



The activity of the “Guardia di Finanza” in the fight against fraud affecting the financial interests of the EU: mapping case studies (best/worst practices of European funds management) in micro-territorial systems

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Case study EPPO

Tactical analysis of the province of Venice

subsidized or non-repayable grants

multi-year tax credits

financing of public works contract

Recovery And Resilience Plan

#NEXTGENERATIONITALIA



Guardia di Finanza



MONITORING NGEU – FUNDING NRRP

IMPLEMENTATION OF THE MEASURE – 2021 COMPLETED



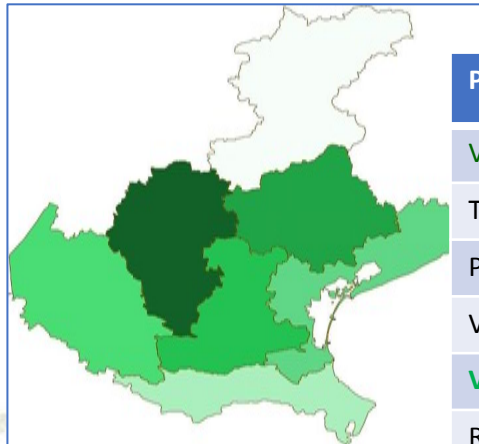
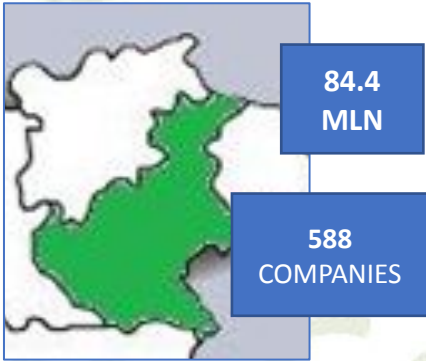
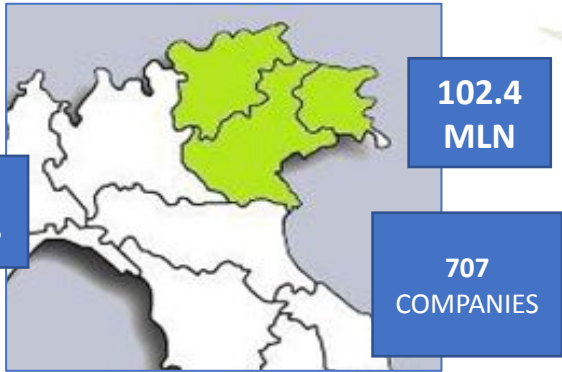
NRRP (NATIONAL RECOVERY AND RESILIENCE PLAN) INTERNATIONALIZATION OF SMALL AND MEDIUM ENTERPRISES – MEASURE 1 – COMPONENT 2 – INVESTMENT 5 YEAR 2021 AND 2022 – TOTAL RESOURCES 1,2 BILLION

Circular 1:
 Digital and ecological transition of SMEs with international vocation

Circular 2:
 Development of e-commerce in Foreign Countries

Circular 3:
 Participation of SMEs in International trade fairs and exhibitions, including in Italy, and system missions

