Mitigating High-Risk Corruption in EU Member States

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List of abbreviations

AMLA	Anti-Money Laundering and Countering the Financing of Terrorism Authority
CoI	Conflict of interest
CPI	Corruption Perception Index
CFSP	Common Foreign and Security Policy
DeFi	Decentralised finance
EBA	European Banking Authority
EDA	European Central Bank
EMPACT	European Multidisciplinary Platform Against Criminal Threats
FATF	Financial Action Task Force
GDP	Gross domestic product
KYC	Know-your-customer
LRCC	Local Research Correspondents on Corruption
NGO	Non-governmental organisation
NPLs	Non-performing loans
OECD	Organisation for Economic Co-operation and Development
OFC	Offshore financial centre
OCGs	Organised crime groups
OLAF	European Anti-Fraud Office
PPPS	Public-private partnerships
PEPs	Politically exposed persons
PTEFs	Persons with top executive functions
SDG	Sustainable Development Goal
SOGA	Soccer Gambling
UHC	Universal health coverage
UNODC	United Nations Office on Drugs and Crime
vIBANs	Virtual IBANs

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Executive Summary

The European Union's new Anti-Corruption Package, adopted on 3 May 2023, is a major initiative aimed at combating corruption in its many manifestations. This action comes at a time when the knowledge, skills and experience needed to fight corruption successfully have reached a level of maturity capable of delivering meaningful, visible results. It also coincides with a time when citizens across the continent continue to have high expectations that corruption in their workplace, their community, and their country will be reduced. The EU's initiative is propelled by the motivation to meet this moment.

This study outlines existing and prospective solutions within EU Member States that could potentially be scaled up to the EU level. A number of these solutions have made real differences in improving integrity and contributing to the prevention, detection, and sanctioning of corrupt activities, while others exhibit significant potential. These solutions represent not just a potential template for real-life impact, but also a kind of collective action that unites ideas into a new vision for reform.

This study focuses on six high-risk areas of corruption profiled in a 2024 report prepared for the European Commission (Persson, Worth, & Jeney, 2024):[1] namely, public procurement, healthcare, construction and infrastructure, the financial sector, defence and security, and sports. Building upon the findings presented in the 2024 report, this follow-up study maps corruption-mitigating measures of potential relevance for each of these high-risk areas in EU Member States. The present study moreover presents in-depth case studies of notably impactful or promising measures for each of the six high-risk areas, and also provides an analysis of the potential of these measures to enhance current or future EU-level policies. All of the solutions presented have either led to successes in practice, have shown promise, or exhibit qualities that could lead to positive results.

A wide variety of corruption-mitigating measures are profiled, ranging from sector-specific policies and procedures to social accountability measures, ethics training, and professional codes of conduct. Though these measures vary in terms of their character across the high-risk areas, they typically translate core principles of good governance – information, transparency, integrity, accountability, and participation – into action, all with the aim to prevent, deter or detect corruption. In other words, these measures endeavour either to close off corruption opportunities by boosting transparency and accountability, or to reduce corruption incentives by increasing the likelihood of detection and sanctions when corruption occurs.

The following is a brief overview of some key reviewed measures, broken down by the six sectors in the scope of this study:

- *Public procurement*: the full implementation of e-procurement functionalities, transparency and watchdog portals, and stringent conflict-of-interest regulations.
- *Infrastructure*: participatory needs assessments, objective selection criteria, conflict-of-interest management, and strategic priorities in the initiation and planning phases; public asset registries, electronic auction portals, and independent valuations in the disposal phase. Effective measures are found in France and Ukraine.
- *Healthcare*: transparent waiting lists and the generic prescription and/or substitution of medicines. Examples from, among other countries, Austria, Sweden, Estonia and Lithuania illustrate the promise of these measures when it comes to reducing the incentives and opportunities for corruption.
- *Finance*: tighter oversight of banks and other financial companies for market manipulation, deceptive practices, unlicensed activities and other violations; a greater use of audits and inspections; increased

[1] Persson, Anna, Worth, Mark, & Jeney, Petra. 2024. *High-Risk Areas of Corruption in the EU: A Mapping and In-Depth Analysis*. European Commission: Directorate-General for Migration and Home Affairs, Publications Office of the European Union.

prosecutions and enforcement actions; enhanced data sharing between and among public authorities within EU Member States regarding suspicious customers and transactions; and the in-depth vetting of people who hold positions of responsibility in the finance sector. Featured countries include Belgium, France, Latvia, Lithuania, the Netherlands and Sweden.

- *Defence and security*: multi-layered oversight of military spending and procurement procedures by public authorities with investigative and subpoena power, parliamentary oversight of the sector with specialised committees and access to classified information, vetting of companies and people seeking to do business in the national security sector, and stressing ethics, codes of conduct and revolving door issues across military hierarchies and in the private sector. Examples include promising initiatives in Belgium, France, Germany, Latvia and Lithuania.
- *Sports*: using AI, inter-agency cooperation and private sector participation to monitor matches in a wide range of sports for manipulation and illegal gambling, sharing evidence of match-fixing and spot-fixing among investigators and NGOs, passing specialised anti-corruption laws, establishing specialised public authorities, increasing criminal and civil penalties, and education and awareness-raising for athletes, coaches, teams, and referees. Successful measures in Austria, Belgium, Denmark, Italy, Spain and Sweden are profiled.

These mitigating measures all carry the potential to enhance the EU framework, albeit through different channels. As such, they align with the EU's understanding of the problem of corruption, as well as with the EU's competencies and political priorities. In short, the mitigation measures identified as particularly successful or promising in this report all have the potential to inform EU-level policymaking and be considered an important part of the EU's anti-corruption strategies and policies.[2]

That said, however, the analysis also clearly states that no mitigation measure alone will be able to fully curb corruption , no matter how effective it might be. Instead, it emphasises the importance of integrating sector-specific mitigation measures into a broader anti-corruption framework, paying attention to the specific contexts and underlying structural challenges and opportunities in different high-risk areas and Member States. Challenges include widespread and/or systemic corruption, vested interests opposing reform, and limited resources available to implement reforms.

On the other hand, there are opportunities for a well-functioning overarching legal and regulatory framework, along with administrative and technical capacity and a strong political will. Ultimately, only through an integrated and context-sensitive approach that recognises such challenges and opportunities can sustainable improvements in reducing corruption and enhancing integrity across the EU be realistically achieved.

[2] The corruption mitigation measures discussed in this study represent the views of the authors and do not represent the position of the European Commission.

Chapter 1. | Introduction

1.1 Background

1.1.1 The Problem

For anti-corruption efforts and the people implementing them to have a realistic chance of success, we must first attain a comprehensive and accurate understanding of the challenges at hand. Corruption has increasingly been studied over the past 25 years. Its causes, instigators, and the harm it inflicts at both personal and societal levels are well known.

As the European Union steps up its efforts in the fight against corruption, it is valuable to assess the current landscape and explore the approaches being considered to address a problem that, in one way or another, victimises everyone. These strategies are being shaped by reforms and innovations emerging across the EU and beyond. This report aims to initiate a dialogue on these solutions and explore how they can be refined and mainstreamed to maximise their benefits across the EU.

Corruption – broadly defined as the abuse of entrusted power for private gain – is widely recognised as one of the greatest threats to societal welfare, rule-based societies, democracy, the rule of law, and human well-being. Where corruption is widespread, it destabilises entire societies, hindering both development and democratic institutions and processes, while also undermining core foundations of a well-functioning society, such as the rule of law, trust, and legitimacy.

Although the EU is considered one of the least corrupt regions in the world, there is considerable variation across EU Member States with regard to both the nature and scope of corruption. While some countries experience very limited corruption and only in some sectors, others suffer from widespread, even systemic corruption in many sectors (cf. Charron, Lapuente, and Bauhr 2024[3]). According to the 2025 Eurobarometer survey, 69 per cent of Europeans believe corruption is widespread in their countries.[4] To a significant extent, corruption is also a cross-border phenomenon.

Irrespective of the differences among Member States, the negative effects of corruption have a substantial impact in the EU. Corruption is estimated to cost the EU EUR 179 billion to EUR 990 billion per year, amounting to up to 6 percent of its GDP.[5] Moreover, corruption in Member States and beyond has been linked to unstable democratic institutions and economic growth, higher levels of organised crime, weaker rule of law, reduced voter turnout, and lower trust in public institutions (see Bakowski 2024[6]). Corruption also has a negative impact on social welfare, public spending, tax collection, employment, and gender equality, and it is believed to cause "brain drain" from countries struggling under its burden (Mungiu-Pippidi and Kukutschka 2013[7]).

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[3] Nicholas Charron, Victor Lapuente and Monika Bauhr (2024). "The Geography of Quality of Government in Europe. Subnational variations in the 2024 European Quality of Government Index and Comparisons with Previous Rounds". QoG Working Paper Series 2024:2. Department of Political Science, University of Gothenburg. ISSN: 1653-8919.

[4] Citizens' attitudes towards corruption in the EU in 2025.

[5] Anti-corruption," European Commission; https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/democracy-eu-citizenship-anti-corruption/anti-corruption_en.

[6] Bakowski, Piotr, 2024. Combating Corruption in the European Union. EPRS | European Parliamentary Research Service. https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/739241/EPRS_BRI%282022%29739241_EN.pdf.

[7] A. Mungiu-Pippidi and R. Martínez B. Kukutschka, 'European Union Member States' in Alina Mungiu-Pippidi (ed.). Controlling Corruption in Europe, The Anticorruption Report, Vol. 1, 2013.

1.1.2 The EU Response

To meet these challenges, the Commission on 3 May 2023 adopted a new Anti-Corruption Package – a milestone in the fight against corruption at the national and EU levels. The Package builds on already widely recognised policies and standards developed by the Council of Europe, OECD, United Nations, and others, and those promoted by the EU via a large variety of laws and mechanisms, including harmonised laws on fraud, public procurement, whistleblower protection, and money laundering.

The Package includes a Joint Communication on the fight against Corruption, through which the Commission is bringing together existing work and developing new directions and tools at the EU and Member State levels. The Package serves to further strengthening the framework by proposing a new Directive on combating corruption by criminal law, on which an agreement between the EU co-legislators was reached in early December 2025.[8]

The set of proposed measures includes new and strengthened rules criminalising corruption offences, as well as a dedicated Common Foreign and Security Policy (CFSP) sanctions regime to target serious acts of corruption worldwide. These proposed measures will place a strong focus on prevention and creating a culture of integrity in which corruption is not tolerated, while also strengthening enforcement tools.

1.1.3 The Solutions

For the EU's Anti-Corruption Package to be as successful as possible, we need to know which mitigation measures are already available, how they function in practice, the positive contributions they are making, and the keys to their success. This report furthers this exploration. It investigates the main strategies and tactics used or proposed to combat corruption in six corruption-prone areas identified in the 2024 Report, "High-Risk Areas of Corruption in the EU: A Mapping and In-depth Analysis" (Persson, Worth, & Jeney 2024, hereinafter the 2024 Comparative Report). These areas are public procurement, finance, healthcare, defence and security, construction and infrastructure, and sports.

This follow-up report maps selected sector-specific mitigation measures in the six high-risk areas, provides case studies of particularly promising solutions, and analyses the potential for these noteworthy measures to be replicated at the EU level. The analysis takes into consideration EU-level competencies in each high-risk area and the Commission's new political priorities for 2024-2029.

The study profiles solutions that the EU could adapt and develop as part of a new and updated anti-corruption approach – for the benefit of the general public and the EU as a whole. The measures profiled here were also chosen specifically to reduce the corruption risks presented in the previous report. In this way, there is a direct line connecting the problems to potential solutions – many of which already are being deployed successfully in Member States. Many of these solutions are showing concrete results in deterring corruption crimes, sharpening oversight and inspections, increasing enforcement actions, punishing the guilty, ordering corrective actions, and improving inter-agency and international cooperation.

[8] Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on combating corruption, replacing Council Framework Decision 2003/568/JHA and the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and amending Directive (EU) 2017/1371 of the European Parliament and of the Council COM/2023/234 final.

1.2 Aim and scope of the study

The aim of this study is to map out and analyse possible corruption mitigation measures that could potentially be replicated at the EU level, relevant to areas at high risk of corruption. Six areas at high risk of corruption, identified by the 2024 Comparative Report, are highlighted. These areas are public procurement, healthcare, the financial sector, infrastructure, defence and security, and sports. The analysis itself consists of three parts:

- Mapping of main area-specific corruption mitigation measures for the six high-risk areas;
- In-depth case studies of 2-3 notably impactful or promising mitigation measures in each of the six areas;
- Replicability analysis of the potential notably impactful or promising measures to enhance the EU-level framework.

In the *mapping section* of the study, a general discussion of potential or existing corruption mitigation measures specific to the high-risk area will be offered. The *in-depth case studies* serve to explore the goals, character, methods, evidence-based effects, and challenges of a selection of particularly successful or promising measures in each of the six high-risk areas.

While the study mainly draws from corruption mitigation measures implemented at the EU Member State level to identify possible measures that can potentially be replicated at the EU level, good practices from non-EU countries also informed the mapping of main sector-specific mitigation measures. The *replicability analysis* of a selection of particularly successful or promising mitigation measures serves to assess the extent to which these measures could be considered useful for any existing or future EU-level framework. The detailed methodological framework that serves as the basis for the study is included in Annex I.

1.3 Method and material

To achieve the research objectives, the study employs a mixed-methods approach that combines desk research, surveys, and interviews.

1.3.1 Desk research

A wide range of documents from a variety of different sources has been analysed for this study, including EU Member States' legislation; reports, policy papers, communications, statistics, and other materials issued by judicial and administrative authorities; EU legislation and policy documents; reports and evaluations of international organisations, NGOs, resource centres, and experts such as the Organisation for Economic Co-operation and Development (OECD), United Nations Office on Drugs and Crime (UNODC), Transparency International, U4 Anti-Corruption Resource Centre, and the Group of States against Corruption (GRECO); academic literature; and media reports. A full list of consulted documentation is provided in Annex IV.

1.3.2 Surveys

Two expert surveys were launched, one to the LRCC network[9] and one to members of the EU Network Against Corruption[10]. The survey questionnaires sought information and insight on measures deterring and mitigating

[9] Launch date: 20 January 2025.
[10] Launch date: 18 February2025.

high-risk corruption in EU Member States. Besides looking for demonstrably successful *general* measures that may apply to one or more sectors or society at large, the questionnaire was spearheaded towards *sector-specific* measures that have a demonstrable ability and track record to prevent, deter, reduce, sanction and/or remedy corruption and corruption-related crimes. The full survey questionnaire is provided in Annex II. The data collection ran between January and April 2025. In total, 95 responses (18 full responses) were received to the EU Network survey, and 27 replies were received from LRCCs. Follow-up questions were posed to 11 LRCCs. A summary of the LRRC survey responses is provided in Annex III. The results of the survey are integrated into the analysis below.

1.3.3 Interviews

More than 20 expert interviews were conducted for the purpose of the report. Interviewees include:

- Practitioners and experts in EU Member States (regulators, law enforcement officials, prosecutors, independent investigators, researchers, public interest advocates, NGOs, and civil society organisations);
- Representatives from Europol, Eurojust, European Public Prosecutor's Office, Interpol, as well as other law enforcement and criminal justice agencies;
- Representatives from regulatory, law enforcement, criminal justice and other relevant professional associations.

More information about the expert interviewees can be found in Annex V.

1.4 Key definitions and conceptualisations

1.4.1 Corruption

This study utilises a broad, widely used definition of corruption as "the abuse of entrusted power for private gain." As such, corruption is understood as a multi-sector phenomenon present in the public and private spheres, as well as in the political arena. Possible manifestations of corruption include bribery, fraud, favouritism, nepotism, conflict of interest, revolving doors, embezzlement, abuse of public funds, consumer scams, kleptocracy, state capture, and sextortion.[11]

1.4.2 Corruption mitigation measures

Corruption mitigation measures are understood as concrete government actions, or targeted proposals for government action (including recommendations from non-governmental actors) to prevent, deter, reduce, sanction and remedy corruption and corruption-related crimes. Measures can be sector-specific or otherwise targeted. They can also be part of a package or framework of interrelated and mutually supporting policies and actions.

Measures were selected based on the existence of evidence from quantitative (surveys), qualitative (desk research) or credible anecdotal information (interviews), indicating that the measure has been successful in combating corruption in one of the six high-risk sectors in EU Member States or beyond. Where available, cases

[11] European Commission, Migration and Home Affairs, "Corruption." Source: https://home-affairs.ec.europa.eu/policies/internal-security/corruption_en (retrieved on November 2, 2023).

or examples are referenced to demonstrate a measure's effectiveness. Proposed or suggested measures that show legitimate promise in combating corruption have been included.

Measures include (but are not limited to):

- Clear and tailored criminal legislation and its effective enforcement and prosecution;
- Strengthened regulatory, investigation and criminal justice authorities;
- Capacity-building:
  - Public awareness campaigns;
  - Access to Information;
  - Transparency-enhancing mechanisms;
  - Accountability mechanisms;
  - Training programmes;
  - Inter-agency cooperation and information sharing;
  - Evidence-based anti-corruption policy making (statistical data collection and analysis);
- Improved audits, inspections, investigations and prosecutions;
  - Clear and tailored criminal legislation and its effective enforcement bodies;
  - Ethical guidelines and Codes of Conduct;
  - E-Government initiatives to reduce corruption opportunities;
- Vetting people and companies working in sensitive industries;
  - Conflict of Interest (CoI) management.

1.4.3 Impact

Impact refers to the demonstrated ability and track record of a mitigation measure to prevent, deter, reduce, sanction and/or remedy corruption. Ideally, this impact can be documented both qualitatively and quantitatively using various types of data and evidence.

1.4.4 Replicability

Replicability refers to the degree to which a particular corruption mitigation measure has the potential to enhance the existing EU-level framework, via adaptation, specialisation, or upscaling.

Chapter 2. | Public Procurement

This chapter examines anti-corruption in the high-risk area of public procurement across EU Member States, outlining the core drivers and consequences of corrupt practices while mapping specific mitigation measures used to address these risks. The discussion will build on the findings of the 2024 Comparative Report on the causes, character and consequences of corruption in public procurement and continue the analysis of mitigation measures. To that end, a mapping of the main procurement-specific mitigation measures will be made, focusing on potential or existing solutions to corruption risks at the EU level, including gaps, based on the experience of Member States, academic literature, and key insights provided by experts in the field.

2.1 Introduction

EU Member States employ various measures to reduce corruption in public procurement. These measures target different stages of the procurement process — from tendering to contract execution — and include digital solutions, transparent reporting systems, and conflict-of-interest regulations.

Digital tools, such as electronic procurement systems (e-procurement), play a crucial role in enhancing transparency and reducing opportunities for corrupt practices. Many EU countries have successfully implemented comprehensive digital procurement platforms, leading to greater transparency and efficiency. Transparency and watchdog portals have also proven effective. These online platforms, as demonstrated by Italy's Anti-Corruption Authority (ANAC) portal, enable public scrutiny and help detect irregularities through detailed data publication. Additionally, stringent conflict-of-interest regulations are essential in safeguarding procurement impartiality. Romania's rigorous enforcement of these rules demonstrates their value in preventing undue influence and ensuring fair competition.

However, the effectiveness of these measures depends heavily on each country's specific circumstances, such as legal frameworks, administrative capacity, technological readiness, and political commitment. Thus, to effectively tackle corruption in public procurement, a combination of legislative, procedural, and technological solutions tailored to local contexts is necessary.

2.2 Problem Definition: The Extent, Causes, and Consequences of Corruption in Public Procurement

In the EU, public procurement accounts for an estimated 14 per cent of GDP, about EUR 2 trillion annually, placing it at the heart of public administration and service delivery (European Commission, 2023). Corruption in public procurement represents a significant challenge for EU Member States, as it can undermine competitive markets and divert public resources away from their intended purposes. According to the 2024 Comparative Study on High-risk Corruption Areas (Persson, Worth, Jeney, 2024), procurement is a prime target for bribery, nepotism, fraud, and collusion. In multiple EU Member States, public officials and private contractors frequently interact in complex tendering processes – a dynamic that heightens the risk of "pay-to-play" arrangements. Expert surveys across the bloc have flagged public procurement as a high-risk zone, with 75 per cent of responding companies believing that favouritism and corruption hamper competition in tenders (European Commission, 2023).

Despite well-developed legal frameworks, multiple drivers heighten corruption risks. Procurement frequently involves large budgets and lucrative contracts, creating strong incentives to secure deals through illicit means. Single-bid contracts in smaller or poorly regulated markets further reduce competition, enabling collusion or the payment of bribes. Technical specifications and lengthy procedures can obscure costs and reduce transparency,

thereby providing room for manipulation of tenders. Inefficient or underdeveloped e-procurement systems hamper oversight, as paper-based methods remain prone to error or concealment. Where merit-based hiring is lacking or procurement bodies depend on political patrons, decisions become vulnerable to manipulation. A lack of administrative expertise, training, or independence allows vested interests — political or corporate — to infiltrate procurement decisions. Lastly, limited monitoring, inadequate data publication, and a dearth of civil society watchdogs often signal that procurement agencies can act with impunity. Shortcomings in judicial processes and external audits perpetuate low-risk/high-reward conditions for corrupt actors.

These drivers affect numerous stakeholders, including taxpayers — who ultimately bear the costs of overpriced or underperforming contracts — and legitimate firms that lose opportunities to more favoured or connected competitors. Equally, public officials operating in procurement departments may be pressured to facilitate corrupt dealings. When procurement corruption becomes systemic, essential public infrastructure and services — such as healthcare equipment or public works — risk chronic underperformance, deepening citizen distrust in governance (Fazekas, Ferrali, & Wachs, 2023). Consequently, corruption in procurement erodes the quality of public goods and services, raises costs to taxpayers, deters honest bidders from competition, and diminishes trust in government (OECD, 2021). In summary, the scope and nature of corruption in procurement threaten core pillars of good governance in the EU, from efficiency and accountability to inclusion and equal market access.

2.3 Mapping specific corruption mitigation measures addressing corruption in public procurement

There is a wide spectrum of procurement-specific reforms that EU Member States (and indeed, governments worldwide) have adopted to combat corruption (see Table 1 for an overview). From targeted measures such as framework agreements or e-auctions to broader governance tools, such as centralisation, professionalisation, and audits, there are numerous promising measures. In a wide-ranging body of research on corruption and efficiency in public procurement, multiple measures have been identified, each targeting specific points in the procurement process or spanning the entire cycle. Although their effectiveness varies according to local capacity, legal frameworks, and the nature of the contract, the scholarly consensus underscores that measures such as electronic procurement systems, framework agreements, and stricter auditing can mitigate corruption risks when embedded in well-functioning institutions with qualified personnel. In addition to the empirical literature, the respondents of the 2024–2025 Country Survey with LRCCs from numerous Member States corroborated the overall importance of these measures in practice.

Several studies highlight the *pre-tender* phase as a critical juncture where electronic notification and document access lower barriers to entry and encourage broader participation (Coviello & Mariniello, 2014; Lewis-Faupel et al., 2014). Existing scientific evidence measuring the impact of e-procurement adoption comes, for example, from Chile, where Singer et al. (2009) reported cost savings of around 2–3 per cent following the adoption of e-procurement systems, while the promise of even greater gains in lower-income contexts emerges from large-scale comparative studies (Bosio, Hayman, & Dubosse, 2023). Survey data provide further support for these findings. Baltic Member States, in particular, noted that mandatory online publication had reduced single-bid contracts by up to 10 percentage points. Meanwhile, several German and Austrian respondents noted that e-submission shortened administrative backlogs and freed capacity for more rigorous bid evaluations. Nonetheless, realising these benefits depends on reliable IT infrastructure, adequate training, and a sustained policy mandate.

During the *bid evaluation and award* phase, governments can adopt e-auctions to enhance transparency, using iterative price reductions that, in principle, curb the secretive bargaining often linked to kickbacks or collusion (Soudry, 2004; Yakovlev et al., 2014). This mechanism typically results in lower average contract prices and more bidders, though some countries have observed that corruption merely shifts to post-award renegotiations if enforcement and monitoring are weak (Blum et al., 2023). Further complexity arises around the design of awarding rules. Although the MEAT approach (most economically advantageous tender) minimises the subjective

discretion that favours connected firms, it may encourage artificially low bids, raising costs later. Detailed analyses of road and construction tenders in Italy indicate that switching from average-bid auctions to lowest-price auctions expanded discounts by up to 13 per cent, yet also increased cost overruns during contract execution (Decarolis, 2014). Similar trade-offs surround the adoption of preferential treatment for small or minority-owned firms: studies in the United States and Japan show that such policies can open up public markets and spur competition but risk efficiency losses if less capable bidders are awarded contracts (Marion, 2007; Nakabayashi, 2013). Survey feedback from Bulgarian and Portuguese officials further echoed these concerns, noting that while e-auctions raised initial competition, they observed greater reliance on renegotiations when post-award controls lagged.

Beyond the award stage, certain measures emphasise integrity in *contract execution*. E-monitoring and e-invoicing can automate invoice matching and payments, reducing opportunities for fabricated claims or inflated costs (Bajari, Houghton, & Tadelis, 2014). However, empirical evaluations of these systems remain nascent; some governments report encouraging anecdotal results, but large-N analyses are comparatively scarce. One Spanish region responding to the 2024–2025 Country Survey reported that an online contract management platform helped reduce late-stage cost amendments, though local officials still encountered political pushback whenever project deadlines tightened. To bolster the detection of subpar work and cost-padding in real time, community-level monitoring and civic participation have also been tested (Olken, 2007; Lagunes, 2017). Beneficiaries of infrastructure or social projects, for instance, receive information about a project's funding and timeline, then track actual implementation. Field experiments in South-East Asia and Latin America report significant improvements in final project quality, provided local decision-makers do not capture the monitoring process.

A distinct group of measures shapes the entire procurement framework. *Centralised and collaborative procurement* aggregates purchasing power under a single body or a network of authorities. Evaluations of Italy's central purchasing agency (CONSIP) show that consolidated demand can yield large price savings — sometimes above 50 per cent for standard goods — and reduce direct collusion with local officials (Bandiera et al., 2009; Baldi & Vannoni, 2015). Nonetheless, mandated centralisation has drawn resistance from public bodies unaccustomed to relinquishing control over their own tenders. Respondents from eight Member States reported in the 2024–2025 Country Survey that, although centralisation improved data harmonisation and price benchmarking, it faced ongoing political or departmental resistance from subnational authorities who dislike ceding autonomy. Greater transparency similarly fosters broad oversight across all phases. Online portals that compile comprehensive data on bidding, contracts, and performance, supported by "red flag" analytics, empower citizens, NGOs, and journalists to detect anomalies (Šípoš, Spáč, & Tóth, 2015; Duguay, Rauter, & Samuels, 2023). Crucially, success in transparency-based measures hinges on data accessibility, user-friendly interfaces, and consistent updates. National anti-corruption agencies in Poland, Estonia, and Croatia, as reflected in survey responses, noted that open-data portals correlated with an uptick in media exposés on potential collusion or nepotistic deals.

Debates also persist about whether rigid, *rule-bound* systems, often requiring open auctions above certain thresholds, perform better or worse than more flexible, *discretionary* regimes (Bajari, McMillan, & Tadelis, 2009; Coviello et al., 2018). Discretion can sometimes improve quality outcomes for complex procurements, but can also reintroduce corruption vulnerabilities in contexts lacking robust professional norms and accountability. Researchers often underscore that rules need to match not only the product market but also the administrative culture in question. A crucial corollary is that broad measures must accompany robust *professionalisation and capacity-building*, typically through meritocratic recruitment, competitive remuneration, and structured training (Di Tella & Schargrodsky, 2003; Klasnja, 2016). Skilled civil servants are better equipped to design precise specifications, detect dubious bids, and manage post-award negotiations. In parallel, credible audits and supervision by independent agencies deter illegal gains, provided investigators can enforce sanctions (Zamboni & Litschig, 2016). A recurring theme from the 2024–2025 Country Survey is that training programmes are particularly impactful when tied to mandatory certification or continuing professional development. Respondents from four Nordic countries emphasised the importance of staff rotations to prevent entrenched relationships between specific officials and contractors.

Another measure involves incentivising officials via *performance pay*, linking a fraction of their salary or bonus to indicators, such as cost savings, timely delivery, or consistent transparency checks (Banerjee, Hanna, & Mullainathan, 2010). Although pilot schemes demonstrate some capacity for lowering contract prices, the research base remains limited, and sceptics note risks of gaming or manipulation of performance metrics.

Finally, the broader field of limiting political connections and countering *conflicts of interest* has received some scholarly attention. A growing body of public-procurement scholarship shows that conflicts of interest – expressed through corporate donations, partisan appointments, or informal personal ties – impair competition and reduce value for money (Boas et al., 2014; Bromberg, 2014; Goldman, Rocholl, & So, 2014; Mironov & Zhuravskaya, 2016). Research on structural safeguards remainssparse, yet evidence suggests that tenure protection, meritocratic recruitment and limits on politically motivated dismissals diminish undue interference (Schuster, 2020; Selin, 2015). Agencies with fewer partisan appointees consistently issue a lower share of direct-award or single-bid contracts, highlighting the contribution of robust civil-service arrangements to cleaner procurement (Dahlström et al., 2019). Current findings suggest two useful strategies to curb conflicts of interest: strict control or prohibition of corporate donations to minimise upstream conflicts of interest, and institutional insulation of procurement authorities to limit downstream political pressure.

Table 1 summarises the numerous types of measures, illustrating that the quality and scope of the evidence differ markedly, cautioning policymakers to adapt each approach to national or local circumstances, prioritise capacity-building, and measure outcomes rigorously. Across these measures, there is no "one size fits all," and no single measure guarantees a corruption-free procurement environment. Contextual realities — budget constraints, legal mandates, administrative capacity, and political culture — determine which mix of measures is most likely to deliver tangible cost savings, fairer access, and reduced corruption. In practice, strategies combining multiple approaches (e.g. e-procurement plus a strong central purchasing body plus adequate auditing) are more likely to produce sustained improvement than standalone measures, provided they rest on a foundation of skilled, impartial procurement officials, so that technical fixes are not subverted in practice.

Table 1 Procurement-specific anti-corruption measures and their estimated effectiveness and evidence base

Measure type	Countries	Markets	Largest effect size (savings)	Evidence base
TARGETING SPECIFIC PROCUREMENT PHASES				
Tender preparation & advertisement				
e-notification, e-access, e-attestations & e-submission	EU, Italy, India, Indonesia, Denmark, Netherlands, Portugal, LMICs	Infrastructure, general procurement	6.75%	high-quality systematic evidence
Framework agreements	Italy, UK, Brazil, Colombia	general procurement, homogeneous goods	34-78%	limited systematic evidence
Bid evaluation & contract award				
e-auction & e-evaluation	Russia, Slovakia, Bangladesh	public works, IT, sugar, general procurement	7.4-8%	limited systematic evidence
Preferential treatment of bidder and product classes	Italy, Japan, USA	public works, general procurement	0.10-0.23%	high-quality systematic evidence
Award mechanism and auction design	Brazil, EU, Italy	general procurement, construction, social spending	7-8%	high-quality systematic evidence

Measure type	Countries	Markets	Largest effect size (savings)	Evidence base
Contract execution				
e-invoicing, e-payment & e-contract monitoring	-	-	-	no systematic evidence
Civil society supervision of contract execution	Indonesia, Peru, Mexico, USA	small-scale infrastructure projects	51%	limited systematic evidence
TARGETING THE ENTIRE PROCUREMENT PROCESS				
Centralisation of procurement functions and collaborative procurement	Australia, EU, Italy, UK	pharmaceuticals, general procurement	60%	high-quality systematic evidence
Transparency and watchdog portals	Georgia, Slovakia, EU, LMICs	general procurement	11% (increase in open bidding)	limited systematic evidence
Rule-bound or discretionary decision making	China, France, Germany, Italy, Nigeria, USA, Hungary	general procurement	12%	high-quality systematic evidence
Meritocracy, professionalisation and capacity development	Guatemala, LMICs	general procurement	0.6-1.3%	limited systematic evidence
Audits and supervisions	Argentina, EU, Indonesia, Chile	homogenous hospital inputs	11%	limited systematic evidence
Performance pay and incentives	Pakistan	general procurement	3%	limited systematic evidence
Limiting political connections of firms	Lithuania, Colombia, Romania, Hungary, US, Brazil, Czech Republic	general procurement	24%	limited systematic evidence

Source: Authors' elaboration based on Fazekas & Blum (2021).

2.4 Analysis of corruption mitigation measures that carry the potential to enhance the already existing EU-level framework

The above broad mapping of anti-corruption measures in public procurement reveals that many reforms hold demonstrable promise for enhancing transparency, cutting costs, and reducing opportunities for rent extraction. Yet the degree of evidence substantiating each measure varies, and national contexts decisively shape their feasibility. Taken together, the studies cited suggest that reforms must be suited to the legal structures, political culture, and administrative capacity found within each Member State — and, by extension, within the broader European Union framework.

On balance, the strongest and most consistent empirical support emerges for improving procurement outcomes through digital technologies, notably e-procurement solutions such as e-notification, e-submission, e-attestations, and e-invoicing. Across the EU, these approaches closely align with the push for deeper digital integration and open government data, as reflected in European Commission priorities for digital transformation. In a single

market where cross-border sourcing and inter-agency cooperation are increasingly common, digital tender platforms yield twofold benefits: they lower barriers to market entry for diverse suppliers and create more uniform standards of reporting that facilitate oversight by national and EU-level authorities. Equally important, these e-procurement functionalities fall squarely within the EU's areas of competence — particularly regarding the harmonisation of procurement rules and the development of common digital infrastructures — meaning the EU can actively promote, fund, and monitor their adoption among Member States.

A second high-potential avenue centres on watchdog and transparency portals, which foster continuous civil society and media scrutiny throughout the procurement cycle. Although not universally implemented, early adopters in certain EU Member States have shown clear gains in exposing red flags, such as single-bid contracts, unusually short bidding windows, or post-award contract amendments. These tools demonstrate a comparative advantage for the EU because they leverage the Union's tradition of regulatory harmonisation, public disclosure norms, and a growing transnational civil society sector. By publicising granular procurement data, Member States reinforce their compliance with core EU procurement directives while enabling local non-governmental actors to detect anomalies. Like e-procurement initiatives, transparency portals touch on the EU's legislative competence in public procurement and data standards, providing the Commission with scope to encourage consistent data publication, standardised e-forms, and accessible online interfaces.

Equally vital across all stages of procurement are conflict-of-interest rules and meritocratic regulations that promote the independence of procurement officials. EU law and national statutes generally prohibit officials from overseeing tenders if they have direct personal or financial links to bidding companies. Empirical findings confirm that such safeguards bolster trust in the system and curb insider deals. Where these regulations are well enforced — often coupled with formal asset and interest disclosures — the evidence reviewed above in the section on limiting political connections suggests significant improvements in competition, reduced single bidding, and fewer renegotiations driven by favouritism. Such rules thus directly advance the EU's overarching goal of promoting integrity and a level playing field among Member States. Moreover, the EU's competence in overseeing the functioning of the single market and ensuring compliance with procurement directives extends to monitoring and supporting Member States' enforcement of conflict-of-interest provisions, meaning the EU can recommend and coordinate best practices for more transparent, uniform regulatory regimes.

In synthesis, while the literature and case studies highlight a broad spectrum of potential interventions, from framework agreements and specialised auditing to community monitoring. Considering the state of the evidence base, the potential size of the impact (according to scientific evidence), and the replicability across EU Member States, the most compelling triad of measures given the evidence and the EU setting appears to be:

- E-Procurement: functionalities that unify and modernise tendering processes;
- Watchdog Portals: that encourage third-party scrutiny and deter collusion or misuse, and
- Conflict-of-Interest Regulations: that uphold impartial decision-making and foster an environment of professional integrity.

Taken together, these measures not only build on a robust evidence base but also potentially fit into the spheres of existing EU competence, making them especially amenable to Union-level action. By narrowing reform efforts to these interventions, policymakers can direct resources toward proven, complementary approaches — digitalisation, open data, and independence — ensuring that public procurement within the EU remains transparent, competitive, and resilient against evolving corruption threats.

Each of the measures is discussed in detail in the following subsections.

2.4.1 Full implementation of e-procurement functionalities

E-procurement refers to the use of digital tools and platforms at one or more phases of the public procurement cycle – from notice publication and bid submission to evaluation, awarding, and contract management. At its most expansive application, a comprehensive e-procurement system covers:

- e-Notification (advertising tender opportunities online and disseminating them to potential suppliers);
- e-Access (making procurement documents available electronically and allowing digital downloads);
- e-Submission (enabling suppliers to submit bids securely and electronically);
- e-Attestations (storing and verifying qualification documents, such as business registrations or professional certificates);
- e-Evaluation and e-Awarding (using digital methods — sometimes partially automated — to compare bids, run e-auctions if relevant, and issue award decisions);
- e-Invoicing, e-Payment, and e-Contract Monitoring (digitally tracking post-award obligations, monitoring performance, facilitating invoicing and payment in structured formats).

When these elements operate cohesively, e-procurement can substantially reduce transaction costs, limit face-to-face interactions that may invite illicit deals, and promote greater transparency by leaving thorough digital audit trails. Evidence from both low- and high-income countries suggests that such digitalisation of procurement not only deters corrupt behaviours but can also foster a more competitive marketplace (Lewis-Faupel et al., 2016). Nevertheless, the degree to which EU Member States have adopted and effectively used each functionality remains highly uneven.

2.4.1.1 Current State of Play in the EU

Although EU legislation has long encouraged the digital transformation of public procurement, including the 2014 Directive[12] mandating e-submission above EU thresholds, a fully comprehensive e-procurement system is still not uniformly in place across Member States (European Commission, 2023). Multiple indicators illustrate this patchwork reality.

First, the implementation of key functionalities varies significantly across Member States. Some countries, such as Estonia and Portugal, use relatively advanced platforms providing end-to-end e-procurement, from notice publication and e-submission to contract management. Greece has recently introduced the Integrated Licensing and Inspections Management System (ILIMS), aimed at strengthening integrity and transparency in public procurement and administrative processes.[13] Similarly, e-invoicing and e-payment have progressed quickly in countries like Sweden, where upwards of 90 per cent of all public sector invoices are transmitted electronically (SFTI, 2023), but lag in others. Others, including the Czech Republic and Italy, offer partial functionalities resulting in fragmented user experiences and data publications. Beyond e-submission, the use of e-auctions, dynamic purchasing systems, or integrated e-contract management remains sporadic. Countries like Slovakia report under 1 per cent usage of e-auctions in practice, even though the functionality is available (Slovakia's "EVO" system). Such advanced measures — arguably the most potent for cost savings and deterring tailor-made deals — depend on user trust and adequate digital training. Romania, under its Recovery and Resilience Plan, has made notable

[12] Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC.

[13] 2025 Rule of Law Report Country Chapter on the rule of law situation in Greece, p. 12-13. SWD (2025) 908 final. The Integrated Licencing and Inspections Management System (ILIMS) became operational in February 2025. It is seen as a positive development by businesses and exemplifies how digital tools can improve procedural integrity, streamline administrative processes, and help mitigate corruption risks through technological innovation.

progress by enhancing its centralised Electronic Public Procurement System (SEAP).[14] The platform now supports electronic submission and is interconnected with other national registers, improving data verification and transparency. While SEAP does not yet offer full end-to-end functionality, these developments mark a significant step toward more integrated and efficient procurement processes.

While several Member States operate a single, centralised portal (e.g. Bulgaria's CAIS EOP, Ireland's eTenders, Finland's Hilma), many others have multiple licensed or semi-official platforms (Belgium, Italy, the Netherlands). This fragmentation can create confusion for suppliers, especially when cross-border participation is desired. The European Commission's push for eForms aims to standardise the data fields across portals, but adoption remains incomplete (European Commission, 2023). Member States vary widely in actual usage of advanced e-procurement tools. One example is Finland's "Hilma" which supports over 1,800 ongoing procedures on any given day. Hilma integrates e-submission, e-award, and partially automated evaluation steps. Yet local contracting entities can still opt out for certain below-threshold purchases, leaving a chunk of spending off-record (Finnish Ministry of Finance, 2023). One of the earliest mandatory e-notification systems in the EU (since 2001), Estonia's Public Procurement Register gradually incorporated e-auctions and e-attestations, however a fraction of the total spending remains unpublished.

Furthermore, smaller contracts are often not done through e-Procurement. Even in countries with legal mandates for digital procedures, smaller-scale procurements (below EU thresholds) remain partially exempt or only loosely regulated. Contracting authorities sometimes find it simpler to rely on quick, informal processes that are not fully conducted via an official e-procurement platform. Consequently, large swaths of below-threshold spending do not appear in national e-Procurement systems. For example, a recent study on Hungary's EKR (OECD, 2024) found that although legally required for almost all procurements, certain direct awards and specialised frameworks remain partially outside. While e-submission is close to 100 per cent for above-threshold contracts, the incomplete coverage of below-threshold spending means a substantial share of overall contracting data is missing.

As summarised in Table 2 below, many Member States still publish only a fraction of their procurement spending through e-procurement channels on Tenders Electronic Daily (TED) and in national e-procurement portals. The ratio of procurement spending recorded in publicly available data to procurement spending as given in national budgets highlights a stark discrepancy in places like Germany (ratio 13.5) or Belgium (ratio 4.9) which implies that only around 7 per cent (20 per cent) of total procurement spending surfaces in publicly accessible e-procurement data, consistent with the possibility that many below-threshold or sector-specific procedures remain offline.

Table 2 Procurement spending according to e-Procurement data vs budget

Country Code	Year	Procurement Spending recorded in digital data (Bn Int. USD)	Procurement Spending (recorded in budget) (Bn Int. USD)	Procurement data/Budget data Ratio (min. 1)	%
AT	2020	37.5	68.7	1.8	56%
BE	2020	18.1	88.6	4.9	20%
BG	2020	8.1	14.4	1.8	56%

[14] 2025 Rule of Law Report Country Chapter on the rule of law situation in Romania, p. 11-12. SWD (2025) 923 final. The Electronic Public Procurement System supports electronic submission and is interconnected with other national registers, improving data verification and transparency. While system does not yet offer full end-to-end functionality, these developments mark a significant step toward more integrated and efficient procurement processes.

Country Code	Year	Procurement Spending recorded in digital data (Bn Int. USD)	Procurement Spending (recorded in budget) (Bn Int. USD)	Procurement data/Budget data Ratio (min. 1)	%
CY	2020	0.4	2.6	5.9	17%
CZ	2020	83.7	58.1	1.0	100%
DE	2020	53.5	719.8	13.5	7%
DK	2020	21.1	50.0	2.4	42%
EE	2020	5.4	7.2	1.3	77%
ELL	2020	4.9	38.7	7.9	13%
ES	2020	884.6	207.8	1.0	100%
FI	2020	16.0	50.7	3.2	31%
FR	2020	206.0	481.5	2.3	43%
HR	2020	3.6	14.8	4.1	24%
HU	2020	17.1	47.1	2.8	36%
IE	2020	14.4	32.3	2.2	45%
IT	2020	62.1	278.4	4.5	22%
LV	2020	3.2	7.1	2.2	45%
PL	2020	36.6	145.2	4.0	25%
PT	2020	23.4	34.4	1.5	67%
RO	2020	76.7	48.6	1.0	100%
SE	2020	21.1	91.6	4.3	23%
SI	2020	26.1	10.0	1.0	100%
SK	2020	16.8	24.5	1.5	67%

Source: IMF Corruption Cost Tracker, Technical Annex[15]

These figures do not always accurately reflect raw usage rates of e-procurement, but rather demonstrate how incomplete or inconsistent the official digital data may be. Many unrecorded procedures – particularly under the threshold – are still awarded through semi-manual processes or separate e-platforms. Hence, while the EU aspires to fully digitalise procurement procedures, progress remains scattered and its full integration – covering all relevant contracting authorities, thresholds, and awarding procedures – has not yet been universally achieved.

Fully realising e-procurement functionalities should not be seen merely as a compliance exercise; instead, it can significantly help mitigate corruption for several reasons. First, it reduces discretion, i.e. when bidding documents

[15] https://www.govtransparency.eu/wp-content/uploads/2023/01/Annex-Imf-CCT-guide.pdf

and contract notices appear in a single digital portal, obscure, under-publicised "insider" tenders become less feasible (Coviello & Mariniello, 2014). E-submission also helps standardise forms, minimising scope for ambiguous specifications or selective disqualification. Second, it can leave digital audit trails, as automated logs capture each stage of the procurement process. With robust e-attestations, authorities and external auditors can quickly trace unusual patterns like last-minute "corrections" or repeated winners. Third, it simplifies cross-border and SME participation. Full-fledged e-procurement reduces transaction and travel costs, enabling suppliers from other regions or EU countries to easily join. This fosters higher competition, which in turn reduces corruption's cost premiums (Lewis-Faupel et al., 2016). Lastly, once digitalised, full-cycle procurement data can interface with transparency or watchdog portals, further amplifying oversight (see Section 2.2). The adoption of structured e-forms and standard fields is critical for producing high-quality data that enables real-time analytics and red-flag detection.

2.4.1.3 Relevance for the EU framework

The European Union has provided a strong framework for modernising public procurement through legislation, notably Directive 2014/24/EU, and technical tools such as eForms and eCertis. These instruments enabled countries to design comprehensive e-procurement systems aligned with Single Market principles, fostering cross-border integration and competition. EU funding, including structural funds, and technical assistance programmes such as the Structural Reform Support Programme (SRSP), further supported the development of platforms, training, and capacity-building, making reforms more sustainable. Member State experience shows how EU standards, resources, and expertise can drive successful reforms, offering a model for other Member States.

Expanding e-procurement across the Union is strategically important. Digital tools such as e-notification, e-submission, e-attestations, and e-invoicing lower barriers for bidders, strengthen competition, and improve transparency. Standardised data from eForms enhances monitoring by allowing oversight bodies to detect suspicious patterns such as repeated single-bid contracts or abrupt price changes. This contributes directly to anti-corruption objectives and strengthens the Single Market by improving comparability and accountability across countries.

Within the EU's existing legal framework, the Union possesses clear competencies in this field based on Articles 26, 34, 53(1), 56, 57, 62 and 114 of the Treaty on the Functioning of the European Union (TFEU), upon which the EU procurement legislation, such as Directive 2014/24/EU and Directive 2014/25/EU were adopted. These legal instruments govern key aspects of the procurement procedure for contracts exceeding the threshold and encourage the use of e-procurement tools. This provides an adequate legal basis for the EU, also fully respecting the principles of subsidiarity and proportionality, to clarify the minimum requirements for e-submission and mandate data interoperability. This would ensure that MSs not only deploy digital systems but also do so in a consistent and compatible manner that benefits both national and cross-border procurement, irrespective of the estimated contract threshold. In addition, the EU can support these reforms with financial and technical resources, delivered through mechanisms such as the Structural Reform Support Programme (SRSP) and the Technical Support Instrument (TSI). Funding for capacity-building, staff training, and IT infrastructure can help smaller or less digitally advanced contracting authorities to transition to e-procurement systems.

The relevance of e-procurement is further underscored by the Commission's new policy agenda for 2024–2029, which generally advocates for the better use and simplification of public procurement rules and specifically calls for a digitally advanced Single Market founded upon the rule of law. Mandatory or near-universal digital tendering, underpinned by structured data fields, aligns with this agenda by enabling public administrations to modernise their procedures, strengthen real-time transparency, and create more uniform standards for both suppliers and

oversight bodies.[16] At the same time, these measures reflect the EU's sustained digital push,[17] as e-procurement can spur wider reforms in digital public services. Streamlining and unifying procurement procedures also promote greater cost efficiency, allowing authorities to free resources for more strategic oversight and policy-making (European Commission, 2023).

To drive wider adoption, the EU can refine existing legal instruments, link e-procurement progress to Single Market Scoreboard indicators, and provide targeted funding to modernise platforms and train staff. Peer-learning networks and open data initiatives can further support Member States in catching up, while ensuring procurement records are accessible for civil society oversight. In summary, comprehensive e-procurement is crucial for reducing corruption risks, enhancing transparency, and strengthening the Single Market, while advancing the EU's broader digital and governance objectives.

Table 3 Avenues for Dissemination and Promotion

Channel	Exemplary EU Action
Legislative	Refine existing EU instruments.
Funding	Provide targeted funding.
Capacity-building	Open data initiatives, training.
Soft-law / Benchmarking	Link e-procurement progress to the Single Market Scoreboard indicators.
Networking & Outreach	Peer-learning networks.

2.4.2 Watchdog and transparency portals

E-procurement generates vast amounts of structured data that can inform bidding decisions, civil society oversight, and government management. Transparency portals, which report procurement data per EU and national legislation, are the primary medium for releasing this information, such as in the EU's Tenders Electronic Daily (TED)[18]. These portals typically provide limited search and analytical functions.

Watchdog portals, often run by NGOs like Transparency International, extend functionality by using the same data to assess corruption risks and spending efficiency. These platforms consolidate and publicise granular procurement data, enabling users — ranging from journalists and researchers to civil society organisations and ordinary citizens — to identify irregularities or "red flags" indicative of corruption risks, such as single-bid contracts, unusually short bidding windows, conflicts of interest, or post-award contract amendments.

2.4.2.1 Current state of play in the EU

Government-run portals exist in several Member States, hosting official tender documents, award notices, and sometimes basic analytics. Slovakia's Central Register of Contracts, for instance, publishes all government contracts above a low-value threshold and places them online in a searchable format. Similarly, Estonia's e-

[16] Europe's Choice: Political Guidelines for the Next European Commission 2024-2029 Strasbourg18 July 2024 p11-12.
[17] See also A strategy for e-procurement * COM/2012/0179 final; Making Public Procurement work in and for Europe COM(2017) 572 final and 'Helping investment through a voluntary ex ante assessment of the procurement aspects for large infrastructure projects'. COM/2017/0573 final-
[18] http://ted.europa.eu/

Procurement Register[19] acts as both a platform for bid submission and a repository of contract awards, generating event logs that third parties can examine for irregularities. Similarly, Austria's "Offene Vergaben"[20] provides detailed, accessible information on public tenders and contract awards. Greece introduced a dedicated whistleblowing system specifically for contracting authorities to report suspected bid rigging in public procurement procedures aimed at strengthening integrity and transparency in public procurement.[21] A notable example is provided by the Italian Anti-Corruption Authority (ANAC), which operates a comprehensive portal[22] that publishes detailed procurement data, providing sophisticated analytical tools to detect anomalies and potential corruption risks (see case study below).

NGO-run and third-party portals often augment or re-package official data with additional layers of analysis. In the Czech Republic, the portal Hlídač Státu ("State Watchdog")[23] aggregates data from multiple sources — official bulletins, corporate registries, budget ledgers — and applies automated checks to flag possible corruption risk indicators, such as repeated awards to newly established firms or unusual bid patterns. Another prominent example is Hungary's K-Monitor, which operates a detailed database and analytical tools that systematically track and expose irregularities in Hungarian public procurement[24]. Other influential NGO-led transparency initiatives include Slovakia's "Zindex"[25] operated by Transparency International Slovakia, which ranks public institutions based on procurement transparency and effectiveness. On an EU-wide level, one example of a watchdog portal is OpenTender[26], a cross-country procurement analytics platform funded by the EU, which combines tender data from TED with national data from across the EU. By using advanced algorithms and open-access visualisation tools, OpenTender enables media, researchers, and policy advocates to compare corruption red flags – like single bidding or suspicious procedures – across regions. This cross-border dimension is especially pertinent in the EU context, where harmonised procurement directives encourage Member States to share and align data structures (European Commission, 2023). Similarly, Integrity Watch[27], developed by Transparency International and also EU-funded, is an exemplary NGO-run platform which aggregates extensive procurement datasets across various EU countries, employing algorithms to automatically highlight potential corruption risks.

Such watchdog and transparency portals play a crucial role in enabling civil society, journalists, and other third parties to monitor public procurement processes in near-real time. By consolidating data on tender announcements, award decisions, and contract implementations, these portals provide unprecedented scope to spot irregularities such as single bidding, brief advertisement periods, or repeated awards to politically connected firms. They deter corrupt behaviour, primarily by raising the likelihood of detection. An empirical study examining the impact of the TED open data initiative found that the share of contracts awarded through open bidding increased by 11 per cent, while post-award contract modifications rose by 6.9 per cent, suggesting that increased transparency enhances competition but may introduce rigidity in contract execution (Duguay, Rauter, & Samuels, 2023).

Their efficacy relies on at least three factors. The first fundamental requirement for watchdog portals is high-quality, standardised input data (Duguay, Rauter, & Samuels, 2023). If procurement notices are incomplete or posted in formats unsuitable for large-scale analysis — such as scanned PDFs with limited metadata — portals may struggle to reliably identify anomalies. Tools like eForms, which the European Commission encourages Member States to adopt, partly address this problem by imposing consistent data fields for publication in Tenders

[19] https://riigihanked.riik.ee/rhr-web/#/
[20] https://offenevergaben.at/
[21] 2025 Rule of Law Report Country Chapter on the rule of law situation in Greece, p. 12-13. SWD (2025) 908 final.
[22] https://anac-c1.board.com/#/screen/?capsulePath=Cruscotti%20Inglese%5CIndicatori%20Appalti.bcps&showMenu=false
[23] https://www.hlidacstatu.cz/
[24] https://www.redflags.eu/
[25] https://zindex.sk/
[26] https://opentender.eu/
[27] https://redflags.integritywatch.eu/

Electronic Daily (TED) (European Commission, 2023). However, large discrepancies remain, not only in how strictly different administrations follow these templates, but also in the timeliness of their data uploads.

Second, just as important is the usability of watchdog portals, which feature intuitive interfaces that allow non-specialists to interpret complex procurement information. While the most advanced sites display dashboards and aggregator functions, others merely disseminate raw datasets requiring sophisticated coding skills. This disparity can widen an already notable "transparency gap," whereby local journalists or small NGOs may find themselves unable to effectively utilise data, thus undercutting one of the key rationales for establishing public portals (Adam & Fazekas, 2021).

Lastly, watchdog portals require buy-in from governmental and non-governmental stakeholders, who must be willing – and able – to act on leads that emerge from the data. Such official support is a double-edged sword. Government agencies that collaborate in data sharing can help produce more reliable, regularly updated procurement feeds. Conversely, a lack of political will or administrative resources can result in outdated or partial records. In a few cases, portals that gained traction initially later stagnated when changes in leadership or funding priorities reduced their user-friendliness or data completeness.

2.4.2.2 Italian ANAC's Watchdog Portal

Box 1 Italian ANAC's Watchdog Portal

Italy's National Anti-Corruption Authority (ANAC) has developed an advanced transparency portal, the Tender Dashboard, specifically designed to address corruption risks in public procurement through the strategic use of data analytics and visualisation tools. This portal not only aggregates data on all public contracts signed since 2007, encompassing over 60 million procedures with a cumulative value nearing €3 trillion, but it also offers analytical dashboards. These include sophisticated analytics and key performance indicators. These dashboards enable public officials, watchdog organisations, and citizens to easily monitor procurement activities, detect irregularities, and identify potential corruption risks at an early stage.

The ANAC portal systematically collects and publishes comprehensive procurement data, making it accessible via interactive dashboards. These dashboards provide detailed insights into procurement activities, including the number of bids per tender, frequency of single-bid contracts, cost overruns, and contractor performance. Such analytics allow users to swiftly detect anomalies and 'red flags', thereby significantly enhancing transparency and public accountability.

Using its watchdog portal data, ANAC identified 152 cases of corruption in public procurement in 2016-2019, with 74 per cent linked to irregularities in tender awards for public works. These efforts led to the arrest of over 40 public officials.

However, the portal's success also relies on robust IT infrastructure, sufficient training for users, and will require sustained political commitment to transparency and accountability, underscoring the importance of a holistic approach when replicating similar systems in different national contexts. Lastly, efforts to standardise data collection and improve the usability of information are crucial for maximising the portal's utility in combating corruption.

Source: ANAC (2022)

2.4.2.3 Relevance for the EU Framework

Watchdog portals align well with the EU's competencies in public procurement, particularly in data standardisation and publication.

First, the EU can support watchdog portals that enhance cross-border oversight. By incentivising or requiring Member States to adopt interoperable e-procurement and contract publication standards, the EU can make it easier for cross-country platforms like OpenTender.eu to integrate data from multiple jurisdictions. This leverages the single market's scale, promoting shared norms of accountability. Because roughly one-fifth of all EU public expenditure is spent cross-border (European Court of Auditors, 2023) and procurement markets are governed by rules harmonised at the EU level,[28] a portal that stitches together data from several jurisdictions can reveal patterns such as cartel behaviour or repeated single-bid awards that remain invisible within national borders.

Moreover, the European Commission's ongoing development of a Public Procurement Data Space (PPDS Home | Public Procurement Data Space) aims to consolidate procurement information across Member States and stimulate advanced analytics tools (European Commission, 2023 Special report 28/2023: Public procurement in the EU | European Court of Auditors). If effectively linked with watchdog portals – either NGO-run or government-run – this data space could broaden the circle of non-governmental actors who can assess public contracting. In combination with well-funded training initiatives for civil society and journalists, such a system could catalyse an ecosystem of oversight, reducing the burden on any single authority to spot malpractice. To avoid data-dump fatigue and inequitable access, the PPDS governance framework could set minimum UX standards for third-party portals, provide sustainable API access rather than sporadic dumps, and fund help-desks for investigative journalists and NGOs.

The legal bases provided by the TFEU, discussed above, underpinning the regulation of public procurement, provide the Union the power to harmonise publication requirements "for the proper functioning of the internal market". The mandatory eForms standard, in force since October 2023[29] , and the Open Data Directive[30] (2019/1024) supply the substantive hooks for obliging contracting authorities to release high-granularity machine-readable data to the PPDS and, by extension, to any accredited watchdog portal. In parallel, the forthcoming Data Act and the AI Act will regulate access to, and trustworthy processing of, these datasets—making it lawful to deploy advanced anomaly-detection algorithms over EU-wide procurement records.

The 2023 *Anti-Corruption Package*[31] frames transparency as a cross-cutting priority, pledging to mobilise civil-society monitoring, including through the PPDS (European Commission, 2023a). The European Parliament has endorsed the file, with rapporteurs calling for *mandatory* publication of award-stage data below EU thresholds and for an "open-source analytics toolbox" hosted by PPDS (European Parliament, 2024). In the Council of the European Union, several presidencies (notably the Czech Presidency 2022[32] and the Belgian Presidency 2024[33]) have placed digital-procurement integrity on the Competitiveness agenda. Taken together, these initiatives create a policy window in the 2024-2029 cycle for embedding watchdog functionality into EU secondary legislation.

Furthermore, on a national level, the EU can amplify the reach and impact of national watchdog portals by combining financial incentives with a coherent technical and governance framework. Targeted EU instruments – ranging from Digital Europe and Connecting Europe Facility calls that subsidise open-source civic-tech modules, to micro-grants under the Citizens, Equality, Rights and Values programme for data-journalism partnerships – can help with the high fixed costs that deter smaller administrations and NGOs from building or scaling analytic

[28] Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

[29] Commission Implementing Regulation (EU) 2019/1780 of 23 September 2019 establishing standard forms for the publication of notices in the field of public procurement and repealing Implementing Regulation (EU) 2015/1986 (eForms).

[30] Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information.

[31] JOIN(2023) 12; COM(2023) 234.

[32] https://www.consilium.europa.eu/media/57090/2022-jul-dec-cz-priorities.pdf

[33] https://wayback.archive-it.org/12710/20241018203746/https://belgian-presidency.consilium.europa.eu/media/3kajw1io/programme_en.pdf

dashboards (European Commission, 2021). These funds are most effective when paired with readily deployable blueprints, for example, an open-source "PPDS reference portal kit", would allow Member-State authorities or civil-society coalitions to easily create interoperable sites. Complementary Technical Support Instrument missions and peer-learning workshops could then help procurement agencies, audit bodies and civic-tech groups master data cleaning, API publishing and red flagging techniques, ensuring that every portal is not merely online but analytically sound (European Commission, 2023).

To sustain performance over time, the EU could consider embedding a light-touch quality-assurance benchmarking regime, for example, an "EU Portal Scorecard" published annually and feeding into other EU monitoring and assessment tools, such as the Single-Market Scoreboard and the Rule of Law Report. This would give national authorities a reputational nudge to keep data feeds complete, timely and user-friendly. Finally, by convening an EU Civic-Tech Forum under the EU Network against Corruption and sponsoring regular hackathons, the EU could create a living marketplace in which code, red-flag methodologies and investigative leads circulate quickly across borders. In concert, these exemplary measures, summarised in Table 4 below, respect the principle of subsidiarity as portals remain tailored to domestic legal and linguistic contexts, while harnessing the economies of scale, regulatory leverage and knowledge diffusion that only the EU can provide.

