

## Organized crime greasing the wheels of Europe's wind industry

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The green economy is attracting a new type of investor: organized crime. According to the corporate investigations and security group, Kroll, Europe's growing wind industry is being exploited by criminals looking for a share of the billions in subsidies on offer. They're also using it to easily launder money.

Jason Wright, senior director of Kroll's consulting group, says groups linked to the mafia have infiltrated the industry.

Kroll says that since 2007 it has seen a drastic increase of fraud and corruption in the wind energy sector—particularly in Italy and Spain, but also in Bulgaria, Romania and other parts of Central and Eastern Europe.

What makes the renewable energy such a target for corruption? Government subsidies.

“Renewable energy is completely dependent on subsidies, so it is clearly an area for corruption,” Mr Wright said. “Wind farms are a profitable way to make money because of the subsidies, and they are also a great way of laundering it.”

Wright added that wind projects are particularly prone to corruption, as they often depend on political patronage of local officials in charge of issuing licences and access to public land.

And how much money is there for the taking? Billions. Figures show that more than €6 billion of EU subsidies have been earmarked for renewable energy projects over a 13-year period ending in 2013. In Italy, the growth of renewable energy projects has been much quicker in Sicily and the south than in the north of the country—a reflection, Wright believes, of the ease which developers can secure licences in these regions.

Wright said his company found that about 50 per cent of the renewable energy cases investigated on behalf of clients in Milan and Madrid uncovered evidence of fraud or corruption—compared to around 10 to 20 percent for most projects investigated by the company.

According to one report, eight people in the Trapani area of western Sicily, as well as in Salerno in the southwest of the mainland, were arrested last year after an investigation in Mafia activities revealed connections to a string of wind projects. Police say officials had received bribes and luxury cars to encourage the town to invest in wind farms.

The rising connection between crime and renewable energy has resulted in Italy's police force greatly increasing its surveillance of the wind industry. Police in the country now run three operations targeting the wind industry.

And in Spain, it's more of the same—with officials in the Canary Islands alleging five local officials, a mayor and two developers misappropriated land.

In Corsica, officials have been accused of skimming more than €1.5 million worth of EU subsidies for wind energy projects.

Can we now say crime has gone “green”?

*Energy Probe is a keen supporter of renewable energy. We believe renewable energy has the ability*

*to diversify our electricity supply, while allowing for more decentralized sources of power for consumers. But we're not in favour of throwing massive subsidies at forms of energy that are not technically or economically feasible.*

Read the previous gangrene economy report, "The Latest Cost Of Going Green: Your Health" [here](#).  
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