

International VAT fraud OCG dismantled

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The national authorities of Belgium, Spain and Germany initiated investigations into an organised crime group (OCG) involved in a large-scale VAT fraud case that targeted numerous individuals and companies in Belgium, Bulgaria, Germany, Spain, Italy, Hungary, Portugal and Romania.

This case, a so-called VAT carousel fraud case, began several years ago with an investigation in Spain. The OCG, mainly composed of German, Spanish, Italian and Portuguese nationals, created a network of computer and electronics companies throughout Europe to divert the illicit profit yielded in Spain. The criminals managed to avoid VAT payments in Spain and yet receive VAT reimbursements through the companies set up in other Member States by simulating their business operations.

After the Spanish Desk opened a case at Eurojust, a coordination meeting was held last month between the national authorities involved to exchange case-related information and plan the common actions, ensuring that the necessary judicial cooperation instruments would be timely and effectively implemented on the action day.

A coordination centre took place at Eurojust on 18 April to coordinate the simultaneous operations in the eight Member States concerned, which led to the arrest of the main suspects, more than 100 searches, the freezing of several bank accounts, as well as the seizure of assets, including cash and luxury cars. One company under investigation was estimated to have defrauded more than EUR 17 million over a two-year period.

On the action day, Eurojust swiftly reacted to evolving judicial cooperation needs by facilitating the execution of European Arrest Warrants, European Investigation Orders and freezing orders on the spot. Europol participated in the coordination centre via a mobile office deployed in Spain, contributing to the successful outcome of the operations.

Results:

Arrests: 1 in Belgium, 3 in Germany, 52 in Spain and 1 in Portugal

Searches: 6 in Belgium, 2 in Bulgaria, 14 in Germany, 62 in Spain, 4 in Italy, 3 in Hungary, 15 in Portugal and 1 in Romania

Interviews/interrogations: 2 interviews in Bulgaria, 10 interrogations in Germany