Table 4 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	Insert in the forthcoming "Regulation on PPDS governance" put an emphasis on making civil society reuse a primary purpose of the data space and make it obligatory Member States to supply award- and execution-phase data.
Funding	Earmark Digital Europe and Horizon-Europe funds for open-source red-flag modules; allow OPs under the next Cohesion Policy to finance national nodes that feed watchdog portals.
Capacity-building	Extend the Integrity Pacts pilot to include a digital-oversight track linked to PPDS dashboards. Offer Technical Support Instrument (TSI) missions that pair national audit bodies with civic-tech NGOs.
Soft-law / Benchmarking	Integrate a benchmarking tool assessing the "quality of procurement data and civil-society reuse" into the Single-Market Scoreboard and European Semester country reports. Publish an annual EU Watchdog Portal Index modelled on the Justice Scoreboard.
Networking & Outreach	Convene an EU Civic-Tech Forum on Procurement under the EU Network against Corruption to share code, APIs and investigative leads; award a "European Transparency Prize" for the best data-driven investigation.

In short, national and EU-wide watchdog portals, either government- or NGO-run, can be a practical expression of the EU's digital-and-data agenda in the field of public procurement. By knitting together standardised procurement records and enabling links with other data sources, they can enhance oversight and increase the participation of citizens, academia, and journalists. With modest regulatory tweaks and targeted EU funding, the Commission could mainstream these platforms, thereby turning procurement transparency from a compliance exercise into an everyday check on the proper use of public money.

2.4.3 Conflict of interest rules

In procurement, a conflict of interest (CoI) arises when a public official's private, political or financial interests could improperly influence the objective performance of his or her duties, e.g. in tender design, bid evaluation and contract management, undermining competition and fairness. In the EU, Article 61 of the Financial Regulation (recast) 2024 is a key conflict-of-interest provision, which clarifies that in public procurement the notion of conflict of interest normally refers to situations where an agent of the contracting authority falls within one of the cases listed in Article 61 of the Financial Regulation, i.e. where the impartial and objective exercise of the function of the person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other interest with a candidate, tenderer or contractor.

For example, elected officials may reward firms that finance political campaigns instead of those offering the best value for money, thereby deterring unconnected bidders (Charron et al., 2017; Fazekas et al., 2016). The risk is amplified in low-capacity or highly politicised settings where politicians exert tight control over contract awards (Fazekas & David-Barrett, 2020; Mungiu-Pippidi, 2015).

Robust CoI regimes therefore pursue early prevention through clear incompatibility rules and revolving-door "cool-off" periods, detection through systematic asset and interest disclosure, and sanctions through administrative or criminal penalties and contract nullity where violations occur. Agency independence, secured through legal autonomy, protected budgets and professional staffing, is regarded as a precondition for curbing CoI capture (Charron et al., 2017). Mechanisms include fixed tenure for procurement-agency heads, merit-based recruitment and formal bans on ex parte contacts between elected officials and agency staff (Barkow, 2010).

While the literature reliably identifying causal relationships and impacts on CoI regimes is thinner than for digital tools, there is growing evidence that well-enforced CoI regimes deliver concrete procurement benefits. For example, Lithuania's 2012 full ban on corporate donations to political actors lowered annual procurement expenditure by roughly 1 % of GDP, implying a substantial decline in favouritism (Baltrunaite, 2020). However, legal tightening is not always decisive: in some EU contexts, extra finance rules failed to reduce measured corruption risk, possibly because enforcement capacity or alternative influence channels were neglected (Fazekas & Cingolani, 2017). Finally, the LRCC survey data indicate that confidence in procurement rises markedly where officials' declarations are proactively published rather than released on request.

2.4.3.1 Current state of play in the European Union

Across the EU, four broad, but increasingly convergent, approaches to regulating CoIs can be distinguished. First, several Member States rely on comprehensive ethics or incompatibility statutes that outline officials' general duty of impartiality and lay down hard "red lines" such as cooling-off periods or bans on secondary employment. France is often cited as a frontrunner: the 2013 *Loi relative à la transparence de la vie publique* set up the *Haute Autorité pour la transparence de la vie publique* (HATVP), empowered to vet the career moves of nearly 15 000 senior decision-makers and to block any post-public-service job that could give rise to an improper advantage for up to three years. In Slovenia, the Integrity and Prevention of Corruption Act (2011) performs a similar gate-keeping role; the National Review Commission for Public Procurement, an independent and autonomous body, determines the legality of the awarding of public contracts and can refer potential illegal acts to the police.

A second model centres on asset- and interest-declaration systems that combine periodic electronic filing with risk-based audits and, increasingly, public online registers. Romania's National Integrity Agency (ANI) used to operate perhaps the EU's most sophisticated platform; since 2007, all ministers, MPs, mayors and senior civil servants had to submit annual statements that are cross-checked against tax, land-registry and company-ownership databases. ANI's e-Integrity tool has flagged more than 1,100 procurement-related conflicts since 2016, leading to dozens of administrative sanctions and several high-profile annulments of local-government contracts. However, recently, the National Integrity Agency has been undergoing changes that might affect its ability to conduct public interest and asset declarations as before. Lithuania follows a similar logic: its Chief Official Ethics Commission publishes searchable declarations for some 90,000 officials, and the data are routinely mined by investigative journalists to trace hidden links between politicians and winning bidders (Transparency International Lithuania, 2024). Latvia also offers a promising example: its electronic asset declaration system remains robust (with 89% of registered officials submitting declarations in 2024), and a newly

developed automatic checking tool has enabled the State Revenue Service to initiate infringement procedures based on data processing.[34]

Third, a growing number of administrations have introduced sector-specific conflict-of-interest screening within the public procurement workflow itself. According to the European Public Accountability Index (EuroPAM) mapping of CoI regulations[35] across the EU, out of the 27 Member States, 12 have an explicit statutory bar that prevents incumbent public officials (or entities they control) from holding government contracts, while 15 do not (see Q64). Also, according to EuroPAM on public procurement regulation, most EU countries have regulations on the composition of procurement evaluation committees to prevent conflict of interest in place (see Q34), with the exceptions of Finland, Romania, and Sweden. Estonia and Poland, for example, oblige every member of a tender board to sign a stand-alone declaration for each procedure; these are automatically compared with beneficial-ownership and political-donation databases before evaluation can begin. In Estonia, the Public Procurement Register will not allow electronic bid opening until all panel members have filed and digitally signed their statements, a measure that national auditors credit with reducing single-bid awards in construction tenders by roughly ten percentage points between 2018 and 2023 (Riigikontroll, 2024).

Finally, several Member States supplement general CoI rules with targeted controls on political connections and the revolving door. For example, France, Finland,[36] Greece, Ireland,[37] and Germany,[38] and most recently, Czechia[39] have adopted mandatory lobby registers that disclose the ultimate beneficial owner of lobbying entities, enabling contracting authorities to trace hidden personal or financial relationships. Others have made progress but still have partially mandatory or limited scope registries, e.g. Belgium,[40] and Luxembourg[41]. Portugal pairs a two-year cooling-off period for ministers with an asset-recovery mechanism, where the Constitutional Court finds that a former office-holder used privileged information to obtain a public contract, both the contract and the official's private gain can be rescinded.

As the EuroPAM mapping shows, CoI rules have a common place in the EU; however, the decisive factors for anticorruption impact are digital disclosure, independent verification and effective sanctions. Where these elements interact, most visibly in France's HATVP and Romania's ANI, conflicts are increasingly detected and remedied. Where they are absent, formal compliance leaves ample room for insider dealing and bid-tailoring, especially at the sub-national level.

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[34] 2025 Rule of Law Report Country Chapter on the rule of law situation in Latvia p. 7-8. SWD(2025) 914 final.
[35] https://europam.org/?module=data-downloads
[36] 2025 Rule of Law Report Country Chapter on the rule of law situation in Finland p. 8-9. SWD(2025) 926 final. In 2024, Finland adopted the Transparency Registry Act, requiring legal entities and private traders to register lobbying activities targeting Parliament and ministries. The National Audit Office manages the register and expanded it to include financial disclosures. Awareness campaigns and good practice guidelines were launched to support implementation.
[37] 2025 Rule of Law Report Country Chapter on the rule of law situation in Ireland, p. 11. SWD (2025) 907 final. In 2024, Ireland significantly strengthened its anti-corruption framework by expanding the scope and enforcement of its lobbying register. This reform ensures greater transparency in interactions between public officials and lobbyists, particularly at the highest levels of government. A Statutory Instrument adopted in September 2024 extended the lobbying register to cover senior officials in high-level bodies, aligning their reporting obligations with those already in place for central and local government. This change took effect in January 2025.
[38] 2025 Rule of Law Report Country Chapter on the rule of law situation in Germany p13. SWD(2025) 905 final.
[39] 2025 Rule of Law Report Country Chapter on the rule of law situation in Czechia p12 SWD(2025) 903 final.
[40] 2025 Rule of Law Report Country Chapter on the rule of law situation in Belgium, p. 10. SWD (2025) 901 final. In Belgium, the issue of revolving doors, i.e. where individuals move between public sector roles and private companies involved in public procurement, has increasingly come under scrutiny. While comprehensive rules to regulate such transitions remain limited, there are signs of growing institutional awareness. In this respect, the Federal Internal Audit Service has launched a thematic audit to examine how ministries and agencies within the Federal Public Service are currently addressing the risks associated with revolving doors in procurement procedures.
[41] 2025 Rule of Law Report Country Chapter on the rule of law situation in Luxembourg, p. 8-9. SWD (2025) 916 final. Luxembourg's Parliament has made substantial progress in lobbying transparency. In March 2025, it proposed improvements to the lobbying register, followed by a June amendment requiring detailed meeting information to be published online within six weeks. The new system was scheduled to be launched in September 2025. Training on ethical rules was also introduced due to low awareness of the revised Code of Conduct. These developments reflect follow-up action to implement the recommendation from the 2024 Rule of Law Report concerning lobbying transparency.

2.4.3.2 Relevance for the EU context

For Member States that still rely on voluntary disclosures, narrow definitions of "related parties", or fragmented registers, tightening CoI regulation is one of the most cost-effective mitigation measures described in the previous section. CoI rules squarely touch on the EU's competence to safeguard the functioning of the internal market and to ensure equal access to public contracts. While the 2014 Procurement Directives oblige contracting authorities to "take appropriate measures" to prevent, identify and remedy conflicts, the Directives deliberately left key design choices, such as formats, thresholds, and verification mechanisms, to national legislation, resulting in the heterogeneity outlined above.

EU-level provisions on CoI rules, such as Article 61 of the Financial Regulation or Article 22 of the RRF Regulation applicable to those persons/entities implementing the Union budget, as well as a targeted requirement for authorities which spend EU funds to put such rules in place, could be further supported by a single EU standardised template. Such a single, open-data declaration template (aligned with eForms) covering financial interests, outside employment and beneficial ownership for all officials involved in procedures above EU thresholds. It could also introduce a mandatory verification obligation, via tax, company-register and public-procurement data matches, e.g. for at least the five per cent highest-value contracts annually. Lastly, it could prescribe a minimum 24-month cooling-off period before former procurement staff may be employed by awarded suppliers. In short, such EU actions would amplify domestic reforms, while Member States would gain legal certainty and administrative templates instead of reinventing rules in isolation.

2.5 Synthesis

This chapter provides a comprehensive examination of corruption mitigation measures within the high-risk area of public procurement across EU Member States, highlighting the complexity, diverse manifestations, and significant impacts of corrupt practices. The analysis underscores that corruption in public procurement severely undermines market competitiveness, diverts public resources, and damages trust in governmental institutions. Despite robust legal frameworks, corruption persists largely because it is driven by intricate administrative processes, substantial financial incentives, weak oversight mechanisms, and entrenched networks between public officials and private contractors.

Based on an extensive review of the evidence base, three principal mitigation measures have been identified as particularly promising for addressing corruption risks in EU Member States: *the full implementation of e-procurement functionalities, transparency and watchdog portals*, and stringent conflict-of-interest regulations. Crucially, these measures tackle corruption from complementary angles – legislative reform, procedural implementation, and technical solutions – each addressing distinct vulnerabilities within the procurement cycle.

Table 5 Mitigation measures identified in the field of Public Procurement

Mitigation measures identified in the field of Public Procurement	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
1. E-notification, e-access, e-attestations & e-submission 2. Framework agreements 3. E-auction & e-evaluation 4. Preferential treatment of bidder and product classes 5. Award mechanism and auction design 6. E-invoicing, e-payment & e-contract monitoring 7. Civil society supervision of contract execution 8. Centralisation of procurement functions and collaborative procurement 9. Transparency and watchdog portals 10. Rule-bound or discretionary decision making 11. Meritocracy, professionalisation and capacity development 12. Audits and supervisions 13. Performance pay and incentives 14. Limiting the political connections of firms	Full implementation of e-procurement functionalities	- Clear EU competence; - Particularly in line with the corresponding EU strategy.	- Refine existing EU legal instruments; - Provide targeted funding; - Open data initiatives, training; - Link e-procurement progress to the Single Market Scoreboard indicators; - Peer-learning networks.
	Transparency and watchdog portals	- Clear EU competence; - Aligns with the ongoing development of Public Procurement Data Space.	- Earmark Digital Europe and Horizon-Europe funds for open-source red-flag modules; - Allow OPs under the next Cohesion Policy to finance national nodes that feed watchdog portals; - Extend the Integrity Pacts pilot to include a digital-oversight track linked to PPDS dashboards; - Offer Technical Support Instrument (TSI) missions that pair national audit bodies with civic-tech NGOs; - Integrate a benchmarking tool assessing the "quality of procurement data; - Convene an EU Civic-Tech Forum on Procurement under the EU Network against Corruption to share code, APIs and investigative leads; award a "European Transparency Prize" for the best data-driven investigation.
	Stringent conflict-of-interest regulations	- Clear EU competence; - Existence of elaborate EU instruments.	- A single EU standardised template to support EU-level provisions and EU MS-level arrangements on CoI rules.

Case study examples clearly illustrate the effectiveness of these measures. The comprehensive implementation of e-procurement functionalities demonstrates substantial improvements in transparency, efficiency, and reduced corruption risks. Transparency and watchdog portals, exemplified by Italy's Anti-Corruption Authority (ANAC) portal, significantly enhance public oversight and accountability by publishing detailed data and civil society engagement. Finally, Romania's enforcement of conflict-of-interest regulations demonstrates the potential to improve impartiality and fairness in procurement processes.

However, the analysis clearly indicates that the effectiveness and replicability of these measures depend heavily on specific national contexts, such as existing legal infrastructures, administrative capacities, digital readiness, and political will. While e-procurement has shown tangible benefits in improving transparency and efficiency, its success requires a robust IT infrastructure and trained personnel. Similarly, transparency portals significantly enhance public oversight, yet their impact hinges on continuous, accurate data publication and active civil society engagement. Conflict-of-interest regulations effectively safeguard impartiality, but their enforcement is critically dependent on a well-functioning legal and administrative environment.

Given these dependencies, no single mitigation measure is sufficient on its own. Instead, a strategically integrated approach combining legislative, procedural, and technical interventions is essential to create a resilient and transparent procurement environment. Only through such an integrated and context-sensitive strategy can sustained improvements in reducing corruption and enhancing procurement integrity across the EU be realistically achieved.

Chapter 3. | Construction and infrastructure

3.1 Introduction

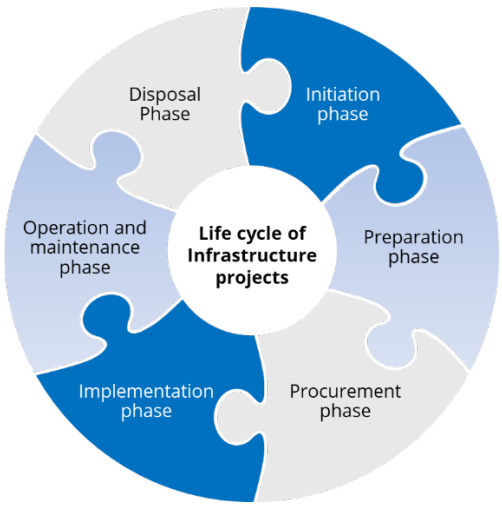
Chapter 3 provides a comprehensive examination of corruption risks and corresponding mitigation measures across the entire infrastructure project lifecycle. The chapter then focuses in depth on three critical phases where early and late-stage interventions can yield the greatest integrity gains: the initiation phase and phases, where participatory needs assessments, objective selection criteria, and conflict-of-interest management protect infrastructure projects; the preparation phase which requires strategic planning safeguards infrastructure projects against corrupt capture; and the disposal phase, where public asset registries, electronic auction portals, and independent valuations can ensure transparent, market-based divestment of infrastructure assets.

3.2 Problem definition

Infrastructure projects, particularly large-scale constructions such as roads, bridges, railways, hospitals, and energy plants, are central to economic development and societal welfare across the EU. This sector contributes approximately 5 per cent of the Gross Value Added of the EU economy and employs around 15 million workers, highlighting its significant role in the EU's strategic priorities, including the Green and Just Transitions.

Corruption in infrastructure remains a major concern, flagged repeatedly in risk assessments, including the Eurobarometer reports and 2024 LRCC Expert Survey. The survey revealed that perceptions of corruption in infrastructure remain broadly negative across EU member states, with the majority of respondents describing corruption as "widespread" or "somewhat widespread." Countries such as Croatia, Hungary, Malta, and Luxembourg even rate corruption as "very widespread," suggesting significant sectoral vulnerabilities, while in contrast, Estonia stands out as the only respondent identifying corruption as "not widespread," indicating comparatively higher integrity standards or enforcement.

Figure 1 Lifecycle of infrastructure projects



Source: Adam & Fazekas, 2023

Corruption manifests throughout the infrastructure project lifecycle, from the initiation phase, involving discretionary project approvals and land-use decisions, through to preparation, procurement, execution, and finally to the operation, maintenance, and disposal of assets (Adam & Fazekas, 2023). Each of these distinct phases is susceptible to specific corruption risks that can profoundly impact the effectiveness, efficiency, and equity of project outcomes.

As Chapter 2 provides a detailed analysis of corruption risks linked to public procurement, and contracts management and operation, the following section gives more weight to the first and last phase of the infrastructure cycle: project initiation/needs assessment, and infrastructure disposal/sales.

During the initiation phase, the infrastructure planning process involves identifying needs, establishing priorities, and allocating resources. At this critical juncture, corruption often manifests through undue influence and political meddling, which steer project selection toward personal or partisan objectives rather than objective benchmarks. Project backers — such as contractors — may resort to influence peddling or bribery (e.g., campaign contributions) to sway decisions at the highest political levels. Likewise, public officials may leverage their authority to approve projects that serve electoral or personal interests rather than being grounded in rigorous need assessments or cost–benefit analyses. For instance, in the run-up to elections, legislators frequently press for the advancement of high-visibility works — roads or bridges — that benefit their constituencies, resulting in the prioritisation of new construction over essential maintenance and even the endorsement of "white elephant" schemes (e.g. isolated bridges, hospitals without operational budgets, or half-finished schools) that yield scant public value (Wells, 2015).

Closely related to political interference is the risk that projects are selected based on the geographies or networks of influential figures rather than on genuine demand and feasibility. When needs assessments are skewed or inaccurate — often due to pressure from interest groups seeking to promote their own agendas — projects may be ill-designed, over-budget, and prone to delays. In some cases, these manipulations are so entrenched that decision-makers bypass public consultation altogether to expedite approvals, thereby excluding citizen input and eroding transparency. A further source of risk arises from unsolicited proposals, whereby private entities approach government authorities with infrastructure concepts that have not been publicly solicited. Although these proposals can foster innovation and shift feasibility burdens onto the private sector, they are particularly susceptible to corruption for two main reasons. First, their inherent lack of transparency obscures the genesis of project ideas, leaving open the possibility that contractors have influenced officials through bribery or lobbying to advance proposals for private gain. Second, because these bids bypass competitive tendering, they lack the checks and balances that standard public–private partnership (PPP) processes provide, creating vulnerabilities that can be exploited throughout subsequent project stages (Transparency International Helpdesk, 2019; World Bank, 2018).

The preparation phase includes feasibility studies, detailed project designs, and financing plans. Corruption risks here encompass manipulated feasibility assessments, inflated budgets, and rigged permitting processes. Corruption can occur when these assessments are incomplete, inaccurate or manipulated to support pre-determined project outcomes or minimise the project's negative impacts on paper (Williams & Dupuy 2017). This results in unrealistic project appraisals, underestimation of true costs, and projects that are economically unviable or socially unsustainable (Adam & Fazekas, 2023). Furthermore, corruption in land acquisition can lead to unfair compensation and the displacement of communities, exacerbating social inequalities.

Procurement is widely acknowledged as the phase most susceptible to corruption (see chapter 2). Collusion among bidders, single-bidding scenarios, tailored tender specifications, and direct contracting without competition are common corrupt practices. Such activities inflate project costs, reduce competition, and diminish value-for-money. Systematic abuses in this stage frequently involve complex schemes such as the use of intermediaries, offshore companies, and dummy consultants to conceal corrupt transactions (Adam & Fazekas, 2023; Fazekas & Tóth, 2018).

Corruption during the implementation phase typically involves contract modifications, use of substandard materials, ghost workers, and fraudulent project certifications. These practices significantly degrade infrastructure quality, safety, and longevity. They result in frequent cost overruns, project delays, and occasionally, complete project failure. Moreover, collusion between project supervisors and contractors exacerbates issues of accountability, further undermining project integrity and value.

Corruption during operation and maintenance can manifest through embezzlement of funds allocated for upkeep, the award of maintenance contracts based on nepotism or bribery, and the neglect of necessary repairs and upgrades. This compromises infrastructure functionality and lifespan, elevating long-term costs and risks, including safety hazards and service disruptions. Lack of community engagement and accountability mechanisms at this stage further facilitates such corrupt practices.

The disposal phase of infrastructure, including the sale or transfer of assets, privatisations of public infrastructure, and decommissioning of facilities, is highly vulnerable to corruption. By this stage, assets may have significant residual value (land, buildings, equipment or concessions) that can attract illicit exploitation if oversight is weak. Common risks include insider dealing (insiders with privileged knowledge about an asset's true worth can exploit this information asymmetry to secure unfair advantages in its sale), manipulation of asset valuations, and bribery of officials handling the sale. Conflicts of interest are frequent: officials responsible for disposals might favour certain buyers or deliberately undervalue assets in exchange for kickbacks or future employment. Lack of transparency in the sales process enables covert deals – for example, off-market transactions or opaque tenders – which make it easier to conceal corrupt favouritism. Similarly, a lack of competition (such as auctions with a sole bidder or restricted participation) often results in assets being sold to connected parties at below-market prices. In privatisation processes, these dynamics can be especially acute: corrupt actors may rig privatisations by steering valuable public companies or properties to cronies at bargain prices. Even the decommissioning of infrastructure assets poses risks – for instance, scrap materials or residual assets can be misappropriated, or decommissioning contracts can be awarded based on nepotism. Overall, without strong safeguards, the end-of-life phase of infrastructure assets presents a fertile ground for illicit enrichment and loss of public value.

Drivers of the problem

Infrastructure projects are uniquely susceptible to corruption due to their sheer scale, technical complexity, and extended timelines. Large capital investments create opportunities for substantial "rents," so that even a small percentage skimmed off multi-million-dollar contracts can yield significant illicit gains. Moreover, the inherent information asymmetry – whereby technical specifications and financial flows are opaque to non-experts – combined with the proliferation of subcontractors in public–private partnership (PPP) arrangements, further compounds oversight challenges. Complex PPP structures, with multiple layers of contracting, not only disperse accountability but also facilitate conflicts of interest and undue influence, as each intermediary layer introduces another potential point of collusion or concealment (OECD, 2021).

Beyond these inherent features, sector-specific processes such as project identification and appraisal are often undermined by political interference and patronage. Decisions on whether to launch or fund a new road, port, or power plant are sometimes driven less by objective cost-benefit analyses than by the electoral or personal interests of senior officials. Election-cycle pressures, for instance, can lead to the approval of "white elephant" projects — those lacking clear social or economic justification — simply to curry favour with particular constituencies. Likewise, when transparency safeguards such as open tendering, public consultation, and civil-society oversight are sidelined — whether through closed or expedited procurement channels — corrupt actors can steer project design, bid specifications, and environmental assessments to favour pre-selected firms (Jeney, Persson & Worth, 2024).

Compounding these vulnerabilities is the fragmentation and weakness of infrastructure governance frameworks, both within and across jurisdictions. Regulatory ambiguities — such as overlapping competencies between national, subnational, and supra-national bodies — create enforcement gaps that corrupt actors exploit. Similarly, inadequate resourcing of oversight bodies, coupled with governments' dual role as both client and regulator, often results in lax supervision and a paucity of effective penalties. This creates a climate of impunity in which contract modifications, inflated variation orders, and post-award renegotiations become tools for illicit enrichment. In the absence of robust, whole-of-government integrity systems and clear lines of accountability, corruption in infrastructure projects not only persists but adapts, shifting from one phase of the project cycle to another whenever particular risks are mitigated (Adam & Fazekas, 2023).

Impact of the problem

Corruption in infrastructure projects exacts a heavy fiscal toll, often manifesting as persistent cost overruns and misallocation of scarce public resources. Bribes and kickbacks inflate contract prices, with studies demonstrating that corruption in road construction can raise unit costs by 7–11 per cent on average (Collier, Kirchberger & Söderbrom 2015) and even up to 30–35 percent in high-risk regions, translating into millions of euros per kilometre of new road (Fazekas & Tóth, 2018). Beyond direct price inflation, delays caused by embezzlement or “ghost workers” further compound costs: World Bank-funded road projects in several African countries experienced implementation delays exceeding one year (Alexeeva et al. 2008), creating fertile ground for additional cost inflation and undermining the economic viability of essential projects. Moreover, political patronage can skew public spending towards large, high-visibility investments — even when maintenance or smaller-scale projects would yield greater social returns — thereby diverting funds away from more pressing infrastructure needs and exacerbating fiscal pressures (Fazekas & Tóth, 2018).

The erosion of construction and operational quality represents another pernicious consequence of corruption, directly imperilling public safety and welfare. When contracts are awarded to favoured firms lacking requisite expertise or when substandard materials are supplied to skim off illicit gains, infrastructure assets become structurally unsound. Empirical analyses reveal that bribery and collusion can lead to safety hazards such as bridge collapses, building failures, and increased vulnerability to natural disasters — a legacy of poor workmanship that may not become evident until long after project completion. Corrupt inspectors who accept inducements often overlook critical code violations, and the absence of safety features — such as guardrails, adequate lighting, emergency exits — further heightens the risk of accidents and loss of life. These failures not only undermine citizen trust in public institutions but can also impose substantial post-completion remediation costs on already strained budgets.

Perhaps most enduring are the socio-environmental externalities that accompany corrupt infrastructure development. By diverting resources from inclusive projects towards politically motivated “white elephants,” corruption perpetuates inequality in access to basic services and deepens regional and ethnic divides. Marginalised communities frequently bear the brunt of these distortions — experiencing not only inadequate facilities but, in extreme cases, forced evictions and environmental degradation. In sum, the impact of corruption in infrastructure extends far beyond budgetary losses, entrenching social disparities, compromising public safety, and eroding the sustainable development goals that underpin equitable growth (Adam & Fazekas, 2023; OECD, 2021; Persson, Worth, & Jeney 2024).

3.3 Mapping and analysis of the main area-specific corruption mitigation measures in infrastructure

The dominant anti-corruption measures reported in the LRCC survey include legislative and regulatory instruments, transparency initiatives, and oversight mechanisms; however, their perceived effectiveness varies markedly. Austria, for example, considers its measures "very effective," particularly highlighting AFCA’s leniency

and whistleblower programs.[42] Conversely, experts from countries such as Bulgaria, Hungary, and Portugal deem existing tools "very ineffective," pointing to a gap between policy design and implementation. Notably impactful initiatives cited include Ireland's tribunals of inquiry and the digitalisation of permitting procedures in Greece, both aimed at enhancing accountability. Estonia's e-procurement register also emerges as a best practice, illustrating the benefits of digital governance. Overall, while certain national experiences offer promising directions, the findings underscore persistent structural risks and the uneven efficacy of anti-corruption frameworks within the sector.

Every phase of the infrastructure cycle warrants a specific set of corruption mitigation strategies. To mitigate undue influence and patronage in project identification, projects meeting the most pressing needs should be planned first, going through the stages required for sound public investment management: project development, formal appraisal, independent review of the appraisal and objective selection (Wells 2015). An objective selection process uses clear, merit-based criteria — such as cost-benefit analysis (CBA), socioeconomic impact, and urgency of need — to decide which projects move forward. This insulation from political patronage replaces back-room deal-making with evidence-based decisions (Wells, 2015). Without safeguards, political influence can dictate project choice, resulting in investments that favour connected individuals rather than public value. Key elements include robust appraisal methods before project approval, transparent criteria and scoring, and independent or external review. Germany's Federal Transport Infrastructure Plan 2030 prioritised about 1,000 projects based on systematic appraisal, combining cost-benefit analysis with public consultation (OECD, 2021). Spain has been advised to develop standardised, evidence-based selection processes, including multi-criteria analysis and independent quality assurance to prevent political bias (Persson, Worth, & Jeney 2024). Governments should establish independent conflict-of-interest frameworks, including mandating public disclosure of decision-makers' interests, institutionalising inclusive needs assessments through participatory consultations, and conducting sector-wide corruption risk assessments to inform prioritisation. Strategic investment plans should be formalised through an authorised body, with explicit funding assurances and ex-ante timelines to prevent ad hoc, politically motivated project launches.

During project preparation, rigorous, multi-disciplinary feasibility studies (technical, financial, environmental, and social) ought to be standardised, with upper and lower cost estimates and market analyses to deter budget manipulation. Embedding participatory consultation processes from the outset – assigning dedicated civil-society liaison points – ensures that community needs guide project design and reduces the space for tailor-made specifications favouring particular contractors. Crucially, budgets must earmark resources for independent anti-corruption monitoring and oversight, thereby embedding prevention throughout the preparatory cycle.

To combat bid-rigging and kickbacks, public procurement (see also Chapter 2 for a detailed review of mitigation measures) should be conducted via fully fledged e-procurement platforms that eliminate direct bidder-official contact and log all transactions transparently. Open tenders must be publicly advertised with clear, unambiguous technical specifications and realistic response times. Closed or direct awards require robust, externally validated justifications. Pre-award audits and contractor due diligence ensure integrity in the supply chain. Independent oversight bodies, comprising legal, technical, and civil society experts, should review procurement processes in real time.

Effective contract implementation hinges on embedding anti-corruption clauses, such as predefined penalties for unwarranted variations, arbitration procedures, and whistleblower protections, directly into contracts.

[42] Although some civil society organisations also raise concerns regarding potential conflicts of interest coming from leniency measures, currently granted to whistleblowers by the Minister of Justice. 2025 Rule of Law Report Country Chapter on the rule of law situation in Austria, SWD(2025) 920 final. p12.

Governments must deploy independent supervising engineers and procurement officers to verify compliance with specifications, supported by real-time financial auditing to detect invoice inflation or ghost-worker schemes. Any contract renegotiations should be publicly documented, mutually agreed upon, and subject to parliamentary or oversight-agency review to prevent illicit post-award fund extraction.

Similarly, operation and maintenance contracts should be awarded through transparent tenders with built-in performance-based bonuses and penalties. Civil society and community monitoring, e.g. via mobile reporting apps or participatory scorecards, augments government oversight and ensures that maintenance work is carried out as specified. Annual performance reports must be independently audited and publicly accessible, and any contract extensions or renegotiations require competitive re-tendering or documented public justification.

Finally, the disposal or transfer of infrastructure assets demands clear, publicly accessible procedures. Establishing a comprehensive, accessible public asset registry prevents insider trading and ensures accurate valuation. Sales and privatisations should proceed via open auctions advertised on an accessible portal, with independent valuations and clear conflict-of-interest disclosures for all participants. Timely public notification of decommissioning or disposal plans further underpins transparency and allows for community input, reducing the risk of asset undervaluation or preferential deals. Clear policies and procedures should be in place for asset disposal, including transparency and accountability measures, such as public tender processes and independent valuations. Privatisation should be conducted through competitive auctions, accessible to all potential buyers.

Lastly, cross-cutting measures play a critical role in reinforcing sector-wide integrity. Strengthening legal and regulatory frameworks, particularly by integrating anti-corruption provisions into public investment and procurement regulations, is crucial for effective governance. The establishment of independent, merit-based national infrastructure agencies with clear mandates across the project cycle can significantly enhance accountability and efficiency. Moreover, multi-stakeholder cooperation, encompassing public institutions, civil society, private sector actors, and international organisations, is vital for ensuring transparency and enabling collective oversight. Initiatives such as multi-stakeholder monitoring frameworks and integrity pacts offer promising models for institutionalising accountability and reducing corruption risks in complex infrastructure projects.

3.4 Analysis of specific corruption mitigation measures that carry the potential to enhance the already existing EU-level framework

While much attention often focuses on procurement, research shows that corruption risks span the entire project cycle, including project identification, planning, and final disposal. As corruption mitigation measures relating to the procurement phase and, to some degree, the contract implementation and operation phase are covered in Chapter 2, which applies to infrastructure procurement, it is not discussed in further detail here. Instead, as the above risk analysis shows, corruption is not limited to procurement, but it affects every stage of infrastructure projects. Corruption risks are also identified, especially in the initiation and planning phases of infrastructure projects, where political influence and personal interests can significantly impact project decisions. Additionally, the disposal phase, which has been studied less extensively, represents an important but often neglected area for mitigating corruption risks.

3.4.1 Initiation: Institutionalising Participatory Needs Assessments and Objective Project Selection

3.4.1.1 Current state of play

Governance of public infrastructure begins long before any tender is published. The initiation phase – encompassing needs assessment, project appraisal, and selection – is critical for setting the foundation of a project. If corruption infiltrates this early stage, it can lead to wasteful "white elephant" investments that serve private interests over public needs. Without safeguards, there is a risk that political influence peddling will dictate project choice, resulting in investments that favour connected individuals or coincide with electoral cycles rather than maximise public value. Indeed, studies have found cases in which infrastructure priorities were distorted by politics (for example, road expansions aligned with ministers' home regions rather than objective criteria), resulting in projects that delivered low returns and incurred cost overruns.

Integrating public participation into early project planning helps ensure that chosen projects align with genuine community needs rather than narrow interests. Lack of public consultation during needs assessment can allow powerful interest groups to manipulate priorities and push through projects that do *not* serve the broader public interest. By contrast, participatory needs assessment involves engaging stakeholders – local communities, civil society, experts – to identify and prioritise infrastructure needs collaboratively. This process increases transparency and injects a layer of oversight at the project's conception. It helps spotlight the "burning needs" of all parts of the population so that investments address real deficits rather than the whims of a few. In short, citizen participation at this stage acts as an antidote to biased or inaccurate needs analyses that might otherwise be used to justify unnecessary projects.

In practice, governments can institutionalise participation through formal consultations, public hearings, and participatory budgeting mechanisms. For example, France's Commission Nationale du Débat Public (CNDP)[43] provides a structured forum for public debate on large infrastructure proposals. Established in 1995, the CNDP is an independent authority that ensures the public's right to be informed and to participate in projects with significant socio-economic or environmental impacts. Crucially, these debates occur at the outset – when fundamental questions of a project's necessity ("why?") can still be asked and when it is still possible to modify or even abandon the project in response to public concerns. Project promoters must present complete and transparent information and later justify how public input was taken into account in their final decisions. This participatory process sheds light on citizens' values and expectations, improving the quality of decisions by forcing authorities to scrutinise the real merits of a proposal.

Beyond France's national debate requirement, other EU countries started to embrace participatory planning. Portugal introduced a Participatory Budget at the national level in 2017 to empower citizens to propose and vote on public investments from the state budget. At sub-national levels, Italy's Tuscany region has institutionalised public debates for major works through a regional law on participation.[44] These initiatives illustrate growing recognition that early engagement of civil society is a powerful tool to curb corruption: it creates a public record of needs and preferences that corrupt actors cannot easily ignore or override.

Hence, national governments should institutionalise participatory needs assessment as part of their public infrastructure planning frameworks. This can be achieved by mandating open consultations or public hearings for large projects at the planning stage (as French law does), requiring that major project proposals be published

[43] https://www.debatpublic.fr/
[44] https://www.regione.toscana.it/documents/10180/23652/LR_69_2007_SchedaIllustrativaInglese.pdf/1039437a-099c-4f8c-af0f-56d5dad2c6a7

with accessible summaries and opened to feedback for a set period. Independent facilitation bodies such as CNDP can be established or strengthened to ensure that these participatory processes are fair and inclusive. Governments can also expand participatory budgeting practices to allow communities a say in setting local infrastructure priorities. The EU can support these efforts by sharing best practices and, where applicable, tying funding to evidence of stakeholder engagement (for instance, through guidance that infrastructure plans involve "the broadest possible array of the population" through consultation).

3.4.1.2 Case Study: France's Public Debate Commission – Participatory Decision-Making in Action

Box 2 Case Study: France's Public Debate Commission – Participatory Decision-Making in Action

One illustrative example of an initiation-phase integrity measure is France's National Commission for Public Debate (CNDP) and its participatory process for major infrastructure projects. The CNDP demonstrates how early stakeholder engagement can be institutionalised to improve transparency and accountability in project selection. Created by the Barnier Law No. 95-101 of 2 February 1995 amid public outcry over a high-speed rail project, the CNDP is an independent administrative authority mandated to involve the public in the development of any large project or plan with significant environmental or social impacts. Its scope ranges from transport infrastructure (roads, rail, airports, etc.) to energy facilities, industrial sites, and urban development plans.

When a proposed infrastructure project exceeds certain size or cost thresholds (or is otherwise deemed of public interest), the CNDP either directly organises a public debate or appoints a commission to do so. This debate is a months-long process in which all relevant information about the project – objectives, alternatives, costs, impacts – must be disclosed in a format accessible to laypeople. Citizens, NGOs, local officials, and other stakeholders are invited to public meetings (as well as to submit written comments) to discuss the project's merits and drawbacks. Importantly, these debates take place from the beginning, when it is still possible to abandon or modify the project. The CNDP's role is not to approve or reject projects itself, but to ensure the public's voice is heard and considered. After the debate, the commission produces a report summarising the views expressed. The project owner (e.g. the ministry or company proposing the project) must then announce how they intend to proceed, and if they choose to continue with the project, they are legally obliged to explain how the public input influenced the decision or justify why certain suggestions were not adopted. This requirement of "reason-giving" enforces a degree of accountability; it discourages project sponsors from simply ignoring public concerns without comment.

Over 25 years, the CNDP process has had a notable impact on the culture of infrastructure governance in France. Numerous projects have been modified significantly as a result of issues raised during debates – for example, route alignments have been changed to reduce environmental harm, and in some cases projects were downsised or postponed when public scrutiny revealed weaker-than-anticipated justification. A famous case was the proposed Notre-Dame-des-Landes airport near Nantes: the CNDP-organised debate in 2003 exposed deep divisions and alternative solutions (like upgrading an existing airport), contributing to a prolonged public controversy that eventually led the government to cancel the project in 2018 (Transparency International, 2020). While not all debates lead to such dramatic outcomes, the CNDP's presence ensures that major investments face a legitimacy test at inception. It deters officials from rushing through pet projects without deliberation, and gives civil society a formal channel to flag corruption risks (such as inexplicably high costs or conflicts of interest among proponents) before any contracts are signed. The CNDP model has inspired similar participatory measures elsewhere – as noted, Italy's Tuscany region set up its own participatory authority, and other countries are studying the French approach as a model to increase public trust in infrastructure decisions. By institutionalising public debate, France effectively adds a "people's watchdog" to the project initiation phase, greatly enhancing transparency and accountability.

This case underscores that fostering participation is not just about improving democracy, it is also a pragmatic anti-corruption strategy. Opening the books and letting citizens question the necessity and

design of projects makes it much harder for corrupt backroom deals to survive the sunlight of public scrutiny. For the EU and its member states, the CNDP provides a compelling case study of how participatory needs assessment can be built into infrastructure governance structures. Key ingredients of its success include legal mandates (the process is required by law for big projects), independence (the CNDP is autonomous and neutral, which builds trust in the process), and broad inclusion (ensuring all voices, including critics, are heard without censorship).

4.4.1.3 Relevance for the EU framework

Even with a proper participatory needs assessment, how infrastructure projects are selected and prioritised is a pivotal determinant of integrity. An objective project selection system uses clear, merit-based criteria – such as cost-benefit analysis (CBA), socioeconomic impact, and urgency of need – to decide which projects move forward. First, robust appraisal methods (technical, financial, environmental) should be applied before a project is approved. International good practice is to require standardised feasibility studies and CBAs for major infrastructure projects, and to use their results in ranking alternatives. Second, transparent criteria and scoring should guide decisions. This might include multi-criteria analysis combining economic, social, and environmental scores, or simpler thresholds (e.g. requiring a minimum benefit-cost ratio). What matters is that the basis for selection is documented and open to scrutiny, rather than opaque political discretion. Third, an independent or external review can strengthen objectivity – for instance, having an impartial panel or agency review major project proposals and attest to their rationale.

Several EU countries have introduced processes to make project selection more evidence-driven. Germany provides a notable example with its Federal Transport Infrastructure Plan 2030[45], a strategic program that prioritised around 1,000 projects based on systematic appraisal. All candidate projects underwent a benefit–cost analysis and other assessments, and the government explicitly set clear priorities: directing investment to where it yields the greatest benefit for people and the economy. Significantly, Germany's 2030 plan also included unprecedented public participation – citizens were involved from the initial call for project proposals through to the draft plan, enhancing transparency in the prioritisation process. The result was an investment strategy focused on projects of the highest value and need, with the maintenance of existing assets taking precedence over politically enticing new builds.

Elsewhere, Spain has recognised the need for a more rigorous project prioritisation framework. An OECD review highlighted that in Spain's current system, preliminary feasibility studies are often performed *after* a project has already been politically selected, meaning the criteria for prioritising one project over another remain unclear. The OECD recommended that Spain[46] develop a standardised, evidence-based selection process to ensure investments deliver value for money and are not chosen primarily on political grounds. This includes establishing clear criteria that link project selection to strategic goals, using rankings (e.g. based on CBA results) to compare projects, and publishing the rationale for which projects are slated for funding. Additionally, for very large investments, a two-stage independent quality assurance process is recommended – reviewing the project concept and alternatives at an early stage, then verifying cost estimates and risk management before final approval. Such reforms, some of which mirror practices in countries like the Netherlands and Sweden, would curtail arbitrary decision-making by anchoring project selection in objective analysis (OECD, 2020).

[45] https://www.bmv.de/SharedDocs/EN/publications/2030-federal-transport-infrastructure-plan.pdf?__blob=publicationFile#:~:text=3,of%20traffic%20throughout%20the%20network

[46] https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/07/supporting-better-decision-making-in-transport-infrastructure-in-spain_4b3addd0/310e365e-en.pdf#:~:text=infrastructure%20project%20over%20another%20are,The%20ranking%20most.

Governments should institutionalise objective selection by issuing formal guidelines or regulations that require all major infrastructure projects to undergo impartial appraisal and meet predefined selection criteria. For example, a country can mandate that any project above a certain cost must have a positive cost-benefit ratio or pass a multi-criteria scoring threshold and be reviewed by an independent evaluation unit. Selection committees or inter-ministerial councils that decide on project pipelines should operate under transparent rules – including publishing the list of evaluated projects with their scores and justifications. Some countries may choose to establish an independent infrastructure commission or empower their fiscal councils to vet large projects for compliance with these criteria.

Although the EU lacks specific competencies in the field of construction and infrastructure, several EU policy areas are related to various phases of the lifecycle of construction and infrastructure projects. In the absence of EU-level coordination, many Member States will continue to design and conduct infrastructure needs assessments independently, relying on ad hoc or narrowly framed consultations that fail to capture the full spectrum of stakeholder interests. Without common standards or incentives, consultations risk remaining a formality, limited in scope, poorly publicised, and subject to political manipulation by dominant interest groups, thus allowing project priorities to skew towards high-visibility works that serve partisan objectives rather than genuine societal needs. In practice, this fragmentation can perpetuate "white elephant" investments, fuel public distrust in planning processes, and reinforce regional inequalities as well-connected constituencies secure disproportionate infrastructure spending.

By contrast, EU endorsement of institutionalised participatory needs assessments — through funding conditionality, benchmarking guidance, and capacity-building initiatives — would establish a common participatory baseline across Member States. Tying Cohesion and Infrastructure Funds to demonstrable public consultation practices would create a powerful incentive for early engagement, ensuring that transparent, inclusive deliberations inform project proposals. In practice, this would yield more needs-driven project pipelines, as authorities incorporate diverse stakeholder inputs into project selection criteria, leading to greater legitimacy, reduced risk of politically motivated "rush" projects, and ultimately better alignment of infrastructure investments with shared EU objectives such as cohesion, sustainability, and social inclusion.

If replicated at the EU level, any corresponding EU measure requiring the launch of participatory decision-making processes in the context of construction and infrastructure projects could be well aligned with projects financed by the EU, where the EU's competencies are firmly established. It needs further exploration whether such an EU-level requirement for launching participatory decision-making processes could be linked to a specific threshold, the overall value and size of the construction and infrastructure project, or the degree of EU funding for the project. While primarily serving as a measure to mitigate corruption, the requirement of participatory decision-making processes can generally serve as an ex-ante tool to protect the EU's financial interests beyond just combating corruption. That said, fostering participatory decision-making processes would not only enhance the EU's anti-corruption efforts but also serve the EU's commitment to "putting citizens at the heart of our democracy", being a centrepiece objective of the current European Commission.[47]

The EU can assist by promoting common standards and technical tools (such as its Economic Appraisal Vademecum for EU co-funded projects) and by requiring evidence of sound project appraisal in contexts like Cohesion Policy funding. Ultimately, making project selection evidence-driven and transparent reduces the space for corrupt favouritism, as decisions must be backed by data and openly explained to stakeholders.

[47] Europe's Choice: Political Guidelines for the Next European Commission 2024-2029 Strasbourg18 July 2024 p.24.

Table 6 Avenues for Dissemination and Promotion

Channel	Exemplary EU Action
Legislative	Targeted modification of the fund-specific regulations or the Common Provisions Regulation.[48]
Funding	Tie a portion of Cohesion and Infrastructure Funds to evidence of participatory budgeting in project pipelines.
Capacity-building	Offer targeted workshops (via the Technical Support Instrument) on designing and facilitating public debates.
Soft-law / Benchmarking	Publish EU guidance and a benchmarking scoreboard on "Best Practices in Participatory Needs Assessment." Develop Common Standards and technical tools for project appraisal (eg Economic Appraisal Vademecum for EU co-funded projects).
Networking & Outreach	Host annual "EU Infrastructure Dialogue" forums where national stakeholders share public-engagement lessons.

3.4.2 Preparation: Conflict-of-Interest Management at the Preparation Stage

Corruption in the infrastructure project planning phase often exploits unchecked conflicts of interest (CoI) – situations in which officials or experts responsible stand to personally benefit from particular project outcomes. Unmanaged CoI can skew project decisions away from the public interest – for instance, insiders might steer projects toward designs that benefit their private connections, or corrupt actors might bribe officials with decision-making power at the planning stage. To guard against these risks, effective mitigation therefore requires CoI rules that cover the project initiation phase to manage CoIs early on.

One basic step is requiring all individuals involved in project appraisal or selection to declare any private interests related to the proposals under consideration. Many EU jurisdictions already enforce such declarations for procurement evaluators; these requirements should extend to planning and investment committees as well. If a conflict is declared or discovered, there must be procedures for recusal (removing the person from the decision process) or other mitigating actions. Following these principles, several managing authorities of EU Structural Funds have adopted practices such as having independent external experts (with no stake in the outcomes) sit on project selection panels, and requiring panel members to sign no-conflict-of-interest statements before evaluations (Ciffolilli & Pichini, 2023)[49].

Some countries have taken additional strides to manage conflicts in infrastructure planning. For instance, Lithuania and Latvia require public officials to file asset and interest disclosures, which are scrutinised by anti-corruption bureaus in the former case and the State Revenue Service in the latter case – a measure that can flag conflicts if an official championing a project has unexplained wealth or business interests tied to it. In Slovenia, the law explicitly prohibits public servants from participating in decisions in which they or their family have a direct interest, which applies to infrastructure planning as well. While implementation varies, the trend is that EU member states are aligning with international advice to install mechanisms to address conflicts of interest in project selection as part of broader public investment management reforms.

[48] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy

[49] https://www.iapmei.pt/PRODUTOS-E-SERVICOS/Incentivos-Financiamento/Documentos-Incentivos/KN-03-23-121-EN-N.aspx#:~:text=The%20assessment%20and%20scoring%20system,the%20score%20associated%20with%20each

To further institutionalise CoI management, national governments should expand the scope of CoI regulations to cover all actors in the infrastructure project cycle, not just procurement officials. Concretely, this means establishing mandatory CoI assessments during project appraisal and selection. Project development committees could be required to include an ethics or compliance officer who reviews potential conflicts. Regular training on ethics and CoI for planners and decision-makers is also important to ensure they understand disclosure obligations. Governments may create registries of interests for those in key roles in infrastructure planning and conduct audits to detect undisclosed conflicts. Enforcement is key. Hence, violations (such as failing to recuse or false disclosures) should carry sanctions to deter corrupt behaviour. The EU can support these steps by providing model CoI policies (as it has done via guidance notes), funding technical assistance for integrity monitoring, and insisting on robust CoI management systems for EU-funded infrastructure investments. By ensuring that decision-makers remain impartial, states can greatly reduce corruption risk at the source.

Table 7 Avenues for Dissemination and Promotion

Channel	Exemplary EU Action
Legislative	
Funding	Promotion and awareness raising of Article 61 of the Financial Regulation mandating COI declarations for all officials involved in project appraisals of EU-funded programmes. Provide e-learning modules on advanced cost–benefit and multi-criteria analysis via the European Investment Bank's Academy.
Capacity-building	Promotion and awareness raising of Article 61 of the Financial Regulation mandating COI declarations for all officials involved in project appraisals of EU-funded programmes. Provide e-learning modules on advanced cost–benefit and multi-criteria analysis via the European Investment Bank's Academy.
Soft-law / Benchmarking	Issue an "EC PIMA Guidance Note" on standardised feasibility study formats and publish Member State compliance rates.
Networking & Outreach	Convene regional workshops pairing procurement bodies with anti-corruption agencies to exchange COI-management tools.

3.4.3 Disposal of assets: implementing competitive and transparent disposal processes

3.4.3.1 State of play

Without strong safeguards, the end-of-life phase of infrastructure assets presents a fertile ground for illicit enrichment and loss of public value. To counter corruption risks in this final phase of infrastructure projects, a range of mitigation measures has been implemented at the national level within EU Member States. These measures aim to enforce transparency, competitive market pricing, and accountability in asset disposal. The following list provides a number of key practices.

First, publicly accessible asset registries can transparently list government-owned assets. This ensures visibility of what assets exist, their valuations, and their status. Public registries help prevent "off-book" sales and enable citizens and auditors to track the fate of infrastructure assets. For example, EU policy guidance[50] emphasises that public property should not be sold below its value, and maintaining transparent records is part of this principle. An up-to-date asset registry, ideally online, underpins all other disposal safeguards by providing a baseline of accountability.

[50] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum:l26084#:~:text=how%20to%20use%20them

Second, moving asset sales and privatisation tenders onto electronic auction platforms greatly reduces discretion and opportunities for secret dealings. Online auction portals allow open bidding with broad publicity, ensuring market-driven pricing. Many EU countries require that sales of state property use an open, well-publicised bidding process so that the selling price reflects fair market value. Online systems publish auction announcements, receive bids transparently, and often disclose the bidding history – deterring under-the-table arrangements. Several governments (both in the EU and neighbouring states) have adopted e-auction platforms for state asset sales; these platforms make auction information publicly available in real time and open participation to any qualified bidder, thus minimising collusion. A notable example outside the EU is Ukraine's ProZorro.Sale portal, which demonstrates how digital auctions can eliminate many traditional corruption schemes (as discussed in the case study below).

Third, requiring independent asset valuations before disposal is another critical check. Independent, certified valuers appraise the asset's market price to prevent intentional underpricing by insiders. In EU practice, if a sale is not conducted via open bidding, it is often mandated that one or more independent appraisals set a minimum price. This mitigates the risk of officials "giving away" public assets at a low price to favoured buyers. The valuer must be truly independent and reputable, and valuation standards (e.g. market comparables or income methods) are stipulated to ensure the process is objective. Some countries also use valuation committees or reviews to double-check proposed sale prices, especially for high-value infrastructure assets, ensuring that any transfer is financially prudent and in the public interest.

Transparent sale procedures should be embedded in policy – meaning that every asset disposal should be broadly advertised and open to competition. Clear rules demand that public assets for sale be advertised in advance on official portals or widely read media, with sufficient time for potential buyers to participate. This prevents insiders from rushing through a quiet deal. Competitive auctions (or tenders) should be the default: privatisations and asset sales are conducted through competitive bidding open to all qualified buyers, rather than negotiated sales. By maximising participation, the government not only curbs favouritism but also maximises the return (often, auctions result in winning bids significantly higher than starting prices due to competition). Indeed, EU guidelines note that a well-publicised, unconditional bidding process "automatically precludes" hidden subsidies or favouritism in asset sales.[51] Conversely, any sale at a price below an independent valuation or without open bidding could trigger reviews or even legal challenges (e.g. under EU State Aid rules). Thus, codifying competitive and transparent disposal processes both deters corruption and protects the government from selling assets at too low a price.

3.4.3.2 Case Study: Ukraine's ProZorro.Sale Platform for Asset Disposal

Box 3 Case Study: Ukraine's ProZorro.Sale Platform for Asset Disposal

A leading example of innovation in transparent asset disposal is Ukraine's ProZorro.Sale platform[52], an award-winning digital auction system designed to prevent corruption in state asset sales. Launched in 2016 in the wake of Ukraine's post-revolution reforms, ProZorro.Sale was engineered with a "radically transparent" design and a novel architecture to eliminate opportunities for graft. It uses a two-tier electronic auction system: a central database (administered by the state) and multiple competing commercial e-marketplaces that connect to it via an application programming interface API. All auction data (asset listings, bidder offers, results) is stored in the central database, while bidders and sellers interact through licensed online platforms of their choice, which are all hooked into the central system. This hybrid model prevents any single broker or auctioneer from monopolising information. In the old system, a single auction house could secretly manipulate a sale (e.g.

[51] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum:l26084#:~:text=how%20to%20use%20them
[52] https://prozorro.sale/en/

disqualify bidders or hide bids for a bribe); now, because all marketplaces see the same live data and compete on equal terms, any attempt by one platform to cheat would drive clients to another platform. The central ProZorro.Sale unit itself never directly interacts with buyers or sellers – it only ensures the system's technical reliability and rule enforcement. Importantly, every action and bid in the auction is transparently logged and visible.

The platform embodies the principle "everyone knows everything": all information related to the sale process (asset descriptions, valuation, bids, identities of winners, final prices, and contract documents) can be accessed by anyone online in just a few clicks. This level of transparency, unprecedented in Ukraine's asset sales, was deliberately chosen to rebuild trust. The system is also open-source software, allowing code inspection and reuse. With support from civic tech partners, the platform's code was made available for free so that other countries or institutions can adopt and customise it. In fact, the auction design itself was innovative – ProZorro.Sale introduced a "hybrid Dutch auction" format (developed with economists at the Kyiv School of Economics) that combines descending and ascending bid phases to maximise value and minimise collusion. In sum, the implementation focused on maximising transparency, competition and equal access through a robust digital architecture, thereby structurally cutting off many avenues of corruption that plague traditional asset disposals.

From the outset, ProZorro.Sale was bolstered by a supportive legal framework and institutional mandates. After a pilot proved successful in 2016, Ukrainian authorities moved to make the system the default channel for various asset disposals. In early 2017, the Deposit Guarantee Fund (the agency managing assets of failed banks) made it mandatory to sell all bankrupt banks' assets via ProZorro.Sale. This mandate was crucial, as it immediately routed a large volume of high-value asset sales (loans, real estate, etc. from insolvent banks into the transparent e-auction system, replacing the old opaque liquidation auctions. Soon after, the government turned to privatisation: a new law "On Privatization of State and Municipal Property" was adopted in 2018, which required that all small-scale privatisation (assets valued under approximately €8 million) be conducted through electronic auctions on ProZorro.Sale. This law opened up what had been a clubby, insiders-only privatisation process to any member of the public. Dozens of categories of assets were brought into the system's scope: state enterprises being divested, municipal property, leases of public land, mineral resource extraction licenses, unused railcars and other surplus infrastructure equipment, etc. Regulations were updated to accommodate e-auctions – for example, old laws that assumed physical auction events had to be amended.

By 2019, ProZorro.Sale had been formally institutionalised as a state enterprise to ensure its sustainability. The enterprise operates under the oversight of Ukraine's Ministry of Economy and adheres to public sector rules. Notably, the platform emerged from a coalition of government reformers, business technology providers, and civil society (Transparency International Ukraine), and this collaboration was embedded in its governance. Transparency International Ukraine and other NGOs continue to play a role in monitoring and advising on the system, while the government provides the legal mandate and policy support. Transparency International Ukraine tracks how municipalities use ProZorro.Sale and reports on any irregularities as part of a program to improve local transparency. Watchdog groups and journalists can effortlessly review auctions (or download the open dataset) to spot patterns of concern – such as an agency repeatedly failing to sell assets (potentially indicating intentional obstruction), or suspicious outcomes like a single bidder winning repeatedly at the starting price. The system's openness thus allows for crowdsourced accountability: independent observers readily "name-and-shame" any attempts at corrupting the auction process.

The platform also features a business intelligence portal (bi.prozorro.sale) where statistics on thousands of auctions are published, enhancing analytical oversight. On the institutional side, ProZorro.Sale as a state enterprise has its own internal controls and is subject to audits by state authorities. An oversight board (including representatives of donors and the Ministry) was established to guide its strategy and ensure integrity. In courts, the transparent record has made it easier to defend the legitimacy of sales – previously, many auction results were litigated amid claims of foul play, but now the comprehensive digital trail serves as proof for every stage of the auction process, greatly reducing disputes. Importantly, market participants themselves serve as a check in the two-tier model. Competing auction brokers have an incentive to call out any improper behaviour by a rival or by officials, because all data is shared openly. If one broker attempts any unethical practice, clients

can switch to another, and the incident would be evident in the data logs. This inter-marketplace competition, alongside external monitoring, creates a robust oversight ecosystem.

The ProZorro.Sale platform has demonstrated tangible success both in financial returns and in curbing corruption, as reflected by various performance indicators. By late 2019 (roughly three years into operation), the system had handled tens of thousands of auctions and delivered over US $870 million in revenue to national and local budgets. In one striking example, the city of Lviv – a heavy user of the platform – earned UAH 416 million (≈$16 million) for its budget from ProZorro.Sale auctions. The platform has dramatically increased competition in asset sales – on average, multiple bidders compete per auction, and it's common to see final sale prices far exceeding the opening bids. For instance, an abandoned factory (Electronmash) was recently sold at 14.5 times its starting price due to high bidder turnout. In another headline case, the privatisation auction for the Dnipro Hotel in Kyiv attracted dozens of bidders and drove the price up to UAH 1.1 billion, about 14× the initial valuation.

In terms of anti-corruption impact, qualitative indicators are also telling. Surveys and user feedback indicate higher trust among businesses and citizens in how public assets are disposed of. Procurement officials note that time-consuming inquiries from prosecutors have dropped, as there are fewer suspicions to investigate. The openness has also changed market behaviour: instead of seeking backdoor deals, participants focus on outbidding each other fairly, and government sellers have adjusted expectations to market-driven outcomes. While some entrenched interests initially resisted (and some may have tried to engage in "open-washing" – appearing to comply while covertly undermining auctions), the transparency of the system quickly reveals if an entity is, for example, cancelling all auctions without cause. Such patterns are public, allowing oversight bodies to step in. The cumulative success of ProZorro.Sale is reflected in its international recognition: it has won multiple global awards for anti-corruption innovation and is hailed as a new global standard for integrity in public asset management.

