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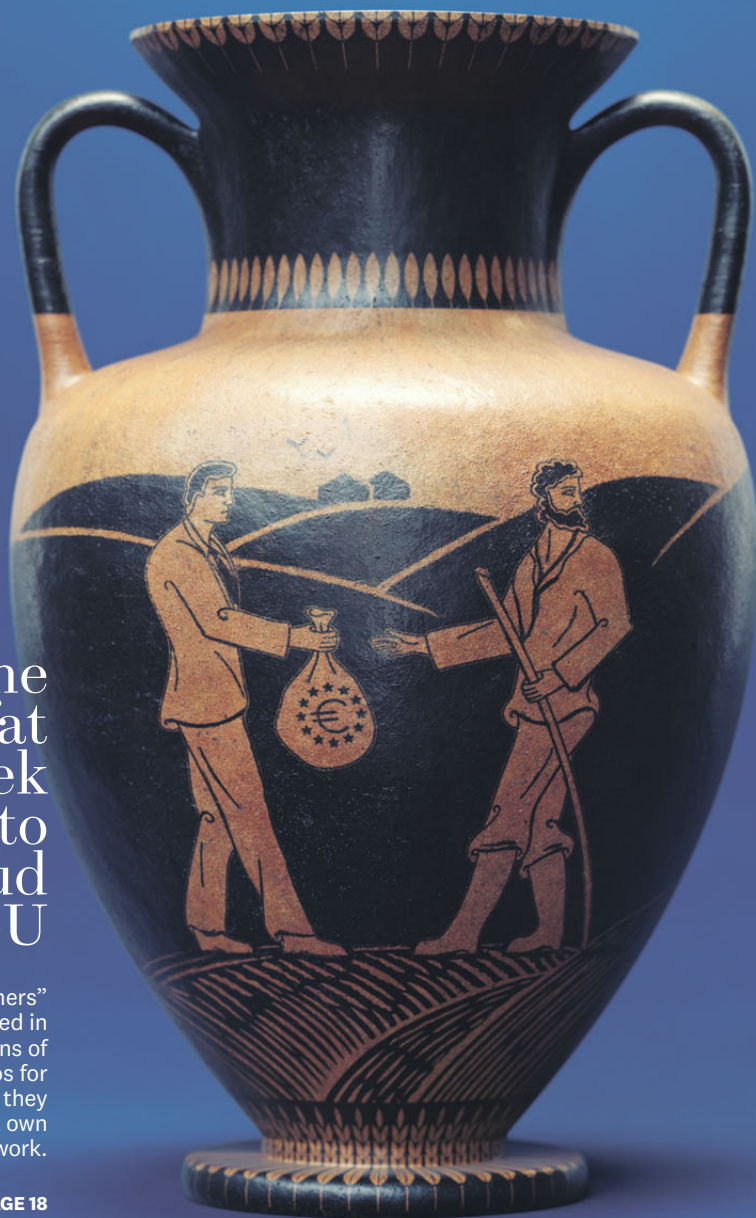
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The
big fat
Greek
plot to
defraud
the EU

"Farmers" raked in millions of euros for land they didn't own or work.

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THE SCHEME TO DEFRAUD THE EUROPEAN UNION HAD ALL THE MARKINGS OF AN INSIDE JOB.

The European Public Prosecutor's Office is pursuing dozens of cases, in which Greek citizens received EU agricultural funds from 2017 for pastureland they did not own or had not leased, or for agricultural work they never did, depriving farmers of money to which they were entitled.

Under investigation is how the scheme was set up, as well the possible involvement of state authorities, in particular people working at the organization responsible for overseeing the distribution of the money, a state agency called OPEKEPE (the Organization for Payments and Control of Community Aid Guidance and Guarantees).

While fraudulent applicants have already been brought to court, nobody at the organization has been charged. On the contrary, each time authorities at the agency tried to take action to dismantle the scam, they were forced out by the agriculture minister of the day.

The misappropriated funds could amount to €45 million a year, in one of the biggest farming frauds of recent years. The scheme has come to light before the EU begins discussions this year to set a new midterm budget from 2028 to 2034. The Greek scandal is sure to give fresh ammunition to critics of the Common Agricultural Policy, known as CAP, which accounts for a third of the EU's €1.3 trillion, seven-year budget.

