments in biotechnology / pharmaceuticals: 13 per cent of its Swiss Franc 26 million Swiss equity fund; 9 per cent of its $214 million US equity fund; 6 per cent of its $33 million capital opportunities fund; and 3 per cent of its 160 million Euro European equity fund. Its European equity portfolio also has significant investments in companies impacted by EU decision-making, for example; car company, Daimler; energy company E.On; and oil companies BP, Shell and Total.

Purvis is also faced with a potential conflict of interest over the hedge funds themselves. In 2003, he acted as a Rapporteur for the Economic and Monetary Affairs Committee on an own-initiative report into hedge funds, which proposed a “light-handed and appropriate EU-wide regulatory regime” for the hedge fund industry.

Purvis does not see any conflicts over his involvement with BCM and his work on hedge funds. He argues that the firm “select managers to manage money for their clients, some of them may be hedge fund managers, or use hedge fund techniques.” On the Committee report into hedge funds,
Purvis says: “The reason for the light-handed regulation was to have some regulation, because at the moment hedge funds themselves are mostly offshore.”

But in 2005, the Wall Street Journal reported how “a bid to cut off funds for terrorism by tightening financial-crime laws has been watered down in the European Parliament with the help of legislators with close ties to the financial industry, including one lawmaker [Purvis] who is chairman of a hedge-fund firm.” According to Scotland’s Sunday Herald: “Purvis’s revisions loosened disclosure requirements and attempted to place fewer burdens on firms.”

The minutes from a meeting of the European Parliamentary Financial Services Forum, noted that Purvis “said that while it is necessary to combat money-laundering and terrorist financing effectively”, he is concerned that “methods” being introduced risked “creating a very heavy system”. Later that year Purvis complained that “yet more enhanced and rigorous controls on money flows in the fight against terrorism” would “gravely impede” commercial and personal transactions “with red tape and regulatory officiousness”.

Still heavily involved in hedge funds, Purvis is currently Vice Chair of Parliament’s Economic and Monetary Affairs Committee, whose responsibilities include “the regulation and supervision of financial services, institutions and markets including financial reporting, auditing, accounting rules, corporate governance and other company law matters specifically concerning financial services.”

Purvis sees no conflict of interest with any of his commercial links and work as a Parliamentarian “They are fully declared” he argues. In response to detailed questions about his investments he dismissed inquiries as “clutching at straws”.

**Klaus-Heiner Lehne**

*Another lawyer pushing patents*

Klaus-Heiner Lehne is a German lawyer and MEP and a member of the European Parliament’s Legal Affairs Committee.

Over the last few years, he has been one of the most influential MEPs pushing for software patents in the Parliament. At the same time he is a Partner at the law firm Taylor Wessing. It advises clients “on patenting strategy in the software sector.” The world’s largest business software company, SAP, is listed as a client of Taylor Wessing working on patents and intellectual property.

At the time of Lehne’s appointment to Taylor Wessing in 2003, Legal Week reported how the firm saw “the development of its seven-partner Brussels regulatory and competition practice in Brussels as vital for its key corporate clients.” According to Taylor Wessing’s website in 2006, its “patent group is one of the strongest, largest and best known in Europe. The group comprises around 30 patent law specialists” who advise “clients in a wide variety of industry sectors, including… software”. It goes on to say that Taylor Wessing has successfully represented multinational companies… in patent litigation of great commercial significance.”
It could be construed that Lehne has a potential conflict of interest: as a lawyer whose clients have included the world’s largest software company and as an MEP who has been involved in patent legislation that could help that company. Lehne and Taylor Wessing are keen to stress that he doesn’t work on patents and Lehne sees no such conflict: “All MEPS have a professional background”, he argues. “Being a lawyer and being an MEP in the Legal Affairs Committee of the Parliament is normal. Sometimes knowledge and competence helps to make the right political decisions.”

Since the failure of the 2005 software patent directive, the European Commission and patent industry have been pushing the new European Patent Litigation Agreement (EPLA), which critics say would lead to weaker democratic control over the patent system. One non-profit group on patents, the Foundation for a Free Information Infrastructure (FFII) described EPLA as creating “an uncontrollable, excessive situation, for higher costs, without discernable advantage.”

According to FFII “the spearheads of the patent establishment in the European Parliament, MEPS Klaus-Heiner Lehne and Sharon Bowles, both legal professionals involved in the patent litigation business, have tried hard to push their [political] groups into supporting a motion which gives uncritical backing to the EPLA.”

In September 2006, the Commission’s plans were severely criticised in the European Parliament by the Socialist group of MEPS “for supporting new patent rules that will heap extra costs and risks on small businesses”. Lehne argued the opposite and attacked the “die-hard, anti-innovation MEPS”, so called "no-software-patent" people.

**Elmar Brok**

*MEP and media man*

Elmar Brok is one of the European Parliament’s longest standing and most influential MEPS, having served for 28 years. From 1999-2007 Brok was Chair of the powerful Committee on Foreign Affairs and as a consequence was seen as the European Parliament’s “ambassador at large”. He is also deputy Member of the Committee on Constitutional Affairs and Member of the Delegation for Relations with the United States.

Since the early nineties, Brok has been both an MEP and worked for Bertelsmann, the German media company. He is currently Senior Vice President Media Development at Bertelsmann. Although Brok has always disclosed the Bertelsmann connection, he has never declared how much he receives from the media group. His salary was reported to be 200,000 Euros a decade ago.

