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CROSS –BORDER VAT- FRAUD INVESTIGATIONS

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01

THE BEGINNING OF INVESTIGATIONS

Report of the Berlin Tax Investigation Office to the EPPO

EUROPEAN PUBLIC PROSECUTOR'S OFFICE

Why did the report go to the EPPO?

National prosecution of cross-border VAT fraud in the EU Member States is limited by:

- scarce resources
- complex and transnational circumstances
- slowness of mutual legal assistance
- differing prosecution standards
- lack of interest in criminal prosecution (protection of own shadow economy / avoidance of recourse)

EUROPEAN PUBLIC PROSECUTOR'S OFFICE

- 24 current EPPO Member States
- Offences against the financial interests of the EU: fraud, corruption, money laundering and cross-border VAT fraud (damage > 10 Mio. €)
- Supranational and independent organisation

  -> facilitating cross-border investigations

  -> confiscating assets in other Member States

Stand: 03/2025

Report of the Berlin Tax investigation Office to the EPPO

EPPO EUROPEAN PUBLIC PROSECUTOR'S OFFICE

Car dealer X GmbH:

- claims monthly refunds of EUR 6 mio. as a professional "net-intermediate trader "from invoices of various domestic sellers = missing trader according to investigations by other tax investigations

- sales by way of intra-Community deliveries to other EU countries, so that the tax refunds remain as profit

Investigation approach

Investigations into the criminal system -> Analysis of criminal structures

- Financial investigations
- Identification of trade chains
- Cross-border investigations
- Identification of backers
- Seizure of assets

Key issues:

- Procurement of investigative resources from the tax investigation department, the State Office of Criminal Investigation, financial investigators and economic experts
- Development of the investigation team
- Cooperation with other public prosecutors' offices in Germany and abroad

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02

Gaining access to the case

Analysis of money flows

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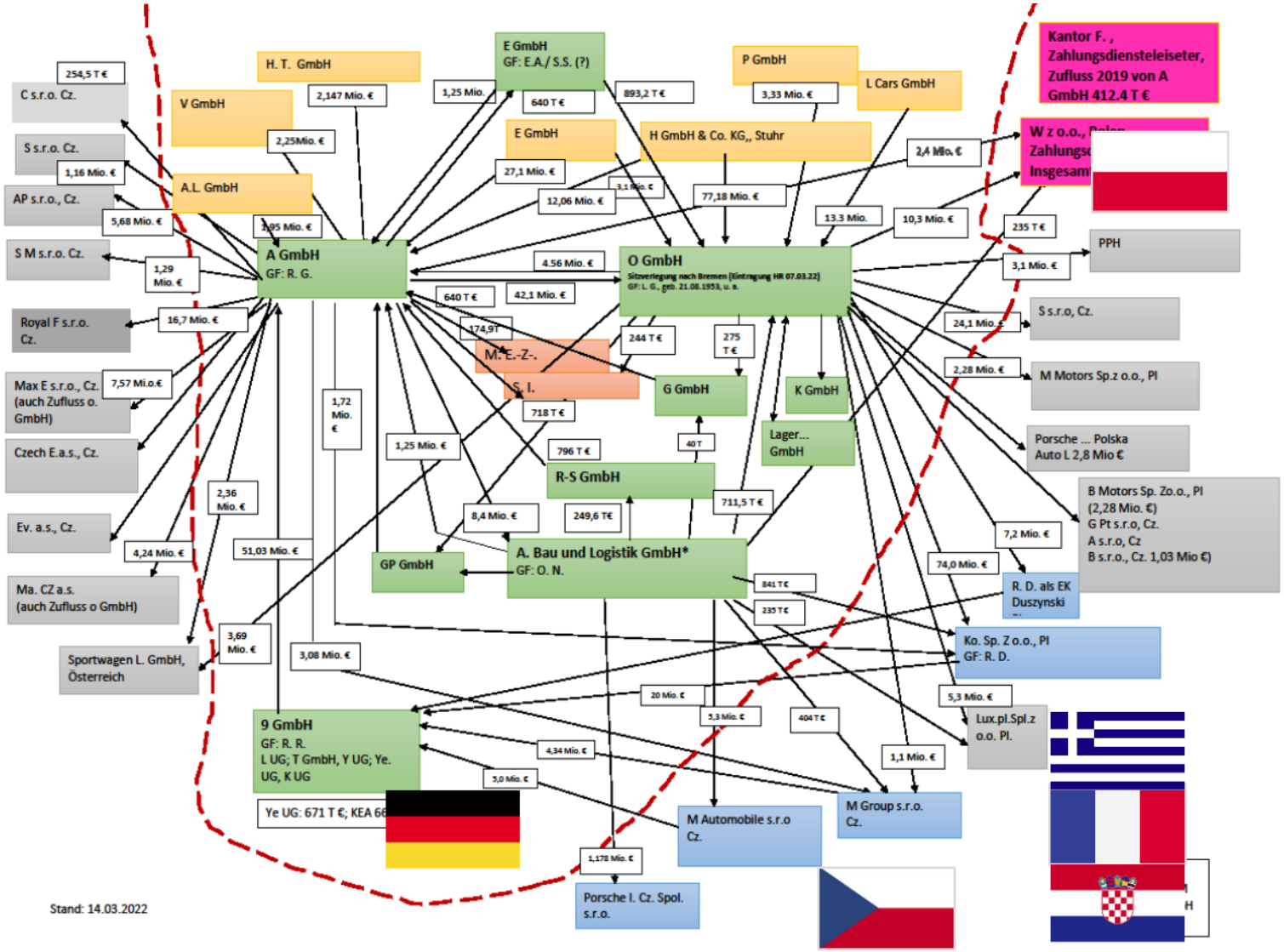


