

# EUROPEAN PUBLIC SUPPORT ENDING IN CORRUPT INFRASTRUCTURE

THE CASE OF PASSANTE DI MESTRE HIGHWAY  
BYPASS IN ITALY

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## The case of Passante di Mestre highway bypass in Italy

*This report is based on an actual complaint of January 2014 submitted to OLAF – the EU anti-fraud and anti-corruption office – by civil society organisations, including Re:Common, about the alleged corruption tainting the project of highway bypass of Venice (“Passante di Mestre”) in Italy. The project was financed by the European investment bank as well as Italian public institutions, and today is shortlisted for benefiting from the EU project bond pilot initiative in order to refinance its debt due to the bad economic performance so far.*

*In March 2014 European authorities dismissed the case on the grounds that the information was not sufficient to open an investigation. Right two months later, in May 2014, a major corruption investigation by Italian magistrates about this project as well as the MOSE one in Venice led to the arrest of high ranking politicians, business men and public officials – many of whom pleaded guilty and settled with judicial authorities in the second half of the year.*

*The briefing draws lessons about inadequate anti-corruption due diligence implemented at European level as concerns European Investment Bank’s public support to large infrastructure projects – a sector which is highly sensitive to corruption and infiltration of organised crime, in particular in a country like Italy. This case shows as well how the mandate and capacity of OLAF is quite limited and not up to the task to prevent corruption tainting EU-backed infrastructure projects. At a time when the EU is about to operationalise the unprecedented Juncker Plan to finance 315 billion of infrastructure projects in the Union, it is crucial to timely improve anti-corruption due diligence by the EIB as well as to reform the EU anti-corruption system.*

# 1. SUMMARY

This report focuses on the case of the public company CAV, a company participated by the region Veneto and by ANAS S.p.A. that has been set up in 2008 for the management and maintenance of the Mestre highway bypass, and to take up the debt generated by ANAS S.p.A for the construction of this complex infrastructure and complementary works known as “Passante di Mestre”. The European Investment Bank (EIB) has invested in CAV regardless the ongoing investigation by Italian magistrates for alleged corruption on several companies part of the consortium “Passante di Mestre S.C. p. A.” that led to the arrest of four people in February 2013 and more during the following months and in 2014.

The reconstruction of facts provided in this report raises significant and wellgrounded concerns that the EIB loan to CAV through Cassa Depositi e Prestiti (CDP) of 350 million euro, approved on June 9th 2011 and disbursed in April 2013, might have been used to refinance a debt generated by contracts paid to companies which have been under investigation by the Italian magistrates for alleged criminal conspiracy aimed at fiscal fraud before funding disbursement and as widely reported in Italian media since February 2013.

Furthermore, the EIB have ignored the detailed report about the Passante di Mestre by the Italian Court of Auditors (“Corte dei Conti”) published in March 2011 and raising a serious concerns about several questionable aspects of the construction and management of the project, including lack of

public supervision and control leading to unjustified increase of costs, risk of infiltration of organised crime organizations in the subcontracting of construction works.

In January 2014 European civil society called on OLAF to open an investigation<sup>1</sup> on the anti-fraud and anti-corruption due diligence and monitoring carried out by the EIB of the 350 million euro loan disbursed in April 2013 as well as any other EC and EIB funding provided to ANAS SpA since 2003.

In March 2014 OLAF dismissed the case and decided not to open an investigation because information provided by complainants was deemed not sufficient.<sup>2</sup>

In May 2014 and in July 2014 Venice prosecutors arrested with corruption and fraud allegations led to arrests several senior politicians (including the mayor of Venice and the governor of Veneto region), entrepreneurs and former financial police officers in Venice and Veneto region. Prosecutors described as the “Veneto system” this gigantic corrupt connection – extending its illegal crimes to Croatia and Austria - aimed at systematic fraud and abuse of public funding, in particular as concerns the MOSE project – movable dams being built to protect Venice lagune and city - and different motorway projects in the region, including Passante di Mestre.