Many have highlighted the potential conflict of interest in having a senior MEP involved with the lobbying activities of a major media company. As the Financial Times puts it “few people could be in a better position to open doors to decision-makers.”
Internal documents from the 1990s show Brok’s close links to lobbying by Bertelsmann. One memo called *Euro-Info Quarterly*, written by Bertelsmann’s Liaison Office in Brussels notes, “we have achieved that the initial wording of ‘cross-ownership’ restrictions are weakened.” It is signed by Brok.59

Brok’s role is complicated further by his inclusion on other pro-business pressure groups. He is Vice-Chair of the Transatlantic Policy Network’s (TPN) European committee. TPN is a powerful political/corporate network dedicated to influencing EU policy. Bertelsmann is a corporate member. Brok is also involved in the Transatlantic Business Dialogue (TABD), an elite EU and US corporate/state alliance. “Brok [on behalf of Bertelsmann] is TABD’s European group manager on electronic commerce, an area where TABD actively works to avoid government regulations and most of all taxes and tariffs.”63

Brok has been accused of cutting-and-pasting the demands of TPN into a draft European Parliament resolution on EU-US relations in April 2004.64 The same year he met with European Commission President, Romano Prodi, to present TPN’s then recently published set of recommendations designed to strengthen the transatlantic partnership between Europe and the US. One of the areas for special discussion was the digital economy, a subject in which Bertelsmann has an interest.65

Brok has also been active in promoting business interests more generally in Brussels. In January 2005 Brok, with other MEPs, issued two motions for a resolution on transatlantic relations.66 Then in June 2005 he was one of three MEPs proposing an “enhancement of the transatlantic economic partnership”, which called for “reducing regulatory and other non-tariff barriers to transatlantic trade and investment with the goal of establishing a barrier-free transatlantic market by 2015”.67

In May 2006, Brok was the Rapporteur for a report by Parliament’s Foreign Affairs Committee on “Improving EU-US relations in the framework of the Transatlantic Partnership Agreement”.68 He also spoke on the subject in Parliament in January, May and June 2006.69 In April 2007, he was one of 11 MEPs who put forward a motion for a resolution before the EU-US Summit. It called on “Presidents of the European Council, the European Commission and the United States of America to use the opportunity of the April 2007 EU-US Summit to initiate the negotiation of a new Transatlantic Partnership Agreement and to jointly commit themselves to a binding roadmap for achieving a barrier-free transatlantic market by 2015.”70

Brok’s office declined to answer questions put to him on his outside interests.
Jorgo Chatzimarkakis

Network of lobbying links

Jorgo Chatzimarkakis is a German MEP for the Liberal party. Before becoming an MEP in 2004, Chatzimarkakis worked in public relations and management consultancy. From 1999-2004 he was Managing Director of Polit Data Concept, a management consultancy and lobbying firm otherwise known as pdc EU Affairs. In his official declaration on his European Parliament website he says the company was active in Belgium and Luxembourg.71 Before he left the firm, Chatzimarkakis’s fellow partner was Thomas Krings.72 A sister company, called Polit Data Content was also set up in Germany, and formerly run by Chatzimarkakis and ex-student of his, Lutz Dommel.73

One of pdc EU Affairs’ clients was the German company Infineon,74 a leading technology and security company. Infineon makes semiconductors and system solutions for cars, industrial electronics, chip card and security as well as applications in communications.75

One of the major technologies promoted by Infineon is what is known as RFID or radio frequency identification. In simple terms, RFID technology allows a chip to be embedded within any object allowing it to be tracked and to carry information. In 2004 Infineon opened a RFID “Solution Excellence Center” in Graz, Austria with a budget for R&D of 30 million euros.76 Two years later the company announced it was working with the US government on RFID for American passports.77 By 2007, Infineon had invested over $1.2 billion in China,78 which has just become the largest RFID application market in the world.79

According to press reports, Infineon was Chatzimarkakis’s biggest client, whom he used to visit twice a month.80 Chatzimarkakis also held an EU accredited pass for Infineon,81 and represented the company at a European Commission seminar on eDemocracy in February 2004,82 just four months before becoming an MEP. There is a further blurring of the lines between pdc EU Affairs staff and Infineon, before and after Chatzimarkakis became an MEP (see below).

Since joining the Parliament, Chatzimarkakis has actively been involved in the RFID debate on the Parliament’s Research and Development Committee and as a panel member of the Scientific Technology Options Assessment (STOA),83 an official parliamentary body led by MEPs, which helps inform EU scientific and technological policy.

Through STOA, Chatzimarkakis has pushed RFID,84 and “has been busy organising events to raise awareness of the RFID technological revolution”.85 At one STOA event in 2006, he talked about the “promising application potential” of RFID, especially in the fields of pharmaceuticals, health, agriculture, transport, logistics, and security.86 He was also one of the chairs and speakers at the EU’s RFID conference in 2006.87 In early 2007, Chatzimarkakis told CORDIS News (the daily online news service provided by the EU): “RFID will make our lives faster, more reliable and safer. The technology is already being used in a lot of circumstances and in a lot of applications, be it in public transport or for access to buildings.”88 He also spoke on RFID at the Euro ID trade fair in 2007.89

When Chatzimarkakis entered Parliament in 2004 he wrote that “the work of an interest representative for industry is not compatible with the status of an MEP.” Chatzimarkakis explained
this was why he resigned from being Managing Director of Polit Data Concept. He added that his company was being dissolved and “without my participation was refounded with new partners”.