Since its inception more than 60 years ago, CAP funding has been mostly tied to land area. Such entitlements are wide open to abuse, as the Greek scheme shows, and European Commission President Ursula von der Leyen is pushing for the money to be better spent. Yet the bloc's top farm official, Christophe Hansen, wants to keep the link between land and money – while EU countries oppose fundamental reform.

One of the first to notice the irregularities was the head of OPEKEPE's Internal Audit Department, Paraskevi Tycheropoulou. Her superiors responded by sidelining her – shutting her out of the organization's databases and locking her out of her office.

She has since been invited by EPPO to assist its inquiries and advise on technical and legal issues.

"Tycheropoulou's methodology led to the uncovering of an extensive ring which, through false declarations of ownership, illegally received EU aid through the national reserve," her lawyer, Antonis Vagianos, told POLITICO.

"There has been a concerted effort to discredit her ... with the initiation of disciplinary proceedings against her and her illegal and vindictive removal from the position of head of the Internal Audit Department 'on grounds of incompetence,'" he added.

OPEKEPE has changed presidents six times in the last five years. Those who tried to clean up the mess were quickly removed.

European prosecutors, whose remit is to track misuse of EU funds, have been investigating the Greek pastureland scheme since 2021 and are looking into some 70 cases, according to several officials. One has already been heard in a Greek court, with the defendants being convicted



and sentenced to prison terms. Two more will go to trial on Feb. 19.

ANATOMY OF A SCAM

EU funds to support farmers and livestock breeders in Greece are administered by OPEKEPE. Since 2005, the organization has been the country's sole authority overseeing the disbursement of subsidies under the CAP.

The agency, supervised by the agriculture ministry, pays out €3 billion annually to 900,000 beneficiaries, including farmers, agricultural cooperatives and export businesses.

The scheme began after changes to EU legislation in 2017 opened up more land for grazing in the Mediterranean region. The broader definition, which Greece had lobbied for, included not only grassland but also scrubland and wooded pasture.

As a result, the eligible area in Greece almost doubled – and with it the opportunity to commit fraud.

Officials from OPEKEPE and the technical companies working with them were the first to gain access to the new land records. Soon after, applications started coming in from individuals purporting to be owners or tenants of grazing lands, but who lived in completely different parts of the country from the parcels for which they were putting in claims, according to several officials who have worked in the organization and submitted complaints, and internal audit documents seen by POLITICO.

Claimants would declare land ownership without supporting documents, such as purchase and sale contracts; instead entering a number on an application form. Under an OPEKEPE directive, its auditors weren't required to check contracts or property titles, or to compare dec-

Top: Farmland near Kastoria, Greece.

Bottom: Fields on the island of Crete where most of the fake filings were made from.

GOOGLE EARTH AND BELGA IMAGE

The big fat Greek plot to defraud the EU

"Farmers" raked in millions of euros for land they didn't own or work.

BY NEKTARIA STAMOULI
IN ATHENS

larations against prior years.

Some tracts were declared as the property of one beneficiary in one year, and then of another the next year. The same piece of land is never claimed twice, indicating that someone with overall access to the records was orchestrating the scheme, according to several officials involved in the investigation who spoke to POLITICO.

"This scheme could not have been set up without having someone in the organization telling you which pieces of land are available throughout the country and orchestrating that there will be no 'double booking' in the alleged owners of the land," a former OPEKEPE official told POLITICO.

'EVIDENCE OF COMPLICITY'

Current and former officials describe a scheme that worked on three levels: OPEKEPE gave access to information on available grazing land to its technical advisers; officials in the scam turned a blind eye to dodgy applications or issued circulars that helped perpetrators evade investigation; while managers at the agency who tried to tackle the scheme were forced out.

"This would not be possible without the coordination of someone who has access to the map with the available areas and what has already been declared," said one agriculture ministry official.

Most of the fake filings were made from Crete, which received two-thirds of Greece's total EU agricultural subsidies in 2020, according to OPEKEPE figures. In contracts and legal documents seen by POLITICO, individuals from the southern Greek island claim to own land elsewhere – from northern Greece to the Peloponnese

and islands.

"There are so many farmers from Crete declaring land all over Greece, none of the applications happen to fall in the same area, and no one declares the same piece of land," added the agriculture ministry official.