Several of those arrested have pleaded guilty in the last months. Since May 2014 commentators started depicting such thorough repression action by magistrates – combined with a comparable scandal investigated in Milan around the global exhibition Expo 2015 – as the “Clean Hands 2” initiative, thus recalling the magistrate action in Italy in early ‘90s which led to the arrest of Italian prime minister and the collapse of the entire political party system.

Nevertheless public funding for Mose and Passante di Mestre, flowing from national and European institutions, did not stop. Even more, the EIB

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1 Memorandum to the European Anti-Fraud Office (OLAF). Concerns over alleged corruption in EIB-backed Italian companies involved in the construction of the motorway bypass in Mestre, Italy (“Passante di Mestre”) by Opzione Zero, Re:Common, Counter Balance. 22 January 2014

2 OLAF. Information on decision to dismiss a case. OF/2014/0103/01. 19.03.2014

is considering the refinancing of debt in the meantime generate by the Pas-sante project through the so-called EU project bond initiative involving private investors active on private capital markets. Part of this debt has alleged been generated because of systematic mismanagement of project planning and implementation and because of significant corruption favouring those who have already pleaded guilty with Italian magistrates. However, as stated by EIB President in a recent reply to civil society's concerns, "the EIB does not have any evidence at this stage of any misuse of EIB funds"<sup>3</sup>.



## 2. THE CASE OF “PASSANTE DI MESTRE”

In February 2003, the public company in charge of construction and road maintenance in Italy, ANAS S.p.A.<sup>4</sup>, has approved the project for the construction of a motorway bypass around the city of Mestre, for the amount of 750 million euro. The project has been designed by Autostrade per l'Italia S.p.A., Autovie Venete S.p.A. and Società per le Autostrade di Venezia e Padova S.p.A., three companies also in charge for the maintenance of the internal road ring around Mestre until 2009. In November 2003, the project has been approved by the Italian Ministry of Infrastructure, as a public-private partnership (PPP) with the following financial structure: a public contribution of 113.4 million Euro by the Ministry of Infrastructure, while the remaining 636.6 million Euro was to be anticipated by ANAS S.p.A. during the construction phase, and then repaid by the private companies in charge of the maintenance of the bypass. ANAS S.p.A. would have provided the needed liquidity through its own resources<sup>5</sup>. The repayment of the construction costs would have happened through the transit

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<sup>4</sup> ANAS S.p.A. is a public limited company, 100% controlled by the Italian Ministry of Economy and under the scrutiny and supervision of the Ministry of Infrastructure and Transport. [http://www.stradeanas.it/index.php?content/index/arg/attivita\\_internazionali/lang/en/page/1](http://www.stradeanas.it/index.php?content/index/arg/attivita_internazionali/lang/en/page/1)

<sup>5</sup> Initially, the plan was for ANAS to take a loan from Infrastrutture S.p.A., without additional costs for ANAS. The consortium should have repaid the loan from 2011, when the operationalization of the project was expected. <http://silos.cresme.it/admin/scheda.aspx?id=681>

fees charged onto the bypass users in the following twenty-five years<sup>6</sup>.

In April 2004, the contract for the construction of the bypass has been assigned through an open tender process to the general contractor “Passante di Mestre S.C.p.A.”. An ad hoc project consortium has been registered on June 30th 2004, as a limited responsibility company participated by several private companies: Impregilo S.p.a., Grandi Lavori Fincosit S.p.a., F.I.P. Industriale S.P.A., Cooperativa Muratori & Cementisti C.M.C. Di Ravenna Soc. Coop. A R.L., Consorzio Cooperative Costruzioni, Consorzio Veneto Cooperativo, Serenissima Costruzioni S.p.A.<sup>7</sup>.

