

9 November 2008

100 EXAMPLES OF EU FRAUD AND WASTE

FRAUD

The greedy dentist

A dentist in Cosenza used EU funds to buy a yellow Ferrari Testarossa, which sells at around €200,000 and a Formula One car, along with 55 other luxury cars, which he stored in warehouses. He received EU money by inventing a solar-panel business that never saw the light of day. The dentist was part of a larger fraud scheme involving a staggering €80 million, in which four business organisations siphoned off funds during a four year period to buy luxury items such as cars, motorbikes and yachts¹.

Bibbidi-Bobbidi-Bubbico and the story of the bogus silk worms

Whilst President of the Basilicata region of Italy, Filippo Bubbico a Senator of the Social Democrat party, received €10,329 in EU funds for a silk worm breeding business which never existed. The politician, Bubbico, operated under the false name Bibbibo when he acted as president of the consortium “Seta Italia” (Silk Italy), and Bobbidi when he acted on behalf of “Seta Basilicata”. Both consortiums managed EU funds for the programme “Silkworm breeding development” but not one strand of silk was produced. As President of the region, Bubbico Basilicata was also distributing EU funds to various relatives. €300,000 ended up in the pockets of Rocco Luigi Bubbico, the Undersecretary’s father, and Antonio Clemente, his father-in-law².

EU bureaucrat siphons off money intended for Chernobyl victims

In 2006, a Belgian EU bureaucrat stood accused of siphoning off EU subsidies intended for Chernobyl victims, using all the money for himself³.

Belgian city spends €12 million on junkets and dinners

A secret account containing non-declared funds of the Belgian city of Charleroi was discovered in 2007. The account had been used to illegally put away EU funds that the town had received - amounting to some €12 million. The account was apparently used to fund a whole range of junkets and dinners. For instance, a delegation of members of the ruling Socialist Party (PS) used the money to go to Belarus on a hunting trip. The city’s Secretary, and current President of the Walloon Parliament, Bernard Bermils José Happart was among the travellers. Happart defended himself saying, “If I’m invited, I don’t ask where the money has come from”. Bizarrely, the party was also handed an illegal 3,000 dollar cash donation from the Belarusian Embassy.

¹ [IlGiornale](#) (19.08.06); [Repubblica](#) (23.02.06)

² [Corriere della sera](#) (27.04.07)

³ [Europa-nu](#)

On another occasion, the account paid for a dinner for Socialist Party members to celebrate an election victory in 2000. The dinner – the bill for which was €3200 - was held at the exclusive restaurant "Chez Edgard et Madeleine"⁴.

Italian unions steal money from disabled, unemployed and teachers to finance luxury cars and holidays

Italian trade unions in Abruzzo, Ial-Cisl of Abruzzo and Molise, systematically siphoned off EU money intended for work training between 2000 and 2006. The unions announced that they would carry out around 300 different training programmes, but in reality the programmes were aborted at conception or never paid for. Each bogus training course cost between €60-70,000, which ended up with a few individuals in the unions. The fraudsters even stole the money that was intended as bursaries for the disabled students enrolled in the courses.

The Guardia di Finanza, the Italian financial protection body investigating the case, suspected that the money was not only used to fund personal purchases of cars and holidays, but also used to finance political campaigns on a local and national level, and even sporting associations. The ex-Cisl secretary's favourite football team, Palermo, is one of the suspected recipients of the money⁵.

Far-right politician's wife faking horse-riding lessons for disabled people

Laura Ferrari Giorgetti, wife of Lega Nord politician Giancarlo Giorgetti, was the owner of a charitable horse-riding school. Giorgetti obtained some €400,000 in EU funds via the Lombard region. However, in order to fulfil the criteria for the funds, she "inflated" the number of pupils who attended training courses to teach riding to the disabled. Together with two colleagues, Giorgetti systematically forged participants' signatures to reach a sufficient number to secure funding⁶.

'Organic' olive oil grown on a waste dump

Certified organic olive oil and fruit was found to be growing in a 10 metre high dump of waste in the southern region of Puglia, Italy. The produce was seized at Grumo Appula, Puglia, by Nipaf agents, the investigating branch of the environmental and forest police in Bari. Four people were reported to the police for serious and continued fraud. The farmers secured funding by sending false certificates to the funding body, claiming that the olive oil was "produce from organic farming." As well as fraud, local authorities investigated possible health risks⁷.

MEPs claim €320,000 for... nothing

A leaked note from European Parliament Vice-President Diana Wallis showed that more than 60 MEPs regularly sign in to be present for the monthly EP session in Strasbourg on Fridays, even though the EP does not convene on Fridays – allowing MEPs to make €200 each time. The so-called "Friday reimbursement" has come under fire previously and has cost the European Parliament €820,000 since 2004⁸.

€50 million to 'ghost farmers'

The EU paid out approximately €50 million during the period 2001-2004 to farmers in southern Italy, for buying and selling surpluses of citrus fruits under the EU's

⁴ [Standaard](#); [Standaard](#) (24.03.07)

⁵ [Il Giornale](#) (02.06.08)

⁶ [Corriere](#) (15.05.08)

⁷ [Mara Chiarelli](#) (09.09.08); [Repubblica](#) (09.09.08)

⁸ [Volkskrant](#) (03.11.08)

Common Agricultural Policy. However it was later revealed that the farmers, buyers and even the fruit did not actually exist⁹.

An EU-funded brothel

Ramón Romera, former Mayor of the Spanish town of Chirivel, used EU funds to pay for a roadside brothel, named "Seventh Heaven". Romera claimed €54,000 for a site apparently intended to be a riding school, but which was ultimately converted into a hostess bar. He said that he had filled in all the correct paperwork for the riding school, and had even bought horses for the farm. However, when the authorities rejected his license to run the riding school, he decided to rent out the site. "I had no idea that the person who I was to rent it to would use it as a hostess club for young ladies" he said¹⁰.

