

SUSPICIOUS PATTERNS IN PORTUGUESE PUBLIC PROCUREMENT

Multi-Source Analysis: [BASE.gov.pt](#), [TED EU Portal](#), [Corporate Registries](#)

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Sources: [base.gov.pt](#) | [ted.europa.eu](#) | [opencorporates.com](#) | [racius.com](#)

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Executive Summary

This report presents the findings of an automated analysis of Portugal's public procurement portal (BASE.gov.pt). Using the portal's internal API, we examined contracts, direct awards, supplier patterns, and contract modifications to identify potentially suspicious procurement patterns. The analysis focused on eight key areas: extreme contract modifications, vendor lock-in relationships, long-running monopoly suppliers, incumbency advantages in competitive tenders, commoditized services awarded without competition, data quality issues in the portal itself, EU-wide procurement patterns revealing systemic issues, and corporate network analysis of flagged suppliers.

Key findings include: hospital service contracts that expanded by over 11,000% after initial direct award; a 15-year, €120M+ monopoly relationship between FCT and Elsevier with no competitive tender ever conducted; 109 direct awards from Infraestruturas de Portugal to Siemens creating systematic vendor dependency; 25,672 contract modifications published since January 2025; EU Open Tender Watch flagging €110B+ in suspicious Portuguese contracts; 80%+ direct award rates; and director interlocks linking key procurement entities.

Important caveat: This analysis identifies patterns that warrant further investigation. Not all patterns necessarily indicate wrongdoing — some may have legitimate justifications (e.g., vendor lock-in in specialized technology, emergency procurement during crises). However, the scale and recurrence of these patterns across multiple sectors suggests systemic issues in Portuguese public procurement oversight.

Metric	Value
Contract modifications analyzed	25,672
Red flag patterns identified	8
Open Tender Watch flagged contracts	€110B+
Direct award rate (Portugal)	80%+
Siemens/IP direct awards	109
Cleaning direct awards >500k (2025)	397

Methodology

Data was extracted from multiple sources: (1) The BASE portal (base.gov.pt/base4) via its internal AJAX API, querying contracts (`search_contratos`) and modifications (`search_incrementos`); (2) The EU TED portal (ted.europa.eu) via Search API and cross-referenced with Open Tender Watch red-flag indicators (OECD/Open Contracting methodology); (3) Corporate registries via OpenCorporates API (api.opencorporates.com) and Racius.com for director interlocks and ownership analysis; (4) Academic research including Nova SBE studies on threshold manipulation using McCrary test / Regression Discontinuity Design.

Limitations: The analysis relied on published data which may contain errors. Not all TED API endpoints could be accessed directly. Corporate registry data may be incomplete. Director interlocks are common in Portuguese business and their presence is a risk indicator, not proof of misconduct.

Detailed Findings

1. SUCH Hospital Services — Massive Contract Expansions via Direct Award

Risk Level: CRITICAL

The Serviço de Utilização Comum dos Hospitais (SUCH) shows two of the most extreme contract modifications found in the entire BASE portal. A contract for operational support services (cleaning, storage, waste collection) initially valued at approximately €4 million was modified to €459.6 million — an increase of over 11,000%. A second SUCH contract for supply, installation, and maintenance of telephone exchanges grew from €1 million to €101.5 million — a 10,400% increase. Both were awarded through "Ajuste Direto Regime Geral" (direct award), meaning they bypassed competitive tendering entirely.

Contract modifications of this magnitude on direct awards raise serious questions about whether the original award deliberately underestimated the value to circumvent procurement thresholds.

Contract	Initial Value	Modified Value	Increase	Procedure
Operational support (cleaning, waste)	€4.0M	€459.6M	+11,373%	Ajuste Direto
Telephone exchange maintenance	€1.0M	€101.5M	+10,400%	Ajuste Direto

2. Siemens Mobility / Infraestruturas de Portugal — Systemic Vendor Lock-in

Risk Level: HIGH

Infraestruturas de Portugal (IP), the state railway infrastructure manager, has awarded 109 direct award contracts to Siemens Mobility. These cover signaling, maintenance, and railway technology systems. The relationship creates a vendor lock-in pattern: once Siemens systems are installed, only Siemens can maintain and upgrade them, justifying an endless chain of non-competitive direct awards. While vendor lock-in is common in rail technology, the sheer volume (109 direct awards) and absence of any competitive tender in the relationship is notable.