Sources: OECD OPSI (2021); TI Ukraine, OCP (2019)

Several EU Member States already operate credible digital and institutional systems for disposing of public assets that merit citation alongside Ukraine's ProZorro.Sale. France centralises state property management through the Direction de l'Immobilier de l'État (DIE) and publishes cession data and real-estate sales via public portals and open datasets, improving visibility of state holdings and transactions. Spain operates official electronic auction channels (including tax-agency and BOE portals) for seized and state assets, providing searchable access to notices and bids and widening participation in disposals. The Netherlands combines a central real-estate agency (Rijksvastgoedbedrijf) with online advertising and bidding tools (e.g., Biedboek) to publicise and manage sales of land and buildings, supporting competitive outcomes and public reporting. Smaller EU states such as Estonia also embed procedural transparency in their State Assets Act and publishing requirements for disposals, ensuring that notices and basic auction information are publicly available. These national systems share a focus on centralisation, public advertising and e-enabled processes, but ProZorro.Sale remains notable for combining a legally mandated, economy-wide uptake with (1) a two-tier technical architecture (a single public data backbone plus multiple competing commercial marketplaces), (2) default open-data publication of full auction traces to OCDS-style standards, and (3) sustained civic-sector monitoring built into governance — features that together amplify competition, auditability and public trust in ways that are still uncommon in most EU implementations.

3.4.3.3 Relevance for the EU framework and recommendations for support

Ukraine's ProZorro.Sale model is not only a local success story but also a potential template for other countries, including EU Member States. The core principles – open data, competitive digital auctions, independent oversight – are universally applicable to public asset management. In fact, ProZorro.Sale was conceived from the start as an open-source solution that others could adopt. The platform's code and approach have been shared openly, and already some countries are exploring similar reforms. For example, Moldova has been testing and preparing a platform based on the ProZorro.Sale concept with support from development partners. Interest has

also been noted in other regions facing trust deficits in public sales, such as the ProZorro.Sale team has engaged in knowledge-sharing with partners in the EU, CIS, and South Asia on how to implement such systems.

Within the EU, many governments still rely on fragmented or opaque processes for disposing of state property – there is considerable room to modernise and unify these processes using digital platforms modelled on ProZorro.Sale. The replicability of the model is enhanced by its flexibility, as it is open-source and modular. This allows a country to tailor the legal parameters (e.g., thresholds for auctions, qualification criteria, languages/currency) while leveraging the proven technical architecture. Each country would need to adapt the system to its specific legal context and ensure political buy-in; however, the technical barriers to adoption are relatively low. The cost of implementation is modest (Ukraine's system was developed quickly and cheaply by building on existing open-source tools), and the benefits – both in revenue and integrity – can far outweigh the setup investments.

Absent coordinated EU intervention, Member States are likely to continue with fragmented and opaque asset disposal practices, perpetuating undervalued sales, insider dealings, and non-competitive transfers that siphon public wealth and erode citizen trust. As each country continues to apply its own rules — or sometimes none at all — assets may be sold below market value, decommissioning scraps may be misappropriated, and decommissioning contracts may be awarded on the basis of patronage rather than merit. Over time, this patchwork of weak governance will likely exacerbate fiscal losses and create cross-border distortions, as well-connected buyers exploit regulatory arbitrage between jurisdictions. Moreover, the absence of a common standard will hamper the development of a truly integrated European market for infrastructure assets, limiting competition and undermining efforts to mobilise private investment in strategic sectors.

By contrast, an EU-driven replication of key disposal-phase measures, most notably machine-readable public asset registries, open e-auction platforms, and mandatory independent valuations, would deliver substantial, tangible dividends. In practice, these interventions would harmonise transparency requirements, closing loopholes that currently allow off-book sales and anecdotal favouritism. Public asset registries would create a single point of reference for all infrastructure holdings, enabling real-time oversight by EU agencies, auditors, and citizens. Electronic auction portals modelled on open-source designs (such as ProZorro.Sale) would foster genuine cross-border competition, driving up sale prices and returning hundreds of millions in additional revenue to national budgets. Independent valuations, embedded within a common EU framework, would prevent undervaluation and ensure that disposal decisions rest on objective market data. Collectively, these measures would not only curb corruption but also unlock EU-wide efficiency gains, strengthening fiscal resilience and reinforcing public confidence in the stewardship of Europe's infrastructure assets.

As mentioned above, the EU, however, lacks well-defined competencies in the area of construction and infrastructure, including disposal, which represents the final phase of the infrastructure project lifecycle. In addition, when it comes to the disposal of public assets, EU action is also hindered by Article 345 TFEU, which stipulates that the Treaties "shall in no way prejudice the rules in Member States governing the system of property ownership." Traditionally, this provision has been interpreted in line with the "neutrality principle", allowing each Member State to determine the most suitable form of property ownership, whether public or private, provided that the fundamental freedoms enshrined in the Treaty are respected.[53] Hence, for any EU-level intervention in relation to public asset registries, open e-auction platforms, and/or mandatory independent valuations would need to be justified as being necessitated by the proper functioning of the internal market so that fundamental freedoms can be seamlessly exercised.

[53] C-367/98, Commission v Portugal, ECLI:EU:C:2002:326.

Table 8 Avenues for Dissemination and Promotion

Channel	Exemplary EU Action
Legislative	n.a
Funding	Allocate IPA/ERDF grants for the development or upgrade of e-auction portals modelled on ProZorro.Sale.
Capacity-building	Facilitate a Twinning program pairing EU officials with the ProZorro.Sale team for hands-on digital-auction training. Asset-recovery and confiscation cooperation network to review the adaptability of the ProZorro.Sale to the selling of frozen/confiscated property.
Soft-law / Benchmarking	Publish an "EU Open-Data Standard for Asset Disposal" and score Member States on registry completeness and transaction transparency. Recommend for the Member States the introduction and maintenance of an online, machine-readable public asset registry for state-owned infrastructure. Best practice guidelines for infrastructure asset disposal.
Networking & Outreach	Organise a biennial "European Asset Disposal Summit" bringing together registry developers, auction portal operators, and civil society.

As Table 8 exemplifies, the EU can play a catalytic role in replicating Ukraine's model and strengthening disposal-phase integrity across Member States. First, it can provide targeted funding to encourage the development or enhancement of e-auction systems for public asset sales. This could be achieved through structural reform support programs, anti-corruption funding instruments, or by tying EU Cohesion Policy funds to transparency reforms. For instance, the EU has already supported ProZorro.Sale indirectly through the EU Anti-Corruption Initiative in Ukraine; similar funding or grants could be offered to Member States (or municipalities) to build public asset registries and auction platforms. The cost-benefit case should be emphasised: relatively small EU investments in modern asset disposal systems could yield large returns in recovered value for national budgets. Additionally, the EU might consider incentive mechanisms such as including transparent asset disposal as a criterion in fiscal governance assessments or as a condition for certain budgetary aid, thereby nudging countries to prioritise these reforms.

Furthermore, many EU countries could benefit from technical assistance to implement Ukraine's model. The EU could coordinate a knowledge exchange program where Ukrainian experts (from the ProZorro.Sale team and civil society) share their experience and help customise the system for other contexts. This can be achieved through Twinning projects, the Technical Support Instrument (TSI), or partnerships with organisations such as the EBRD and OECD, which have expertise in public procurement and e-government reforms. A technical assistance package might include IT support (deploying and adapting open-source code), legal advisory services (helping to draft necessary legislation or regulations for e-auctions), and training for officials and auction platform operators. By creating a community of practice around transparent asset disposal, the EU can accelerate uptake of best practices. Multilateral platforms could be established for EU Member States to pilot the ProZorro.Sale approach on a smaller scale (for example, a few municipalities or agencies first) and then scale up based on lessons learned. Given that ProZorro.Sale's design aligns with open data standards; the EU could also assist in integrating these systems with broader open data portals or EU-wide databases, enhancing cross-border transparency.

Lastly, the EU can bolster reform efforts by issuing guidance or even regulatory standards on transparent asset disposal. While asset management remains largely a Member State competence, the EU has a clear interest in preventing corruption and ensuring efficient use of public resources. The European Commission, for example, could develop best-practice guidelines for infrastructure asset disposal, e.g. recommending open auctions for any significant asset sale, use of independent valuers, publication of asset registries and auction results, etc. In areas where the EU does have regulatory leverage – such as state aid rules and public procurement directives – it can refine rules to mandate transparency in the sale of public assets (much as the 1997 Commission Communication already advises open bidding or independent valuation to avoid hidden state aid). The upcoming

EU Anti-Corruption reports might also incorporate a focus on asset disposal processes, highlighting any gaps and urging reforms. Likewise, the investigations and prosecutions by the European Public Prosecutor's Office (EPPO) may highlight potential gaps and needs for reform in asset disposal processes. Over time, the EU could even explore a more formal common standard or portal for Member States: for example, a federated European platform or interoperability standards that connect national auction systems. This would make it easier for investors across the EU to find and bid for public assets in any country, further increasing competition and value.

The EU has recently adopted a new legal regime governing the tracing, identification, freezing, confiscation, and management of property in criminal proceedings.[54] The EU-level harmonised rules now prescribe that Member States establish asset management offices that manage frozen and confiscated property and ensure the efficient management of frozen and confiscated property until it is disposed of. When assets are perishable, rapidly depreciate, involve disproportionate costs or require specific expertise, EU Member States need to ensure that frozen properties are transferred or sold prior to actual confiscation (interlocutory sales). The digital auction system is designed to prevent corruption in state asset sales, exemplified by the ProZorro.Sale could serve as a best practice for review by the now-established asset-recovery and confiscation cooperation network, recommending the use of this measure in the context of (interlocutory) selling of frozen property.

3.5 Synthesis

Chapter 3 demonstrates that effective anti-corruption in infrastructure demands a phase-specific arsenal of tools. In the initiation and planning phases, participatory needs assessments, objective project selection criteria (e.g., cost–benefit analysis and multi-criteria scoring), conflict-of-interest disclosures, and strategic multi-year plans collectively inoculate project pipelines against political favour-trading and "white elephant" schemes. In the disposal phase, public asset registries, mandatory independent valuations, and electronic auction portals (with built-in transparency and multi-stakeholder oversight) close the loop – preventing insider dealing, valuation manipulation, and non-competitive transfers of state property. Together with anti-corruption measures in procurement (Chapter 1), these measures form a contiguous chain of safeguards that prevent corruption at every stage in the infrastructure lifecycle.

Two illustrative case studies underscore the practical impact of the studied measures. France's Commission Nationale du Débat Public (CNDP) anchors early-stage integrity by legally mandating public debates on all major infrastructure proposals, requiring project sponsors to justify choices or modify plans in response to citizen input and thereby deterring backroom deal-making (Commission Nationale du Débat Public, 1995). At the other end of the cycle, Ukraine's ProZorro.Sale platform employs a hybrid e-auction system, to ensure fully transparent, competitive disposal of public assets. Its open-data architecture, independent legal mandate, and real-time civil-society monitoring have generated large extra revenue while eliminating opaque asset sales. These cases demonstrate that, when properly designed and enforced, both participatory planning and digital disposal mechanisms can deliver measurable reductions in corruption risk and improvements in public value.

[54] Directive (EU) 2024/1260 of the European Parliament and of the Council of 24 April 2024 on asset recovery and confiscation

Table 9 Mitigation measures identified in the field of Construction

Mitigation measures identified in the field of Construction and Infrastructure	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
1. Project prioritisation, robust appraisal methods. transparent evidence-based selection, institutionalisation of needs assessments, at the initiation phase 2. Multi-disciplinary feasibility studies, participatory consultation, earmarked resources for anti-corruption monitoring, at project preparation phase 3. Public tendering and unambiguous technical specifications, pre-award audits, contractor due diligence and independent oversight bodies during the procurement phase. 4. Anti-corruption clauses: penalties for unwarranted variations, whistleblowing protection, verified compliance, publicly documented contract (re)negotiations and subject to agency review at contract implementation phase. 5. Performance-based payments, annual performance reports and competitive re-tendering for contract extensions at the operation phase.	– Participatory needs assessment.	– Relates to a number of EU policy areas; – Can be well linked to EU-funded infrastructure/construction projects; – Enhanced citizen participation.	– Targeted modification of the fund-specific regulations or the Common Provisions Regulation; – Tie a portion of Cohesion and Infrastructure Funds to evidence of participatory budgeting in project pipelines; – Offer targeted workshops (via the Technical Support Instrument) on designing and facilitating public debates; – Publish EU guidance and a benchmarking scoreboard on "Best Practices in Participatory Needs Assessment"; – Develop Common Standards and technical tools for project appraisal (e.g., Economic Appraisal Vademecum for EU co-funded projects); – Host annual "EU Infrastructure Dialogue" forums where national stakeholders share public-engagement lessons;
6. Clear and public transfer of infrastructure procedures, accessible public asset registry, open sales and privatisation auctions at the project disposal phase.	– Conflict of Interest management.	– Cross-cutting over various sectors.	– Establish a dedicated grant window for independent feasibility-study hubs staffed by civil-society experts; – Promotion and awareness raising of Article 61 of the Financial Regulation mandating COI declarations for all officials involved in project appraisals of EU-funded programmes; – Provide e-learning modules on advanced cost–benefit and multi-criteria analysis via the European Investment Bank's Academy; – Issue a "EC PIMA Guidance Note" on standardised feasibility study formats and publish Member State compliance rates; – Convene regional workshops pairing procurement bodies with anti-corruption agencies to exchange COI-management tools.

Mitigation measures identified in the field of Construction and Infrastructure	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
	– Competitive and transparent disposal processes.	– Relates to a number of EU policy areas; – Can be well linked to EU-funded infrastructure/construction projects.	– Allocate IPA/ERDF grants for the development or upgrade of e-auction portals modelled on ProZorro.Sale; – Facilitate a Twinning program pairing EU officials with the ProZorro.Sale team for hands-on digital-auction training; – Asset-recovery and confiscation cooperation network to review the adaptability of the ProZorro.Sale to the selling of frozen/confiscated property; – Publish an "EU Open-Data Standard for Asset Disposal" and score Member States on registry completeness and transaction transparency; – Recommend for the Member States the introduction and maintenance of an online, machine-readable public asset registry for state-owned infrastructure; – Best practice guidelines for infrastructure asset disposal; – Organise a biennial "European Asset Disposal Summit" bringing together registry developers, auction portal operators, and civil society.

Building on these successes, the EU can catalyse broader adoption by (1) conditioning portions of cohesion funds on demonstrable use of participatory initiation processes and transparent disposal platforms; (2) offering technical assistance and twinning programs to implement open-source e-auction systems (as ProZorro.Sale's codebase) and public asset registries; and (3) issuing best-practice guidance or minimum standards, covering stakeholder engagement, appraisal methodologies, conflict-of-interest rules, independent valuations, etc., for all Member States. Embedding these benchmarks in Anti-Corruption Reports and public procurement directives will align national reforms with EU objectives. By leveraging financial incentives, expertise exchange, and regulatory harmonisation, the EU can help transform isolated innovations into a coherent framework that secures public infrastructure investments from cradle to grave.

Chapter 4. | Health Care

4.1 Introduction

This chapter examines anti-corruption in healthcare across EU Member States. To this end, the chapter first outlines the character, causes, and consequences of corruption in the health care sector, before it continues with a mapping of the main corruption-mitigating measures in health care. The chapter in addition offers an in-depth study of two measures that are perceived as promising in the fight against corruption in two acutely vulnerable areas of health care: (1) Transparent waiting lists to mitigate corruption in service delivery, and particularly pertaining to the relationship between healthcare providers and patients, and; (2) The generic prescription and/or substitution of medicines to mitigate corruption in the pharmaceutical supply chain, and particularly pertaining to the relationship between pharmaceutical suppliers and healthcare providers. The chapter also considers the potential replicability of these two measures at the EU level, including a discussion about the potential challenges when it comes to the successful implementation of the measures. The analysis builds on the experience of EU Member States, academic literature, policy reports, and key insights provided by experts in the field.

4.2 Problem definition: The Character, Causes, and Consequences of Corruption in Health Care

Corruption in health care has massive negative consequences and can ultimately be the difference between life and death. This is because corruption in the health sector has severe negative consequences for all five dimensions of health system performance, i.e. access, quality, equity, efficiency, and efficacy (Hussmann 2020; European Commission 2017). It has been estimated that the quantity of healthcare funds that are stolen through corruption around the world each year amounts to more than what would be required to achieve universal health coverage for all. Of the USD 7.5 trillion spent globally on health each year, USD 500 billion is estimated to be lost to corruption (Transparency International 2024). Analyses of the association between corruption and health outcomes across countries have moreover consistently found that corruption is associated with worse health outcomes on several parameters (Factor 2015; Hanf et al. 2011; Lewis2006; Lio 2015; Muldoon 2011; Nadpara 2015; Pinzón-Flórez 2015). Corruption has, for example, been connected to shorter life expectancy and higher infant mortality rates (Lio 2015; Hanf et al. 2011) as well as lower levels of subjective feelings of well-being (Holmberg and Rothstein 2011).

Against this backdrop, the potential gains from effectively mitigating corruption in the health sector are immense (Transparency International 2006). Despite this, however, health care remains a high-risk area of corruption across EU Member States, taking many forms and spanning through the entire health care system.[55] It involves consumers (patients), providers (public and private hospitals, doctors, pharmacists, NGOs, faith-based organisations), payers (public social security institutions, private insurers, government health funds), government (parliaments, health ministries, and specialised health regulation, oversight, and public health agencies), as well as suppliers (medical equipment, pharmaceuticals, construction, ambulances). Depending on where in the health

[55] The size and character of the problem of corruption in health care in the EU was not least revealed during the Covid-19 pandemic, which put extra pressure on the health system and also uncovered the ways in which emergency situations open up for and also serve to emphasise already existing problems with corruption. Studies have shown how bribes and queue-jumping to access Covid-19 vaccines were widespread in many EU Member States, particularly on behalf of the already powerful, including politicians, senior and high-level government officials, and wealthy individuals. In addition, procurement corruption flourished during the pandemic, pertaining to, among other things, contracts related to the purchase of personal protective equipment, as well as to COVID-19 vaccine doses. Fake vaccination schemes and falsified vaccines and other medical products moreover proliferated in black markets during the pandemic, including in the form of falsified vaccine records in several EU countries (see Cepeda Cuadrado 2022 for a summary of manifestations of corruption during the Covid-19 pandemic).

care system corruption takes place, it can take the form of bribes, favouritism, conflicts of interest, state capture, absenteeism, undue influence, and misuse of public funds, among other types (UNODC 2023; Savedoff and Hussmann 2006; Transparency International 2016; European Commission 2017). Corruption can occur in, among other areas, the construction and rehabilitation of health facilities; the purchase of equipment and supplies, including drugs; distribution of drugs and supplies in service delivery; the regulation of quality in products, services, facilities and professionals; education of health professionals; medical research, and the provision of services by medical personnel and other health workers (cf. Vian 2008). Corruption in the health sector can moreover be clustered based on where in the chain of interactions it occurs, e.g. between patients and health professionals, between payers and hospitals, or between hospitals and suppliers, among other relationships (Gaitonde et al. 2016).

Due to the secretive and hidden character of corruption in the health sector (as in other sectors), the exact scope of the problem is difficult to assess. However, existing evidence points in the direction of health care being a corruption hotspot in EU Member States (Transparency International 2021, European Commission 2017). Although there is significant variation across Member States, in the 2025 Special Eurobarometer on citizens' attitudes towards corruption, 3 per cent of the respondents reported that they had been expected to give a gift, favour, or extra money in exchange for services in the health care sector. The 2021 Global Corruption Barometer for the European Union reveals that, even though just 6 per cent of the respondents reported having paid a bribe for health care in public clinics and hospitals during the year preceding the survey, 29 per cent of EU residents reported that they had relied on personal connections to get medical care (Transparency International 2021). In addition, there is evidence pointing to corruption being widespread, even systemic, also in other parts of the health sector in EU Member States, particularly in the pharmaceutical and health product supply chain (Braithwaite 1984; Kohler et al. 2016), and in health procurement (Stamouli et al. 2023).

Indeed, in the 2025 Special Eurobarometer on citizens' attitudes towards corruption (European Commission 2025), 25 per cent of the respondents stated that they think that the giving and taking of bribes and the abuse of power for personal gain are both widespread phenomena in the health care system. The highest scores are found in Greece (89 per cent), Lithuania (62 per cent), Cyprus (56 percent), and Slovakia (55 per cent), where it is ranked the most or second most corrupt sector. The healthcare system is also ranked the highest or second highest for widespread corruption in Romania (44 per cent) and Poland (36 per cent).

There are several factors that make the healthcare system particularly prone to corruption. Evidence points in the direction of six main drivers: 1) Citizens' great dependence on health services; 2) Complex governance structures with multiple stakeholders; 3) Extensive funds and resources; 4) Information asymmetries; 5) Regulatory weakness; and 6) Limited transparency (UNODC 2023; Savedoff and Hussman 2006).

Mitigating corruption in healthcare is thus a complex task, particularly given that it involves many different types of actors and relationships, and in addition takes many different forms. Also, since there are often considerable vested interests involved that might benefit from continued corruption (Persson, Worth, and Jeney 2024; UNODC 2023).

4.3 Mapping of mitigation measures addressing corruption in health care

Corruption in health care is a problem that will not disappear by itself, nor can it be ignored. Thus, effective mitigation measures are required. As argued by Hussmann (2020, cf. UNODC 2023), efforts to tackle corruption need to translate core principles of good governance – such as information, transparency, integrity, accountability, and participation – into action. It is particularly important to close off opportunities for corruption by creating mechanisms for transparency and ensuring accountability for results. However, reducing opportunities for corruption is not sufficient: it is moreover necessary to reduce the incentives for corruption by increasing the

likelihood of detection and appropriate enforceable sanctions when corruption occurs, be they of administrative, legal or social nature (cf. Klitgaard 1988).

Mitigation measures include laws, policies, procedures, processes, management systems, etc., that aim to prevent, deter and/or detect corruption. Effective mitigating strategies will help address the likelihood and the impact of the risk of corruption to which the healthcare system is exposed. Yet, in the end, mitigating strategies and measures that consider the particular circumstances and constraints of the targeted health system will have the highest chance of success in reducing the risk of corruption (UNODC 2023). Therefore, it is important to ensure a thorough understanding of the specific corruption risks, as well as of the surrounding cultural, political, economic, and institutional setting, of the particular health system, through a thorough corruption risk assessment – rather than simply resorting to generic strategies or strategies used by other countries or organisations. As emphasised by UNODC (2023, p. 74), a successful preventive approach in addressing corruption in healthcare systems therefore requires:

- A solid understanding of the social, political and cultural environment in which a healthcare system operates;
- Coordination between a variety of interconnected actors and stakeholders within the healthcare system;
- An understanding of the health funding system in place;
- The presence of capable and knowledgeable managers and policymakers who have the ability to carry out corruption risk assessment and implement the subsequent corruption risk mitigation strategies successfully.

This said, as noted also by several other analysts (Hussmann 2020; Gaitonde et al. 2016; European Commission 2013), documented systematic evidence on the general effectiveness of different mitigating measures is scarce, even non-existent. Consequently, to date, there is very little systematised knowledge about what works and what does not, under what conditions, and with what results. At best, there is patchy evidence of the effects of certain measures in certain contexts (often from poorer countries outside the European Union), particularly with regard to the risk of corruption in service delivery, but to some extent also in the pharmaceutical supply chain (cf. Hussmann 2020).

With this caveat in mind, this section aims to map the main corruption mitigation measures in healthcare of potential relevance for EU Member States. As such, it first maps the main targets of mitigating measures, continuing with an overview of mitigating measures directed against these targets.

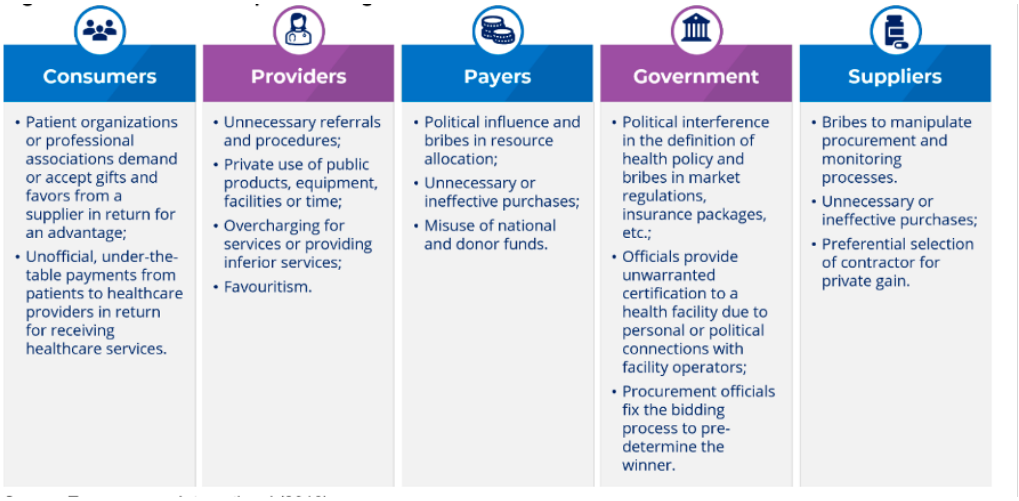
4.3.1 The targets of mitigating measures

The health sector is a complex area of governance, involving a large number of different actors, relationships, and processes. The actors involved in health care are typically classified into five broad categories (Hussmann 2020; Transparency International 2016):

- Government (parliaments, health ministries, and specialised health regulation, oversight, or public health agencies);
- Payers (public social security institutions, private insurers, government health funds);
- Providers (public and private hospitals, doctors, pharmacists, NGOs, faith-based organisations);
- Consumers (patients);
- Suppliers (medical equipment, pharmaceuticals, construction, ambulances).

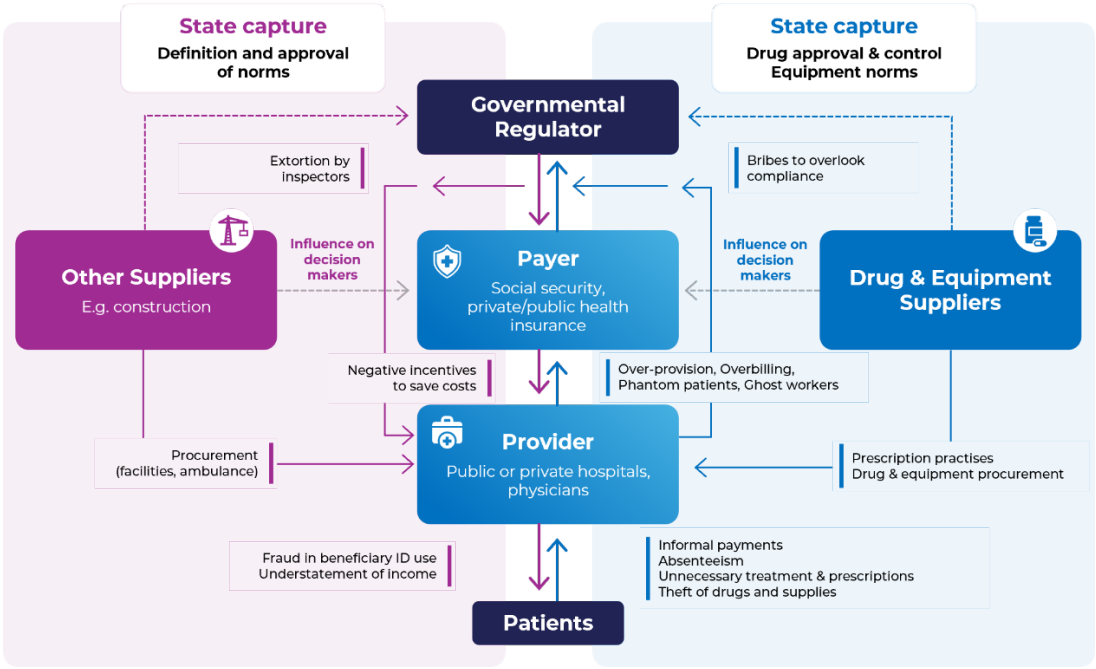
Figures 2 and 3 illustrate some of the forms of corruption and corruption risks arising among these groups of actors, as well as from the relationships between them.

Figure 2 Actors and corruption in the health sector



Source: Adapted from Transparency International (2016).

Figure 3 Relationships and corruption in the health sector



Source: Adapted from Savedoff and Hussman (2006).

Needless to say, given the complex character of the health care system, there is no such thing as a one-size-fits all solution to the problem of corruption but mitigation strategies must be – and are to some extent already – tailored to the different types of corruption that might arise among the different actors, in different contexts, as well as in the different relationships and processes involved. This said, anti-corruption in the health sector always takes place within the framework of – and depends on – a broader, non-sector specific anticorruption framework (Hussmann 2020; European Commission 2013). It moreover takes place within the broader framework of healthcare policies and practices, including healthcare reforms and general oversight systems that are not specifically aimed at targeting corruption (European Commission 2013).

Non-sector specific policies, practices, and institutional frameworks that are often put forward in the literature as being of particular importance for successful anti-corruption in the health sector include (see European Commission 2013 for a more detailed description):

- An independent and effective judicial system;
- Anti-corruption legislation and strategies;
- A well-functioning healthcare system;
- Administrative capacity.

4.3.2 Sector-specific mitigating measures

Sector-specific mitigating measures in health care can be divided into a range of different types, depending on their more specific aim (to increase transparency/accountability/information, etc.), and depending on what actors, relationships, and processes they target (the relationship between healthcare provider and patient/healthcare provider and supplier/government and payer, etc.). A large number of measures are at play, potentially important for the effective mitigation of corruption in the health sector in EU Member States.

According to the respondents of the *LRCC survey*, measures that have proven successful in at least some EU Member States range from professional training, (e.g. Estonia, Germany, and Slovenia) and Codes of Conduct (e.g. Estonia, Spain, Croatia, Ireland, Romania, Spain, and Slovakia) to the management of Conflict of Interest (e.g. Slovenia and Croatia) to different types of monitoring and oversight mechanisms (e.g. Ireland, Malta, Austria, Cyprus, and Belgium). Other measures that have proven effective in the context of EU Member States and that are pointed to in the *LRCC survey* include public awareness raising (e.g., Slovenia, Lithuania, and Latvia), e-prescription (e.g. Greece), open procurement (e.g. Romania), and access to information (i.e. Slovenia). Many of the LRCC respondents also point to the importance of different types of legislation, regulations, and public policies. For instance, in Denmark, physicians must notify the public hospital if they also work for a private clinic or hospital. In Malta, the Health Care Professions Act (Cap. 464 of the Laws of Malta) establishes professional councils that regulate the ethical conduct of members of the profession (doctors, pharmacists, dentists, nurses, midwives, and complementary professionals). The bodies have disciplinary powers. In many countries, the acceptance of gratuity payments by health care providers is forbidden by law (e.g. Poland, Sweden, and Hungary). Many countries, moreover, offer a whistleblower function and/or protection (Germany, Ireland, Slovenia, and Sweden).

Below, these measures, along with a variety of others aimed at mitigating corruption in the health sector, are further listed and discussed, based on the categorisation and discussion offered by UNODC (2023; see also European Commission 2013; Hussman 2020; Vian 2008). The list should not be considered exhaustive, but covers measures that are widely discussed and for which some sort of evidence exists in terms of their effectiveness (from inside or outside the EU). That said, there may be other measures that are potentially effective in the fight against corruption in health care but are not covered in the report. UNODC (2023) divides the sector-specific mitigating measures into three larger groups:

- Process-based: Strategies that foster a preventive approach aimed at implementing or strengthening controls through, for instance, increased transparency, information, accountability, or integrity.
- Actor-based: Strategies that foster a preventive approach but focus on the people carrying out the process rather than on the process itself.
- Enforcement-based: Strategies that address the corrupt act after it has occurred.

4.3.2.1 Process-Based Mitigation Measures

Transparency and accountability

Efforts to improve transparency and accountability within the health system include adopting open contracting in health-care procurement, which may entail publicising procurement data, publishing rules and regulations, increasing digitalisation and providing real-time access to records across health agencies and legislative reform. It also includes transparency in the pharmaceutical supply chain and in the relationship between healthcare providers and patients. Examples include (cf. UNODC 2023):

- The introduction of eHealth (see Box 4 below);
- Creating centralised and secure document portals so that health workers can easily access patient information to deliver adequate treatment;
- Making information about grants and donations publicly available (cf. the 'Sunshine Act', see Box 5 below);
- Creating mechanisms for review, validation and verification of procurement data to ensure that it is complete and of high quality prior to publication;
- Implementing open contracting initiatives such as integrity pacts, e-procurement, open contracting data standards and monitoring red flags. For instance, EU Member states need to publish information about the opportunities and awards of public contracts valued over a certain threshold, depending on the sector (European Commission 2025). The reporting and publication are centralised through the EU Publications Office and made available through the Tenders Electronic Daily (TED) portal;
- Transparent waiting lists (see in-depth case study below);
- Adopting measures to avoid conflict of interest in procurement processes, such as enhanced scrutiny of bidding entities and prominent public officials, and mandatory beneficial ownership declarations for all involved entities;
- Promoting collection and publishing of beneficial ownership information or facilitating access to such information through registries or online systems based on adequate, accurate and up-to-date information;
- Engaging with other stakeholders such as the private sector, civil society and academia ito identify risks related to public procurement and developing joint recommendations on how such risks can be mitigated;
- Ensuring that due diligence checks related to potential suppliers are carried out, including:
    - Verifying the legal status and type of organisation of potential suppliers, including the jurisdiction of incorporation;
    - Identifying any issues related to beneficial ownership of potential partners;
    - Assessing and verifying the financial or organisational ownership structures of potential suppliers and determining any conflicts of interest;
    - Conducting a review of the potential supplier's corruption-related track record, for example, if there are any past incidents or debarment cases on record;
    - Evaluating the quality of any existing anti-corruption programmes carried out by the potential partner.

Box 4 eHealth in the European Union

The Cross-Border Healthcare Directive (2011/24/EU), adopted in 2011, means that citizens can access healthcare services in other Member States under conditions similar to those of their home countries. The Directive, moreover, enables Member States to exchange health data securely and efficiently. For example, Article 14 of the Directive on digital health established the eHealth Network – a voluntary network connecting national authorities responsible for eHealth across Member States. The eHealth Network supports cooperation and the development of shared guidelines and standards to advance health data exchange across borders. Currently, two electronic Cross-Border health services – ePrescriptions and

Patient Summaries – are being introduced in all EU countries. Citizens can easily view the services already active under MyHealth@EU, a centralised platform to make interoperability easier and to exchange health data across borders.

Yet, as pointed out by the European Commission, access to health data across the EU is currently fragmented. Health data is collected and stored by healthcare providers and institutions in different formats, making it difficult for individuals and professionals to access and share it. Similarly, while some Member States have adopted digital health systems, others continue to rely on paper records and disconnected digital systems. On February 11, 2025, a new Regulation on the European Health Data Space entered into force, to address these issues as one of the central building blocks of the strong European Health Union. The European Health Data Space (EHDS) is a health-specific and governance framework designed for sharing health data across borders within the European Union, establishing clear rules, common standards, and practices along with digital infrastructures like MyHealth@EU and HealthData@EU, aiming to improve healthcare.

Box 5 The Sunshine Act in the European Union Member States

The 'Sunshine Act' is originally a 2010 United States healthcare law to increase transparency of financial relationships between healthcare providers and the pharmaceutical industry. More specifically, the U.S. Sunshine Act requires manufacturers of drugs, medical devices, biological and medical supplies covered by the three federal healthcare programs Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) to collect and track all financial relationships with physicians and teaching hospitals and to report these data to the Centers for Medicare and Medicaid Services (CMS). However, to date, only a few countries in the European Union have introduced a Sunshine Act, including France, Denmark, Belgium, Italy, Portugal, and Slovakia. Most countries in Europe instead rely on self-regulation and self-reporting of pharmaceutical payments. However, even though The European Federation of Pharmaceutical Industries and Associations' (EFPIA) Code of Conduct, which governs the disclosure of transfers of value between pharmaceutical companies and healthcare providers, recommends that transfers of value should be published on a public platform, the EU still has no such joint centralised platform for collecting disclosure data. While the EFPIA Code covers 33 European countries, only 8 countries (Belgium, the Czech Republic, Denmark, France, the Netherlands, Portugal, Romania, and the United Kingdom) publish such information through platforms (U4 2021).

Citizens' access to Information

Within health systems, citizens' access to information is vital so they can oversee government activity, promote accountability, and provide external oversight of areas where abuses of power and other illegal activities may have been otherwise hidden. Often, even low-cost improvements that foster the disclosure of information and the public's ability to access it can bring significant gains. Examples include (cf. UNODC 2023):

- Strengthening freedom of information legislation, for example, by expanding the scope of information covered, limiting grounds for denial of access, and ensuring short timelines and follow-up when requests for information are received so that citizens have access to budget, supplier and organisational data;
- Publishing up-to-date prices paid for medical products and services for the public to view, to mitigate opportunities for price gouging;
- Publishing information about potential generic substitutes;
- Clarifying, in patient-friendly language, fees for services or any additional charges.

Box 6 The Publication of medication prices in the European Union

In the European Union, the publication of medication prices is primarily governed by the Council Directive 89/105/EEC, which mandates transparency in pricing and reimbursement decisions. This directive requires EU Member States to provide information about medicine prices, including list prices, publicly available through national databases. The EURIPID database contains data on official prices of publicly reimbursed medicines, mainly in the out-patient setting, that are published by public authorities in line with the EC Transparency Directive (Council Directive 89/105/EEC).

Simplification of processes

Policies, procedures and rules should be clear and easier to understand, and the number of steps required to access health services should be minimised. Overly complex procedures can be frustrating for users and may consequently create an opportunity for healthcare workers to demand bribes from those requiring services from the authority to guide them through or quicken the process. Examples include:

- Implementing a centralised online appointment service;
- Making patient feedback easier to submit;
- Implementing an e-procurement system.

Reporting mechanisms

Patients are often the ones who witness or experience corruption. However, such incidents are rarely reported because patients do not always know how and where to report them. Indeed, in the 2025 Special on citizens' attitudes towards corruption (European Commission 2025), 55 per cent of the respondents stated that they do not know where to report a case of corruption. Additionally, if they do know how and where to report incidences of corruption, they may instead be fearful of having their access to health services denied or of their complaint being ignored. Front-line health workers are also frequent witnesses to corruption and need to be able to report it without fear of consequences. However, the fear of retaliation and victimisation can prevent them from reporting colleagues or managers for their acts of corruption. The use of technology is increasingly playing an instrumental role in facilitating citizen and health workers' reporting of corruption. Examples include (cf. UNODC 2023):

- Creating or strengthening institutional whistle-blower policies;
- Developing websites and smartphone applications that enable citizens to report incidents of corruption easily and anonymously;
- Publishing citizen report cards;
- Gathering, and where pertinent, publishing information on identified conflicts of interest.

Addressing Conflicts of Interest

Conflicts of interest create an environment in which public systems can be manipulated for personal gain, and decisions resulting from conflicts of interest that redirect health services unfairly can have a devastating impact on patient outcomes. For example, if doctors get invited to fancy lunches or trips by pharmaceutical companies, this might lead to a situation in which their integrity is compromised in terms of which medicines they are more likely to prescribe, with a potentially substantial negative impact with regard to both the costs and quality of health care. Or if a pharmaceutical company funds a researcher within the medical field, this might lead to a situation in which evidence in favour of a certain treatment or medication is not scrutinised in a systematic and academically rigorous manner, with potential negative effects for the efficiency of the market as well as for patient safety and

health. Conflicts of interest might also take place in the procurement of health care infrastructure, such as hospitals, with potential negative effects in terms of equal opportunities, accessibility, and safety. Examples of mitigation strategies to manage conflicts of interest in the health sector include (cf. UNODC 2023):

- Introducing or enforcing mandatory interest declarations for all employees above a certain rank, and a system for verification;
- Administering a strict enforcement and sanctioning regime for non-compliance with interest declaration requirements;
- Publication of guidelines for managing conflicts of interest with clear definitions of key terms such as interested persons, permitted and non-permitted relationships, financial interest, etc.;
- Carrying out research into the impact of conflicts of interest on health service delivery to provide a more substantial evidence-based policy design and implementation.

Performance indicators for health service delivery

To reduce corruption risks, health care service delivery indicators can be used. Such indicators aim at improving the monitoring of service delivery to increase public accountability, good governance, and targeted intervention by assessing the quality and performance of health services. The indicators typically cover patient experience and satisfaction (e.g. patient satisfaction scores, patient wait times, etc.), operational efficiency (e.g. bed occupancy rate, medical equipment utilisation, bed turnover rate, etc.), clinical quality and safety (e.g. medication error rate, re-admission rate, patient safety incidents, etc.), and staff and financial management (e.g. doctor/nurse-to-patient ratio, staff retention rate, etc.). Additional examples include (cf. UNODC 2023):

- Incorporating indicators into procurement contracts to, for instance, prevent counterfeit items such as medicine or medical equipment and devices from reaching patients;
- Tracking the variation between the proposed budget for a service contract and the actual end cost, in order to identify potential corruption risk areas;
- Publishing data on the numbers of marginalised and vulnerable groups that have accessed treatment through the service provider;
- Publishing indicators for absenteeism, reported wastage, etc.;
- Develop and monitor Key Performance Indicators (KPIs) before payments.

Coordination

To help reduce corruption in the health care system, Linkages can be established between the health system and other relevant sectors that intersect with the health system. Examples include:

- Engaging in collective action with other key stakeholders (such as public sector organiSations, private businesses, academia, and civil society) to jointly strengthen integrity in the health system.
- Developing an inter-agency forum for coordination and sharing of best practices. For example, in Sweden, regions have had a common national knowledge management system for healthcare since 2018. Since municipalities also provide healthcare, the national steering group for knowledge management in social services (S-KiS) has recommended municipal participation in six national program areas (NPO): Children's and young people's health; mental health; primary care; elderly health and palliative care, and rehabilitation, habilitation and insurance medicine lifestyle (SKR 2024). In Slovenia, health promotion centres within health care centres play a coordinating role, tying together different stakeholders to reduce health disparities at the community level. Health professionals can better identify and address the health needs of vulnerable populations and provide equal access to health care (including preventive services) by involving and reaching out to individuals who trust them and offering help to those in need.

Checks and balances

When functions of the health system are decentralised or (in part) handed over to the private sector – which is the case in many EU Member States – oversight and monitoring mechanisms might help reduce the risk of corruption. Checks and balances include:

- Patient survey on quality of services received;
- Periodic unannounced visits by public officials;
- Periodic unannounced visits by regulators;
- Creation of an independent public Ombudsman service to handle complaints.

4.3.2.2 Actor-Based Mitigation Measures

Codes of conduct

Codes of conduct are typically portrayed as essential integrity instruments that inform people working in the health system that corrupt behaviour will not be tolerated. A code of conduct also ensures staff is informed of the values and professional standards expected from them. Training on the code of conduct should include information on why codes of conduct matter and how to uphold them in a given health-care setting. While there is no single overarching EU code of conduct for all healthcare personnel, Many EU Member States, including (but not exclusive to) Estonia, Spain, Croatia, Sweden, Ireland, Romania, and Slovakia, provide Codes of conduct for medical professionals. Moreover, specific industries within the healthcare sector have developed their own ethical codes, such as the EFPIA Code for the pharmaceutical industry and the MedTech Europe Code for medical technology. These industry-specific codes aim to create a level playing field for ethical conduct across Member States by focusing on principles like transparency, integrity, and the ethical handling of information and financial interactions.

Public awareness raising

Article 13 of the United Nations Convention against Corruption (UNCAC 2003) calls upon government actors "to take measures .... to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption", thus recognising awareness raising as a key preventive measure against corruption. Beyond national governments, many anti-corruption actors, including international organisations, civil society organisations and media, carry out awareness-raising campaigns to raise public consciousness about corruption, through channels such as school outreach, posters and billboards, and television, radio and social media platforms (Sauve et al. 2023; Ishikawa 2024).

Box 7 The 'Thank You, I Don't Take Bribes' campaign in Slovakia

One interesting case in point of public awareness raising in the EU is the campaign Ďakujem, úplatky neberiem (Thank You, I Don't Take Bribes) in Slovakia in 2012, in which physicians themselves spread awareness by signing a public petition declaring that they did not accept bribes or other forms of informal payments. The doctors who signed the petition declared this by wearing or displaying a badge stating the campaign slogan. Patients were at the same time encouraged to report doctors who took bribes. The initiative quickly spread and received the support of Medical Trade Unions Association (LOZ), before gaining the support of Marian Kollár, the president of the Slovak Medical Chamber (SLK).

Box 8 The 'Bribery is a harmful habit' campaign in Lithuania

In Lithuania, the Ministry of Health launched a social campaign in late 2024, informing that 'Bribery is a harmful habit'. This campaign invites the public to raise awareness and discuss bribery as a harmful habit, similar to smoking. Various national institutions contribute to the social campaign, and well-known public figures are invited to speak on the campaign's social media accounts.

Social accountability

Social accountability initiatives are typically considered very promising – even key – in the fight against corruption, including in the fight against health sector corruption. Social accountability is a participatory process in which citizens are engaged to hold politicians, policy makers and public officials accountable for the services that they provide – and for any misuse or abuse of their position or resources (Danhoundo et al. 2018). Community participation is at the heart of social accountability interventions. Community participation in health refers to users of services influencing and exercising control over service delivery. Participation can take many forms and can increase accountability by influencing policymakers and service providers to improve health services and reduce the risk of corruption. Social accountability initiatives aimed at preventing corruption in health care include such measures as:

- Involvement in health committees in developing plans for health facilities;
- The launch of citizen oversight committees to supervise the distribution of vital medicine, vaccines, or treatments, including representatives from community-based organisations and civil society in relevant health decision-making processes through committees or other multi-stakeholder structures;
- Managing health centre finances;
- Monitoring provider presence and performance at health facilities;
- Informing (potential) patients about their rights and teaching them how to lodge complaints;
- Monitoring citizen engagement with health-facility personnel and providing information for citizens about the facilities' operations;
- Social audits to collect qualitative and quantitative data on citizen opinions about and lived experiences with services;
- Initiating scorecards to help facilitate relationships between community members, health service providers, and local government officials by building mutual accountability and promoting locally relevant and feasible solutions to problems;
- The establishment of health facility committees, health facility charters, and citizen report cards.

Social accountability initiatives also include the use of innovation and technology platforms that enable citizen monitoring and strengthen access to public information, to help expose and reduce corruption (cf. Danhoundo et al. 2018; Hussman 2020; Vian 2020).

However, despite the increased use of social accountability initiatives, to date, no mapping has been conducted that systematically shows the different ways in which such initiatives are used in the health sector in EU Member States. However, a quick scan reveals that such initiatives indeed seem to be quite widely present. Box 9 below describes a selection of promising initiatives.

Box 9 Social accountability in Portugal and Italy

Portugal

The Portuguese National Health Council, established in 2017, serves as a national social participation mechanism. This independent advisory body brings together civil society organisations, regional health

authorities, academia, and professional associations. It provides non-binding recommendations on health policies to the Ministry of Health and the Parliament to increase transparency and accountability by incorporating user voices in shaping health planning and policymaking.

Italy
The Citizen Council for Health in Tuscany, Italy, promotes citizen involvement in the design and development of social and health services. It gathers input from citizens, local health authorities, and university hospitals. Since 2018, over 1000 citizens have participated in working groups exploring topics such as waiting lists, clinical risks, and training. Looking forward, the Tuscany Region aims to involve more citizens and increase direct citizen participation of youth.

Source: EuroHealthNet (2024)

Training

Health-care personnel, including doctors, nurses, and pharmacists, need to be educated on the corruption risks that may be found within a health system, how to recognise them, and what to do if they are observed. Such education can take many forms, but should include recognising corruption risks and what to do if and when they encounter them. Examples include (cf. UNODC 2023):

- Mainstreaming anti-corruption training and education modules into health professional curricula;
- Introducing mandatory behavioural insight training and ethical dilemma modules into the health training curriculum;
- Prioritising the integrity of academic medicine over economic interests. The integrity and independence of medical research are key to the realisation of the right to health, and medical professionals should be trained on the conflicts of interest that can arise if economic interests are allowed to take precedence over the quest to further medical knowledge.

EU Member States such as Estonia, Sweden, Germany, and Slovenia all provide such training.

Human Resources Management

Removing opportunities for corruption at all stages of the employment process, from recruitment to retirement, will allow patients to receive better health-care services, and help ensure that human resources systems are transparent, systematic, efficient and based on objective criteria such as merit, equity and aptitude. Examples include (cf. UNODC 2023):

- Introducing frequent unannounced audits to check for absenteeism;
- Requiring regular asset declarations for staff with access to finances and accounts, or who are in a position to seek payment for assigning jobs;
- Introducing rotation systems for managers to limit the opportunity for officials to create corrupt networks in lucrative posts.

4.3.2.3 Enforcement-Based Mitigation Measures

Disciplinary procedures

Whereas prevention and monitoring play a key role in anti-corruption, punishment regimes are also key, after corruption is detected. In line with this, any staff member found to have engaged in corruption should face visible

disciplinary action to act as a deterrent for others. Disciplinary procedures should be clearly explained, including the escalation of actions that may be taken (e.g. a written warning for first offences, or dismissal and prosecution for major corruption), and should be easily accessible for staff to view (cf. UNODC).

Internal corruption investigation and resolution processes

Internal corruption investigation and resolution processes are crucial in deterring, reporting and resolving corruption cases, and increasing healthcare providers' and patients' confidence that their reports will be investigated. As emphasised by UNODC (2023), internal investigations should be carried out transparently and objectively, and management should take steps to ensure that investigations are not used to pressure or intimidate others within the organisation. Examples include (cf. UNODC 2023):

- Ensuring that a comprehensive internal investigation policy is developed, and that all staff members are trained in the policy and how it impacts their roles, responsibilities and rights;
- Establishing effective communication channels with law enforcement authorities, so that cases where internal investigations conclude that a crime might have taken place can be efficiently transferred to the appropriate law enforcement authorities for further action;
- Introducing procedural safeguards to guarantee that the actions of internal disciplinary bodies are free from internal or external influence, as well as from any form of conflict of interest;
- Ensure that safeguards are in place to protect whistle-blowers.

Communication of enforcement outcomes

Publishing or otherwise communicating the results of internal disciplinary measures or external law enforcement activities can act as a deterrent to potential perpetrators, who may reconsider their course of action if they see adverse consequences as a real and likely prospect. Steps to take in this regard may include (cf. UNODC 2023):

- Publishing statistical data on the enforcement of integrity standards in order to provide insights into key risk areas;
- Creating a public relations team to work with local and national media to publicise successful anti-corruption enforcement cases.

The opposite is also true, in that alongside publishing successful corruption investigations, disciplinary measures, or prosecutions, resources can also be directed towards publicising and rewarding the actions of employees who demonstrate integrity as they carry out their duties. Ensuring that positive role models are publicly celebrated has proved vital to achieving an organisation's anti-corruption goals (cf. Peiffer and Cheeseman 2022; Agerberg 2022).

Having conducted a broader mapping of main mitigating measures, the next section presents an in-depth analysis of two measures that have been promoted as promising in the fight against corruption in two of the most corruption-prone areas in the health sector in Europe – health service delivery and the pharmaceutical supply chain (see Box 10 and Box 11 for a short description of corruption in these two areas) – and which also have the potential to enhance the already existing EU-level framework: (1) Transparent waiting lists to mitigate corruption in health service delivery, and; (2) The generic prescription and/or substitution of medicines.

4.4 Analysis of corruption mitigation measures carrying the potential to enhance the already existing EU-level framework

Although there is significant variation across EU Member States, three areas within healthcare stand out as particularly riddled by corruption – health service delivery, the pharmaceutical supply chain, and health procurement (cf. Sommersguter-Reichmann and Reichmann 2024, see Box 10 and 11 for a short description of corruption in health service delivery and in the pharmaceutical supply chain, which are the two areas in focus of the mitigation measures discussed in this section).

This section provides an in-depth analysis of a selection of two seemingly particularly promising mitigation strategies targeted at corruption in *health service delivery* (with a focus corruption taking place in the interaction between healthcare providers and patients) and the *pharmaceutical supply chain* (with a focus on corruption taking place in the interaction between pharmaceutical suppliers and healthcare providers), namely: *transparent waiting lists* and *generic prescription and substitution of medicines*.[56] The selection of these two measures is based on: (1) the scope of the problem corruption causes in the areas these measures target in many EU Member States, (2) the expected positive impact, and (3) the potential of the selected mitigation measures in each area have to enhance the already existing EU-level framework.

Box 10 Corruption in health service delivery

Bribery and favouritism in provider-to-patient service delivery are very common forms of corruption in many EU Member States. Both phenomena constitute a major problem at the individual as well as societal level, as they decisively and negatively affect the principle of equal access to healthcare. In EU Member States, bribery and personal connections are typically used to obtain: (1) access to healthcare, (2) preferential treatment, and/or (3) better quality of healthcare (EU 2013). Personal connections can be in the form of family, extended kinship, friendship, professional ties, or other personal connections to get access to healthcare, preferential/favourable treatment, or better quality. Bribery can take place either before or after treatment. It can be offered by the patient or asked for/demanded by the health care provider. And it can be in the form of cash, a service, or a gift. A bribe can also be indirect in the sense that it takes the form of misuse of dual practices (EU 2013; Vian 2020). A physician may, for example, divert patients from the public sector to their own private practice or ancillary services in which they have a financial interest. Dual practice may, in this way, also increase absenteeism, which is another main problem of corruption in the health sector (Vian 2020).

Box 11 Corruption in the pharmaceutical supply chain

Within the health sector, the pharmaceutical supply chain stands out as an area that is particularly prone to corruption in many EU Member States and beyond. There are abundant examples of how corruption in the pharmaceutical sector endangers health outcomes. Whether it is a pharmaceutical company bribing a doctor for prescribing its medicines, or a government employee facilitating the infiltration of substandard medicines into the distribution system, public resources are wasted, the effectiveness and efficiency of the health sector undermined, and patients' health put at risk (cf. Transparency International 2016).

The in-depth analyses of the two measures aimed at mitigating corruption in health service delivery, respectively, the pharmaceutical supply chain, follow a similar approach. They begin with a brief description of the problem at hand, followed by a description of the specific mitigating measure, an illustration of its state of play in EU Member

[56] The procurement sector will not be part of this analysis since it is treated in detail in the first chapter of this report.

States, and a discussion of available evidence of the measure's effectiveness. The analysis is concluded with a discussion of the measure's potential to enhance the EU-level anti-corruption framework, with a focus also on any potential obstacles to its successful implementation.

4.4.1 Transparent waiting lists

Long waiting lists are among the greatest obstacles to accessing quality health care in time in Europe (cf. Economist 2013). According to data from Eurostat (2024), the two most common reasons for unmet needs for medical care in the EU in 2023 were waiting lists or the cost being too high. Together, these two reasons accounted for more than half of all people who reported an unmet need for medical care. As a share of all people (aged 16 years or over), this was 1.2 percent for waiting lists and 1.0 percent for reasons of being too expensive. A waiting list hindering medical care was the most frequently cited specific reason for unmet medical care needs in Estonia, Ireland, Spain, Latvia, Lithuania, the Netherlands, Austria, Poland, Slovenia, Slovakia, Finland, and Sweden in 2023. In Hungary,[57] this was the joint most frequent specific reason, along with wanting to wait and see if the problem got better on its own, while in Germany, it was the joint most frequent specific reason, along with medical care being too expensive. In response to the problem of long waiting times, the European Union introduced regulations in 2011 that allow patients to seek care in other member states if there are long delays in treatment (Directive 2011/24/EU of the European Parliament and of the Council of 9 March 2011 on the application of patients' rights in cross-border healthcare).

4.4.1.1 Current state of play: Corruption in relation to waiting lists

Long waiting lists pose a major risk of corruption, as they create incentives for bribery (European Commission 2013; WHO 2018). Corruption occurs when a healthcare provider asks for a bribe to allow the patient to jump ahead of the waiting list or invites the patient to go to a private clinic, in which the healthcare provider has a vested interest. The existence of dual practice in the face of long waiting lists might also increase the risk of absenteeism, another major problem in the health care sector that risks further spurring long waiting times.

The problem of corruption in relation to waiting lines indeed seems to be quite substantial in the EU. In a 2013 study (European Commission, 2013), experts from different Member States were asked to provide information about cases of corruption in the EU that had been proven in court or appealed to court. Of the 17 identified cases of bribery in service delivery, the vast majority were related to preferential treatment, particularly the bypassing of waiting lists. In line with this finding, bribes in return for skipping the waiting line seem to be common in many EU Member States. For instance, according to a 2016 Censis survey, 13.5 million Italians were able to bypass the waiting list by leveraging friendships, recommendations, or giving gifts. The 'Nursing Corruption' report by Transparency International Italy, Censis, ISPE Sanità and RiSSC confirms that wait list management is at a high risk for corruption (Abbas 2018), as well as does a survey of Italian healthcare staff's perceived risks of corruption (Previtali and Cerchiello 2018).

In Cyprus, journalists have throughout the years revealed how some physicians working in the public sector, particularly specialists, classify patients as emergency cases in exchange for money so that they can skip the waiting list. Recently, complaints were filed against doctors who allegedly requested bribes to expedite patient appointments and surgeries (KNews 2025).

[57] Official data from Hungary indicates that the current number of patients on Hungarian healthcare waiting lists is nearly 40,000, and it is not uncommon for certain procedures to be scheduled after waiting periods exceed six months. A recent countrywide survey conducted by Atlatszo (https://english.atlatszo.hu) revealed that patients wait months to over a year for crucial surgery.

A survey conducted in Greece reveals that bribery in doctor-to-patient service delivery appears to be widespread in this context as well (see Liaropoulos et al., 2008). This concerns both the provision of hospital services and payments to individual physicians, primarily surgeons, so that patients can bypass waiting lists or ensure better quality of service and more attention from doctors. Using a sample of 4 738 individuals, the survey found that 36% of those treated in a hospital reported at least one informal payment to a doctor. Of these, 42 per cent reported that the payment was given because of the fear of receiving sub-standard care, and another 20 per cent claimed that the doctor demanded such a payment. The probability of making extra payments was 72 per cent higher for patients aiming to 'jump the queue', compared to those admitted through normal procedures. In addition, surgical cases had a 137 per cent higher probability of making extra payments compared to non-surgical patients (Liaropoulos et al. 2008).

Bribes are not only used to skip the waiting line, but can also be used to allow a patient to overstay, thereby indirectly depriving other patients of the opportunity to receive treatment in time. For example, in July 2022, an indictment against the former head of the palliative care department of a hospital in the small town of Chodzież in Poland was filed in court. The physician was accused of accepting or extending the stay of patients in his ward in exchange for bribes from families, from several hundred to several thousand zlotys. He did this even though the patients did not require extended stays (VSQUARE 2023).

Not only bribes but also personal connections play an important role. During the COVID-19 pandemic, media widely reported on how well-connected individuals in Europe and beyond were acquiring vaccines by way of favouritism, even though they did not meet the criteria to join the front of the line, and at a time when even many health care workers had yet to be vaccinated (Taylor 2021).

In summary, many EU Member States seem to face problems with corruption in the relationship between healthcare providers and patients, not least pertaining to waiting lists. Thus, the introduction of transparent waiting lists, the essence of which is described below.

4.4.1.2 Case study: The introduction of transparent waiting lists

In an attempt to reduce the risk that waiting lists provide a platform for corrupt exchanges, there has been a call for the introduction of *transparent waiting lists* (cf. European Commission 2013). The basic idea behind such transparent waiting lists is that the publication of such will make it more difficult for healthcare providers to demand or accept bribes to allow patients to jump the queue when both patients and other parts of society have the opportunity to track – and subsequently act upon and report – any 'unnatural' changes in waiting times. Transparent waiting lists in this way constrain the discretionary power of the individual health provider – and thus the opportunities for corruption.

Several EU Member States and candidate countries have introduced transparent waiting lists with the outright ambition to reduce corruption in relation to waiting lists.[52]

For example, Austria and Croatia have both introduced transparent waiting lists to mitigate corruption risks in relation to waiting times, with reportedly promising results – at least initially. In Croatia, long waiting lists are considered to constitute a considerable risk for corruption, as one of the main forms of corruption is paying bribes to jump these lists (European Commission 2013). To curb this problem, the health ministry launched a pilot initiative to publish open waiting lists – a measure that obliges hospital executives to disclose lists to patients, showing them their position in the line-up to receive medical treatment (Transparency International 2006). Within this initiative, lists were made accessible at hospital and clinic reception desks, and patients who did not want their names to be made public could ask to be listed by number instead. Complaints about irregularities could be made to the head of the hospital or to the Health Ministry. With the help of TI Croatia, waiting lists at two major hospitals in Zagreb, Dubrava and Sveti Duh were published in hard copy and on the Internet in late 2004 and

2005. A hotline run by TI Croatia to monitor the effectiveness of the initiative received 90 calls about the Dubrava Hospital waiting list within the first few months, starting in October 2004. The pilot initiative was set to become a precedent in curbing corruption in healthcare delivery by making it more open and transparent (see Scepanovic 2006). However, the extent to which this further implementation of the initiative has come is unclear. Critics point to how the Croatian health system still suffers from significant corruption in the relationship between doctor and patient. Doctors working in the public health system have been known to funnel patients to their private practices where they can charge fees – something that is technically legal but widely loathed. In fact, according to recent official statistics, one-third of the country's 7,000 hospital doctors also work at private clinics, opening up for bribery as well as absenteeism (The Jordan Times 2024).