There is documentary and other evidence that seems to contradict this claim. First, Chatzimarkakis retained shares in Polit Data Concept. His official declarations to the Parliament are in German, which have been professionally translated. In 2004, he declared: “Shares of Polit Data Concept are held on trust”;[91] in 2005: “Shares of Polit Data Concept are dormant” and “shares of pdc EU Affairs are held on trust”; and in 2006: “Shares of polit data GbR Luxemburg are dormant.”[92]

When asked for clarification about these entries, Chatzimarkakis’s assistant said that all the declarations “refer to the company Mr. Chatzimarkakis previously owned in Luxembourg”, stating that the shares and the company itself were “not active”. His assistant also claims: “Mr. Chatzimarkakis, upon entering the Parliament [in 2004], stopped his activities with Polit Data Concept and sold the name rights. He doesn’t have any shares.”[94] When asked whether any shares were placed in a blind trust, and if so, under whose control, his assistant declared: “No. No shares,” adding “Mr. Chatzimarkakis does not have any shares in any Polit Data Concept company.”[95]

This may have been true by summer 2008, but documents reveal that MEP Chatzimarkakis held an interest in Polit Data Concept until the end of 2007. Company documents show that just a month after becoming an MEP in July 2004, Chatzimarkakis increased his share of Polit Data Concept from 50 per cent to 55 per cent. Thomas Krings was another shareholder. Polit Data Concept was also only dissolved in December 2007, some three and a half years after Chatzimarkakis became an MEP, with Chatzimarkakis acting as the liquidator in January 2008. Any outstanding money was at the disposal of the associates, including Chatzimarkakis, although it is not known if there was any money at the end. Chatzimarkakis didn’t disclosed any link with PDC in 2007 in his official EU declaration.[97]

Moreover a lobbyist for “PDC: Polit Data Concept”, Alexander Schelhase – who has also been listed as representing Infineon Technologies[98] – was registered at the European Parliament from 2006.[99] If as Chatzimarkakis’s office claims the company was no longer active by 2006, why was a PDC lobbyist registered at the European Parliament that year?

Chatzimarkakis’s former colleagues, Thomas Krings, and Lutz Dommel also provide a link between the MEP, Polit Data Concept and client Infineon. In the spring of 2007, Krings, and Dommel set up a new lobbying company in Brussels called “pdc EU Affairs”, with both men holding shares (Klings 60 per cent, Dommel 40 per cent)[100] – Chatzimarkakis having sold the name rights to Dommel in 2007. According to Dommel, one of pdc EU Affairs’ first new clients after the company was re-launched in 2007 was Infineon. In 2007, PDC was listed as Infineon Technologies Liaison Office in Brussels.[101]
At the time the new company was established, Krings was a staff member for ALDE (one of the big political groups in Europe), and a policy advisor to the Agriculture and Rural Affairs Committee, of which Chatzimarkakis is a substitute Member. Krings though denies he is involved in the new company, only that he “helped a friend set it up”.

Dommel became Managing Director of the relaunched pdc EU Affairs. At the same time he was also working for Chatzimarkakis: he was head of the MEP’s office from May 2004 to July 2007, and for the next six months worked for him “writing speeches and texts”. Dommel is not the only one to have passed between Chatzimarkakis’s office and PDC. For example, one person who appeared as a registered lobbyist at the Parliament for PDC and Infineon also worked as an intern for a short period in Chatzimarkakis’s office. Finally, lobbyist Alexander Schelhase, who was registered as a lobbyist for “PDC – Polit Data Concept” in 2006, and PDC EU Affairs” in 2007 and 2008, now works with Dommel on a freelance basis at the new pdc EU Affairs.

Dommel is now considering changing the name of his company: “I think we will look for a new name because of all this trouble. I thought the advantages would be bigger than the disadvantages. Also when I deal with some MEPs they say they have heard of the name before, and the involvement of Mr Chatzimarkakis.”

Malcolm Harbour

Malcolm Harbour is a British Conservative MEP. He is the coordinator for the centre-right MEPs on the Parliament’s Internal Market and Consumer Protection Committee. He is also a substitute Member of the Industry, Research and Energy Committee and Legal Affairs Committee.

Before becoming an MEP, Harbour had a long career in the motor industry, starting as an Austin Engineering Apprentice in 1967, co-founding a consulting and research company, Harbour Wade Brown in 1989, and the International Car Distribution Programme (ICDP) in the early nineties.

On Harbour’s website it says: “His companies have carried out business research and consultancy for all the major European, US and Japanese car makers, governments, dealers and suppliers. In a 1997 survey by a leading car magazine, he was listed among the 200 most influential people in the world car industry.” After becoming an MEP in 1999, he remained an advisor to ICDP and was a Director until 2005. Corporate members of ICDP include the European Automobile Manufacturer’s Association (ACEA) – the main car lobby organisation in Brussels – as well as some of the most active car companies involved in lobbying the EU on policy such as BMW; Daimler, Fiat, Ford, Renault and VW.