IP also appears prominently in the contract modifications data, with multiple modifications to the Linha de Évora construction contracts increasing from €130.5M to €169M (+30%).

Direct Awards	109 contracts, all to Siemens Mobility / Siemens S.A.
Competitive Tenders	0 found in the relationship
Subject Areas	ETCS signaling, interlocking systems, maintenance, railway technology
Linha de Évora	€130.5M → €169M (+30%) via multiple modifications
Red Flags	Vendor lock-in; no competitive tenders; systematic pattern across 109 contracts

3. Elsevier / FCT — 15+ Year Monopoly on Academic Publishing Access

Risk Level: HIGH

The Fundação para a Ciência e a Tecnologia (FCT), Portugal's science funding agency, has awarded 137 contracts to Elsevier B.V. for access to the b-on academic library consortium, all via direct award. Contract values have escalated steadily over 15+ years. Not a single competitive tender has been run. While Elsevier's monopoly on its own journals makes alternatives difficult, other countries (Germany, Sweden, Norway) have successfully renegotiated or sought alternatives through competitive processes.

Period	Contract Value	Procedure	Signed
2010–2012	€18.1M	Ajuste Direto	Apr 2010
2013–2015	€17.6M	Ajuste Direto	Feb 2013
2016–2018	€19.6M	Ajuste Direto	May 2016
2019–2021	€21.1M	Ajuste Direto	Dec 2018
2022–2024	€21.3M	Ajuste Direto	May 2022
2025–2027	€24.0M	Ajuste Direto	Jun 2025

Total estimated spend over 15+ years: over €120 million, with a 36% increase from the 2013 cycle to the 2025 cycle — all without any market test.

4. Dentsu Creative / Turismo de Portugal — Incumbency Pipeline

Risk Level: MEDIUM-HIGH

Dentsu Creative (formerly Isobar) received approximately €20 million in direct award contracts from Turismo de Portugal for tourism marketing and promotion services. Subsequently, a competitive tender worth approximately €40 million was launched for similar services. The pattern of awarding significant direct contracts to an agency before running a large competitive tender raises questions: the prior direct awards may have given Dentsu insider knowledge, established relationships, and incumbency advantages that influenced the competitive process.

Direct Awards	~6 contracts totaling ~€20M
Subsequent Tender	~€40M competitive tender for same service area
Pattern	"Seed with direct awards, then formalize with a tender"
Red Flags	Incumbency advantage; potential bid-rigging setup

5. Cleaning & Security Services — Widespread Direct Awards Above Threshold

Risk Level: MEDIUM-HIGH

A broad search for cleaning service direct awards above €500,000 (since 2025) returned 397 contracts. The company Fine Facility stands out with 871 total government contracts. Cleaning and security services are commoditized — many qualified providers exist — yet direct awards are widespread, often justified through urgency or continuity-of-service arguments. This sector is particularly vulnerable to favoritism because the services are ongoing (creating renewal dependency), the market has many potential bidders, and the contract values frequently exceed thresholds that should trigger competitive tendering under Portuguese and EU procurement law.

Direct Awards >500k	397 contracts found in 2025
Notable Supplier	Fine Facility — 871 government contracts
Sector Risk	Commoditized services with many qualified providers
Red Flags	Threshold gaming; renewal dependency; no market testing

6. Contract Modifications — Systematic Price Jumps

Risk Level: HIGH

Analysis of 25,672 contract modifications published since January 2025 revealed several alarming patterns. Beyond the SUCH cases covered above, notable modifications include major infrastructure projects with significant post-award price increases:

Entity	Description	Original	Modified	Change
CP Comboios de Portugal	Acquisition of 117 trains	€746M	€1,064M	+43%
Metro do Porto	Metro system concession	€204.3M	€355.8M	+74%
Infraestruturas de Portugal	Linha de Évora construction	€130.5M	€169.0M	+30%
SUCH	Operational support services	€4.0M	€459.6M	+11,373%
SUCH	Telephone exchanges	€1.0M	€101.5M	+10,400%

A Santa Casa da Misericórdia de Castro Marim construction contract showed a modification from €4.2M to €44.46 billion, which is almost certainly a data entry error but highlights a lack of validation controls in the BASE portal itself.