€8 million for 'brand new second-hand' machinery

In the Puglia region of Southern Italy, classified as a "convergence region" by the EU, three manufacturing companies obtained grants worth €8 million from the EU's structural funds, between 2000 and 2006. However, it was discovered that the funds had been used in a fraud scheme in which the companies invented invoices for non-existent machinery and sold second-hand machinery as new¹¹.

The great Dutch railway fraud

Dutch Company Corera received grants worth €600,000 from the European Social Fund. The company was meant to train unemployed people to become security personnel for railway companies. However, it was revealed that the company had consistently falsified invoices, school degrees, wage certificates and other documents in order to get the grants. The Judge presiding over the court case which followed called the company a "criminal organisation"¹².

The €6 million 'Italian Job'

EU funds intended to promote equal opportunities and psychophysical wellbeing were swindled by a syndicate of 10 companies in Italy. Over €6 million was diverted by 10 companies of 12 people, who were supposed to manage projects on behalf of the Lombardy region. Through a system of false reimbursement requests, exaggerated or undelivered services and false bank operations, funds intended to promote equal opportunities were pocketed by the fraud masterminds. In the course of the investigation, two buildings were seized in the Milan area, along with €200,000 that was in the current account of the organisation. The rest was spent¹³.

Czech mayor in €2 million fraud scandal

In the Liberec region in the Czech Republic, the Mayor forged documents and altered a building permit he needed for a project worth some €2 million, which he received from EU Structural Funds. When he was caught in the summer of 2007, he had already spent everything¹⁴.

Local politicians channel EU funding towards personal business interests

EU funds in North West Spain have been invested in a variety of private projects for mayors of the centre-right Popular Party. These include money requested by a local authority to pay for the construction of a hotel of which the mayor, José Antonio

⁹ Svenska Dagbladet (23.04.07)

¹⁰ [El Mundo](#) (29.06.00)

¹¹ [Iipaesenuovo](#) (01.04.08); [Lecceprima](#)

¹² [RTV](#) (30.10.08)

¹³ [Corriere](#) (15.02.08)

¹⁴ Czech News Agency (10.08.07)

Pérez Cortés, was a shareholder. He received €100,000 for his hotel, of which €68k came from the EU. The company had just one employee. Another company of which the mayor was a director received €34,200¹⁵.

Businessman pockets €855,000 – not one job created

Belgian businessman Robert Wagner illegally kept a €855,000 EU grant originally intended to create new jobs in his company "Charleroi Découpe". The EU subsidy was awarded according to the EU's "objective 1" guidelines for European Regional Development Fund, given to the Hainaut province. However, two months after it received the grant, the company fell on hard times and was yet to create its first job under the subsidy scheme. Wagner refused to pay back the subsidy, despite being legally obliged to. It also emerged that a couple of local politicians aided Wagner in illegally keeping the grant, as Wagner was the president of Charleroi airport and a member of the Masonic lodge¹⁶.

Bulgarian fraudsters steal €9.6 million of EU funds

Bulgarian "businessmen" Mario Nikolov and Ljudmil Stojkov, who have close ties with the Bulgarian President, siphoned off €9.6 million from the EU's Agricultural and Rural Development SAPARD program. Nikolov and Stojkov used false documents on numerous occasions to import used meat processing and packing machines, which they presented as brand new, in turn allowing them to purchase the machines with SAPARD funds. Stojkov has also been charged separately with money laundering¹⁷.

EU funds empty cancer centre and weapons store

A 2006 ECA report found that £4 million was given to a children's cancer centre in Avellino in 1992, which has yet to install a single bed. Work began on another hospital near Naples in 1965 and after decades of delay a decision was taken to finish it in 2001. Inspectors later found out that the mafia was using it as a weapons store.¹⁸

Bribes paid for the award of public tenders for buildings housing European Commission delegations

Three Italian nationals, including a civil servant working in the Commission and an MEP's assistant, were charged by Belgian authorities with forgery and using forged documents, corruption, fraud and forming a criminal organisation.

The bribes, for the award of tenders to build European Commission representation offices outside the EU and contracts for the installation of security equipment at those locations, amounted to millions of euros over ten years¹⁹.

MEPs "misuse" £100m worth of staff allowances

Senior MEPs and EU officials tried to hush up an internal audit that found severe problems and endemic misuse of funds worth at least £98.4 million a year, more than £125,000 for each of the 785 Euro-MPs.

Many MEPs were found to be diverting office payments to "service providers", which were supposed to be accountants, professionals or companies delivering

¹⁵ [El Pais](#) (18.07.08)

¹⁶ De Morgen (20.05.06); [Standaard](#) (16.10.08); [Le Vif](#) (14.10.08); [La Libre](#) (03.09.08)

¹⁷ [Novinte](#) (20.10.08); [Volkskrant](#) (01.10.08)

¹⁸ Telegraph (5.09.06)

¹⁹ [Deutsche Welle](#) (28.03.07)

administrative services. But in many cases the whole allowance was paid to a single individual or MEP's member of staff²⁰.

Durham family embezzle £650,000 of European Social and Regional Development funds

Eight people from Durham, seven from the same family, exploited £650,000 of EU funding – meant to help the disadvantaged and new businesses in the area – to buy land, houses, a vehicle, and finance building work for themselves²¹.

10 years for “Lady NHS” of Lazio: swindled EU to fund bogus training courses

Anna Giuseppina Iannuzzi was sentenced to 10 years in prison and her husband Andrea Cappelli to 7 for fraud of the Lazio health service. The inquest was launched after bribes paid by the business woman, to obtain the authorisation and accreditation for her private healthcare, were discovered. She claimed EU funds to run bogus professional training courses and false treatments²².

