TRANSPARENCY DISPATCH

JUNE 2026

Welcome to the Luxembourg for Transparency (L4T) newsletter!

We're a newly established nonprofit (asbl) based in Luxembourg, working independently — without partisan, ideological, religious, or commercial ties. What brings us together is a simple belief: Luxembourg's future is stronger when transparency and integrity are the rule, not the exception.

Our goals include:

- *Promoting transparency and integrity across Luxembourg's public and private sectors*
- *Raising awareness about the detrimental effects of corruption through public education, campaigns, publications, and events*
- *Producing and disseminating research and practical tools that strengthen Luxembourg's efforts in preventing and combating corruption*
- *Collaborating closely with partners—from civil society and professionals to public institutions—who share our vision of a just, corruption-free world.*

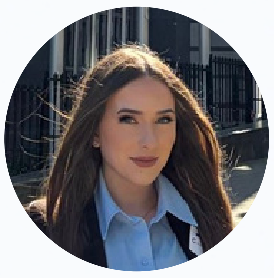
Each month, we'll share key developments on corruption, integrity, accountability and governance in Luxembourg and beyond: what's changing, what's missing, and where pressure or reform is most needed. You'll also find research insights and updates on our activities and collaborations with civil society, professionals, and public institutions.

If you care about how power is used, how public decisions are made, and how we can do better, this newsletter is for you.

Contact us: newsletter@l4t.lu
Photo by Franck Ridel on Unsplash

Newsletter Team

Elifsu Yigit
Graduate Associate



Sibel Kocak
Graduate Associate

LUXEMBOURG FOR TRANSPARENCY

ADVANCING INTEGRITY FOR A JUST FUTURE
D'INTEGRITÉIT FËRDEREN FIR ENG GERECHT ZUKUNFT
PROMOUVOIR L'INTÉGRITÉ POUR UN AVENIR JUSTE
INTEGRITÄT FÖRDERN FÜR EINE GERECHTE ZUKUNFT

1. PUBLIC FINANCE TRANSPARENCY UNDER SCRUTINY: THE CNFP'S CALL FOR CLARITY

Luxembourg's public spending is rising faster than planned, but the more pressing question for transparency advocates is whether that spending can actually be scrutinised — and independent data suggests significant gaps remain.

Speaking on RTL Radio ahead of the 2 June tripartite meeting, *Conseil National des Finances Publiques* (CNFP) president Romain Bausch flagged that Luxembourg's 2025 public-sector deficit reached €1.8 billion, more than double the €700 million forecast, while spending growth outpaced the EU's agreed fiscal trajectory (8.1% against a 5.8% ceiling).