In January 2007, the government through the Inter-ministerial Committee of Economic Planning (CIPE) defined the “new modalities for the construction and management of the infrastructure”, identifying ANAS as the single manager and constructor of the Mestre bypass<sup>8</sup> and de facto changing the structure of the PPP.

The CIPE also decided that the management of the bypass and of the highway originally assigned to Società delle autostrade di Venezia e Padova had to be newly assigned within three months to an ad hoc company participated by the Veneto Region and by ANAS.

ANAS will have to use the revenues generated by the “Passante di Mestre” above the repayment of loans and maintenance costs (through the management of the Mestre bypass, and of the other sections of highways assigned) for the financing of infrastructure investment defined by the Veneto Region and Ministry of Transport. ANAS will have to keep a separate management for all the above, starting from November 2009, when the concession to the consortium Passante di Mestre S.C.p.A. expired and passed formally back to ANAS.

On March 1st 2008, ANAS and the Veneto Region constituted the company “Concessioni Autostradali Venete - CAV S.p.A.” for the management, ordinary and extraordinary maintenance of the highway A4 junction Tri-

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6 <http://silos.cresme.it/admin/scheda.aspx?id=681>

7 Serenissima Costruzioni has grown into A4 Holding S.p.A. in 2011, a public-private company with 33% shares with local authorities and 66% of shares with private companies and banks. <http://serenissimacostruzioni.it/en/p/8/Gruppo%20A4%20Holding.html>

8 CIPE, delibera n.3, 26 January 2007.

este-Venice, complementary infrastructure, and Venice-Padua highway<sup>9</sup>. CAV would enter the concession for the Mestre bypass on November 30th 2009, with a financial plan approved and valid until December 31 2032<sup>10</sup>. With the setting up of CAV, the constructing consortium has been lifted from the duty of paying back the investment, that ANAS and the Veneto Region have transferred into a new and fully public company, CAV, that has absorbed the debt generated by the construction of the Mestre bypass.

However the consortium has not been closed with the creation of CAV. As of today, the Passante di Mestre S.C.p.A. consortium is still a registered entity at the Chamber of Commerce and it is undertaking the acquisition of land for the construction of accessory infrastructure to the main bypass<sup>11</sup>.

An inter-ministerial decree (n.408) approved the Convention signed by ANAS and CAV in 2009 and 2010 that defines the activities of CAV and its financial obligations for covering all costs generated by Passante di Mestre and highway management, complementary infrastructure, borders of highways assigned and modality of their management<sup>12</sup>.

#### THE REPORT BY THE ITALIAN COURT OF AUDITORS (“CORTE DEI CONTI”)

*Allegations of lack of public supervision, unjustified derogation from Italian law, risk of infiltration of organised crime.*

The complex set of motorway infrastructure referred to as “Passante di Mestre” has been under scrutiny by the Italian Court of Auditors (known as “Corte dei Conti”) that published an extensive report on March 22nd 2011 highlighting serious concerns on several aspects of the project.

In particular, the Court of Auditors raises a red flag for what is defined as a “peculiar” legal situation for the Veneto Region, where since 2003 mobility and traffic in Mestre and in the Region was recognised “in state of

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9 Art. 2, comma 290, della Legge 24.12.2007 n. 244

10 <http://silos.cresme.it/admin/scheda.aspx?id=681>

11 <http://bur.regione.veneto.it/BurVServices/Pubblica/DettaglioAttoEntiVari.aspx?id=259881>

12 Convention between ANAS SpA and CAV SpA signed on 23/10/2010, validating the convention signed on 30/01/2009. Corte dei Conti, Deliberazione n. 4/2011/G, pag 58.

emergency”<sup>13</sup>. Then a Commissioner with extraordinary powers has been nominated with a decree by the Prime Minister, but as noticed by the auditor:

- The figure of the Commissioner was still in place in 2011, when the examination of the Court of Auditors took place (and stayed in place until December 2013<sup>14</sup>). This leads to the questioning by the Court of Auditors of the concept of “state of emergency” when it lasts for over a decade, de facto allowing a derogation from national legislation regulating infrastructure construction, public procurement, environmental and social impact assessment procedures and many other aspects of transport infrastructure construction<sup>15</sup>;

- The person nominated as “Commissioner for the socio-economic-environmental emergency in the area of traffic and mobility” is Silvano Vernizzi, also Regional secretary for infrastructure and mobility at Veneto Region administration, President of the EIA/ESIA Commission of Veneto Region and CEO of Veneto Strade<sup>16</sup>.

The report of the Court of Auditors also noted that:

- The construction costs of the bypass increased through time by over 80% (from 750 million euro to 1,34 billion euro in 2010<sup>17</sup>);

- The difficulty to find new financial resources resulted in the signature of a new convention between CAV and ANAS on March 23 2010, that includes the construction of new infrastructure for 279 million euro directly by CAV, to be repaid by the company through tolls, with an economic and financial plan similar to project finance, that has been questioned by the Italian Ministry of Transport at the State Council<sup>18</sup>;

- Discrepancies have emerged on the accounting data from the public

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13 Decree of February 28th 2003, published on March 10th 2003 and law order March 19th 2003 n. 3273

14 [http://ricerca.gelocal.it/nuovavenezia/archivio/nuovavenezia/2014/01/02/NZ\\_15\\_33.html?ref=search](http://ricerca.gelocal.it/nuovavenezia/archivio/nuovavenezia/2014/01/02/NZ_15_33.html?ref=search)

15 Corte dei Conti, Deliberazione n. 4/2011/G, pag 27.

16 In January 2014, Mr. Vernizzi have been removed from his position in the public administration and nominated General Director of Veneto Strade. [http://ricerca.gelocal.it/nuovavenezia/archivio/nuovavenezia/2013/12/20/NZ\\_10\\_E-15-110-A.html](http://ricerca.gelocal.it/nuovavenezia/archivio/nuovavenezia/2013/12/20/NZ_10_E-15-110-A.html)

17 Bilancio CAV 2011, pag 24.

18 Corte dei Conti, Deliberazione n. 4/2011/G, pag 59.

administration and those of the government accounting office (Ragioneria Generale dello Stato e Corte dei Conti) in relation to the budget line 7060 (Passante di Mestre)<sup>19</sup> that has been adjusted after the publication of the report of the Court of Auditors, but that confirms the inaccuracy in reporting of payments and costs of the project;

- The lack of transparency regarding the costs of compensation projects, that the Court of Auditors has pinned down as incorporated in the budget lines related to costs of “expropriation, project design and construction of core infrastructure”. According to the Court of Auditors this enforces the request of separate accounting for the compensation projects, and a more specific ex ante evaluation of costs, in order to avoid an unjustified increase of costs during construction<sup>20</sup>;

- CAV is a unique example of a joint company between the public company ANAS and an Italian regional administration, that is performing as general contractor as well as executor of construction works of “compensation projects” to the bypass, incorporating the role of controller and controlled. To be noted that a Convention has been signed with the representative of the State (Prefetto) in Venice and Treviso and the ad hoc Commissioner to ensure collaboration given the recognised risk of infiltration of criminal organisations, including mafia groups, within the realisation of works for the Mestre bypass<sup>21</sup>.

The report of the Court of Auditors is highlighting the lack of public control on the construction of the Mestre bypass. In this regard, it should be noted that in October 2013, the CEO of F.I.P. Industriale (one of the companies investing in the Passante di Mestre consortium) Mauro Scaramuzza, has been arrested by the anti-mafia authorities in Catania for alleged criminal organisation, false registration of assets and external participation to mafia organising.<sup>22</sup> According to the magistrate, Scaramuzza would have consciously operated to facilitate the participation in construction works

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19 Corte dei Conti, Deliberazione n. 4/2011/G, pag 80.