In Austria, the experience seems to be more positive. Since 2011, Section 5a of the Hospital and Health Resort Act requires the Federal States (which run the hospitals) to maintain transparent waiting lists if the respective waiting time exceeds four weeks. This applies to both public and private hospitals. The introduction of transparent waiting lists has reportedly had a positive effect on healthcare bribery in Austria (European Commission 2013). However, this said, it still seems to be the practice that patients can shorten the waiting time for an operation if they make a payment or are a private patient of the doctor who is performing the operation (Gesundheitswirtschaft 2023a). According to a 2019 study by the Institute for Advanced Studies (IHS), 9.8 percent of patients scheduled for hip, knee or shoulder surgery said they had been offered the opportunity to shorten their waiting time by making private payments or visiting a private practice. Study author Czypionka assumes "that this number is unlikely to have changed significantly to date (Gesundheitswirtschaf 2023). Moreover, as of 2023, only one of the six hospital operators used compliance instruments to ensure proper sequencing of surgical waiting lists (Gesundheitswirtschaft 2023b).

Within the framework of the project *Let's cure the health care*, financed by the European Union and implemented by Transparency International BiH (TI BiH) and the Centre for Civic Initiatives (CCI), the Cantonal Hospital Zenica in the EU candidate country Bosnia and Herzegovina (BiH) was the first health care institution in the country to accept and implement innovative software/program for automatic creation and public disclosure of patient waiting lists. Patients of this hospital, as well as other interested parties, including other citizens, non-governmental organisations, and media, have, thanks to the project, been able to follow the updated waiting lists on the website of the Cantonal Hospital Zenica. The key – and reportedly positive – results of the project were presented in May 2022 (see European Union 2022). By way of summarising, the introduction of transparent waiting lists, although not perfect, seems to show promise in terms of the chances of reducing the opportunities for corruption in the relationship between providers and patients.

4.4.1.3 Relevance for the EU framework

The potential for the transparency of waiting lists as a corruption-mitigating measure to be replicated at the EU level seems quite considerable. The transparency of waiting lists is also clearly in line with the priorities of the European Health Union and the Political Guidelines for the European Commission for 2024-2029 in ensuring equal access to quality treatment.[58] While the anti-corruption and the public health objectives sought by transparent waiting lists are both supported as policy priorities, identifying the corresponding EU competence needs careful consideration, as in the field of public health, the EU predominantly supports and complements EU MS national health policies. The EU's competencies on public health are established in Article 168 TFEU, with some aspects of public health policy being addressed by invoking competencies related to the single market in Article 114 (single market) and social policy. Article 35 of the Charter of Fundamental Rights of the European Union stipulates that "Everyone has the right of access to preventive health care and the right to benefit from medical treatment under the conditions established by national laws and practices. A high level of human health

[58] Europe's Choice: Political Guidelines for the Next European Commission 2024-2029 Strasbourg18 July 2024 p9. The European Health Union: acting together for people's health, COM(2024) 206 final.

protection shall be ensured in the definition and implementation of all Union policies and activities." Although public health policy has recently taken centre stage in EU policymaking with the COVID-19 pandemic, the EU must respect the responsibilities of the member states in defining their health policy and for the organisation and delivery of health services and medical care (Article 168 (7) TFEU). Since waiting lists are essentially part of the management of national health services and medical care, EU measures must remain complementary and may only support EU Member State actions.

Complementary measures at the EU level may include, as a first step, launching and supporting evidence-gathering and data collection exercises to systematically assess: (1) how transparent waiting lists can be designed best to mitigate the risk of corruption between providers and patients, and (2) the scope conditions for successful initiatives (i.e. can these successful initiatives be easily 'transferred' to other EU Member States)? Other actions that would facilitate the successful implementation of transparent waiting lists in EU Member States include organising experience-sharing workshops, where individuals from organisations with experience in working with such waiting lists can share their knowledge. What worked well? And what potential problems did they face? Another role for the EU could potentially be to provide funding for new initiatives, particularly in EU Member States facing constraints in terms of financial and other resources.

Table 10 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	None
Funding	Set aside funds, particularly channelled to EU MS where general government health expenditure is lower than the EU average, to implement transparent waiting lists. Research funding to evaluate the scope conditions for the successful implementation of transparent waiting lists.
Capacity-building	Data collection based on ongoing and past initiatives to introduce transparent waiting lists, providing a platform for the systematic assessment of how transparent waiting lists can best be designed to mitigate the risk of corruption between providers and patients.
Soft-law / Benchmarking	Recommending specifically to EU Member States to implement transparent waiting lists which show the expected waiting time for different treatments, as well as providing patients with information regarding any potential guarantees in terms of the maximum waiting time allowed for different treatments.
Networking & Outreach	Organisation of experience-sharing workshops.

From analysing corruption in the health sector in general – including in the relationship between provider and patient – it becomes evident that no single solution will ever be sufficient to mitigate the risk of corruption. Rather, the issue must be addressed on multiple fronts and be dynamic in nature. Transparent waiting lists may be vulnerable to certain problems and loopholes. Information made public should fully respect personal data protection and other privacy regulations. The waiting lists themselves may also be susceptible to corruption, even though digital solutions could potentially help circumvent this risk to some extent.

In this context, the recent adoption of the European Health Data Space (EHDS) Regulation[59] should be highlighted as it creates a common EU data space dedicated to the health sector and establishes a harmonised legal and technical framework for electronic health record (EHR) systems, which will inevitably drive further expansion in the digital health sector. As efforts to enhance the transparency of waiting lists evolve, particularly through the

[59] Regulation (EU) 2025/327 of the European Parliament and of the Council of 11 February 2025 on the European Health Data Space and amending Directive 2011/24/EU and Regulation (EU) 2024/2847

creation of publicly accessible online platforms, synergies with the EHDS, which is taking digitalisation to another level, could be well sought. Especially considering that the implementation of the EHDS will be a gradual process that will unfold over time.

It is also clear from the analysis that corruption related to waiting lines is partly a question of resources, in the sense that the risk of corruption increases as resources decrease. As long as long waiting lines persist – as is the case in many EU Member States – there will always be incentives and opportunities for corruption in the relationship between healthcare providers and patients. If there is no effective legal framework in place or no proper mechanism to report misconduct, this may further undermine the positive effects of transparency regarding waiting times. Dual practice could also pose a threat, as it increases the risk of absenteeism, which contributes to making waiting lines for public healthcare even longer. In this discussion, the question of the pros and cons of public versus private (and mixed) healthcare solutions also becomes relevant, which, in many countries, is a highly politicised issue and likely beyond the scope of EU involvement.

That said, given the significant problem of corruption related to waiting times in healthcare, the further development and implementation of strategies capable of mitigating such risks, including transparent waiting lists, should be a priority. Indeed, the added value of the EU in promoting the introduction of transparent waiting lists is potentially enormous. This is because, in the best-case scenario, implementing transparent waiting lists should, alongside other reforms, contribute to ensuring high-quality healthcare in a timely manner, significantly impacting the welfare and well-being of citizens across the EU. In the long run, this is expected to enhance the chances of a healthy population capable of contributing to the economy most effectively. At the individual level, we know that poor health is a significant driver of poverty (O'Donnell 2024), which not only places a considerable burden on individuals but also exerts pressure on social insurance systems throughout the EU. Furthermore, transparent waiting lists will facilitate the allocation of resources to those in need rather than to those who can pay extra for them, thereby helping to uphold core values such as equality, while simultaneously steering healthcare systems across the EU towards more efficient resource allocation.

4.4.2 Generic prescription and/or substitution of medicines

The pharmaceutical sector accounts for a significant portion of health budgets in EU Member States. As reported by OECD/European Union (2024), across the EU, spending on retail (i.e., out-of-hospital) pharmaceutics is generally the third largest cost component (after inpatient and outpatient care), accounting for about one-seventh of all health spending. In 2022, EU countries spent an average of EUR 500 per capita on retail pharmaceuticals, but with substantial differences across countries.[60] Prescription medicines account for three out of every four euros spent on retail pharmaceuticals in the EU. Across the EU, retail pharmaceutical spending is predominantly financed by public payers. On average, around 70 per cent of the total pharmaceutical bill in the EU is covered by government and compulsory insurance schemes. Additional costs of pharmaceuticals in the health system include spending on medicines in the hospital sector and other settings, which typically account for 20 per cent or more on top of retail spending (OECD/European Union 2024).

Against the backdrop of this voluminous spending on retail pharmaceuticals, the 2010 WHO World Health Report estimated that 20–40 per cent of all resources spent on health are wasted, particularly in relation to the use of medicines. The report identified 10 main sources of inefficiency in the healthcare system, of which the inefficient use of medicines accounts for three: the under-use of generic medicines in favour of higher-margin, profit-making

[60] A variety of factors influence the level of per capita spending on retail pharmaceuticals, including distribution, prescribing and dispensing; pricing and procurement policies; and patterns of uptake of novel and generic medicines (OECD/European Union 2024).

drugs, inappropriate and ineffective prescriptions, and substandard or counterfeit products. Corruption is pointed to as the core driver of all these inefficiencies (WHO 2010).

4.4.2.1 Current state of play: Corruption in relation to the prescription of medicines

One relationship that is particularly vulnerable to corruption in the pharmaceutical supply chain pertains to the interaction between pharmaceutical suppliers and healthcare providers (European Commission 2013; Transparency International 2016).

The main underlying reason for this vulnerability is that pharmaceutical suppliers have much to gain in terms of profit from maintaining a good relationship with healthcare providers, as physicians typically have substantial influence over the prescription of medicines. The pharmaceutical industry's vested interest in its relationship with healthcare providers is evident in the fact that the marketing of medicines primarily takes place in interactions with doctors (Transparency International 2016). It is moreover indicated by the large sums that pharmaceutical companies spend on the marketing of medicines towards this group. According to a recent study (Olson 2015), nine out of the ten largest pharmaceutical companies spend more on marketing than on Research & Development. In the United States alone. The pharmaceutical industry spends an estimated USD 42 billion on promotional activities that target doctors annually, which is equal to USD 61,000 per doctor on average (Gagnon 2013). There is little reason to expect pharmaceutical companies active in Europe to be different.

In short, although a close relationship between pharmaceutical suppliers and healthcare providers is important and desirable in order to advance research and medical practices, provide continued medical education, observe side effects and, ultimately, contribute to better healthcare and better lives for patients, when unregulated, these relationships can be mined with conflicts of interest, due to suppliers having a strong interest in maximising profit. Without effective mitigating measures in place, there is thus a considerable risk of corruption (European Commission 2013; U4 2021).

Corruption in the relationship between pharmaceutical suppliers and healthcare providers can take many different forms but is typically characterised by collusion and conflicts of interest. For example, a pharmaceutical company might bribe a physician directly with payments to make it more likely that the company's medicines are prescribed. Or physicians might be invited to seminars, lunches, dinners, or expensive conferences or holiday trips to nice destinations, paid for by the medical company. Or they might be unduly influenced by way of free samples or gifts. Corruption in the relationship between medical suppliers and healthcare personnel also includes the sponsoring of medical equipment or research facilities and activities. This type of sponsoring is often welcomed, in particular if funds for research and education are limited (European Commission 2013). Sometimes, corrupt marketing practices also include pharmaceutical companies providing misleading information regarding the safety and efficacy of a medicine to influence doctors' prescribing habits and encouraging off-label, unlicensed use to increase sales (Fischer 2014; Gulland 2014).

While it is difficult to quantify the prevalence of corruption in the relationship between pharmaceutical suppliers and healthcare providers, it is fair to conclude that improper marketing occurs, although with variable frequency and to a different extent, in all EU Member States (European Commission 2013; Minano et al. 2024).

Examples of corruption scandals pertaining to the relationship between pharmaceutical companies and healthcare providers substantiate this statement as they can be found across the EU, including in countries with otherwise comparatively low levels of corruption. For instance, UK drug company GlaxoSmithKline has faced a criminal investigation in Poland for allegedly bribing doctors. Eleven doctors and a GlaxoSmithKline regional manager were charged over alleged corruption between 2010 and 2012 for promoting GlaxoSmithKline's asthma drug Seretide in return for bribes. A former sales representative for GlaxoSmithKline in the Polish region of Lodz said: "There is a simple equation," "We pay doctors, they give us prescriptions. We don't pay doctors, we don't see

prescriptions for our drugs" (BBC 2014). In 2015, Czech police charged 15 doctors and 19 employees at two pharmaceutical companies with corruption. According to the Czech daily Mladá fronta Dnes, the doctors allegedly received kickbacks in return for pushing the pharmaceutical companies' products (Velinger 2015). In Sweden, two doctors were convicted of bribery for joining a foreign educational trip organised by a pharmaceutical company (Helander 2008). In the Netherlands, a company was fined for organising a seminar for physicians with the aim of discussing the possible expansion of the medical use of Botox to new treatment areas (European Commission 2013). In 2022, two cardiologists at the Isala Hartcentrum - one of the largest cardiology departments in the Netherlands, servicing the provinces of Overijssel, Drenthe and Flevoland – were suspended due to accusations of corruption. The two cardiologists allegedly received millions of euros from pharmaceutical companies in exchange for favouring their products (Dutch News, August 19, 2022).[61] In 2011, Johnson & Johnson (J&J) paid USD 70 million to settle claims it bribed doctors in Greece, Poland and Romania to prescribe its medicines (Securities and Exchange Commission 2011).

4.4.1.2 Case study: The introduction of generic prescription and/or substitution

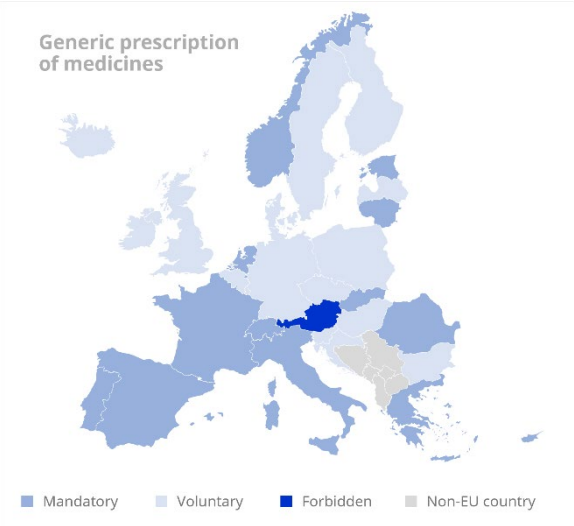
As described, at the core of corrupt exchanges between the pharmaceutical industry and healthcare providers is the possibility of physicians prescribing medicines, giving pharmaceutical companies both the incentive and opportunity to bribe physicians in exchange for the prescription of a particular company's medicine. Indeed, studies have found that healthcare providers who obtain industry-sponsored meals, small gifts, and drug samples are more likely to prescribe the promoted brand drugs, which are also often more expensive than generic drugs. Studies have also shown that interactions between the pharmaceutical industry and healthcare providers are associated with increased prescription rates, lower prescription quality, and/or higher prescription costs (DeJong et al., 2016). All of these outcomes can increase inefficiencies and inequities in healthcare, and also pose a danger for the population, particularly if it results in the promotion of products that are dangerous, risky, of lower quality or of questionable medical value (European Commission 2013).

In an attempt to mitigate this problem, a number of different measures have been suggested, including Codes of Conduct and ethical training programmes. As aforementioned, there have also been calls for a Europe-wide 'Sunshine Act'.

A mitigating strategy that is quite common in EU Member States is the generic (i.e. non-branded medicines that contain the same active substance as an original product) prescription and/or substitution of medicines at pharmacies (see figures 4 and 5 below).

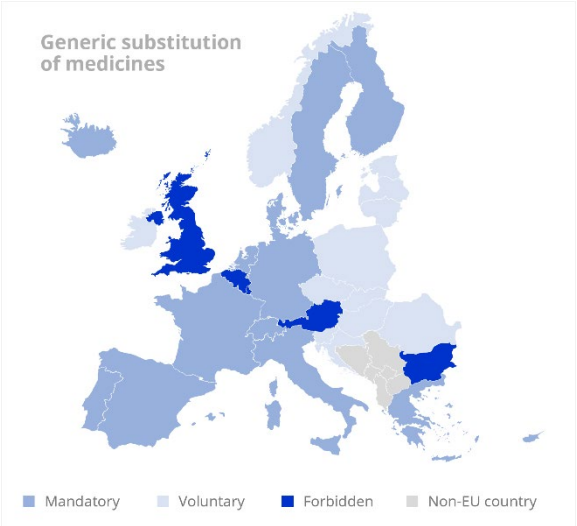
[61] 2025 Rule of Law Report – Country Chapter on the rule of law situation in the Netherlands p. 12, SWD (2025) 919 final. The healthcare sector in the Netherlands is considered particularly vulnerable to corruption, due to complex financial flows and procurement processes. The Fiscal Information and Investigation Service (FIOD), through its Anti-Corruption Centre (ACC), has intensified efforts to detect and investigate corruption in healthcare. A public-private partnership between FIOD-ACC and the banking sector targets suspicious financial activities linked to healthcare professionals.

Figure 4 Generic prescription of medicines



Source: Adapted from Wouters et al. 2017; Panteli et al. 2016.Note: The policies in certain countries may have changed since this data was collected.

Figure 5 Generic substitution of medicines



Source: Adapted from Wouters et al. 2017; Panteli et al. 2016. Note: The policies in certain countries may have changed since this data was collected.

As the maps show, generic drug substitution is mandatory in 13 European countries, voluntary in 14, and forbidden in 5. The situation regarding generic prescribing is similarly diverse. Many European countries introduced such policies between 2008 and 2015, following the global economic recession. For instance, during this period, Slovakia introduced voluntary generic prescribing, which was previously forbidden. Moreover, Belgium, Estonia, Greece, Portugal, and Spain made generic prescribing compulsory, and Greece and Portugal made generic substitution compulsory (Panteli et al. 2016; European Commission 2009; Leopold et al. 2014; Vogler et al. 2016). Different countries, however, show some variation in terms of how the laws and/or policies are applied (see Box 12 below for country examples).

Box 12 Patterns of generic prescription and substitution in the EU

In Finland, generic substitution was introduced for the first time in 1993, but stopped in 1996 and was replaced by generic prescribing (Martikainen, J., and S. Rajaniemi. "Drug reimbursement systems in EU Member States, Iceland and Norway. Helsinki." Social Insurance Institution: Finland (2002). Since 2003, generic substitution has been mandatory. In this policy, the pharmacist must substitute the prescribed medicine with the cheapest interchangeable product or close to the cheapest product (i.e. the product to be offered should be within a specific price range). However, consumers have the right to refuse generic substitution, and physicians also can forbid its use (Aalto-Setälä 2008; Heikkilä et al. 2007). To facilitate proper generic substitution, the Finnish Medicines Agency (Fimea) quarterly issues a list of interchangeable products that can be substituted (cf. Hassali et al. 2014). Sweden introduced mandatory generic substitution in 2002. In this system, pharmacies are obliged to dispense the least expensive generic medicine or parallel imported medicine available in the pharmacy (cf. Hassali et al. 2014). However, prescribers can disallow generic substitution. Patients can also refuse generic substitution, but they are then required to pay the price difference between the generic and the more expensive brand medicine (Pharmaceutical Benefits Board (LFN), 2007).. The Swedish Medical Products Agency (MPA) produces a list of therapeutically interchangeable products to guide the process of GS (Andersson et al. 2005; The Swedish Medical Products Agency (MPA), 2010).

In Lithuania, physicians are required to prescribe the main active substances rather than the brand name of medicines. In addition, pharmacies are required to present comparative information regarding relevant medicines and their prices on monitors. This has the goal of informing patients who walk in with a prescription and need to make a choice between different drugs containing the same active substances. Up-to-date information on the prices of reimbursable and non-reimbursable medicines can be found on the National Health Insurance Fund (NHIF) under the Ministry of Health.

In 2011, Act Nr.362/2011 Coll. on medicines and medical aids was adopted in Slovakia. This Act states, amongst other things, that physicians are only allowed to prescribe the generic name of a drug.

According to Royal Decree Law 9/2011 in Spain, the prescription of medicines should be conducted on the basis of their active chemical composition. Pharmacists are also obliged to sell the lowest price generic medicine.

In terms of the effects on the opportunities and incentives for corruption in the relationship between pharmaceutical companies and physicians, as with the vast majority of other mitigating measures within the health sector and beyond, there is a lack of systematic evidence to support this. Yet, studies reveal a positive effect of these types of reforms on the prescription of generic drugs. Studies also show a connection between generic substitution and prescription and lower levels of spending on medicines, as well as on sustainable healthcare systems. For instance, a large-N study conducted in the United States shows that when pharmacists do not need to acquire explicit consent from patients for substitution, they are 3.2 percentage points more likely to dispense a generic drug instead of the brand-name prescribed by the physician (Song and Barthold 2018). A study by Godman et al. (2010), in addition, shows how generic substitution has helped achieve a comprehensive and sustainable healthcare system in Europe overall. Studies investigating the effect of the law introduced in 2002 in Sweden, and which requires that all pharmacies offer the substitution of brand names, show that the savings from this reform amounted to about SEK 0.5 billion already during the first year (cf. National Corporation of Swedish Pharmacies & The Federation of Swedish County Councils and the Pharmaceutical Benefits Board 2004).

These more systematic findings can be interpreted as an indication that the incentives and opportunities for corruption in the relationship between the pharmaceutical industry and healthcare providers are indeed reduced with laws and policies regulating the generic substitution by pharmacies.

Moreover, patchwork evidence from the European context also reveals a cautious, yet positive, experience of the forced prescription of generic medicines. For instance, as reported by the European Commission (2013), in Estonia, while the first experience of regulations on generic prescription did not show any real changes in the prescription of brand names by physicians, after the requirement became an integrated part of the physician contract with the Patient Fund and the penalties for violating the requirement were listed, the situation improved significantly. In a similar vein, Lithuania is cited as a successful example (European Commission 2013). In other countries, such as Slovakia and Spain, the policy does not appear to have significantly reduced the prescription of brand names. However, it is difficult to say whether this means that corruption is still rife.

Notwithstanding the limited systematic evidence demonstrating a direct negative impact of the generic prescription and substitution of medicines on corruption in the relationship between pharmaceutical suppliers and healthcare providers, there seems to be agreement among analysts that the policy is indeed promising and worthy of pursuing, not least since generic medicines are generally considerably cheaper than brand names in addition to their potentially negative effect on the incentives and opportunities for corruption (Cameron et al. 2012; Hassali et al. 2014). For instance, based on the Swedish experience, Andersson et al. (2007) call for the implementation of the combination of generic substitution and prescription, which they argue further strengthens the benefits of the approach. A 2013 report on corruption in the health sector by the European Commission, as well as the 2019 updated version, in a similar vein, emphasises generic prescription and substitution as promising corruption-mitigating strategies.

4.4.2.3 Relevance for the EU framework

Generic medicines play an important role in the European healthcare system and economy. Generic medicines impact the market (contribution to market supply), budget (substantial cost savings), and macroeconomic sector (employment, investments). The potential that the EU can play a role in regulating generic medicines pertaining to the relationship between pharmaceutical suppliers and healthcare providers should be quite large, particularly since the EU already plays a key role in the governance of medicines in the EU. The potential for prescribing generic medicines/substitution of medicines as a corruption-mitigating measure to be replicated at the EU level seems to be significant. The availability of affordable medicines is a clear priority of the European Health Union and the Political Guidelines for the European Commission for 2024-2029, ensuring equal access to quality treatment.[62] In addition to its public health and anti-corruption aspects, the prescription of generic medicines and the substitution of medicines are also closely linked to the EU's internal market objectives, as they essentially involve regulating a product market and opening up a very specific market for price competition. While the EU has limited competencies in public health, its competencies regarding internal market harmonisation are significantly more robust. The current EU regime for regulating pharmaceuticals relies on a dual legal basis: internal market harmonisation founded on Article 114 TFEU on one hand, and public health (Article 168(4)) to ensure high quality and safety of medical products on the other. Essentially, the EU has established a centralised procedure for the authorisation of medical products, complemented by a mutual recognition-based decentralised system. It has harmonised the requirements and procedures for marketing authorisation, as well as the rules for monitoring authorised products, primarily laid down in Directive 2001/83/EC.[63] and Regulation (EC) No 726/2004[64] which also provides harmonised provisions for the manufacture, wholesale, or advertising of medicinal products for human use.[65] Thus, the harmonisation of the internal context underpins any potential EU measures related to the prescription of generic medicines and the substitution of medicines, particularly as the European Medicines Agency (EMA) evaluates applications from companies to market generic medicines in the European Union.

However, before such an approach can be realised, more systematic evidence is required regarding the effects of these measures on opportunities and incentives for corruption. The EU could play a significant role in evidence-gathering and data collection exercises to systematically assess: (1) which combinations of generic prescribing and substitution have proven more successful in mitigating corruption; (2) what the scope conditions are for successful initiatives (i.e. can these successful initiatives be easily 'transferred' to other EU Member States)?

The EU could also play an important role in identifying and removing potential barriers to successful reform. The promotion of generic prescriptions and substitution is not without its challenges. It is well documented that consumers have a strong and persistent preference for brand-name drugs (Ling et al. 2002; Beshears et al. 2013; Bronnenberg et al. 2015), which could pose a challenge to successful reform. Similarly, physicians may have a bias towards branded drugs, either influenced by the better marketing strategies of branded manufacturers or due to a lack of confidence in the quality and efficacy of generic medicines (Virdi et al. 2021). Doctors may also resist mandatory generic prescriptions because they constrain their therapeutic freedom. Perceptions of generic medicines among physicians tend to vary due to other factors as well. For example, older physicians are significantly more sceptical of generic medicines than younger doctors (Virdi et al, 2021).

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[62] Europe's Choice: Political Guidelines for the Next European Commission 2024-2029 Strasbourg18 July 2024 p9. The European Health Union: acting together for people's health, COM(2024) 206 final.

[63] Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use

[64] Regulation (EC) No 726/2004 of the European Parliament and of the Council of 31 March 2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency

[65] In addition to this, various rules have also been adopted to address the particularities of certain types of medicinal products such as medicinal products for rare diseases ('Orphan medicines') (Regulation (EC) No 141/2000), medicinal products for children (Regulation (EC) No 1901/2006) and advanced therapy medicinal products (Regulation (EC) No 1394/2007).

It is also important to recognise that there are significant and powerful vested interests in the pharmaceutical sector that are likely to challenge reforms favouring generic medicines. The history of generic drug substitution in the United States reveals how trade groups for brand-name drugmakers and clinicians have consistently banded together to resist generic drug policy reform in the United States. It is a history marked by political conflicts, vested economic interests, and intense lobbying by stakeholders (Wouters et al. 2017; Tobbell 2014; 2009; 2008). EU Member States have already shared a similar experience in their attempt to introduce generic prescription and/or substitution. In Austria, for example, in 2022, the Court of Auditors recommended that doctors prescribe active substances instead of pharmaceutical brand names. Prior to this, the so-called Federal Target Control Commission had also agreed (unanimously) in 2019 on a gradual implementation of the prescription of active substances or generic substitution. The measure was never implemented, however, due to strong resistance by vested interests. It is moreover no secret that pharmaceutical companies allocate significant resources to lobby individual EU Member States, as well as the EU centrally, against the use of generic medicines (cf. Gavilanes et al. 2021; Politico 2023; Corporate Europe Observatory 2021).

How the EU should balance these different interests is beyond this report to tell. But as this section has demonstrated, it should be clear that yielding to the interests and demands of big pharmaceutical companies is a potentially very costly path for the EU and its Member States – not only in financial terms but ultimately also with regard to health outcomes. The potential added value of replicating the generic prescription and/or substitution is potentially quite significant in financial terms, as well as with regard to population health. As previously described, the resources lost to corruption in the relationship between suppliers and providers due to the unnecessary prescription of brand medicines are immense, and with serious consequences also for population health. If the EU could help raise public awareness about the benefits of generic medicines, find ways to balance the pharmaceutical lobby, provide funding for research and data collection on generic prescribing and substitution, and provide a legal framework that regulates the prescription and substitution of generic medicines, and a platform that can help Member States implement such a measure, this would be an important catalyst in favour of the prescription and use of generic medicines instead of higher-margin, profit-making drugs and the inappropriate and ineffective prescriptions that follow from corruption between suppliers and providers. In the end, such an approach on behalf of the EU would help ensure that national health budgets are spent on things that make a real difference for the welfare and well-being of the citizens of EU Member States.

Table 11 below summarises the suggestions of potential EU avenues for the dissemination and promotion of the generic prescription and/or substitution of medicines.

Table 11 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	Establish an EU-wide legal framework to regulate the prescription and substitution of generic medicines.
Funding	Research funding to evaluate what combinations of generic prescribing and substitution are more successful in mitigating corruption, and what are the scope conditions for the successful prescription/substitution.
Capacity-building	Data collection based on ongoing and past initiatives to prescribe and/or substitute generic medicines to provide a platform for the systematic assessment of how such reforms can best be designed to mitigate the risk of corruption between supplier and patient.
Soft-law / Benchmarking	Encouraging Member States to regulate the prescription and/or substitution of generic medicines. The joint drafting of guidelines in the area. Guidelines and other ways to meet the demands and lobbying efforts by pharmaceutical companies and other vested interests.
Networking & Outreach	Organisation of experience-sharing workshops with key stakeholders. Public awareness raising about the benefits of the prescription of generic medicine.

4.5 Synthesis

This section has offered a broad mapping of the main corruption-mitigating measures in the healthcare sector, as well as an in-depth analysis of a selection of two seemingly promising measures. The mapping reveals that anti-corruption in the healthcare sector is multifaceted and must, due to the complex character of the health sector and the many actors, relationships, and processes involved, be carried out on many fronts at the same time. Unnecessary to say, there is thus no one-fits-all solution to the problem of corruption in the health sector, but mitigating measures must be tailored to the specific situation based on where in the healthcare system corruption takes place, what type of corruption is present, and the actors, relationships, and processes involved. It is, in addition, unlikely that any individual measure will do the job alone, but independently of the corruption problem, a variety of measures are likely to be needed to effectively target it. Moreover, the underlying social, political, economic, and institutional context – and, by extension, the broader European Union framework – will necessarily play an integral role in channelling the impact – and probably also implementation – of mitigating measures in the sector. While the listed main mitigating measures have shown promise under specific circumstances, we still lack systematic evidence on the effects of the vast number of mitigating measures on corruption in the health sector, making it difficult to suggest any 'best practices' without a considerable amount of uncertainty.

The in-depth studies focused on anti-corruption in *service delivery*, respectively, the *pharmaceutical supply chain*. These two areas were chosen because they are commonly put forward as the most corrupt areas in the healthcare sector in EU Member States (together with corruption in healthcare procurement). More specifically, the in-depth analysis covered *transparent waiting lists*, aimed at mitigating corruption in the relationship between healthcare providers and patients, and the *generic prescription and/or substitution of medicines*, aimed at mitigating corruption in the relationship between pharmaceutical suppliers and healthcare providers, particularly physicians.

The analysis of the two measures revealed that they are already in use in several EU Member States. However, due to the limited number of systematic comparative studies evaluating the effects of reform, we have only limited evidence of the impact of these measures on corruption. However, this said, the existing evidence indicates that both measures are indeed promising as they have the potential to mitigate corruption in these two key areas. This should be sufficient to motivate the European Commission and other key actors to continue exploring how these two measures can best be developed and promoted to help mitigate corruption in the health sector of EU Member States.

The in-depth analysis concluded with a discussion on the relevance of the two measures for the EU framework. It was agreed that both measures show considerable promise for enhancing the EU framework. Several ways in which the EU can help promote the successful implementation of the two measures were discussed, including supporting evidence-gathering and data-collection exercises to be able to in a systematic way, assess how the two measures can most effectively be designed to mitigate corruption in the context of different EU Member States; the organisation of experience- and knowledge-sharing workshops and platforms; financial support, and; the identification and removal of potential barriers to successful reform. The latter task is of greatest importance for the success of reforms, particularly in light of the fact that the effective implementation of both transparent waiting lists and the generic prescription and/or substitution of medicines is likely to be challenged by large and powerful vested interests, who have a lot to lose from successful reform.

Table 12 Mitigation measures identified in the field of Health Care

Mitigation measures identified in the field of Health Care	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
Process-Based Mitigation Measures 1. Transparency and accountability • The introduction of eHealth; • Creating centralised and secure document portals so that health workers can easily access patient information to deliver adequate treatment; • Making information about grants and donations publicly available; • Creating mechanisms for review, validation and verification of procurement data to ensure that it is complete and of high quality prior to publication; • Implementing open contracting initiatives; • Transparent waiting lists; • Adopting measures to avoid conflict of interest in procurement processes; • Promoting collection and publishing of beneficial ownership information or facilitating access to such information through registries or online systems based on adequate, accurate and up-to-date information; • Engaging with other stakeholders such as the private sector, civil society and academia in the identification of risks related to public procurement and developing joint recommendations on how such risks can be mitigated; • Ensuring that due diligence checks related to potential suppliers are carried out. 2. Citizens' access to Information • Strengthening freedom of information legislation, for example, by expanding the scope of information covered, limiting reasons for denying access, and ensuring short timelines and follow-up when requests for information are received so that citizens have access to budget, supplier and organisational data; • Publishing up-to-date prices paid for medical products and services for the public to view, in order to mitigate opportunities for price gouging; • Publishing information about potential generic substitutes; • Clarifying, in patient-friendly language, fees for services or any additional charges. 3. Simplification of processes • Implementing a centralised online appointment service; • Making patient feedback easier to submit; • Implementing an e-procurement system. 4. Reporting mechanisms • Creating or strengthening institutional whistle-blower policies;	Transparent waiting lists.	Correspond to the priorities of the European Union – EU complementary EU measures that support EU MS actions in the field of public health; - Synergies with the European Health Data Space.	– Set aside funds, particularly channelled to EU MS where general government health expenditure is lower than the EU average, to implement transparent waiting lists; – Research funding to evaluate the scope conditions for the successful implementation of transparent waiting lists; – Data collection based on ongoing and past initiatives to introduce transparent waiting lists to provide a platform for the systematic assessment of how transparent waiting lists can best be designed to mitigate the risk of corruption between provider and patient; – Recommending specifically to EU Member States to implement transparent waiting lists which show the expected waiting time for different treatments, as well as providing patients information regarding any potential guarantees in terms of the maximum waiting time allowed for different treatments; – Organization of experience-sharing workshops;

Mitigation measures identified in the field of Health Care	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
• Developing websites and smartphone applications that enable citizens to report incidents of corruption easily and anonymously; • Publishing citizen report cards; • Gathering, and where pertinent, publishing information on identified conflicts of interest. 5. Addressing Conflicts of Interest • Introducing or enforcing mandatory interest declarations for all employees above a certain rank, and a system for verification; • Administering a strict enforcement and sanctioning regime for non-compliance with interest declaration requirements; • Publication of guidelines for managing conflicts of interest with clear definitions of key terms such as interested persons, permitted and non-permitted relationships, financial interest, etc.; • Carrying out research into the impact of conflicts of interest on health service delivery to provide a more substantial evidence-based policy design and implementation. 6. Performance indicators for health service delivery • Incorporating indicators into procurement contracts to, for instance, prevent counterfeit items such as medicine or medical equipment and devices from reaching patients; • Tracking the variation between the proposed budget for a service contract and the actual end cost; • Publishing data on the numbers of marginalised and vulnerable groups that have accessed treatment through the service provider; • Publishing indicators for absenteeism, reported wastage, etc.; • Develop and monitor Key Performance Indicators (KPIs) before payments. 7. Coordination 8. Checks and balances • Patient survey on quality of services received; • Periodic unannounced visits by public officials; • Periodic unannounced visits by regulators; Creation of an independent public Ombudsman service to handle complaints. Actor-Based Mitigation Measures 9. Codes of conduct 10. Public awareness raising 11. Social accountability • Involvement in health committees in developing plans for health facilities; • The launch of citizen oversight committees to supervise the distribution of vital medicine, vaccines, or treatments, including representatives from community-based organisations and	– Generic prescription and/or substitution of medicines.	- In line with the priority of availability of affordable medicines; - Single Market dimension.	– Establish an EU-wide legal framework to regulate the prescription and substitution of generic medicines; – Research funding to evaluate what combinations of generic prescribing and substitution are more successful in mitigating corruption, and what are the scope conditions for the successful prescription/substitution; – Data collection based on ongoing and past initiatives to prescribe and/or substitute generic medicines to provide a platform for the systematic assessment of how such reforms can best be designed to mitigate the risk of corruption between supplier and patient; – Encouraging Member States to regulate the prescription and/or substitution of generic medicines; – The joint drafting of guidelines in the area; – Guidelines and other ways to meet the demands and lobbying efforts by pharmaceutical companies and other vested interests; – Organization of experience-sharing workshops with key stakeholders;

Mitigation measures identified in the field of Health Care	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
civil society in relevant health decision-making processes through committees or other multi-stakeholder structures; • Managing health centre finances; • Monitoring provider presence and performance at health facilities; • Informing (potential) patients about their rights and teaching them how to lodge complaints; • Monitoring citizen engagement with health-facility personnel and providing information for citizens about the facilities' operations; • Social audits to collect qualitative and quantitative data on citizen opinions about and lived experiences with services; • Initiating scorecards to help facilitate relationships between community members, health service providers, and local government officials by building mutual accountability and promoting locally relevant and feasible solutions to problems; • The establishment of health facility committees, health facility charters, and citizen report cards. 11.Training • Mainstreaming anti-corruption training and education modules into health professional curricula; • Introducing mandatory behavioural insight training and ethical dilemma modules into the health training curriculum; • Prioritising the integrity of academic medicine over economic interests. The integrity and independence of medical research are key to the realisation of the right to health, and medical professionals should be trained on the conflicts of interest that can arise if economic interests are allowed to take precedence over the quest to further medical knowledge. 12. Human Resources Management • Introducing frequent unannounced audits to check for absenteeism; • Requiring regular asset declarations for staff with access to finances and accounts, or who are in a position to seek payment for assigning jobs; • Introducing rotation systems for managers to limit the opportunity for officials to create corrupt networks in lucrative posts. **Enforcement-Based Mitigation Measures** 13. Disciplinary procedures 14. Internal corruption investigation and resolution processes 15. Communication of enforcement outcomes			– Public awareness raising about the benefits of the prescription of generic medicine.

Chapter 5. | Financial Sector

5.1 Introduction

Combating corruption in the financial sector, one of the largest and most complex sectors in the EU, presents major challenges. Financial service companies can be the perpetrator as well as the victim of a corruption-related crime. This can complicate authorities' efforts to determine the liability of financial service companies for corruption-related crimes, and has created challenges in oversight, regulation and enforcement. As providers of financial services often enable corruption, public authorities must be equally diligent in monitoring the industry from the inside as well as from the outside.

Other complications result from the sector's inherently international footprint, its diversifying and innovating nature, its importance toward financial and political stability, the immense scale and rapid pace of transactions, its significant and growing cyber presence, and its attractiveness as a target and at times knowing or unknowing enabler of organised crime groups.

This chapter examines how Member States understand and respond to these challenges by developing more effective legislative, regulatory, enforcement, and investigative tools. They are also placing far greater emphasis on prevention, deterrence and professional responsibility. These solutions range from new laws and public authorities to new inspection and investigative techniques, to tougher enforcement systems and corrective actions. Two notable examples presented here are improved access to and use of financial data, and the vetting of people who fill key positions in the sector.

5.2 Problem definition: The Extent, Causes, and Consequences of Corruption in the Financial Sector

Given the lack of a generally agreed description of corruption in the financial sector, the terms "financial corruption", "economic crimes," and "financial crimes" are often used interchangeably.[66] The following notion of corruption in the financial sector is proposed for the purposes of this report, building on the broad definition of corruption in the private sector employed by the EU Framework Decision[67], still in force: Corruption in the financial sector can be defined as taking advantage of any kind by carrying out or refraining from acts in breach of applicable laws and regulations, thereby disrupting the integrity, accountability and fair and honest operation of financial markets and companies. These include banks and other financial service providers, the investment community, consumer financial services, the online financial environment, and many sub-industries that serve or are served by the sector. Due to the ubiquitous role of the financial sector, on which nearly all people depend in one way or another, corruption can be defined according to the traditional meaning of abusing entrusted power for private gain.

In keeping with the diversity of the industry itself and the increasing variety of financial companies, corruption is often intertwined with related crimes, assuming various forms, such as money laundering and terrorism financing (ML/TF), market manipulation and abuse, consumer and online fraud, unlicensed activities, violating international sanctions, investment scams, abuse of payment systems, insider trading, and greenwashing. It is important to

[66] High-Risk Areas of Corruption in EU Member States: a mapping and in-depth analysis, by Persson, Worth, and Jeney 2024 p64.
[67]" undue advantage of any kind, [...] in order that that person should perform or refrain from performing any act, in breach of that person's duties" Article 2 Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector ELI: http://data.europa.eu/eli/dec_framw/2003/568/oj.

note that corruption and economic crimes "share similar drivers, rely on similar mechanisms to move and launder illicit funds, and deprive societies of much-needed financial resources."[68]

Fraud, for example, can be linked to corruption if power is abused.[69] As "gatekeepers of the financial system," bankers may willingly, complicity, or negligently overlook their anti-ML, due diligence and other obligations. This can lead them to perform services for fraudsters such as setting up anonymous companies or offshore bank accounts to move illicit funds, assisting or permitting the investment of ill-got gains in real estate or luxury goods, and failing to identify and report suspicious transactions, which can enable corruption, fraud and money laundering.[70]

ML/TF are closely linked to corruption-related crimes such as bribery and graft, which often serve as predicate or follow-on crimes. Corruption investigations often uncover ML/TF and vice versa. Anti-ML (AML) mechanisms provide strong tools to fight corruption, particularly grand corruption, including by enabling authorities with financial intelligence to reveal corruption, strengthening international cooperation in investigations and prosecutions, and recovering corruption proceeds.[71] Many public authorities, including Eurojust, Europol, and Interpol, consider money laundering and terrorism financing (ML/TF) to be among the most serious offences committed by and against the sector. Compared to other industries, the financial sector's risk of being misused to participate in money laundering and other crimes is unique.[72]

The variety of corrupt acts being committed in the financial sector, and the opportunities for them to originate within or outside the industry, are as broad as the industry itself. And few, if any, industries have as much direct and indirect influence on the lives of people and communities. This means that even modest-sized corruption crimes can directly harm both investments and savings.[73]

As can be seen, a broad definition is needed to capture the many acts, as well as operational inadequacies, that can result in corrupt practices. Depending on the case, a particular act may represent corruption itself, be a precursor or follow-on crime, or fuel a broader corruption scheme.[74] A wide range of corruption offences and other serious crimes is committed both within and against the financial sector, including money laundering, terrorist financing, tax evasion, hidden assets, market manipulation, unscrupulous financial advice, consumer fraud, and cybercrimes. The sheer size, complexity and dynamism of the industry make detecting and delineating these offences difficult.

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[68] Duri, Jorum, "Corruption and economic crime," Anti-Corruption Helpdesk, Transparency International, 15 March 2021; https://knowledgehub.transparency.org/assets/uploads/kproducts/2021-Corruption-and-economic-crime_final.pdf

[69] Rahman, Kaunain and Duri, Jorum, Overview of international fraud operations relating to corruption," U4 Helpdesk, U4 Anti-Corruption Resource Centre, Transparency International, 24 July 2020; https://www.u4.no/publications/overview-of-international-fraud-operations-relating-to-corruption.pdf

[70] Rahman, Kaunain and Duri, Jorum, Overview of international fraud operations relating to corruption," U4 Helpdesk, U4 Anti-Corruption Resource Centre, Transparency International, 24 July 2020; https://www.u4.no/publications/overview-of-international-fraud-operations-relating-to-corruption.pdf

[71] Fontana, Alessandra and Pereira, Pedro Gomes, "Using money laundering investigations to fight corruption in developing countries: Domestic obstacles and strategies to overcome them," Chr. Michelsen Institute and U4 Anti-Corruption Resource Centre, 26 November 2012; https://www.u4.no/publications/using-money-laundering-investigations-to-fight-corruption-in-developing-countries-domestic-obstacles-and-strategies-to-overcome-them

[72] Fenne, Gretta, "Financial institutions and the fight against corruption," Transparency International Global Corruption Report 2009: Corruption and the Private Sector, 2009; https://baselgovernance.org/sites/default/files/2019-01/Financial%20institutions%20and%20the%20fight%20against%20corruption.pdf

[73] For a fuller discussion on the character of corruption in the financial sector see the 2024 Comparative Report p. 63.

[74] Many of these acts may not fall within narrow, traditional or legal definitions of corruption, but in various Member States they are investigated by anti-corruption agencies or departments, or by agencies that collaborate closely with anti-corruption agencies. Often, there is no clear line between financial corruption and financial crime, as they can have overlapping and interrelated elements and can be committed in tandem. Therefore an inclusive broad definition is adopted here in order to not exclude offences that result in corruption by, or of, or inflicted upon the financial sector.

In some instances, a clear distinction cannot be made, as laundering illicit funds or disbursing terrorism financing often serve as predicate offences, hence instigating, condoning or overlooking the corruption crime. Because of ambiguities in delineating these crimes, cases of money laundering and terrorism financing (ML/TF) may result in convictions of the criminals behind these crimes, but not for corruption, which is the auxiliary act. The companies providing financial services that were the venues of the corruption crimes are also more likely to be held liable for fraud and money laundering than for corruption. This pattern has shifted in recent years as many public authorities are placing greater responsibility for corruption on banks and other companies providing financial services. Thus, this report focuses on reducing corruption for which the industry itself is responsible.

Ongoing improvements are beginning to yield significant results, particularly due to new laws and regulations, investigative techniques, specialised agencies, investigators' access to financial information and data, and inter-agency and international collaboration. Increased transparency in investigations and enforcement actions is improving the public's ability to assess where and why these successes are occurring.

5.3 Mapping of mitigation measures addressing corruption in the financial sector

As it is, the financial sector is already one of the tightest-regulated industries in the EU, with harmonised rules for the EU capital and financial markets, banking and insurance going back decades.[75] These have translated into stringent national laws augmented by even more laws put in place by individual Member States. These policies have created a regulatory superstructure that requires banks and other companies providing financial services to exercise high levels of caution and due diligence, and install airtight internal control systems to prevent corruption and other wrongdoing.

Still, many Member States are working diligently to close loopholes and strengthen enforcement actions in an industry that demands constant attention and regulatory creativity. Public authorities are working persistently to remove ambiguities in oversight and place more of the burden on companies providing financial services to maintain a clean house – eliminating the types of industry excuses that for decades have muddied and slowed enforcement actions. Today, many authorities are working to cut out corrupt practices by placing more requirements on banks and other companies providing financial services to report suspicious and unusual transactions. Authorities are increasing onsite inspections of companies' anti-corruption measures and making companies providing financial services more criminally and civilly liable. The aim is to eliminate ignorance as an excuse for money laundering, terrorism financing, and other crimes by equipping financial service providers with sufficient tools – whether mandatory or optional – to recognise when they are dealing with illicit funds and unscrupulous clients.

In this way, more companies are being held liable for negligence in failing to adequately know their customers and failing to detect and report suspicious transactions to public authorities. In this two-pronged regulatory approach, when companies providing financial services do a better job of reducing crime and their own criminal liability as *de facto* conspirators, not only are companies becoming better crime fighters, but more criminals are being exposed and prosecuted. As the former improves, the latter becomes more efficient.

Most anti-corruption measures that are *succeeding or showing promise* centre around aggressive investigations, proactive inspections, meaningful deterrence, sector integrity and professionalism, specialised oversight, advanced IT and data-collection tools, and enforcement and corrective actions. These measures address many

[75] Reference is made to the EU acquis related to the financial sector specifically, in relation to financial markets, investment funds, securities markets, post-trade services, company reporting and auditing, banking union, banking regulation, supplementary supervision of financial conglomerates, non-performing loans (NPLs), insurance and pension funds Insurance; pensions funds, consumer finance and payments; retail financial services; payment services; financial crime, anti-money laundering and terrorism financing.

of the *main corruption risks and realities* in the financial sector: money laundering, terrorism financing, inadequate internal controls, inadequate know-your-customer procedures, online scams, organised crime involvement, market manipulation and consumer fraud.

Specific measures profiled here include:

- specialised laws, regulators and authorities;
- strengthened and more consistent oversight, inspections and audits focusing on high-risk companies and behaviours;
- improved ML/TF detection systems and suspicious transaction reporting, including those that apply to corruption-related crimes;
- stronger enforcement and corrective actions, removing unwelcome players from the sector;
- inter-agency cooperation and joint operations;
- IT and data-access tools.

On paper, and to various degrees in practice, anti-corruption efforts in the financial sector are substantially mature. All EU Member States have many laws in place and a battery of public authorities to deal with a full range of crime and misconduct. A paper review of these laws and authorities likely would find that most are adequate. Therefore, for the purpose of this report, the successes and impacts of anti-corruption measures will be illustrated by their real-life ability to detect, investigate, sanction and remedy misconduct. Where information is available, the strategies that shape the measures and the methods that implement them are presented.

It can safely be said that every EU Member State is carrying out oversight and enforcement of the sector. The examples presented here are chosen based on their perceived effectiveness, the impact they are having in the respective country, the innovative nature of the measure, and the extent and quality of information available.

Oversight and regulation of banks

Banks occupy a dominant position in the financial sector and have been both the perpetrator and victim of many corruption crimes in recent decades. Therefore, regulators at both the EU and Member State levels have instituted new policies and strategies seeking to increase the integrity of bank operations through stronger oversight and higher accountability standards. Though all EU Member States have laws to regulate banks and public authorities to oversee them, some countries are more aggressive in enforcing their laws and more transparent about the results.

Rules and recommendations at both the EU and national levels are prompting banks to enhance their data management, due diligence, and assessment of high-risk customers. This yields multiple outcomes, not least of which are reducing ML/TF risks, potentially lowering a bank's criminal liability should one of these crimes occur and placing the bank on a stronger ethical footing. In response to awareness-raising efforts by public authorities, some banks are also enhancing their screening for violations of international sanctions. This diminishes the risk of individuals and companies circumventing sanctions, potentially using these funds for illicit purposes, and sustaining resources for corrupt regimes.

Specialised authorities such as financial intelligence units (FIUs) and financial prosecutors are being granted additional powers to investigate and prosecute corruption crimes. This includes having the authority to begin a judicial investigation and request an investigating judge. Far beyond banks, regulators oversee payment services, insurance companies and other financial service providers. Some authorities are delving deeper into companies providing financial services, examining their internal governance and work cultures to identify behavioural red flags that could be a sign of corruption. Altogether, regulators are seemingly concentrating as much on prevention as they are on enforcement.

An important contributor to France's anti-corruption efforts is the National Financial Prosecutor's Office (Parquet National Financier, PNF), which introduced a tougher enforcement culture when it was established in 2014. PNF is known for its innovative investigative methods and its adversarial and transactional approach. Following a preliminary investigation, it decides whether to begin a judicial investigation and request an investigating judge. In complex or sensitive cases, pre-trial detention or judicial oversight may be needed. PNF's transparent, flexible approach has been noted as one of the reasons for its success, along with tax authorities and market supervisors.[76]

In March 2023, PNF investigators searched the Paris offices of five banks, including Societe Generale, BNP Paribas and HSBC, for suspicions of financial fraud. The search was part of the long-underway *"cum-ex"* scandal, in which banks and investors quickly trade shares of companies at the time of dividend payouts, in order to allow multiple parties to illegally claim dividend tax rebates. The case involved elements of corruption because it was a complex scheme of illegal share-trading that defrauded tax authorities of billions of euros by exploiting dividend payments to claim multiple refunds on the same tax. The involvement of sophisticated financial networks and the fraudulent reclaiming of taxes were indicative of corruption, which involves the abuse of power for private gain.[77] In this case, the PNF put to work 16 investigating judges and more than 150 investigating agents.[78]

A notable feature of the supervision conducted by Nederlandsche Bank is its scrutiny of the behaviour of companies providing financial services' board members, as well as their corporate culture. The Bank holds that "governance, behaviour and culture" can strongly influence a company's "soundness, risk profile and integrity." This oversight includes examining the board's decision-making, leadership and communication, and asking whether they serve the company's objectives or create risks.

The Bank goes so far as to study behaviour patterns, mindset and group dynamics, such as how people interact while serving on a management or supervisory board. The Bank queries, for example, where everyone makes themselves heard, and whether people realise how their own behaviour can affect the entire group's functioning.[79]

Nederlandsche Bank encourages an open culture in which board members:

- regularly tell each other about their own actions;
- discuss specific examples from everyday practice; and
- tell each other how and why they made certain decisions.

These practices make board members more aware of each other's tasks, what they believe is important, and how their opinions differ: "By openly discussing these matters collectively, they will find it easier to be honest with each other and hold each other to account."

On the other hand, board members in a closed culture:

- are not open to criticism;
- do not ask for or accept feedback;

[76] Haeri, Kami, et al, "Bribery & Corruption Laws and Regulations 2025 – France", Global Legal Insights, 5 December 2024; https://www.globallegalinsights.com/practice-areas/bribery-and-corruption-laws-and-regulations/france/
[77] https://www.transparency.org/en/press/transparency-international-annual-meeting-2018
[78] "French prosecutors raid five banks in massive tax fraud case", Al Jazeera, 29 March 2023; https://www.aljazeera.com/news/2023/3/29/french-prosecutors-raid-five-banks-in-massive-tax-fraud-case
[79] "Supervision of governance, behaviour and culture", De Nederlandsche Bank; https://www.dnb.nl/en/reliable-financial-sector/supervision-of-financial-institutions/supervision-of-governance-behaviour-and-culture/#idvmxjm4ksg

- do not allow room for divergent opinions; and
- do not put all available expertise to good use.

These practices could harm decision-making and limit mutual trust among board members. Trust, asking questions, and continually engaging in dialogue improve the quality of decision-making. Nederlandsche Bank holds that behaviour and culture can affect the company's results, and the Bank can "press for adjustment" when it sees risky behaviours or an unhealthy culture.[80]

Sweden's FI has also found that banks are improving or performing steadily in maintaining adequate data on private and corporate customers. From 2017-19, the proportion of inadequate customer data remained relatively unchanged. In 2020, the proportion of inadequate due diligence for bank customers decreased overall, particularly for corporate customers. Due diligence for private and corporate customers improved between 2017 20 for payment service providers, life insurance companies, other financial operations, and alternative investment funds. Another positive trend is that the proportion of customers assessed as high risk is less than 1 percent throughout the financial sector, remaining at 2019-20 levels.[81]

Preventing and combatting money laundering and terrorism financing (ML/TF)

Among the many types of crimes affecting the financial sector, money laundering and terrorism financing (ML/TF), which are intrinsically linked to corruption, are considered among the most serious, according to prosecutors and anti-corruption officials. Banks and other companies providing financial services can be the venue for these and other types of suspicious and unusual transactions – whether they are aware of them or not. In some cases, according to the FATF, they have been "actually complicit" or "wilfully blind".[82] Banks and other financial companies perpetuate corruption by accepting laundered funds and then investing them. In this way, these companies are abusing the public trust for their private gain.

Increased regulation and oversight have the reinforcing effect of deterring financial companies from accepting questionable funds and denying criminals opportunities to hide, launder and utilise illicit proceeds. By limiting the channels to launder illicit funds, effective AML systems can make crime, including corruption, riskier and reduce the incentives for corruption. Corruption crimes benefit from "a veil of secrecy around the financial transactions related to corruption." Identifying and exposing suspicious financial transactions can help investigators uncover corruption proceeds, as well as the corruption schemes themselves.[83]

ML/TF are methods to conceal and funnel money that has been illicitly gained through bribery, embezzlement, theft of public funds, kickbacks, fraud, extortion, and other corrupt activities. Once stashed in a bank or other financial company, these concealed funds may then be utilised to support other corruption-related crimes or a larger corruption-based organisation. This underscores the importance of strong enforcement by public authorities and strong internal controls by companies providing financial services.

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[80] "Behaviour and culture in the financial sector", De Nederlandsche Bank; https://www.dnb.nl/en/reliable-financial-sector/supervision-of-financial-institutions/behaviour-and-culture-in-the-financial-sector/#idnonwavx3c

[81] "FI Supervision: Observations from money laundering reporting", Finansinspektionen, 18 June 2021; https://www.fi.se/contentassets/86726878a9bf4e8fb23a2efd80ccd0c0/fi-tillsyn-23-erfarenheter-penningtvattsrapporteringen-eng.pdf

[82] "Specific Risk Factors in Laundering the Proceeds of Corruption: Assistance to Reporting Institutions", Financial Action Task Force, 2012; https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Specific%20Risk%20Factors%20in%20the%20Laundering%20of%20Proceeds%20of%20Corruption.pdf.coredownload.pdf

[83] Fontana, Alessandra and Pereira, Pedro Gomes, "Using money laundering investigations to fight corruption in developing countries: Domestic obstacles and strategies to overcome them," Chr. Michelsen Institute and U4 Anti-Corruption Resource Centre, 26 November 2012; https://www.u4.no/publications/using-money-laundering-investigations-to-fight-corruption-in-developing-countries-domestic-obstacles-and-strategies-to-overcome-them

ML/TF are often intrinsically linked with corruption,[84] which frequently serve as predicate offences in the form of bribery, graft, fraud and insider trading. Corruption and ML/TF are committed in tandem so frequently that corruption is often considered a component of ML/TF. According to the International Monetary Fund, proceeds of corruption are a "key part" of such illicit financial flows,[85] and the FATF says certain vulnerabilities have increased the risk of corruption-related money laundering.[86]

Though the FATF's standards are designed to combat ML/TF, they can aid anti-corruption efforts by increasing transparency of the financial system and facilitating the detection, investigation and prosecution of corruption and recovering stolen assets. In 2020, then-FATF President Marcus Pleyer stressed the importance of stopping ML to combat corruption and said corruption will continue as long as it remains profitable.[87]

ML and corruption are "birds of a feather [that] flock together," one research team notes. " [I]f we assume that the goal of criminals involved in corruption is to minimise the probability of being detected, then corruption represents a demand for money laundering (trigger effect), while money laundering can serve as an effective way to clean the revenue from corruption for re-investment (multiplier effect)."[88] Europol, Eurojust, and Interpol also consider corruption to be closely tied to ML/TF, as a promoter and beneficiary. Corruption and ML are "tightly interwoven," Europol finds, meaning that ML investigations are "key to revealing corruption schemes." Financial intelligence reports and suspicious transactions reports "often[89] [90] Fighting money laundering, according to Interpol, goes "hand in hand" with[91] In 2022, Interpol established its Financial Crime and Anti-Corruption Centre to jointly tackle corruption and financial crimes, including money laundering, with a focus on the financial sector and financial.[92]

The reinforced regulatory environment in many EU Member States, along with tighter oversight and increased enforcement, has resulted in many companies providing financial services reporting more suspected ML/TF incidents, strengthening their internal controls, and generally taking more responsibility for ensuring their customers are not involved in criminal activity and using the companies to move and hide illicit funds. These improvements can deter corruption on both ends of a transaction – by eliminating destinations for corruption-derived money to be parked and depriving criminals of the means to distribute illicit funds further.

Member States are using a wide variety of policies and strategies to improve how companies providing financial services detect and stop money laundering and terrorism financing, and also to reduce their own criminal liability. The measures address the problem from many angles, all for the purpose of deterring companies providing financial services from accepting risky deposits and investments, and preventing themselves from being used to hide and funnel funds derived from corruption.