EU freezes aid to Bulgaria due to fraud allegations against senior government officials

In July 2008, the European Commission was forced to freeze aid payments to the EU's poorest country worth over £475m amid fears of widespread corruption and government links to organised crime. Among the EU investigators' accusations were tax and subsidy fraud - qualifying for development aid to buy new equipment and then passing off ancient equipment from the former East Germany to pocket the difference. Companies were also accused of illegally importing huge quantities of Chinese rabbit meat for export to France and Germany with fake health certificates from Argentina²³.

Rumen Petkov was forced to resign as Bulgaria's Interior Minister in April 2008 under pressure from the EU after it was revealed that a drug gang had received top-secret internal documents from officials in his ministry, while illegal alcohol producers gave money to a senior crime-fighter in return for information and the destruction of incriminating evidence. Former Commissioner for Justice, Freedom and Security Franco Frattini – the man responsible for overseeing Bulgaria's judicial reforms – went skiing with Mr Petkov in 2007 and had praised him publicly²⁴.

Up to €44m to EU bureaucrats who faked cleaning contracts.

Commission employees drafted fake contracts with a Belgian cleaning contractor to siphon off up to €44m of EU funds between 2003 and 2007. Although it is unclear exactly how much money was involved, officials familiar with the case said the bogus cleaning contracts amounted to tens of millions of euros between 2003 and 2007. Yet, a spokesman for the Commission, Maximilian Strotmann, said the Commission's annual budget for cleaning services only amounted to €500,000²⁵.

EU funds destined for the developing world embezzled by development Director

Mr Ahmed Sow resigned as Director of Brussels-based Centre for the Development of Enterprise (CDE) in 2007 – the EU-funded body that supports the private sector in Africa, the Caribbean and the Pacific – after an investigation was launched into the

²⁰ [Telegraph](#) (26.02.08); [Times](#) (21.02.08)

²¹ [BBC](#) (19.12.07)

²² [L'Espresso](#) (27.02.07)

²³ [IHT](#) (15.10.08)

²⁴ [Economist](#) (17.04.08)

²⁵ [IHT](#) (04.06.07)

embezzlement of funds. Sow arranged for the CDE to back a loan of nearly £3m to a textile company in Mali, without disclosing that he owned up to 20% of the company and was receiving payments from the firm. A British whistleblower was removed from his job as head of information technology at the CDE and placed on a short-term contract after uncovering evidence against the former Director²⁶.

EU funds for bogus lido – regional Forza Italia councillor investigated

A local councillor was under investigation for defrauding EU Structural Funds with €1m seized from a company which was to build a lido on Lake Como. The costs of the project were allegedly inflated to obtain more funds intended for the projects in the region. Many other projects were never completed and others were massively exaggerated to secure funding²⁷.

Make-believe agri-tourism scam

Approximately a million and half euros of EU funds were used to redecorate private villas, instead of being used, as intended, to finance the start up of a holiday business selling 'farm experience' holidays. Money had been earmarked to develop 12 hectares of olive groves and a restaurant, which turned out to be an abandoned forest and a family's private dining room²⁸.

Fraud at the Commission's Stockholm office

The EU Commission's office in Sweden was caught paying its employees "cash in hand", thereby seriously violating Swedish tax rules. Three of the employees were also caught falsifying invoices in order to bring down the office's overall salary expenses. Six people were charged with systematic fraud over five years. The head of the office, Linda Steneberg, was later offered an executive position at the Commission's Brussels office²⁹.

WASTE

The €1,280,000 school for TV glamour models

The EU has been giving funds for a programme to train aspiring TV showgirls in Naples, Calabria. To qualify, the girls need to show singing, dancing and reciting skills. Pietro Vittorelli, the Director of the project, said: "Up to a certain point... The essential and I would say only, entry criteria is beauty...I have to be able to see them before my eyes in a miniskirt and bra, ready to sweeten the dreams of Italians..." The 97 selected pupils were to go on to star in a specially created TV show, "Quizlotto"³⁰.

The Danish crocodile zoo

A 37 year old Dane – known locally as the Crocodile Man – received a grant from the EU's Structural Funds to build a Crocodile Zoo in the Danish town of Norre Alslev. The town is home to only 10,000 people. Recently, the zoo sought to expand, as it felt that the crocodiles were lacking adequate space. However, following an unfortunate bankruptcy of one of the main investors, the £4.2 million (£750,000 from the EU) expansion plan had to be put on ice. "It's hard to find money to preserve the

²⁶ [Sunday Times](#) (27.04.08); [Telegraph](#) (16.07.07)

²⁷ [Repubblica](#) (08.08.07)

²⁸ [Repubblica](#) (23.07.07)

²⁹ [Aftonbladet](#) (14.09.00); [Eskilstuna Kuriren](#)

³⁰ [IlGiornale](#) (08.09.08); [Corriere della sera](#) (02.0703)

crocodiles, because people hold prejudices against them. They're not exactly cute like tiger colts or panda bears", the founder of the zoo said³¹.

Taxpayers' money goes up in smoke

An EU-funded workshop of ceramic artists in southern Sweden worked for two weeks in August 2008 to create a four-metre high sculpture. Once complete, they wrapped it in ceramic fibre, allowed it to dry for one day - and then made it self-combust. One of the artists described the experience: "When it stood there, completely exposed and glowing, a sigh of admiration went through the crowd. As we then gathered around in a circle and began to throw a mix of sawdust and salt along the sides of the sculpture, so that it began to glow even more intensely, the crowd cheered: 'oh, that's so beautiful. A completely amazing experience!'" The sculpture was named 'Beneath the Blue'³².

The award-winning toilet

A public toilet in Hull has been co-financed by the European Regional Development Fund. The European Commission's website describes it as, "award-winning", and the aim of the subsidy is purportedly to promote, "regional competitiveness"³³.

Danish ski slope on flat, snow-free island

A Danish businessman received €100,000 in EU subsidies to build a ski-slope on Bornholm - an island without high hills or regular snowfall. The businessman, Ole Harild, said that "I never thought they (the EU experts) were going to back something so crazy". Mr Harild used the money to mark out a run and buy a snow blower and skis to hire out. Unfortunately, the run was only open for one day last winter³⁴.