20 Corte dei Conti, Deliberazione n. 4/2011/G, pag 93.

21 Corte dei Conti, Deliberazione n. 4/2011/G, pag 57.

22 <http://www.ediliziaeterritorio.ilsole24ore.com/art/infrastrutture24/2013-10-11/industriale-arrestato-mafiaamministratore-120859.php?uuid=Ab4191sI>; <http://www.opzionezero.org/2013/10/10/nuova-veneziamafia-eappalti-arrestato/>

by companies controlled by the mafia clan “La Rocca”. Among the arrested people, also some employees of ANAS S.p.A. FIP Industriale was employed for the construction of a highway in Caltagirone (Sicily) commissioned by ANAS<sup>23</sup>.

F.I.P. Industriale S.p.A. is 100% owned by Serenissima Holding S.p.A., a company owned by the Chiarotto family, that also holds 18.845.063 shares (out of 20.000.000) of Mantovani S.p.A. Thus through the same ownership of Chiarotto family – through its Serenissima Holding SpA – Mantovani SpA and FIP Industriale SPA, operating in the same sector and type of projects, are closely related.

The report by the Italian Court of Auditors is a public document since March 2011, that the EIB should have acquired soon in its due diligence on the refinancing of the debt generated by the consortium Passante di Mestre and incorporated by CAV, even before project approval in June 2011.

In particular, the complainants raised these precise questions to be investigated:

- Has the EIB acquired the report and what is the due diligence performed in relation to the red flags raised by the Court of Auditors?

- With reference to the abuse of emergency measures, that led to “normalisation of a state of emergency” aimed at bypassing the rule of law and internal rules for good and efficient management of public companies: What assessment and justification for such derogation from the law has been given by the EIB in its due diligence?

- What has been the assessment of the EIB in its due diligence and the justification for the absence of adequate public control by the local authorities in Italy, as reported by the Court of Auditors and identified as the main reason for the astonishing increase of costs and generation of the debt absorbed by CAV that the EIB is refinancing through its intermediated loan?

- Has the EIB performed an enhanced due diligence of the project and companies involved, according to provision under anti-money laundering law, in order to address serious concerns publicly raised by a national supervisor, such as Corte dei Conti, about the risk of infiltration of organised

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23 <http://www.ediliziaeterritorio.ilsole24ore.com/art/infrastrutture24/2013-10-11/industriale-arrestato-mafiaadministratore-120859.php?uuid=Ab4191sI>

crime organisations in the realisation of works?

Furthermore, as regards the high discretionality in the assignment of works, the complex structure of sub-contracting regarding the construction of the Mestre bypass, in particular in the case of compensation projects that CAV should build directly:

- What has been the additional due diligence, if any, that the EIB has performed on FIP Industriale – one of the members of the consortium Passante di Mestre, directly linked to Mantovani SPA through the same ownership of Serenissima Holding SpA - after the arrest of its CEO Mauro Scaramuzza in October 2013 for alleged criminal organisation, false registration of assets and external participation to mafia organising – to ensure that the EIB loan disbursed to CAV will not contribute to the payment of companies related to criminal organizations?

- Has the EIB opened any internal investigation on the corruption allegation tainting companies involved in the CAV project?

- Has the EIB reported to OLAF allegations of corruption tainting companies involved in this CAV project, and if yes, when? Is the EIB cooperating with magistrates in Italy on the case?

#### ALLEGED CORRUPTION TAINING EIB-BACKED COMPANIES OPERATING IN VENETO REGION

At least two of the main projects financed by the EIB in Veneto, MOSE and Passante di Mestre, are part of the major investigation by Italian magistrate Stefano Ancilotto and the judge for preliminary investigation (Gip) Alberto Scaramuzza.

