

Hollande under pressure over minister's account

The fallout from Jerome Cahuzac's confession that he lied over having a secret Swiss bank account now threatens the entire French government

The crusading ex-budget minister has been subjected to a barrage of criticism, much from within his own party, for failing to admit to parliament and then on national television that he's held offshore holdings for twenty years. Now questions are being asked of his former boss, Finance Minister Pierre Moscovici after he said Swiss authorities found no evidence of any wrongdoing. It has led to claims that the whole affair has been covered-up — an allegation firmly denied by the Socialist party. Its spokesman, Eduardo Rihan-Cypel, said that Cahuzac has received no protection. "Investigators have only been able to make progress in the case because they've been able to work in complete freedom and independently, and I think that is the hallmark of this government which doesn't try to block justice," said Rihan-Cypel.

But the denials have failed to convince the France's main opposition that there is no case to answer. The conservative UMP leader Jean-Francois Cope accused the French President of being naive at best: 'What do we notice? A President of the Republic who, either knew nothing and that is extremely serious, and that shows a certain degree of naivety, or he knew about it and lied to the French'. Having made the fight against tax fraud one of



Jerome Cahuzac (C) speaks during the questions to the government session

his government's main policies, the affair is more than embarrassing for France's beleaguered President Francois Hollande who's now facing calls to reshuffle the cabinet.

The French government fought to limit the damage from a former minister's admission that he had lied over the existence of a foreign bank account, as critics suggested it had been either naive or complicit.

President Francois Hollande, already battling to convince the world he has France's finances under control, said he had never protected Jerome Cahuzac, his budget minister until mid-March, and personally ordered him to quit the moment an inquiry was opened into the affair. Ending months of denials, Cahuzac admitted to having an undeclared foreign account

and was placed under formal investigation for fraud.

The scandal is a grave blow to Hollande as the first sleaze scandal to hit a 10-month-old government he had promised would be irreproachable. The man in charge of France's budget had a foreign bank account he hid from the tax authorities and then lied about for four months.

Regulating banker bonuses

After a financial crisis that many blame on the highly paid high-flyers of the banking world, politicians are responding to public anger by cracking down on the millions in bonuses paid out to champion speculators

Many believe it is high time that banks that were deemed too big to fail and bailed out by taxpayers put their traders on a shorter leash. They have demanded limits on the bonuses that fed the financial market frenzy to the point of near collapse. Even bank shareholders are starting to demand limits.

Swiss voters recently approved a referendum limiting bonuses. The vote was seen as a backlash against the excesses that triggered the crisis and cost many their jobs.

Reaction across Europe is also fuelling demands for a financial transaction tax to help pay for any future bailouts.

But can Europe impose those measures without losing business to competitors, who refuse to sign up? How many of those highly talented bankers could pack up and move to Singapore?

Wired into this edition of The Network are Karel Lannoo, CEO of the Centre for European Policy Studies, Othmar Karas, European Parliament Vice-President who was in charge of drafting the legislation on bankers' bonuses, and Guido Ravoet, Chief Executive of the European Banking Federation.

BP brings old masters back to after 234 years

BP is to sponsor a new exhibition of lost masterpieces, which are returning to the UK after 234 years

The paintings, which originally hung at Houghton Hall in Norfolk, were brought together by Britain's first Prime Minister, Robert Walpole in the 1720s. Over 70 pieces, including works by Van Dyck and Rembrandt — sold in 1779 to Catherine the Great of Russia, will be on display from 17 May 2013. However, campaigners Art Not Oil

called BP's involvement 'a great shame'.

The works are on loan from the Hermitage Museum in St Petersburg and other Russian museums, as well as the National Gallery in Washington and the Metropolitan Museum of Art in New York.

BP have invested over £10 million in partnerships with the British Museum, the National Portrait Gallery, the Royal Opera House, and Tate Britain. In 2011, demonstrations took place outside Tate Britain in



protest at BP's sponsorship and an 8,000-strong petition was handed to the Tate calling for an end to the partnership. BP also sponsors a number of leading Russian cultural institutions including the Mariinsky Theatre in St. Petersburg and the State Tretyakov Gallery in Moscow.

EU eyes bolder energy policy

The EU wants a radically more ambitious energy policy to meet fresh CO2 emissions targets for 2030

The European Commission is looking to set a new greenhouse gas target for 2030, saying that emissions should be slashed by 30 percent from their 1990 levels.

It is argued that could provide more certainty for investors.

"We have old infrastructure, we have problems with increasing oil prices, we are very much dependent on imported fossil fuels from outside," said EU Climate Change Commissioner Connie Hedegaard. "So, no matter what we do, the fu-

ture of Europe will be increased energy prices. So the question is 'Should we do it in the intelligent manner, or in the not so intelligent manner?'"

The EU also wants to raise energy consumption produced from renewable resources to 30 percent and seeks a 30 percent improvement in energy efficiency by 2030.

Ticket machine card fraud rise in EU

Five out of 23 European countries reported an increase in card-skimming devices attached to transport ticket machines, according to new research

A report published by the European ATM Security Team (East) in March also found a rise in skimmers found on parking ticket meters in two countries. Card skimmers, which steal bank card data, are more commonly attached to cash machines by criminals. Unstaffed pay-at-pump petrol stations were also targeted in six countries.

The report did not identify individual countries but France, Germany, Russia and the UK were among those which supplied information about card fraud activity to East. British Transport Police told that while it is aware of the issue on rail ticket machines it was 'not a major problem' in the UK. According to the UK Cards Association, fraud losses on cards in the UK alone totalled £185m



Passenger checks herself and her luggage

in the first six months of last year. Once the card data has been copied, fraudsters can then get a cloned card made containing the information of the original account holder.

While many European countries have adopted EMV (Europay, MasterCard and Visa) card security — known as chip-and-pin — America has not. Cash machines in the US still read data from the magnetic stripe on the back of an inserted card, so even those with a chip-and-pin have a stripe as well.

"Because chip-and-pin is

not yet widely supported in the United States, skimmer scammers who steal card data from European ATM users tend to ship the stolen card data to buyers or co-conspirators in the United States, where the data is encoded onto fabricated cards and used to pull cash out of US ATMs," security expert Brian Krebs wrote. "The latest report from East continues to emphasise that most card fraud, stemming from skimming incidents in Europe, is in fact perpetrated outside of Europe."