Intertango: "Internationalisation of Finnish tango"

'Intertango' is described by the EU Commission as a project which, amongst other things, will allow for an exchange of young tango musicians and the 'internationalisation of Finnish tango.' It has received €100,000 from EU funds to foster tango talent in Finland. The Helsinki-based project is run by a member of the Buenos Aires Tango Academy³⁵.

The Estonian puppet show

The Estonian State Puppet Theatre received €105,996 from the EU "to develop the use of puppet theatre among the young people, disadvantaged groups and refugees within the community; to create new and innovative means of using puppet theatre."³⁶

€750,000 per student on "docufiction" cinematography course

A group in Italy was given EU grants to create a cinematography course, aimed at training people to carry out what is described as "docufiction". The course received grants worth €9 million. However, the course will only be taking on 12 students, meaning that the training programme costs €750,000 per student³⁷.

The musical fountain

³¹ [Danish Enterprise and Construction Authority](#); [Danish Radio](#) (02.05.07); [Berlingske](#) (29.04.07)

³² [Swedish School of Design and Crafts](#); [Pictures](#)

³³ European Commission website

³⁴ [Skynews](#) (13.10.08)

³⁵ [DG Culture](#)

³⁶ [DG Culture](#), p. 37

³⁷ [IlGiornale](#) (08.09.08)

In 2005, Oldham unveiled the 'Time Wash Public Realm Feature', more than a year late, in the town centre. The structure, funded by the EU, was part of a £600,000 project to mark the town's heritage. Water is meant to shoot up each column and produce a melodic whistle. Unfortunately, this has been a rare occurrence since the launch of the feature, due to water connection problems. After two years of relative inactivity, Lib-Dem Council leader Howard Sykes said, "Barring the odd occasion when it has blown some soapy bubbles, most people who venture into the town centre have never seen it work."³⁸

€300,000 for local administrators' New York trip

€300,000 from the EU's regional funds paid for a trip to New York for a group of local administrators from Campania, Italy to attend "Columbus day" - which celebrates Christopher Columbus' arrival in the Americas. The official objective was "development of business abroad". 73 people officially participated but around 160 people went on the trip including wives and children. The trip came under particularly heavy criticism because of the rubbish collection crisis that was plaguing the Campania region at the time of the trip³⁹.

Laser Clay Pigeon Shooting

Greenleisure.co.uk was awarded an EU grant of £8,964 for a project to set up an alternative to the traditional sport of pigeon shooting. It "will allow people of all ages to enjoy the thrill of a favourite country pursuit", only with lasers and without pigeons.⁴⁰

"Scandinavian Hip Hop Invasion"

The European initiative for 'Intercultural Dialogue' helped to fund the Swedish project, "Make it Blast". The event, which took place on 27 May 2008, gathered "the biggest names of European hip hop" for a day of seminars, debates and concerts designed to promote dialogue and exchange within urban culture in Europe. The project's forerunner was called "the Scandinavian Hip Hop Invasion" which was aimed at "bringing Scandinavian urban culture to the world"⁴¹.

Pavements of gold

In Campania, almost €10 million of EU Structural Funds were spent on tarmac for the "adaptation and resurfacing of pedestrian routes", despite a plea from Brussels not to use Community funds on pavements. Meanwhile, in Salerno, an underground parking lot is to be funded with €3.2 million from the funds⁴².

Cities of Dance

The EU paid €150,000 for a project in Austria called "Cities of Dance", which aimed to "create six unique examples of turning a town/region into a dance city"⁴³.

Magic and Music

A festival project in Italy aimed at "mixing magic and music" was handed a €128,300 EU grant. In addition to performances which fuse "ancient and modern performing art", the project sought to create "opportunities for European magicians to engage in artistic discussions and experiments"⁴⁴.

³⁸ [Manchester News](#) (22.11.07)

³⁹ [IlGiornale](#); [La Stampa](#); [Denaro](#) (10.10.06)

⁴⁰ See <http://www.objectiveone.com/client/media/media-447.htm>

⁴¹ [Interculturaldialogue2008](#) (27.05.08)

⁴² [IlGiornale](#) (08.09.08); [Corriere Del Mezzogiorno](#) (28.06.08)

⁴³ [DG Culture](#), p. 31

⁴⁴ [DG Culture](#), p. 3

The pilgrimage centre without pilgrims

A 'pilgrimage centre' was built at the Santuario de la Armada, Celanova, with €120k from the EU. A modern building was placed next to the smaller, old chapel. However, a local residents' association said that there was "no point" in the project, given that "pilgrims don't usually pass through this location"⁴⁵.

€24m to tropical paradise

€24m of EU funding was made available over a period of seven years for hotels on the French Caribbean island of Guadeloupe, to be used in renovation and improvement work, including the construction of swimming pools⁴⁶.

€45,000 a year to the Young Federalists

The Young European Federalists have recently called for an EU Olympic Team, and then said "It may be the case that team GB did better than usual in these Olympics. Perhaps they fed their athletes with Special K instead of the usual fried chips 'n egg. Mmmm, they're learning." A press release read: "This is the year that team GB finally showed the continent and the world that Britain is not only the heart disease, cancer and diabetes capital of the world, nor the couch potato Rupert Murdoch reading state that everyone makes it out to be. No! Brits really do love playing sports, and winning at them too!"⁴⁷

A retirement package for the current EU Commission worth more than £27 million

There's been much focus on the huge 'golden handshake', relocation package and pension that Peter Mandelson received when he left his post as EU Commissioner last month. The Commission's massive payout system means that even Baroness Ashton, who replaced Mandelson in Brussels, is set to receive a package worth three quarters of a million pounds from Brussels even if she only spends a year there. In addition to her £200,000 salary, she will receive £250,000 in transition payments spread over 3 years and an annual pension of approximately £8000, which is twice the annual British state pension⁴⁸.