Harbour has been one of the key MEPs in recent years to have helped frame the debate on fuel efficiency and climate change in favour of the motor industry. Pressure has been growing on car manufacturers to reduce emissions of carbon dioxide (CO₂) from cars to mitigate climate change. The industry’s response since 1991 has been to advocate an alternative ‘integrated approach’ to
emissions reductions, which critics say is an attempt to shift the responsibility away from the industry and onto others, such as drivers, town planners and governments.

Harbour has advocated the industry’s preferred ‘integrated approach’ through two organisations: the ‘high level stakeholder group’ CARS 21 (Competitive Automotive Regulatory System for the 21st Century), and the Forum for the Automobile and Society, a joint Parliamentary / industry organisation of which Harbour is a founder and co-Chairman.116

CARS 21 was set up in 2005 by EU Enterprise and Industry Commissioner Gunter Verheugen, and the then President of the car industry’s main lobby group in Brussels, the ACEA, Bernd Pischetsrieder, “to boost the competitiveness of the European car industry”.117

In December 2004, internal Commission documents show that Pischetsrieder wrote to Commissioner Verheugen that an “integrated approach [to CO₂ emissions reduction] would substantially increase the cost-efficiency and the effectiveness of measures by distributing the burden more evenly.”118

CARS 21 subsequently proposed an integrated approach to CO₂ reduction in its final report in 2006.119 The report has since been used by the automotive industry and its supporters as a quasi-official reference point in the debate on fuel efficiency and CO₂ emissions from cars. This is interesting given that CARS 21 was set up to look at competitiveness. For example, Fiat boss Sergio Marchionne, then chair of ACEA, said in 2007: “It is essential that the recommendations of the high-level group CARS 21… are respected.”120 and “To approach CO₂ emissions reduction just with automobiles is against the spirit of CARS 21.”121

Harbour also argues that CARS 21 “will provide the context for subsequent detailed legislation”.122 In September 2007, he produced an Opinion Report for the Committee on the Internal Market and Consumer Protection, which called on the Committee on Industry, Research and Energy, as the

In the car club
Malcolm Harbour is a leading pro-car voice in the European Parliament. However, he has denied being a “lobbyist for the car industry”,111 arguing: “I do not support the industry stance automatically.” Through his interest and involvement in the automotive industry, Harbour has been loaned numerous cars and accepted free trips from car companies.

In 2004, Harbour and his wife were guests of Jaguar at the British Grand Prix. He was also loaned a Jaguar S-Type for “appraisal” for a week. In the same year, Harbour also accepted on loan a Rover, two Ford Focuses, a Peugeot 406, a BMW, a Land-Rover Discovery and a Toyota Prius. He attended the British Grand Prix in 2005 as a guest of Michelin, and the Belgian Grand Prix with Toyota. He also enjoyed cross-country driving instruction courtesy of Land Rover, and a visit to a car design centre followed by a trip to the Frankfurt Motor show, courtesy of General Motors.112

In 2006, Harbour drove a loaned Range Rover, a Toyota, two Alpha Romeo’s and a Ford. Harbour and his wife were also guests of Toyota at the British Grand Prix.113 In 2007, Ford, Fiat and Honda all loaned him cars and he enjoyed the British and Belgian Grand Prix courtesy of Toyota, and the Lichfield Festival, concert and dinner courtesy of BMW. In January 2008, at the same time as he handed back the keys of a loaned Land Rover Freelander, Harbour was quoted as saying he was working on a compromise solution on CO₂ that “does not damage the auto industry”.114 Harbour argues that he drives cars “because I need to know what is going on. I do it deliberately. I declare it because I feel I have nothing to hide. I am not even required to declare it under the rules, but I believe it is appropriate to do so.”115

Harbour is a leading pro-car voice in the European Parliament. However, he has denied being a “lobbyist for the car industry”, arguing: “I do not support the industry stance automatically.” Through his interest and involvement in the automotive industry, Harbour has been loaned numerous cars and accepted free trips from car companies. In 2004, Harbour and his wife were guests of Jaguar at the British Grand Prix. He was also loaned a Jaguar S-Type for “appraisal” for a week. In the same year, Harbour also accepted on loan a Rover, two Ford Focuses, a Peugeot 406, a BMW, a Land-Rover Discovery and a Toyota Prius. He attended the British Grand Prix in 2005 as a guest of Michelin, and the Belgian Grand Prix with Toyota. He also enjoyed cross-country driving instruction courtesy of Land Rover, and a visit to a car design centre followed by a trip to the Frankfurt Motor show, courtesy of General Motors. In 2006, Harbour drove a loaned Range Rover, a Toyota, two Alpha Romeo’s and a Ford. Harbour and his wife were also guests of Toyota at the British Grand Prix. In 2007, Ford, Fiat and Honda all loaned him cars and he enjoyed the British and Belgian Grand Prix courtesy of Toyota, and the Lichfield Festival, concert and dinner courtesy of BMW. In January 2008, at the same time as he handed back the keys of a loaned Land Rover Freelander, Harbour was quoted as saying he was working on a compromise solution on CO₂ that “does not damage the auto industry”. Harbour argues that he drives cars “because I need to know what is going on. I do it deliberately. I declare it because I feel I have nothing to hide. I am not even required to declare it under the rules, but I believe it is appropriate to do so.”
committee responsible, to incorporate the recommendations of CARS 21, including an “integrated legislative approach”. The joint Parliamentary / industry group, the Forum for the Automobile and Society, of which Harbour is co-Chairman, has also been a strong advocate of the ‘integrated approach’ to CO₂ reductions in cars, and has promoted positions identical to the car lobby. In November 2007, the Forum organised one of many seminars on the integrated approach. It was co-chaired by Harbour. At the meeting, the Director General in Europe of the Japan Automobile Manufacturers Association, Hiroki Oti, urged all the stakeholders at the meeting to come forward to “advance” the integrated approach concept.