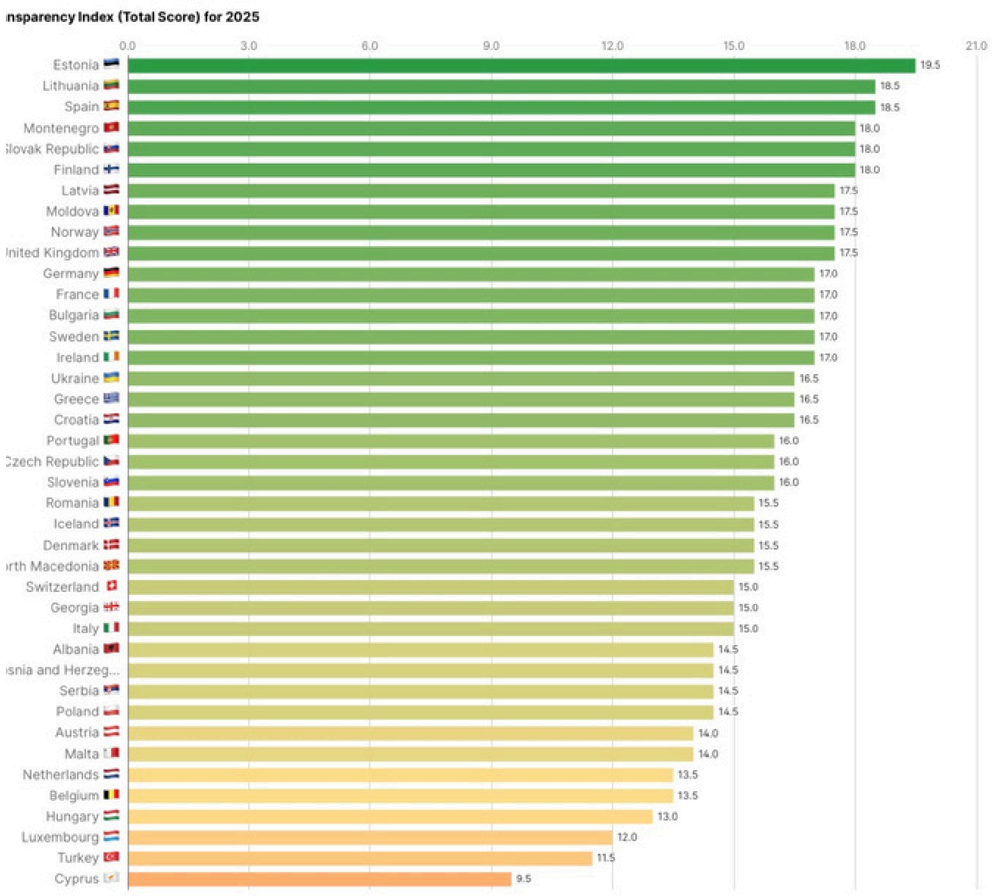
Rising public expenditure is not inherently a governance problem — investment and social spending serve legitimate purposes. What matters from a transparency and anti-corruption standpoint is whether that spending is open to scrutiny as it happens: unmonitored increases in procurement, recruitment, and transfers create exactly the kind of opacity in which favouritism, conflicts of interest, and misallocation can go undetected.

This is where critical gaps exist. According to Horizon research project's BridgeGap's Transparency Index (T-Index), which measures the real-world availability of public expenditure and procurement data online, **Luxembourg scores 12.0 out of 20** — below most EU peers, including France, Sweden and Ireland (17.0), and even behind neighbouring Belgium and the Netherlands (13.5).

In other words, even with better deficit reporting, the underlying question of whether citizens, researchers, and oversight bodies can actually access granular procurement and expenditure data — the information needed to detect misuse before it becomes a crisis — remains only partially answered.

Bausch's call for "more coherent, up-to-date figures" is therefore only one part of the transparency equation.Aggregate budget reporting tells the public how much is being spent; it does not tell them how, to whom, or under what competitive conditions.

For Luxembourg to close that gap, reform would need to extend beyond fiscal forecasting to the granular, line-by-line procurement and expenditure disclosure highlighted in the T-Index. But the state shouldn't be left to grade its own homework. True accountability requires a strong ecosystem of independent research and civil society advocacy to translate this raw data into real-world insights—and we are actively positioning ourselves to do exactly that.



2. CARITAS LUXEMBOURG LAUNDERING PROBE WIDENS WITH ROME ARREST

A new arrest in the Caritas Luxembourg fraud case shifts attention from the original theft to the international network suspected of laundering the proceeds — a reminder that the infrastructure behind stolen funds often matters as much as the fraud itself.

The investigation into the theft of more than €61 million from Caritas Luxembourg, first disclosed in July 2024 has entered a new phase following the arrest in Rome of 41-year-old Clarissa La Porta, detained by Italian police under a European arrest warrant issued by Luxembourg authorities.

The original fraud is believed to have followed a classic "fake president" scheme, in which criminals impersonated senior executives to convince staff to authorise transfers to accounts under criminal control. Investigators now suspect La Porta played a central role not in the theft itself, but in building the infrastructure used to launder the proceeds — including setting up companies and bank accounts across several jurisdictions.

This marks a shift from earlier proceedings: in 2025, Luxembourg courts put a spotlight on the bottom of the chain, convicting two Bulgarian nationals acting as money mules by opening Spanish bank accounts for the scheme. While those mules cooperated with authorities and received prison sentences, they only provided the entry points for the stolen funds.