Applicants received funds for land outside Greece in 34 cases, including one who claimed for a plot in neighboring North Macedonia, which isn't even in the EU, Greek investigative website Inside Story revealed.

"We identified them in 2021 and asked them to pay back the money," said one former OPEKEPE official, granted anonymity due to the sensitivity of the matter. "But the problem in the region was much wider."

In 2019, two individuals from Rethymno, Crete, applied for subsidies for leased land on the island of Tzia for use as pasture. Their application included rental contracts which identified two other residents of Rethymno as the owners. They received some €73,000 in EU funds.

The following year two other Rethymno producers leased the same land on Tzia and, in contracts submitted to OPEKEPE, the land appeared to have new owners.

"The purported alternating owners of the same pieces of land in Tzia in the Cyclades changed the land like shirts," said a report submitted to prosecutors in Rethymno by the then-president of OPEKEPE, Grigorios Varras. "There is serious evidence of complicity."

A Greek court sentenced the Rethymno scammers in October to prison terms of 12 to 24 months – the first major convictions in the fake grazing scheme. The case was supported by facts and figures submitted by EPPO and a European prosecutor participated in the court hearing.

In another case, which goes to trial on Feb. 19, a man from Crete claimed to be the owner of grazing land in Grammos, in northwestern Greece. The individual, a former subcontractor with the agriculture ministry, is accused along with family members of receiving thousands of euros after claiming to be renting 450 acres in the mountainous terrain near the Albanian border.

The individual returned the "unduly" paid subsidy, hoping to escape punishment. However, he and five other family members face felony charges.

Lawyers for the suspects declined to comment on their behalf.

YOU'RE FIRED

OPEKEPE leaders who tried to stamp out the scheme were pushed aside by successive agriculture ministers.

The first agency head to be removed was Grigorios Varras, on whose watch the discrepancies came to light in 2020.

As part of spot checks that year, Tycheropoulou, the auditor later ousted from her post and demoted, compared declarations for the same pieces of land in different years.

"This control methodology led to the uncovering of an extensive scheme which, through false declarations of ownership, illegally received EU aid," said Vagianos, her lawyer.

Varras decided in 2020 to block 3,500 VAT numbers tied to suspect applications in order to check them properly. Three cases were sent to Greek prosecutors. EPPO later became active in this investigation.

Then, in November 2020, then-

Agriculture Minister Makis Voridis demanded the resignation of Varras, and the probe was frozen. Three OPEKEPE officials said Varras was forced out over the investigation, as Greek media also reported at the time.

Voridis denies this. "I never told Varras anything about the probe, nor could I have as I did not have the authority to do so," he told POLITICO. "This is exercised exclusively by the president of the OPEKEPE."

Voridis has since been promoted to become a state minister to Prime Minister Kyriakos Mitsotakis.

"I have nothing to hide," Mitsotakis told the Greek parliament on Jan. 24, saying he could not comment in detail as investigations were ongoing.

"We are making a major effort to transform an organization which, to call a spade a spade, unfortunately never acquired the technological capacity to handle the data and make payments without relying on third-party providers."

In 2021, despite the effectiveness of Tycheropoulou's methodology, OPEKEPE instructed its auditors to limit their checks to only one year and said there was no need to check property titles.

"These directives created the impression ... that there were officials within the agency who were prepared to provide an umbrella of protection and cover for schemes to misappropriate EU funds," Tycheropoulou's lawyer said.

In 2023, another OPEKEPE president, Evangelos Simandrakos, blocked 6,000 VAT numbers suspected of inaccurate filings. Simandrakos was soon attacked by then-Agriculture Minister Lefteris Avgenakis, who represents a constituency in Crete.

Avgenakis demanded his resignation, alleging problems with OPEKEPE payments. Simandrakos at first refused, claiming the pressure was due to the ongoing investigation. Eventually he tendered his resignation, and was replaced by his deputy Kyriakos Babasidis.

Avgenakis did not respond to a request for comment.

CORRECTIVE MEASURES

As more evidence of the scam emerges, Greece has come under pressure from Brussels to clean it up. Yet obstruction by the agriculture ministry continues.

In March 2024, the European Commission fined Greece €283 million for mismanagement at OPEKEPE regarding EU aid payments made in 2020, 2021 and 2022.

