

# BETKONEXT

Better Knowledge for the Next Generations

**BETKONEXT Newsletter No. 2/2025**

## **Contents**

→ LUISS University has been awarded European funding for the [BETKONEXT project - Better Knowledge for the Next Generations](#), submitted by Professor of Administrative Law Aldo Sandulli through the EUAF (Union Anti-Fraud) Programme, overseen by the European Anti-Fraud Office (OLAF).

The project aims to explore thematic clusters focused on safeguarding the EU's financial interests under the umbrella term 'coordination'. It will do so thanks to the state-of-the-art advancements presented in a previous Hercule III project, "Better Knowledge for Better Solutions (BETKOSOL)".

Throughout the various phases of the project, BETKONEXT aims to explore potential institutional cooperation by examining diverse normative contexts and operational collaboration practices.

The research, scheduled to last 24 months, will be conducted by LUISS University and will involve research experts from the universities of Leuven, Toruń, and Barcelona. The Italian Committee for Combating Fraud Against the European Union (COLAF) will also collaborate on scientific research activities.

→ **This is the fifth BETKONEXT newsletter.**

The newsletter will be published on a quarterly basis on the project website for the entire duration of the project.

If you no longer wish to receive the newsletter, please email [betkonext@luiss.it](mailto:betkonext@luiss.it).

## **Latest updates**

→ **Safeguarding EU Funds: Conference on Fraud Trends and Institutional Responses**



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As part of the BETKONEXT project, a conference entitled "The protection of the EU's financial interests and new trends in fraud schemes" will be held in Rome on 2 July 2025. It will be presented in hybrid form at the Conference Room of the Guardia di Finanza's Special Units Division.

The event has been organised in collaboration with the *Reparto T.L.A. dei Reparti Speciali* of the Guardia di Finanza and with the support of the *Technical Secretariat of the Italian Anti-Fraud Coordination Service* (AFCOS).

The conference will address key challenges relating to the protection of the EU's financial resources, focusing on both revenue and expenditure, including the Recovery and Resilience Facility (RRF). The programme includes discussions on transnational fraud schemes, institutional experiences, and the financial analysis of suspicious transactions.

## News flash

### → EU sets crime-fighting priorities for 2026-2029

Within the EMPACT framework, the Council of the European Union has finalised [the EU's crime-fighting priorities for 2026-2029](#), recognising that serious organised crime is progressively destabilising our societies, spreading violence and corruption, and becoming increasingly prevalent online, accelerated by artificial intelligence and new technologies.

Among the priorities, VAT fraud remains a key concern due to its strong impact on the EU economy. EMPACT will strengthen cross-border cooperation, target criminal networks involved in VAT carousel fraud, and build capacity to disrupt such schemes, safeguarding public finances and fair competition within the single market.

→ The state of EU's financial interests criminal protection: insights from the EPPO 2024 Annual Report



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On 3 March 2025, the European Public Prosecutor's Office (EPPO) published its [Annual Report](#) for 2024, in which it takes stock of its activities over the past year. In 2024, the EPPO handled 2,666 active investigations involving an estimated overall financial damage exceeding €24.8 billion, more than half of which concerned cross-border VAT fraud. These fraud schemes pose a serious threat to economic security and are frequently linked to organised crime.

During the same year, the EPPO received 6,547 crime reports, marking a 56% increase compared with 2023. The majority of these reports originated from private parties (70%), with only 1% transmitted by OLAF, highlighting a persistent lack of cooperation on the part of European Union institutions. This critical shortcoming highlights the need, clearly expressed in the report, to strengthen the EU's anti-fraud architecture by improving investigative support at national level, strengthening cooperation with Europol, and ensuring adequate resources.

Another major concern highlighted in the report is the practice of "forum shopping" by criminal organisations, which deliberately choose to operate in Member States with weaker controls in order to establish themselves and act undisturbed. The EPPO has documented a significant infiltration of organised crime into the legal economy, utilising forged documents, sophisticated money laundering schemes, and corrupt practices. The *Moby Dick* case exemplifies this trend, standing out for its transnational scope and the involvement of criminal organisations operating with structures and methods typical of traditional mafia systems.

Overall, the report reiterates the EPPO's role as a cornerstone of European justice, closely linked to the rule of law and the effective protection of the Union's financial interests. Nevertheless, the challenges that the EPPO now faces are growing and becoming increasingly complex. The Office is therefore intensifying its investigative strategies, focusing in particular on the use of digital tools to improve the tracking of financial flows and strengthen its analytical investigative capabilities.

