


# Italian and Romanian judicial authorities, with Eurojust's support, dismantle major criminal network in financial fraud, cybercrime and money laundering



The Hague, 7 July 2020

**Judicial authorities and police in Italy and Romania, with Eurojust and Europol support dismantled a criminal network responsible for big-scale financial fraud, cybercrime and money laundering. The illicit profits are estimated to over €20 million resulting from the losses suffered by citizens throughout Europe.**

 12 suspects were arrested today (8 in Italy and 4 in Romania), including the two leaders of the organised criminal group (OCG). 12 house searches took place and several assets were seized, including vehicles, credit cards, jewellery, properties, and a numismatic collection with an overall estimated value of over €1.5 million.

The organised crime group (OCG) dismantled today is one of the most important transnational criminal networks discovered so far in Italy, operating in financial frauds and cyber scams such as purchase of non-existing goods and services, rental fraud (fraud through the advertisement of inexistent properties to rent), computer phishing, clone-sites phishing (impersonating of a company to trigger large transfers to bogus accounts). With these frauds, the criminals were tricking victims across Europe into making wire transfers to Italian bank accounts, owned by entities used as "money mules". This way the criminals were laundering the criminal proceeds resulted from this the cybercrime activities, estimated to have caused €20 million losses for citizens throughout Europe.

Today's action day, coordinated by Eurojust, was the result of intensive cooperation between the judicial and law enforcement authorities in both countries.

The investigation was conducted in Italy by the Postal and Telecommunications Police of Genova with the support of the Central Unit of the Postal and Telecommunications Police, under the supervision of the Public Prosecution Office in Genova. In Romania, the Directorate for Investigating Organized Crime and Terrorism (Central Structure, Valcea and Bistrita-Nasaud Territorial Offices), Public Prosecutions Offices attached to Bucharest Tribunal, Court of Appeal Pitesti and Court of Appeal Cluj executed the coordinated judicial activities.

Several Romanian police units were involved, respectively Dambovita County Police, Services for Combating Organized Crime Valcea and Bistrita-Nasaud, Service for Criminal Investigations Valcea.

Eurojust played a key role in the judicial cooperation by facilitating the exchange of real-time information between the involved judicial authorities, and providing support in order to plan the operational activity carried out today. During the joint action day, Eurojust coordinated the execution of several European Arrest Warrants, European Investigation Orders and legal procedures for seizing the proceeds of crimes.

Europol supported the operation by facilitating information exchange, providing analytical and operational support.

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## [VAT-fraud with sale of sugar and cooking oil in Hungary unravelled](#)

### **International coordination led by Eurojust**



The Hague, 1 July 2020

**✘ In an operation in Hungary, Austria, the Czech Republic, Slovakia and Serbia, coordinated by Eurojust and supported by Europol, Hungarian authorities have arrested two leaders of an organised crime group responsible for massive VAT fraud with the sale of sugar and cooking oil imported from EU member states. In all, 33 locations in 5 countries were searched to unravel a two-year long scam to avoid payment of value added tax to the Hungarian authorities, which missed out on approximately EUR 10 million in income. The operation had no impact on the end users of the sugar and cooking oil.**

The criminal network, which operated mainly in Hungary, imported huge quantities of sugar and cooking oil from the European Union through domestic companies. The products were resold to Hungarian wholesalers; however, the VAT incurred was not paid. As part of their VAT carousel fraud, they declared the EU purchases as domestic, which enabled them to significantly reduce the VAT payable. Moreover, these products were purchased at a net price with a minimum margin, so that an unfair advantage was gained over market competitors. Approximately EUR 10 million was lost to the Hungarian budget through avoidance of the VAT payment.

Given the cross-border dimension of the criminal activity and the need to

coordinate the multiple judicial requests with judicial and executing law enforcement authorities from other countries, the case was referred to Eurojust.

Eurojust supported the Hungarian judicial authority with the execution of [European Investigation Orders](#) and other judicial instruments for the other countries involved, a result of which numerous witness hearings and house searches and document seizures were made outside Hungary.