Harbour denies that the Forum for the Automobile and Society is a lobbying group. He also says: “CARS 21 was not an industry-led body at all.” He adds: “The European Parliament is a different animal to many other parliaments in that we are dealing with highly technical issues and all I plead guilty to is that I do know something about the industry.”

Giles Chichester

Close to (nuclear) power

Giles Chichester is an English Conservative MEP. He is also a long-term nuclear supporter and from 2004-2007 was both Chair of the European Parliament’s powerful Committee on Industry, Research and Energy (ITRE) and President of the industry lobby organisation, European Energy Forum (EEF).

Chichester recently resigned as Chairman of the Conservative Party in Brussels after breaking the rules on MEP’s expenses. While the scandal led to him being chided for a lack of judgment, he is now coming under increasing scrutiny for his links to commercial interests. As President of the EEF, Chichester receives no money, but he heads an organisation labeled “the submarine of the energy industry,” whereby “discussions which start at the EEF usually end up at the Parliament”.

EEF refers to itself as a “neutral” forum. This is impossible to verify as its discussions are only open to members – Pascale Verheust, EEF’s Director of Coordination, describes it as a “closed club”. It is funded by its membership and, according to an informed source, annual revenue is over one million euros. However, EEF refuses to disclose its exact budgets and it has not filed any accounts. According to the Legal Service of the Commercial Court of Brussels, the Association Europeenne de l'Enegie (EEF’s legal name), is a foreign (French) association that is legally obliged to submit accounts since 2006.

EEF’s members include over a dozen companies or associations with nuclear interests. So Chichester was Chair of a pro-nuclear lobby group at the same time as being Chair of ITRE, the Parliament’s industry committee, which has responsibility for key nuclear issues including nuclear safety, decommissioning and nuclear waste disposal.
Chichester is still President of EEF and, while no longer Chair in 2008, he is still a member of the ITRE Committee.\footnote{133} Within the Committee, he has been personally responsible for four important Committee reports since 1999. This includes the significant Green Paper on ‘Security of Supply of Energy in Europe’. He was also Rapporteur for the ‘Directive on Security of Supply of Electricity and Infrastructure Investment’, adopted by Parliament in mid 2005.\footnote{134}

There is also evidence that MEPs involved in EEF have tabled amendments for parliamentary reports that are very similar to each other in content. For example, in 2006, a report was written for Parliament’s Industry Committee on the European Commission’s Green Paper for a ‘European Strategy for Sustainable, Competitive and Secure Energy’. Two members of the Committee, Chichester, President of EEF and Edit Herczog, a Socialist MEP and EEF board member, tabled over 20 identical amendments for the report even though they notionally come from different ends of the political spectrum.\footnote{135}

Asked by Brussels corporate watchdog group, Corporate Europe Observatory, if any of these amendments were written by the European Atomic Forum (FORATOM), Chichester’s assistant replied that the MEP did not feel obliged to respond but said “this is how the system works.”\footnote{136}

When asked if he felt there was any conflict of interest between being an MEP and his activities either as President of the European Energy Forum, or from accepting hospitality and gifts from the nuclear and energy industries, Chichester replied: “My answer is no in both cases.”\footnote{137}

### Nuclear hospitality

As well as being Chair of the pro-nuclear lobby group, the European Energy Forum, Chichester’s other potential conflict comes from the hospitality he has accepted over the years from the following nuclear and energy companies: RWE, Areva, Paks Nuclear Power Company, Enel, the Slovenian energy utilities, Statolit, Euroheat and Power, Commissariat a l’Energie Atomique, Eurelectric, the Czech Energy Utility company, Total Fina Elf, Verbundnetz Gas, Swedish Power Association and Swedish Nuclear Fuel and Waste Management Company, Canister Nuclear Laboratory, International Association of Oil and Gas Producers, TVO, FORATOM, and the Kozloduy Nuclear Power Plant in Bulgaria.\footnote{131}

While many of Chichester’s free trips are to nuclear power plants, in May 2007, he was Areva’s guest at the America’s Cup yacht race off Valencia.\footnote{132}

### Pervenche Beres

#### Opening doors to the financial industry

Pervenche Beres is a French socialist MEP and Chair of the European Parliament’s powerful Committee on Economic and Monetary Affairs. Its main job is the “regulation and supervision of financial services”. Such is the importance of this position that in 2007 Beres was named one of the 100 most powerful women in the European financial world by Dow Jones’ Financial News, and in 2008 she was in Accountancy Age’s 2008 Top 50 Power List.\footnote{138}

At the same time as being an influential committee Chair at the Parliament, Beres is a member of the European Parliamentary Financial Services Forum (see box, below) whose
The official remit is to “promote integration of a single European market for financial services across national borders”.139

The European Parliamentary Financial Services Forum (EPFSF) includes both MEPs and industry representatives. Joint industry/Parliamentary organisations like EPFSF have come under increased political scrutiny in recent years because “these groups are not bound by any parliamentary ethics and transparency rules. They are de facto lobbying vehicles for corporate interests aiming to influence EU decision-making in their favour”.146

So at the same time as being Chair of the most influential financial Committee in Parliament which regulates financial services, Beres is also a member of the lobbying vehicle for the financial services industry which seeks to influence that regulation, including by lobbying her own Committee.