La Porta, by contrast, is alleged to have built the layer directly above them—the network of legal entities and banking relationships used to move, layer, and disguise the proceeds across borders. Pinpointing this level of an organisation is always far harder than tracing the mule accounts that initially flag the transaction records.

For compliance professionals, the case is a useful illustration of how laundering typologies stack: account holders and mules at the base, facilitators who create entities and open accounts in the middle, and organisers directing the operation at the top. It also underscores that nonprofits of any size can be a target for sophisticated financial crime networks — not only large, internationally active organisations.

Smaller or domestically focused charities can be just as vulnerable, and sometimes more so, given that they often have fewer dedicated compliance resources to detect impersonation fraud or scrutinise the destination of outgoing funds.

This reinforces the case for robust beneficial ownership checks and cross-border due diligence at every level of the sector, regardless of an organisation's size or geographic footprint.

3. EU COURT RULES ECA UNLAWFULLY BLOCKED EPPO WITNESS TESTIMONY

Luxembourg's Court of Auditors cannot invoke confidentiality to shield staff from a corruption probe, the EU's General Court has ruled — a decision that could limit how other EU bodies use immunity to resist scrutiny.

The General Court has annulled the European Court of Auditors' (ECA) refusal to let 12 staff members testify in an EPPO investigation into alleged recruitment irregularities, first referred by OLAF in 2022. The case stems from a 2021 report that senior ECA officials, including former president Klaus-Heiner Lehne, had claimed a Luxembourg accommodation allowance despite spending most of their time abroad.

Judges rejected the ECA's defence on two grounds: the 12 officials hold no special immunity under EU law, and no formal decision on immunity had ever actually been adopted. The court also found that the ECA had failed to show any EU interest serious enough to justify blocking the request, and stressed that confidentiality rules are meant to safeguard institutions' functioning — not to obstruct fact-finding.

4. LUXEMBOURG’S RENT REGISTER DEBATE: A CASE STUDY IN TRANSPARENCY WITHOUT ENFORCEMENT

A Luxembourg Times opinion piece argues that the government’s reliance on a future rent register and more housing data risks treating visibility as a solution in itself, while leaving tenants with no real power to act on what they learn.

According to reporter Lucrezia Reale, the housing ministry is preparing a tenancy reform bill built around a national rent register, recalculated capital-investment rules, and clearer rent data. Reale notes that research from the Luxembourg Institute of Socio-economic Research (LISER) and the Housing Observatory found that two near-identical apartments can carry different legally permitted rents depending solely on when and at what price they were bought — and that a separate Observatory survey found rents on leases signed in 2010 are now 75% lower than current market rents for similar units.

The piece argues that exposing these gaps won’t, by itself, shift bargaining power: a tenant who learns their rent is unfair still faces the same shortage of alternatives and the same risk of eviction if they contest an increase. It also points to a structural gap in enforcement — Housing Minister Claude Meisch has acknowledged that many communes still lack the rent commissions’ tenants are meant to use to challenge their landlords, with no penalties in place for non-compliance. The column’s core argument: transparency can reveal unfairness, but without binding remedies — caps, fines, accessible dispute channels — it risks becoming, in the author’s words, “a fantastic playground for researchers” rather than a fix for the housing crisis.

5. OPENLUX: GABONESE OFFICIAL’S MILLIONS IN REAL ESTATE RAISE PEP RED FLAGS

An investigation series by the Organised Crime and Corruption Reporting Project (OCCRP) and Le Monde has uncovered an extensive real estate portfolio and a web of corporate structures linked to a son of Gabon's late president—accumulated while he held senior public office and spanning Luxembourg, Dubai, France, Belgium, and the United States. This exposé is part of OpenLux, a major cross-border reporting project coordinated by OCCRP and Le Monde that draws on data from the Luxembourg corporate registry.

