

To Executive Vice-President for Tech Sovereignty, Security and Democracy, Henna Virkkunen To Commissioner for Democracy, Justice, the Rule of Law and Consumer Protection, Michael McGrath

To Commissioner for Budget, Anti-Fraud and Public Administration, Piotr Serafin

Brussels,

## Subject: EU funds misused for spyware companies

Dear Executive Vice-President, Dear Commissioners,

We are writing to you to express deep concerns following the recent revelations by investigative journalists that European Union subsidies, alongside national taxpayer funds, have directly financed companies implicated in the development, deployment and export of spyware. According to these findings, entities such as Intellexa, Cy4Gate, Verint and Cognyte—whose technologies have been linked to unlawful surveillance of journalists, human rights defenders and political actors in the EU, as well as in third countries with dreadful human rights records —have benefitted from public financing, including EU programmes.

This raises serious questions about the governance, transparency and accountability of the Union's funding mechanisms. In the light of the scandals uncovered in Italy, Greece, Poland, Hungary and Spain, among others, and of the recommendations of the PEGA inquiry, it is deeply troubling that the Union is directly or indirectly enabling tools that erode democracy, fundamental rights and the rule of law.

We therefore request full transparency and concrete explanations on the following points:

- How does the Commission currently verify the integrity, ownership structures and human rights compliance of companies that receive EU funds?
- Were any warnings, risk assessments or intelligence shared with the Commission before subsidies were granted to spyware or intrusive surveillance software firms such as Cy4Gate, Cognyte, or Intellexa-linked entities? If so, why were they disregarded?
- Which specific EU programmes, calls or instruments provided financing to these companies?
- What was the total amount allocated to such companies, broken down by company and by funding stream, and under which decision-making authority?
- Were there any control mechanisms included in the contracts in order to prevent the misuse of funds for spyware development? Were there any end-user exclusion clauses (e.g. human rights impact assessment, dual-use screening) -? If not, why not?

- Why has the Commission failed to implement the PEGA Committee's recommendations, which explicitly demanded strict regulation and oversight of spyware vendors?
- What concrete steps will be taken, and by when, to ensure EU funding mechanisms are aligned with the Union's own commitments on human rights, democracy and digital resilience, so that taxpayer's money is never used again to enable repression and surveillance?

Given the gravity of these revelations, we urge you to commit to an immediate and public review of all EU subsidies to companies active in the surveillance and spyware sector.

In particular, we urge the Commission:

- to provide the Parliament with all contracts and grants involving intrusive surveillance software vendors since 2015, and with a full list of beneficiaries and amounts disbursed.
- to commit to exclude intrusive surveillance software vendors from all future EU funding instruments in line with the PEGA Recommendations.
- to follow up on PEGA inquiry committee's recommendations.

Citizens of the Union have the right to know whether their taxes are being used to finance technologies that endanger their fundamental rights. As Members of the European Parliament, we expect your full cooperation in ensuring accountability and restoring public trust.

We thank you for your prompt attention to this matter and look forward to your detailed written reply.

## Yours sincerely,

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- 3. Hannah Neumann, MEP Greens/EFA
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- 7. Emma Rafowicz, MEP S&D
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- 9. Ana Miranda, MEP Greens/EFA
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- 11. Daniel Freund, MEP Greens/EFA
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