There could be a potential conflict of interest between these two positions. This is especially so as Beres has also acted as committee Rapporteur on reports which affect the financial services industry.147 This throws up obvious dilemmas.

For example, one of the corporate members of EPFSF is Michaela Koller of the European Insurance and Reinsurance Federation (CEA).148 CEA would have an interest in Beres’s report on the “proposal to amend Directive 92/49/EEC on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance, as regards the implementing powers conferred on the Commission”.149 Did Koller’s membership of EPFSF, for example, give her undue access to Beres?

When asked about her role on EPFSF, Beres responds “I'm not an active member of the EPFSF's board and therefore don't have a direct influence on its agenda and regulations. The door to my office is always open to anybody wanting to express his/her concerns. I believe that in the European legislative procedure, the consultation dimension is very important.”

She continues: “However, I deeply regret that the voice of consumers and the small ones is often too weak to be heard… I believe that listening to ‘lobbies’ doesn't prevent me from working in the interest of my voters and the general interest. My line of conduct has always been that everybody deserves to be listened to.”150

**EPFSF: a vehicle for lobbying?**

The European Parliamentary Financial Services Forum’s steering committee is made up of MEPs, while its corporate membership is made up of Europe’s financial muscle including Barclays, Citigroup, Deutsche Bank, JP Morgan, Lloyds TSB, Merrill Lynch and UBS. The Chair of the financial industry members is the European Banking Federation, the “voice of the European banking sector.”140

Until early 2008, the secretariat of the EPFSF was run by John Houston, of Houston Consulting Europe, one of the leading financial PR and lobbying consultancies in Brussels.141 In an interview with the Wall Street Journal in 2005, Houston admitted that several of his financial clients were also members of EPFSF.142 The newspaper accused EPFSF members of watering down the EU’s “Third Money Laundering Directive”.143

When the decision was made in late 2007 to move the secretariat from lobbyists Houston Consulting,144 it was the European Banking Federation, the lobbying organisation of the European banking industry that advertised the vacancy.145
Caroline Jackson

Caroline Jackson has been a British Conservative MEP and a Member of the Parliament's Committee on Environment, Consumer Protection and Public Health since 1984. She was Chair of the Committee (1999-2004), Conservative spokesman on the Committee (1984-1999), and continues to be Conservative Party Environment Spokesperson.\(^{151}\) Between 1984 and 1999, Jackson was responsible for Committee reports on landfill policy, product safety, food additives, better protection for package tourists, and on the use of live animals in experiments. In the mid-nineties, she was also a member of the board of car company Peugeot Talbot (UK) Ltd, and a paid consultant with food giant Mars, the PR company Market Access International, and the Brewers' Society.\(^{152}\) Jackson argued that there was no conflict of interest between these commercial posts and her role as an MEP.

When she became Chair of the Environment Committee Jackson resigned her Peugeot directorship and declared: “Anyone who thinks I take instructions easily should ask my mother.”\(^{153}\) Her critics though point out that Jackson was still a consultant to Mars (UK) at the same time as being a Member of the Environment Committee, which was dealing with issues such as the level of sugar permitted in sweets and food additives.\(^{154}\)

“As the MEP within the European Parliament responsible…Caroline Jackson was able to keep us updated on progress.”

More recently Jackson acted as Rapporteur on the Environment Committee for the revision of the waste framework directive – her draft report was published in June 2006 and final report in December 2006.\(^{155}\)

At the same time Jackson was a paid advisor to Shanks, an independent waste company based in the UK and the Netherlands. Jackson is paid £6000 as a member of the company’s environmental advisory board (EAB), a position she still holds.\(^{156}\)

The head of the EAB, Professor James Bridges, acknowledges that Jackson’s views, including her “wide knowledge of European legislation”, have “been a benefit to our work”.\(^{157}\) In the company’s 2005/06 report, Shanks acknowledges that “plans to revise the EC Waste Framework Directive and the revision of the Waste Strategy for England are just two examples testament to the continuing changing face of waste management within Europe.”\(^{158}\) A year later Professor Bridges wrote: “The EC waste framework directive is also being revised and as the MEP within the European Parliament responsible for the revision of the Directive, EAB member Caroline Jackson was able to keep us updated on progress during the year. This will have far-reaching implications for waste management and the EAB will consider its impacts on Shanks activities in the UK and mainland Europe.”\(^{159}\)

So there is a complicated situation that the Rapporteur for a report on waste is a consultant to a company that could be impacted by that report.
Moreover, the Chief Executive of Shanks, Michael Averill is also the President of the European Federation of Waste Management and Environmental Services (FEAD), which represents the European waste management industry. FEAD ran a ‘consultancy group’ that looked at Jackson’s report as well as lobbying Jackson herself three times. So the Rapporteur of a report on the waste framework directive has been lobbied by the industry group headed by the boss of a waste company where she is a consultant.

