

BETKONEXT

Better Knowledge for the Next Generations

BETKONEXT Newsletter No. 3/2025

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→ 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 sixth 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.

Latest updates



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→ Conference on the Protection of the European Union's Financial Interests Held at the *Reparto T.L.A. dei Reparti Speciali* of the Guardia di Finanza

Rome, 2 July 2025 – The *Reparto T.L.A. dei Reparti Speciali* of the Guardia di Finanza hosted the conference entitled “The Protection of the EU's Financial Interests and New Trends in Fraud Schemes: Cases and Good Practices from the Institutional Perspective”. The event, organised in the framework of the BETKONEXT project and with the support of the Technical Secretariat of the Italian AFCOS, was held in hybrid format.

The programme opened with welcome addresses from representatives of national institutions, the academic community, the European Commission and the European Public Prosecutor's Office.

The conference was structured into two thematic sessions.

- *Panel I – EU resources on the revenue side and transnational challenges*
The first session addressed the main fraudulent schemes in the VAT and customs sectors, highlighting operational experience and institutional perspectives in countering complex cross-border fraud.
- *Panel II – EU resources on the expenditure side and the RRF: risks of irregularities and fraud in a cross-border scenario*
The second session examined risks linked to EU expenditure, including Recovery and Resilience Facility funds. The discussion focused on investigative practice, detection of fraudulent patterns in EU funding and national recovery plans, financial intelligence activities, and the supervisory role of national accounting authorities.

The event underscored the increasing sophistication of fraud schemes affecting the Union's financial interests and reaffirmed the importance of inter-institutional cooperation, exchange of best practices, and preventive measures to ensure the effective protection of EU resources.



→ BETKONEXT Project Seminar in Barcelona Addresses Protection of EU Financial Interests

Barcelona, 19 September 2025 – As part of the BETKONEXT project, and organised by the Spanish unit, a seminar entitled “The Protection of the EU’s Financial Interests: Tools and Practices for Prevention, Detection and Investigation” was held at the Faculty of Law of the University of Barcelona. Conducted in hybrid format, the event gathered experts and researchers to discuss strategies aimed at reinforcing the integrity of European funds.

The programme featured three thematic panels.

- The first explored fraud prevention, data analytics and investigative practices, stressing the need for modern techniques and inter-institutional cooperation.
- The second focused on the management and control of EU funds, with particular attention to whistleblowing systems, reporting channels and anti-fraud models relevant to national recovery plans.
- The final panel presented insights and conclusions from the project’s research team, offering recommendations to improve monitoring frameworks and institutional safeguards.

Co-funded by the European Union under the Union Anti-Fraud Programme, the initiative underlined the importance of transparency, accountability and cross-border collaboration in protecting the Union’s financial interests and ensuring the effective use of public resources.

News flash

→ Review of the EU Anti-Fraud Architecture

In mid-July, [the European Commission initiated a reflection process to review the EU Anti-Fraud Architecture](#) – the system of policies, institutions, and mechanisms established to safeguard the Union’s financial interests. This effort



accompanies the preparatory work for the next Multiannual Financial Framework (MFF) and seeks to reinforce and streamline the protection of EU funds.

The review comes at a crucial moment, as threats to the EU's financial interests continue to evolve. These include rising transnational fraud, organised crime targeting EU funds, and criminal networks exploiting advanced technologies such as artificial intelligence and cryptocurrencies.

Relevant anti-fraud stakeholders are invited to contribute to this reflection process. The outcome will be presented in a Commission Communication in 2026 and may be accompanied by legislative proposals.

→ Ongoing investigations into Belgian MEP Hilde Vautmans

The European Public Prosecutor's Office ([EPPO](#)) is conducting [three investigations](#) into [Belgian MEP Hilde Vautmans \(Open VLD\)](#), with OLAF also involved.

The investigations focus on the alleged misuse of EU funds, including possible money flows to companies linked to MEP Vautmans and questions over spending, such as VIP tables at jumping events.

Former staff have previously accused her of financial abuse and fostering a toxic work environment.

→ Belgium responds to EPPO's concerns

European Chief Prosecutor Laura Kövesi expressed concerns over [Belgium's limited resources attributed for EU-related investigations](#), citing a €300 million case slowed by the assignment of only one federal police investigator. Justice Minister Annelies Verlinden noted that specialised staff have been added to key anti-corruption units, though attracting and retaining experts with rare skills remains challenging. Interior Minister Bernard Quintin stressed that tackling corruption and fraud is a top priority and emphasised



Belgium's commitment to cooperating with the European Public Prosecutor in a pragmatic manner, respecting justice and available resources.

→ **The 2024 PIF Report: Insights on Italy's Anti-Fraud Efforts**

The 2024 PIF Report, published by the European Commission on 25 July 2025, provides detailed statistical and institutional insights into how Member States are addressing irregularities, fraud, corruption, and conflicts of interest affecting the EU budget. In Italy's case, several aspects seem to stand out.

First, Italy is listed among the Member States that already have a full National Anti-Fraud Strategy (NAFS), and in fact is among a smaller subset (only ten States) that not only reported having NAFS in place, but also updated it or confirmed substantial implementation in 2024.

