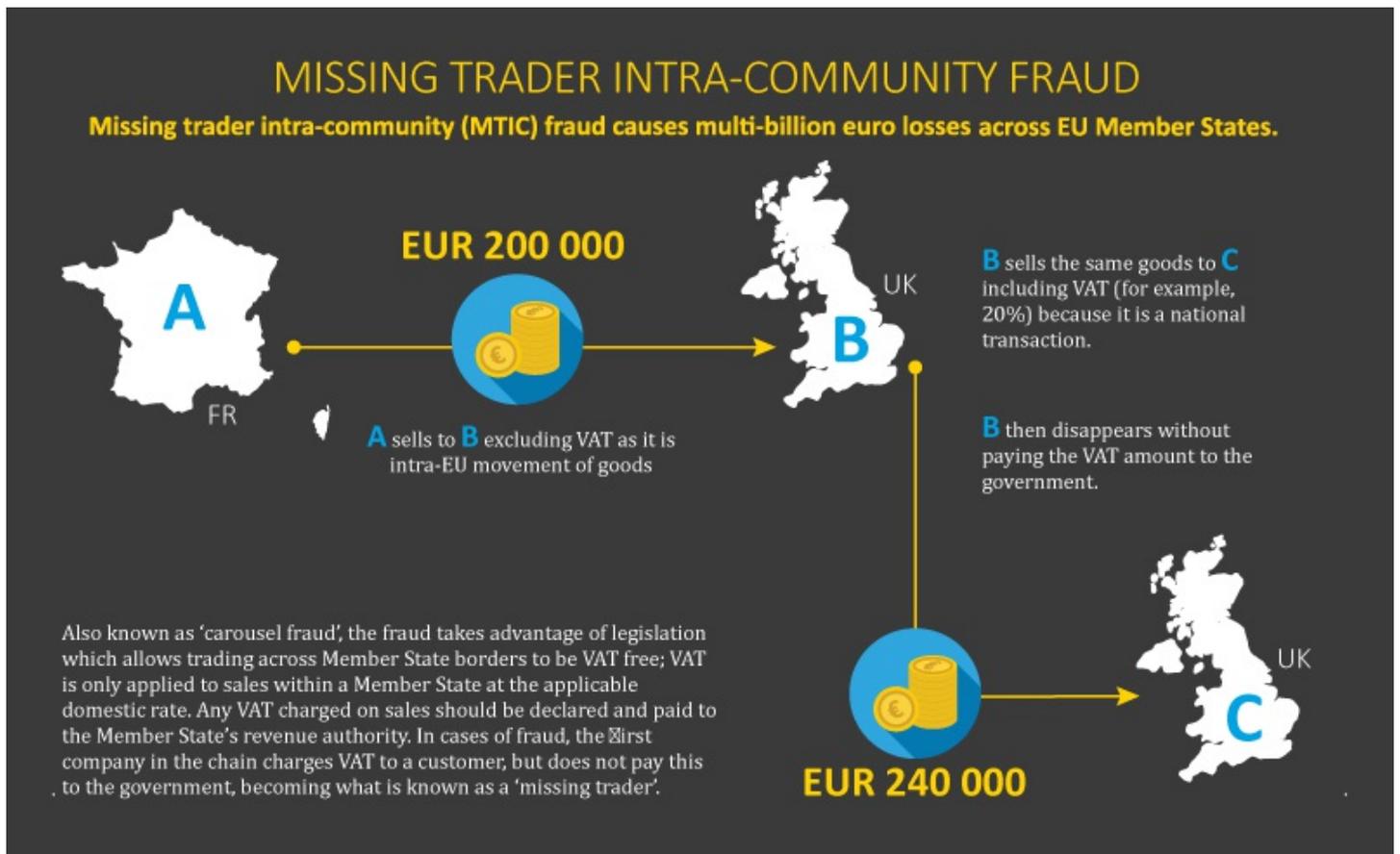


# CROSS-BORDER VAT FRAUDSTERS BUSTED IN PORTUGAL: 6 ARRESTS AND 32 INDICTMENTS

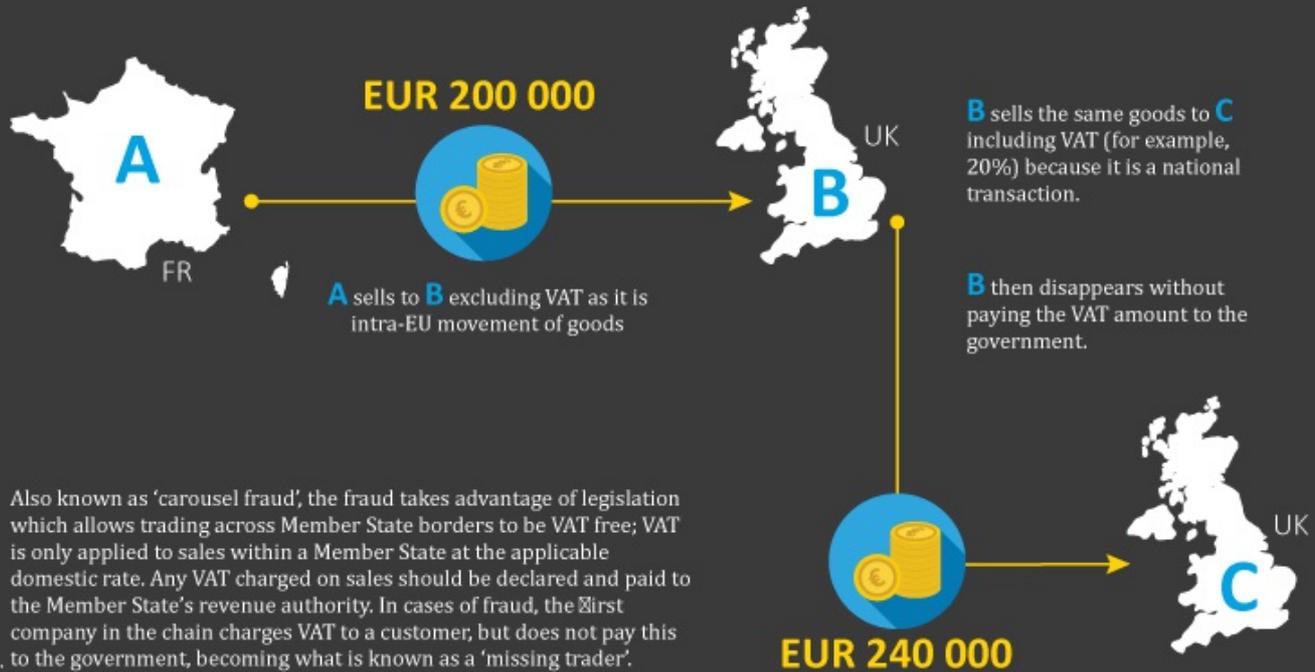
10 Jul 2020

Press Release



## MISSING TRADER INTRA-COMMUNITY FRAUD

Missing trader intra-community (MTIC) fraud causes multi-billion euro losses across EU Member States.



The Portuguese Republican National Guard (Guarda Nacional Republicana), supported by the Spanish Civil Guard (Guardia Civil) and Europol, dismantled an organised crime group involved in cross-border VAT fraud (missing trader intra-community fraud).

On the two action days, 7 and 8 July, law enforcement officers carried out 142 house searches (135 in Portugal and 7 in Spain) and arrested 6 suspects while 18 companies and 32 individuals from Pakistani and Portuguese origin were indicted for taking part in the criminal scheme. The operational activities led to the seizure of accounting documentation records, approximately 20 000€ in cash and jewels worth about 45 000€.

The suspects set up a complicated scheme to simulate intra community deliveries with zero rated VAT. The criminal infrastructures were based on traders and conduit companies based in Spain and Portugal. By not paying VAT to the Portuguese treasury, the suspects were able to gain a 23% margin (the VAT rate in Portugal). They used this margin to lower the price of the goods, which they were selling on the black market, mainly food and alcoholic beverages. This illegally gained margin gave them unlawful advantage over their competitors on the open market. In addition to this, the losses in taxes are estimated to be more than €4 million.