On 23 June, Eurojust set up a coordination centre in cooperation with Europol. During the action day, eleven simultaneous searches and twelve witness hearings took place in Austria, the Czech Republic, Slovakia and Serbia, in addition to 22 house searches in Hungary. Altogether, nine suspects were interrogated, of which two were arrested and one real estate was seized. Over 110 officers were deployed in the operations on the ground.

In the run-up to the action day, Eurojust facilitated direct contact between the national judicial and law enforcement authorities from all 5 countries involved, helping to map out the criminal activity, providing translations and hands-on operational support.

In Hungary, the National Tax and Customs Administration, together with the relevant judicial and police authorities, took the lead in resolving the case.

In Slovakia, the Regional Prosecutor's Office of Banská Bystrica coordinated the EIO execution, while the investigative measures requested were carried out by the regional Police.

Additional support was provided in the Czech Republic by the Regional Public Prosecutor's Office in Brno and the Regional Directorate of the Police in South Moravia.

In Austria, several public prosecutor's offices, police and fiscal authorities were involved in the case.

In Serbia, the Higher Prosecutors' Office in Novi Sad and the Ministry of Interior, Crime Investigations Directorate, Anti-Corruption Department, helped to execute the Mutual Legal Assistance request.

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**[Georgia: EIB Group and Bank of Georgia join forces to support businesses to](#)**

# [better deal with the consequences of the COVID-19 crisis](#)



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- EIB Group signed guarantee agreement supported by [InnovFin SME Guarantee Facility](#) enabling Bank of Georgia to provide up to €60 million in loans to SMEs
- The operation is expected to improve access to finance for over 100 businesses, particularly enterprises affected by the COVID-19 crisis
- This is the third operation of EIB Group's InnovFin Guarantee Facility in [Georgia](#)

The European Investment Bank Group (consisting of EIB and EIF) and Bank of Georgia have signed a guarantee agreement of up to €60 million backed by the InnovFin SME Guarantee Facility. The InnovFin Guarantee covers 50% of every loan disbursed by the Bank of Georgia and targets small and medium-sized enterprises and mid-caps that require investment and working capital to finance research, development and innovation activities. This operation is covered by the [EU4Business](#) Initiative.

Furthermore, as a response to the COVID-19 pandemic, the guarantee also covers 80% of loans provided by Bank of Georgia to SMEs and mid-caps impacted by the coronavirus crisis for their working capital needs.

**EIB Vice-President Lilyana Pavlova, responsible for the EU bank's operations in Georgia,** commented: *"The EU bank's financing aims to increase the quality of life of Georgian people and to build a more innovative and greener economy that is strongly connected to the EU. Addressing the economic well-being of smaller innovative businesses is a key element of the [EIB Group's response to the COVID-19 crisis](#). This operation is enabled jointly by the EIB Group and a well-established partner – Bank of Georgia. It is facilitated by new features of the InnovFin SME Guarantee, which make it possible for the EIF to provide enhanced terms and conditions for guarantees and counter-guarantees to incentivise financial intermediaries to provide working capital financing to SMEs and mid-caps hit by the economic impact of the coronavirus pandemic."*

**Bank of Georgia CEO Archil Gachechiladze** commented: *"I am delighted to see that Bank of Georgia and the EIB Group have successfully cooperated under the InnovFin Guarantee Facility, which will increase the Bank's capacity to offer financial services to Georgian MSMEs and mid-caps that invest in research and development and digitalisation, and are innovation-oriented. Instruments like the InnovFin Guarantee Facility are crucial for the modernisation of the country's businesses and the approximation of their standards to best practices in Europe. As a financial intermediary, we are happy to be able to extend credit to forward-looking enterprises in Georgia, especially considering recent developments vis-à-vis the global COVID-19 pandemic, and to maintain a healthy portfolio at the same time. I wish to thank the EIB Group for this support and hope to have further successful transactions with them in the future."*

**EU Ambassador to Georgia Carl Hartzell** stated: *"Small and medium businesses are key to Georgia's economic development, and many of them have been hit hard by the COVID-19 crisis. We are very happy that the European Union, via our bank the EIB, has been able to facilitate further access to finance to help them overcome current challenges and to innovate and develop for the future."*

#### **About InnovFin**

The [InnovFin SME Guarantee Facility](#) is established under the "EU InnovFin Finance for Innovators" initiative developed under [Horizon 2020](#), the EU Framework Programme for Research and Innovation, which also covers Georgia. It provides guarantees and counter-guarantees on debt financing of between €25 000 and €7.5 million in order to improve access to loan finance for innovative SMEs and small mid-caps (up to 499 employees). The facility is managed by the EIF, and is rolled out through financial intermediaries – banks and other financial institutions – in EU Member States and Associated Countries. Under this facility, financial intermediaries are guaranteed by the EU and the EIF against a proportion of their losses incurred on the debt financing covered under the facility.