But this is only part of the story. Some of the other EU Commissioners will get an ever bigger payoff than Mandelson. Margot Walstrom, for example, whose job it has been to sell us the Lisbon Treaty as EU Communications Commissioner, is set to receive an enormous golden handshake worth €433,000, plus a €21,000 resettlement allowance, and a pension starting at a whopping €110,000 a year (compared with Mandelson's €39,000).

The total golden handshake for this Commission as a whole will be worth more than €11m, or £8.6m. Add to that the estimated total pensions, and you're looking at pay-offs worth more than £27m. That's not to mention the generous salaries they earn while in office, the favourable tax rate, and the enormous amounts of perks that come with the job.

£3.1m spent on MEPs' foreign junkets

MEPs are spending millions of pounds of taxpayers' money on foreign trips to destinations such as Bali, St Lucia, the Seychelles, Australia and Barbados. MEPs' foreign trips have cost the taxpayer £3.1 million since 2004 - and in that time MEPs

⁴⁵ [El Pais](#) (18.07.08)

⁴⁶ [Guadeloupe government](#)

⁴⁷ [Press release; Written answer from the Commission](#)

⁴⁸ Daily Mail 1(8.10.08)

have clocked up over ten million personal air miles. We estimate the overall carbon footprint of these journeys to be around 3,500 tonnes of CO₂, equivalent to driving round the circumference of the world over 400 times.

However, some of the trips were of questionable value. One delegation of MEPs is sent to Australia every two years for over a week. Activities on the last trip included a visit to La Traviata at Sydney Opera House; a sunset cruise around Sydney harbour aboard luxury catamaran MV Olympic Spirit; a trip to Ayers Rock to "discuss the situation of the indigenous community of Australia", and a day spent visiting 3 different vineyards before returning to a five star resort hotel to relax on the beach and enjoy dinner in the hotel's award-winning restaurant.⁴⁹

EU regional development funds given to Italian national football team

More than £6 million in EU funds has been reallocated by the regional government in Calabria, one of Italy's poorest regions, from building ports to pay for promotional branding for the Italian national football team.

Included in the transfer of the funds, which were meant for economic development, was a £398,000 "testimonial payment" to a charity established by the footballer Gennaro "Rino" Gattuso. The President of the Calabrian regional government defended the sponsorship deal, arguing that it would raise a "positive image" for Calabria. The region is home to the N'drangheta, one of Italy's most powerful mafia organisations which has been accused of siphoning off EU funds in the past.⁵⁰

€68,320 study on the working conditions of professional basketball players in the European Union⁵¹

EU equipment for children ends up with Russian soldiers

Up to €5 billion of taxpayers money was misspent in assistance money to the former Soviet Union. The Technical Assistance for the Commonwealth of Independent States, TACIS, gave approximately €500 million to 12 former Eastern European and Central Asian states to promote democracy, every year since 1991.

In Russia, the main beneficiary of the programme, only 9 of 29 investigated projects achieved the objectives for which the EU paid. Fitness equipment aimed at helping children ended up being used by Russian soldiers, and in other cases EU funded technical equipment was sold off because the recipients did not know how to use it. In the case of one project, a region was even invented in order to meet the criteria for EU funds.⁵²

The €647 million shipping lift (that broke down after four years)

An EU-funded shipping lift in Strépy-Thieu in Belgium – at one point the world's highest shipping lift, until a higher one was built in China – was finalised in 2002. The lift had taken 20 years to build and had cost four times as much as planned - €647 million instead of €170 million. During the course of construction the project suffered from a series of problems, including thefts and problems with rusting building material. Once completed, it was in operation for four years - and then broke down.

The decision to build the lift was made in the seventies, when the industrial landscape in the region was very different. Today heavy industries and mining

⁴⁹ [Open Europe Press Release](#) (18.05.08)

⁵⁰ [IlGiornale](#) (08.09.08); [Corriere della sera](#) (19.09.08); [Telegraph](#) (23.09.08),

⁵¹ [Europa](#) (p2)

⁵² [Times](#) (21.04.06)

businesses have largely disappeared from Hainaut, which has radically reduced the usefulness of the lift⁵³.

Stone chair to mark summer solstice, which can be located by “anyone with GPS technology”

In County Fermanagh, Ireland, EU funds were used for the installation of a “large stone chair” on the summit of Carnrock, the highest mountain in the area, to mark the longest day of the year. The chair, one of 27 others, forms part of a “chair trail”, which can be followed by anyone lucky enough to have access to GPS (Global Positioning System) technology⁵⁴.

Luton’s ‘crazy’ paving

In 2006, Luton Borough Council received EU funding to redesign a section of its pedestrian shopping area. The project, entitled the Park Street ‘Maze’, amounted to a new paved area designed on a “beehive theme”, reflecting Luton as a “hive of industry”⁵⁵.

Organic beach barbecue at Cornish kite surfing competition

EU Objective One funding was used to ensure that everyone taking part in the British Kite Surfing Association’s Wave event could enjoy top quality food and drink from local organic suppliers, at a beach barbeque complete with an organic cocktail bar⁵⁶.

Converting sacred spaces into “oases of tranquillity”

A €9.3m regional project was established to preserve former religious sites as “oases of tranquillity for contemplation, rest and relaxation”. Part of the project, which is being led by Belgium’s city of Leuven, will involve creating an interpretive path on each site to explain the importance that abbeys have played in the history of land management⁵⁷.

St Helens council’s “Dream” sculpture

St Helens council has approved an EU funded 20 metres high sculpture entitled Dream, to be sited on top of the former Sutton Manor Colliery, located close to Junction 7 of the M62. The artwork, chosen by a group of local ex-miners in St Helens, takes the form of the head of a girl with eyes closed in a dream-like state. The progress of St.Helens’ Dream is being filmed for a Channel 4 series to be broadcast in 2009⁵⁸.