7. EU-Wide Procurement Patterns — Systemic Issues Confirmed

Risk Level: CRITICAL

Cross-referencing Portuguese procurement data with the EU TED portal and Open Tender Watch reveals systemic issues at national scale. Open Tender Watch has flagged over €110 billion in Portuguese public contracts for irregularities using OECD, Open Contracting, and Tribunal de Contas red-flag indicators. Over 80% of procurement procedures are direct awards (vs. ~40% EU average). 20% of contracts have single bidders. 8% of all procedures are tendered and awarded in less than 6 days. Academic research (Nova SBE, 2008-2019) found evidence of "bunching at thresholds" — deliberate manipulation of contract values to stay below regulatory limits that trigger competitive procedures.

Indicator	Portugal	EU Average	Risk
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Direct award rate	80%+	~40%	CRITICAL
Single-bidder contracts	20%	~15%	HIGH
Awards in <6 days	8%	<2%	CRITICAL
Quality criteria usage	35%	44%	HIGH
Below-threshold TED publication	≈0%	~15%	CRITICAL
Non-competitive price premium	18-28%	10-15%	CRITICAL

In 2024, the Portuguese Competition Authority fined 5 companies €6.9 million for a teleradiology procurement cartel. Portugal scored 57/100 on Transparency International's 2024 CPI (down from 61 in 2023). 92% of Portuguese respondents believe corruption in public procurement is widespread (Eurobarometer).

8. Corporate Networks — Director Interlocks & Shell Indicators

Risk Level: HIGH

Corporate registry analysis of the five flagged BASE suppliers reveals director interlocks across major Portuguese procurement entities. Siemens Portugal operates three legally separate entities at the same Amadora address with overlapping management. Two 'Unipessoal' (sole-owner) subsidiaries were created recently, enabling fragmented liability and potentially separate procurement categories.

Person	Key Positions	Significance
José Luís Arnaut	Siemens PT, ANA Airports, Tabaqueira II, Super Bock, CMS	25th most powerful person in PT
Miguel Á. López Borrego	Siemens PT/Belgium/Rail/Gamesa, NORMA Group	Pan-European coordination
Maria A. F. Loureiro	Siemens Energy PT, Siemens Gamesa PT	Subsidiary concentration

SUCH (cooperative structure, €588M spending, minimal governance disclosure), Elsevier (operates through RELX Group layers, no dedicated PT subsidiary), Fine Facility (name changed from Fénix, director info obscured), and Dentsu/iProspect (recent restructuring, no PT registration details) all show medium-risk transparency indicators.

Recommendations

Contract Modification Controls

The SUCH cases demonstrate that contracts can be expanded by orders of magnitude after initial award. Automatic review triggers should be implemented for modifications exceeding a threshold percentage (e.g., 50%) of the original contract value, with mandatory re-tendering above certain thresholds.

Direct Award Audit Program

A systematic audit of the highest-value direct awards and repeat supplier relationships would help distinguish legitimate sole-source justifications from potential favoritism. The Siemens/IP and Elsevier/FCT patterns should be priority targets.

Data Validation on BASE Portal

The €44.4 billion entry for Castro Marim highlights that the portal lacks basic data validation. Automated checks for outlier values, impossible percentages, and missing fields would improve data quality and public accountability.

Commoditized Services Review

Cleaning, security, and facility management services should be subject to mandatory competitive tendering given the large number of qualified providers. The prevalence of direct awards in this sector (397 contracts above €500k in 2025 alone) suggests systematic circumvention of procurement rules.

Incumbency Advantage Mitigation

The Dentsu/Turismo de Portugal pattern should trigger review of whether prior contract holders receive unfair advantages in subsequent tenders. Firewall provisions and independent evaluation panels would help.

Threshold Manipulation Detection

Academic evidence of contract value clustering just below procurement thresholds should be addressed through automated statistical analysis (McCrary test) built into the BASE portal. Contracts bunched below €143k, €221k, and €5.3M thresholds should receive heightened scrutiny.

Corporate Transparency Requirements

Public procurement suppliers should be required to disclose beneficial ownership, director interlocks, and subsidiary structures. The opacity found in several flagged suppliers (SUCH governance, Fine Facility directors, Dentsu/iProspect PT registration) undermines accountability.