European Parliament

David CASA MEP

Head of National Delegation EPP-MT

Brussels, Belgium

27 February 2023

Dear Vice President Jourová,

The attention of the European Commission is drawn to the latest developments in Malta which highlight the continued aggravated state of the rule of law.

Scrutiny upon the rule of law in Malta has aimed at remedying in particular the political conditions that allowed Daphne Caruana Galizia to be assassinated, responsibility for which has been apportioned to the Muscat administration by an independent public inquiry.

Events last week prove that the Maltese public is still losing hundreds of millions to corruption, while Malta's institutions perpetuate the impunity afforded to key political figures out of an unwillingness or inability to prosecute high-level corruption.

On Friday, a Maltese court deemed null and void a 30-year, €4 billion concession that was awarded to Vitals Global Healthcare in 2015, a company with no experience in managing hospitals. The reporting of Daphne Caruana Galizia was proven right several years after she first exposed corruption within the privatisation of Malta's hospitals. For her reporting on numerous cases of political corruption, she was attacked and demonised in a campaign that eventually culminated in her murder.

The facts of this scandal are as shocking as they are convoluted.

B-1047 Brussels - SPINELLI 11E259 - +32 2 28-45445
F-67070 Strasbourg - WEISS T11009 - +33 3 881-75445
12 Triq Emanuel Benjamin Vella, Birkirkara BKR 1572, Malta - david@davidcasa.eu
david.casa@ep.europa.eu - DavidCasaMEP - DavidCasaMEP

- Above all else, the failed privatisation was led by disgraced minister Konrad Mizzi, who is one of two members of the Muscat administration to have been formally designated by the US State Department due to their involvement in significant corruption.

- Vitals concluded a Memorandum of Understanding (which later went "missing") with the Maltese Government before any tenders were issued for the privatisation, which was found to be collusion by both the court and by independent government auditors.

- Vast sums of money were inexplicably transferred out of the company before it sold the fraudulently obtained concession to Steward Healthcare in 2017, two years later and several millions drained with every milestone remaining unreached.

- In August 2019, Konrad Mizzi signed an agreement promising a €100 million, taxpayer-funded payout in case of the contract being rescinded.

- Joseph Muscat received considerable income from a Swiss company, Accutor, that in turn received money from Vitals.

While the case stank to high heaven, it was never picked up by national prosecutors. Instead, it was the then Leader of the Opposition Adrian Delia who filed a civil case in 2019.

In the end, the court found that "the largest public contract in Maltese political history" was a fraudulent plot with fraud at multiple stages of the process.

This deal represents the embezzlement of several hundreds of millions siphoned out of taxpayer money without any benefit to the Maltese public. There has not been a single prosecution to date. This fact alone severely outweighs any ostensible progress on the rule of law.

The Maltese Government has played a prolonged game of smoke and mirrors with the promise of reforms. Yet we are no closer to a functioning rule of law. The European Parliament's last resolution expressed alarm and concern over the lack of progress in prosecuting corruption, a concern that is ever more so outstanding.

Recent declarations from the Commission on the state of affairs in Malta have been deeply misguided and inaccurate. The fundamental metric on which the state of the rule of law in Malta must be assessed is the level of progress of judicial proceedings against Mizzi, Schembri, and Muscat.

The impunity afforded to high profile former operatives of the current administration must cease and the integrity of Malta's institutions must be restored so that they protect the people of Malta and of Gozo, not the criminals that swindled them. And until that happens, the Commission must take such lack of progress into account for the purposes of rule of law monitoring.

Sincerely,



David Casa
Head of National Delegation (EPP-MT)
Member of the European Parliament