
MAJOR EUROPE-WIDE VAT FRAUD NETWORK BUSTED WITH THE SUPPORT OF EUROPOL AND EUROJUST

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[Press Release](#)

The size and scope of this coordinated action, initiated by the Prosecution Office for Serious Fraud and Environmental Crime in Zwolle and the Fiscal Information and Investigation Service in Almelo in the Netherlands, in close cooperation with the Public Prosecutor's Office of Augsburg and the Bavarian State Criminal Police Office in Germany, were extraordinary. In total, 11 territories were involved, including nine Member States. During the action day, law enforcement and prosecution authorities from the Member States involved, together with Europol and Eurojust experts, worked closely from a coordination centre at Eurojust in The Hague - the biggest of its kind held at its premises. One of the main challenges for today's operation was that the targets were moving very quickly. Thanks to the swift communication and actions of the coordination centre, this obstacle was successfully tackled and the arrest of these targets was secured. Europol deployed a mobile office to facilitate real-time information exchange and cross-match analysis of the data collected. Letters of Request and other judicial instruments were facilitated on the spot.

This action is part of a large-scale investigation on organised VAT fraud named Operation VERTIGO, formed by the Czech Republic, Germany, the Netherlands, Poland, Eurojust and Europol.

The damage to the state budget of Germany through this illegally evaded VAT and illegally reimbursed VAT is estimated to be in excess of EUR 100 million, while the Netherlands has suffered losses of at least EUR 30 million. In the Czech Republic and Poland, losses are estimated to be in excess of EUR 10 million each.

Operation VERTIGO began when investigators from the Netherlands and Germany observed a large number of VAT reimbursements from certain companies. Thanks to close cooperation between Europol and Eurojust, the links between the individuals belonging to the organised crime group involved in this case were reconstructed. Prior to the action, several bilateral and multilateral coordination meetings were held at Eurojust, and Europol provided extensive analytical support and intelligence sharing. This strong collaboration from the early stages of the investigation has played an important role in supporting Member States' investigation teams, helping the competent judicial authorities to identify key players and carry out targeted measures across national borders.

The criminal network targeted used so-called Alternative Banking Platforms across the globe to

facilitate crime-related money transfers and associated money laundering, amounting to several hundred million euros.

Combating [carousel fraud](#) is an EU priority in the fight against serious and organised crime. Following the operation, Mr Michael Rauschenbach, Head of Operations for Serious and Organised Crime at Europol, said: 'This action sends the clear message that Europol and its partners are determined to pursue criminals involved in organised VAT fraud. Europol strongly supports EU Member States' investigations in this area and, for the past six years, has had a fully dedicated team of specialists to tackle this form of crime. Operation Vertigo is an example of how working in close cooperation with EU Member States and partners such as Eurojust from the early stages of the investigations achieves excellent results and operational successes. Europol will continue to offer its unique capabilities and full assistance to eradicate carousel fraud.'

Following the operation, Mr Michael Rothärmel, an Assistant at the German National Desk at Eurojust, and Ms Thea Warmerdam, an Assistant at the Dutch National Desk at Eurojust, said: 'This operation sends a clear message that Eurojust and its partners enable the national authorities of the Member States to join forces across national borders to relentlessly pursue those we suspect of involvement in organised crime. Through our coordination meetings and the coordination centre, we contributed to preventing this group from continuing to defraud taxpayers of huge amounts of tax money. These groups steal from their fellow citizens and they need to know that they cannot hide behind national borders.'

Key information at a glance

Amounts defrauded (estimated): EUR 150 million (total DE, NL, CZ and PL)

Number of premises searched: 26

People arrested: 9

[JIT](#) members: Czech Republic, Germany, Netherlands and Poland

Other States and territories involved: Spain, the UK, Belgium, Cyprus, Denmark, Ireland, Luxembourg, Gibraltar, Ukraine

Coordinated by Europol and Eurojust

Operation VERTIGO began at 0600 CET on 3 March

Carousel fraud is a financial fraud that is an abuse of the VAT system resulting in the fraudulent extraction of revenue. It may involve any type of standard-rated goods or services. As with acquisition fraud, goods or services are acquired zero-rated from the European Union, with the

acquirer then going missing without accounting for the VAT due on the onward supply. However, the goods or services do not become available [in the UK] for consumption, but are sold through a series of companies [in the UK] and then exported or dispatched, prompting a repayment from the tax authority to the exporter/dispatcher. This process can be repeated using the same goods or commodities.

A joint investigation team (JIT) is a team consisting of judges, prosecutors and law enforcement authorities, established for a fixed period and a specific purpose by way of a written agreement between the States involved, to carry out criminal investigations in one or more of the involved States.

Operation VERTIGO is a JIT on organised large-scale carousel fraud formed by the Czech Republic, Germany, the Netherlands, Poland, Europol and Eurojust. It targets criminal networks that are suspected of having caused VAT losses of several hundred million euros to the detriment of different EU Member States. The JIT has carried out joint investigations over the past two years, which have led to numerous arrests, seizures of goods and freezing of bank accounts amounting to several million euros. The JIT is partly funded by Eurojust.

For interviews and further information, please contact:

Europol

Søren Kragh Pedersen

Chief of Media and Public Relations - Corporate Communications

Tel: +31 70 302 5001

Soren.Pedersen@europol.europa.eu

EUROJUST

Ulf Bergström

Head of Communications and External Relations

Press & PR Service

Tel: +31 70 412 5508

ubergstrom@eurojust.europa.eu



EN [Explanation courtesy of Her Majesty's Revenue and Customs disclosure](#)

[compliance with criminal investigations](#) [944.56 KB]

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