YEAR 2021



PROV	MLN €	COMPANIES
VI	26	180
TV	18	123
PD	15	108
VR	11	80
VE	9	74
RO	2	15
BL	1	8

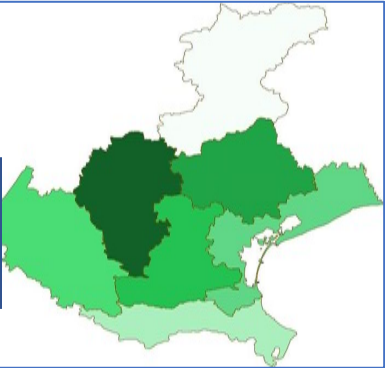
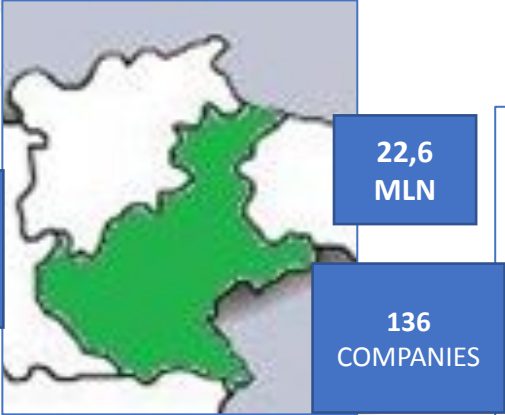
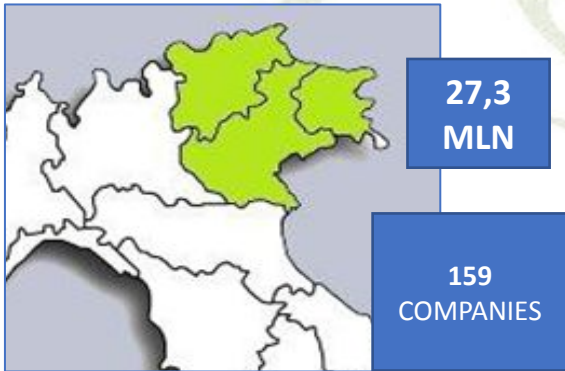
Source: www.italiadomani.gov.it – Catalogo open Data



MONITORAGGIO NGEU – FINANZIAMENTI NRRP

NRRP (NATIONAL RECOVERY AND RESILIENCE PLAN) INTERNATIONALIZATION OF SMALL AND MEDIUM ENTERPRISES – MEASURE 1 – COMPONENT 2 – INVESTMENT 5 YEAR 2021 AND 2022 – TOTAL RESOURCES 1,2 BILLION

YEAR 2022



YEAR	MLN €	COMPANIES
2021	84,4	588
2022	22,6	136
	107,00	724

PROV	MLN €	COMPANIES
VI	5,3	34
TV	5,4	32
PD	4,6	29
VR	3,9	22
VE	2,5	16
RO	0,6	2
BL	0,3	1

Source: OpenCUP – Elaborazione dati su Ricerca Avanzata



RISK ANALYSIS FOR THE SELECTION OF SUBJECTS TO BE CONTROLLED

COMPANIES

724

ENTRY OF VAT NUMBER AND/OR TAX NUMBER
IN “**DORSALE INFORMATICA**»

SDI – EXISTING
CRIMINAL RECORDS ON
SHAREHOLDERS AND
ADMINISTRATORS

R.E.T.I. – TO CATCH
CONVERGENCE OF
DIRECTORS AND
REGISTERED OFFICES

**ARES - STAT/1 -
PIGRECOWEB** –
POLICE RECORD OF
GUARDIA DI FINANZA

AMICO PLUS – THE
PRESENCE OF THE
TARGET COMPANIES IN
OTHER RISK ANALYSIS

SIVA2 –
SUSPICIOUS
TRANSACTION
REPORTS



FROM MONITORING TO THE START OF THE INVESTIGATIONS

The outcome of the **tactical analysis** of the province of Venice revealed the following issues:

1. Inconsistent corporate balance sheet items (production value, production costs) compared to the turnover (sometimes absent) of the beneficiary economic entities.
2. Establishment of the company or submission of annual accounts close to the application for access to the grants.
3. Absence of tax declarations in the years to which the corporate balance sheet refer.
4. Absence of active and passive invoices, highlighting the inactivity of the beneficiary economic entities, in spite of what is stated in the annual financial statements.
5. Numerous changes in the business purpose and registered office address of the beneficiary companies.
6. High turnover of shareholders and administrators.
7. Shareholders and administrators burdened with numerous criminal records for economic and financial crimes.



Guardia di Finanza NUCLEO DI POLIZIA ECONOMICO-FINANZIARIA DI VENEZIA



ORIGIN OF THE INVESTIGATION

Investigations directed by **the European Public Prosecutor's Office** with the cooperation of **Delegated European Prosecutors in other Member States** (Austria, Belgium, Bulgaria, France, Germany, Latvia, Lithuania, Romania, Slovakia and Spain)

Judicial coordination of ongoing investigative cases with others **Delegated European Prosecutors** (Rome, Milan, Bologna, Naples) and **National Prosecutors' Offices**

Investigative activities in co-delegation with the **Special Public Expenditure and Community Fraud Repression Unit of the Guardia di Finanza** in Rome.