By unmasking corruption, sanctions evasion, and financial enablers, the ongoing OpenLux series serves as a powerful reminder of why public, open beneficial ownership registers are absolutely vital to fighting financial crime. In this month's newsletter, we highlight two of the six new investigations covered in this important series.

Fabrice Albert Andjoua Ondimba Bongo, son of the late President Omar Bongo, served as Gabon's Director General of the Budget and Public Finances while acquiring 43 properties in Dubai between 2020 and 2023, for a combined value of around $15 million. The acquisition sits in stark contrast with official salary scales: a 2015 decree from Gabon's state budget department indicates that even the most senior official with 30 years' service would have earned the equivalent of around $1,900 per month. Andjoua also co-incorporated two Luxembourg-registered companies — structures that, while legal, are not required to file public financial statements, limiting transparency over any assets they may hold.

The Luxembourg angle has since escalated. In May 2026, local authorities launched a judicial inquiry into allegations of forgery, money laundering, aggravated tax fraud, and inaccurate entries in the Register of Beneficial Owners. Intriguingly, just two days after reporters contacted Andjoua, he and his business partner moved to dissolve one of their Luxembourg entities.

The case perfectly illustrates how PEP risks spread across multiple borders simultaneously—stretching from Dubai real estate to holding companies and luxury car rentals in Europe and the US. Bastian Schwind-Wagner from Luxembourg for Transparency (L4T) noted in the report that companies tied to politically exposed figures demand enhanced scrutiny from service providers. He emphasized that beneficial owners must be able to justify why they chose Luxembourg, prove who ultimately controls the structure, and clearly account for the origin of their funds.

The presumption of innocence applies throughout; Andjoua did not respond to OCCRP and Le Monde’s requests for comment.
→ Bastian Schwind-Wagner, quoted above, also authored L4T's opinion piece on whistleblower protection this month.

6. OPENLUX: MOROCCO’S ELITE STRUCTURE WEALTH VIA LUXEMBOURG

Published by Moroccan outlet Hawamich as part of the OpenLux project—this investigation looked into Luxembourg-registered companies tied to seven prominent Moroccan figures, raising questions about transparency, beneficial ownership, and the economic rationale behind certain corporate structures.

The investigation draws on Luxembourg company registry records and financial documents to examine entities connected to a prince's chief of staff, a member of the royal family, a former minister, and several of Morocco's most prominent businessmen.

Among the findings: a company linked to Mehdi Jaouahri, head of Prince Moulay Rachid's household, saw its total assets jump from around €24,000 to nearly €29.5 million in a single year before falling back to €6.5 million the next. By 2024, the entity hit a negative equity of over €1.6 million, triggering a formal warning from its auditor. Other cases include a royal family member's company that recorded virtually zero turnover for years despite massive investment powers, and a real estate firm whose annual turnover figures remained identical to the exact cent for over a decade. While the article notes the presumption of legality applies throughout, these statistical anomalies naturally raise flags.

The report also tracks a company tied to billionaire banker Othman Benjelloun, which was transferred to Luxembourg from the British Virgin Islands in 2021.

Ultimately, the takeaway for compliance professionals is clear: Luxembourg's registry data, when systematically analysed, can surface structural patterns — zero turnover, shareholder-funded losses, asset volatility — that warrant scrutiny even where no legal breach is established, reinforcing the case for robust beneficial ownership transparency and proactive due diligence on holding structures.

The other investigations published so far are:

- Belgium's richest families stash 91 billion in Luxembourg | De Tijd
- Did the Al-Azhari family accumulate profits in Luxembourg in the wake of the collapse of BLOM Bank? | Daraj
- One Powerful Family, Different Sides of the War | Important Stories
- Amancio Ortega, a grandson of Pujol and aristocrats: Spanish fortunes with companies in Luxembourg | infoLibre

7. WHAT'S NEW AT L4T — JUNE 2026 ROUNDUP

1. L4T's Transparency in Practice Webinar Series #2

On 25 June, L4T hosted the second installment of its Transparency in Practice webinar series, examining where Luxembourg stands on key international transparency benchmarks — including Transparency International's Corruption Perceptions Index and BridgeGap's Transparency Index and Political Finance Transparency Index.