Second, the report highlights weaknesses in the follow-up of reported suspected fraud cases, particularly in ensuring that judicial or enforcement authorities receive the evidence from administrative or financial control bodies. The Italian system, like many others, seems to suffer from delays or gaps in the transition from detection to judicial or prosecutorial action, which is one of the few aspects that should be improved by the Italian legislator.

Third, in the area of digitalization and IT tools, Italy is among the Member States participating actively in digital reporting systems and tools supported by the EU anti-fraud framework. However, the Report notes variations in capacity, and in the effective integration of technologies (e.g., data analytics, interoperable IT systems) across regions and administrative levels. Greater standardization and interoperability are therefore recommended.

Finally, with regard to EU recovery funds, the report expresses concern about the risk of large-scale irregularities. Although Italy is not singled out for a specific large fraud case in the statistical tables of irregularities exceeding certain thresholds, the general trend across Member States raises urgency. All Member States are therefore called to ensure that controls in the implementation of RRF-funded projects are robust, accountability lines are clearly defined, and that judicial cooperation (e.g., with EPPO) is optimally leveraged.



→ Spain Dismantles €68 Million VAT Fraud Network in Alcohol Trade, Eight Arrested

This past July, at least eight individuals, including three suspected ringleaders, were arrested in Spain in connection with a €68 million value-added tax (VAT) fraud scheme involving the importation of alcohol from various EU Member States. The arrests were made at the request of the European Public Prosecutor's Office (EPPO) in Madrid, with the support of the Spanish Guardia Civil's and the Tax Agency.

The operation, which targeted a criminal network suspected of large-scale tax evasion and money laundering, included 19 coordinated searches across six Spanish cities: Barcelona, Cádiz, A Coruña, Ibiza, Madrid, and Valencia. Law enforcement officers raided company offices, private residences, a luxury hotel room, and a tax warehouse. And also, these same authorities seized a yacht, five high-end vehicles, 34 luxury watches, and €333,000 in cash. Over €700,000 in bank assets was frozen, and a court ordered the seizure of 21 properties connected to the suspects.

The fraud exploited EU VAT rules, which exempt cross-border transactions from VAT. According to the investigators, the group imported large quantities of alcohol from EU tax warehouses into a Spanish tax warehouse, delaying VAT payments. Fraudulent intermediaries—known as “missing traders”—then acquired the alcohol domestically, became liable for VAT, and disappeared without paying it.

The alcohol was funneled through a chain of shell companies using fake invoices to conceal the transactions before being sold on the Spanish market through distributors controlled by the network. The unpaid VAT resulted in an estimated €68 million loss to both the Spanish government and the EU budget, between 2018 and 2024.

→ EPPO investigation into €17 million VAT fraud in the electronics sector



The recent operation by the European Public Prosecutor's Office (EPPO) is part of the Union's broader commitment to tackling cross-border VAT fraud, a phenomenon that each year drains substantial resources from public finances and distorts fair competition among businesses.

At the request of the EPPO in Rome, the Italian Financial Police (Guardia di Finanza, Bolzano unit) carried out searches and preventive seizures in Rome and Brescia as part of an investigation into a €17 million VAT fraud scheme involving the trade of electronic products.

The Court of Rome ordered preventive seizures worth more than €17.7 million, including bank accounts, cash, credit cards, vehicles, motorcycles, luxury goods, and three Rolex watches. Seven searches were conducted to secure assets and gather evidence of additional financial flows. One individual, considered the de facto manager of several companies involved, was placed under house arrest; three front men were prohibited from exercising business management activities.

According to investigators, since 2017 a criminal group has systematically issued and used false invoices through a chain of "missing traders" and buffer companies, enabling the sale of laptops, smartphones, and PCs on the Italian market at abnormally low prices.

The fraud granted the perpetrators an unfair competitive advantage and raised suspicions of money laundering. The first leads emerged from routine checks by the Guardia di Finanza, which identified companies offering high-tech products at unusually low prices.

It must be stressed that all suspects are presumed innocent until proven guilty by a final judgment of the competent court.

→ European Commission calls on Poland to clarify spending of Recovery and Resilience Facility funds

The European Commission has requested explanations from the Polish authorities regarding emerging doubts about the legality and appropriateness



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of awarding and using funds under the National Recovery Plan (KPO). The matter gained significant public attention after the government published an interactive project map, which revealed that some grants were allocated to highly controversial purchases such as mobile coffee machines, yachts, tanning beds, and virtual shooting ranges.

In response to these concerns, the Commission has stressed the obligation of Member States to ensure strict control over fund management and to undertake corrective measures whenever irregularities are suspected. Commission spokesperson Maciej Berestecki reminded that [the EU possesses instruments that allow for intervention](#), including the recovery of funds and cooperation with the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office.

On the Polish side, the Polish Agency for Enterprise Development (PARP), which oversees a large portion of the programme, has announced extended audits of projects, particularly in the HoReCa sector – the main beneficiary of the scheme. Prime Minister Donald Tusk has also declared that in cases of waste or misuse, [grants will be revoked](#), stressing that Poland cannot afford to undermine European partners' trust in its capacity to manage EU funds responsibly.

Looking ahead, the coming months will be decisive for the future of the KPO in Poland. The Commission expects not only explanations but also tangible corrective measures. Failure to deliver could entail severe consequences: from the loss of a portion of allocated funds, through reputational costs at the European level, to potential legal proceedings against beneficiaries and managing authorities.

The BETKONEXT team



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