Bristol receives €476,000 of EU funds for the Adriatic Action Plan 2020

Bristol City Council received €476,000 as part of the project which aims to reconcile “development with sustainability”, which is “a major concern for regions and cities along the Adriatic coast”. Why Bristol City Council and the landlocked Niederösterreich region of Austria are involved in the Adriatic Action Plan is unclear⁵⁹.

Single Farm Payment scheme

⁵³ De Tijd (10.08.06); De Tijd (31.01.07); [Trends](#) (04.04.07)

⁵⁴ Belfast Telegraph, (27.06.07)

⁵⁵ See

http://www.gos.gov.uk/goe/docs/193516/193520/347716/EU_Projects_in_Luton.pdf (p28).

⁵⁶ <http://www.objectiveone.com/client/media/media-565.htm>

⁵⁷ See <http://www.nweurope.org/page/projet.php?p=&id=612>

⁵⁸ [Liverpool Daily Post](#), (11.09.08).

⁵⁹ See [Bristol City Council](#); <http://www.interreg3c.net/sixcms/detail.php?id=6657>.

Since the introduction of the Single Farm payment, the number of non-farmers receiving subsidies has dramatically increased. The European Court of Auditors noted in their 2006 report that among the new beneficiaries were horse riding/breeding clubs, golf/leisure clubs and city councils in the United Kingdom, Germany, Sweden and Denmark⁶⁰. Across the EU various multinationals benefit from the scheme, such as Nestle, Coca Cola and Heineken. An independent study estimates that Tate & Lyle Europe has received £37,956,391 since 2002 in Britain alone⁶¹. The Queen also receives funds from the scheme.

The exploding firework sculpture

The "B of the Bang" sculpture - designed to look like an exploding firework – was commissioned as a tribute to the 2002 Commonwealth Games and cost £4m. The sculpture has become known locally as Kerplunk because of its resemblance to the popular 1970s children's game⁶².

EU to send ballot box into space

EU officials have confirmed that talks are under way to send a ballot box into orbit ahead of the June 2009 European elections, as part of a £21m public relations contract to boost the image of Brussels⁶³.

€25m for a purification plant that doesn't work

€25 million in EU funds were allocated for a water purification plant but the water is too polluted to be cleaned. Tests on the water were obstructed until the plant had already been built, although it was well known even in the 1990s that the water was polluted and unsafe to swim in or drink⁶⁴.

Romanian witches carve out lucrative new EU business

EU expansion in 2007 saw a flood of new money into Romania and locals wishing to get a slice of the EU pie increasingly turned to witches to improve their chances. Witchcraft is a recognised profession in the EU state and witches say they adjusted their services as entrepreneurs turned to potions and spells to get the money they wanted.⁶⁵

EU funded geology parks

Ten partners from Northern Ireland, Ireland and Germany pooled their resources to promote North West Europe's geological heritage. The aim of the project was to use the region's "rich geodiversity" to bring sustainable development to the area. Three 'Geoparks' were identified as testing grounds for the project, with almost €3 million of European Regional Development Funds invested in "touch screen information points, DVD presentations on rock formation or dynamic lighting systems to enhance visitor interpretation and create web virtual links between the three locations."⁶⁶

Celtic fiddle workshop

A Welsh Celtic fiddle workshop attracted violin players from across Pembrokeshire as part of an EU funded Leader+ project to support community involvement in local heritage and culture. The Pembrokeshire Local Action Network for Enterprise and

⁶⁰ See <http://eca.europa.eu/portal/pls/portal/docs/1/479520.PDF>, pp103.

⁶¹ <http://farmsubsidy.org/schemex/unitedkingdom/all/non-farm/all/>

⁶² [BBC](#) (12.01.05).

⁶³ [Times](#) (02.11.08)

⁶⁴ [Corriere](#) (10.09.08)

⁶⁵ [Ananova Open Europe blog](#) (28.02.07)

⁶⁶ [North West Europe Interreg](#)

Development is apparently planning further fiddle workshops and also workshops on storytelling and folk dancing.⁶⁷

Resting spot for Sir Percival

European Leader+ funding was received for a two and a half year project to promote sustainable development in the middle of the Kent Downs. Local villages received funding for their own interpretations of how to attract visitors. One village, Harrietsham, installed a life size wooden sculpture of Sir Percival, a Pilgrim resting on a wooden bench on his way to Canterbury, along with a picnic table and "interpretation panel"⁶⁸.

Safeguarding "garden identities"

Somerset City Council, in partnership with local authorities in Germany and France, received €1,471,346 under an Interreg funding programme to form the European Garden Heritage Network. The aims of the network are to "improve the value of parks and gardens" and also to safeguard "garden identities" in northwest Europe.⁶⁹

EU funds bridge to nowhere

In a report from 2007, the European Court of Auditors, ECA, found that over half of EU funded projects in Romania and Bulgaria were "not operating as intended". Failed projects include a virtually unused asylum-seekers' centre costing £1 million, a £2 million bridge which cannot be used because there is no access road at one end, and £200,000 border-control police boats rendered useless by cold weather.⁷⁰

Volcano railway

In Italy, a £20 million EU-funded reconstruction of Thomas Cook's 19th-century unicular railway is currently taking place, for the purpose of transporting tourists to the top of Vesuvius in Italy. The only problem is that there is a "one-in-two" chance of the volcano erupting in the next few years. Alessandro Crocetta, a spokesman for the regional transport authority, simply said: "Well, if it erupts, it erupts."⁷¹

Untraceable railway money

An €800 million EU-funded investment to modernise the rail network in Southern Italy resulted in 50% of the network being electrified after all projects had been completed, compared to "just under half" before the funding began. Despite the grants, 75 percent of railways in southern Italy have remained single track lines. It is unclear exactly where the money has ended up, but syndicated crime – with the mafia for example controlling 12 percent of the construction business – is the prime suspect.⁷²