#### **About [EU4Business](#):**

EU4Business is an EU initiative that helps SMEs in the six countries of the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) to finance their development and boost economic growth. EU4Business support is delivered by the EIB together with other organisations outside the

EU such as the European Bank for Reconstruction and Development. All EU activities that support SMEs in the Eastern Partnership countries are part of EU4Business. The EIB has joined forces with the European Union to strengthen economic development in the countries that have signed Association Agreements with the EU – namely Georgia, Moldova and Ukraine – by providing financial and technical support targeted at SMEs in these three countries.

#### **About Bank of Georgia:**

JSC Bank of Georgia is the leading Georgian bank with a market share of 35.9% (based on total assets), 35.6% (based on total loans) and 35.4% (based on client deposits). The Bank offers a broad range of retail banking, corporate banking and investment management services. As of 31 March, 2020, Bank of Georgia served approximately 2.5 million client accounts through one of the largest distribution networks in Georgia, with 228 branches, the country's largest ATM network, comprising 939 ATMs, 3,183 Express pay (self-service) terminals and a full-service remote banking platform and a modern call center. Bank of Georgia is listed on the main market of the London Stock Exchange, through its parent company, Bank of Georgia Group PLC, which is a constituent of the FTSE 250 Index. Bank of Georgia has credit ratings from global rating agencies: 'Moody's': 'Ba3/'Ba2 (foreign and local currency), outlook 'Stable'; Fitch Ratings: 'BB-/B' (long and short term issuer default ratings), outlook 'Negative'.

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## **[Press release – Media Advisory: Visit of Chancellor Angela Merkel on Wednesday](#)**



EP President David Sassoli will welcome the Chancellor at 13.20 at Parliament's protocol entrance. Both will then give short statements before meeting bilaterally.

Due to limited space and physical distancing rules, there will be very restricted access for media during the statements. No TV cameras will be allowed, only still-photographers.

The EP will act as host broadcaster and will provide full video coverage of the working visit live on EbS+ <https://audiovisual.ec.europa.eu/en/ebs/2/20200708/European%20Parliament> as well as through webstreaming [https://multimedia.europarl.europa.eu/en/plenary-session\\_20200708-0900-PLENARY vd](https://multimedia.europarl.europa.eu/en/plenary-session_20200708-0900-PLENARY vd)

This will include the official arrival and statements, roundtable ahead of the bilateral meeting and plenary debate.

Live replays and all available material will be published on the EP Multimedia Centre: [https://multimedia.europarl.europa.eu/en/german-presidency\\_15901\\_pk](https://multimedia.europarl.europa.eu/en/german-presidency_15901_pk).

The video pool signal will be available through several distribution points (audio-embedded HD- SDI) in the working areas allocated to the Press on the third and fourth floor of the SPAAK and SPINELLI buildings.

Accreditation and filming permits should be picked up at the accreditation centre, on the Esplanade Solidarnosc.

Audiovisual Press will have access upon request to the usual working positions on the Karamanlis footbridge and the Press gallery inside the Chamber.

A limited number of camera positions, facing the entrance of the Chamber, will be accessible on the fourth floor of the SPAAK building.

Extra working space will be available on either side of the VoxBox area.

For bookings, requests and questions please contact via email at [avplanning@ep.europa.eu](mailto:avplanning@ep.europa.eu), and telephone on +32 2 2842010.

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**[EIB and International Climate Finance Accelerator Luxembourg join forces to](#)**

# shape the leading climate finance fund managers of tomorrow



- **ICFA Luxembourg and EIB sign a Memorandum of Understanding to boost climate finance in Europe and beyond**
- **EIB will provide its expertise to selected fund managers**
- **Eligible funds focus on climate mitigation, climate adaptation and REDD+**

With a view to promoting and expanding climate finance in Europe and beyond, the European Investment Bank (EIB) and the International Climate Finance Accelerator Luxembourg (ICFA) have signed a Memorandum of Understanding (MoU) to strengthen their collaboration.

