

Police dismantle criminal network linked to international VAT fraud trading vegetable oil



12 arrests in Germany and Poland and tax loss for Polish authorities estimated at €17.8 million

The Polish Central Anti-Corruption Bureau (Centralne Biuro Antykorupcyjne) and German Tax Office for Prosecution and Criminal Matters in Berlin (Finanzamt für Fahndung und Strafsachen Berlin), with the support of Europol dismantled an organised crime group involved in international VAT fraud and money laundering. The fraud scheme revolved around the trade of vegetable oil and caused the Polish treasury to lose an estimated €17.8 million in tax. On an action day on 18 February 2021, investigators raided 45 locations across Germany and Poland resulting in the arrest of twelve suspects. The alleged ringleader of the network is believed to be among the arrested suspects.

The criminal gang allegedly set up a fraud scheme involving a string of buffer companies and missing traders to evade tax payment. Through this scam, the missing trader bank accounts did not hold any funds that could have been seized by financial authorities on the suspicion of money laundering. The organised crime group is also thought to have applied to the Polish Development Fund a support package in connection with the COVID-19 economic

crisis. As a result of the investigation, the criminals did not receive the financial.

Europol actively supported the investigation from 2019 by providing a secure network for the international exchange of information and bespoke analysis. Europol's operational coordination contributed to effective cross-border cooperation.

Europol's European Financial and Economic Crime Centre (EFECC) helps with identifying and dismantling organised criminal networks involved in cross-border VAT fraud and the tracing and confiscating of the proceeds of missing trader intra community (MTIC) fraud. MTIC is committed through a chain of linked companies when the fraudsters sell goods or services from one EU country to another, taking advantage of the fact that it is legitimate not to charge VAT on such cross-border transactions. MTIC scammers obtain €60 billion in criminal profits every year in the EU by avoiding the payment of VAT or by corruptly claiming repayments of VAT from national authorities.