# EPPO's Operational Activities: October – mid-November 2023

eucrim
European Law Forum: Prevention • Investigation • Prosecution

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**News**

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Published in
2023, Vol. 18(3) eucrim pp 247 – 248
ISSN: 1862-6947
https://eucrim.eu

This news item provides an overview of EPPO's main operational activities from 1 October to 15 November 2023. It continues the periodic reports of the last issues (→ eucrim 2/2023, 124-128) and is in reverse chronological order.

- 15 November 2023: Within the framework of investigations by the EPPO in Palermo (Italy), anti-mafia investigators and the Carabinieri take action against several suspects involved in the circumvention of anti-mafia prohibitory measures and the false declaration of ownership and possession of land. As a result, €916,000 in agricultural funds from the EU were illegally obtained.
- 14 November 2023: At the request of the EPPO, authorities in the Netherlands seize real estate, bank accounts and objects, including luxury cars and a boat, against a company and three individuals. The suspects allegedly set up a missing trader scheme involving the trade with consumer electronics. The exact VAT loss cannot yet be quantified, but is in the millions.
- 8 November 2023: In a major investigation by the EPPO in Zagreb (Croatia), which examines subsidy and procurement fraud at the Faculty of Geodesy of the University of Zagreb, 29 persons were arrested. After a raid in June 2023, the EPPO detected above all the involvement of the Dean of the Faculty of Geodesy and a professor of the same faculty in the manipulation of public procurement procedures, forgery of documents and money laundering. The estimated damage to the public budget is more than €2 million, of which over €1.7 million is attributable to the EU budget.
- 7 November 2023: Under the lead of the EPPO in Munich (Germany), more than 200 locations are searched in Germany and the Netherlands. Investigators seized over €450,000 in cash, two luxury cars and more than 80 smartphones, 30 hard disks and several servers. Four suspects are remanded in custody. The action refers to investigations into a criminal Chinese group that evaded customs duties and VAT payments by having established a complex fraud scheme with numerous shell companies trading in Chinese products, such as textiles, shoes and small electronic items. The group deceived the authorities as to the actual movement of the goods in the EU and generated false documents and invoices. It is estimated that the group evaded around €200 million in tax and customs duties. The EPPO highlights the smooth international cooperation involving police, tax investigation and custom authorities in Germany, the Netherlands and Belgium.
- 7 November 2023: In investigations of fraud and money laundering involving an amount of €15 million, Romanian law enforcement authorities carry out house searches in several locations in Romania. In parallel, investigative measures were taken in Cyprus, Czechia, Malta, Monaco and the United States as part of judicial cooperation. The investigations are conducted by the EPPO and OLAF

targeting the unlawful obtainment of EU funds for IT projects which were supposed to develop innovative software solutions. Project beneficiaries are suspected of having submitted false or inaccurate documents with overvalued services or services that were never provided, as well as fraudulent invoices for the purchase of goods. They also channeled the money via international financial circuits.

- 7 November 2023: In an investigation into large-scale VAT carousel fraud conducted by the EPPO in Milan (Italy), the Guardia di Finanza arrests two persons. The defendants are suspected to be the masterminds behind a complex network which sold electronic devices via numerous shell companies managed by straw men in Italy. The VAT loss is estimated at €50 million.
- 7 November 2023: The EPPO in Riga (Latvia), in cooperation with Latvia's Corruption Prevention and Combating Bureau (KNAB), carries out searches and detains three persons. The EPPO investigations concern possible fraud by state officials from the Municipality of Valka who presumably were involved in the illegal obtainment of more than €740 000 from the EU's European Regional Development Fund (ERDF). It is suspected that, by circumventing eligibility conditions, a certain company was preferred for the construction of a industrial building.
- 3 November 2023: The EPPO in Palermo (Italy) indicts 56 people and two companies for criminal association aimed at systemic agricultural funding fraud and corruption. High-level public officials and industrial professionals worked together so that certain companies received agricultural funding from the EU and national budgets. On the basis of long-standing relationships, officials from the authority managing the funds systematically favoured certain applicants from the criminal group.
- 30 October 2023: Under the lead of the EPPO in Milan (Italy), several searches in different locations in Italy and in Switzerland are carried out targeting a large-scale VAT fraud with VoIP (Voice over Internet Protocol) technology. The scheme allegedly involves companies in Czechia, Germany, Italy, Romania, Switzerland and the UK. The estimated damage is at least €53 million.
- 25 October 2023: An action day under the lead of the EPPO in Prague (Czechia) detects a VAT evasion scheme committed by an organised criminal group. According to the investigations, individuals operating several companies falsely declared the transfer of Chinese goods and sold the goods via an online marketplace without paying VAT. The action day results in the seizure of luxury watches and €100,000 in cash; €700,000 from bank accounts are frozen. Seven individuals and three companies are charged for tax evasion (damage: over € 50 million) and participation in an organised crime group.
- 17 October 2023: On behalf of the EPPO in Riga, the State Police of Latvia carries out searches and arrests four suspects for agricultural fraud. The case involves illegal public tenders by companies overpricing the costs for construction works. The projects were co-funded by the EU's European Agricultural Fund for Rural Development (EAFRD) and the damage is estimated at €1 million.
- 10 October 2023: The EPPO in Zagreb (Croatia) launches an investigation against two suspects who seemingly committed bribes for trading in influence. The case concerns the maintenance of business activities of the first suspect's company with the assistance of the second suspect within the framework of tenders co-financed by the EU's Cohesion Fund.
- 5 October 2023: The EPPO in Palermo (Italy), in cooperation with the Anti-Mafia Investigation Directorate (*Direzione Investigativa Antimafia*), has assets of a farmer seized who is suspected of agricultural funding fraud and ties to organised crime. The farmer allegedly received €245,000 from EU agricultural funds although she was not the owner of the declared land and blacklisted for not being allowed to receive public money.
- 4/5 October 2023: The EPPO in Zagreb (Croatia) takes action against four suspects who allegedly illegally received subsidies for an agricultural project co-financed by the EU's European Agricultural Fund for Rural Development (EAFRD). It is assumed that the suspects (managers of companies) deceived the Croatian paying agency as to the eligibility criteria. The inflicted damage to the EU and national budgets is estimated at over €1.5 million.

- 2 October 2023: On behalf of the EPPO in Palermo (Italy), the Guardia di Finanza preventively seizes assets against an agricultural company located in the province of Messina/Sicily. The company is suspected of agricultural funding fraud because it faked ownership of agricultural land by presenting false lease contracts.

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The project is co-financed by the Union Anti-Fraud Programme (UAFP), managed by the European Anti-Fraud Office (OLAF).

Co-funded by
the European Union