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[84] "Corruption," Financial Action Task Force; https://www.fatf-gafi.org/en/topics/corruption.html

[85] "The IMF and the Fight Against Illicit Financial; Flows", International Monetary Fund, February 2023; https://www.imf.org/en/About/Factsheets/Sheets/2023/Fight-against-illicit-financial-flows

[86] "Specific Risk Factors in Laundering the Proceeds of Corruption: Assistance to Reporting Institutions", Financial Action Task Force, 2012; https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Specific%20Risk%20Factors%20in%20the%20Laundering%20of%20Proceeds%20of%20Corruption.pdf.coredownload.pdf

[87] "G20 recognises the role of the FATF in the fight against corruption," Financial Action Task Force, 22 October 2020; https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Corruption/Fatf-g20-anti-corruption-2020.html

[88] Barone, Raffaella, et al, "Money laundering and corruption: Birds of a feather flock together," Center for Economic Studies and ifo Institute, CESifo Working Paper No. 7687, 2019; https://www.econstor.eu/bitstream/10419/201913/1/cesifo1_wp7687.pdf

[89] Specific Risk Factors in Laundering the Proceeds of Corruption: Assistance to Reporting Institutions", Financial Action Task Force, 2012; https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Specific%20Risk%20Factors%20in%20the%20Laundering%20of%20Proceeds%20of%20Corruption.pdf.coredownload.pdf

[90] Eurojust, "Eurojust Casework on Corruption: 2016-2021 Insights," May 2022; https://www.eurojust.europa.eu/sites/default/files/assets/eurojust-casework-on-corruption-2016-2021-insights-report.pdf

[91] Interpol, "Money laundering," https://www.interpol.int/en/Crimes/Financial-crime/Money-laundering

[92] Interpol, "Our role in fighting financial crime"; https://www.interpol.int/en/Crimes/Financial-crime/Our-role-in-fighting-financial-crime

It is important to note, however, that anti-ML/TF regulation and laws are comprehensive in the sense that they are designed and carried out to detect, prevent and sanction all ML/TF activities, regardless of the auxiliary offences. Hence, public authorities operate in such a way as to target all ML/TF, despite them being predicate offences, often including acts of corruption, which are auxiliary crimes. Later, as investigations unfold, it becomes difficult to delineate the various acts that lead to separate crimes, especially if the case is framed as involving ML/TF crimes, with evidence gathering focused on these aspects. In this way, it appears that in many cases, the corruption angle, although initially present, is incidentally overshadowed by the ML/TF framing.

Among the most effective and commonly used tools is a system for companies providing financial services to report suspicious and unusual transactions, and for public authorities to receive and investigate the reports. These systems are improving, leading to an increase in the number of reports in several countries. Some banks have begun to share data in order to better identify suspicious and unusual transactions, including through multi-country cooperation. Related to this, many banks have established formal procedures to reject risky customers and remove potentially unsavoury ones from their client base. Additional prevention measures by certain public authorities include conducting ML/TF risk assessments for high-risk sub-sectors and requiring companies to implement strong internal controls.

On the regulatory side, some EU Member States' authorities (below) have stepped up their use of onsite and remote inspections of companies, and rescinded bank licenses and other permissions to operate. On the enforcement side, sanctions extend beyond criminal penalties to include warnings, reprimands, occupational bans, monetary fines and other penalties. These have the dual effect of encouraging companies to exercise greater caution and deterring them from engaging in criminal behaviour.

As part of its risk-based approach, Belgium's Financial Services and Markets Authority (FSMA) prepares sector-based analyses of ML/FT risks for each element of the financial sector that it supervises. This mapping enables resources to be directed to the highest-risk sectors.[93] Belgium's Financial Intelligence Processing Unit (CTIF-CFI), an independent agency supervised by the Ministries of Finance and Justice, reports that money laundering accounted for 14.6 per cent of its caseload in 2023, ranking third among its caseload. Economic and financial crimes ranked seventh at 6.1 per cent. The average amount per case handled by prosecutors exceeds €5 million, with several cases coming in at more than €50 million.

CTIF-CFI reports that fraud remains the most common underlying crime (63 per cent) for money laundering cases that it refers to prosecutors, handling 341 such cases in 2023. As an example, Belgian banks have been used by shell companies to launder proceeds from online investment scams. The CTIF-CFI received 79,211 reports of suspicious transactions in 2023, a significant increase from previous years. Of these, 1,316 new cases amounting to €2.4 billion were referred to prosecutors, while the agency intervened in 62 transactions totalling €4.5 million. According to CTIF-CFI, the number of reports of potential misconduct in credit institutions doubled from 2021 to 2023, reaching 40,000.[94][95] The LRCC attributes the large increase in suspicious transaction reports to several factors, including enhanced awareness and improved compliance with ML regulations, as well as intensified training and awareness campaigns within companies providing financial services.

As a result of the supervisory work of Estonia's Financial Supervisory Authority (FSA), the share of non-residents in the Estonian banking market fell from 20 per cent in 2014 to 8 percent at the end of 2018. The highest was

[93] "Annual Report 2023", Belgium Financial Services and Markets Authority, 2024; https://www.fsma.be/sites/default/files/media/files/2024-09/fsma_ar2023.pdf
[94] "Activiteitenverslag 2023", Cel voor Financiële Informatieverwerking, 2024; https://www.ctif-cfi.be/images/documents/Dutch/Jaarverslagen/JV2023_NL.pdf
[95] "2023 Annual Report", Police Fédérale, 2024; https://www.police.be/annualreport-federalpolice/sites/jaarverslag/files/files/2024-04/AR2023_Federal_Police.pdf

among the share of non-transparent non-residents, where money laundering risks are the highest. Concomitantly, the share of deposits held by offshore clients has fallen from 10 per cent to below 1 per cent. Credit institutions are increasingly recognising the ML risks associated with non-residents, and are blocking or restricting services to "non-residents with non-transparent backgrounds or businesses," according to the FSA.[96]

The FSA scored a victory in 2018 when the European Central Bank followed its recommendation to withdraw the operating licence of Estonian bank Versobank AS for breaches of ML and TF laws. This followed two years of supervisory efforts aimed at addressing the problems at the bank.[97] An FSA official called the decision "a clear signal that Estonia will not tolerate breaches of anti-money laundering and combating of terrorism law." Among Versobank's 5,600 clients, 3,600 did not live in Estonia.[98] The FIU has developed a new sector-based methodology for assessing ML and TF risks in the financial sector and for cross-border risks. This has led credit institutions to pay closer attention to cross-border payments in light of international financial sanctions.[99],[100]

Germany's Federal Financial Supervisory Authority, known as BaFin, inspects a full range of financial sector companies for ML/TF violations and other crimes, including with onsite inspections. Regular inspections are carried out regardless of the circumstances, while ad hoc inspections are done when swift and comprehensive probes are called for. On-site inspections are on the rise:[101] 122 in 2022 and 153 in 2023 (including 48 and 66 for ML, respectively). In-depth examinations are done to ensure annual financial statements comply with the German Banking Act.[102],[103]

Providing stronger legal grounds for Germany's FIU to fulfil its mandates is the Law to Strengthen the Risk-Based Method of the Central Agency for Financial Transaction Investigations, which took effect in November 2023. At the same time, reforms to the Money Laundering Act provide additional legal clarity on how the FIU performs duties according to Germany's risk-based approach.

The number of suspicious activity reports (SARs) sent to Germany's FIU under the Money Laundering Act has soared 15-fold over the past decade, from 20,716 in 2013 to 322,590 in 2023. One of the reasons is the BaFin's awareness-raising efforts geared toward regulated companies. This explains the doubling of SARs submitted by financial service institutions from 2022 to 2023. Discussions between authorities and companies have led to a better understanding of high-quality reports, in turn resulting in fewer non-actionable reports. This quality-over-quantity approach has saved investigators' time.[104]

The Bank of Latvia's horizontal reviews in 2023 of all credit institutions and the largest non-bank financial institutions revealed several encouraging signs, indicating its oversight is having an impact. Among the improvements:

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[96] "Finantsinspektsioon Yearbook 2023", Finantsinspektsioon, 2023; https://www.fi.ee/sites/default/files/FI_AA_2023_eng_www.pdf
[97] "Countering Money Laundering", Finantsinspektsioon, 19 March 2019; https://www.fi.ee/en/finantsinspektsioon/countering-money-laundering
[98] "ECB revokes licence of Estonian bank amid money laundering probe", Reuters, 27 March 2018; https://www.reuters.com/article/markets/ecb-revokes-licence-of-estonian-bank-amid-money-laundering-probe-idUSL8N1R92LY/
[99] "Estonian Financial Intelligence Unit Yearbook 2023", Financial Intelligence Unit, 2024; https://www.fiu.ee/sites/default/files/documents/2024-04/Estonian%20FIU%20Yearbook%202023.pdf
[100] "Finantsinspektsioon Yearbook 2023", Finantsinspektsioon, 2023; https://www.fi.ee/sites/default/files/FI_AA_2023_eng_www.pdf
[101] Klöckener, Sebastian and Ufer, Simon, "Money laundering prevention – experience from on-site inspections", Federal Financial Supervisory Authority, 26 February 2025; https://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Fachartikel/2025/fa_250113_BaFin_Pruefungen_Geldwaeschebekaempfung_en.html
[102] "2023 Annual Report", Federal Financial Supervisory Authority, 2024; https://www.bafin.de/SharedDocs/Downloads/EN/Jahresbericht/dl_jb_2023_en.pdf?__blob=publicationFile&v=3
[103] "BaFin on-site inspections point to even better ways to combat money laundering", Federal Financial Supervisory Authority, 26 Fenruary 2025; https://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Fachartikel/2025/fa_250113_BaFin_Pruefungen_Geldwaeschebekaempfung_Vorschalttext_en.html
[104] "Annual Report 2023", Financial Intelligence Unit, 2024; https://www.zoll.de/SharedDocs/Downloads/DE/Links-fuer-Inhaltseiten/Fachthemen/FIU/fiu_jahresbericht_2023_en.pdf?__blob=publicationFile&v=3

- credit institutions have "significantly" improved their ML/FTP risk assessment methodologies, have a "good understanding" of how to identify and assess ML risks, and regularly update these assessments; and
- companies have IT systems in place to screen and identify subjects of sanctions in a timely manner, even when data is incomplete.

The reviews examined companies' risk and sanctions methodologies and identified best and worst practices. The 17 inspected companies included all credit institutions registered in Latvia, all branches of EU-based credit institutions registered in Latvia, and four major non-bank companies. The Bank of Latvia found 16 of the 17 institutions had ML/TF and sanctions methodologies in place. All 17 had processes to develop or update their ML/TF risk strategy, brief management on ML/TF and sanctions risks, and improve IT systems.[105]

The Bank of Latvia's enforcement actions in 2023 included nine onsite inspections and one targeted offsite inspection. Two credit institutions were fined a total of €2.3 million for violating ML/TF rules and were ordered to fix gaps and improve their internal control systems. Problems included subpar risk management processes and insufficient risk-based due diligence on high-risk customers, as well as inadequate transaction monitoring. In acknowledging the gaps, both companies signed agreements to strengthen their internal control frameworks and ensure compliance with ML/TF regulations.[106]

The LRCC survey noted that Latvia in 2018 amended its Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing to include provisions, including:

- prohibiting financial institutions from cooperating with shell companies;
- widening the scope of people subject to the law, including insolvency administrators, outsourced accountants, sworn auditors and commercial companies of sworn auditors, tax consultants, and people who provide assistance in tax matters or act as an intermediary in providing assistance;
- limiting the amount of cash to €7,200 that a financial company may pay a client with whom the company has terminated business relations due to unmanageable ML and FT risks;
- prohibiting financial institutions from opening and maintaining anonymous individual safes.[107]

According to the FIU, ML/TF risks in Latvia "no longer pose a notable threat and are no longer significant," noting that risk-mitigation measures are "significantly limiting opportunities" for crimes. According to the 2022 National Money Laundering and Terrorism and Proliferation Financing Risk Assessment, credit institutions have taken significant steps to improve their internal control systems, including:

- improving credit institutions' understanding of assessing ML/TF risks;
- strengthening institutions' risk-based approaches to internal controls;
- improving institutions' internal regulations;
- improving the quality and content of training;
- improving IT tools to manage ML/TF risks, including transaction monitoring and automated screening; and
- improving results from external audit inspections.[108]

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[105] "Report on the Results of the Horizontal Inspection of Money Laundering, Terrorism and Proliferation Financing and Sanctions Risk Assessment Process Including Methodology", Bank of Latvia, 28 June 2023-; https://www.bank.lv/images/uzraudziba/publikacija/Horizontal-Inspection-AML.pdf

[106] "Latvijas Banka: Annual Report 2023", Latvijas Banka, 2024; https://datnes.latvijasbanka.lv/ar/AR/LB_AR_2023.pdf?_gl=1*15s1hdq*_ga*ODc4MDY0MTg0LjE3NDM3NjYzODM.*_ga_F8V1V8BEFY*MTc0Mzc2NjM4Mi4xLjEuMTc0Mzc2NzM5NC41OC4wLjA

[107] Amendments of the Law on Prevention of Money Laundering and Terrorism and Proliferation Financing, Latvijas Vēstnesis, 15 June 2021, https://likumi.lv/ta/id/324250-grozijumi-noziedzigi-iegutu-lidzeklu-legalizacijas-un-terorisma-un-proliferacijas-finansesanas-noversanas-likuma

[108] "National ML/TF/PF Risk Assessment Report for 2020-2022", Latvia Financial Intelligence Unit, 2023; https://fid.gov.lv/uploads/files/NRA%202020%20-%202022.pdf

Luxembourg's position as a global financial centre exposes it to all manner of corruption and related risks. Laundering the proceeds of foreign crimes is the most significant ML threat, the Ministry of Justice acknowledges. The main external threats include fraud, forgery, tax crimes, corruption and bribery. Within the financial sector, companies assessed as having "high" vulnerabilities include banks, investment firms, e-money and payment companies, corporate financial service providers, virtual asset service providers and life insurance companies, according to the Ministry.[109]

Luxembourg's Commission de Surveillance du Secteur Financier (CSSF) is a statutorily empowered agency with broad sanctioning powers, including issuing warnings, reprimands, administrative fines or occupational prohibitions for violating ML/TF rules. These penalties are typically announced to the public and are without prejudice to criminal sanctions, including imprisonment. The CSSF is legally entitled to obtain any document it deems necessary for its work, may issue summons, and can carry out onsite inspections. Failure to comply with injunctions to comply with ML/TF rules can result in sanctions against individuals.[110]

In April 2025, the CSSF fined a Luxembourg subsidiary of global insurance firm Allianz €283,000 for breaking ML/TF rules. An onsite inspection revealed several violations, including failing to adequately account for more than 1,000 people who invested in funds the company managed, and deficiencies in due diligence for investors and intermediaries. In one instance, the company did not document the source of wealth for an investor who was a politically exposed person. And, name screening for PEP and financial sanctions was not conducted for five investor accounts.[111]

CSSF's oversight includes requesting that credit institutions respond to an annual questionnaire on ML/TF issues and risks, in order to collect quantitative and qualitative data. Based on the 2022 survey responses and follow-up onsite inspections, the CSSF sent 131 observation letters to credit institutions in 2023 that pointed out ML/TF shortcomings. Severe deficiencies were detected regarding high-risk countries and delays in the name screening process, which led the CSSF to send 20 injunction letters.[112] The questionnaire must be completed by the company's compliance officer, who has the professional obligation to carry out their duties.[113]

In 2023, the CSSF increased the number of ML/TF inspections for emerging companies providing financial services, including payment institutions, electronic money institutions and virtual asset service providers. These inspections also focused on politically exposed persons (PEPs).[114]

Dutch banks are becoming stricter regarding the types of customers and clients they will accept and maintain. In 2021, four surveyed banks said they removed nearly 45,000 customers from their client list. Customers were removed if they did not align with the bank's integrity risk appetite, refused to cooperate with the due diligence procedure, or carried risks related to fraud, reputation, or environmental or societal factors. In 7,700 cases (17 per cent), this was due to ML/TF risks, which were double the number in 2016. The four banks said they rejected about 7,000 customers due to ML/TF risks.

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[109] Luxembourg Ministry of Justice, "2025 National Assessment of Money Laundering," 2025; https://gouvernement.lu/dam-assets/images-documents/actualites/2025/05/26-evaluation-risque-blanchiment/2025-nra-vsite-internet.pdf

[110] "Anti-Money Laundering and Countering the Financing of Terrorism (AML/CTF)", Commission de Surveillance du Secteur Financier, 3 April 2025; https://www.cssf.lu/en/anti-money-laundering-and-countering-the-financing-of-terrorism/

[111] Monaghan, John, "CSSF imposes €283,000 fine on Luxembourg subsidiary of Allianz Group", Luxembourg Times, 6 April 2025; https://www.luxtimes.lu/businessandfinance/cssf-imposes-283000-fine-on-luxembourg-subsidiary-of-allianz-group/53343688.html

[112] "Annual Report 2023", Commission de Surveillance du Secteur Financier, 2024; https://www.cssf.lu/wp-content/uploads/CSSF_RA_2023_EN.pdf

[113] "2024 Questionnaire on Financial Crime", Commission de Surveillance du Secteur Financier, 9 December 2024; https://www.cssf.lu/en/2024/12/2024-questionnaire-on-financial-crime/

[114] "Annual Report 2023", Commission de Surveillance du Secteur Financier, 2024; https://www.cssf.lu/wp-content/uploads/CSSF_RA_2023_EN.pdf

Banks are also improving their reporting of unusual transactions. Bank reports to the FIU rose more than tenfold from 2017 to 2021, from 23,000 to 260,000. This made up one-fifth of unusual transactions in 2021, with the remainder coming from payment companies and crypto service providers. The total of 1.2 reports is 3.5 times more than in 2017. ML cases handled by prosecutors are also on the rise, increasing 155 per cent from 2017-21, with convictions rising from 600 in 2016 to 1,100 in 2020.

In an example of pooling data to detect suspicious transactions and improving risk assessments, five Dutch banks are working together under the name "Transaction Monitoring Netherlands" to monitor their transactions for signs of ML/TF. Authorities worldwide seize an estimated 0.05% of illegally obtained funds. The Public Prosecution Service confiscated €291 million in 2021, which is 1.8 per cent of the €16 billion in criminal money earned in the Netherlands. This suggests Dutch authorities proportionally confiscate 36 times more of these funds than their counterparts worldwide. Unusual transactions doubled yet again from 2022 to 2023, to 2.3 million reports originating from 1,955 entities. The development of tailored forms for professionals, such as traders, civil law notaries, auditors and real estate agents, has improved accessibility and the uniformity and quality of data.[115],[116]

Money laundering prosecutions in Sweden jumped from 2,308 in 2022 to 3,156 in 2023, continuing the upward trend since the law against money laundering was passed in 2014. Indictments and penalty orders are on the rise, as is the number of decisions to prosecute, growing 9.1 per cent from 2022 to 2023 to 10,857.[117] Enforcement actions by the Finansinspektionen include:

- Issuing a remark and a fine of SEK 500 million (€4.5 million) to Klarna Bank in 2024 for violating ML regulations. When investigating Klarna from April 2021 to March 2022, FI found problems with ML/TF compliance, including risk assessments and customer due diligence;[118]
- Issuing a remark and a fine of SEK 90 million (€8 million) to Länsförsäkringar Ban in 2022 for violating ML rules, particularly related to high-speed transactions, foreign payments, monitoring business relationships and transactions, and risk management.[119]

Tracfin, France's FIU, referred 387 reports of money laundering with criminal origin to judicial authorities. This is an increase from 251 in 2022. A feature of this system is to send evidence to judicial authorities to supplement ongoing proceedings spontaneously.[120]

Austria's Financial Market Authority has developed an app to monitor compliance ML/TF due diligence. Based on the "R/Shiny" technology, the app FMA provides an up-to-date view of each supervised company 24 hours a day. The tool helps to identify trends and risk factors to aid monitoring and investigations, and to prepare and follow up on onsite and offsite inspections.[121]

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[115] Brits, Hans, et al, "From recovery to balance: A look ahead to a more risk-based approach to preventing and combating money laundering and terrorist financing", De Nederlandsche Bank, 2022; https://www.dnb.nl/media/n5tkzdqm/74726_dnb_ia-fec_en_web.pdf

[116] "Annual review 2023 FIU-the Netherlands", Financial Intelligence Unit – The Netherlands'; 2024; https://www.fiu-nederland.nl/en/annual-review-2023/

[117] "Åklagarmyndighetens Årsredovisning 2023", Åklagarmyndigheten (Swedish Prosecution Authority), 2024; https://www.aklagare.se/globalassets/dokument/planering-och-uppfoljning/arsredovisning/arsredovisning-2023.pdf

[118] "Klarna receives a remark and an administrative fine", Finansinspektionen, 11 December 2024; https://www.fi.se/en/published/sanctions/financial-firms/2024/klarna-receives-a-remark-and-an-administrative-fine/

[119] "Länsförsäkringar Bank recieves a remark and must pay an administrative fine", Finansinspektionen, 14 December 2022; https://www.fi.se/en/published/sanctions/financial-firms/2022/lansforsakringar-bank-recieves-a-remark-and-must-pay-an-administrative-fine/

[120] "Tracfin's Activity: 2023 Review", France Ministries for the Economy, Finance and Public Accounts, 2024; https://www.economie.gouv.fr/files/files/directions_services/tracfin/media-document/2023_rapport_T2_ANG.pdf?v=1743011504

[121] "2023 Annual Report of the Financial Market Authority", Austria Financial Market Authority, 2024 ; https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=6715&nonce=6371eaf6162c66c3

Audits and inspections of companies providing financial services

EU Member States are increasing the use of onsite inspections and offsite audits of companies providing financial services to ensure compliance with ML/TF, market abuse, and other anti-corruption regulations and standards. For onsite inspections, regulators interview managers and staff, and review a wide range of procedures and documents. Issues typically reviewed include internal controls, risk management, suspicious activity reports, conflicts of interest, insider trading, financial statements, and regulatory filings.

For inspections and audits alike, transaction records may be checked to ensure they comply with know-your-customer (KYC) procedures. Financial reports may be compared with actual transactions. Communication records may be reviewed to determine whether confidential or insider information has been improperly shared. Transactions involving high-risk countries are scrutinised, as are improper market behaviour, including collusion, insider trading and misleading financial statements. Corporate governance policies are checked for effective auditing systems and a well-functioning compliance framework.

These inspections and audits have exposed a wide range of shortcomings in a variety of companies, leading to sanctions and corrective actions.

France's Financial Markets Authority (Autorité des marchés financiers, AMF) has enhanced and expanded its types of inspections. In 2023, the agency introduced alternatives to its usual investigation procedures in order to probe suspected market abuses. The agency took 60 targeted actions, including issuing warning letters, requesting information, and conducting interviews with suspects. It expanded its oversight of bonds, commodity derivatives, short selling and major price movements, for example, during the banking stock crisis in March 2023. In 2023, the AMF carried out 60 standard inspections and SPOT (Supervision of Operational and Thematic Practices) inspections of asset management companies and other investment services, and sent 55 follow-up reports to the inspected companies.

Austria's Financial Market Authority conducted 20 onsite inspections in 2023 to monitor due diligence for money laundering and terrorist financing: 17 banks, two virtual asset service providers, and one insurance company. The FMA also carried out 22 examinations, including 10 at banks and two at investment firms, and 42 onsite measures and 5 management talks.[122]

In 2017, Estonia's Financial Supervisory Authority (FSA) conducted two onsite anti-money laundering inspections of credit institutions and 19 remote inspections, as well as inspections for all other market participants. Following 14 inspections for market entry, the agency, in two cases, prevented people "whose reputations were not spotless" under ML requirements from sitting on the boards of financial service companies.[123]

Germany's BaFin has the authority to dispatch "special representatives" to monitor the ML compliance of companies providing financial services. Seven companies were being probed at the end of 2023, compared to six in 2022. These specially appointed audit firms, whose assignments can last from six months to several years, have discovered "far-reaching structural deficits." Taking a positive approach, the auditors supported the companies in fixing the problems and reported back to BaFin about their progress. Two companies significantly improved their prevention efforts, so the auditors ended their assignments in 2023.[124]

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[122] "2023 Annual Report of the Financial Market Authority", Austria Financial Market Authority, 2024 ; https://www.fma.gv.at/wp-content/plugins/dw-fma/download.php?d=6715&nonce=6371eaf6162c66c3

[123] "Finantsinspektsioon Yearbook 2023", Finantsinspektsioon, 2023; https://www.fi.ee/sites/default/files/FI_AA_2023_eng_www.pdf

[124] "2023 Annual Report", Federal Financial Supervisory Authority, 2024; https://www.bafin.de/SharedDocs/Downloads/EN/Jahresbericht/dl_jb_2023_en.pdf?__blob=publicationFile&v=3

Oversight and regulation of financial service providers

The sector is populated by a wide and extensive variety of companies that provide investment, advisory, and ancillary services beyond those traditionally offered by banks. Within these many decentralised sub-sectors, where small- and medium-sized companies may operate below regulators' radar, corruption risks are high. Regulators in Member States are mapping these sub-sectors and developing strategies to monitor their compliance with anti-corruption policies and standards.

Two such examples are financial advisers and online services. Financial advisers play a crucial role in the sector, situated between financial service providers and consumers. Some regulators are strengthening their oversight of advisers and enforcement actions when violations are detected. Regulators look for violations such as conflicts of interest, bribery, kickbacks, insider trading, and the marketing and sale of non-viable products. Online and crypto services are one of the fastest-growing and most risk-filled subsectors within the financial industry. Various regulatory and oversight frameworks are rapidly being developed to address these rising threats, including checks on licensing, ML/TF, transparency, fraud, and improper marketing.

In 2023, France's Financial Markets Authority (AMF) inspected financial investment advisers (FIAs) that were marketing atypical, unregulated products or products that are not authorised for marketing in France. One FIA was singled out for a conflict of interest, as it was advising on unlisted financial instruments issued by companies that the FIA had supported in their fundraising. The inspections also revealed significant shortcomings in the due diligence carried out by FIAs, including the lack of product governance procedures.

Among the successful prosecutions based on AMF investigations, the Paris Tribunal Judiciaire in May 2023 sentenced a financial adviser to 42 months in prison, €2.7 million in fines, and five years of ineligibility for market manipulation, which is understood as a form of corruption,[125] and for money laundering dating back to 2016. The court also confiscated his €2.7 million securities account in the UK stemming from this "pump-and-dump" case. The AMF previously had fined the man €2.2 million in three market abuse cases. For the first time, the AMF brought a civil case against a defendant and was awarded €99,064 in costs and a symbolic €1 for moral damages.[126]

In November 2023, the Grenoble Tribunal Judiciaire permanently closed a company providing financial investment advice. The court found the company had illegally received and laundered funds, and convicted its director of breach of trust, misappropriation of assets and forgery. The former director received a three-year suspended prison sentence, a €10,000 fine, a permanent ban on practising as an FIA in the banking and insurance sectors, and a 15-year ban on managing any commercial or industrial activities.

Belgium's Financial Services and Markets Authority (FSMA) employs a web-scraping tool to track social media financial influencers known as "finfluencers." The agency requires these people to publish objective information and any conflicts of interest. If a problem is detected, the agency can stop certain activities, issue warnings, and impose fines. Specifically, the tool:

- checks whether influencers are following advertising rules in the FSMA's Crypto Regulation of 2023, which requires ads to include risk warnings;
- tracks and blocks influencers who promote financial derivatives that are banned in Belgium; and

[125] Possession of inside information due to their listing or activity on the financial markets, and in particular those subject to Law No. 2016-1691 of 9 December 2016 (the "Sapin II Law") is seen as a risk of private corruption https://www.amf-france.org/en/news-publications/news/amf-and-afa-call-vigilance-risk-private-corruption-criminal-networks-natural-persons-access-inside.
[126] "Pump-and-dump practice: market manipulation sanctioned by the Paris Tribunal Correctionnel", Autorité des Marchés Financiers, 5 July 2023; https://www.amf-france.org/en/news-publications/news/pump-and-dump-practice-market-manipulation-sanctioned-paris-tribunal-correctionnel

– tracks influencers who post investment recommendations.[127]

In the area of crypto asset services providers, France's PACTE law established a system for the AMF to register companies that hold third parties' digital assets, buy or sell digital assets against legal tender, trade in digital assets, or operate a digital asset trading platform. Oversight includes competence and good repute for managers and major shareholders and anti-ML/TF measures.[128] PACTE was amended in 2023 to require companies to have adequate security, internal controls, IT systems, and an anti-conflict-of-interest system.[129]

Anti-corruption reforms and policies of ING Bank

Self-policing and company initiatives are critical to improving integrity in the financial services industry, if for no other reason than regulators and law enforcement cannot be everywhere all the time. In particular, many banks are devoting substantial resources and sharpening their expertise to detect ML/TF, unsavoury customers and ethical violations by their own staff and other problems.

Following a money-laundering affair in Italy in 2017 that led to a €30 million fine, ING instituted a series of reforms intended to prevent a repeat of such a scandal. The Amsterdam-based bank publicly acknowledged that it is "at risk of being (mis)used" for money laundering, including predicate crimes such as bribery, corruption, tax evasion and fraud, terrorist financing, sanctioned activities, including trade-controlled exports, and weapons proliferation financing.

ING's Financial Economic Crime (FEC) framework includes policies and systems for:

– customer due diligence, including risk assessments commensurate with identified risks;
– transaction monitoring to identify, assess and report suspicious activities;
– compliance screening for Dutch, EU, US and UN sanctions programmes;
– training and awareness; and
– reporting and record retention.

All ING majority-owned and controlled entities, including outsourcing partners, are required to comply with the FEC framework. If local laws and regulations are more stringent than the framework, then local policies apply. FEC applies if it is stricter than local policies.

ING has designated "ultra high risk" countries where it does not do business or process payments, including Cuba, Iran, North Korea, Sudan, Syria and the Crimea region. ING does not accept new customers from these countries and examines whether current customers should be dropped.[130]

ING says it has 5,000 people working globally to carry out its know-your-customer (KYC) systems, which include:

[127] "Annual Report 2023", Belgium Financial Services and Markets Authority, 2024; https://www.fsma.be/sites/default/files/media/files/2024-09/fsma_ar2023.pdf
[128] "Annual Report 2023", Autorité des Marchés Financiers, 2023; https://www.amf-france.org/sites/institutionnel/files/private/2024-08/2023_amf_annual_report.pdf
[129] Rogger, Dominic, "The PACTE Amendment Act in France", Pontinova, 20 January 2025; https://www.pontinova.law/blog-posts/pacte-micar-casps-france
[130] "ING Financial Economic Crime Statement", ING Group N.V., October 2024; https://www.ing.com/web/file?uuid=c3147b80-ced5-45a5-91e3-2e808964aa24&owner=b03bc017-e0db-4b5d-abbf-003b12934429&contentid=61351

- KYC Committees to manage activities in different countries, regions and business lines;
- Client Integrity Risk Committees to steer decisions on client relationships based on compliance criteria;
- a global platform called "SparQ" that uses AI to automatically turn regulation into policy; and
- an increased focus on closing accounts, including those of customers who do not respond to information requests.

ING says it has improved its payment monitoring and alert detection by developing a combined transaction database with other banks in the Netherlands and banks and payment providers in Belgium.[131]

ING's bribery and corruption policy for employees and third parties acting on the bank's behalf includes:

- pre-approvals and lower limits for gifts and entertainment in connection with business interactions with public officials and state-owned entities;
- a ban on offering or accepting travel and accommodation as part of hospitality;
- charitable contributions are only permitted to bona fide charities, so they cannot be used to conceal bribes; and
- recording all payments, gifts and entertainment in ING's books and registers.[132]

Enforcement actions and sanctions

Accountability is one of the main pillars of financial regulation, and by far the most important aim with regard to punishing, correcting, deterring wrongdoing – along with an element of public naming and shaming. Many EU Member States have increased the number of cases they have investigated, sanctions they have issued, prosecutions they have conducted, and corrective actions they have ordered.

Many Member States release somewhat detailed information about the number and types of their investigations and enforcement actions in the financial sector. Typically, this information includes whether an enforcement action is a warning letter, monetary fine, administrative sanction, imprisonment, professional ban, ban on improper financial products, settlements, corrective actions or other forms. Based on this information, improvements are evident, though the reasons behind this are not always obvious.

Presented here are profiles of the work of public authorities that are exhibiting success and, where known, the strategies and tactics that have led to these successes. Lessons could be learned with the benefit of a deeper analysis of the investigative and enforcement strategies that have led to these improvements. A commonality, however, of the below-reported cases is that, despite the corruption angle, such as conflict of interest, they are prosecuted for the underlying offence, such as fraud or money laundering.

With a range of legal and investigative tools, German authorities have undertaken many successful enforcement actions and prosecutions in relation to unauthorised activities, including corruption-related crimes, in the financial sector in recent years:

- Under the direction of prosecutors, 500 police officers raided Deutsche Bank offices and private properties in 2012 in an investigation into a tax evasion scheme involving the carousel trading of carbon permits. Twenty-

[131] "Know your customer and anti-money laundering measures", ING; https://www.ing.com/About-us/Compliance/KYC-and-anti-money-laundering-measures.htm
[132] "Zero tolerance approach to bribery and corruption", ING; https://www.ing.com/About-us/Compliance/Zero-tolerance-bribery-statement.htm

five employees were suspected of involvement in tax evasion, money laundering, fraud, and obstruction of justice, with five of them listed in arrest warrants.[133]

- Deutsche Bank-owned asset manager DWS was fined €25 million in 2025 for greenwashing – namely, making misleading statements about its environmental and social investing credentials. In statements that prosecutors said "did not correspond to reality," DWS publicly claimed for three years that it was a "leader" in environmental, social, and governance investing, and that ESG was integral to its work. Prosecutors said DWS was misleading investors and fined it for violating investment laws.[134]
- Authorities fined the state-owned KfW Ipex-Bank €150,000 for facilitating loans to a brewery linked to Isabel dos Santos, the daughter of Angola's former president. The deals involving dos Santos, believed to be Angola's richest woman, violated Germany's anti-ML laws.[135]
- Following a series of scandals, Deutsche Bank said it had "beefed up" its anti-ML efforts by spending €2 billion in 2019-20 and hiring 1,600 people to combat financial crime. In April 2021, however, BaFin ordered Deutsche Bank to further strengthen its ML safeguards and to do more to comply with its due diligence obligations.[136]

Table 13 Investigations of unauthorised financial sector activities by BaFin, Germany[137]

	2022	2023
New suspected violations	1,123	1,146
Searches	8	10
Formal measures	354	389

Table 14 Number of information referrals from BaFin to other public authorities138

	2022	2023
Total	391,565	431,843
Referrals to the police	316,580	349,531
Referrals to prosecutors	43,633	46,912
Referrals to tax authorities	17,100	18,318
Referrals to customs authorities	12,784	15,683

On 25 January 2023, BaFin fined a bank €3 million for violating the Securities Trading Act. The agency stated that the company had failed to provide management with appropriate access to its 2019 compliance report, which is essential for identifying breaches and taking corrective action before problems escalate and spread.[139] In response, the bank said it had "taken steps to prevent a recurrence" of the problem.[140]

[133] "Deutsche Bank offices raided in carbon tax fraud probe", BCC, 12 December 2012; https://www.bbc.com/news/business-20695042
[134] "Deutsche Bank-owned asset manager DWS fined $27 million for greenwashing", Reuters, 2 April 2025; https://www.reuters.com/sustainability/german-asset-manager-dws-fined-25-mln-eur-greenwashing-case-2025-04-02/
[135] Alecci, Scilla, "German state-owned bank fined for Angolan loan exposed in Luanda Leaks", International Consortium of Investigative Journalists, 3 September 2021; https://www.icij.org/investigations/luanda-leaks/german-state-owned-bank-fined-for-angolan-loan-exposed-in-luanda-leaks/
[136] Wolcott, Rachel, "AML efforts of European banks hampered by deficient on-boarding", Thomson Reuters, 26 September 2022; https://www.thomsonreuters.com/en-us/posts/investigation-fraud-and-risk/european-banks-aml-efforts/
[137] "2023 Annual Report", Federal Financial Supervisory Authority, 2024; https://www.bafin.de/SharedDocs/Downloads/EN/Jahresbericht/dl_jb_2023_en.pdf?__blob=publicationFile&v=3
[138] "2023 Annual Report", Federal Financial Supervisory Authority, 2024; https://www.bafin.de/SharedDocs/Downloads/EN/Jahresbericht/dl_jb_2023_en.pdf?__blob=publicationFile&v=3
[139] "ABN AMRO Bank N.V. Frankfurt Branch: BaFin imposes administrative fine", Federal Financial Supervisory Authority, 21 February 2021; https://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Massnahmen/40c_neu_124_WpHG/meldung_230221_abn_amro_bank_nv_frankfurt_branch_en.html;jsessionid=9A64872062E9EAD9710B5E1E2717CC05.internet952
[140] "German regulator BaFin imposes fine on ABN AMRO Bank NV, Frankfurt Branch", ABN AMRO Bank N.V., 21 February 2023; https://www.abnamro.com/en/news/german-regulator-bafin-imposes-fine-on-abn-amro-bank-nv-frankfurt-branch

Amidst these investigations and enforcement actions, the number of economic crimes recorded in Germany in 2023 dropped by 47 per cent, its lowest level in five years. Economic crime accounted for 0.7 per cent of all police-reported crimes, down from 1.3 in 2022.[141]

In Italy, investigations have led to various sanctions, corrective actions, and referrals, as well as investigations into company improvements. In 2023, the Commissione Nazionale per le Società e la Borsa (CONSOB) took 380 actions related to financial abuses. These included 167 orders to stop improper Internet-based investment services (which led to blocking 185 websites), and 22 bans and suspensions of abusive financial product offers. With its law enforcement authority, CONSOB referred 190 reports to judicial authorities. CONSOB issued 41 sanctions in 2023, an increase from 26 in 2022.

A total of 66 parties were sanctioned, with fines totaling €3 million. One sanction was for a bank's failure to set up and maintain effective procedures to identify and report suspicious orders and transactions that could lead to market abuse. Five proceedings were settled for reduced fines of €270,000. Two financial intermediaries were sanctioned for a total of €76,000, for violations related to procedural diligence and transparency in providing investment services, and managing of conflicts of interest and internal compliance. In the seven years from 2017-23, CONSOB sent 1,249 alerts to judicial authorities, issued 980 termination orders to intermediaries, and filed 83 bans related to public offering violations.[142]

Successful enforcement actions in the Netherlands include:

- ING Bank paid a €775 million fine in 2018 following findings by the Public Prosecution Service that the bank violated the Anti-Money Laundering and Counter Terrorism Financing Act for many years, and on a structural basis. Prosecutors found the bank "culpable" of money laundering because it failed to prevent its accounts from being used to launder hundreds of millions of euros between 2010 and 2016. "ING's behaviour was not just an isolated incident, but the result of structural shortcomings," prosecutors said. Among the problems were subpar due diligence leading to clients being accepted without sufficiently investigating risks; clients classified in the wrong client segments; client relationships and bank accounts not adequately monitored and not terminated promptly when needed; an understaffed and inadequately trained compliance department; not enough ML signals being generated; and unusual transactions not regularly reported or reported too late. "Only the proverbial tip of the iceberg was investigated," prosecutors said.[143] In one case, the Russian-Norwegian telecom provider VimpelCom transferred tens of millions of euros in bribes via its ING accounts to a company owned by Gulnara Karimova, the daughter of the President of Uzbekistan, Islam Karimov. The bank did not promptly report the transactions and did not investigate who actually owned the company.[144]
- Revo Capital Management was fined €153,000 by the Authority for the Financial Markets in 2022 for violating the Money Laundering and Terrorist Financing Prevention Act. Between 2018 and 2020, the company failed to conduct ML/TF risk assessments for two investment funds under its management and did not ensure that the funds had procedures in place to verify whether their clients were politically exposed persons.[145]

[141] "Wirtschaftskriminalität: Bundeslagebild 2023", Bundeskriminalamt, 2024; file:///Users/admin/Downloads/wirtschaftskriminalitaetBundeslagebild2023-1.pdf

[142] "Annual Report 2023", Commissione Nazionale per le Società e la Borsa (CONSOB), 2024; https://www.consob.it/documents/d/consob-and-its-activities/ar2023

[143] "ING pays 775 million due to serious shortcomings in money laundering prevention", Netherlands Public Prosecution Service, 4 September 2018; https://www.prosecutionservice.nl/latest/news/2018/09/04/ing-pays-775-million-due-to-serious-shortcomings-in-money-laundering-prevention

[144] "ING CFO Resigns in Netherlands Money Laundering Scandal", Organised Crime and Corruption Reporting Project, 12 September 2018; https://www.occrp.org/en/news/ing-cfo-resigns-in-netherlands-money-laundering-scandal

[145] "AFM imposes fines on Revo Capital Management for infringements of Money Laundering and Terrorist Financing (Prevention) Act", AFM, 2022; https://www.afm.nl/en/sector/actueel/2022/juni/boete-revo-capital-management

Enforcement actions by Sweden's Finansinspektionen include issuing a remark and a fine of SEK 100 million (€9 million) to the stock exchange Nasdaq Stockholm Aktiebolag in 2024 under the Securities Market Act. FI investigated whether the exchange had effective systems for trade monitoring and reporting suspected insider dealing, and whether it traded in financial instruments in violation of the Securities Market Act. FI found several deficiencies.[146]

5.4 Analysis of corruption mitigation measures carrying the potential to enhance the already existing EU-level framework

5.4.1 Easier access to and greater use of data

Successful oversight and investigations naturally depend on access to high-quality and up-to-date evidence. More EU Member States are easing regulators' access to and use of financial and other data, with the crucial recognition that fighting corruption outweighs concerns about excessive data protection. This is often achieved by building super-databases from multiple sources that investigators across multiple agencies can access immediately and without barriers.

In this way, investigators can rapidly "follow the money," trace associations among bad actors, and pinpoint all levels of perpetrators from top to bottom. Greater access to financial, company, and other data enhances the tracking of illicit financial flows across regions, countries, accounts, and companies that provide financial services.

5.4.1.1 Current state of play

With greater access to company records, including beneficial ownership registries, investigators can cross-reference this information with account details and transactions. Data consolidation and sharing are greatly improving collaboration among public authorities within countries and across borders.

In France, the Cour de Cassation ruled in 2023 that EU law authorises the AMF to collect and retain connection data in the course of investigating a specific serious crime. This means from the initial stage of a specific investigation into serious market abuse, to the issuance of a rapid data retention order, based on the criteria of seriousness and necessity.[147]

Investigators with Belgium's Financial Services and Markets Authority (FSMA) have the legal authority to request written information and telecommunications records, conduct formal interrogations and seize data. Aided by these powers, the FSMA in 2023:

- opened 38 new investigations, including 10 for financial markets and market abuse, 4 for financial products and prospectus violations, and 5 involving intermediaries;
- audited 5,023 entities for compliance with ML/TF laws and regulations;
- removed 307 non-compliant intermediaries from the registers;
- rejected the applications of 23 prospective intermediaries; and

[146] "Nasdaq Stockholm receives a remark and an administrative fine", Finansinspektionen, 19 June 2024; https://www.fi.se/en/published/sanctions/financial-firms/2024/nasdaq-stockholm-receives-a-remark-and-an-administrative-fine/

[147] "Annual Report 2023", Autorité des Marchés Financiers, 2023; https://www.amf-france.org/sites/institutionnel/files/private/2024-08/2023_amf_annual_report.pdf

– handled an all-time record 2,170 consumer reports on fraud and irregular activities in the financial sector, a nearly threefold increase since 2017.[148] [149] [150]

Introduced online in Germany in 2022, an automatic data retrieval system linked to the FIU enables the Federal Criminal Police Office, the Customs Investigation Service, and the Federal Office for the Protection of the Constitution to obtain quick access to information for their casework. In the following year, the FIU received more than 19,000 automatic data requests, roughly half of which led to matches in the FIU's database. As of 2024, access was planned for prosecution and tax investigation offices, as well as the Financial Control of Undeclared Work. The system is authorised by the Money Laundering Act, which covers the investigation of ML/TF. As an example of a side benefit, the FIU used suspicious transaction reports to find illegal online gambling providers. The FIU forwarded a database of this evidence to state gambling authorities, which successfully blocked payments to the illegal operations.[151]

5.4.1.2 Case study

Box 13 Case study

Germany's Money Laundering Law empowers the Financial Intelligence Unit (FIU) to share information on criminal suspects with other public authorities that are investigating offences not related to ML/TF. This includes law enforcement and federal agencies such as the Customs Investigation Service and the Federal Office for the Protection of the Constitution. According to the law, the FIU, upon request, can send personal data to other agencies if "necessary for the investigation of other threats and the conduct of other criminal proceedings."[152] This means the probing of other financial crimes not related to ML/TF can benefit from data sharing, and that the FIU's data-sharing authority extends beyond the EU's 2024 Anti-Money Laundering Directive.[153]

To expedite the benefits, the Money Laundering Law authorised an automatic data retrieval system, set up in 2022, linking the FIU with other authorities. With quick access to the new data for their own casework, the system quickly took off. The following year, the FIU received more than 19,000 data requests, roughly half of which led to matches in the FIU's database.

As an example of the system's broader impacts, the FIU forwarded a database of potentially illegal online gambling operators to the Federation of State Gambling Authorities, GGL. The GGL proceeded to block payment service providers from sending gamblers' bets to the illegal gambling operations.[154]

5.4.1.3 Relevance for the EU framework

As mentioned above, the EU's financial and capital markets, banking, and insurance industries are highly regulated areas in which the EU shares regulatory competencies with the Member States under Articles 56 et seq., 63 et seq., and 114 of the TFEU. Given its strong mandate, the EU could implement a range of complementary measures to facilitate and promote the use of information collected in the course of money laundering detection for investigating other types of corruption in the financial sector. As the above case study demonstrates, sharing

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[148] "Annual Report 2023", Belgium Financial Services and Markets Authority, 2024; https://www.fsma.be/sites/default/files/media/files/2024-09/fsma_ar2023.pdf

[151] "Annual Report 2023", Financial Intelligence Unit, 2024; https://www.zoll.de/SharedDocs/Downloads/DE/Links-fuer-Inhaltseiten/Fachthemen/FIU/fiu_jahresbericht_2023_en.pdf?__blob=publicationFile&v=3

[152] Money Laundering Act of Germany, 12 October 2018; https://www.bafin.de/SharedDocs/Veroeffentlichungen/EN/Aufsichtsrecht/Gesetz/GwG_en.html;jsessionid=ED146174312A6CFE06844F1BC8B296E3.internet001?nn=19586032#doc19618182bodyText36

[153] Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC

[154] Annual Report 2023", Financial Intelligence Unit, 2024; https://www.zoll.de/SharedDocs/Downloads/DE/Links-fuer-Inhaltseiten/Fachthemen/FIU/fiu_jahresbericht_2023_en.pdf?__blob=publicationFile&v=3

available information among public authorities within the same EU Member State enhances efforts to combat corruption in the financial sector. For its part, the EU could equally facilitate the expansion of national laws and practices to explicitly allow and encourage FIUs to share this information with other public authorities in their own country. Especially given that at the EU level a legal framework already exists for the exchange of financial information for law enforcement purposes between the competent authorities of EU Member States, particularly the FIUs.[155] Given the vast interconnectedness of ML/TF with many other corruption-related crimes, the use of evidence should be maximised, not limited only to ML/TF-related crimes.

Technical assistance could be provided to Member States, including the establishment of procedures, protocols, and inter-agency memoranda of understanding (MOUs) to facilitate information sharing. The EU could promote the practice through the various financial investigation networks currently in operation. Once information-sharing systems are in place, the EU could provide guidance to Member States on tracking the impacts, including the number and types of investigations that benefited from the shared information.

Table 15 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	n.a
Funding	n.a
Capacity-building	Expertise and best practices on sharing ML/TF data to investigate other types of crimes in the financial sector.
Soft-law / Benchmarking	Guidelines on sharing ML/TF data to investigate other types of crimes in the financial sector. Mapping of current practices in Member States on sharing ML/TF data to investigate other types of crimes in the financial sector.
Networking & Outreach	Assembling an expert group (including sub-groups) on IT/AI solutions for preventing and investigating ML/TF and other corruption-related crimes. Publishing a report on successes.

5.4.2 Vetting financial sector employees and declaring private interests

One of the most effective ways to prevent corruption in the financial sector is to prevent shady people from joining the industry in the first place. Screening industry participants can help achieve many goals, including improving trust and integrity in the sector, compliance with regulations and standards, prevention of ML/TF and other corruption-related crimes, protection of confidential information, maintenance of companies providing financial services' reputation, and, perhaps most importantly, the interests of customers and investors.

Though companies providing financial services are legally private, there is growing pressure to ensure that they are working in the public interest and not simply for their own benefit. Ensuring that people who hold leading positions in the industry have the proper professional skills and personal character will help the companies they work for fulfil their public duties.

[155] Directive (EU) 2019/1153 of the European Parliament and of the Council of 20 June 2019 laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences, and repealing Council Decision 2000/642/JHA

5.4.2.1 Current state of play

Lithuania, Estonia and Germany are among the Member States that have established formal policies and procedures to screen applicants for potential risks. Such vetting may include checking criminal records and disciplinary measures, and verifying employment records and professional qualifications. These principles are especially relevant to individuals in sensitive roles, including compliance, audit, legal, ML/TF, and investment advice and management. At the EU level, the European Central Bank assesses the suitability of higher managers at credit institutions that it supervises.

In Estonia, the Financial Supervisory Authority (FSA) conducts "fit and proper assessments" of certain managers in companies providing financial services, according to the Financial Supervision Authority Act. These "elevated requirements" are intended to ensure the functioning, stability and credibility of the country's financial sector. Companies are legally required to notify the FSA if they intend to appoint certain types of managers, extend their employment, or recall them before their employment term ends. The FSA has issued guidelines, instructions and questionnaires for companies to properly carry out the fit and proper assessments.[156] Managers are screened to determine whether they have convictions for offences against the authority of the state, ML-related offences, or other crimes. They also must have a proper business reputation that includes a review of any associations with criminals.[157]

In Germany, BaFin conducts fit-and-proper screenings for people who hold positions carrying out "key functions" in the insurance industry. Among the requirements, job applicants must obtain a "certificate of good conduct" from the Federal Office of Justice or from a relevant European agency. Individuals who have resided in multiple countries over the past 10 years must provide certificates of conduct and corresponding documents from each country. Employees must inform the board chair of potential conflicts of interest "at an early stage," and the board must take steps to address them.[158]

5.4.2.2 Case study

Box 14 Case study

Lithuania exercises caution regarding who works in and holds leadership positions in important industries and institutions. This includes the Bank of Lithuania, where prospective employees and employees applying for transfers undergo screening and must submit interest declarations.

Under the staff credibility provisions of the 2021 Law on Prevention of Corruption, the Bank assesses whether a person is suitable for a position for which he or she is applying. During the job application process, the Bank sends a request to the Special Investigation Service (STT) to collect and provide information about the person to ensure he or she "meets the special requirements for good repute." In the three years from 2021 to 2023, the STT's Analytical Anti-Corruption Intelligence Department vetted 317 job candidates for the Bank.[159] Established in 2018, this department has access to information from public authorities and enterprises, banks, companies

[156] "Fit and proper assessment", Finantsinspektsioon, 31 March 2021; https://fi.ee/en/finantsinspektsioon/sobivusmenetlus

[157] "Anti-money laundering and counter-terrorist financing measures: Estonia", Council of Europe, 2024; https://www.fatf-gafi.org/content/dam/fatf-gafi/fsrb-fur/Estonia-FUR-2024.pdf.coredownload.inline.pdf

[158] Circular 11/2023 (VA) – Fit and proper assessment of the professional qualifications and good repute of individuals responsible for key functions or who carry out key functions, in accordance with the Insurance Supervision Act, German Federal Financial Supervisory Authority, 1 December 2023; https://www.bafin.de/SharedDocs/Downloads/EN/Rundschreiben/dl_rs_1123_vp_va_en.pdf?__blob=publicationFile&v=1

[159] "Prevention of corruption: Ensuring staff credibility", Bank of Lithuania, 10 December 2021; https://www.lb.lt/en/prevention-of-corruption#ex-1-1

providing financial services, credit institutions, and other companies. As of 2023, this included 284 information systems and 95 registries.[160]

The long list of Bank positions for which vetting is required includes advisors to the board chair, vice president and members; heads of structural units and internal departments; procurement commissions and organisers; staff authorised to work with the European Central Bank; officials who perform "secret" duties; staff with access to SWIFT/Euclid; and certain staff in the departments of financial stability, market operations, financial market supervision, banking and insurance supervision, and legal and licensing.[161]

As another control measure, certain categories of Bank employees are required to submit a declaration of private interests in accordance with the Law on the Adjustment of Public and Private Interests. The procedures are set by the Bank's Chief Official Ethics Commission.[162] Employees covered under the policy include the board chair, vice president and members; all staff in the departments of banking and insurance supervision, financial market supervision, and legal and licensing; the directors of financial stability, market operations and market infrastructure, and procurement committee members, experts, originators, and employees who carry out simplified procurement procedures.[163]

Bank employees who have access to sensitive market information must comply with the Bank of Lithuania's Rules on Personal Financial Transactions of Employees. The rules are intended to prevent officials from using insider and non-public information for personal financial transactions.[164] The Bank also maintains policies on abstaining from official duties that involve private interests, managing and eliminating conflicts of interest, and managing risky revolving door personnel movements.[165]

5.4.2.3 Relevance for the EU framework

Complementary measures on the EU's side could take the form of supporting vetting programmes, which include examining current systems and guidelines such as the ECB's fit-and-proper assessments, and identifying how they can be improved and strengthened based on successful systems being used in Lithuania. The EU could consider that, even though they work in the private sector, individuals in these positions share a similar risk and vulnerability profile to politically exposed persons (PEPs) employed by public institutions, such as people who make investment and loan decisions, and bear anti-corruption and ML/TF responsibilities. The EU could facilitate the development of vetting systems that identify all current risks and anticipate future ones. Procedures used to assess PEPs could serve as a model.

The EU could engage in all appropriate capacity-building, training, IT/AI development, expertise-sharing, and other activities to advance improved vetting. These should take into account the highly cross-border and international character of the financial sector.

Without thorough and consistent vetting, individuals of ill repute could assume roles in the financial sector with substantial responsibilities. If misused, this could seriously harm the company they work for, its clients and

[160] Dobrynina, Margarita, "The Special Investigation Service of the Republic of Lithuania: Employing Data Analytics for Identifying and Managing Corruption Risks", Webinar: Effectively Identifying Corruption Risks in the Central – Local Level Budget Distribution and Spending, SELDI, 10 October 2023; https://seldi.net/wp-content/uploads/2023/10/Presentation-by-Margarita-Dobrynina.pdf
[161] Order Concerning the Posts for Which Persons Applying for or Holding Office Shall be Subject to Verification, No V 2024/(1.7.E-4505)-02-91, Bank of Lithuania, 27 May 2024; https://www.lb.lt/uploads/documents/files/pareigybiu%20sarasas.pdf
[162] "Prevention of corruption: Adjustment of interests", Bank of Lithuania, 10 December 2021; https://www.lb.lt/en/prevention-of-corruption#ex-1-10
[163] Statement on the Declaration of Private Interests by Officials of the Bank of Lithuania, Approval of the List of Posts, Nr. V 2023/(1.7.E-4505)-02-161, Bank of Lithuania, 28 September 2023; https://www.lb.lt/uploads/documents/files/privatus%20interesai%20pareigybiu%20sarasas.pdf
[164] Resolution of the Board of Governors of the Bank of Lithuania on the Approval of the Rules on Personal Transactions of Officials of the Bank of Lithuania, No. 03-13, 12 February 2015'; https://www.e-tar.lt/portal/lt/legalAct/74b91970ffb311ed9978886e85107ab2
[165] "Prevention of corruption: Ethical standards", Lietuvos bankas (Bank of Lithuania), 10 December 2021; https://www.lb.lt/en/prevention-of-corruption#ex-1-9

partners, and even the wider economy. They may be vulnerable when approached by other malicious actors intent on exploiting their positions for illegal purposes. Such malicious actors can also foster corruption from within an organisation and involve colleagues in corrupt schemes.

Table 16 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	More detailed and stringent vetting rules and procedures for the vetting of people holding certain high-risk, high-responsibility positions in the financial sector, including all significant sub-sectors (e.g. insurance, online services, advisers).
Funding	n.a.
Capacity-building	Exchange of expertise and best practices on identifying high-risk people.
Soft-law / Benchmarking	n.a.
Networking & Outreach	Publishing a report on successes.

5.5 Synthesis

Among all industries, the financial sector very well could be the most tightly regulated and closely scrutinised in the EU. This stands to reason. Banks, investment firms and other financial companies have produced some of the largest and most damaging scandals in recent decades. While these scandals almost always bring about reforms, many regulatory improvements underway today have a significant preventive element, with an eye toward avoiding further turmoil.

Perhaps the most progress has been made in passing stronger laws and establishing new public authorities. Both at the EU level and in many Member States, this has led to stronger and more consistent oversight, tougher enforcement, and corrective actions, as well as closer inter-agency and international cooperation. Many authorities are capitalising on their new powers to inspect banks and other financial companies – including onsite inspections – for ML/TF compliance, suspicious transactions, weak internal controls, conflicts of interest, and falsified records. Several Member States report that these inspections have led to more enforcement actions and prosecutions for corruption-related crimes. They also serve as a deterrent for companies engaging in criminal or risky acts, or lagging in their self-policing.

Also on the prevention side, many banks are taking greater care to turn away high-risk customers who might be involved in ML/TF, tax evasion, and other misconduct. They are also removing unsavoury customers from their client list, whether they are individuals or companies. Banks have honed their skills in identifying these risks.

Related to this, financial companies are improving their ML/TF detection systems and suspicious-transaction reporting, and are cooperating more with authorities. This has the dual purpose of reducing companies' liability if they are used for illicit purposes and deterring criminals from parking their money there. This aids authorities in many ways, including by providing clarity when trying to attribute guilt when a case arises. This is a prime example of the industry doing a better job at avoiding risks from outside and limiting them from within.

One strong measure already being utilised in the EU, but which could be enhanced and broadened, as the case study presented above demonstrates, is the screening of certain individuals who work or wish to work in the financial sector. This is taking prevention to the next level. In some Member States, job applicants' backgrounds are scoured for all manner of red flags, any one of which could exclude them from working in the sector. Lithuania, Estonia and Germany are among the countries with strong vetting systems..

Table 17 Mitigation measures identified in the Financial Sector

Mitigation measures identified in the Financial Sector	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
1. Oversight and regulation of banks and other financial service providers 2. Preventing and combating money laundering and terrorism financing (ML/TF) 3. Inter-agency cooperation and joint operations 4. Audits and inspections of companies providing financial services 5. IT and data-access tools. 6. Enforcement actions and sanctions	Use of information collected in the course of money laundering detection to investigate other types of corruption in the financial sector.	Area already highly regulated Promotion of the use of already available information and data across sectors.	– Expertise and best practices on sharing ML/TF data to investigate other types of crimes in the financial sector; – Guidelines on sharing ML/TF data to investigate other types of crimes in the financial sector; – Mapping of current practices in Member States on sharing ML/TF data to investigate other types of crimes in the financial sector; – Assembling an expert group (including sub-groups) on IT/AI solutions for preventing and investigating ML/TF and other corruption-related crimes; – Publishing a report on successes.
	Vetting financial sector employees and declaring private interests.	Area already highly regulated; The highly cross-border and international character of the financial sector.	– More detailed and stringent vetting rules and procedures for the vetting of people holding certain high-risk, high-responsibility positions in the financial sector, including all significant sub-sectors (e.g. insurance, online services, advisers); – Exchange of expertise and best practices on identifying high-risk people.

Chapter 6. | Defence and Security

6.1 Introduction

As much as any area, anti-corruption efforts in the military establishment have been inconsistent, incomplete and difficult to assess. In recent years, however, a growing sense of responsibility and transparency has led to improved oversight of defence spending and weapons exports, a stronger oversight and inquiry role for parliament members, a greater emphasis on ethical conduct of armed service members, and more openness to acknowledge weaknesses and discuss reforms. This modest but noticeable change in culture has been largely driven by increased media and NGO attention on scandals and governance lapses. There is at least anecdotal evidence that some reforms are having a positive impact on accountability.

This chapter examines how financial controls, prevention, transparency and ethics have improved, with a focus on reducing procurement abuses, improving responsible budgeting, reducing conflicts of interest, and increasing institutional and personal integrity throughout the system. Two notable examples presented here are vetting and risk assessment in national defence, and risk assessment and oversight in defence spending.

6.2 Problem Definition: The Extent, Causes, and Consequences of Corruption in Defence and Security

Corruption in defence can be defined as acts that breach personal duties for illicit private gain or benefit from the appropriation and spending of public funds for armaments, supplies, equipment, technology and services, including via public procurement projects. This can be achieved through bribery and other undue influence targeting public institutions and officials, exploiting conflicts of interest and revolving door arrangements that entangle the public and private sectors, and waste, fraud and abuse in contracting. Corruption also may arise in connection with arms exports that include so-called countertrading or offsets,[166] weapons deals with corrupt regimes and unstable governments, and business arrangements with organised crime and terrorist groups.