ICFA Luxembourg supports emerging fund managers focusing on innovative climate finance investments with high environmental and social impact. The initiative seeks to help fund managers in their startup phase by creating an attractive and supporting environment for them. It is part of Luxembourg's Climate Finance Strategy and is supported financially by the Ministry of Finance and the Ministry for the Environment, Climate and Sustainable Development and by the expertise of 10 private sector partners.

Thanks to this new collaboration, the EIB will share its expertise, providing fund managers with coaching services, training sessions and capacity building.

**EIB Vice-President Emma Navarro** said: "I am very pleased to sign this agreement with the International Climate Finance Accelerator Luxembourg. Coaching the new generation of innovative climate fund managers through an accelerator such as ICFA Luxembourg is essential to supporting and boosting the green investments of the future. By sharing the EIB's expertise with them we play our role as the EU climate bank and contribute to mobilising private finance towards projects that are key to achieving a low-carbon economy and to increasing the resilience of our societies to climate change."

**Pierre Gramegna, Minister of Finance of Luxembourg** said: "The International Climate Finance Accelerator has been another important success for the Luxembourg Climate and Sustainable finance ecosystem. Since its launch in



2018, 14 burgeoning climate fund managers from different parts of the world have benefited from the programme, with two of them having already launched their climate impact fund. Luxembourg's efforts to support innovative climate fund managers are thus bearing fruit. This new MoU with the EIB, Europe's climate bank, will be an important step to further strengthen and broaden the ICFA's reach and impact, and will thus give an additional boost to developing climate finance expertise in Luxembourg and around the world."

**Carole Dieschbourg, Minister for the Environment, Climate and Sustainable Development** said: "Mobilising additional climate finance from the private sector remains fundamental for the successful implementation of the Paris Agreement. In that regard, the Luxembourg International Climate Finance Strategy aims to support new financial instruments that strengthen climate action in developing countries by leveraging additional funding from private sources. The ICFA perfectly matches this objective, and I am very pleased that this innovative public-private partnership will further benefit from the support and expertise of the EIB."

"The support of the EIB provides major added value for ICFA Luxembourg, because of its in-depth expertise in analysing climate finance projects and fund management teams. In addition, selected fund managers will gain an excellent overview on how DFIs assess investment projects like their own," said **Corinne Molitor, Partner at Inn pact Sàrl, managing the ICFA initiative.**

ICFA supports climate fund managers investing in climate mitigation and adaptation as well as in projects "Reducing Emissions from Deforestation and Forest Degradation" in developing countries (REDD+). It provides fund managers with financial leverage, by financing part of their operating costs and fund set-up costs. ICFA also offers expert advice to future fund managers and grants them access to various networks and promotion channels. Since it started operating, ICFA has supported 15 funds active in various regions of the world, such as sub-Saharan Africa, South East Asia, Latin and South America as well as Europe with a spill-over effect to developing countries.

## **Background information**

### **About the European Investment Bank**

The European Investment Bank (EIB) is the long-term lending institution of the European Union (EU) owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. The EIB is one of the world's largest multilateral lenders for climate investments. In 2019, the EIB Group committed to increasing its climate action and environmental sustainability lending to at least 50% by 2025. Over the next decade, its financing will mobilise €1 trillion for the climate from the public and private sectors.

[www.eib.org](http://www.eib.org)

### **About ICFA**

ICFA Luxembourg is a public-private partnership under the Luxembourg Climate

Finance Strategy, composed of 10 private entities from the Luxembourg financial sector (Arendt & Medernach, Deloitte, Elvinger Hoss Prussen, EY, [Innpact](#), Investing for Development, KPMG, LuxFLAG, PWC and 4Climate), and the Luxembourg Ministry of Finance and the Ministry of Environment, Climate and Sustainable Development. Its mission is to enhance the climate finance ecosystem by creating an attractive and supportive environment for climate finance fund managers in Luxembourg.

[www.icfa.lu](http://www.icfa.lu)