The session featured Dr. Roberto Martínez B. Kukutschka from Transparency International and Nicolas Sebastian Soto Troncoso from Luiss Guido Carli (ERCAS/BridgeGap), who walked through how these metrics are built and what they reveal about Luxembourg's political finance system specifically.

The webinar exposed a striking gap between reputation and reality. While Luxembourg ranks eighth globally on the Corruption Perceptions Index, its score has slipped from 85 in 2015 down to 78. When you look at the granular data of the T Index, the Grand Duchy fulfills just 62.5% of its actual transparency indicators, lagging behind both regional and income-group averages. Key vulnerabilities include the public procurement portal lacking comprehensive data, no official asset-filing system for civil servants, and an outdated political finance framework that hasn't seen a major update since 2013.

Our expert speakers noted that these implementation gaps persist because established democracies like Luxembourg faced little external pressure to modernise their anti-corruption frameworks compared to newer EU member states. Furthermore, a "transparency paradox" means that implementing better tracking tools initially exposes more scandals, which can make politicians hesitant to reform.

However, with 69% of local respondents now worried about the cozy links between business and politics—an 11-point increase—staying stagnant is no longer an option.

2. New publication: An Analysis of Political Finance Disclosure

Authored by Silvia Gueli — an International Relations graduate specialising in international security and multilateral cooperation at LUISS Guido Carli University — and published on 24 June, the report dives into the gap between Luxembourg's formal laws and actual data accessibility, with a sharp focus on local municipal elections.

Drawing on the BridgeGap project's methodology, the analysis finds that Luxembourg scores just 49% on the Political Finance Transparency Index (PFTI) — placing it in the bottom third of European countries, behind leaders like Estonia and Czechia (94%) and even behind Bulgaria (90%). The report identifies three structural gaps: a regulatory vacuum for communal elections, insufficiently itemised income disclosures, and fragmented, outdated publication infrastructure split between the Chamber of Deputies and the Court of Auditors. It closes with three recommendations: centralising digital financial data, mandating itemised reporting at all levels, and closing the legislative gap for municipal races.

3. World Whistleblowers Day opinion piece

Published by L4T on 22 June and authored by Bastian Schwind-Wagner, this piece examines the tension between Luxembourg's whistleblower protection framework (strengthened by the Law of 16 May 2023, transposing EU Directive 2019/1937) and the financial centre's deep-rooted culture of confidentiality.

It revisits landmark cases — LuxLeaks, the Panama Papers, and CumEx — as evidence of how systemic misconduct in Luxembourg is rarely domestic in isolation.

Drawing on 2025 Eurobarometer data, the piece highlights that 58% of Luxembourg respondents find corruption difficult to prove, and 33% cite fear of retaliation as a reason not to report — both above the EU27 average. The conclusion: legal protection alone won't drive reporting unless it's backed by a genuine culture of trust, independent reporting channels, and visible institutional follow-through.

4. Founding Board Member: Sharon March and the Strategic Vision for Transparency

Luxembourg for Transparency (L4T) is honoured to welcome Sharon March as a Founding Board Member. With over 25 years of experience in investment banking and corporate finance, Sharon brings elite strategic oversight honed in the world's leading financial institutions and through cross-sector leadership roles as CEO and Chair.

Her expertise is underpinned by a Certified Independent Director status and a multidisciplinary academic background spanning philosophy, ethics, and sustainability.

5. Basel Conference on Collective Action

Dr. Leena K. Hoffmann, Co-Founder and President of L4T, and Dr. Oguzhan Akin, Co-Founder and Vice President, represented L4T at the 6th International Collective Action Conference organised by the Basel Institute on Governance in Basel on 9-10 June 2026. The event brought together practitioners from around the world to explore how collective action — businesses and institutions working together — is essential to advancing business integrity. A key takeaway: anti-corruption efforts cannot rest on regulators and civil society alone; the private sector must be an active driver, not merely a passive participant.

Contact us: newsletter@l4t.lu