EUROPEAN
PUBLIC
PROSECUTOR'S
OFFICE

INVESTIGATIVE TOOLS



BANKING INQUIRIES
including foreign ones (art. 31
EPPO Reg.)



SUSPICIOUS TRANSACTION REPORTS and foreign FIUs



JUDICIAL (art. 31) AND POLICE (EUROPOL) COOPERATIONS

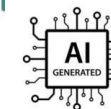


ACQUISITION OF DOCUMENTS AND INFORMATION
(SIMEST, INFOCAMERE, ISP, SOGEI, GOOGLE, VPN providers)



TECHNICAL INVESTIGATIONS
Wiretapping
Geolocation of targets
Analysis of IP addresses

OSINT



RESEARCH AND INFORMATION GATHERING
Through the use of Generative AI models (analysis of financial statements, data collection on foreign events and locations)

FRAUDULENT SYSTEM

The fraudulent system is based on the following aspects:



Submission of false financial statements for all the companies involved in order to circumvent the Automated control of the portal dedicated to the submission of grant application.



Use of several figureheads, often homeless or jobless, or drug addict



Indication of fictitious company addresses.



Use of bank accounts effectively managed by the promoters of the criminal syndicate.



Extension of the organization's criminal activities also in the tax credit sector, using the same companies and the same figureheads



Immediate transfer of funds, such as the first tranche (50% of the grant), to foreign bank accounts

MONEY LAUNDERING AND SELF-LAUNDERING

development of
over 70 Suspicious
Transaction
Reports

development of 4
Reports from
foreign FIUs;

identification of assets subject to
money laundering/self-laundering



High-value properties



luxury cars



Gold bars



Luxury jewelry and watches



Continue attendance of casinos



crypto-asset



OTHER METHODS OF COMMITTING THE OFFENCES

For aspects related to falsification and fraud activities:

- **Use of artificial intelligence software to forge identity documents and signatures on applications for non-existent tax credits: high production speed and a high degree of "humanisation" of the signature forgery.**
- **Use of Virtual Private Networks (VPNs), cloud systems and email services for sharing and storing falsified documents to hinder potential law enforcement and judicial action.**
- **Use of instant messaging chats with a high level of privacy protection (Threema, Signal, etc.).**

For aspects related to new methods of monetizing non-existent tax credits.

- **Use of SPV (Special Purpose Vehicle) for placement of non-existent tax credits.**



RESULTS OF THE
INVESTIGATION

Report to the **European Prosecutors' Office**:

- **9 individuals** for the offense of **criminal association** (Article 416 of the Italian Criminal Code) for the purpose of **obtaining grants from the NRRP funds** (Article 640-bis of the Italian Criminal Code), **forgery committed by a private person in a public act** (Article 483 of the Italian Criminal Code), **false corporate communications** (Article 2621 of the Italian Civil Code), as well as **undue receipt of national public funds (Article 316-ter of the Italian Criminal Code)**.
- **70 individuals** for **obtaining subsidies from the NRRP funds** (Articles 110 and 640-bis of the Italian Criminal Code), **forgery committed by a private person in a public act** (Article 483 of the Italian Criminal Code), **false corporate communications** (Article 2621 of the Italian Civil Code).
- **54 legal entities** for **administrative responsibility of companies** (Articles 24 and 25-ter, paragraph 1, letter a), of Legislative Decree n. 231/2001).

MEASURES:

- Enforcement of the freezing of **€ 338,463,545** in tax credits held in the tax drawers of companies involved in the large-scale fraud scheme;
- Illicit proceeds subject to money laundering estimated at **€ 10,500,000**;
- Request submitted to the European Prosecutor's Office for:
 - seizure and confiscation of **€ 736,862,232** in tax credits;
 - restrictive personal measures for **23 investigated individuals**;
 - seizure and confiscation of **€10,500,000**, related to money laundering, including **property, 8 luxury cars, luxury jewelry and watches, gold bars and crypto-assets**.



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NUCLEO DI POLIZIA ECONOMICO-FINANZIARIA DI VENEZIA



***Thank you for your
attention***

Guardia di Finanza