-> Key role of money laundering structures

-> Uncovering a cross-border criminal system with losses in the hundreds of millions

-> Investigations revealed further criminal offenses:

- money laundering
- forgery of documents
- false certification
- tracing of assets

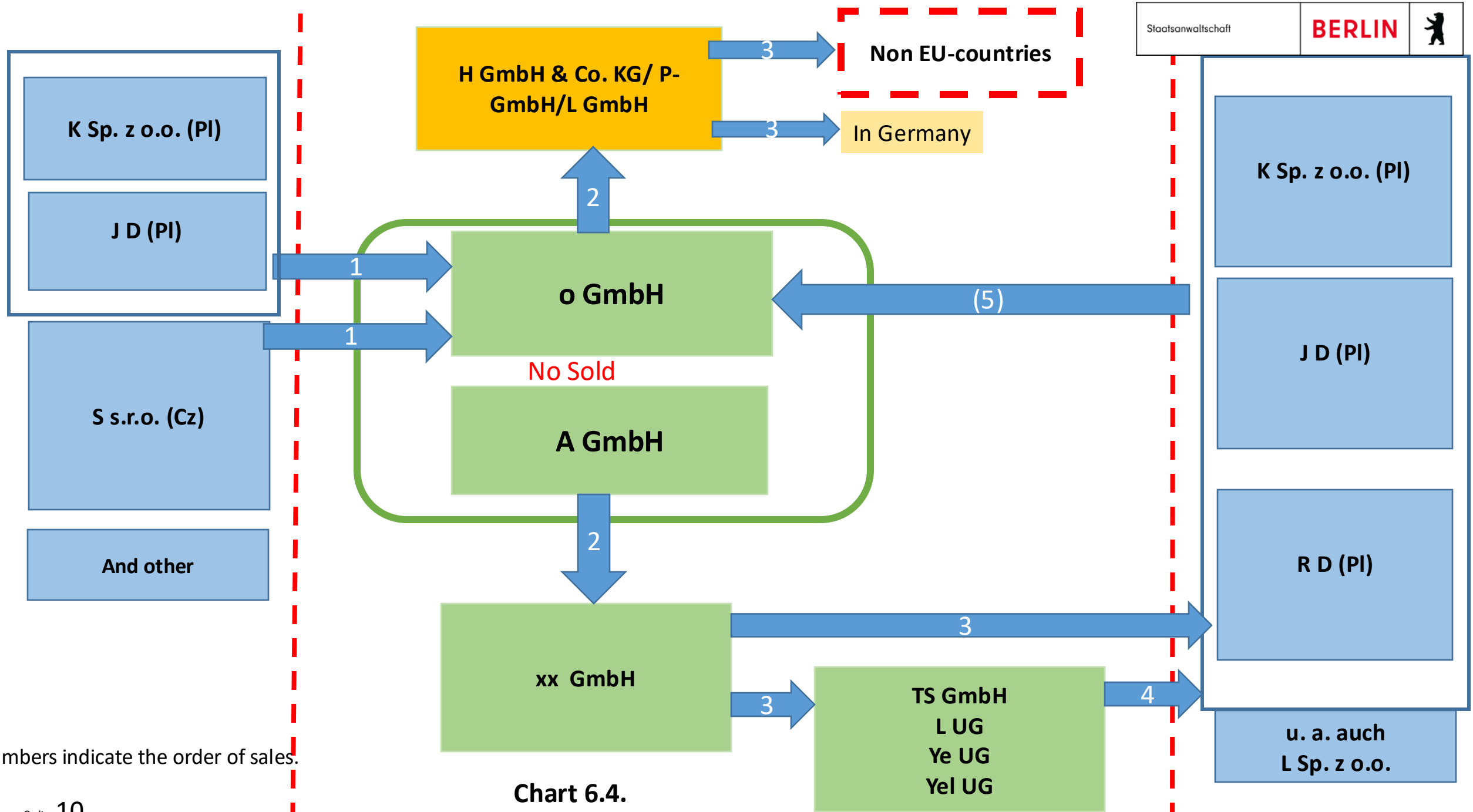
Challenges and Solutions

Challenges:

- Large amount of evidence
- Limited Capacities
- Management of a very complex case
- Legal requirements: limited duration of pre-trial detention

Solutions:

- Focus on the most important invoice chains
- Creation of a database on 1.300 traded cars
- Creation of a database on traded masks
- Inclusion of investigations against service providers such as notaries or tax advisors



Numbers indicate the order of sales.

Chart 6.4.

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03

CONVICTIONS AND ASSET RECOVERY

Convictions

- Convictions for tax fraud and forgery of documents against 3 leading members of the criminal group (between 8 ½ and 10 years), The managing director of X GmbH and one of his employees (5 ½ and 2 years)

- Conviction for forgery of documents and consider false notarisations of a notary (2 years on probation)
- Conviction of a family member for money laundering
- Conviction of 6 parties to confiscation

Asset recovery – freeze , seize and confiscate assets

confiscation orders € 27.4 million ; secured assets € 6.5 million

- Bank accounts
- Real estate
- Cars
- Luxury items
- Bitcoins
- NFTs

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Thank you for your attention.

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