

Convictions in VAT Carousel Fraud Case with Luxury Cars



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News

German criminal courts handed down first judgments in a major EPPO case that dismantled a VAT carousel fraud ring involving luxury cars. This scheme was investigated since 2021 by the EPPO in Germany, and is estimated to have caused losses of at least €13 million (→ [euclid 4/2021, 211](#)). In an operation in October 2021, ten suspects were arrested and afterwards indicted. It was revealed that three suspects have links to the Italian mafia organisation 'Ndrangheta. Thanks to EPPO's investigations, law enforcement authorities also prosecuted suspects for major drug trafficking offences involving Germany, Italy and Bulgaria.

On 16 December 2022, the Regional Court of Ingolstadt (Germany), [handed down the first judgment](#) against one of the arrested persons. The defendant was given a combined sentence of nine years' imprisonment for tax evasion and drug trafficking with weapons.

On 13 February 2023, [the Regional Court of München II convicted four more suspects](#). Having found them guilty for VAT fraud, three suspects will have to serve prison sentences of between 2 years 3 months and 3 years, and the fourth received 1 year and 10 months of probation. Moreover, the court made a confiscation order of over €1 million.

On 28 March 2023, [the Regional Court of Landshut imposed sentences on two other defendants](#) for VAT fraud. They will have to serve prison sentences of 4 years and 9 months, and 2 years and 9 months, respectively. In addition, the court made a confiscation order of over €5 million.

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