When very high budgets, huge multinational companies, sensitive technologies, national politics, and the inherently secretive nature of military planning and operations are combined, corruption finds fertile ground within the defence sector. Public scandals in EU Member States have not been numerous, but when they have emerged, they have revealed important shortcomings in oversight, accountability, and industry self-policing.[167]

In a somewhat unique arrangement, private companies that make weapons are closely intertwined with the public institutions and military branches that buy and use them. Out of necessity, military equipment must perfectly match the strategic and material needs of politicians and their appointed defence officials. This opens the door to conflicts of interest and favouritism and introduces challenges to independent oversight.

Many causes of corruption are unique to the sector, including the fact that military equipment is highly specialised, the price of the products is not the primary concern in decision-making, and the industry has a primary, indispensable role in national security and foreign policy, not to mention economic development and job creation.

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[166] OECD, "On Combating Corruption and Fostering Integrity," OECD Secretary-General's High-Level Advisory Group on Anti-Corruption and Integrity, March 2017; https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/fighting-foreign-bribery/hlag-corruption-integrity-sg-report-march-2017.pdf

[167] For recent ones see: https://www.eurojust.europa.eu/news/eurojust-coordinates-investigations-alleged-corruption-military-equipment-purchases-nato- https://anti-fraud.ec.europa.eu/media-corner/news/olaf-completes-investigation-suspected-serious-irregularities-eu-funded-procurement-power-generators-2025-02-18_en, and discussed below under section 6.3.

Many consequences of corruption in the sector are not immediately obvious, but they can be grave. Financial, political and other abuses can reduce the quality of equipment, lower operational effectiveness, endanger public security, siphon resources from military missions, compromise operational security, and lower service members' morale.

6.3 Mapping and analysis of the main corruption mitigation measures

Successfully dealing with these problems requires awareness that the defence industry, as essential and respected as it might be, should not be immune from public oversight. When needed, corrective actions, enforcement and penalties should be implemented. The armed forces can become stronger, more credible, and boost morale and respect from the public if they demonstrate they are safeguarding the public interest through financial and professional integrity.

Recent and ongoing reforms in EU Member States to strengthen and broaden oversight have begun to establish a framework of accountability, ethics, and prevention. Many of these measures and the goals they aim to achieve are being shared with the public, thereby increasing transparency. This is indicative of an important and long-overdue cultural change: a realisation that the sector is not exceptional and in fact should be subject to the same type and breadth of oversight as all other industries.

Also, the language used by defence companies and public regulators when discussing accountability is beginning to change and become more direct and less nuanced. The word "corruption" is beginning to appear in policy documents, regulations and research. This reflects the sector's adaptation to prevailing anti-corruption and ethical standards, as well as a new frankness about integrity expectations.

Most anti-corruption measures that are *succeeding or showing promise* centre around financial controls, prevention, transparency and ethics. These measures focus on many of the *main corruption risks and realities* in the defence and security sector: procurement fraud and abuse, inadequate oversight of defence spending, conflicts of interest, cronyism, inadequate export controls, and a lack of integrity in defence companies.

Specific measures profiled here include:

- unified defence procurement rules and enforcement (between the different military branches);
- parliamentary oversight of spending and operations;
- transparency of weapons sales and exports;
- ethics, risk prevention and conflict of interest regulation;
- anti-corruption programmes in military contractors (monitoring and compliance programmes, discipline, scrutiny and sanctions in contracting.

Because many of these reforms have only been put in place recently, and due to secrecy and national security concerns, the specific impacts of some reforms have not been released to the public. Public data on audits, investigations, and enforcement actions are not as extensively available as in other sectors. This should not diminish the measures' potential to improve anti-corruption efforts. The mere implementation of the reforms indicates a concrete shift towards accountability within the defence establishment – the public and private sectors alike. Especially positive signs include measures to improve oversight of spending, procurement and export deals, and empowering parliament members and public institutions to review and reject defence projects when appropriate or needed.

Defence procurement rules and enforcement

With hundreds of billions of euros being spent on defence by EU Member States each year, public procurement by far is the sector's most important financial activity in need of direct and meaningful oversight. Countries have passed laws to regulate procurement, with the aim to ensure that taxpayers' money is responsibly spent, unneeded and ineffective equipment is not purchased, defence funds are spent transparently, cronyism and conflicts of interest are prevented, and unsavoury elements are excluded from procurement projects.

Every EU country has passed a law to comply with the 2009 Directive on defence procurement.[168] These laws differ significantly, however, and each country's emphasis on integrity and anti-corruption varies widely. The most successful frameworks have a close link between the country's procurement law and a public authority that conducts oversight and enforcement. Given the industry's complexity and the institutional and political barriers that may stymie independent investigations, having a designated oversight agency has been shown to be critical. In addition to monitoring tenders and excluding companies with unsavoury backgrounds and business records, conflict of interest and ethical rules are important prevention measures.

Latvia's Law on Procurement in the Fields of Defence and Security is intended to ensure openness in procurement, free competition among and equal treatment of suppliers, and the effective, low-risk use of public funds.[169] The law is an element of Latvia's "strong external oversight of the sector, robust transparency and accountability mechanisms and solid internal systems for procurement." Latvia's laws cover all defence and national security purchases with no exemptions. "The entire defence procurement cycle, from the assessment of needs to the contract implementation and sign-off, and the asset disposal, is fully formalised."[170]

In March 2023, Latvia's Corruption Prevention and Combating Bureau (KNAB) launched a criminal case on possible misconduct in the procurement of food for the armed forces. Three people initially were detained, and 14 court-sanctioned searches were carried out in relation to a €220 million public tender. The following August, the Ministry of Defence punished four people in the case, including the dismissal of the head of the procurement commission and the head of the National Armed Forces' procurement and contract division. The case ended in December 2024. After searches, interrogations and document seizures, KNAB concluded that problems were caused by a lack of experience and insufficient supervision of officials, but that no criminal acts of corruption were committed.[171],[172],[173]

In 2019, Latvia's Ministry of Defence cancelled a tender for buying 4x4 vehicles worth about €200 million. Shortcomings previously identified by the Procurement Monitoring Bureau, Latvia's procurement watchdog, could not be fixed, and a new tender was issued. The Defence Ministry committed a number of violations in the procurement procedure, failing to fully reflect its needs in documentation and amending tender requirements. In

[168] Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC

[169] Law on Procurement in the Fields of Defence and Security, Saeima of the Republic of Latvia, 2 November 2011; https://www.iub.gov.lv/sites/iub/files/adjil_tekst_iztulkots_en_15.09.2015._01.docx

[170] Government Defence Integrity Index: Latvia, Transparency International Defence & Security, 2020; https://ti-defence.org/gdi/countries/latvia/?risk=procurement&single-question=7050#sub-18136

[171] "Criminal case launched over army rations", LSM-Latvia Public Media, 17 March 2023; https://eng.lsm.lv/article/society/crime/17.03.2023-criminal-case-launched-over-army-rations.a501212/

[172] "Four more officials punished in army rations case", LSM-Latvia Public Media, 15 August 2023; https://eng.lsm.lv/article/society/crime/15.08.2023-four-more-officials-punished-in-army-rations-case.a520197/

[173] "KNAB ends massive army's food supply procurement criminal case", Baltic News Network, 19 December 2024; https://bnn-news.com/knab-ends-massive-armys-food-supply-procurement-criminal-case-263528

particular, the Bureau concluded there were methodological discrepancies in how the Defence Ministry chose the winning bid.[174]

In France, people and companies who have been found guilty of these offences are banned from participating in public procurement under Order n°2015-899 of 2015: selling or trafficking drugs, money laundering, forgery, criminal conspiracy, terrorism, corruption, embezzlement, violating professional secrecy, endangering state security, and violations related to the manufacture and trade of weapons. Additionally, the Public Procurement Code (*Code de la commande publique*) excludes companies with a history of bribery. Companies are reportedly required to provide proof of compliance with social, tax, and criminal legislation, including anti-corruption and compliance standards under the Sapin II anti-corruption law.[175]

In Italy, directors, officers, sole and majority shareholders, and certain employees who participate in public tenders must provide personal information about themselves and any adults with whom they live. This is to permit organised crime background checks. At the same time, they must declare they have not been convicted of crimes such as bribery, fraud, money laundering or terrorism. If a contract involves the handling of classified information, a security clearance must be obtained.[176]

Poland's Act on Professional Military Service bans soldiers who participated in defence procurement proceedings within three years before leaving the service from working for contractors that manufacture or trade in the same items for three years following the end of their service. This restriction is reflected in defence procurement contracts.

Audits are also performed by Poland's Supreme Audit Office, with regard to compliance with the Act on Public Finances. Procurement is monitored via the Ministry of National Defence's Office of Anti-Corruption Procedures.[177] Under Ministry Decision 367/MON, contractors must agree to pay damages equal to 5 per cent of the gross value of a contract if corruption occurs during the procurement procedure involving the contractor or its representatives. The measure also significantly limits the freedom to use subcontractors; contracting agencies, for example, have the right to reject a subcontractor's participation.[178],[179]

Polish authorities have undertaken several enforcement actions for defence-related corruption in recent years. In 2022, 10 people were charged in connection with alleged irregularities and improper influence in public tenders, including collusion in the sale of unlicensed property. The Central Anti-Corruption Bureau in Poznań worked on the case with the Military Affairs Division of the District Prosecutor's Office.[180] In 2019, authorities arrested a former Defence Ministry official, a former parliament member and four others in connection with alleged mismanagement of assets, influence peddling, and falsification of documents at the state-owned defence firm (PGZ). Illegal lobbying activities were also alleged.[181]

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[174] "Defense Ministry halts €200m four-by-four purchase", LSM-Latvian Public Media, 8 March 2019; https://eng.lsm.lv/article/society/defense/defense-ministry-halts-200m-four-by-four-purchase.a312101/

[175] Government Defence Integrity Index: France, Transparency International Defence & Security, 2020; https://ti-defence.org/gdi/countries/france/

[176] Bird & Bird, "Defence & Security Procurement 2021 Edition", Law Business Research Ltd, February 2021; https://www.twobirds.com/-/media/pdfs/news/articles/2021/global/gtdt-defence-security-procurement-2021.pdf

[177] Zalewski, Maciej and Szymański, Maciej (White & Case LLP), "Defence & Security Procurement in Poland", Lexology, 16 January 2019; https://www.lexology.com/library/detail.aspx?g=4b69b089-bf79-44d7-a2b5-778421f97e77

[178] Bird & Bird, "Defence & Security Procurement 2021 Edition", Law Business Research Ltd, February 2021; https://www.twobirds.com/-/media/pdfs/news/articles/2021/global/gtdt-defence-security-procurement-2021.pdf

[179] Zalewski, Maciej and Szymański, Maciej (White & Case LLP), "Defence & Security Procurement in Poland", Lexology, 16 January 2019; https://www.lexology.com/library/detail.aspx?g=4b69b089-bf79-44d7-a2b5-778421f97e77

[180] "Allegations over tender collusion," Republic of Poland, 17 March 2022; https://www.gov.pl/web/special-services/allegations-over-tender-collusion

[181] Biscevic, Tajna, "Polish Anti-corruption Agency Detains Former Govt Officials," OCCRP, 29 January 2019; https://www.occrp.org/en/news/polish-anti-corruption-agency-detains-former-govt-officials

Parliamentary oversight of defence budgets and operations

As the direct representatives of voters, parliamentarians are in the best position to oversee defence budgets funded by taxpayer money. Countries have adopted various models to empower parliaments and specialised committees to review and, when appropriate, reject spending proposals. There are indications that elected officials desire a greater oversight role, especially as military spending is becoming a more visible issue.

Among their key oversight roles, various parliament members and parliamentary committees are empowered to review procurement deals over certain cost thresholds, operate similarly to a court with legally binding subpoena power, view sensitive military information in closed sessions to protect national security, publish budget reviews, summon defence company staff, and request evidence from ministries. In some countries, corruption scandals have spurred closer parliamentary oversight.

A bribery scandal in Belgium involving the procurement of military helicopters and refitting fighter jets led to the resignation of several high-ranking officials in the 1990s, including the Minister of Interior, Minister of Defence and NATO Secretary-General. The affair led to the establishment of the Special Parliamentary Committee for Defence Acquisitions and Sales in 1995. Though the committee's work is non-binding, its advice is required for all contracts with an annual value above €2.2 million, and it has the right to request classified information about the full spectrum of defence acquisitions and sales projects. The committee may meet privately to protect sensitive economic and security information about defence equipment, which military officials and most Parliament members have said is appropriate and advantageous when dealing with technical questions.[182]

"Having such a permanent committee can empower parliaments and work as a buffer against corruption in defence acquisition dossiers," observes international relations Professor Yf Reykers of Maastricht University. "The fact that it works behind closed doors and members are bound by strict confidentiality is positive, as it allows a more frank and open discussion and permits the government to share details that would otherwise not be shared, but it also has drawbacks, as sharing information in the special committee rather than in the open defence committee can be politically motivated. There is a case to be made for providing such committees with more resources, including permanent access to neutral experts."[183]

Procurement contracts in Bulgaria valued at over €50 million must be submitted for approval to parliamentary defence committees.[184] "This mechanism guarantees complete civilian control over defence budget spending", according to a former deputy defence minister. Among recent reforms, so-called "special procurements" for secret tenders have been published on the ministry's website, and a strategy has been developed to manage surplus properties and publish lists of the properties.[185]

In Denmark, parliamentary committees review defence budget proposals and monitor implementation. Officials encourage citizens to provide input and feedback on defence budgets and policies, which is made possible by the government publishing information through various platforms. Transparency measures include regular

[182] Reykers, Yf, "Strengthening parliamentary oversight of defence procurement: lessons from Belgium", European Security, Vol. 30, Issue 4, 19 February 2021; https://www.tandfonline.com/doi/full/10.1080/09662839.2021.1886087#d1e114
[183] Reykers, Yf, Faculty of Arts and Social Sciences, Maastricht University, personal communication, 17 April 2025.
[184] Jasutis, Grazvydas, et al, "Parliamentary Oversight of National Defence Industry", Geneva Centre for Security Sector Governance, 2022; https://www.dcaf.ch/sites/default/files/publications/documents/ParliamentaryOversightNationalDefenceIndustry_EN.pdf
[185] Pyman, Mark, "Avgustina Tzvetkova: An interview with the former Deputy Defence Minister of Bulgaria 2009–2013", Transparency International UK, March 2015; https://ti-defence.org/wp-content/uploads/2016/03/150310-Bulgaria-Deputy-MOD-interview-.pdf

independent audits to ensure accountability. It has been observed that Denmark's high transparency levels are linked to effective public management and low corruption.[186]

Transparency and accountability in Finland's defence budgeting are increased by detailed and accessible budget documents provided by the government, budget reviews conducted by Parliament, independent audits and assessments by the National Audit Office, and opportunities for citizens to participate in budget discussions. It has been observed that Finland's transparent budgetary practices contribute to effective governance and low corruption levels.[187]

In Germany, the Defence Committee is the Bundestag's only committee that can declare itself to be an inquiry body. Under the German Constitution, its inquiries are afforded the same powers as a court, and the rules of criminal procedure apply to evidence collection. Meetings where evidence is taken are open to the public, though they are closed to protect military secrets and when evidence is evaluated.

The Law on Inquiry Committees grants these investigative powers to the committee:

- absent witnesses and witnesses who refuse to surrender evidence to the committee may be fined up to €10,000;
- a non-cooperating witness may be ordered to testify by an investigative judge, may be held in custody in order to compel testimony, and can be ordered by a judge to undergo a search and seizure of evidence requested by the committee; and
- office holders may be examined when authorised by the federal government.

Additionally, members of the Bundestag's Budget Committee may serve as rapporteurs concerning the Ministry of Defence's budget. Budget officials brief rapporteurs throughout the budget cycle, while rapporteurs may conduct on-site investigations into the necessity of expenditures and may demand additional information. These rapporteurs typically keep their positions for many years, giving them a high degree of expertise and making them valuable information sources for other committee members. In a rare instance among NATO countries, the Bundestag conducted an inquiry in 2017 into the Euro Hawk spy drone, which was terminated after $700 million was spent on the aircraft.[188]

Under the reforms in Italy's Law 244/2012, the Ministry of Defence is required to report annually on arms programmes to relevant committees via parliamentary hearings. In operation since 2013, the Multi-Year Plan for Defence (*Documento Programmatico Pluriennale per la Difesa*) outlines the operational needs of the armed forces, including details on weapons and financial allocations. The plan has reportedly become an important resource for Parliament members when deciding on defence budgets.[189]

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[186] Petlenko, Yuliia, et al, "Exploring Scandinavian Approaches to Defense Budget Transparency in Ukraine: A Theoretical Review of Opportunities and Challenges"; Public and Municipal Finance, Vol. 14, Issue 1, 13 February 2025; https://research-api.cbs.dk/ws/portalfiles/portal/112736594/Exploring_Scandinavian.pdf

[187] Petlenko, Yuliia, et al, "Exploring Scandinavian Approaches to Defense Budget Transparency in Ukraine: A Theoretical Review of Opportunities and Challenges"; Public and Municipal Finance, Vol. 14, Issue 1, 13 February 2025; https://research-api.cbs.dk/ws/portalfiles/portal/112736594/Exploring_Scandinavian.pdf

[188] Jasutis, Grazvydas, et al, "Parliamentary Oversight of National Defence Industry", Geneva Centre for Security Sector Governance, 2022; https://www.dcaf.ch/sites/default/files/publications/documents/ParliamentaryOversightNationalDefenceIndustry_EN.pdf

[189] "Defence Industry Influence on European Policy Agendas: Findings from Germany and Italy", Transparency International, 2021; https://ti-defence.org/wp-content/uploads/2021/05/Defence-industry-influence-on-European-policy-agendas-Transparency-International-Defence-and-Security-web.pdf

Procurement contracts in the Netherlands valued at more than €2.5 million must be submitted for approval to the parliamentary defence committee. The Netherlands is one of the few NATO countries where a parliamentary committee has issued recommendations on defence industrial issues to the Ministry of Defence.[190]

Poland's Parliament has the authority to summon non-officials, such as defence company representatives, and to request evidence from ministries. The Parliament's Standing Subcommittee on the Polish Defence Industry and Technical Modernisation of the Polish Armed Forces may request information from defence companies, particularly state-owned enterprises. This provides an opportunity for lawmakers to debate and scrutinise defence programmes and spending. Additionally, procurement contracts above €28 million must be submitted for approval to the parliamentary defence committee.[191]

Rules on weapons sales and exports

Risks that exported weapons, equipment, and technology will "wind up in the wrong hands" have led to regulations on such deals. Inappropriate sales abroad and deals with weak after-sales monitoring can fuel corruption if they are made to countries with authoritarian regimes or weak rule of law, if they help arm organised crime groups or terrorists, or if they unnecessarily flood the market with unneeded armaments. Strong regulation, inspections, monitoring, and penalties can reduce these risks and promote more responsible arms trading.

The regulation of exports seeks to control the proliferation of weapons of mass destruction, prevent weapons from being used by terrorists or OCGs, ensure the proper handling of "dual-use" materials that can be used for military and civilian purposes, block weapons from being used for private purposes, and track weapons after they are exported. These are highly specialised and delicate oversight functions that require the highest levels of integrity, discretion, and independence.

As part of its arms control oversight, France works to prevent the improper transfer and spread of weapons by denying export licences if they might contribute to the proliferation of weapons of mass destruction, are used to manufacture banned weapons such as cluster bombs and anti-personnel mines, and may be diverted to illicit recipients, embargoed countries, terrorists, or organised crime groups.

The after-sale tracking of weapons is carried out by the Departmental Committee for Ex-post Controls of War Material Exports (CMCAP), which was reorganised in 2013-14. The agency conducts on-site and paper inspections to ensure companies comply with conditions imposed when export or transfer licenses were issued. Since 2015, sworn agents of the Ministry for the Armed Forces have visited 70 per cent of companies that hold more than 10 licences, and 90 per cent of companies with more than 50 licences. More than 1,100 semi-annual reports and 4,500 supporting documents are analysed each year. Following 351 inspections conducted since 2015, 55 per cent led to reminders of the law or warning letters about export controls, and 5 per cent led to formal notices. Corrective measures are ordered to guarantee compliance. The first case was referred to the Sanctions Committee in 2020, leading to a fine in 2021. The system is showing results: since 2014, the proportion of unauthorised exports and transfers has decreased each year, meaning weapons are being better regulated and monitored.

Applications to export weapons are reviewed by the Ministry for the Armed Forces, the Ministry of Europe and Foreign Affairs, the Ministry of Economy, and the Secretariat-General for Defence and National Security. The

[190] Jasutis, Grazvydas, et al, "Parliamentary Oversight of National Defence Industry", Geneva Centre for Security Sector Governance, 2022; https://www.dcaf.ch/sites/default/files/publications/documents/ParliamentaryOversightNationalDefenceIndustry_EN.pdf
[191] Jasutis, Grazvydas, et al, "Parliamentary Oversight of National Defence Industry", Geneva Centre for Security Sector Governance, 2022; https://www.dcaf.ch/sites/default/files/publications/documents/ParliamentaryOversightNationalDefenceIndustry_EN.pdf

institutions can issue a favourable, favourable with conditions, or an unfavourable ruling on the application. They can block the export of certain supplies, limit their quantities, require an exporter to provide evidence of delivery, request commitments from end-users or intermediaries, or require special arrangements to control the spread of weapons. France reported 12 licence refusals to the European Union's Working Party on Conventional Arms Exports (COARM) in 2022.[192]

A controversy over an arms sale by Germany to Saudi Arabia in 2011 led to greater transparency and increased Bundestag oversight of weapons exports and sensitive licences. The reforms have strengthened parliamentary control over arms exports and heightened political awareness of accountability issues.[193]

Regulation over arms exports was significantly enhanced with the passage of the War Weapons Control Act in February 2025.[194] The law requires that all aspects of war weaponry – production, acquisition, transfer, transport, and foreign transactions – be licensed by the federal government prior to use. The law mandates the denial of a licence when weapons may disturb the peace, if Germany's obligations under international law may be impaired, if an applicant is found to be unreliable, or if a private person seeking a licence wishes to use war weapons for private purposes. Successful applicants must demonstrate that handling weapons is in the public and state's best interest and must keep a log of the weapons. The Federal Office for Economic Affairs and Export Control oversees licensing procedures, including inspecting company premises.[195]

Additional criteria are set out in the Principles for the Export of War Weapons and Other Military Equipment of 2000, including the recipient country's conduct regarding international terrorism, organised crime, proliferation, military weapons and arms control.[196]

If handling weapons does not go as planned – for example, if too many are delivered, the specifications are incorrect, the delivery is too early, or if discrepancies arise – license holders are required to safely keep the weapons, record the problem, and report it to the proper authorities. Failure to do so may result in prosecution.[197]

In Spain, the government is required to provide lawmakers annually with information about exports of defence and dual-use material. This includes descriptive categories of exported weapons, their final use, export values by country, and the public or private nature of end users. This required reporting to the Congress of Deputies was introduced by Act 53/2007 on the Control of Foreign Trade in Defence and Dual-Use Material. The law requires the government to provide lawmakers with full and detailed information on exports in a standardised report as well as statistics, and also to appear before Congress annually.[198]

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[192] "Report to Parliament on France's Arms Exports 2023," France Ministry for the Armed Forces, 2023; https://www.defense.gouv.fr/sites/default/files/ministere-armees/Report%20to%20Parliament%20on%20France%E2%80%99s%20Arms%20Exports%20%282023%29.pdf

[193] Cop, Diederik, et al, "Scrutinizing Arms Exports in Europe: The Reciprocal Relationship Between Transparency and Parliamentary Control", Sicherheit und Frieden / Security and Peace, Vol, 35, No. 2, 2017; https://www.nomos-elibrary.de/de/10.5771/0175-274X-2017-2-79.pdf?download_full_pdf=1

[194] Kriegswaffenkontrollgesetz, German Federal Ministry of Justice, 19 February 2025; https://www.gesetze-im-internet.de/krwaffkontrg/

[195] "War weapons control"; German Federal Ministry for Economic Affairs and Climate Action, 23 October 2023; https://www.bmwk.de/Redaktion/EN/Dossier/Ruestungsexportkontrolle/war-weapons-control.html

[196] "FAQs on exports of military equipment", Federal Ministry for Economic Affairs and Energy of Germany, 2025; https://www.bmwk.de/Redaktion/EN/FAQ/Export-controls-on-military/faq-export-control-for-military-equipment.html

[197] Transporting weapons of war in line with the War Weapons Control Act: Notes for those applying for a permit from the Federal Ministry for Economic Affairs and Climate Action, Federal Ministry for Economic Affairs and Climate Action; https://www.bmwk.de/Redaktion/EN/Downloads/G/guidance-transporting-weapons-of-war-in-line-with-the-war-weapons-control-act.pdf?__blob=publicationFile&v=2

[198] Law 53/2007, Of 28 December, On The Control Of Foreign Trade In Defence And Dual-Use Material, Global Regulation; https://www.global-regulation.com/translation/spain/1444895/law-53-2007%252c-of-28-december%252c-on-the-control-of-foreign-trade-in-defence-and-dual-use-material.html

Ethics, risk prevention and conflict of interest regulation

As the concept of corruption prevention advances in the military establishment, a strong emphasis is being placed on instilling ethical behaviour among all ranks of the armed forces. New laws, codes of conduct, and integrity offices within defence ministries are cropping up in many Member States. They seek to root out conflicts of interest in procurement, improper enrichment, bribery, financial misconduct, and abuse of power. Some policies, including interest declarations, extend to family members. One country's anti-corruption code stresses the values of dignity, impartiality, integrity and probity. Steadily, the military is adopting rules of conduct that are standard issue in other areas of society.

France's defence system has introduced a series of measures, many of which comply with the Sapin 2 anti-corruption law, and requirements and principles set by the High Authority for Transparency in Public Life (HATVP). These measures have been described by Transparency International Defence & Security.

When ethics provisions for the public service were folded into the Defence Code in 2016, defence officials and military personnel became subject to rules on conflicts of interest. The provisions restrict the holding of multiple posts in order to avoid conflicts of interest, and a ban on the improper taking of interests by those who leave the Ministry of Armed Forces for private companies. Military personnel now have the same ethical obligations as civil servants: dignity, impartiality, integrity and probity.

Also, the Defence Ethics Committee was established in 2020 to issue opinions and recommendations on ethical issues, including the post-service activities of military personnel in the private sector. The committee examines about 380 cases per year of soldiers in potentially conflicted situations. Certain military personnel must submit several types of declarations, including declarations of interest based on the HATVP's model, and declarations of patrimonial status for senior ministry officials. The committee appointed an ethics manager and a general rapporteur, and conducted training and awareness programs.

In 2020, the Ministry conducted a risk mapping based on its anti-corruption code (*Code de prévention des atteintes à la probité*). The Anti-Corruption Agency (AFA) plays a role when corruption suspicions are confirmed, handing cases to the National Financial Prosecutor's Office (PNF). High-ranking defence officials are not permitted to interfere with such cases.[199] The Ministry's Armed Forces Inspectorate (*Contrôle général des armées*, CGA) works to ensure the proper use of public funds in accordance with laws, regulations and ministerial directions.[200] The CGA's Personnel, Regulation and Budget Inspection Group (PRB) is responsible for overseeing contracts and agreements, finance, audits, preventive inspections, accounting, and general investigations.[201]

In some countries, codes of conduct for military personnel have been expanded beyond the battlefield to include other professional duties. These codes cover a broad range of issues, including conflict of interest, gifts and illicit payments. They seek to instil proper ethical behaviour across all levels of the military.

In 2020, France's Ministry of the Armed Forces became the country's first ministry to adopt an anti-corruption code of conduct. The code binds all military and civilian personnel to adhere to the values of dignity, impartiality, integrity (including anti-bribery) and probity (including rules against personal enrichment and conflict of interest).

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[199] Government Defence Integrity Index: France, Transparency International Defence & Security, 2020; https://ti-defence.org/gdi/countries/france/

[200] "Armed Forces Inspectorate (CGA)", Ministère des Armées, République française; https://archives.defense.gouv.fr/content/download/509821/8608962/CGA_GB_page1.pdf

[201] "Manpower and structure", Ministère des Armées, République française; https://archives.defense.gouv.fr/content/download/509823/8608978/CGA_GBpage3.pdf

The code complies with the Sapin 2 anti-corruption law and recommendations by the Anti-Corruption Agency (AFA). Specifically, the code covers corruption, influence peddling, illegal interest-taking, favouritism, misappropriation of public funds, and bribery, especially in the areas of public procurement, accounting and human resources. The code applies to all employees in the ministry and other institutions under its supervision, regardless of position and location.[202],[203]

In 2024, the Ministry adopted a public procurement charter that addresses gifts, invitations and conflicts of interest. Regarding suppliers and internal departments, it aims to eliminate favouritism and reduce corruption risks. Officials are banned from encouraging, accepting or soliciting benefits for themselves, their family or their loved ones. Officials are required to report to their superiors any gifts and invitations received or offered. Superiors then decide whether any action should be taken. Public officials are encouraged not to maintain relationships with suppliers that overlap with their professional duties, and officials with purchasing responsibilities are encouraged to remain discreet about their duties and social media activities.[204]

The Swedish Defence Materiel Administration (FMV), which is responsible for most defence and security procurements in Sweden, has adopted a code of ethics for bribery. This includes guidelines for suppliers who offer to pay for meals and travel or provide loans. The agency's terms and conditions require tenderers to comply with anti-corruption regulations and maintain ethical standards.[205]

The government has said it expects defence companies to develop anti-corruption policies. The Swedish Security & Defence Industry Association (SOFF), which represents more than 95 per cent of the country's defence companies, requires prospective members to sign and comply with its Code of Conduct on Business Ethics. Company representatives participate in anti-corruption training that has been developed jointly by SOFF and FMV. As of 2022, more than 5,200 people had participated in the training. SOFF organises annual "experience swapping sessions" on ethical standards for senior managers, and has held seminars on compliance and responsible sales.[206]

Anti-corruption programmes in military contractors

Increasingly, defence companies are developing their own anti-corruption measures for their staff and partners, covering such issues as bribery, third-party due diligence, facilitation payments, conflict of interest, ethics and whistleblowing. Some of these measures have come in response to evolving public policies that set higher standards and expectations, as well as corruption scandals in which the companies were to blame. Certain companies are publishing their anti-corruption programmes, in part to build public trust.

Dassault Aviation, a Paris-based military aircraft manufacturer with €6.2 billion in revenues in 2024,[207] has an anti-corruption system that follows the Sapin 2 anti-corruption law and the US Foreign Corrupt Practices Act. The

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[202] "La ministre des Armées approuve le code de prévention des atteintes à la probité du ministère des Armées", Ministère des Armées, République française, 22 December 2020; https://archives.defense.gouv.fr/portail/actualites2/la-ministre-des-armees-approuve-le-code-de-prevention-des-atteintes-a-la-probite-du-ministere-des-armees.html

[203] "Code de prévention des atteintes à la probité", Ministère des Armées, République française, 2020; https://www.defense.gouv.fr/sites/default/files/ministere-armees/Code%20de%20pr%C3%A9vention%20des%20atteintes%20%C3%A0%20la%20probit%C3%A9%20%2810%2004%202024%29.pdf

[204] "Charte de déontologie de l'achat public", Ministère des Armées, République française, 2024; https://achats.defense.gouv.fr/sites/default/files/2024-01/Charte%20d%C3%A9ontologie.pdf

[205] Bird & Bird, "Defence & Security Procurement 2021 Edition", Law Business Research Ltd, February 2021; https://www.twobirds.com/-/media/pdfs/news/articles/2021/global/gtdt-defence-security-procurement-2021.pdf

[206] "Strategic Export Control in 2022 – Military Equipment and Dual-Use Items", Government Communication to the Riksdag 2022/23:114, 13 April 2023; https://www.regeringen.se/contentassets/0a1bf3ba74844c96b896a6e712c39e97/strategic-export-control-in-2022--military-equipment-and-dual-use-items/

[207] "Dassault Aviation Results: Consolidated Data", Dassault Aviation, 5 March 2025; https://www.dassault-aviation.com/wp-content/blogs.dir/1/files/2025/03/Financial-Release-2024-Results.pdf

company's Anti-Corruption Code, updated in 2024, defines improper and banned employee behaviour, including bribery and influence peddling. Violations are punishable. The company's Ethics and Compliance Department, which reports directly to the chair and CEO, is responsible for identifying, preventing, and addressing risks by working to ensure compliance with regulations and business ethics.

The department develops risk maps to identify, analyse, and prioritise corruption and influence peddling risks, taking into account risk factors, the nature of civil and military activities, and the locations where the company does business. Company subsidiaries and branches are responsible for training employees in business ethics and explaining that violations of the code could lead to disciplinary action. The most exposed staff, including first-line suppliers and customer contacts, receive specialised training. A Supplier Code of Conduct was expected to be added in 2025, aiming to strengthen ethics and best practices in business relationships. The company also says it is implementing a "global business conduct policy" that includes duty of care, export controls and business ethics.[208]

Dassault, along with Italian defence company Agusta, was involved in a major bribery and corruption scandal in Belgium that led to high-profile prosecutions and resignations in the 1990s.[209]

Several EU-based defence companies have obtained ISO 37001 certification for anti-bribery management systems. Among them are Leonardo (Italy) in 2018,[210] Naval Group (France) in 2021[211] and Thales Group (France) in 2021.[212]

6.4 Analysis of corruption mitigation measures carrying the potential to enhance the already existing EU-level framework

6.4.1 Vetting and risk assessment

Like no other, the defence sector depends on the secrecy of classified and sensitive information, the specifications of military equipment and technology, and war plans. Breaches in any of these can involve or lead to corruption-related offences, including bribery and extortion. Enormous procurement projects require the highest levels of integrity, the lack of which can lead to conflicts of interest, fraud, cronyism, and bribery. It is logical that companies and people working in the sector should not have connections with hostile or unstable countries, extremists, terrorists, or organised crime groups. Vetting and screening can help keep bad elements out of the industry.

6.4.1.1 Current state of play

Lithuania has established a multi-institutional mechanism to identify and reduce corruption in the defence sector, while also protecting the country against national security threats by officially declaring corruption as one of these

[208] "2024 Short Form Annual Financial Report", Dassault Aviation, 4 March 2025; https://www.dassault-aviation.com/wp-content/blogs.dir/1/files/2025/03/Short-form-of-the-2024-Annual-Financial-Report.pdf
[209] "World: Europe Background: The Agusta affair", BBC, 23 December 1998; http://news.bbc.co.uk/2/hi/europe/241345.stm
210 "Leonardo is the 1st company among the top ten global players in the AD&S sector to obtain ISO 37001:2016 'Anti bribery management systems' certification", Leonardo S.p.A., 24 July 2018; https://www.leonardo.com/en/press-release-detail/-/detail/leonardo-is-the-1st-company-among-the-top-ten-global-players-in-the-ad-s-sector-to-obtain-iso-37001-2016-anti-bribery-management-systems-certification?utm_source=chatgpt.com
211 "Naval Group obtains ISO 37001 certification for its anticorruption management system", Naval Group, 28 April 2021; https://www.naval-group.com/en/naval-group-obtains-iso-37001-certification-its-anti%02corruption-management-system?utm_source=chatgpt.com
[212] "Anti-bribery: Thales Becomes First Company in its Sector to Achieve ISO 37001 Certification", Thales Group, 2 April 2021; https://www.thalesgroup.com/en/group/news/anti-bribery-thales-becomes-first-company-its-sector-achieve-iso-37001-certification?utm_source=chatgpt.com

threats. The mechanism seeks to reduce corruption originating within the industry, as well as corruption and other risks being introduced from outside the industry and outside the country.

6.4.1.2 Vetting and risk assessment in the national defence system of Lithuania

One of the foundations of Lithuania's system is the Law on the Basics of National Security, which officially includes the fight against corruption – as well as combating organised crime and shadow business – as elements of the National Security System.[213] Another is the Law on the Protection of Objects Critical for National Security, which seeks to ensure essential infrastructure and resources, including military equipment, are protected against risk factors. Under the law, risky transactions, investments, and commercial activities can be restricted, suspended, or cancelled.[214] Additionally, the Law on Prevention of Corruption includes "consolidating national security" as an objective of anti-corruption measures.[215]

The agency responsible for this mechanism is the Special Investigation Service (STT), which conducts various types of inspections into individuals and companies wishing to do business in Lithuania. The STT provides the results of these inspections to the Ministry of National Defence, which then assesses risk factors. These inspections are part of what has been called "one of the most comprehensive anti-corruption systems in Europe, based on a multi-faceted approach of preventive and repressive, legal and institutional measures."[216]

The STT conducts assessments of investors and counterparties in strategically important sectors, including defence. In 2021-23, the agency assessed 2,495 people and companies for potential threats. As a result of these assessments during the three-year period, the STT provided 97 analytical reports on corruption risks to state and municipal institutions and enterprises. The STT noted a trend among potential bad actors to manipulate data and conceal their relationships with hostile countries to evade detection.[217]

Another responsible agency is the Commission for Coordination of Protection of Objects Critical for National Security. Following through on the STT's inspections, the Commission screens proposed transactions to ensure they align with Lithuania's national security interests.[218]

Proposed deals that the Commission reviews include transferring, pledging, or mortgaging facilities or properties that are important to national security, or acquiring certain percentages of votes of certain types of companies.[219] Following its review, the Commission decides whether a potential investor (1) would operate in the interest of national security, (2) would pose a risk to national security necessitating mitigation steps, or (3) would not operate in the interest of national security.[220]

Examples of risky deals that have been blocked include:

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[213] Law on the Basics of National Security, Republic of Lithuania, 23 July 2009; https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.353942?jfwid=pd6eq4zc3

[214] Law on the Protection of Objects Critical for National Security, Republic of Lithuania, 17 March 2022; https://e-seimasx.lrs.lt/portal/legalAct/lt/TAD/70bc3480bc0a11ec9f0095b4d96fd400?jfwid=oou0h6vk3

[215] Law on Prevention of Corruption, Republic of Lithuania, 8 November 2016; https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/cf4e54225ce611e7a53b83ca0142260e?jfwid=bkaxlvme

[216] "Specialised Anti-Corruption Institutions – Review of Models: Second Edition;" OECD Publishing, 2013; https://www.oecd.org/content/dam/oecd/en/publications/reports/2013/03/specialised-anti-corruption-institutions_g1g24879/9789264187207-en.pdf

[217] "Annual Report 2023", Special Investigation Service of the Republic of Lithuania, 2024; https://www.stt.lt/data/public/uploads/2024/07/stt-veiklos-ataskaita-2023_210x297-mm_en_web_po-viena-lapa.pdf

[218] Personal communication, staff of Special Investigation Service of the Republic of Lithuania, 26 March 2025.

[219] De Baere, Philippe, "Foreign Direct Investment: Lithuania", Van Bael & Bellis, 15 October 2020; https://www.vbb.com/insights/FDI/Lithuania

[220] Personal communication, staff of Special Investigation Service of the Republic of Lithuania, 26 March 2025.

- In 2023, the Commission told the government that a proposed energy deal involving the son-in-law and business partner of a former Lithuanian president did not meet national security interests. The government rejected the deal.[221]
- In 2018, the government blocked a proposed contract between the national railway company and Skinest Baltija to provide railway sleeper cars. The government found the company's owner had relationships with foreign people, companies or institutions that "increase the risk or pose a threat to national security."[222]

Additionally, the STT conducts inspections for corruption and risks in military procurement, including for the Land Forces, Navy, Air Force, Special Operations Force and State Border Guard Service. The information is provided to the Ministry of National Defence to prepare risk assessments. The STT also inspects interrelationships among people working within the defence system.[223]

"In the defence system, all suppliers should be vetted," said an STT official in February 2025, at a time when a series of investigations into alleged military corruption were ongoing. Half of the 19 reports of possible corruption the Ministry of National Defence received in 2023 and 2024 were fully or partially confirmed. Among the allegations, former military officers aided by a network of former colleagues have founded companies that are now competing for public contracts. In one instance, a military officer allegedly tried to help a company managed by his brother-in-law to win contracts.[224]

6.4.1.3 Relevance for the EU framework

Traditionally an area for intergovernmental cooperation, the Common Security and Defence Policy (CSDP) has emerged as one of the fastest developing policies in recent years, particularly due to the intensified geopolitical context. The legal basis for the CSDP is mapped out in the Treaty on European Union (TEU) and further described in the protocols and declarations attached to the Treaty of Lisbon.[225] The current strategic priorities of European security and defence are outlined in the Strategic Compass on Security and Defence and scaled up to address the destabilisation of the European security order.[226] The change in the EU's stance, ambitions, and tools in the realm of defence is also evident in the Political Guidelines, which open a new era for European Defence. Among other objectives, these Guidelines advocate for the establishment of a European Defence Fund, increased investment in the European defence industry by incentivising joint procurement, and the pursuit of a genuine Single Market for Defence products and services.[227]

In light of this enhanced mandate, particularly regarding the multiple EU financial instruments[228] aimed at significantly increasing defence spending in the Member States, corresponding defence procurement regimes at the EU MS level could be further strengthened with stepped-up vetting and risk assessment measures shown in the case study. Requiring the screening of companies and people desiring to work or otherwise become involved in the national security or military sector opens many opportunities for EU complementary measures.

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[221] Broga, Karolis, "Ties of ex-president's son-in-law under scrutiny", Delfi, 30 January 2024; https://www.delfi.lt/en/politics/ties-of-ex-president-s-son-in-law-under-scrutiny-95750463

[222] De Baere, Philippe, "Foreign Direct Investment: Lithuania", Van Bael & Bellis, 15 October 2020; https://www.vbb.com/insights/FDI/Lithuania

[223] "Annual Report 2023", Special Investigation Service of the Republic of Lithuania, 2024; https://www.stt.lt/data/public/uploads/2024/07/stt-veiklos-ataskaita-2023_210x297-mm_en_web_po-viena-lapa.pdf

[224] Aušra, Mindaugas, "Corruption within Lithuania's military: floor tiles to bribe an officer – investigation", LRT, 13 February 2025; https://www.lrt.lt/en/news-in-english/19/2486682/corruption-within-lithuania-s-military-floor-tiles-to-bribe-an-officer-investigation?srsltid=AfmBOorJnVxPslT7pZhDHKiY3Q4i91slR3oiJKMqjFlhly0pl_RWusib

[225] Chiefly, Protocols No 1 (on the role of national parliaments in the European Union), 10 (on Permanent Structured Cooperation established by Article 42 TEU) and 11 (on Article 42 TEU), as well in Declarations 13 and 14 (Declarations concerning the common foreign and security policy)

[226] https://www.eeas.europa.eu/eeas/strategic-compass-security-and-defence-1_en

[227] Europe's Choice: Political Guidelines for the Next European Commission 2024-2029 Strasbourg18 July 2024 p13-14.

[228] European Peace Facility (EPF)European Defence Industry Reinforcement through common Procurement Act (EDIRPA) Support of Ammunition Production, or ASAPEuropean Defence Industrial Programme (EDIP) European Defence Technological and Industrial Base (EDTIB) Fund to Accelerate defence Supply chains Transformation (FAST) EU Security of Supply regime, a Structure for European Armament Programme (SEAP)

Standardised criteria, procedures and risk thresholds could be developed to help ensure the consistent collection and analysis of personal, professional, financial, criminal, and other background information. Effective procedures would help stop potential criminals, especially those with a multinational footprint, from slipping through the cracks.

The EU could consider facilitating or supporting an EU-wide platform comprised of Member State authorities. This would build professionalism and consistency. Vetting caseworkers could receive training in the full range of needed skills, including working with IT solutions such as AI-based risk-assessment tools, developing criteria and risk thresholds, and a range of human skills.

Not requiring vetting in this most sensitive of sectors exposes the EU and Member States to significant corruption-related risks. Companies and individuals with a history of corruption and other crimes, or connections to corrupt regimes, OGCGs, or terrorists, could facilitate money laundering, fraud, embezzlement, and other offences. They could gain access to classified information, essential infrastructure or technologies, for corrupt purposes. Security breaches open the floodgates for all manner of financial and political corruption. Corrupt actors could commit crimes in connection with military procurement by corruptly overcharging for equipment or selling substandard weapons.

Mandatory vetting would help prevent these problems. It would also build public trust in the military establishment, block corrupt elements from becoming involved in other industries or even the political field, and send a message to the world that the EU defence ministries, military contractors and the entire national security establishment is not for sale, and enforce and maintain the highest ethical standards. It would also give more credibility to military interventions by EU-based forces.

Table 18 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	n.a.
Funding	Tying EU funding to EU MS-level rules on vetting of companies and individuals seeking to be involved in national security and military infrastructure, equipment and operations.
Capacity-building	Expertise and best practices on identifying corruption-related risks.
Soft-law / Benchmarking	Awareness raising that corruption can become a national security threat.
Networking & Outreach	Publishing a report on successes.

6.4.2 Risk assessment and oversight in defence spending

Because they are massive, secretive, and often tinged with politics, military budgets are vulnerable to corruption risks such as overpricing of equipment, intentional overspending, bribery, kickbacks, conflicts of interest, and unnecessary ("phantom") projects, Transparency International (TI) Defence & Security urges that "the onus rests on parliament to carry out proper scrutiny of defence procurement." Failing this could "damage the integrity of state institutions and pervert the aims of a national security strategy, while undermining market competition and

good defence sector governance."[229] Militaries perform essential services every day, but there is a growing awareness that this does not free them from proper oversight or absolve them from guilt when scandals arise.

6.4.2.1 Current state of play

The legislative and executive branches in all EU Member States have oversight and approval functions regarding military spending. Despite the presence of an EU Directive on military procurement[230] and various guidelines and policies,[231] it is the Member States that decide how – or whether – they should work to rid the sector of corruption. Parliaments in most countries have committees that focus on military budgets, procurement and defence policy. Corruption, however, typically is not among the highest priorities of these committees.

6.4.2.2. Case study risk assessment and oversight in Germany's defence spending

Box 15 Case study risk assessment and oversight in Germany's defence spending

Germany, with the highest defence budget in the EU and the fourth largest in the world,[232] has in place a multi-layered system that seeks to improve transparency and accountability in military procurement. "Beyond general internal compliance and audit regulation, several risk assessments, review and audit tools help to increase transparency, accountability, and serve as boundaries for the procurement process."[233] The system, which involves divisions of the executive and legislative branches, has been profiled by TI Defence & Security:

Corruption risk review and prevention: The Ministry of the Interior annually reviews corruption risks government-wide and issues a report intended to counter the risks, mitigate pathways of influence, limit discretion and maximise oversight. Point persons working on corruption prevention within public institutions act as "first responders" when signs of corruption arise. They also put in place corruption-prevention strategies, including rotating personnel, informational campaigns and the four-eyes principle.

Defence procurement board and report: Senior procurement officials meet regularly with the Minister of Defence and ministry deputies to review the status of major procurement projects. The discussions led to a scorecard-type report on delays, budget overruns and the largest weapons systems being procured. The report is presented to the Bundestag's defence and budget committees.

Parliamentary review: The Bundestag reviews and approves the annual defence budget presented by the government. According to custom, the Bundestag has the right to conduct a final review of procurement contracts above €25 million, before the military's Equipment Office issues the contracts to suppliers. Additionally, the Bundestag's audit committee reviews how funds are allocated and used, and can propose improvements or mandate corrective measures.

Federal Audit Office review: The Audit Office reviews all Ministry of Defence procurement proposals above €25 million and informs the Bundestag of its findings before they are approved by the budget committee. The office

[229] "Defence Industry Influence in Germany: Analysing Defence Industry Influence on the German Policy Agenda", Transparency International, 2020; https://ti-defence.org/publications/defence-industry-influence-germany/
[230] Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (Text with EEA relevance)
[231] Commission Recommendation (EU) 2018/624 of 20 April 2018 on cross-border market access for sub-suppliers and SMEs in the defence sector European Commission Advisory expert group on cross-border access for SMEs to defence and security contracts FINAL REPORT AND RECOMMENDATIONS
[232] Buchholz, Katharina, "Germany Rises to Global Top 5 of Military Spenders", Statista, 14 February 2025; https://www.statista.com/chart/2162/military-expenditure-iiss/
[233] "Defence Industry Influence in Germany: Analysing Defence Industry Influence on the German Policy Agenda", Transparency International, 2020; https://ti-defence.org/publications/defence-industry-influence-germany/

also evaluates procurement processes retrospectively and shares findings with the Bundestag's audit committee.[234]

Bundestag Commissioner for the Armed Forces: The Commissioner works to protect the fundamental rights of soldiers and oversee equipment issues, which are detailed in extensive annual reports on budgets, procurement and other issues.[235] The Commissioner does not have a formal role in dealing with procurement complaints from military personnel, but may forward them to the appropriate office.

Product costing and supplier audit: The Equipment Office independently verifies that production costs are reasonable and audits suppliers' financial data throughout the life of a contract.[236]

6.4.2.3 Relevance for the EU framework

In this fundamental area of oversight that likely will grow in importance considering current events, the EU could engage in a number of policy-driven complementary measures. Voluntary, standardised guideposts for regulating defence spending could be developed that include effective tools and procedures that the Member States currently use. The guideposts could break down the respective roles of executive branch agencies and parliamentary committees, and trust-building steps such as greater transparency of non-classified military budget and procurement information. The essential role of parliamentary defence committees could be standardised, particularly their access to secret military equipment, technology and operations.

The expertise of the European Defence Agency could be capitalised upon to help Member States strengthen their financial governance in procurement and elsewhere. The role of the Coordinated Annual Reviews on Defence (CARD) could be adapted for this purpose. An EU-wide monitoring project could use indicators such as anti-corruption, transparency, value-for-money, and integrity. Civil society organisations and researchers already working on these issues could be given more resources and a larger platform to provide input.

By not strengthening budget oversight, large amounts of public funds, including EU funds, may be wasted or abused through corruption and corruption-related crimes. This would siphon funds from legitimate public services. Cronyism could persist or worsen. Given the sector's interconnectedness with other major industries, corruption could spread within the government and the private sector. Governance gaps in some Member States may leave them vulnerable to corrupt companies and individuals seeking to evade scrutiny. Given the continuing high levels of public mistrust in government, the types of scandals which improved regulation could prevent would sour the public's view of the military. Lower morals among service members who may think the weapons and equipment they use may have the stain of corruption.

On the other hand, improved and standardised budget oversight in all Member States holds the potential to save a significant amount of public funds and represent a unified bulwark against corruption. Standardised budget oversight also would go hand-in-hand with current efforts to deepen procurement and readiness collaboration among Member States. The effort would strengthen national audit offices, and governance and the rule of law generally. Overall savings could be significant, as the EU would demonstrate that a major increase in military spending would not only not weaken accountability but could be met with greater integrity.

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[234] "Defence Industry Influence in Germany: Analysing Defence Industry Influence on the German Policy Agenda", Transparency International, 2020; https://ti-defence.org/publications/defence-industry-influence-germany/
[235] The Parliamentary Commissioner for the Armed Forces, Deutscher Bundestag; https://www.bundestag.de/en/parliament/commissioner
[236] "Defence Industry Influence in Germany: Analysing Defence Industry Influence on the German Policy Agenda", Transparency International, 2020; https://ti-defence.org/publications/defence-industry-influence-germany/

Table 19 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	n.a.
Funding	n.a.
Capacity-building	Guidance for setting up and operating executive and legislative branch oversight of defence spending, including decision-making power (i.e. veto of projects) and investigative and sanctioning authority.
Soft-law / Benchmarking	Benchmarking of current oversight roles and duties in Member States.
Networking & Outreach	Assembling an expert group on defence spending oversight. Publishing a report on successes.

6.5 Synthesis

Among all areas, the defence and security sector may be undergoing the most significant cultural change with regard to integrity. A new and greater appreciation for accountability, transparency and ethics has led to reforms that comprise the beginnings of an anti-corruption framework.

At the top of the priority list is stronger oversight and regulation of procurement. Military equipment is manifestly expensive, highly specialised, and designed and produced in secret. And it is almost exclusively manufactured by large companies with close connections with defence ministries and the broader military establishment. Some Member States are taking greater steps to reduce fraud, conflicts of interest and other corruption-related offences. This has been accomplished by improving transparency, establishing specialised oversight agencies, stepping up enforcement and prosecution for violations, and tightening scrutiny of military spending. These steps have led to notable results in some contexts, and at the very least, have created openness and momentum for change.

Another advancing trend is a greater emphasis on ethics and honesty among all ranks in the military. Defence ministries and weapons companies alike are adopting codes of conduct that include rules for conflicts of interest, private and illicit enrichment, and general standards of good behaviour.

Some Member States have elaborate rules on weapons exports that seek to control who exports military equipment and why, who receives it, and where the munitions eventually wind up after the initial sale. Some countries have increased the transparency of weapons exports and have provisions to sanction companies that do not comply with licensing requirements. Export controls are an important measure to prevent weapons from being received by corrupt regimes or being used as a part of a larger corruption scheme involving bribery, money laundering and terrorism financing.

One notable measure the EU could consider is screening companies and individuals seeking to do business in the national security field. In Lithuania, business deals deemed too risky by public authorities can be blocked, and the country has an official policy to consolidate national security as an anti-corruption objective. The EU could recommend to the EU MS that they step up the vetting of would-be participants and ban unsavoury parties from defence and security projects, and could provide EU funding to such measures being put in place as one possible avenue. Further, on the soft law side, the EU could adopt guidelines for establishing and overseeing defence spending. In some Member States, this oversight includes parliamentary authority to veto projects, investigative and subpoena power, and multiple layers of executive branch scrutiny. Germany is a good example of such a structure.

Table 20 Mitigation measures identified in the field of defence

Mitigation measures identified in the field of defence	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting, etc.	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
1. Unified defence procurement rules and enforcement (between the different military branches) 2. Parliamentary oversight of spending and operations 3. Regulation and transparency of weapons sales and exports 4. Ethics, risk prevention and conflict of interest regulation	– Vetting and risk assessment in the national defence system.	- traditionally an area governed by intergovernmental cooperation; - new geopolitical realities also resulting in an enhanced mandate for the EU, particularly regarding the multiple EU financial instruments.	– Tying EU funding to EU MS-level rules on vetting of companies and individuals seeking to be involved in national security and military infrastructure, equipment and operations; – Expertise and best practices on identifying corruption-related risks; – Awareness raising that corruption can become a national security threat; – Publishing a report on successes.
5. Anti-corruption programmes in military contractors (monitoring and compliance programmes, discipline, scrutiny and sanctions in contracting)	– Risk assessment and oversight in defence spending.	– EU can build on existing EU legislation on defence procurement; – expertise of the European Defence Agency could be deployed; – Coordinated Annual Reviews on Defence (CARD) could be adapted.	– Guidance for setting up and operating executive and legislative branch oversight of defence spending, including decision-making power (i.e. veto of projects) and investigative and sanctioning authority; – Benchmarking of current oversight roles and duties in Member States; – Assembling an expert group on defence spending oversight; – Publishing a report on successes.

Chapter 7. | Sports

7.1 Introduction

From athletes in low-level leagues being bribed to intentionally commit minor flubs, to teams conspiring to lose championship matches on purpose, sports corruption has become a serious problem that presents risks extending far beyond the playing field. International criminals have created networks of money mules and launderers that funnel bribes to teams, athletes and referees in Europe to warp play and rig match outcomes for the benefit of illegal gambling operations. Along the way, money laundering, tax evasion, hidden assets, and other misconduct are commonplace. The people behind these crimes exploit the vulnerabilities of athletes seeking to augment their income and the weakness of a public growing more addicted to easy-to-use gambling via apps delivered to their cell phones.

This chapter examines how new laws, public institutions, monitoring techniques, IT tools, and, perhaps most importantly, inter-disciplinary cooperation are giving anti-corruption forces a fighting chance to detect and stop match-fixing and other crimes. And, expanded public awareness, education and training programmes are beginning to inoculate players and teams from the temptation to take bribes. Two notable examples presented here are improved monitoring and information sharing on match-fixing and stronger sports-specific anti-corruption laws.

7.2 Problem Definition: The Extent, Causes, and Consequences of Corruption in Sports

Corruption in sports can be defined as acts that seek to control, engineer, or otherwise manipulate sports competitions by breaching professional duties for illicit private gain or benefit. The primary mechanisms of sports corruption are bribing or providing other benefits to athletes, coaches, referees, team staff, and others with the power and ability to alter on-field play. This is done by pre-determining competition outcomes (match-fixing) or by manipulating the on-field performance of individual athletes (spot-fixing). When this manipulation is paired with illegal or unlicensed gambling, criminals and criminal organisations financially benefit from "winning" bets derived from these pre-determined outcomes. Criminal elements often have a regional or international reach and are involved with money laundering and mafia-type behaviours.

Once an isolated phenomenon orchestrated by small-time mafia figures and relegated to a few areas, corruption in sports is now a high-profile, multi-billion-euro problem that involves a lengthy chain of people – from athletes and referees, to top-tier national leagues and international money launderers. Crimes assume many forms, including bribery, match-fixing, illegal gambling, doping, fake games, and tax evasion. Illustrative of the massive spread of this corruption, choreographed "spot-fixing" on the playing field – such as staged yellow cards in football and double-faults in tennis – is facilitated by bribes paid to players and capitalised upon by participants in illegal gambling.

Many powerful forces are fuelling the rise of corruption in sports: the industry's growing financial footprint and importance, globalisation of viewership and media coverage, increasing sensationalism of star players and popular teams, the growing accessibility of online gambling, and the public's growing addiction to gambling. Organised crime groups have gained a foothold in sports corruption, particularly because of the draw of high profits and, up until now at least, the relatively low risk of detection and prosecution. In addition, teams can be used as shell companies, collude with other teams to manipulate transfers of players and funds, or be bought for the sole purpose of fixing matches and/or laundering money.

Corruption causes more than just financial harm. It stigmatises athletes, hurts the reputation of the institution of sports, and erodes the public's trust in honest competition. Young athletes are suffering from being targeted to engage in match-fixing and spot-fixing.

7.3 Mapping and analysis of the main corruption mitigation measures

A string of scandals in Europe in recent years, mainly in football,[237] has significantly increased public attention as well as political pressure on authorities in EU Member States to do something about the problems. Anti-corruption efforts launched in response to these scandals, therefore, are relatively new. Though nascent, many of these efforts are receiving significant public attention. This is likely due to the industry's efforts to assuage fans – who sometimes pay thousands of euros to attend a single game – that the competition they are viewing is honest and true, unsoiled by the reach of mafia and organised crime groups. Teams and leagues that spend up to billions of euros a year to get people to watch their games, and that pay star athletes up to tens of millions of euros a year, have a clear interest in cleaning up the industry, lest they lose fans, popularity, income, and credibility.

Most anti-corruption measures that are *succeeding or showing promise* centre around prevention, oversight, enforcement and awareness raising. These measures focus on many of the *main corruption risks and realities* in the sports sector: match-fixing and manipulation, bribery, organised crime involvement, conflicts of interest, collusion, and a lack of integrity among players, coaches, team owners, and referees.

Specific measures profiled here include:

- ethics training and awareness raising for players, coaches, referees, teams, leagues, federations and others;
- industry-specific anti-corruption laws and regulations;
- increased monitoring of matches for manipulation (match-fixing and spot-fixing);
- new specialised public authorities and new units within existing authorities;
- cooperation among public authorities, teams, federations, NGOs and gambling companies;
- sharing information on match-fixing and illegal gambling investigations;
- prosecution and competition bans for athletes who accept or solicit bribes to alter play or fix matches.

Together, these measures are forming the beginnings of a mutually reinforcing system that attacks the corruption problem from many angles, all vectoring toward the main corruption hotspots. Many measures are dynamic and fluid, such as using AI, machine learning, and other IT tools to monitor match-fixing in real time, engaging fans in exposing manipulation, and rapidly sharing evidence on suspicious activities among team owners, betting companies, authorities, and NGOs.

In a positive ongoing trend, many public authorities, sports federations, NGOs and betting companies are now releasing detailed data, case studies, and investigative methods on their successful oversight and enforcement actions. This transparency is necessary in order to build public trust that these measures are achieving their goals. It also encourages them to improve their tracking systems while encouraging other stakeholders to release similar information to the public.

A pan-European effort that encourages anti-corruption efforts at the MS level is the Council of Europe's Convention on the Manipulation of Sports Competitions. Better known as the Macolin Convention, it aims to

[237] E.g. https://www.insideworldfootball.com/2022/01/17/belgium-football-ripped-apart-prosecutors-name-57-clean-hands-probe/ https://www.europeandatajournalism.eu/cp_data_news/suspicious-sports-results-mafia-might-have-fixed-them/

prevent, detect, and punish match-fixing, illegal betting operations, and conflicts of interest in the sports industry. Ratified by only 8 MSs, it encourages public authorities to cooperate with teams, leagues, betting companies and competition organisers.[238]

7.3.1 Specialised public institutions focusing on sports corruption

Sports corruption has become so serious and under-investigated in many countries that, in the eyes of elected and public officials, new public institutions have had to be established. These agencies have succeeded by taking fresh approaches to anti-corruption – by developing specialised knowledge and methods, building collaboration with police and prosecutors, and opening confidential channels for athletes, teams, betting companies, and citizens to report suspicious activities occurring both on and off the field. Institutional authority, capacity and knowledge are essential for enforcement actions to have a chance to succeed; a lack of which can embolden criminal elements.