Europol supported the investigation from the beginning by facilitating information exchange and providing analytical support. During the action day, Europol deployed two staff members to Portugal to support the investigators in the field with real time analysis of operational information against Europol's databases. Technical support was also provided through extracting data stored on the mobile devices.

## BRINGING THE MONEY BACK TO TAXPAYERS

Missing trader intra-community fraud (MTIC) does not affect only governments, but all citizens. The billions of euros that organised crime gangs defraud from taxpayers through this scam fraud scheme are ultimately robbing citizens affecting the funding of vital public services. A cross-border crime per definition, the effective fight against it requires internationally coordinated operations pulling together the affected Member States, Europol and trusted partners.

Europol recently created the European Financial and Economic Crime Centre (EFECC) to increase synergies between economic and financial investigations and to strengthen its ability to support law enforcement authorities in effectively combating this major criminal threat.

MTIC fraud is a priority for the European Union for the period 2018-2021 in its fight against organised crime.

[Read more about this crime](#)

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CRIME AREAS

[Economic Crime](#) • [MTIC \(Missing Trader Intra Community\) fraud](#)

TARGET GROUPS

[General Public](#) • [Law Enforcement](#) • [Academia](#) • [Professor](#) • [Students](#) • [Researcher](#) •

[Press/Journalists](#) • [Other](#)

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