Jackson maintains that there is no conflict of interest as Shanks has no interest in incinerating waste, which was the main subject of her report. “There is no conflict of interest because Shanks is not really involved in the kind of waste treatment activities that are touched on by the waste framework directive,” she argues. But Shanks does have some incineration interests. On its website it says that it “remediates PCB and pesticide contaminated soil through high temperature incineration at dedicated facilities in the UK and the Netherlands.” In her defence, Jackson also argues: “I have never received any instruction or advice from Shanks.”

Ioan Mircea Paşcu

Ioan Mircea Paşcu is a Romanian Socialist politician who entered the European Parliament in January 2007 when Romania joined the EU. Paşcu is one of the Vice-Chairs of the European Parliament’s Committee on Foreign Affairs. He is also a substitute Member of Parliament’s Delegation for Relations with the United States.

Paşcu’s Romanian political background includes stints as State Secretary at the Ministry of Defence from 1993-1996 and Minister for Defence from 2000-2004. Halfway through his tenure as Defence Minister, Paşcu apologised for making “threatening remarks” to journalists who had reprinted a Wall Street Journal article claiming NATO was suspicious of the country's secret police. His apology related to a message sent by his Ministry warning journalists that “life is short, and your health has too high a price to be endangered by debating highly emotional subjects.”

It was also during his tenure as Minister of Defence that a report by Dick Marty, a Swiss politician who acted as a Rapporteur for the Committee on Legal Affairs and Human Rights at the Council of Europe, examined the allegations of secret, so-called rendition flights by the CIA. Marty’s inquiry concluded that secret CIA flights “did exist in Europe from 2003 to 2005, in particular in Poland and Romania”. According to Marty, Paşcu was one of the “individual office-holders who knew about, authorised and stand accountable for Romania’s role in the CIA’s operation of “out-of-theatre” secret detention facilities on Romanian territory, from 2003 to 2005.”

Paşcu vehemently denies that either he or Romania was involved or knew about the flights. “I have pronounced myself publicly many times, rejecting all allegations, including Dick Marty’s, who was incapable of proving anything when challenged. How could one know anything about something which did not happen?” he says. He accuses Marty of “violating his rights.” Paşcu has also
criticised requests by the European Union for Romania and Poland to investigate the CIA flights issue further as “unwelcome”. 169

Marty’s report alleges that the CIA flights in Romania landed at Mihail Kogalniceanu airbase near the Black Sea. It backs up a report by Human Rights Watch which also alleges the airport was used as a “secret detention location.” 170 Pașcu has admitted that parts of this airfield had been off limits to Romanian authorities and the country’s intelligence agencies had no jurisdiction there. He has also conceded that planes carrying US prisoners may have made stopovers in Romania, although he argues that this is not evidence of a secret CIA prison camp. 171

The Mihail Kogalniceanu base was also used by some 7,000 US troops heading for Iraq in 2003. The following year Pașcu toured the base with US Defence Secretary, Donald Rumsfeld and pitched the idea to him to station a contingent of US troops at the airfield. 172 Pașcu was quoted at the time as saying the visit showed how close relations were with the United States and also it was “good for future prospects”. 173

And so it has proved to be true. In December 2006, it was announced that the US would spend US$34 million to upgrade the Mihail Kogalniceanu base, with up to 1,500 American troops expected to begin training there. 174

In April, the SKE Group, which was established to serve the US Military in Europe, 175 was awarded one of the contracts, worth $5.5 million, to build “Temporary Forward Operating Facilities” at the airbase. According to the Group: “This project is vital to the on-going defense partnership between Romania and the United States.” 176

Pașcu now lists in his declaration of interests as having a consultancy contract to SKE, which started on the 1st December 2006, one month before he became an MEP. So Pașcu is the Vice-Chair of the Committee on Foreign Affairs as well as involved with the EU’s relations with the US through the Delegation for Relations with the United States. 177 Yet at the same time, he has a consulting contract with a firm that specialises in working for the American military. Plus this is a company which has just finished a contract working in Romania for the Americans at the controversial airbase.

Pașcu denies any wrongdoing: “There is no connection whatsoever between the activity of both the Committee on Foreign Affairs and the EU-US Parliamentary Delegation and that of SKE”, he argues. “I did not attend any of the activities of the EU-US Parliamentary Delegation and all my pronouncements in [the Committee] are on record and, therefore, public. In sum, there is no conflict of interest.” 178
Eija-Riitta Korhola

Eija-Riitta Korhola is a Conservative Finnish MEP and a member of the Committee on the Environment, Public Health and Food Safety. Korhola is another of the more vocal pro-nuclear MEPs.

For example, in 2005, Korhola hosted a “Climate Change Seminar on Nuclear Energy” at the European Parliament along with the nuclear industry lobby group, European Atomic Forum (FORATOM).179 Also, in a speech to her party in October 2006, Korhola said the rejection of nuclear was due to “political dogma”, adding: “There are groups that are born to oppose nuclear power and for them giving up this stance would mean giving up their political identity. We are not shackled like that.”180

Korhola also chaired a nuclear industry event in November 2006 at the United Nations Climate Change Conference in Nairobi. It was co-organised by the European Nuclear Society; Canadian Nuclear Association; Japan Atomic Industrial Forum; Nuclear Energy Institute and World Nuclear Association.181 She has also been outspoken against nuclear critics, writing to the Commission over “alleged cooperation between the Commission and Greenpeace”.182

