
Italy: Four arrested on suspicion of €10 million VAT fraud involving tyres

2024/02/20 19:24 στην κατηγορία INTERNATIONAL

At the request of the European Public Prosecutor's Office (EPPO) in Turin (Italy), searches were conducted in several locations and four suspects were arrested, in an investigation into a €10 million VAT carousel fraud involving tyres. A seizure order of up to €10 million was also executed.

The investigative measures, which involved dozens of officers, were carried out in six regions (Campania, Lazio, Tuscany, Emilia-Romagna, Lombardy and Calabria) by the Italian Financial Police (Guardia di Finanza) of Savona. Three of the suspects will remain in pre-trial detention and one in house arrest, on suspicion of criminal association and tax evasion, as determined by the Court of Savona. The Italian Financial Police also seized ten properties and four cars, as well as documents and evidence.

On the radar of the EPPO is a criminal organisation that orchestrated a VAT fraud scheme involving the sales of tyres. It is understood that the suspects, using five companies in the regions of Lombardy, Emilia-Romagna and Tuscany, acted as intermediaries between suppliers from Belgium, Germany, Hungary, Netherlands, Poland and Spain, and customers in Italy.

The fraudulent scheme, which involved a structure of shell companies, took advantage of EU rules on cross-border transactions between its Member States, as these are exempt from value-added tax, by using a chain of missing traders, which would vanish without fulfilling their tax obligations. Other companies in the fraudulent chain would subsequently claim undue VAT reimbursements from the national tax authorities.

According to the investigation, the fraudulent activities generated a turnover of more than €50 million since 2016, causing an estimated damage of around €10 million in unpaid VAT. The VAT evasion also allowed the group to resell the tyres at extremely advantageous prices, distorting the principles of fair competition on the market.

All persons concerned are presumed to be innocent until proven guilty in the competent Italian courts of law.

The European Public Prosecutor's Office (EPPO) is the independent public prosecution office of the European Union. It is responsible for investigating, prosecuting and

bringing to judgment crimes against the financial interests of the EU.

(EPPO)