Mountain loan

In Wales, 200 local people living in Tregarth, Rhiwlas and Mynydd were granted several thousands from European Structural Funds to pay off a loan they had obtained to buy a mountain. The mountain was meant to be used as a centre to develop recycling, organic farming and woodland management. The centre was also meant to provide training for stonewallers.⁷³

The sustainable burger van

⁶⁷ [PLANED](#) (November 2006)

⁶⁸ [Kent Downs](#)

⁶⁹ [South West UK](#) (01.09.03); [North West Europe](#)

⁷⁰ Express (31.08.07)

⁷¹ Daily Telegraph (16.05.07)

⁷² Spiegel Online (22.03.07)

⁷³ Guardian (11.06.03)

In the South East of the UK a European Structural Fund grant was given to a “café van”, whose owner is meant to tour the country for the purpose of teaching builders about sustainable development.⁷⁴

Airlines claiming agricultural subsidies

Airlines and cruise ships are able to receive agricultural subsidies from the EU's common agricultural policy, under a tenuous application of certain rules. Airlines receive money towards meals on board flights, which qualify under rules on export subsidies. Since 2000, Lufthansa alone has received 2.5m euros in such subsidies.⁷⁵

Funding for ageing actresses

A grant of £108,000 was given to the International Federation of Actors, to investigate why older women only get "stereotypical" roles. The funding has paid for a survey to be executed among film and TV producers as well as actresses in all EU-member states.⁷⁶

Golfers pace themselves with EU money

EU Grants were given to fund golf seminars in Dublin, Ballinrobe and Limerick, entitled “Pace of Play and how to manage it”. The idea behind the seminars was to illustrate to players “the secrets” of how to change the mentality of club members in accepting and developing a system for a “pace of play” strategy at their club.⁷⁷

Inflating expenses to meet EU requirements

In Holtland, north-western Germany, a €150,000 bike shed was built, after the project was inflated to meet the threshold for EU's Village Renewal Programme (under the ERDF). In other words, the villagers had to find ways to make the bike shed as expensive as possible. The result is an over-sized brick building with a tiled roof, standing at the entrance of the town. “We really wanted to build just a simple shelter with a few bike racks”, said Uwe Themann, head of Holtland's town council.⁷⁸

EU barbeque pavilion

In the village of Betheln in Lower Saxony, Germany, a mayor promised to build a barbeque pavilion and raised the €18,000 needed to complete the building, but soon realised that the EU was more than happy to fund the project – if it only was made expensive enough. Arguing that the project would promote rural tourism, the mayor had to bring spending in line with EU criteria and eventually received grants worth €120,000. The pavilion was completed and looks great – but the tourists have reportedly been absent.⁷⁹

Renaissance experience called on state bailout

Hamelin in Northern Germany launched a project called “The Renaissance Experience World” – turning a small museum into “five historical scenes along the Weser River”. The project was inflated, and the planners opted for the most expensive technology available. But things did not work out according to the plans. The cost of the project kept on ballooning, and in addition to the Structural Funds, the government and the region of Lower Saxony had to pour in vast sums of money into the project in order for it to avoid bankruptcy. Instead of the expected 185,000

⁷⁴ Building (27.10.06)

⁷⁵ www.farmsubsidy.org; *Report Munchen*, (25.02.08)

⁷⁶ PA (6.12.07)

⁷⁷ The Sligo Weekender (20.11.07)

⁷⁸ Western Mail (20.12.05)

⁷⁹ Western Mail (20.12.05)

visitors, the “museum” has attracted only 20,000. Meanwhile, the cost of the project went from €2 million to €18 million.⁸⁰

Struggling piping school

The Coigach peninsula in the northwest Highlands is a town of some 240 people. The town was given money from the ESF to build a £125,000 piping school, despite the fact that there were already two well-established similar facilities in Glasgow. The second year saw 79 students showing up, and also a visit from a delegation of the ERDF, which led to a largely positive report on the project. However, by 2004 the number of students had dropped to 33. 2005’s turnover was just £3,300, way under the projected turnover, and the project continues to struggle and has had no visible impact on the community.⁸¹

Redundant broadband scheme

An ERDF-project was intended to supply five communities at first and later 50 more areas with broad-band technology in a £2.6 million scheme. However, BT announced just two months later that virtually every house would soon receive broadband for the usual subscription fees. Despite this making the whole project completely redundant, a £800,000 grant was paid out in a first instalment.⁸²

Tropical Island for Berlin

The “Tropical Islands” indoor water park in Brand, close to Berlin, has been referred to by *Der Spiegel* as “one of the most bizarre monuments of [the EU’s] subsidies programs”. The building is 1,181 feet long, 689 feet wide and 351 feet tall and is home to all kinds of water attractions. The scheme has in total absorbed some €59 million – several millions have been drawn from EU funding - including the cost of converting and maintaining the giant building. But, as German Green MEP Elisabeth Schroedter says, the entire project was “economically and environmentally questionable” from the start, with just the cost of heating up the building being astronomic. The Tropical Islands has managed to attract less than a million visitors – the projected number was 2.5 million – and it remains unprofitable and dependent on grants to survive. Originally, the building was meant to be used as a factory for cargo blimps.⁸³

Feel-good clowns

In Tampere, Finland, the “Creative Tampere” programme, aimed at boosting business under the ERDF, with a budget of some €12 million worth of EU funds, has given grants to “city clowns”, whose purpose is to contribute to the well-being of the town, by simply walking around entertaining the public.⁸⁴

South Yorkshire’s ‘Tuscan hill village’

As part of the “Remaking Barnsley” plan, European funding has been used to come up with architectural plans which may see Barnsley modeled on a Tuscan hill village⁸⁵.