In February 2013, such investigation brought to the arrest of Piergiorgio Baita, CEO of the company Mantovani S.p.A. (one of the main subcontractors of the consortium Passante di Mestre), Claudia Minutillo, CEO of the company Adria Infrastrutture, Nicolò Buson, General Director of Mantovani S.p.A. and their consultant William Alfonso Colombelli<sup>24</sup>. The accusation is of criminal conspiracy aimed at fiscal fraud.

According to the magistrate, Mantovani S.p.A. - which is directly linked,

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<sup>24</sup> <http://nuovavenezia.gelocal.it/cronaca/2013/02/28/news/frode-fiscale-arrestato-piergiorgio-baita-presidente-dellamantovani-1.6613542>

through the same ownership of the Chiarotto family and its Serenissima Holding SPA , to FIP Industriale SpA which is part of the Passante di Mestre consortium - and Adria Infrastrutture produced false invoices for tens of millions of euro from consulting companies like BMC Brookers (registered in San Marino and owned by Mr. Colombelli). About 15-20% of the invoiced amounts stayed with Mr. Colombelli, while the rest was cashed and transferred back to Mantovani and Adria Infrastrutture as black funds.

The revenues set aside by the two companies (both controlled de facto by Piergiorgio Baita) were used to bribe public officials to obtain major construction contracts, including within the projects Passante di Mestre and MOSE. The testimony of Mr. Baita have apparently confirmed that cash drained and set aside through this system have been used also to bribe public officials and politicians for the assignment of construction works. On the paybook of Mantovani S.p.A were allegedly found also police officials and former agents of secret services, now jailed<sup>25</sup>.

Magistrates have been looking into correspondence between BMC Brookers and about 20 companies including Consorzio Venezia Nuova, Veneto Acque, Passante di Mestre, Veneto Strade, Autorità Portuale di Venezia.

Among others, magistrates have been also screening invoices for an amount of 2,1 million euro that Veneto Strade have invoiced to BMC Brookers.

New investigations opened in July 2013 has led to the arrest of Giovanni Mazzacurati, former president of the “Consorzio Venezia Nuova”, in charge of the safeguard of the city of Venice and the building of the mega infrastructure MOSE. Mantovani S.p.A. is also part of that consortium.

According to media, in November 2013 the investigation involved over 100 people, of which 20 have been arrested. “And this is may only be the tip of the iceberg”<sup>26</sup>.

This information has been in the public domain since February 2013, before the disbursement of the EIB loan of 350 million euro to CAV through Cassa Depositi e Prestiti in April 2013.

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25 L'Espresso 21/11/2013, “C'è” una cupola sul MOSE”.

26 L'Espresso 21/11/2013, “C'è” una cupola sul MOSE”.



Despite complainants are seriously concerned about the lack of monitoring and supervision by the EIB of its loans for the MOSE project, which is a flagship and world famous operation in terms of innovative infrastructure intervention within the EU, after corruption allegation tainted this operation, for the merit of the present complaint on the Passante di Mestre/CAV project complainants raises the following precise questions to be investigated:

- What has been the due diligence, if any, that the EIB performed after the widely publicly documented – and with severe political echo within Italy - arrest of the CEO of Mantovani SPA in February 2013, one of the main subcontractors of construction works for the Mestre bypass, before the disbursement of the loan of 350 million euro to CDP, whose final beneficiary is CAV, in April 2013 (that means just two months before funding disbursement)?

- Did the EIB launch an own investigation, and has there been a joint or crossed evaluation with CDP before the disbursement of the loan? Have OLAF been reported about it?

#### CIVIL SOCIETY CONCERNS NEGLECTED BY EUROPEAN INSTITUTIONS, BUT VINDICATED BY RECENT JUDICIAL DEVELOPMENTS IN ITALY

As mentioned above, in January 2014 European civil society asked OLAF to investigate the EIB loan of 350 million euro to CAV through the financial intermediary Cassa Depositi e Prestiti disbursed in April 2013 on the basis of public allegations moved against companies and local administrations involved in the project by the Italian Court of Auditors and Italian magistrates both before loan approval and loan disbursement.