Setting up specialised agencies can help ensure sports corruption cases do not fall between the cracks and are handled competently and promptly by experts in the field. Public authorities generally operate in silos and only take on cases they have the authority and capacity to handle. A sports case might come to their attention, but they might not have the skills to investigate it, and, without a sports-oriented agency to forward it to, the case may lie dormant while the perpetrators run free. Specialised agencies close these regulatory gaps.

Duties of these specialised agencies include monitoring matches for manipulation, cooperating with authorities and NGOs, referring evidence and cases of match-fixing and illegal gambling to prosecutors, and enforcement actions, including issuing participation bans and blocking illegal or unlicensed gambling websites. Some of these agencies have been intimately involved in successful investigations of match manipulation, illegal gambling and associated crimes, including money laundering.

Austria's Criminal Intelligence Service established the Integrity in Sports Unit in 2010. Among its successful cases, the Unit acted on an anonymous tip from Asia in 2021 and uncovered a major international betting fraud scheme with connections to Austria, the Czech Republic, Hungary and Slovenia. The transaction volume of the organised crime group was found to be more than €450 million. In Austria alone, about 60 matches suspected of being manipulated have been investigated. As of spring 2025, 13 of 15 defendants had been convicted of manipulating football, tennis, and basketball matches. One of the aims of the match-fixing was to launder money from drug trafficking by criminal networks from Albania, Serbia, Romania, Slovenia, and Austria.[239]

Belgium's Federal Judicial Police established a Sports Fraud Team following the 2004-06 case of Zheyun Ye, a Chinese businessperson who used bribery, intimidation and threats to fix professional football matches. The specialised unit played a key role in bringing down a multi-country money-laundering operation in 2018 involving teams in the Jupiler Pro League. The investigation began with detailed information the unit obtained in 2017 about suspicious financial transactions involving many bank accounts opened in the city of Genk. The arrangement allowed players' agents to conceal commissions they received on player transfers, player and coach salaries, and other payments.

On 10 October 2018, 184 Federal Judicial Police officers conducted 44 searches across Belgium, while 14 searches by 36 officers were carried out in cooperation with Eurojust in Cyprus, France, Luxembourg, Macedonia, Montenegro, and Serbia. The case became known as Operation Zero or Operation Clean Hands. Documents, files, and safes were seized from the headquarters of nine teams, as were assets totalling €3.6 million. Also searched

[238] Council of Europe, Chart of signatures and ratifications of Treaty 215, https://www.coe.int/en/web/conventions/full-list?module=signatures-by-treaty&treatynum=215

[239] "Gemeinsam gegen Wettbetrug", Öffentliche Sicherheit, Austria Ministry of the Interior, 2025;https://www.bmi.gv.at/magazinfiles/2025/03_04/11_integritaet%20im%20sport.pdf

were six club board members, four players' agents, two referees, a former lawyer, an accounting firm, two jewellers, two journalists, and several possible accomplices. More than 20 people were detained or questioned in the successful operation.[240],[241]

The Danish Gambling Authority (DGA), established within the Ministry of Taxation in 2000, regulates the Danish gambling industry, including the monitoring of illegal gambling, match-fixing and money laundering. In April 2023, the DGA became the secretariat of the national platform for combating match-fixing. The agency collaborates with companies that monitor sports betting and issues alerts when they detect signs of match-fixing, such as irregular or suspicious betting patterns. The DGA can investigate alerts and refer cases to law enforcement, Danish sports organisations and national platforms in other countries. The DGA explained the logic in becoming the match-fixing watchdog, as it already collects data on gambling companies throughout the country.[242],[243]

Match-fixing is investigated and punished by the DGA's Matchfixing Secretariat as well as the police and judiciary. The Matchfixing Secretariat conducts a preliminary investigation, which can either result in the case being dropped, a police report being filed, or the case being brought before DGA's Matchfixing Board. The Board can also hear cases after they have been handled by the criminal authorities.

In 2020, the DGA adopted a new set of rules with stronger penalties, including:

- match fixing: minimum two years' exclusion from sports participation;
- betting on your own competition without the intention to manipulate: exclusion for 6-24 months;
- abuse of insider information: exclusion for 6-24 months;
- failure to notify the Matchfixing Secretariat: exclusion for 1-12 months;
- lack of cooperation with the Matchfixing Board and Secretariat: exclusion for 6-36 months.[244]

With regard to illegal gambling, the DGA blocked 162 unlicensed websites in 2024, an increase from 49 in 2023 and 20 in 2012. Denmark ranks seventh among EU countries in "channelisation" – meaning the percentage of money that is wagered via officially licensed gambling companies. Denmark reached a rate of 90.3 per cent in 2024, compared to 89.2 per cent in 2022.[245]

The DGA's recent enforcement actions include:

- reprimanding a gambling company in November 2024 for failing to check a supplier and document ongoing controls, in relation to compliance with the Danish Anti-Money Laundering Act;[246]

[240] "Eurojust supports dismantling of football money-laundering network", Eurojust, 10 October 2018; https://www.eurojust.europa.eu/news/eurojust-supports-dismantling-football-money-laundering-network
[241] "Concerns: organised crime, money laundering, private corruption", Federal Public Prosecutor's Office of Belgium, 11 October 2018; https://www.om-mp.be/nl/article/press-release-federal-public-prosecutor-s-office-d102618-0
[242] "The Danish Gambling Authority becomes secretariat for national platform to combat match-fixing", Spillemyndigheden (Danish Gambling Authority), 3 April 2023; https://www.spillemyndigheden.dk/en/news/danish-gambling-authority-becomes-secretariat-national-platform-combat-match-fixing
[243] "Årsrapport 2023 Spillemyndigheden", Spillemyndigheden (Danish Gambling Authority), March 2024; https://www.spillemyndigheden.dk/uploads/2024-03/%C3%85rsrapport%202023%20-%20Spillemyndigheden.pdf
[244] "Korruption i Danmark 2000-2024", Transparency International Danmark, March 2025; https://transparency.dk/wp-content/uploads/2025/03/Korruption-i-Danmark-2000-2024-Marts-2025.pdf
[245] "Report on Illegal Gambling", Spillemyndigheden (Danish Gambling Authority), March 2025; https://www.spillemyndigheden.dk/uploads/2025-03/Report%20on%20Illegal%20Gambling%202024.pdf
[246] "Two reprimands to Spilhuset.dk A/S for breach of the Anti-Money Laundering Act', Spillemyndigheden (Danish Gambling Authority), 28 November 2024; https://www.spillemyndigheden.dk/en/afgoerelse/two-reprimands-spilhusetdk-breach-anti-money-laundering-act

- reprimanding a gambling company in July 2024 for failing to comply with the Anti-Money Laundering Act, including failing to identify and assess risks related to its customers, products, transactions, delivery channels, and the countries and geographical areas where it does business;[247] and
- issuing three orders and reprimanding a gambling company in April 2024 for failing to comply with the Anti-Money Laundering Act, including not efficiently assessing its payment system's risks of money laundering or terrorist financing.[248]

The DGA maintains a whistleblower portal for reporting misconduct, including a specialised portal for employees and former employees of gambling companies to report suspected money laundering.

Denmark's sports anti-corruption system is enhanced by Section 10b of the Act on the Promotion of Integrity in Sports. This provision targets people who give, promise, offer, receive or demand a gift for acting or failing to act in order to manipulate a higher-level sports competition in Denmark or abroad. Violations are punishable by a monetary fine or up to one year in prison, which can be increased to two years in serious cases.[249]

In 2011, Italy's Ministry of the Interior established two sister agencies that collaborate to detect, investigate, and stop corruption in sports, including match-fixing, money laundering, and organised crime. The Sports Betting Information Unit (UISS) collects evidence of suspected crimes, which is then probed by the Sports Betting Investigation Group (GISS). The GISS works closely with various law enforcement agencies and the Anti-Mafia Investigations Directorate (DIA), which is also within the Ministry of the Interior. The UISS and GISS utilise alert systems and databases that can record all betting activities in detail, which is conducted in cooperation with gambling companies.[250] The system has been called "a successful information synergy between police forces and the world of sport."[251]

In addition to the arrest of several members of criminal organisations, numerous financial investigations have led to the seizure and confiscation of more than €3 billion in illicit proceeds over a six-year period.[252] The agencies have detected the use of technological tools that allow the exploitation of electronic payment systems, identity theft for opening online gambling accounts and tricks to evade monitoring.[253]

The GISS received 43 reports of misconduct during the 2020-21 and 2021-22 sports seasons, of which 26 concerned games played abroad. At the time, in-depth investigations were progressing in cooperation with other agencies.[254] In these two years, about half of the reports concerned football matches, with the remainder from tennis, volleyball and table tennis.[255]

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[247] [24] "Reprimand issued to JackpotBet A/S for breach of the Anti-Money Laundering Act", Spillemyndigheden (Danish Gambling Authority), 4 July 2024; https://www.spillemyndigheden.dk/en/afgoerelse/reprimand-issued-jackpotbet-breach-anti-money-laundering-act

[248] [25] "Three orders and one reprimand issued to Mr. Green Limited for breach of the Anti-Money Laundering Act", Spillemyndigheden (Danish Gambling Authority), 12 April 2024; https://www.spillemyndigheden.dk/en/afgoerelse/three-orders-and-one-reprimand-issued-mr-green-limited-breach-anti-money-laundering-act

[249] "Bekendtgørelse af lov om fremme af integritet i idrætten" (Promulgation of the Act on the Promotion of Integrity in Sports), Retsinformation, https://www.retsinformation.dk/eli/lta/2015/1168

[250] "Convention on the Manipulation of Sports Competitions, Group of Copenhagen – Network of National Platforms: Country Fact Sheet Italy", Council of Europe, 1 June 2017; https://rm.coe.int/convention-on-the-manipulation-of-sports-competitions-group-of-copenha/1680723839

[251] De Santis, Mattia, "Scommesse e frodi sportive, in Italia sequestri per oltre 3 miliardi in sei anni", Calcio e Finanza, 14 October 2024; https://www.calcioefinanza.it/2024/10/17/scommesse-sequestri-e-frodi-sportive/

[252] De Santis, Mattia, "Scommesse e frodi sportive, in Italia sequestri per oltre 3 miliardi in sei anni", Calcio e Finanza, 14 October 2024; https://www.calcioefinanza.it/2024/10/17/scommesse-sequestri-e-frodi-sportive/

[253] "Scommesse e match fixing, GISS: nel triennio 2021-2024 arrivate 33 segnalazioni su eventi sportivi, 21 riguardano il calcio", AGIPRO News, 3 July 2024; https://www.agipronews.it/attualit%C3%A0-e-politica/Scommesse-e-match-fixing-GISS:-nel-triennio-2021-2024-arrivate-33-segnalazioni-su-eventi-sportivi-21-riguardano-il-calcio-id.208952

[254] "Unità Informativa Scommesse Sportive (UISS), Gruppo Investigativo Scommesse Sportive (G.I.S.S.)", Ministry of the Interior of Italy, March 2022; https://www.interno.gov.it/sites/default/files/2022-03/report_scommesse.pdf

[255] "Unita' Informativa Scommesse Sportive Report"; Ministry of the Interior of Italy, June 2022; https://www.interno.gov.it/sites/default/files/2022-06/report_uiss.pdf

UISS also provides training and carries out awareness campaigns for players, managers and schools to raise awareness about respect, legality, fairness, integrity and fair play.[256]

Italy has been home to many high-profile corruption, match-fixing, and illegal gambling scandals in recent years, including a 2011-12 match-fixing affair that involved many teams and well-known players, and the 2006 "Calciopoli" scheme that involved club executives and referee organisations. These and other scandals led to the development of the Sports Code of Conduct by the Italian National Olympic Committee. All sports federations at every level are required to comply with the code and appoint a "Guarantor of the Code."[257]

The Dutch Gaming Authority (KSA) established a Sports Betting Intelligence Unit to receive match-fixing suspicions and refer them to authorities and law enforcement. The number of potential cases filed by licensed gambling operators to KSA rose from 6 in 2023 to 13 in 2024. Most reports were in tennis, followed by football and basketball.

The reports were related to unusual betting patterns, potentially risky matches, and unexpected changes in betting odds. Specific irregularities included accounts repeatedly betting at high odds, large amounts wagered on the same options within short periods, and maximum bets placed at conspicuous times.

Two reports were produced via international collaboration regarding a potentially manipulated match. One is concerned about unexpected changes in odds before and during a game. Subsequent investigations led KSA to warn four companies for failing to conduct proper risk analyses for a particular match in another country. The agency also released guidelines on how betting companies can improve their reporting of match-fixing.

KSA said the number of cases may have risen in 2024 because of greater awareness among licensed gambling companies of their legal duty to report misconduct. The KSA has stepped up its efforts to remind companies of this obligation.[258],[259]

7.3.2 Awareness-raising and education programmes to reduce corruption

Virtually all athletes know, if only intuitively, that accepting bribes to alter how they play is unethical if not illegal. Referees know the same when it comes to how they judge the course of games. Yet match-fixing continues at large scale. Confronting athletes, coaches, team executives, and referees with hard truths about corruption is proving an effective way to reduce misconduct. Annual and ongoing training sessions are showing promise. Presenting athletes directly with the risks of corruption is a persuasive way to shape behaviour.

In many ways, education and information kicked off the entire anti-corruption movement in sports. Journalists, former players and coaches, and NGOs brought the problem out of the shadows and into public view. The revelations shocked sports leagues and federations into action, beginning with educating players and coaches about the legal and reputational risks of participating in match-fixing and spot-fixing. Data show that some awareness-raising and training programmes have been associated with fewer reports of manipulation. The most effective training is one-on-one, where athletes are faced directly with integrity experts. Public authorities, NGOs, and sports federations themselves widely support these programmes.

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[256] "Unita' Informativa Scommesse Sportive: Riunione", Ministry of the Interior of Italy, 30 January 2024; https://www.interno.gov.it/sites/default/files/2024-01/report_riunione_30_gennaio_1.pdf
[257] UN Office on Drugs and Crime, "Global Report on Corruption in Sport," 2021; https://www.unodc.org/documents/corruption/Publications/2022/Global_Report_on_Corruption_in_Sport_Full_report.pdf
[258] Kansspelautoriteit publiceert Trendanalyse matchfixing 2024", Kansspelautoriteit (Dutch Gaming Authority), 27 February 2025; https://kansspelautoriteit.nl/nieuws/2025/februari/kansspelautoriteit-publiceert/
[259] Ranjan, Sudhanshu, "Dutch gambling authority reports alarming increase in match-fixing in 2024", SiGMA, 28 February 2025; https://sigma.world/news/dutch-authority-reports-match-fixing-cases-doubled/

Awareness-raising and education efforts were among the main reasons for the significant decrease in the number of suspected match-fixing cases in Sweden and across Europe in 2024, according to the Swedish Professional Football Leagues (*Föreningen Svensk Elitfotboll; SEF*). Sweden had only three suspected low-degree cases during the 2024 football season, according to SEF.

All professional players in Sweden are trained in integrity issues before each season and during the summer, including new players who are signed to teams. "No one should be able to say they are unaware of this. Of course, there is a risk that perpetrators have become more skilled at hiding suspicious matches, which is why we can never say that the threat is gone. But a clearly downward trend…still indicates that the work done by us and many others is making a difference," according to SEF's head of integrity, Anders Wikström, a former player.

SEF also meets annually with teams to discuss responsible gambling. A partner in these sessions is Unibet, a large sports betting platform. Players in Sweden are banned from placing bets on their own matches and on matches in their league. They are also required to inform officials if they are approached with a match-fixing scheme.

In an additional prevention measure, all 32 teams in Sweden's top two professional leagues, Allsvenskan and Superettan, have had Integrity Officers since 2020.[260] These staffers are in charge of providing advice and support on match-fixing, gambling, and other high-risk issues. They also serve as a link between players, the club, and the league.[261]

7.3.3 Specialised organisations focusing on sports corruption

Non-governmental organisations, especially those with formal relationships with public authorities, are taking on a greater and more public role in match-fixing monitoring, investigations, and awareness raising. In many cases, they work closely with public institutions, which enhances their expertise, impact, credibility, and access to resources. The independence of NGOs to speak freely and establish alliances, and the generally favourable perceptions that the public has of them, can enhance their effectiveness and impact.

NGOs, especially those with anti-corruption backgrounds, have gained substantial credibility in the sports community. Being largely impartial and apolitical, their participation is generally welcomed. Some have assumed important roles in official investigations, which adds to their acceptance by public authorities.

The Austrian organisation Play Fair Code (PFC) uses an AI-based early-warning system to monitor games in real time and detect irregular betting patterns and unusual bets. When suspected misconduct arises, PFC serves as a communication resource to document and refer cases to public authorities and sports associations. Thus, they support both criminal and disciplinary proceedings.

Many cases of manipulation have been detected since the organisation was founded in 2012, as a joint effort of the Ministry of Sport, the Austrian Football Association, and the Austrian Football League. In order to increase public accessibility, PFC has a hotline with a named contact person, as well as email addresses and phone numbers.[262] It also conducts integrity training. As of 2022, it had held 1,000 sessions for 25,000 people involved in football, ice hockey, basketball, handball, volleyball, tennis, table tennis, and skiing.[263]

Supported by membership fees and sponsorships, Play Fair Code gears its training for various layers, including professional athletes, semi-professional and amateur athletes, referees, and sport representatives. Its one-on-

[260] "Number of Suspected Fixed Matches Drops Sharply – A Success for Football's Efforts", Svensk Elitfotboll, 2 January 2025; https://www.svenskelitfotboll.se/en/number-of-suspected-fixed-matches-drops-sharply-a-success-for-footballs-efforts/
[261] "Sustainability," Svensk Elitfotboll; https://www.svenskelitfotboll.se/en/sustainability/
[262] Play Fair Code; https://www.playfaircode.at/en/prevention/monitoring
[263] "Play Fair Code Talks und zehnjähriges Jubiläum einer Integritätsinstitution in Österreich", Sports Business, 2 October 2022; https://sportsbusiness.at/play-fair-code-talks-und-zehnjaehriges-jubilaeum-einer-integritaetsinstitution-in-oesterreich-partner-news/

one approach allows for direct discussions about difficult issues such as penalties for match-fixing, including prosecution and reputational damage. The organisation's ombudsman is a confidential, no-cost service for athletes and others to report or ask questions about match-fixing and other concerns.[264]

The LRCC notes that the PFC received 146 tips regarding betting fraud and/or match-fixing, mostly football-related from 2012-19, of which 44 were investigated by the Criminal Intelligence Service's Integrity in Sports Unit. Fourteen cases were forwarded to international investigative authorities, and in 12 cases, criminal convictions were achieved.[265]

In cooperation with the Ministry of Culture, the Estonian Anti-Doping and Sports Ethics Foundation (EADSE) collects and forwards information on competition manipulation and suspicious bets to relevant sports organisations and public institutions, and issues warnings if necessary. In 2023, EADSE received 11 "red" warnings and 66 "yellow" warnings from the United Lotteries for Integrity in Sports. In coordination with the betting information service Sportradar, football, basketball, handball, volleyball, ice hockey, badminton, futsal, and beach soccer matches are being monitored. EADSE has cooperated with three sports federations on match-fixing cases and forwarded information to law enforcement, which initiated proceedings in one case.[266]

The Dutch Institute for Sports Justice is an independent institution that handles disciplinary decisions on behalf of national sports federations. It has special prosecutors who investigate complaints and regularly meet with investigators and other prosecutors. In 2021, it investigated an allegation of match-fixing involving two field hockey teams that, in the closing stages of a 4-3 match, decided to let time expire without continuing play.[267]

In Denmark, Play the Game was founded in 1997 by the Danish Institute for Sports Studies to raise awareness about match-fixing, doping, good governance, and other integrity issues.[268] As part of its Sports Governance Observer programme, the organisation has published three studies assessing governance in international sports federations, including Olympic federations. Among the criteria are corruption risk assessment, internal and external audits, open tenders for major contracts, code of conduct, conflict of interest procedures, internal complaints, and whistleblower protection rules.[269] Its ClearingSport project seeks to unite and strengthen current integrity efforts, establish new standards and develop mechanisms for collaboration to counter crime, corruption, and other violations.[270]

7.3.4 Regulating sports lobbying

With millions or even billions of euros at stake, sports teams and leagues have a strong interest in legislation and public policies that may positively or negatively affect their businesses. Like any industry, the sports sector hires lobbyists to carry their priorities and concerns to elected officials. And, like other industries, regulating lobbying by the sports business can deter untoward connections with public officials and add transparency to policy debates. Regulating sports lobbying is a new idea that is beginning to receive more attention in several Member States, at the very least by adding the sports industry to existing lobbying regulations.

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[264] Sweeney, Gareth, Ed., "Global Corruption Report: Sport", Transparency International, (Oxon, UK: Routledge, 2016); https://transparency-france.org/wp-content/uploads/2018/02/2016_GCRSport_EN.pdf
[265] Parliamentary Question Answer 2744/AB, Austria Ministry of the Interior, 29 March 2019, https://www.parlament.gv.at/dokument/XXVI/AB/2744/imfname_743467.pdf
[266] "Annual Report 2023", Estonian Anti-Doping and Sports Ethics Foundation, 2024;https://eadse.ee/wp-content/uploads/2024/06/EADSE_2023_tegevusaruanne_28.03.2024.pdf
[267] "Instituut Sportrechtspraak gaat matchfixing hockey onderzoeken", Doping Autoriteit, 2 February 2022; https://www.dopingautoriteit.nl/nieuws/anp/10142
[268] Play the Game; https://www.playthegame.org/about/
[269] Alm, Jens, "Sports Governance Observer 2019", Play the Game, 2019; https://www.playthegame.org/media/oodhlakx/sports-governance-observer-2019.pdf
[270] "The ClearingSport project", Play the Game; https://www.playthegame.org/projects/clearingsport/about-the-clearingsport-project/

Since July 2022, 17 sports federations, organisations and teams have registered as lobbyists with the French High Authority for Transparency in Public Life. According to the Authority, large federations or groups of federations work to influence sports laws and statutes; large professional organisations defend the interests of the sports sector as a whole; and smaller groups focus on local infrastructure projects, events, and community outreach. The Authority conducted 14 inspections in 2023, including 11 of federations and leagues that had failed to register. The inspections found that among registered groups, the quality of declarations was "relatively good."[271]

7.4 Analysis of corruption mitigation measures carrying the potential to enhance the already existing EU-level framework

7.4.1 Monitoring and information sharing on match-fixing

Among the many types of corruption crimes committed within and upon the sports industry, match-fixing is among the most serious, pervasive, difficult to detect, and lucrative for criminals and unscrupulous athletes. In addition to homegrown schemes masterminded in Europe, money from as far away as Asia is funnelled via shell companies, money mules, and even legitimate banks into the EU, where it is used to choreograph what athletes do on the field of play. Feeding off the public's growing gambling addiction, match-fixers orchestrate not only a game's outcome, but on-field minutiae such as a football player receiving a yellow card, a tennis player double-faulting, or a basketball player missing a free throw.

7.4.1.1 Current state of play

In order to combat match-fixing and manipulation, innovative collaborations are emerging among teams, sports federations, public institutions, betting companies, and NGOs that would have been unheard of a decade ago. This cooperation is improving monitoring, foiling more schemes, and leading to more investigations and enforcement actions. AI and other technologies are being successfully harnessed in these efforts. Experience has shown that manipulation cannot be stopped without teamwork.

These collaborations are designed to stop match-fixing and spot-fixing at the very moment it occurs, or in cases of match-fixing, even before competitions begin. They also provide a strong deterrent for criminals seeking profit from staged games.

7.4.1.2 Case study Swedish Football Association

Following several match-fixing scandals, at least two of which became criminal cases, the Swedish Football Association began monitoring games and betting activities in the 2021 season. The association partnered with Sportradar, a Swiss betting data provider, to monitor more than 2,000 matches in several leagues that year using the company's Universal Fraud Detection System.[272]

Sportradar's fraud system was developed in 2005 following the Hoyzer match-fixing and gambling scandal in Germany. The system works by comparing the expected changes in betting odds for a given match with the actual

[271] "Rapport d" activité 2023", Haute Autorité pour la transparence de la vie publique, 2024; https://www.hatvp.fr/rapports_activite/rapport_2023/pdf/VDEF_HATVP_RA2023_pages_BD.pdf

[272] Nicholson, Paul, "Swedish FA calls in Sportradar to boost fight against match-fixing", Inside World Football, 31 March 2021; https://www.insideworldfootball.com/2021/03/31/swedish-fa-calls-sportradar-boost-fight-match-fixing/

changes. When a match looks suspicious, it is analysed and reported to the appropriate sports federation for follow-up investigation.[273]

Sportradar uses AI to monitor matches and betting patterns across many sports in real-time and detect irregularities at the earliest possible opportunity. Machine learning algorithms are used to detect anomalies in betting patterns, including suspicious movements in odds and money-per-bet ("staking"). Currently, the system analyses 500 variables per match and evolves by identifying new types of match-fixing tricks. Anomalies found by AI are reviewed by experts who ultimately decide whether on-field behaviour is suspicious. Sportradar noted a 17 percent decrease in suspicious matches in 2024 from 2023, with 1,108 detected in 12 sports in 95 countries. Europe saw a large reduction, though it still led the world with 439 suspicious matches in 2024.[274]

The decision to monitor matches more closely in Sweden was triggered by two criminal cases involving five defendants in December 2020. In one case, a player received bribes on six occasions in 2019 from a person who bet that the player's team would lose. Two people were charged with violating the Gambling Act. In the other case, a player was bribed to intentionally receive a yellow card by a person who bet the player would be so penalised. The player and two people were charged with violating the Gambling Act.[275] The LRCC notes that the Gambling Law was amended in 2023 to ease the use of personal information to prevent match-fixing and require gambling license holders to provide all needed information for criminal investigations.

Then, in 2021, the Swedish Football Association banned four players for match-fixing for four to seven years – including a goalkeeper who was paid to lose and a player who choreographed a scene to receive a yellow card.[276] In November 2019, former football player Dickson Etuhu was found guilty of attempted bribery in a match-fixing scheme that involved a GBP160,000 payment to a goalie to underperform. Etuhu was fined and placed on probation. The following April, the Swedish Football Association banned him from playing in Sweden for five years.[277],[278]

Another monitoring and information-sharing measure to combat match-fixing was put in place in July 2024. The Swedish Gambling Authority (*Spelinspektionen*) began sharing information on suspected match-fixing cases with sports federations and gambling companies on a common platform. The system is designed to provide "an overall picture of concrete suspicions…based on a compilation of vague suspicions."[279]

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[273] "Kosovo Basketball Federation signs an MOU with Sportradar", Kosovo Basketball Federation, 11 May 2022; https://kosovo.basketball/Article/NewsSingle?articleId=4770

[274] "Integrity in Action: 2024 Global Analysis & Trends", Sportradar, 2025; https://sportradar.com/integrity-in-action-2024-global-analysis-and-trends/

[275] Nicholson, Paul, "Swedish FA calls in Sportradar to boost fight against match-fixing", Inside World Football, 31 March 2021; https://www.insideworldfootball.com/2021/03/31/swedish-fa-calls-sportradar-boost-fight-match-fixing/

[276] O'Hagan, Marese, "Swedish FA suspends four players for betting and match-fixing offenses", iGaming Business, 24 September 2021; https://igamingbusiness.com/legal-compliance/swedish-fa-suspends-four-players-for-betting-and-match-fixing-offenses/

[277] "Legal Approaches to Tackling Bribery in Sport", International Partnership Against Corruption in Sport, 2023; https://www.unodc.org/documents/Safeguardingsport/Publications/IPACS_BRIBERY_AND_SPORT_SEP2023_compressed_1.pdf

[278] "Dickson Etuhu handed five-year ban for match-fixing in Sweden", The Guardian, 16 April 2020; https://www.theguardian.com/football/2020/apr/16/dickson-etuhu-handed-five-year-ban-for-match-fixing-in-sweden

[279] Whitfield, Jonny, "New measures to tackle match-fixing in Sweden", InterGame, 3 May 2024; https://www.intergameonline.com/igaming/news/new-measures-to-tackle-match-fixing-in-sweden

7.4.1.3 Case study Spain's "SIGMA"

Box 16 Case study Spain's "SIGMA"

To improve the detection and prosecution of match-fixing, illegal gambling, fraud and other sports crimes, Spain's Directorate General for the Regulation of Gambling (DGOJ) in 2017 established the Betting Market Global Investigation Service or SIGMA (*Servicio de Investigación Global del Mercado de Apuestas*). This falls within DGOJ's Gambling Inspection Sub-Directorate.[280]

The role of SIGMA was expanded in June 2024 when the DGOJ announced a collaborative network and database allowing Spanish authorities to track and review suspicious activities. Under their licenses, gambling companies are now legally required to immediately report suspicious sports bets to authorities, and to make systems available for their staff to report irregularities.[281]

In 2023, the Spanish National Police, supported by Europol, arrested 17 members of an organised crime network for allegedly manipulating matches and placing large bets on their outcomes. Among those arrested were the president and players of a fifth-tier club. On the season's final day, bookmakers noticed large amounts of money being wagered on specific results, became suspicious, and contacted authorities. Investigators discovered a complex criminal network engaged in match-fixing, money laundering, and document fraud. The team president utilised players he could trust, who, in turn, conspired with relatives and others to place illegal bets and collect the winnings. Europol staff set up a mobile office in Spain to perform real-time crosschecks and assist investigators with forensic analyses of electronic devices.[282]

In the area of illegal gambling, DGOJ in 2023 issued 42 sanctions with an average fine of €5 million, many of which were for unlicensed gambling operations within the country.[283]

7.4.1.4 Relevance for the EU framework

Originally, the Treaties did not provide a specific legal basis for the EU to take action in the field of sports. However, with the Lisbon Treaty, this has changed, and today, as established by the TFEU, the EU has specific competence to support or supplement the actions of the Member States in the area of sport (Article 6(e)). Article 165(1) TFEU sets out the details of an EU sports policy, stating that the Union "shall contribute to the promotion of European sporting issues, while taking account of the specific nature of sport, its structures based on voluntary activity and its social and educational function." Article 165(2) TFEU refers to "developing the European dimension in sport, by promoting fairness and openness in sporting competitions and cooperation between bodies responsible for sports, and by protecting the physical and moral integrity of sportsmen and sportswomen, especially the youngest." Finally, according to Article 165(3) TFEU, "the Union and the Member States shall foster cooperation with third countries and the competent international organisations in the field of education and sport, in particular the Council of Europe." This support competence enables the EU to structurally back the sports sector through the Erasmus+ programme, adopt various soft law measures, and coordinate EU Member States to present a united front in international forums and non-EU countries.

The largely hands-on efforts to monitor matches for manipulation and share information on cases provide ample opportunities for the EU to contribute with highly practical complementary measures. Chief among them are

[280] Ordóñez, Patricia Lalanda, et al, "Gambling Laws and Regulations Spain 2025", International Comparative Legal Guides / Global Legal Group, 19 November 2024; https://iclg.com/practice-areas/gambling-laws-and-regulations/spain
[281] Hogg, Lea, "Spain's sports integrity and the implementation of SIGMA controls by DGOJ", SIGMA, 2024; https://sigma.world/news/spains-sports-integrity-and-the-implementation-of-sigma-controls/
[282] "Odds were against 17 football match fixers", Europol, 27 July 2023; https://www.europol.europa.eu/media-press/newsroom/news/odds-were-against-17-football-match-fixers
[283] Ordóñez, Patricia Lalanda, et al, "Gambling Laws and Regulations Spain 2025", International Comparative Legal Guides / Global Legal Group, 19 November 2024; https://iclg.com/practice-areas/gambling-laws-and-regulations/spain

identifying state-of-the-art IT solutions and best-practice cooperation protocols for investigators and caseworkers. An EU centre of excellence could be established to develop and codify this work, uniting people from public authorities, sports federations, betting companies, NGOs, and other organisations with practice-based expertise. The centre could lead an initiative to harmonise IT and data-sharing systems not only for the benefit of individual Member States but also for the handling of cross-border cases.

Funding could help set up the AI-based systems needed to watchdog matches in real time, and training could be provided for investigators. On the policy front, the European Commission's Directorate-General for Education, Youth, Sport and Culture (DG EAC), which is responsible for developing and implementing European sports policy, could work to enhance the anti-corruption elements of the EU's Work Plan for Sport 2024-27.240 The document includes an "Integrity and values in sport" pillar, with a brief mention of combatting match manipulation. This could be expanded to encompass all contemporary issues in greater detail. The EU could consider expanding the role of DG EAC to be more proactive.

There are no known EU guidelines for collecting evidence on sports corruption, such as match-fixing and illegal gambling, or on the most efficient and effective ways to share evidence among investigators and sports sector interests. Though some national-level systems are functioning well and leading to successful enforcement actions, the lack of an EU standard that benefits from experience and knowledge from other countries could be a detriment. The lack of such guidelines could leave the sports sector open to an untold number of cases that go unnoticed, uninvestigated, and unpunished.

Developing these guidelines with input from practice-based experts would achieve many goals. It would professionalise these skills and spread this professionalism throughout the EU. It would create a sense of unity that all Member States are working together against sports corruption. It would provide an opportunity to establish high standards for investigators across the EU to follow. And it would send a message to criminals and unscrupulous athletes that there is a greater chance they will be caught.

Table 21 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	n.a.
Funding	Funding for IT/AI, logistical systems, training and other needed resources for investigations and information sharing.
Capacity-building	An EU centre of excellence for gathering knowledge and practice of state-of-the-art IT solutions and best-practice cooperation protocols for investigators and caseworkers. Training for relevant stakeholders on detecting evidence of match-fixing and sport-fixing, and collaborating on investigations.
Soft-law / Benchmarking	n.a.
Networking & Outreach	National-level outreach to all relevant stakeholders: betting companies, betting regulators, law enforcement, sports federations, specialised agencies/organisations. Publishing a report on successes.

7.4.2 Sports-specific anti-corruption legislation

7.4.2.1 Current state of play

The ability of investigators and law enforcement to crack down on sports corruption is severely hampered without strong laws that clearly and specifically outlaw match-fixing, bribery, illegal gambling, and other crimes. These laws

are now being used to prosecute criminal elements and the athletes they pay to carry out their manipulation schemes. The investigations enabled by these new laws have opened the door to wider probes into money laundering and organised crime. Without such laws, there may be no legal basis to investigate or prosecute wrongdoers.

Over time, these laws have evolved from single provisions in criminal codes to standalone laws banning a wide range of actions. This indicates a growing commitment by some Member States to take sports corruption more seriously. (See Annex VI for a collection of sports corruption laws.)

7.4.2.2 Legislation against corruption in sports in Spain

In recent years, Spain has passed and implemented many targeted laws and policies to deter and prosecute corruption in sports.

Two sports law experts in Spain have observed: "The sports law system in Spain is well developed, but it is still growing and being perfected in line with the relatively rapid conversion of sports into a business. Spain has moved from amateurism in sports to professionalism over the past 30 years, and, as is usually the case, the law follows the reality. This has meant that a significant number of changes have taken place in recent years to address problems that were unknown decades ago."[284]

Among these is Article 286 *bis* of the Criminal Code, passed in 2010 to criminalise the manipulation of matches. The provision applies to executives, directors, employees, and collaborators of sports companies regardless of their legal status, as well as athletes, referees, and judges. It criminalises conduct aimed to deliberately and fraudulently predetermine or alter the result of a game of "particular economic or sporting importance." Penalties include imprisonment, bans from commercial sports activity, and fines that are proportional to the ill-gotten gains.[285]

Article 286 *bis* is among the key legal tools being used in a major ongoing sports corruption case in Barcelona. Prosecutors are investigating whether Football Club Barcelona's hiring of a company owned by the vice president of the Technical Committee of Referees constitutes the unlawful manipulation of sports events. The scandal broke when Spain's Tax Administration Agency (*Agencia Tributaria*) discovered €1.4 million in payments from 2016-18 from FC Barcelona to a company owned by José María Enríquez Negreira, an executive of the referee agency at the time.[286] Eventually, payments totalling €7.3 million from 2001-18 were reportedly detected. Ex-officials of the team and Negreira were indicted in 2023 for corruption, breach of trust and false business records.[287] (The case was ongoing as of this writing.)

In another recent case that utilised Article 286 *bis*, a football player for Sevilla FC was arrested in January 2025 for allegedly taking bribes in exchange for deliberately receiving yellow cards. Police also detained two of the player's friends who allegedly earned about €10,000 within a month by placing 30 bets with six bookmakers. The player faces a sentence of six months to three years in prison, losing his playing licence for 2-5 years, and/or fines of

[284] Batet, Jordi López and Moraga, Yago Vázquez, "In review: sports governance and dispute resolution in Spain", Lexology, 8 September 2023; https://www.lexology.com/library/detail.aspx?g=eec99d50-4536-4904-b879-13c33d28fddb
[285] Criminal Code of Spain, Ministerio de Justicia, 2016; https://www.mjusticia.gob.es/es/AreaTematica/DocumentacionPublicaciones/Documents/Criminal_Code_2016.pdf
[286] Nieto, Cristina, "Negreira Case: The crime of corruption between private individuals", Nieto Enriquez Abogados Penalistas; https://nietoabogadospenalistas.com/en/sin-categorizar/negreira-case-the-crime-of-corruption-between-private-individuals/
[287] Corrigan, Dermot, "Barcelona and the Negreira case: What's the latest?", *The New York Times*, 16 October 2024; https://www.nytimes.com/athletic/5846919/2024/10/16/barcelona-negreira-case-payments-update/

€3,000 to €30,000. Prosecutors formally charged the player with match-fixing in January, for deliberately receiving 10 yellow cards during the 2023-24 season. Authorities said a larger match-fixing conspiracy may be at work.[288,289]

Other measures in Spain's mutually reinforcing suite of laws and regulations include:

- Royal Decree 1251/1999 restricts the ownership of shares in sports limited liability companies (SADs). Among the restrictions, acquiring more than 25 percent of share capital must be authorised by the National Sports Council; SADs must share their financial information with the Council; teams and SADs may not own the share capital of another SAD playing in the same competition; and one may not own more than 5 percent of share capital of more than one SAD;
- Act 30/2022 requires sports federations and professional leagues to adopt a code of good governance to improve their democratic principles and management functions, with an emphasis on complaint channels and a disciplinary system;
- Act 39/2022 and Royal Decree 1591/1992 hold team managers and officers liable for disciplinary measures, under the Sports Discipline Regulations;
- Act 19/2013 on Transparency, Access to Public Information and Good Governance requires some sports companies to publish information about their functions, regulations and organisational structure, including organisational charts and staff profiles;
- Royal Decree 958/2020 regulates the advertising of online gambling, including banning sponsorship contracts that involve gambling advertising on sports equipment and facilities.[290]

In 2020, Spain's National Commission to Combat the Manipulation of Sports Competitions and Betting Fraud (CONFAD) approved a plan to combat fraud in betting. Overseen by the Ministry of Consumer Affairs, the Commission has four pillars: analysis and diagnosis; disclosure and awareness; control and monitoring; and studying current regulations and operations. Collaboration includes public institutions, law enforcement, sports federations, and betting companies. The Commission's work includes raising public and professional awareness about sports corruption and ensuring the country's legal framework is adequate.[291] The LRCC notes that CONFAD provides a formalised channel for public authorities, sports competition organisers, and gambling companies to coordinate action to prevent and eradicate corruption.

7.4.2.3 Legislation against corruption in sports in Malta

Malta's Prevention of Corruption in Sport Act is at the centre of a recent successful case that led to lifetime bans for two professional football players. In March 2024, a player for Qala Saints in the Gozo Football League offered an opposing team's goalkeeper a government job if he would help Qala win the title-deciding final match of the season. The player presented the offer to the Nadur Youngsters' goalkeeper during a WhatsApp call, telling him that he would be paid for a year without having to do any work.

Rather than going along with the scheme and throwing the match in exchange for the ghost job, the goalkeeper told the team president. The president alerted the Malta Football Association's integrity officer, who, in turn, confirmed the information with the goalkeeper and informed the police. The 17 March game ended in a 1-1 tie, foiling the match-fixing effort and narrowly giving Nadur the league title over Qala.

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[288] Lowe, Sid, "Sevilla defender Kike Salas under investigation over yellow cards", The Guardian, 15 January 2025; https://www.theguardian.com/football/2025/jan/15/sevilla-defender-kike-salas-under-investigation-over-yellow-cards

[289] Nicholson, Paul, "Sevilla's Salas awaits trial date in match-fixing case", Inside World Football, 27 January 2025; https://www.insideworldfootball.com/2025/01/27/sevillas-salas-awaits-trial-date-match-fixing-case/

[290] Batet, Jordi López and Moraga, Yago Vázquez, "In review: sports governance and dispute resolution in Spain", Lexology, 8 September 2023; https://www.lexology.com/library/detail.aspx?g=eec99d50-4536-4904-b879-13c33d28fddb

[291] "Spain: CONFAD approves action plan on match-fixing", iGaming Business, 29 July 2020; https://igamingbusiness.com/sports-betting/spain-confad-approves-action-plan-on-match-fixing/

Two players were criminally charged under the Prevention of Corruption in Sport Act, which punishes manipulation by up to three years in prison and/or a fine of €5,000 to €30,000. The following February, the Malta Football Association found the players guilty of corruption and banned them for life. The Qala team was not punished.[292],[293],[294] (The criminal case had not been concluded as of this writing.)

7.4.2.3 Relevance for the EU framework

There is an EU legal instrument in place regarding combating corruption in the private sector,[295] the scope of which is broad enough to encompass corruption in sports. This Framework Decision will now be replaced by the EU Anti-Corruption Directive, as agreement was reached between the European Parliament and the Council of Ministers at the end of 2025. The new forthcoming Directive also targets the private sector, both in the context of prevention measures and by specifically criminalising bribery, both in the public and private sectors. The new EU Directive, once transposed properly by Member States, will certainly help to combat sports corruption in countries that currently lack specific laws.

Before and during the process of implementing the forthcoming EU Anti-Corruption Directive, the EU could pursue a variety of complementary measures to improve awareness, prevention, oversight and enforcement. This could include supporting match monitoring, cross-border investigations, and IT/AI tools proven effective in detecting suspicious on-the-field play and irregular betting patterns. The exchange of best practices could focus on the connections between manipulation and illegal gambling, money laundering, conflict of interest, organised crime groups, and other corruption-related activities.

The EU could also amplify the awareness-raising, education, and training programmes underway in many Member States. At their most effective, they focus on ethics and the professional, legal and personal risks of involvement in money-for-manipulation schemes. As sports federations would be involved in these programmes, this could dovetail with technical support for these organisations that would continue upon the adoption of the foreseen EU Anti-Corruption Directive.

Table 22 Avenues for dissemination and promotion

Channel	Exemplary EU Action
Legislative	n.a
Funding	n.a.
Capacity-building	Developing expertise within public authorities. Exchange of best practices.
Soft-law / Benchmarking	n.a.
Networking & Outreach	Awareness-raising, education and training programmes. Input from groups and people who have been successful thus far – public authorities, betting companies, specialised NGOs, sports federations. Publish a report on successes.

[292] Balzan, Jurgen, "Red card for life: Two footballers banned in Gozo match-fixing scandal", Newsbook Malta, 25 February 2025; https://newsbook.com.mt/en/red-card-for-life-two-footballers-banned-in-gozo-match-fixing-scandal/
[293] Brincat, Edwina, "Goalkeeper offered government job in match fixing case, court told", *Times of Malta*, 30 October 2024; https://timesofmalta.com/article/goalkeeper-offered-government-job-match-fixing-case-court-told.1100277
[294] "Gozitan footballer 'Il-Pullu' gets life ban following 'job for goal' offer", The Shift, 25 February 2025; https://theshiftnews.com/2025/02/25/gozitan-footballer-il-pullu-gets-life-ban-following-job-for-goal-offer/
[295] Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector

7.5 Synthesis

Like effective teamwork with an eye on winning, a coalition of corruption fighters is coming together across Europe to rid sports of crimes and ethical failures that have dirtied a once-wholesome pastime. This collective action has united an unlikely group of public officials, NGOs, gambling companies, and sports federations to defend sports from criminals who instrumentalise athletes in match-fixing and illegal gambling schemes.

In a relatively short period of time, the efforts have recorded many successes that could be scaled to the EU level. Personal-level training and awareness-raising campaigns have convinced many athletes not to succumb to bribes. People and artificial intelligence are working together to scan football matches, volleyball games, and other competitions for the slightest glitches that could indicate an intentional blunder greased by a bribe. New public authorities have investigated and prosecuted people on both sides of bribery, and issued lifetime bans for athletes who committed seemingly minor on-field misconduct. Leagues and teams have begun to institutionalise integrity into their daily operations, which has helped them face the problem head-on. A new generation of anti-corruption laws has given prosecutors the legal grounds to punish criminals, and along with them the athletes who join their conspiracies.

Of these many solutions, two especially promising ones stand out. Monitoring for match-fixing has evolved from an art to a science, thanks to an AI-based system that nabs crooks by comparing anomalies in the behaviours of gamblers and athletes in real time. With the help of tech support, training, and the right equipment, this could become the EU standard. The currently negotiated EU Anti-Corruption Directive, if adopted, could greatly equip EU Member States' anti-corruption laws and law enforcement practices to address issues in the sports sector that criminalise not only bribery and match-fixing but also coercion, influence peddling, fraudulent betting, criminal association, and other offences.

Together, these measures hold the potential to surround the problem and attack it from many angles at the same time. Unifying awareness, prevention, and enforcement into an interconnected whole can reduce corruption in sports by properly motivating athletes, empowering public authorities, and deterring and punishing criminal elements.

Table 23 Mitigation measures identified in the field of sports

Mitigation measures identified in the field of sports	Identified mitigation measure(s), analysed as being exemplary, pioneering/ and interesting	Considerations for the EU relevance analysis	Outcome of the EU replicability analysis, involving possible EU action(s) to take
1. Ethics training and awareness raising for players, coaches, referees, teams, leagues, federations and others 2. Industry-specific anti-corruption laws and regulations 3. Increased monitoring of matches for manipulation (match-fixing and spot-fixing) 4. New specialised public authorities and new units within existing authorities 5. Cooperation among public authorities, teams, federations, NGOs, and gambling companies 6. Sharing information on match-fixing and illegal gambling investigations – Prosecution and competition ban for athletes who accept or solicit bribes to alter play or fix matches	1. Monitoring and information sharing on match-fixing	- The EU has only supporting competence in the field of sports, but is well placed to step/up efforts in the EU MS to monitor match/fixing and share information.	– Funding for IT/AI, logistical systems, training and other needed resources for investigations and information sharing; – An EU centre of excellence for gathering knowledge and practice of state-of-the-art IT solutions and best-practice cooperation protocols for investigators and caseworkers; – Training for relevant stakeholders on detecting evidence of match-fixing and sport-fixing, and collaborating on investigations; – National-level outreach to all relevant stakeholders: betting companies, betting regulators, law enforcement, sports federations, specialised agencies/organisations; – Publishing a report on successes.
	– Sports-specific anti-corruption legislation.	– Building on existing EU legal instruments in place regarding combating corruption in the private sector.	– Developing expertise within public authorities; – Exchange of best practices; – Awareness-raising, education and training programmes; – Input from groups and people who have been successful thus far – public authorities, betting companies, specialised NGOs, sports federations; – Publish a report on successes.

Chapter 8 | Summary and conclusions

8.1 Introduction

Corruption has a daunting negative political, economic, and social impact, eroding the very foundations upon which a well-functioning and thriving society is built – the effectiveness and legitimacy of state institutions, societal trust, peace, democracy, economic growth, infrastructure, health, and other human well-being outcomes (Dimant & Tosato, 2018; Gründler & Potrafke, 2019; Holmberg et al., 2009; Rose-Ackerman & Palifka, 2016; Rothstein, 2011). Against this backdrop, to meet the challenges posed by corruption in EU Member States, on 3 May 2023, the European Commission adopted a new Anti-Corruption Package.

For this new initiative to be as effective and efficient as possible, more knowledge is needed regarding what mitigation measures are already out there, how they function in practice, what contributions they are making, and what the scope conditions and keys for success are. This report provides a first set of answers to these questions by way of: 1) a mapping of key sector-specific corruption mitigation measures in six high-risk areas of corruption (public procurement, health, finance, infrastructure, defence and security, and sports), and; 2) an in-depth analysis of a selection of particularly relevant sector-specific measures, including a discussion on the potential of these measures to enhance and/or strengthen the already existing EU framework.

The remainder of this section presents the key results of the study, as well as discusses remaining knowledge gaps and ways forward.

8.2 Key insights from the mapping of sector-specific corruption mitigation measures

Our mapping of key corruption mitigation measures in the six high-risk areas shows a wide variety of measures currently in place. While these measures may differ somewhat in specific details across various sectors, ongoing efforts to address corruption generally focus on translating core principles of good governance – information, transparency, integrity, accountability, and participation – into practical action.

As such, most of the measures are designed with the ambition either to close off opportunities for corruption by creating mechanisms for transparency and ensuring accountability or to reduce the incentives for corruption by increasing the likelihood of detection and introducing appropriate enforceable sanctions when corruption occurs, be they of administrative, legal, or social nature.

Mitigation measures range from sector-specific laws, policies, procedures, processes, and management systems to information campaigns, social accountability measures, ethics training, whistleblower channels, conflict of interest management, and professional codes of conduct – all with the aim to prevent, deter, and/or detect corruption.

Amid the considerable number and variety of measures employed across different sectors, a key finding of the study is that, with only a few exceptions, the evidence base is generally slim regarding the effectiveness or promise of these measures. Only few systematic studies exist that evaluate the general effects of the different measures across political, economic, or cultural contexts. Instead, existing evidence tends to rely on insights from one or two specific cases (and often outside the EU.

Only through such a sector-specific, context-sensitive, and integrated strategy can sustained improvements in reducing corruption and enhancing integrity across the EU be realistically achieved.

The mapping of the most successful and promising corruption mitigation measures indicates that they generally share at least three common features:

- They are sector-specific in the sense that they target the main corruption risks and realities as they play out in the sector at hand;
- They are sensitive to the underlying political, economic, and social circumstances, including existing legal infrastructures, administrative capacities, and political will – as well as the existence of any potential vested interests being against mitigation in the specific area;
- They are not the only measure in place, but are rather part of a strategically integrated approach, combining legislative, procedural, awareness-raising, and technical interventions.

8.3 Key insights from the in-depth case studies

Despite the overall limited systematic evidence of the effects of different sector-specific corruption mitigation measures, the report identifies 2-3 measures for each of the six high-risk areas that have proven to be successful or promising in one or several EU Member States, and that also have the potential to enhance the already existing EU framework. The identified measures for each sector are the following:

For *public procurement*, the principal mitigation measures that have been identified as particularly promising for addressing corruption risks in EU Member States are:

- The full implementation of e-procurement functionalities;
- Transparency and watchdog portals;
- Stringent conflict-of-interest regulations.

Case study examples clearly illustrate the effectiveness of these measures. The comprehensive implementation of e-procurement functionalities demonstrates substantial improvements in transparency, efficiency, and reduced corruption risks. Transparency and watchdog portals, exemplified by Italy's Anti-Corruption Authority (ANAC) portal, significantly enhance public oversight and accountability through detailed data publication and civil society engagement. Finally, the enforcement of conflict-of-interest regulations showcases the potential for improved impartiality and fairness in procurement processes.

For *infrastructure*, three critical phases were identified where early and late-stage interventions can yield the greatest integrity gains:

- The initiation and planning phases, where participatory needs assessments, objective selection criteria, conflict-of-interest management, and strategic planning safeguard infrastructure projects against corrupt capture, have great potential to reduce corruption;
- The disposal phase, where public asset registries, electronic auction portals, and independent valuations can ensure transparent, market-based divestment of infrastructure assets, has a considerable chance of increasing integrity.

Two illustrative case studies underscore the practical impact of these measures. France's Commission Nationale du Débat Public (CNDP) anchors early-stage integrity by legally mandating public debates on all major

infrastructure proposals, requiring project sponsors to justify their choices or modify plans in response to citizen input and thereby deterring backroom deal-making (Commission Nationale du Débat Public, 1995). At the other end of the cycle, Ukraine's ProZorro.Sale platform employs a hybrid e-auction system, to ensure fully transparent, competitive disposal of public assets. Its open-data architecture, independent legal mandate, and real-time civil-society monitoring have generated large extra revenue while eliminating opaque asset sales. These cases demonstrate that, when properly designed and enforced, both participatory planning and digital disposal mechanisms can deliver measurable reductions in corruption risk and improvements in public value.

Many EU Member States already have some form of *transparent waiting lists* (e.g., Denmark, Sweden, Spain, Portugal, Austria, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Poland, and Ireland). The introduction of transparent waiting lists, as seen in Austria and other countries, illustrates the potential effectiveness of such measures in reducing the risk of informal payments being offered or demanded to jump the line. Since 2011, Section 5a of the Hospital and Health Resort Act of Austria requires the Federal States (which run the hospitals) to maintain transparent waiting lists if the respective waiting time exceeds four weeks. This applies to both public and private hospitals, with reportedly positive effects on healthcare bribery.

For *healthcare* two critical areas in need of intervention were identified where targeted mitigating measures can potentially yield considerable integrity gains:

- To prevent corruption in the relationship between providers and patients, transparent waiting lists have shown promise;
- To prevent corruption in the relationship between suppliers and providers, the prescription and/or substitution of generic medicines has shown significant promise when it comes to increasing integrity.

Regarding the prescription and/or substitution of generic medicines, the evidence is more systematic and encompassing. Studies indicate that the incentives and opportunities for corruption in the relationship between the pharmaceutical industry and healthcare providers are reduced by laws and policies regulating the generic prescription and/or substitution by pharmacies. For instance, studies show that generic prescription and/or substitution have helped achieve a comprehensive and sustainable healthcare system in Europe overall (Godman et al. 2010). Studies investigating the effects of the 2002 law in Sweden, which requires that all pharmacies offer brand-name substitution, show that the savings from this reform were indeed quite substantial (Anderson et al. 2007). Moreover, patchwork evidence from different EU Member States reveals an if yet cautious positive experience of the forced prescription of generic medicines in relation to the risk of corrupt exchanges between suppliers and providers. For example, in Estonia, while the first experience with regulations on generic prescription did not show any real changes in the prescription of brand names by physicians, after the requirement became an integrated part of the physician contract with the Patient Fund and the penalties for violating the requirement were listed, the situation improved significantly. In a similar vein, Lithuania is pointed to as a successful example (European Commission 2013).

These measures focus on many of the sector's main corruption risks and realities, including ML/TF, inadequate internal controls and know-your-customer procedures, organised crime involvement, market manipulation, and consumer fraud.

In the *financial sector,* effective measures centre around:

- More robust IT and data-access tools;
- Strengthened and more consistent inspections and audits focusing on high-risk behaviours.

These types of problems and solutions are not new to the sector. On the contrary, they have been there for many decades. What is relatively new is that a large portion of the public is growing weary of the seemingly endless

string of banking, investment, cyber-currency, and other scandals. Major scandals can have a direct effect on regular citizens, in the form of higher interest rates, higher inflation, unemployment, and housing shortages.

One ambitious solution is trying to keep bad actors out of the financial sector in the first place. Many Member States screen people who have applied to work in high-impact, high-risk positions. Far beyond their professional qualifications, applicants are screened for their personal integrity. Lithuania has one of the most comprehensive systems, which employs the Special Investigation Service to do extensive background checks. Though EU agencies provide some guidance, a more elaborate system with additional criteria would go further to ensure the people handling citizens' money are deserving of fulfilling this public duty.

For *defence and security,* most anti-corruption measures that are succeeding or showing promise centre around:

- Improved ethics, risk prevention and prevention/regulation of conflict of interest;
- Closer oversight of spending and operations by parliaments and defence ministries.

These measures address many of the main corruption risks and realities in the defence and security sector: procurement fraud and abuse, inadequate oversight of defence spending, conflicts of interest, and a lack of formal integrity mechanisms in defence companies.

Among the solutions that show particular promise is a multi-layered military budget oversight system made up of executive branch agencies and parliamentary committees. Germany's system features such an arrangement that provides several opportunities for appointed and elected officials to review proposed defence spending. In several other Member States, specialised parliamentary committees have varying authorities over budgets and must be consulted when a procurement exceeds a certain threshold. In the German Bundestag, an inquiry committee has the authority to subpoena witnesses, search for evidence, and act as a sort of court.

Placing concrete power in the hands of parliaments is critical. Their members are elected by citizens and are most accountable to the public, compared to the executive and judiciary branches. Also, parliamentary debates are typically the most transparent of the three branches. This provides citizens with the best opportunity to follow policy debates, provide input and vote accordingly in elections.

Another important measure that could be scaled to the EU is the vetting of companies and individuals seeking to do business and otherwise participate in the national security industry. Placing deadly equipment in the hands of strangers, or giving them control over profits derived from dealing in weapons, is fraught with risks. Lithuania has one of the most thorough screening systems to keep dangerous or suspicious people who may have corrupt motives out of the military establishment. Given current events, the EU could consider tying EU defence funding to the establishment of such systems in the Member States.

For *sports,* the most effective and potentially effective measures centre around:

- Increased monitoring of matches for manipulation, chiefly match-fixing and spot-fixing;
- New specialised public authorities to lead oversight, investigation and enforcement.

These measures focus on the main corruption risks and realities in the sports sector: match-fixing and manipulation, bribery, organised crime involvement, conflicts of interest, and a lack of integrity among players, coaches, team owners and referees.

By far one of the most effective and innovative solutions to match-fixing is the monitoring of games with the assistance of AI. Automated systems use algorithms to detect irregularities by comparing what players do on the

field with how people are placing bets. If AI detects a suspicious red card at the same time unexpected bets are placed, there is a good chance manipulation is afoot. Evidence shows these systems have reduced suspicious activities in some countries. This is an effective, straightforward and almost immediately impactful anti-corruption tool that could be adopted EU-wide relatively easily.

Laws are the most basic and obvious tools for defining illegality, yet half or fewer of the EU Member States have passed legislation banning and punishing corruption in sports. Authorities in some MSs have utilised their laws to successfully investigate and prosecute match-fixing and bribery. The forthcoming EU Anti-Corruption Directive will encompass the private sector and include sports corruption.

In sum, based on an extensive review of the existing evidence base, the in-depth case studies show that all these identified measures show promise when it comes to mitigating corruption in the respective sectors. However, this said, as aforementioned, the analysis clearly indicates that the effectiveness of these measures is likely to depend heavily on specific national contexts, such as existing legal infrastructures, administrative capacities, and political will – as well as on the existence of any potential vested interests that are against the suggested mitigation measure. For example, while e-procurement has shown tangible benefits in improving transparency and efficiency, its success requires a robust IT infrastructure and trained personnel. Similarly, transparency portals in public procurement significantly enhance public oversight; their impact hinges on continuous, accurate data publication and active civil society engagement.

Similarly, while transparent waiting lists have the potential to mitigate corruption exchanges between providers and patients, when resources are lacking and corruption is widespread, such waiting lists might themselves become the locus for corruption. Regarding generic prescriptions and/or substitutions, it is important to acknowledge that large and powerful vested interests in the pharmaceutical sector will likely challenge reforms favouring generic medicines. In Austria, for example, despite the Court of Auditors recommending that doctors prescribe active substances rather than pharmaceutical brand names, in part due to strong resistance from vested interests (including pharmaceutical companies and doctors themselves), this measure was never implemented. It is, moreover, no secret that pharmaceutical companies spend a lot of resources lobbying against the use of generic medicines. In addition, both patients and doctors tend to be generally sceptical of generic medicines, often because of quality concerns.

Given these observations, no single mitigation measure is likely to be sufficient on its own. Instead, a strategically integrated approach, paying attention to the specific context and combining legislative, procedural, awareness-raising, and technical interventions, is likely to be key to mitigating corruption in the different sectors in focus of our analysis.

8.4 Relevance for enhancing the EU framework

The mitigating measures in focus of the in-depth studies all carry the potential to enhance the EU framework.