In September 2007, the Finnish environmental weekly magazine, Vihrea Lanka reported that Korhola had “received money from the nuclear industry for her euro-election campaign in 2004.” The paper wrote: “Korhola says that the nuclear industry gave her money, because they knew she was good at her job and she was running [the] right things. ‘I don’t owe them anything’, she says.” The paper continued: “Korhola can’t say exactly how much money she received from the nuclear industry. ‘It’s better for me mentally, that I don’t know’, she adds.”183

Later Korhola denied taking nuclear money directly and issued a statement saying that “unlike the paper Vihrea Lanka lets people understand, I did not get support from the nuclear industry for my campaign.”184 However, transcripts released by Vihrea Lanka record Korhola saying: “It may be that there are such [nuclear] sources involved. It's very possible... I can't say that nuclear industry's interests didn't touch the moneypot, because in the energy field they do so often.”185

Korhola contradicts herself by saying that although she has “never” taken money off the nuclear industry, her campaign has taken money off a company that owns a nuclear company. She says “my campaign was supported in several small ways from many sides of industry including one clean-technology energy company that invests in biomass, wind energy, and is an owner of a nuclear company.” Korhola adds: “Even if a nuclear energy – or a company from any clean energy technology – were to offer to support me, such support would not change my views on nuclear.”186
Martin Callanan
More MEP motoring perks

Martin Callanan is an English Euro-sceptic MEP. He also leads the fight for the car industry on environmental issues. Green MEP Rebecca Harms called Callanan “the most active Conservative” attempting to delay regulation on cars in 2007.

Nowhere is Callanan’s influence more apparent than in amendments he tabled for the recent influential report by Chris Davies for the Environment Committee on a ‘Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles.’ Callanan tried to water down both the amount of carbon dioxide (CO₂) allowed from vehicles as well as the deadline for compliance by the car manufacturers.

In 1995 the European Commission originally proposed a CO₂ emissions reduction target of 120g CO₂/km (grams of carbon dioxide per kilometer) by 2005, which the car industry failed to meet.¹⁸⁷ Chris Davies’ important draft report in June 2007 then argued for a target of 120g CO₂/km by 2015 (for all new cars in the EU).¹⁸⁸ Callanan’s amendment to the report however argued for a much weaker target of 130 g/km CO₂/km by 2015.¹⁸⁹ Davies and Callanan finally tabled a joint amendment proposing a still weak target of 125g CO₂/km by 2015,¹⁹⁰ which was the one adopted by the European Parliament.¹⁹¹ This was far less ambitious than the target proposed by the Environment Committee.

Callanan defends his position arguing that his Amendment “actually imposed a more stringent CO₂ limit on manufacturers (125g instead of 130), but gave them a slightly longer time period in which to comply (2015 instead of 2012). However, this is contradicted by figures calculated by Green MEPs. Claude Turmes MEP said: “I think this is the right moment to inform the outside world about what this Callanan-Davies deal is…It is delaying action from 2012 to 2015.”¹⁹² Jos Dings from environmental NGO, Transport and Environment, says: “If Callanan is arguing that he has strengthened the CO₂ law he is wrong, he has weakened it. The reduction path that the car industry has to follow is less under his proposal than under the Commission proposal.”¹⁹³

Since then Callanan has continued to put forward positions favorable to the car industry. A potential conflict of interest – one of many grey areas under current parliamentary rules – is that he financially benefited from a discounted car from Ford in 2006.¹⁹⁴ Justifying the payment, the MEP says: “I declared the receipt two years ago in the register of Members interests, whose purpose is to put all such matters in the public domain, to avoid any accusation of a conflict of interest.”¹⁹⁵
Recommendations

If, in the words of Chris Davies MEP, the European parliamentary rules are a “scandal waiting to happen”, then Europe’s leaders should do everything in their power to prevent scandal before it happens. Every time there is public outcry over MEP’s expenses or outside activities, the trust and respect of the European Parliament is diminished, and people lose confidence in the greater European project. It seems prudent for the European Parliament to act sooner rather than later.

Too Close for Comfort? is an attempt to stimulate debate over which changes are needed to increase accountability and restore public trust. Below are a number of actions that could be taken:

1. The European Parliament should clarify and strengthen the rules for MEPs on corporate donations and links to commercial interests.
   The current rules are confusing and contradictory: on the one hand an MEP is “legally entitled to accept support (financial, staff or other) granted in connection with his political activities by third parties, whose identity shall be disclosed,” yet the rules also state that MEPs are “not allowed to accept any gifts.”

   New rules for MEPs could include:
   • MEPs should declare all financial interests, along with the value of those interests
   • MEPs should never receive money, gifts or hospitality over 50 Euros from industries associated with their work
   • MEPs should give up all outside commercial lobbying interests on entering the European Parliament
   • No MEP acting as a Rapporteur or drafting an Opinion should have a financial stake in an industry impacted by that Report or Opinion
   • Any shares owned by an MEP should be put in a blind or neutral trust for the time they serve as an MEP
   • The rules should be tightened on spouses and partners with financial interests that conflict with the parliamentary duties of an MEP.

2. Listed candidates for the Euro-election in 2009 should declare any outside financial interests. All financial interests backing their campaign should also be declared.

3. MEP Declarations of Interests should be verified by independent auditors to make sure the information is correct and up-to-date.

4. Previous Declarations of Interests should be made publicly available online instead of just the current year as is the case now. Declarations of Interest should also be made available in all European languages, not just that of the MEP’s home country.
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MEPs, corporate links and potential conflicts of interest

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