The Commission then put OPEKEPE on probation for 12 months, citing a litany of shortcomings and delays in distributing funds. "The lack of adequate, effective and immediate corrective measures may lead to the withdrawal of OPEKEPE's accreditation," the Commission wrote in a highly critical letter to the Greek authorities.

On Sept. 11, Greece's current agriculture minister, Konstantinos Tsiasaras, put OPEKEPE under his ministry's supervision and agreed to an action plan with the Commission's department for agriculture to clean up the agency.

The latest chapter of the drama unfolded after the Oct. 4 conviction of the Cretans involved in the Tzia claims. On Oct. 14, OPEKEPE chief Babasidis abruptly removed Tycheropoulou, the head auditor who had first revealed the scheme, "on

grounds of incompetence."

Tycheropoulou, an OPEKEPE veteran of 22 years, was denied access to her files and the door to her office was sealed. She has taken legal action to win reinstatement and annul the decisions taken against her. The agency has countersued.

Several Greek and EU officials confirmed to POLITICO that EPPO has since requested that Tycheropoulou be seconded to its Athens office in an expert capacity.

"Considering Ms Tycheropoulou's outstanding expertise, the objective of this secondment is to support EPPO investigations in fraud affecting in particular ERDF and EAFRD funded subsidies," an EPPO official said, using the acronyms for the EU's regional and agricultural development funds.

Asked to comment on Tycheropoulou's removal, Babasidis said he was not allowed to discuss individual staff matters.

Tsiasaras, the agriculture minister, has still not signed off on the transfer, even though it has been approved by the justice ministry.

Tsiasaras met with EPPO officials in late November and, while details of the meeting were not disclosed, he afterward demanded the resignation of OPEKEPE chief Babasidis. EPPO confirmed the meeting with Tsiasaras, without disclosing what was discussed.

"My mandate to the new administration is to proceed with the implementation of the action plan as quickly as possible. This goal is our big bet," Tsiasaras told POLITICO. He declined to comment on the status of Tycheropoulou's transfer.

Asked for comment, Babasidis said ministers had the discretion to appoint staff at agencies under their supervision, and to request their dismissal. He added that his administration was "marked by fair, transparent and timely payment procedures," and that payments of €2.8 billion in 2024 had been made after thorough internal audits. He also said he had taken action to repay outstanding debts and set up a public platform to handle fraud complaints.

An official from the agriculture ministry said: "The malfunctions and problems at OPEKEPE are not new; they do not touch the current political leadership of the ministry -- not even the current government. The problems go back further and the more one leaves them, the bigger they become."

"It is most likely that more cases will be brought before the courts. The clear instruction of minister Tsiasaras is to carry out a full, thorough and in-depth investigation of every complaint," the official also said, adding that it would not be appropriate to comment on cases before the courts.

Tsiasaras appointed Nikolaos Salatas, a former judge, at the end of January as the new president of OPEKEPE -- making him the sixth head of the agency in five years.

"What does a retired judge have to do with agricultural issues?" Nikos Androulakis, leader of the opposition Pasok party, said in parliament last week. "Or are you using a retired judge because the criterion for his selection is related to tidying up the bits [of evidence] that the European authorities are already investigating?"

Greek prosecutors declined to comment for this story.



Location of claimants is approximate to preserve privacy.
Source: POLITICO research, court documents, OPEKEPE
Giovanna Coi/POLITICO

FARM SCAM CASES

Below is an overview of some instances of EU subsidy fraud in Greece that were adjudicated or will be heard in court this year.

Case 1: The first conviction

This is a part of the first case of the pastureland scam that was heard in a Greek court and where perpetrators were convicted. Six beneficiaries were involved, one of whom was based in Crete and received €20,000 worth of EU funds.

Case 2: A family affair

The claimant applied for EU funds for land extending for around 120 acres in Kastoria and Grammos.

The case, which will be heard in court in February, involves a former OPEKEPE official and his family members.

Case 3: Cross-country scam

This case will be heard in court in February. Several beneficiaries were involved; one of them, who was based in Crete, claimed 126.8 acres of land on the other side of the country, in the Kastoria and Grammos regions. She was awarded €39,000 in EU support in 2020.

The claimant declared ownership of three parcels of land in the Kastoria region, near the border with North Macedonia, extending for 126.78 hectares in total.