In this respect, the relevance of operational synergies among European authorities is further confirmed by the recent [press release](#)



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issued by the European Anti-Fraud Office (OLAF) on 10 April 2025, concerning a major joint investigation conducted with the EPPO.

The case concerns a complex transnational fraud scheme involving the European Regional Development Fund, resulting in an estimated financial loss of EUR 9.5 million. The criminal network is alleged to have misappropriated EU funds allocated for the development of an innovative IT platform, diverting them through fictitious contracts into an international money laundering system. OLAF's investigations – including on-the-spot checks in Cyprus and the Czech Republic and forensic analysis of digital evidence – was instrumental in securing the indictment of twelve subjects (six individuals and six legal entities) by the EPPO on charges of EU fraud and money laundering.

The case demonstrates the evolving *modus operandi* of organised financial crime, which exploits both regulatory asymmetries and technological infrastructures. As emphasised by OLAF Director-General Ville Itälä, such cross-border investigations are essential not only to safeguard the Union's financial interests but also to ensure a fair and competitive digital single market. This example thus confirms the need to reinforce coordination mechanisms between EU institutions, encouraging information sharing and prompt response capabilities to counter fraud schemes of growing sophistication and geographic reach.

### **→ Progress in the Implementation of the National Recovery and Resilience Plan in Poland – An Institutional and Economic Perspective (as of June 2025)**

As of mid-2025, Poland has received €14 billion in five tranches, making it one of the EU Member States to have received the most substantial allocations. Although the implementation process faced initial delays owing to political and legal conflicts (including concerns over judicial independence), the pace of disbursement accelerated markedly following the release of the first instalments in the second half of 2023.

A milestone decision by the European Commission in May 2025 extended the eligibility period for NRRP expenditures in Poland until



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31 December 2026. Poland is the first EU country to receive such an extension, granted in the light of its effective use of funds and the successful fulfilment of both **milestones** and **result indicators**.

In parallel with the ongoing investments, a robust monitoring system has been established at both central and regional levels. Particular attention is being paid to social impact indicators (e.g., reducing energy poverty, increasing digital competencies) and compliance with the "Do No Significant Harm" (DNSH) principle.

From a research perspective, the NRRP should be regarded not only as a post-pandemic recovery tool but also as a strategic policy instrument promoting Poland's transition toward a knowledge-based, innovation-driven, and environmentally sustainable development model. The extension of the implementation period to 2026 presents new opportunities for local governments, academic institutions, and private-sector actors involved in the EU funding ecosystem.

### → Rising fraud cases and MEP probe highlight challenges for Belgian EPPO

The Belgian branch of the European Public Prosecutor's Office (EPPO) [is investigating](#) around 10 current and former Members of the European Parliament on suspicion of fraud related to salaries and attendance allowances for parliamentary assistants. Among those under investigation are Greek MEP Eva Kaili, Belgian MEPs Hilde Vautmans, and Tom Vandendriessche.

The Belgian EPPO has seen a marked rise in fraud cases, doubling its new investigations to 30 in 2024, with 79 ongoing cases. The estimated financial impact of these investigations in Belgium stands at approximately €1.47 billion, with organised crime and VAT fraud identified as major contributors.

Additionally, EPPO Belgium is leading the high-profile Pfizergate investigation concerning the EU's procurement of COVID-19 vaccines, marking it as a top priority for 2025.

The agency criticises EU institutions for inadequate fraud reporting, noting that only 1% of reports in 2024 came from the



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European Anti-Fraud Office, with the majority originating from private entities and national authorities. EPPO Belgium is calling for greater resources and more specialised investigators to address these complex fraud cases effectively.

Recent trends underline the growing operational role of EPPO within the EU anti-fraud framework. This shift partly reflects the challenges faced by national anti-fraud bodies, which vary significantly in capacity and mandate across Member States. Our latest working paper highlights that regulatory ambiguities and uneven institutional roles, combined with limited resources and suboptimal cooperation between OLAF and EPPO, have created gaps in the anti-fraud landscape. The EPPO's increasing involvement raises important questions concerning the future governance model and the need for clearer mandates and enhanced coordination to ensure a coherent and effective multi-level anti-fraud system.