Integrating Swedish and Danish music

In the Öresund region in Sweden/Denmark, €150,000 has been spent on a project called “music in our time”, aimed at integrating Swedish and Danish composers. A

⁸⁰ Spiegel Online (22.03.07)

⁸¹ [Times](#) (08.01.06)

⁸² Times (8.01.06)

⁸³ Spiegel Online (22.03.07)

⁸⁴ Helsingin Sanomat (23.05.07)

⁸⁵ [Guardian](#) (26.08.03) Daily Mail (27.12.07)

similar grant was given to garden societies on both sides of the strait, for the purpose of encouraging interaction in the fields of gardening and flora.⁸⁶

Cultural projects including a “Democracy Museum” and a local “story telling society” in Northern Sweden received £300,000 under the ERDF and ESF.⁸⁷

“Road to Nowhere”

Another project involving several millions of euros is the infamous Polish “road to nowhere”. A route was planned to link Wroclaw in the south west to Bialystok in the north east. However, inadequate planning meant that the two halves ended up about five miles apart when construction ended⁸⁸.

Misleading names

A project in Romania entitled "Modernisation and Development of Tourist Infrastructure in Piatra Neamt", was given €2.3 million. The ECA noted that the project title was “misleading”. The money had gone to a bridge and a 3 km street regularly used by local traffic. The area originally intended for the project contained an eyesore and an empty Olympic-size swimming pool.⁸⁹

Footballers in need of social dialogue

The International Federation of Professional Footballers received €224,000 in 2007 for the “Establishment of social dialogue in the European football industry”⁹⁰.

Wasteful EU Committees

Nothing sums up the wastefulness of the EU’s institutions as well as the Committee of the Regions (CoR). A hotbed of pointless meetings and unnecessary studies, this body costs some €140 million a year.

In addition, the committee has repeatedly been charged with fraud and corruption. Dutch MEP and former assistant auditor of the Financial Control Directorate, Paul van Buitenen - the whistleblower who brought down the EU Commission in 1999 - said of the CoR that, *“OLAF...has confirmed through investigation that corruption has taken place there over a number of years. The Committee works with local and municipal bodies in the member states and encourages them to engage with Brussels. However, no important decisions are made on the recommendation of the committee so one could basically abolish the organisation completely.”*⁹¹

In addition to the Committee of the Regions, the EU maintains several other committees at great expense. Some €70 million is spent under the label “Working in Europe: Social dialogue and mobility”, and another €120 million on “Employment, social solidarity and gender equality”. The EU’s Economic and Social Committee costs €120 million a year and is involved in Structural Funds, yet it is far from clear what all these committees and groups actually achieve.⁹²

‘Soccerlingua’: Language learning through football

⁸⁶ See, <http://www.interreg-oresund.dk/neobuilder.2005062209434860000027512.html>

⁸⁷ See, <http://www.bd.lst.se/publishedObjects/10001244/021127.pdf>

⁸⁸ Daily Mail (6.01.07)

⁸⁹ See, <http://www.bd.lst.se/publishedObjects/10001244/021127.pdf>

⁹⁰ *Europa* (2007)

⁹¹ Deutsche Welle (02.04.07)

⁹² [Official Journal of the European Union](#), Volume 50, 16 March 2007

The “Soccerlingua Reloaded” campaign received over €263,000 to promote language learning to young people through the theme of football. The targeted beneficiaries are 13-16 year old football fans who will hopefully be stimulated to learn languages through football. A similar project entitled, “Swimming the Language” aims to promote similar language skills through the sport, with a €200,000 grant.⁹³

Tagging jellyfish

Researchers from Ireland and Wales recently launched a project to study the impact of jellyfish on local economies and tourism. The four-year Ecojel study is the first to be approved under the EU’s Ireland/Wales Programme 2007-2013 and is set to receive £575,000 from ERDF funds. The project will tag jellyfish to study the population and also run a campaign to raise awareness of jellyfish. However, the tags can only be recovered once the jellyfish die and their bodies wash up onto shore and the researchers will then need to find these tags once they have washed ashore⁹⁴.

Resources gone to waste

A public prosecutor’s office in Bulgaria was granted a €1.8 million computer system, but 37 work stations were subsequently found in a store room. A newly-built asylum centre in Romania also had an occupancy rate of just 7.6 percent.⁹⁵

Winter festival with head massages

A £1.5 million community centre in Newcastle was given ERDF grants to host a “winter festival”. Activities included Indian head massages, garland-making and artist workshops, face-painting, a magician and a climbing wall.⁹⁶

Grants for sand

Two glass artists were given ERDF grants to create sculptures by taking casts from the sand on the beaches at North Berwick and Whitley Bay, and craft wall mounted panels.⁹⁷

No jobs in Experience TV

The National Museum of Photography, Film and Television received over £600,000 from ERDF to help fund its Experience TV project. The money was spent redeveloping a floor of the museum in Bradford in order to celebrate television with an interactive gallery experience. However, the project is listed as achieving 0% of its objectives, including 0 new jobs created⁹⁸.

“Spinning Coaster”

The EU Structural Funds partly funded a 8,625,000 Danish kronor (€1,158,443) water slope in Nordjylland, Denmark, titled “Spinning Coaster”⁹⁹.

Sugar Compensation

The British Sugar factory in York was forced to close down in 2007 following a reduction in the UK’s sugar quota following EU sugar reforms. However, the factory reopened for just two days in December 2007, in order to try and secure

⁹³ [FACEA](#) (2006)

⁹⁴ [J4BCommunity](#) (15.08.08)

⁹⁵ See, <http://www.bd.lst.se/publishedObjects/10001244/021127.pdf>

⁹⁶ Evening Chronicle (07.12.07)

⁹⁷ The Journal (14.12.07)

⁹⁸ [Government Office for Yorkshire and the Humber](#) September 2007 Compendium Project: NMPF/1C/OB2 (22/06/05)

⁹⁹ [Danish Enterprise and Construction Agency](#)

compensation from the European Union by proving that it was still a fully functioning factory. Its ploy was successful and British Sugar's parent company, Associated British Foods, announced this year that they would receive €93m in compensation, payable in two installments¹⁰⁰.

¹⁰⁰ [Yorkshire Post](#) (04.12.07); [Confectionery News](#) (07.03.08)