In particular complainants believe that EIB's alleged failure to prevent corruption and money laundering affecting these investments may suggest major problems with the Bank's due diligence process and anti-fraud and money-laundering procedures. Those procedures should have prevented or delayed the disbursement of the loan in April 2013.

Answer by OLAF was dismissive of the complaint because of lack of sufficient evidence to open an investigation according to European investigators. In particular, according to OLAF "Analysis of the Italian Court

of auditors' report of March 2011 did not raise concerns regarding potential fraud in the project. No link could be established between the fiscal fraud allegations currently under investigation by the national judicial authorities and the project financed by the EIB. There was no element in the complaint concerning possible implication of an EIB counterpart in a fraudulent activity, nor suggesting complicity or negligence attributable to the EIB."

Complainants got quite surprised neither OLAF nor the EIB have ever offered a meeting to discuss the issues raised in the complaint, as good practice might have suggested to do. It is however unclear whether OLAF was able to access all information held by Italian prosecutors, and whether it actually gathered all information concerning the loan due diligence, its financial contract and its disbursement directly from Luxemburg headquarters of the EIB.

At the same time arrests and information made public concerning the investigation by Venice magistrate in May 2014 show how corruption systematically affected any infrastructure project, in its conception, planning, authorisation and execution in Veneto region in the last 15 years, thus including the Passante di Mestre project. This information and the seriousness of allegations moved, as well as the settlement already reached by law enforcement authorities with most of those under investigation, cast some doubt on OLAF premature and maybe rushed ruling on the case, as regards the correctness of EIB anti-corruption due diligence.

### 3. CONCLUSIONS

Judicial action in Italy is still ongoing. However settlements already reached with most of those arrested and investigated for their corrupt “Veneto system” prove that allegations by magistrates are well-grounded.

Nevertheless judicial action from Italy will hardly look into European responsibilities in this case, in particular as concerns the inadequate anti-fraud and anti-corruption due diligence performed by the EIB in its financing for the Passante di Mestre project (as well as the MOSE one).

OLAF and EIB rushed answers dismissing European civil society concerns have highlighted a wider problem affecting European public financing, its due diligence, monitoring and independent supervision. In particular, it is evident that while facing a systematic problem of corruption in countries like Italy, as certified by the first EU report on corruption produced by the European Commission in early 2014, current procedures in place at European financing institutions, such as the European Investment Bank, cannot rely on due diligence and supervision at national level and should have a much more pro-active and thorough role in project assessment and monitoring, far beyond the specific parts of projects narrowly funded with European taxpayers' or EU guaranteed money

It is of particular concern the fact that the same “corrupt” project of Passante di Mestre is now being newly assessed for refinancing by the same European financial institution, without taking into consideration the negative record that the first support contributed to generate on the ground.

This careless behaviour is unacceptable and might generate a quite bad precedent in the fight against corruption in the EU.

At the same time OLAF's supervision proved ineffective too in this specific case. In particular, OLAF approached the complaint with a narrow reading of allegations, likely relied in a passive manner on publicly available information, and finally dismissed the request in a very short time and without talking at all to complainants - which shows how possibly the complaint has been processed in a too rushed manner.

This case shows the limitation of OLAF's administrative role and the need to seriously adopt the proposal for the establishment of a European public prosecutor, with full powers of investigation in corruption cases and cooperation with national prosecutors. This reform is urgently needed given the new plans by European institutions to start up since 2014 the deployment of a new gigantic plan for infrastructure financing within the EU, which could mobilise up to 315 billion euro for new projects in the coming years. The so-called "Juncker Plan" is at serious risk of further fuelling corruption in Europe if adequate anti-corruption and anti-fraud measures, beyond those already in place, are not introduced, including for European institutions.