### **→ CJEU Rules on Judicial Review of EPPO Procedural Acts in Spanish Criminal Proceedings**

In the recent judgment of the Court of Justice of the European Union (CJEU) on 8 April 2025, in case C-292/23, a preliminary ruling was issued in criminal proceedings conducted in Spain. Specifically, the facts of the case indicate that two directors of a Spanish company were under investigation for fraud as beneficiaries of a grant funded by European Union resources. OLAF had reported possible irregularities in the personnel costs declared by the company, leading the Spanish Public Prosecutor's Office to file a complaint, which initiated judicial proceedings in 2021. Subsequently, in 2022, and in accordance with Regulation 2017/1939, delegated European Public Prosecutors took over the investigation. As part of the proceedings, they summoned the individuals under investigation for fraud and forgery, also calling two witnesses considered key to clarifying the facts.

Counsel for one of the accused challenged the summons, arguing that the individual had already testified. This led Central Investigating Court No. 6 in Madrid to question whether a summons issued by the EPPO could be subject to judicial review. Due to this uncertainty, the national court referred a preliminary question to



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the CJEU, seeking an interpretation of Regulation 2017/1939 regarding the jurisdiction of the examining judge to review certain procedural acts of the European Public Prosecutor's Office, which are intended to produce legal effects on third parties. It was noted that, under Articles 42 and 43 of Organic Law 9/2021, in relation to Article 90 of the same law, judicial control of such procedural acts is only permissible if explicitly authorised by the Organic Law. Since summoning witnesses is not among the acts expressly authorised for such control, the national court asked whether the decree of 2 February 2023 could be challenged before the examining court. The court also questioned whether the inability to challenge the decree might constitute an unjustified restriction – considering the principles of equivalence and effectiveness – of a subjective right derived from EU law.

Ultimately, the CJEU ruled on whether individuals under investigation by the European Public Prosecutor's Office may directly challenge the procedural act of summoning witnesses before a national court under Article 42.1 of Regulation 2017/1939, in conjunction with Article 19(1), second paragraph, TEU, and Articles 47 and 48 of the Charter of Fundamental Rights.

The European Public Prosecutor's Office is an EU body with both centralised and decentralised structure (delegated prosecutors). These delegated prosecutors act on behalf of the EPPO in their respective Member States and may adopt investigative measures in accordance with both national and EU law. In this regard, Article 42.1 states that judicial review must be available for procedural acts that produce legal effects on third parties. This review is, as a general rule, the responsibility of national courts, which must follow the requirements and procedures established by national law.

Furthermore, the judgment clarifies that the term "procedural acts producing legal effects on third parties" must be interpreted independently and serves to define acts that can be challenged before the CJEU. Therefore, it is not limited to acts of a specific category, but includes any act that substantially alters the legal position of a third party, where "third party" refers not only to suspects and victims, but to anyone whose rights may be affected.

Regarding the substance of the matter, the CJEU held that summoning witnesses may have considerable legal implications for the





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procedural rights of the accused. However, this must be evaluated on a case-by-case basis, and it cannot be universally stated that all summonses can be challenged. The content and context of the act, as well as its effect on the rights of the accused, must be assessed to ensure compliance with the right to effective judicial protection.

This review may be conducted either directly or incidentally, provided that appropriate procedural safeguards are in place. This means that Member States retain procedural independence and are not required to permit direct appeal; however, they must ensure that an effective judicial remedy is available to allow national courts to review the legality of an act and its compliance with fundamental rights.

In this regard, the principle of procedural autonomy must be balanced with those of equivalence and effectiveness. The principle of equivalence requires the legal systems of Member States to treat acts issued by the EPPO in the same manner as similar acts produced by national authorities. Thus, if acts issued by an investigating judge are directly challengeable under national law, the same must hold true for acts issued by a delegated prosecutor. Similarly, the principle of effectiveness prohibits the exercise of these rights being made impossible or excessively onerous. The principle is satisfied if mechanisms that allow for judicial review are in place.

In conclusion, if a delegated European prosecutor summons witnesses as part of an investigation, the decision must be subject to review by the competent national judicial authority, provided the decision is intended to produce legal effects that may affect the interests of persons challenging it by substantially altering their legal position. In such cases, national law must ensure that affected individuals can obtain effective judicial review of the decision, at least by referral order, on the part of the criminal court hearing the case. However, under the principle of equivalence, if national procedural provisions for similar internal appeals permit a direct challenge to a comparable decision, this remedy must also be available in proceedings conducted by the European Public Prosecutor's Office.

The BETKONEXT team



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