Modernising *public procurement* through more comprehensive e-procurement measures is pivotal for reducing corruption risks, enhancing transparency, and reinforcing the Single Market. By leveraging regulatory harmonisation, funding mechanisms, and knowledge-sharing networks, the EU can enable more uniform, accurate, and timely data on public contracts. This, in turn, strengthens the Union's ability to pursue its digital, rule of law, and Single Market objectives, in keeping with the Commission's political vision for 2024–2029. Moreover, by knitting together standardised procurement records and enabling links with other data sources, national and EU-wide watchdog portals can enhance oversight and increase the participation of citizens, academia and journalists. With some regulatory changes and targeted EU funding, the Commission could mainstream these platforms, thereby turning procurement transparency from a compliance exercise into an everyday check on the proper use of public money. Tightening CoI regulation is cost-effective and squarely

touches on the EU's competence to safeguard the functioning of the internal market and to ensure equal access to public contracts. Harmonising minimum CoI standards and ensuring that authorities that spend EU funds apply them would help reduce fraud against the EU budget and support the free movement of goods and services. Furthermore, the EU could provide a single, open-data declaration template (aligned with eForms) covering financial interests, outside employment and beneficial ownership for all officials involved in procedures above EU thresholds.

Although the EU lacks specific competencies in *infrastructure*, several EU policy areas are related to various phases of the lifecycle of infrastructure projects. Alternatively, such projects may result from the exercise of the EU's competencies in a particular EU policy area. The regulation of concessions at the EU level is a prime example of the former, whereby the EU mandated the facilitation of the internal market (Article 114 TFEU) and established common rules for cross-border concession contracts, which typically serve as the legal framework for large construction and infrastructure projects. In contrast, the EU's Cohesion Policy aims to achieve economic, social, and territorial cohesion and solidarity, frequently financing construction and infrastructure projects implemented within the EU Member States. Similarly, the Recovery and Resilience Facility finances EU Member States to implement reforms and investments that make their economies and societies more sustainable, resilient, and prepared for the twin transition, often manifesting in various construction and infrastructure projects. In the end, building on the successes of France's Commission Nationale du Débat Public (CNDP), which anchors early-stage integrity by legally mandating public debates on all major infrastructure proposals and Ukraine's ProZorro.Sale platform, which employs a hybrid e-auction system to ensure fully transparent, competitive disposal of public assets, the EU can serve to catalyse broader adoption in several different ways. In particular, the EU could (1) condition portions of Cohesion funds on demonstrable use of participatory initiation processes and transparent disposal platforms; (2) offer technical assistance and twinning programs to implement open-source e-auction systems and public asset registries; and (3) issue best-practice guidance or minimum standards, covering stakeholder engagement, appraisal methodologies, conflict-of-interest rules, and independent valuations for all Member States. Embedding these benchmarks in the anti-corruption section of the Rule of Law Reports, and public procurement directives will align national reforms with EU objectives. By leveraging financial incentives, expertise exchange, and regulatory harmonisation, the EU can help transform isolated innovations into a coherent framework that secures public infrastructure investments from the start to the end.

In the *health sector*, the potential for both transparent waiting lists and the generic prescription and/or substitution of medicines as corruption-mitigating measures to be replicated at the EU level is likely to be considerable. Transparent waiting lists are clearly in line with the priorities of the European Health Union and the Political Guidelines for the European Commission for 2024-2029, which aim to ensure equal access to quality treatment. It is important to keep in mind that, in the field of public health, the EU predominantly supports and complements EU MS' national health policies and must thus respect the responsibilities of the Member States when it comes to the design of health policies, as well as the organisation and delivery of health services. Since waiting lists essentially form part of the management of national health services and medical care, EU measures must remain complementary and may only support EU MS actions. Yet, several complementary measures at the EU level may be relevant, including the launching and support of evidence-gathering and data collection exercises to be able to, in a systematic way, assess both how transparent waiting lists can best be designed to mitigate the risk of corruption between provider and patient, and the scope conditions for successful initiatives. Other relevant actions include the organisation of experience-sharing workshops and the funding of new initiatives.

Also, when it comes to the *generic prescription and/or substitution of medicines*, the EU can presumably play a pivotal role. The availability of affordable medicines is a clear priority of the European Health Union and the Political Guidelines for the European Commission for 2024-2029, ensuring equal access to quality treatment. In addition to its public health and anti-corruption aspects, the prescription of generic medicines and the substitution of medicines are also closely linked to the EU internal market, as they essentially involve the regulation of a product market. Before generic prescription and/or substitution is promoted on any broader basis, EU could play an important role in evidence-gathering and data collection exercises to be able to in a systematic way assess: (1)

What combinations of generic prescribing and substitution have proven to be more successful in mitigating corruption; (2) What are the scope conditions for successful initiatives (i.e. can the successful initiatives be easily 'transferred' to other EU Member States). The EU could also play an important role in the identification and removal of potential barriers to successful reform. The promotion of generic prescriptions and substitution is not without challenges. It is well documented that consumers, as well as many doctors, have a strong and persistent preference for brand-name drugs. Moreover, large and powerful vested interests in the pharmaceutical sector are likely to challenge reforms favouring generic medicines. The EU could play a pivotal role in balancing such interests, through both regulation and public awareness raising.

In the financial sector, the EU could consider implementing a range of complementary measures to enable and promote the use of information collected in the course of money laundering detection to investigate other forms of corruption. As the case study demonstrates, sharing available information among public authorities within the same EU Member State enhances efforts to combat corruption in the financial sector. For its part, the EU could equally facilitate the expansion of national laws and practices to explicitly allow and encourage FIUs to share this information with other public authorities in their own country. Technical assistance could also be provided to Member States, including the establishment of procedures, protocols, and inter-agency Memoranda of Understanding (MOUs) to facilitate information sharing.

Complementary measures on the EU's side could moreover take the form of supporting vetting programmes, which include examining current systems and guidelines, such as the ECB's fit-and-proper assessments, and identifying how they can be improved and strengthened based on successful systems being used in Lithuania. The EU could consider that, even though they work in the private sector, individuals in these positions share a similar risk and vulnerability profile to politically exposed persons (PEPs) employed by public institutions. The EU could facilitate the development of vetting systems that identify all current risks and anticipate future ones. Procedures used to assess PEPs could serve as a model.

In terms of *defence and security*, the EU could consider strengthening vetting and risk assessment measures in defence procurement, as demonstrated in the case study discussed. This is especially pertinent in the current situation, given the significant increase in defence spending among the Member States, partially through EU financial instruments. Such reinforced vetting and risk assessment measures would build professionalism and consistency. Vetting caseworkers could receive training in the full range of needed skills, including working with IT solutions such as AI-based risk-assessment tools, developing criteria and risk thresholds, and a range of human skills. Despite CSDP being based on intergovernmental cooperation, the current geopolitical context has resulted in an enhanced EU mandate, particularly concerning the provisions of EU financial instruments for defence procurement at the EU MS level.

In terms of the *sports*, the EU could pursue a variety of complementary measures to improve awareness, prevention, oversight, and enforcement. An EU-wide task force could be established to replicate and amplify some of the current work underway in many Member States. This could include supporting match monitoring, cross-border investigations, and IT/AI tools proven effective in detecting suspicious on-the-field play and irregular betting patterns. Exchange of best practices could focus on the connections between manipulation and illegal gambling, money laundering, conflict of interest, organised crime groups, and other corruption-related activities.

In conclusion, all the mitigation measures focused on in the in-depth studies have the potential to be replicated across the EU, although through somewhat different channels. Ultimately, it is, of course, for the EU to decide within its mandate whether and how these measures should be integrated into the broader EU framework.

8.5 Concluding remarks: Towards better mitigation of corruption in the EU

This report has provided a comprehensive overview of the current state of corruption mitigation measures across six high-risk areas of corruption in EU Member States, as well as an in-depth analysis of a selection of particularly successful or promising measures. It has moreover offered insights into how these measures can be enhanced and replicated at the EU level to deter and mitigate corruption in the six high-risk areas effectively.

Concluding this report, a few insights stand out as essential to advancing the EU anti-corruption agenda.

First, while this report has come quite some way in identifying particularly successful or promising mitigation measures across EU Member States, what is clear from the analysis is that the evidence base could be improved. Much important information is still lacking about the actual impact of different measures, as well as about the scope conditions for the different mitigating measures. In addition, information on the mitigating measures that are indeed available is not systematised. Against this backdrop, a key priority of any organisation aiming to fight corruption, including the EU, is to promote and support the further collection and systematisation of data on the presence, effects, and scope conditions of successful mitigation measures across different sectors and contexts.

Second, while this report has focused on what is typically understood as direct interventions – i.e. reforms and mitigation measures that have corruption as their main, and often only, target – a large and still growing literature, taking their point of departure in collective action theories of corruption (Persson et al. 2013; 2019), point to the key importance also of *indirect* measures and reforms, particularly where corruption is widespread and/or systemic, such as it indeed is across many sectors and in several EU Member States (cf. Rothstein 2011; 2018). Such indirect measures are not directly targeted towards corruption, but instead they focus on broader systemic changes that can indirectly reduce corruption by promoting the establishment of a new social contract, under which corruption is perceived as the exception rather than the "rule" (cf. Rothstein 2021). Such changes include the promotion of gender equality (Stensöta et al. 2015; Swamy et al. 2001), human resource management in the bureaucracy (Dahlström & Lapuente 2017; Dahlström et al. 2012), the promotion of universal education (Uslaner and Rothstein 2016), and the promotion of tax reform measures that induce a greater sense of "ownership" of the state and its resources among the citizens (Persson & Rothstein 2015).

The insight that also changes and developments (sometimes even unintended) that do not directly target corruption are essential for successful corruption mitigation is related also to a third key insight, namely: no single mitigation measure can curb corruption, no matter how effective it may be. Instead, our mapping and in-depth analysis point to the importance of mitigating measures being strategically integrated into a larger anti-corruption framework, paying attention also to the specific context and underlying structural challenges and opportunities. Only through such an integrated and context-sensitive approach can sustained improvements in reducing corruption and enhancing integrity across the EU be realistically achieved.

Annex I – Methodological framework of the study

Aim and scope of the assignment

The aim of this Study on *Mitigating High-Risk Corruption in EU Member States* is to map out and analyse possible mitigation measures relevant to the six high-risk areas identified by the 2024 Comparative Study (*High-Risk Areas of Corruption in EU Member States: a mapping and in-depth analysis, by Persson, Worth, and Jeney 2024*). These areas are public procurement, healthcare, the financial sector, construction and infrastructure, defence and security, and sports. Building on this previous Comparative Study, corruption-mitigating measures relevant to the high-risk areas that carry the potential to enhance the already existing legislative and non-legislative EU-level framework will be identified and analysed for their potential replicability or improvement at the EU level, taking into consideration EU-level competences in each area and the new political priorities of the Commission for 2024-2029. For *each* of the six identified high-risk areas, the report covers:

- Problem definition per high-risk area;
- A mapping of area-specific corruption mitigation measures relevant to the high-risk areas;
- In-depth case studies of 2-3 impactful or promising mitigation measures in each of the six high-risk areas;
- Analysis of corruption mitigation measures that carry the potential to enhance the already existing or future EU-level framework, including problem definition, EU added value, EU competencies and political priorities, and EU avenues for dissemination and promotion.

The study consists of:

- A mapping and analysis of the main area-specific corruption mitigation measures – already put in place in one or several EU MSs or new and innovative ones [296]– relevant to the high-risk area:
  - problem definition per area/issue: the extent of the problem, drivers, affected groups, and
  - specific corruption mitigation measure/s applied or specifically proposed addressing the problem in the given high-risk area.[297]
- Brief case studies,[298] sufficiently supported by official sources, of two or three notably impactful and/or pioneering mitigation measures implemented, specifically proposed or currently being discussed by experts in each area of high risk of corruption. Aspects to consider for the selection of case studies for the purpose of this study should be the explanatory and illustrative value to corroborate and support the suggested EU-level measures of the above mapping and analysis; the EU-level competencies in the respective area; the EU added value; and the new political priorities of the Commission for 2024-2029.
  - Replicability analysis of mitigation measures that carry the potential to enhance the already existing EU-level legislative and non-legislative framework. Aspects to consider in this regard will be:
    - Problem definition per area/issue: the extent of the problem, drivers, affected groups[299];
    - Specific corruption mitigation measure/s applied, planned or proposed addressing the problem;
    - EU added value[300]: how is the problem likely to evolve with no EU action and what is the expected positive impact in practice of the proposed EU measure;

[296] Understood as corruption mitigating measures which have a proven track record at the EU Member State level, excluding panned corruption mitigating measures or generic measures featuring in broader government programmes.
[297] Reference will be made to recommendations of international organisations and NGO to contextualise corruption mitigating measures.
[298] Minimum two or three cases studies per area, which may vary in length and depth. The specific number of case studies will be identified when the preliminary desk research is completed.
[299] Based on the 2024 Comparative Study (*High-Risk Areas of Corruption in EU Member States: a mapping and in-depth analysis).*
[300] Based on the Better Regulation Guidelines 2021 and Toolbox 2023.

- EU-level competences for the proposed measure/s, including proportionality and subsidiarity and possible legal implications;
- Political context: the new political priorities of the Commission for 2024-2029;
- EU avenues for dissemination and promotion at the EU level and within the EU, including but not limited to funding and promotion of best practices.

The main guiding questions for the mapping and analysis and brief case studies will be:

- Problem/ solution description: What are the main area-specific corruption mitigation measures for each of the identified six high-risk areas (as applied or proposed by governments or discussed among anti-corruption experts as particularly relevant for government action)?
- Which corruption challenge in each of the six selected sectors does the measure aim to address?
- What is the strategy and rationale behind the measure?
- What are the characteristics of the measure?
- Is there a positive impact and change following the implementation of the mitigation measure? In terms of:
- reducing corruption and corruption-related offences recorded
- reducing losses due to corruption
- reducing the number and scope of corruption victims
- increasing the quality of oversight and regulation
- increasing the quantity of oversight activities (e.g. audits, reviews, inspections)
- increasing the quality and quantity of prosecutions and other enforcement actions
- increasing financial and other recoveries
- increasing the quality and quantity of post-intervention reforms and corrective actions
- increasing the number and size of criminal groups and operations crippled or put out of commission
- other

The main guiding questions for the replicability analysis will be:

- How could the measures – if considered impactful – be successfully replicated or reinforced with other complementary measures at the EU level?
- What is the EU added value for replication: how is the problem likely to evolve with no EU action, and what is the expected positive impact in practice of the proposed EU measure?
- To what extent does the EU have the competence to act in this regard (including proportionality and subsidiarity and possible legal implications)?
- Does the measure match the new political priorities of the Commission for 2024-2029?
- What would be the best EU avenue for the dissemination and promotion of the measure at the EU level and within the EU?

The study particularly aims to map and analyse corruption-mitigating measures targeted to the specific risks of the six high-risk areas that carry the potential to enhance or strengthen the already existing legislative and non-legislative EU framework (by replication or by complementary EU measures). The EU replicability of general anti-corruption measures and corruption-mitigating measures of a horizontal nature is discussed in those cases when such generic measures particularly address one or more specific challenges in an area considered being at high risk.

Annex II – Survey questionnaire

Measures to Deter and Mitigate High-Risk Corruption in EU Member States

As recognised by Article 5 of UNCAC, core principles associated with the prevention of corruption in the public sector are the rule of law, proper management of public affairs and public property, integrity, transparency and accountability. In Articles 7 and 8, UNCAC requires the Contracting States to put in place specific measures that ensure adherence to these principles, including adopting merit-based systems for the recruitment and promotion of civil servants, enhancing transparency, preventing conflicts of interest, promoting codes of conduct for the public sector, and establishing systems for the declaration of assets. Additional measures for preventing corruption are called for in Articles 10 and 13 of UNCAC, including the promotion of stakeholder participation and open government.

This expert survey seeks information and insight on measures to deter and mitigate high-risk corruption in the respective EU Member States. Six high-risk areas are the focus of the expert survey:

A. Public procurement
B. Healthcare
C. Financial sector
D. Construction and infrastructure
E. Defence and security
F. Sports

We are particularly interested in *sector-specific* measures that have a demonstrable ability and track record to prevent, deter, reduce, sanction and/or remedy corruption and corruption-related crimes. We are also interested in demonstrably successful *general* measures that may apply to one or more sectors or society at large. These impacts should be qualitatively and/or quantitatively documented with data, evidence and examples where available.

Please provide sources!

Country: …

PUBLIC PROCUREMENT / HEALTHCARE / FINANCIAL SECTORS / CONSTRUCTION AND INFRASTRUCTURE/ DEFENSE AND SECURITY/ SPORTS

Q1 Would you say that corruption is widespread in PUBLIC PROCUREMENT in your home country?

A. Very widespread
B. Widespread
C. Somewhat widespread
D. Not widespread
E. Other

Comment:

Q2 Please indicate the specific measures that are in place in your home country to deter and mitigate corruption in PROCUREMENT PUBLIC PROCUREMENT / HEALTHCARE/ FINANCIAL SECTOR / CONSTRUCTION AND

INFRASTRUCTURE / DEFENSE AND SECURITY / SPORTS. Please note that we are interested in *sector-specific* measures.

a) Legislation, regulations and other public policies,
   - Please specify
b) Evidence-based anti-corruption policymaking (statistical data collection and analysis)
   - Please specify
c) Codes of conduct and Ethical standards
   - Please specify
d) Public awareness campaigns
   - Please specify
e) Platforms for collective action
   - Please specify
f) Professionalisation and training programmes for public officials (e.g. risk-assessment education)
   - Please specify
g) Prevention initiatives
   - Please specify
h) Access to information
   - Please specify
i) Rules and procedures for hiring, rotation, and promotion
   - Please specify
j) Citizen and stakeholder participation
   - Please specify
k) Open government and e-government
   - Please specify
l) Conflicts of Interest Management
   - Please specify
m) Monitoring and oversight mechanisms (e.g. anti-corruption audits and reviews)
   - Please specify
n) Accountability and scrutiny (e.g. four-eyes principle)
   - Please specify
o) Administrative sanctions
   - Please specify
p) Whistleblower function
   - Please specify
q) Inter-agency cooperation
   - Please specify
r) Specialised public agencies or sub-agencies
   - Please specify
s) Regional or international cooperation
   - Please specify
t) Advanced investigation techniques
   - Please specify
u) Other, please specify.

Comment:

Q3 Measures for corruption deterrence and mitigation can be effective in different ways. They can, for example, be effective in terms of:

a) Reducing the number of corruption and corruption-related offences
b) Reducing losses due to corruption
c) Reducing the number and scope of corruption victims
d) Increasing the quality of oversight and regulation
e) Increasing the quantity of oversight activities (e.g. audits, reviews, inspections)
f) Increasing the quality and quantity of prosecutions and other enforcement actions

g) Increasing financial and other recoveries
h) Increasing the quality and quantity of post-intervention reforms and corrective actions
i) Increasing the number and size of criminal groups and operations crippled or put out of commission
j) Other

Would you say that the sector-specific measures for the deterrence and mitigation of corruption risks in PUBLIC PROCUREMENT PUBLIC PROCUREMENT / HEALTHCARE/ FINANCIAL SECTOR / CONSTRUCTION AND INFRASTRUCTURE / DEFENSE AND SECURITY / SPORTS are effective in your home country?

A. Very effective
B. Somewhat effective
C. Somewhat ineffective
D. Very ineffective
E. Other

Comment:

Q4 If you were to rank the different measures that are in place in your home country to deter and mitigate corruption in PUBLIC PROCUREMENT from the most effective to the least effective, what would this list look like?

Most effective

Least effective
Comment, including the reasons for your ranking:

Q5 What would you say are the main reasons why corruption deterrence and mitigation measures in PUBLIC PROCUREMENT PUBLIC PROCUREMENT / HEALTHCARE/ FINANCIAL SECTOR / CONSTRUCTION AND INFRASTRUCTURE / DEFENSE AND SECURITY / SPORTS succeed or fail in your home country (multiple answers possible)?

a) Lack of knowledge among public officials
b) Limited information
c) Lack of transparency/tools for transparent functioning
d) Weak legal framework
e) Weak institutional framework
f) Lack of Codes of conduct and Ethical standards
g) Limited public awareness
h) Insufficient possibilities for collective action
i) Inefficient or not sufficient rules and procedures for hiring, rotation, and promotion
j) Limited citizen and stakeholder participation
k) Lack of open government and e-government
l) Lack of conflicts of Interest Management
m) Insufficient monitoring and oversight mechanisms
n) Insufficient accountability and scrutiny (four-eyes principle)
o) Lack of enforcement
p) Limited criminal/administrative sanctions
q) Lack of Whistleblower function
r) Too low pay for public officials
s) Intervention by powerful actors (e.g., politicians, business leaders, criminal organisations, etc.)
t) Inherently corrupt public officials
u) Expectations from family and friends
v) Expectations from work colleagues
w) Threats being directed towards honest public officials
x) Other

Comment:

Q6 Please highlight one or two notably impactful, pioneering, or failed deterrence and mitigation measures in PUBLIC PROCUREMENT PUBLIC PROCUREMENT / HEALTHCARE/ FINANCIAL SECTOR / CONSTRUCTION AND INFRASTRUCTURE / DEFENSE AND SECURITY / SPORTS .

a) Description of measure
    - Goal: the problem that the measure was intended and designed to fix
    - Set-up: the institutional framework and procedures
    - Approach: the strategy and philosophy behind the measure
    - Methods: the practices and tools utilised
b) What is the evidence of the measure's success or failure?
c) What are the main reasons the measure succeeded or failed?

Comment:

Q7 Thinking about the two or three most effective corruption deterrence and mitigation measures in PUBLIC PROCUREMENT PUBLIC PROCUREMENT / HEALTHCARE/ FINANCIAL SECTOR / CONSTRUCTION AND INFRASTRUCTURE / DEFENSE AND SECURITY / SPORTS in your home country, please include any information or data about how any of these measures have led to the aforementioned outcomes. Please be as specific as possible and include sources.

Answer:

Q8 Please share any other reflections you might have in relation to the issue at hand.

Answer:

Annex III – Survey details

Summary of the General Anti-corruption measures reported by the EU Member States in the Survey conducted in the framework of the Comparative Study 2024-2025

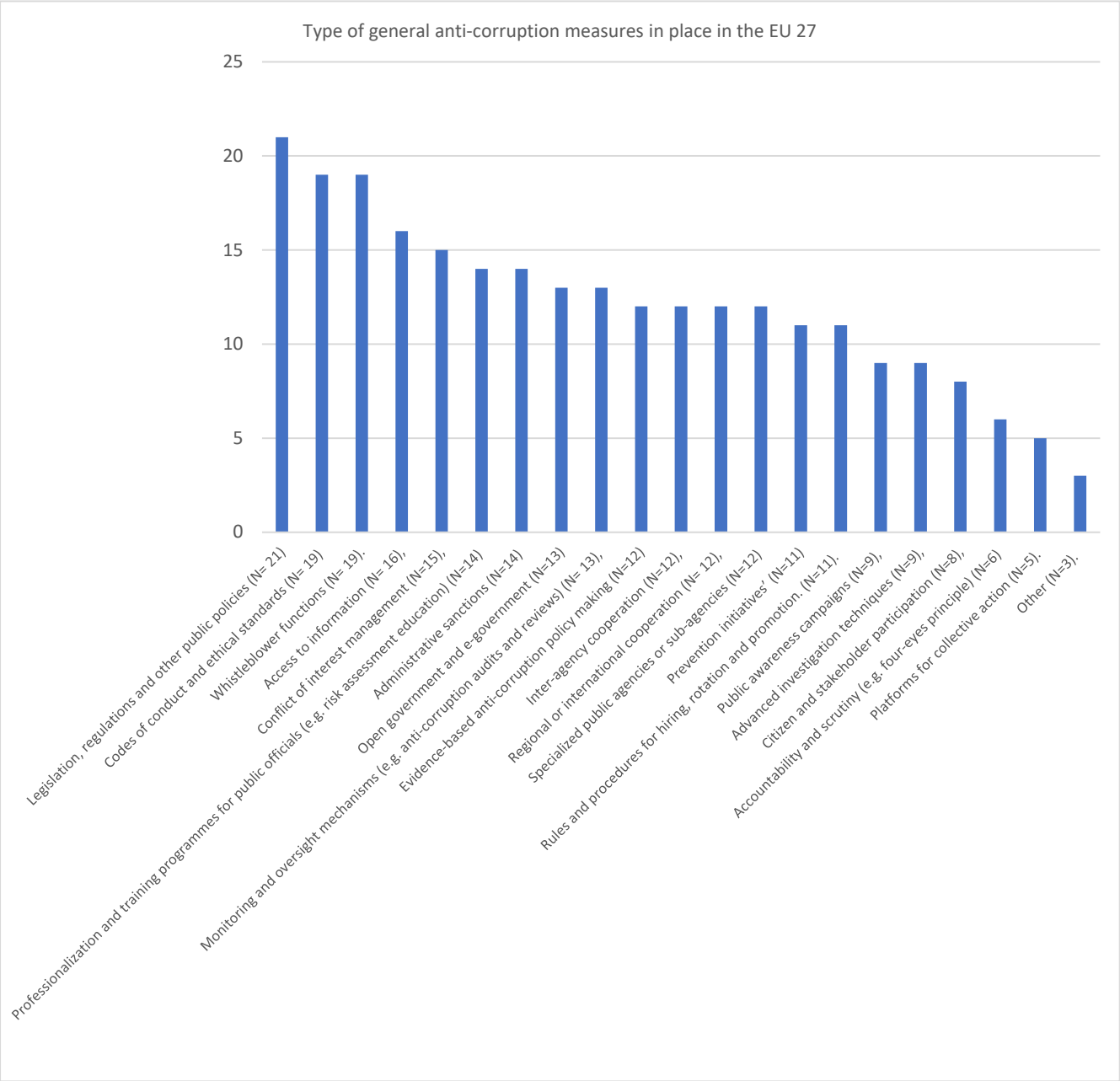
Type of general anti-corruption measures in place:

In the EU the three most prevalent types of measures are '*Legislation, regulations and other public policies'* (N= 21), '*Codes of conduct and ethical standards*' (N= 19) and '*Whistleblower functions*' (N= 19). The measures '*Access to information'* (N= 16), '*Conflict of interest management'* (N=15), '*Professionalisation and training programmes for public officials (e.g. risk assessment education)*' (N=14) and '*Administrative sanctions'* (N=14) are also common, being implemented in more than half of all EU Member States.

After these main measures, there is a broad category of measures that are less common but still widespread. These are '*Open government and e-government'* (N=13), '*Monitoring and oversight mechanisms (e.g. anti-corruption audits and reviews)'* (N= 13), '*Evidence-based anti-corruption policy making*' (N=12), '*Inter-agency cooperation'* (N=12), '*Regional or international cooperation'* (N= 12), '*Specialised public agencies or sub-agencies'* (N=12), '*Prevention initiatives'* (N=11) and lastly '*Rules and procedures for hiring, rotation and promotion*.' (N=11).

Finally, there are measures that were implemented in a third or fewer of all EU member states. These are '*Public awareness campaigns'* (N=9), '*Advanced investigation techniques'* (N=9), *'Citizen and stakeholder participation*' (N=8), '*Accountability and scrutiny (e.g. four-eyes principle)*' (N=6) and lastly '*Platforms for collective action*' (N=5). Three Member States had measures that did not fall into any category, and as such were labelled as *'Other'* (N=3).

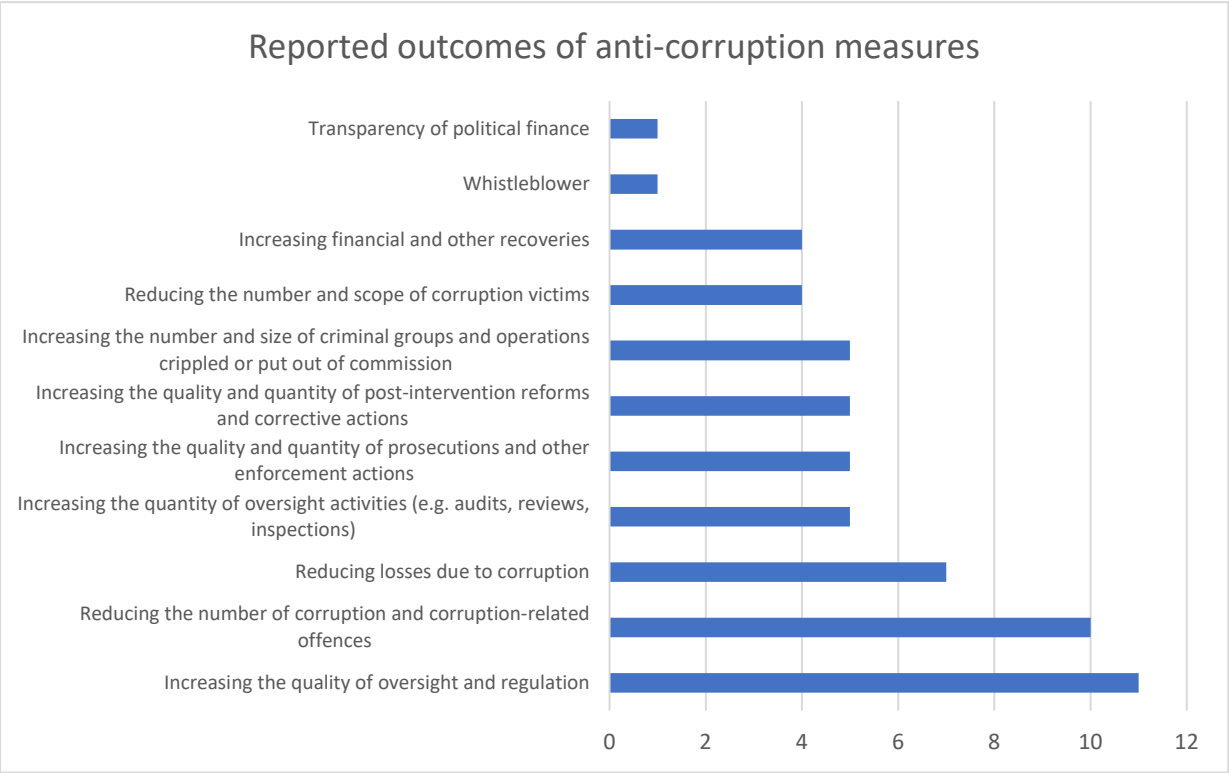
Figure 6 Type of general anti-corruption measures in place in the EU-27



Outcomes of anti-corruption efforts:

The most common outcomes of anti-corruption efforts were '*increasing the quality of oversight and regulation*' (N=11) and '*Reducing the number of corruption and corruption-related offences*' (N=10). This is not surprising, seeing that these categories could be described as the broadest.

Figure 7 Reported outcome of anti-corruption measures



Effectiveness ranking of the measures:

Respondents were asked to rank measures according to their effectiveness, they did this in a multitude of ways, which were not always comparable. For example, some respondents ranked a measure low because it was not present in their member state. This, however, does not say much about the measure or its effectiveness. Therefore, it would be beneficial to also look at the excel sheet for a more precise interpretation of the respondents' answers.

The measures were given a score based on their place in the ranking, effective measures were given a +1, neutral measures a 0 and less effective measures a -1. The scores were added to each other and resulted in the value P Ranking the measures this way, the measures which had the most positive ranking were '*Specialised public agencies or sub-agencies*' (P= +5), '*Legislation, regulations and other public policies*' (P= +4) and '*Open government and e-government*' (P= +3). The measures which were mentioned the most negatively were '*Codes of conduct and Ethical standards'* (P= -3) and '*Whistleblower functions*' (P= -2).

If you rank the measures based on their P divided by M, one can see which measures were perceived the most effective proportionally. In this scenario '*Specialised public agencies or sub=agencies*' is still perceived as very effective. However, other measures such as '*Regional or international cooperation*' and '*anti-corruption strategy* (other)' are also deemed successful (by the respondents who mention them).

Factors for success/failure:

The factors that were mostly mentioned to explain the failure of AC-measures were: '*Intervention by powerful actors (e.g. politicians, business leaders, criminal organisations, etc.)*' (N=12), '*Lack of enforcement*' (N=11) and '*Lack of conflicts of Interest management'* (N=9). One surprising factor that was not part of the list of options but was mentioned four different times was '*Lack of political will*' (N=4).

Specific reasons for failure or success are listed below.

1. Effectiveness of anti-corruption measures

(In this P stands for the total effectiveness value (the different scores added to each other), M stands for the total times a measure was mentioned).

Legislation, regulations and other public policies (P= +4, M= 8)
Evidence-based anti-corruption policy making (statistical data collection and analysis) (P=0, M=0)
Codes of conduct and Ethical standards (P= -2/3*, M= 5) *(*Respondents gave a negative score because the measure was not widely used, does not state much about the measure itself)*
Public awareness campaigns (P= +1, M= 1)
Platforms for collective action (P= 0, M= 0)
Professionalisation and training programmes for public officials (e.g. risk assessment education) (P= +1, M= 4)
Prevention initiatives (P= 0, M= 2)
Access to information (P= +2, M= 3)
Rules and procedures for hiring, rotation, and promotion (P= -1*, M= 4) *(*Respondents gave a negative score because the measure was not widely used, does not state much about the measure itself)*
Citizen and stakeholder participation (P=+1, M= 2)
Open government and e-government (P= +3, M= 4)
Conflicts of Interest Management (P=0*, M= 2) *(*Respondents gave a negative score because the measure was not widely used, does not state much about the measure itself)*
Monitoring and oversight mechanisms (e.g. anti-corruption audits and reviews) (P= -1*, M= 6) *(*Respondents gave a negative score because the measure was not widely used, does not state much about the measure itself)*
Accountability and scrutiny (e.g. four-eyes principle) (P=0, M=1)
Administrative sanctions (P= 1*, M= 4) *(*Respondents gave a negative score because the measure was not widely used, does not state much about the measure itself)*
Whistleblower function (P= -2, M= 6) *(*Respondents gave a negative score because the measure was not widely used, does not state much about the measure itself)*
Inter-agency cooperation (P=0, M=0)
Regional or international cooperation (P=+2, M=2)
Specialised public agencies or sub-agencies (P=+5, M= 5)
Advanced investigation techniques (P= +1, M= 1)

Other

Political party finance (P=0, M= 2)
Anti-corruption strategy (P=+2, M= 2)
Lobbying rules (P = -1, M=1)
Public tribunals (P= +1, M = 1)
Internal assessment of corruption risk (P = -1, M = 1)
Transparency of AI (P = -1, M = 1)

3.Factors for success/failure

FAILURE

Intervention by powerful actors (e.g., politicians, business leaders, criminal organisations, etc.) (12)
Lack of enforcement (11)
Lack of conflicts of Interest Management (9)
Insufficient monitoring and oversight mechanisms (8)
Lack of knowledge among public officials (7)

Limited public awareness (7)
Weak institutional framework (6)
Limited criminal/administrative sanctions (6)
Limited information (5)
Lack of transparency/tools for transparent functioning (5)
Limited citizen and stakeholder participation (5)
Insufficient accountability and scrutiny (four-eyes principle) (5)
Inherently corrupt public officials (5)
Weak legal framework (4)
Lack of Whistleblower function (4)
Too low pay for public officials (4)
Expectations from work colleagues (4)
Lack of Codes of conduct and Ethical standards (2)
Inefficient or not sufficient rules and procedures for hiring, rotation, and promotion (2)
Lack of open government and e-government (2)
Expectations from family and friends (3)
Threats being directed towards honest public officials (3)
Insufficient possibilities for collective action (1)

Other*:*
(Lack of political will) (4)
(Judicial backlogs) (1)
(State capture) (1)
(Civil society/media underpaid and understaffed) (1)

SUCCESS
Strengthened audit mechanisms (1)
International cooperation (1)
Public awareness (1)
Transparency Tools (1)
Whistleblower protection laws (1)
Available information (1)
Transparency (1)
E-government (1)
High expectations of integrity from family, friends and work colleagues. (1)

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Annex V – List of consulted stakeholders

Association of Financial Crime Prevention Professionals

Austria Federal Bureau of Anti-Corruption

Basel Institute on Governance

Estonia Prosecutor General

European Judicial Network

European Partners Against Corruption

European Public Prosecutor's Office

Finland National Prosecution Authority

France Anti-Corruption Agency

France High Authority for the Transparency of Public Life

Germany Federal Ministry of Justice and Consumer Protection

International Olympic Committee

Italy National Anti-Corruption Authority

Latvia Bureau for Prevention and Combating of Corruption

Lithuania Special Investigation Service

The Netherlands Fiscal Information and Investigation Service

OLAF

Mark Pieth, University of Basel

Portugal Criminal Investigation Police

Yf Reykers, Maastricht University

Spain Special Prosecutor's Office against Corruption and Organised Crime

Transparency International Defence & Security

U4 Anti-Corruption Resource Centre

Annex VI – Sampling of sports corruption and bribery laws

Many EU Member States have passed specialised laws targeting match-fixing, manipulation, bribery and other misconduct. Most of these laws include criminal and monetary penalties. Some were passed as a response to corruption scandals. Here is a sampling.

Bulgaria

Criminal Code, Crimes Against Sports, Chapter 8A

Article 307b

Anyone who, through the use of force, fraud, threat, or in another unlawful way, compels another person to manipulate the development or outcome of a sports competition administered by a sports organisation shall be punished with imprisonment from one to six years and a fine ranging from BGN 1,000 to 10,000, unless the act constitutes a more severe crime.

Article 307c

(1) Anyone who promises, offers, or grants any undue benefit to another in order to manipulate or for having manipulated the development or outcome of a sports competition administered by a sports organisation shall be punished with imprisonment from one to six years and a fine ranging from BGN 5,000 to 15,000.

(2) The punishment under Paragraph 1 shall also be imposed on anyone who demands or accepts any undue benefit in order to manipulate or for having manipulated the development or outcome of a sports competition or when, with the consent of that person, the benefit is offered, promised, or granted to another.

(3) Anyone who acts as a liaison for the commitment of an act under Paragraphs 1 and 2 shall be punished with imprisonment for up to three years and a fine of maximum BGN 5,000.

(4) The punishment under Paragraph 1 shall also be imposed on anyone who provides for or organises the benefit offering or granting.

(5) Offenders shall be punished pursuant to the conditions of Article 55 if they voluntarily inform the competent authority about any crime committed under Paragraphs 1-4.

Article 307d

The punishment shall be imprisonment from two to eight years and a fine ranging from BGN 10,000 to 20,000 when the act under Article 307b or Article 307c is committed:

1. in respect of a sports competition participant who has not turned 18 years of age;

2. in respect of two (or more) sports competition participants;

3. in respect of, or by a member of a sports organisation's managing or control body, an umpire, a delegate or anyone acting while discharging his duties or function;

4. repeatedly.

(2) The punishment shall be imprisonment from two to ten years and a fine ranging from BGN 15,000 to 30,000 when the act under Article 307b or Article 307c:

1. is committed by a person acting upon an order or decision of an organised crime group.

2. is committed in the context of dangerous recidivism;

3. is a particularly grave offence;

4. concerns a competition included in a game of chance that involves betting on the development or outcome of sports events.

Article 307e

(1) In the cases under Article 307b, Article 307c and Article 307d, the competent court may order disentitlement regarding the rights under Article 37(1)(6) and (7).

(2) In the cases under Article 307d, the court may also order that half of the assets, or less, of the guilty person be forfeited.

Article 307f

The object of any crime falling within the scope of this chapter shall be forfeited in favour of the state, and when this object is not available or is expropriated, it is the relevant monetary equivalent that shall be forfeited.[301]

Cyprus

Sport Organisation Law

Article 24

(1) Any person who-

(a) demands or accepts any such improper gift, grant or benefit of any kind or promise thereof, for the purpose or promise of altering for or against any club the result of a game of any team or individual sport conducted or conducted between clubs;

(b) offers, gives or promises any gift, grant or benefit of any kind;

(aa) to an athlete, to a person related to such athlete or relative of such athlete for the purpose or receipt of a promise as referred to in paragraph (a);

(bb) to a club or its board of directors or to a member thereof or to a member of a club or to an athlete of a club in order to achieve a favourable result for such club and to the detriment of its opponent or opponents, is guilty of an offence and shall be liable to imprisonment not exceeding two years or to a fine not exceeding €1708, or to both such penalties:

It is understood that no offence is committed when a club or a member thereof through the board of directors of the club, promises or pays any kind of benefit to its athletes in order to achieve a result favorable to the club.

(2) Where any act provided for in subsection (1) has produced the intended result, the offender shall be liable to imprisonment not exceeding three years or to a fine not exceeding €2,562, or to both such penalties.

[301] Criminal Code of Bulgaria; https://www.mlsp.government.bg/uploads/1/blgarsko-zakonodatelstvo/en/criminal-code.pdf

(6) Any person who-

(a) violates or fails to comply with any provision of this Law or the Regulations made pursuant thereto, in which no special provision is made for this purpose, shall be guilty of an offence and shall be liable, on conviction, to a fine not exceeding €170; and

(b) has at his disposal financial and technical assistance or the grant of the Organisation for any purpose other than that for which it was granted, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding €170. By the same judgment, a penalty shall be imposed on the sentenced person, of a fine equal to the granted financial and technical assistance or the grant.[302]

Denmark

Act on the Promotion of Integrity in Sports

Section 10b

Anyone who intentionally and unjustifiably gives, promises or offers anyone who participates in or performs duties in connection with a sports competition at a higher level in this country or abroad, a gift or other advantage to induce the person concerned to do or refrain from doing something that may influence the sports competition, shall be punished with a fine or imprisonment for up to one year, unless it is covered by section 279 of the Penal Code.

(2) In the same way, anyone who, as a participant in or in the performance of an office in connection with such a sports competition, willfully and unjustifiably receives, demands or accepts a gift or other advantage for doing or omitting something that may influence the sports competition, unless it is covered by section 279 of the Penal Code, shall be punished.

(3) The penalty may be increased to imprisonment for up to two years when the offense is of a particularly serious nature, especially because of the manner of execution, or because the act has been carried out by several people together, or because of the extent of the gift or advantage in question.[303]

France

Penal Code

It is punishable by five years' imprisonment and a fine of €500,000, which may be increased to twice the amount of the proceeds from the offence, for a participant in a sporting event or horse race where bets are taken, to solicit or accept from anyone, without right, at any time, directly or indirectly, offers, promises, gifts, donations or advantages of any kind whatsoever, for himself or for another, to modify or to have modified, by an act or an abstention, the normal and equitable course of this event or race.[304]

[302] Cyprus Sports Organisation Law of 1969; https://www.olc.gov.cy/olc/olc.nsf/EA09453272D3B46DC2258C1A002A0B84/$file/Cyprus%20Sports%20Organisation%20Law%20of%201969_English%20Translation%20and%20Consolidation%20(2).pdf
[303] " Lov om fremme af integritet i idrætten", eLov; https://www.elov.dk/lov-om-fremme-af-integritet-i-idraetten/paragraf/10b/
[304] Code pénal, Republic of France; https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000039183228

Sports Code

Contracts between sporting event organisers and betting operators must include fraud detection and prevention provisions for betting operators. To prevent conflicts of interest, event organisers must issue and impose regulations to prevent players and related parties from betting on games in which they participate.[305]

Germany

Criminal Code

Section 265c – Sports betting fraud

(1)-(2) Whoever, in the capacity as an athlete or coach, demands, allows themselves to be promised or accepts a benefit for themselves or a third party... or whoever offers, promises or grants such a benefit...in return for influencing the course or the result of an organised sports competition for the benefit of the opponent in the competition, as a result of which an unlawful pecuniary benefit is to be obtained for a public sports bet placed on that competition, incurs a penalty of imprisonment for a term not exceeding three years or a fine.
(3)-(4) Whoever, in the capacity as a judge, referee or arbiter, demands, allows themselves to be promised or accepts a benefit for themselves or a third party... or whoever offers, promises or grants such a benefit...in return for influencing the course or result of an organised sports competition in a manner which is contrary to the rules, as a result of which an unlawful pecuniary benefit is obtained for a public sports bet placed on that competition, incurs a penalty of imprisonment for a term not exceeding three years or a fine.

Section 265d – Manipulation of professional sports competitions

(1)-(2) Whoever, in the capacity as an athlete or coach, demands, allows themselves to be promised or accepts a benefit for themselves or a third party... or whoever offers, promises or grants such a benefit...in return for influencing the course or result of a professional sports competition in an anticompetitive manner for the benefit of the opponent incurs a penalty of imprisonment for a term not exceeding three years or a fine.
(3)-(4) Whoever, in the capacity as a judge, referee or arbiter, demands, allows themselves to be promised or accepts a benefit for themselves or a third party... or whoever offers, promises or grants such a benefit...in return for influencing the course or the result of a professional sports competition in a manner which is contrary to the rules incurs a penalty of imprisonment for a term not exceeding three years or a fine.

Section 265e – Especially serious cases of sports betting fraud and manipulation of professional sports competitions

In especially serious cases, an offence under sections 265c and 265d incurs a penalty of imprisonment for a term of between three months and five years. An especially serious case typically occurs where

1. the offence relates to a major benefit or

2. the offender acts on a commercial basis or as a member of a gang whose purpose is the continued commission of such offences.[306]

[305] Soiron, Romain and Benichou, Aude, "The Sports Law Review - Edition 6 - France", Joffe & Associes, 18 December 2020; https://www.joffeassocies.com/the-sports-law-review-edition-6-france/
[306] Criminal Code of Germany; https://www.gesetze-im-internet.de/englisch_stgb/englisch_stgb.html

Greece

Law No. 4326: Urgent measures to address violence in sports and other provisions

Article 6 – Asset declarations of referees, assistant referees and referee observers

The Minister responsible for sports or persons specifically authorised by him may…take cognizance of the asset declarations submitted to the Professional Sports Commission by referees, assistant referees and referee observers of professional championships…for the purpose of conducting relevant checks.

Article 7 – Dealing with suspected match-fixing

1. The Hellenic Football Federation (HFF) is obliged to forward without delay to the Minister responsible for sports, to the President of the Committee on Educational Affairs of the Hellenic Parliament and to the National Platform for Sports Integrity (EPATHLA), the reports it receives from the European or World Football Federation or the companies or other bodies collaborating with them, regarding suspected football match-fixing. Respectively, the Minister responsible for sports and the EPATHLA. forward to the HFF the reports they receive regarding suspected manipulation of football matches.

2. The Hellenic Olympic Committee (HOC), the Hellenic Paralympic Committee (HPC), as well as the other sports federations and sports bodies supervised by the Ministry of Culture and Sports, shall transmit to the Hellenic Sports Federation any report, data or information that comes to their knowledge from any source, which concerns sports events that are suspected of manipulation.

3. The Gaming Supervision and Control Committee (GSC) may…exclude events, sports, sports teams, athletes, as well as types of bets from the events offered for betting by persons who legally organize and conduct the game of betting in the Greek territory and set betting limits per event or groups of events, organizing authority, sport, sports team, athlete and type of bet.

4. The Minister responsible for sports…may…postpone the start time of the event, or postpone its holding, to a day and time determined after consultation with the respective organizing authority and the competitors, notifying his decision to the GCS.

5. The GCS shall, on behalf of the Hellenic Sports Association, regularly and at least once (1) per year, carry out a risk assessment of the sports, teams, athletes and organizers of the sporting events offered for betting, as well as the types of bets offered on these events, taking into account, among other things, the reputation and credibility of the organizer of the sports teams, or of the athletes participating in the event, or the event, the nature of the event, the volume of betting per type of bet, the history, role and degree of involvement in the event, or the organisation of persons related to the phenomena of manipulation of sporting events or competitions307[308]

[308] Law No. 4326: Urgent measures to address violence in sports and other provisions, President of the Hellenic Republic, 13 May 2015; https://www.kodiko.gr/nomothesia/document/105356/nomos-4326-2015

Latvia

Sports Law

Article 15.1 – Manipulation of sports competitions

(1) Manipulation of sports competitions (hereinafter — manipulation) is any action aimed at violating the unpredictability of the course or result of sports competitions.
(2) Manipulation is prohibited.
(3) Athletes, sports organisations, sports employees and sports specialists are obliged to take all necessary actions to prevent manipulation.[309]

Malta

Prevention of Corruption in Sport Act

4. Whosoever engages in the manipulation of a sporting event as defined in this Act shall be guilty of an offence, and shall, on conviction, be liable to imprisonment for a period of not more than three years and to a fine (multa) from €5,000 €30,000 or to both such fine and imprisonment.

5.(1) Any person who has knowledge, whether verbally, in writing, or otherwise, that an offence has been committed against any of the provisions of article 4, shall communicate such knowledge to the Commissioner of Police and, if he fails to do so within a period of fourteen days from the date on which he became aware of such fact, he shall be guilty of an offence:

Provided that this article shall not apply to the husband or wife, partner in a civil union or cohabitant, ascendants or descendants, the brother or sister, the father-in-law or mother-in-law, the son-in-law or daughter-in-law, the uncle or aunt, the nephew or niece and the brother-in-law or sister-in-law of a principal or an accomplice in the offence so not disclosed.

(2) The punishment for the offence referred to in sub-article (1) shall be that of imprisonment for a period of not more than one year or a fine (multa) of not less than €2,500 and not more than €25,000, or both such fine and imprisonment.

6.(1) The offences referred to in the preceding articles are considered aggravated whenever they are committed:

(a) within the scope of a criminal organisation; or

(b) with the intent of making use of the outcome thereof to profit from gaming; or

(c) by the use of threats, private violence or harassment; or

(d) the act is committed by a person who is:

(i) an official or employee of a national association;

(ii) a public officer;

(iii) an employee of a gaming operator;

[309] Sports Law, Republic of Latvia, 27 November 2002; https://likumi.lv/ta/id/68294-sporta-likums

(iv) an employee of SportMalta;

(v) an athlete;(vi) an athlete support staff;

(vii) a match official;

(viii) a club official;

(ix) a former athlete, athlete support staff, match official, or club official;

(e) the act provides a gained monetary benefit of more than €10,000.

(2) Subject to the provisions of this sub-article where the offences referred to in the preceding articles are accompanied by any one or more of the aggravating circumstances laid down in sub-article (1), the punishment for such aggravated offence shall be imprisonment for a period of not less than one year and not more than five years:

Provided that:

(i) if the gained monetary benefit is established and quantified, the punishment shall also include a fine (multa) of €15,000 or of an amount equal to three times the gained monetary benefit, whichever is the higher;

(ii) if the gained monetary benefit is established as amounting to more than €10,000 but is not quantified, the punishment shall also include a fine (multa) of not less than €10,000 and not more than €150,000;

(iii) if a greater punishment is applicable under any other law, then the greater punishment shall apply:

Provided further that where the manipulated sporting event is an event in which a Maltese national team or an athlete representing Malta at an international sporting event is participating the punishment shall be increased by one degree.[310]

Poland

Act on Sports

Chapter 10 – Penal provisions

Art. 46. 1. Whoever, in connection with sports competitions…accepts a material or personal benefit or a promise thereof, or demands such a benefit or a promise thereof in exchange for dishonest conduct that could influence the result or course of such competitions, shall be subject to the penalty of imprisonment from 6 months to 8 years.

2. The same penalty shall be imposed on anyone who, in the cases specified in par. 1, provides or promises to provide a material or personal benefit.

3. In the case of lesser gravity, the perpetrator of the act specified in par. 1 or 2 shall be subject to a fine, the penalty of restriction of liberty or imprisonment for up to 2 years.

[310] Prevention of Corruption in Sport Act; https://legislation.mt/eli/act/2018/35/eng

4. If the perpetrator of the act specified in par. 1 or 2 accepts a material benefit of significant value or a promise thereof, provides such a benefit or a promise thereof, or demands such a benefit or a promise thereof, shall be subject to the penalty of deprivation of liberty for a term of between 1 and 10 years.

Art. 47. Whoever, having information about the commission of a prohibited act specified in Art. 46, takes part in mutual betting on sports competitions to which this information refers, or discloses this knowledge in order for another person to take part in such betting, shall be subject to the penalty of deprivation of liberty for a term of between 3 months and 5 years.

Art. 48. 1. Whoever, by invoking influence in a Polish sports association or an entity acting on the basis of an agreement concluded with this association, or an entity acting with its authorisation, or by causing another person to believe in the existence of such influence, or by confirming him or her in the belief that such influence exists, undertakes to act as an intermediary in determining a specific result or course of sports competitions in exchange for a material or personal benefit or a promise thereof, shall be subject to the penalty of deprivation of liberty for a term of between 6 months and 8 years.

2. The same penalty shall be imposed on anyone who provides or promises to provide a material or personal benefit in exchange for mediation in determining a specific result or course of sports competitions consisting in unlawfully influencing the conduct of a person holding a position in a Polish sports association or an entity acting on the basis of an agreement concluded with that association, or an entity acting with its authorisation in connection with the performance of that position.

3. In the case of lesser gravity, the perpetrator of the act specified in par. 1 or 2 shall be subject to a fine, restriction of liberty or imprisonment for up to 2 years.

Art. 49. The perpetrator of the offence specified in art. 46 par. 2, art. 46 par. 3 or 4, in connection with par. 2, or art. 48 par. 2 or 3, in connection with par. 2, shall not be subject to punishment if the material or personal benefit or the promise thereof were accepted, and the perpetrator notified the body responsible for prosecuting offences of this fact and disclosed all the essential circumstances of the offence before that body found out about it.[311]

Portugal

Law No. 14/2024 – Establishes the legal framework for the integrity of sport and the fight against unsportsmanlike behaviour

Article 6. Mandatory reporting

1 - Whenever sports agents become aware of or suspect unsportsmanlike behavior that is contrary to the values of truth, loyalty and correctness and that is likely to fraudulently alter a sports competition or its result, they must immediately report it to the Public Prosecutor's Office.

2 - The protection of the whistleblower's personal data is guaranteed, as well as the confidentiality of his/her identity.

Article 7. Prohibition of exercising certain activities

Sports referees or judges, members of arbitration boards or committees, and holders of bodies of their respective professional associations may not:

[311] Act on Sports, Republic of Poland, 25 June 2010; https://antydoping.pl/wp-content/uploads/2017/07/Ustawa-o-sporcie.pdf

a) Conduct business with clubs or other legal entities that are members of the sports federation within which they operate;

b) Be managers or administrators of companies that conduct business with the entities referred to in the previous paragraph or hold a shareholding in these companies of more than 5% of the capital;

c) Perform any functions in companies in which club directors hold relevant positions.

Article 8. Register of interests

1 - Entities that organise professional competitions must keep a record of interests regarding:

a) To sports referees and other members of arbitration management bodies;

b) To managers, employees or collaborators, in cases where they are managers or administrators of companies whose corporate purpose falls within the scope of the sports federation or professional league in which they perform their duties.

2 - The registration of interests consists of the registration, in a specific book, of the assets of the sports agents referred to in the previous paragraph, as well as all professional and patrimonial situations relevant to the purposes of the provisions of the previous article, and must be updated, by the interested parties, at the beginning and end of each sports season, under the terms to be established in federal regulations.

3 - This article applies to referees who work in the national competitive frameworks referred to in § 1st.

4 - The registry is not public and can be consulted by all heads of bodies with disciplinary powers

5 - The verification of omissions, falsehoods or inaccuracies in the registered data is sanctioned with the penalty of suspension from all sporting or management functions, for a period to be set between 1 and 5 years.

Article 14. Passive corruption

The sports agent who, personally or through an intermediary, with his/her consent or ratification, requests or accepts, for himself/herself or for a third party, without being entitled to any financial or non-financial advantage, or the promise thereof, for any act or omission intended to alter or distort the result of a sports competition, even prior to said request or acceptance, shall be punished with imprisonment of 1 to 8 years.

Article 15. Active corruption

Whoever, personally or through an intermediary, with their consent or ratification, gives or promises to a sports agent, or to a third party with their knowledge, a patrimonial or non-patrimonial advantage, which is not due to them, for the purpose indicated in the previous article, is punished with a prison sentence of 1 to 5 years.

Article 16. Influence peddling

1 - Whoever, personally or through an intermediary, with their consent or ratification, requests or accepts, for themselves or for a third party, a financial or non-financial advantage, or the promise thereof, in order to abuse their influence, real or supposed, with any sports agent, with the aim of obtaining any decision intended to alter or falsify the result of a sports competition, shall be punished with a prison sentence of 1 to 5 years, if a more severe penalty is not applicable under another legal provision.

2 - Whoever, personally or through an intermediary, with their consent or ratification, gives or promises another person a patrimonial or non-patrimonial advantage, for the purpose referred to in the previous paragraph, is

punished with a prison sentence of up to 3 years or with a fine, if a more severe penalty is not applicable by virtue of another legal provision.

3 - The attempt is punishable.

Article 17. Undue receipt or offer of advantage

1 - The sports agent who, in the exercise of his functions or by reason thereof, by himself, or through an intermediary, with his consent or ratification, requests or accepts, for himself or for a third party, a patrimonial or non-patrimonial advantage, which is not due to him, is punished with a prison sentence of up to 5 years or a fine of up to 600 days.

2 - Whoever, personally or through an intermediary, with their consent or ratification, gives or promises to a sports agent, or to a third party through their indication or knowledge, a patrimonial or non-patrimonial advantage, which is not due to them, in the exercise of their functions or by reason thereof, shall be punished with a prison sentence of up to 3 years or a fine of up to 360 days.

3 - Socially appropriate conduct and conduct in accordance with customs and practices are excluded from the previous numbers.

Article 18. Criminal association

1 - Anyone who promotes, founds, participates in or supports a group, organisation or association whose purpose or activity is aimed at committing one or more crimes provided for in this law is punished with imprisonment from 1 to 5 years.

2 - Whoever heads or directs the groups, organisations or associations referred to in the previous paragraph is punished with a prison sentence of 2 to 8 years.

3 - For the purposes of this article, a group, organisation or association is considered to exist when there is a group of at least three people acting in concert for a certain period.

Article 19. Sporting coercion

Anyone who, through violence or threat of serious harm, exerted against a sports agent, forces him to act or omit, with the aim of influencing incidents or results of a game, event or sports competition, is punished with a prison sentence of up to 5 years or a fine of up to 600 days.

Article 20. Fraudulent sports betting

Who acts towards influencing the incidences or results of a game, event or sporting competition, with the purpose of obtaining an advantage in a sports bet, is punishable by a prison sentence of up to 5 years or a fine of up to 600 days.

Article 21 Unsportsmanlike betting

Any sports agent who makes, or orders the making of, a sports bet at odds, online or on a territorial basis, relating to the incidence or outcome of any sporting events, trials or competitions in which he or she participates or is involved, shall be punished with a prison sentence of up to 3 years or a fine of up to 360 days.[312]

Slovakia

Criminal Code

Article 336b – Sports corruption

(1) Whoever, directly or through an intermediary, promises, offers or provides a bribe to another to act or refrain from acting in a way that influences the course of a competition or the result of a competition shall be punished by imprisonment for up to three years.

(2) As in paragraph 1, anyone who, directly or through an intermediary, accepts, requests or is promised a bribe for himself or another person to act or refrain from acting and thus influence the course or outcome of the competition shall be punished.

(3) The offender shall be punished by imprisonment for a term of one to five years if he commits the act referred to in paragraph 1 or paragraph 2:

a) even though he/she has been convicted of such an act in the previous twenty-four months or has been punished for a similar act in the previous twenty-four months;

b) a more serious course of action; or

c) on a larger scale

(4) The offender shall be punished by imprisonment for a term of two to seven years if he commits the act referred to in paragraph 1 or paragraph 2:

a) as a referee, delegate of a sports association or official of a sports organisation;

b) in a competition organised by an international sports organisation; or

c) to a considerable extent.

(5) The offender shall be punished by imprisonment for a term of three to ten years if he commits the act referred to in paragraph 1 or paragraph 2 on a large scale.[313]

Spain

Criminal Code

Article 286 bis – Criminal offences of corruption in business

4. The terms set forth this Article shall be applicable, in the respective cases, to executives, directors, employees or collaborators of a sporting company, whatever its legal status, as well as sportspersons, referees or judges,

[312] Law No. 14/2024: Establishes the legal framework for the integrity of sport and the fight against unsportsmanlike behaviour, Assembly of the Republic of Portugal, 19 January 2024; https://diariodarepublica.pt/dr/detalhe/lei/14-2024-837135334
[313] Criminal Code, Slovak Republic, 17 February 2025; https://natlex.ilo.org/dyn/natlex2/natlex2/files/download/72646/SVK-72646.pdf

regarding conduct aimed at deliberately and fraudulently predetermining or altering the result of a match, game or competition of particular economic or sporting importance.

To this effect, a sports competition of particular economic importance shall be construed as one in which the majority of participants receive any type of remuneration, compensation or payment for their participation in the activity. A sports competition of particular sporting importance shall be construed as that which appears in the annual sports calendar approved by the corresponding sports federation as an official competition of the highest category in the modality, speciality, or discipline in question.[314]

[314] Criminal Code of Spain, Ministerio de Justicia, 2016;
https://www.mjusticia.gob.es/es/AreaTematica/DocumentacionPublicaciones/Documents/Criminal_Code_2016.pdf

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