

Frank, Louisse and Paul, among other people, set up an organization to defraud the Tax Office by taking advantage of the VAT system. The purpose was to receive undue refund of VAT quotas from the Tax Office. The fraud went on for several years and was done by using several companies throughout the EU.

The companies involved in the scheme included not only the applicants of the undue return, but the fake suppliers, customers and shippers.

One of this companies in the scheme was the french Blue Sea SL, created in December 13th 2001, with a share capital of 3.000 €. Frank was its administrator and owned a third of the company. The other partners were the dutch citizens, Mary and Marc.

Blue Sea purchased mobile telephones from its suppliers Sol SL and Luna SL (located in Spain) which didn't pay taxes on their sales. These and others suppliers of the mobile telephones sometimes shared the same administrator. And sometimes the administrator of the telephone company and the shipping one were the same person.

Blue Sea pretended to sell mobile telephones to these spanish companies and also to companies in other european countries, specifically Hans GmbH (Germany), Bondone SA (France), Gruppo srl (Italy), Gomes Lda (Portugal) and Trum NV (Netherlands). None of these companies had any real business activity, they just simulated purchasing the goods so that they could simulate selling them. Louisse and Paul were in charge of these companies. They looked for fake administrators in each country, made the invoices and dealt with the deliveries.

In this typical tax fraud scheme, these companies didn't turn in any tax returns, except one: the final purchaser. At the end of the chain the last buyer asked for the VAT refund to the Tax Office. Blue Sea not only didn't pay taxes linked to its own national sales but also asked for the french VAT refund linked to the european sales. So did the German, Italian, Portuguese, Spanish and Dutch companies.

Other companies involved in the fraudulent scheme were the Estonian shipping company Wiedemann and the Polish tax advisor The Advisor.

To give the appearance of credibility to the tax returns, Frank, Louise and Paul drew up the transport documents and invoices necessary to ask for the VAT refund.

The total amount delivered by the national tax offices was: 24.456.780 € the Spanish, 21.439.848 € the Italian, 23.756.290 € the French, 16.493.3746 the Dutch, 18.345.201 € the German and 8.392.291 € the Portuguese. The loss for the Treasury was, thus, more than 100.000.000 €. This amount is the sum of the VAT refund that had been already received and the VAT refund asked for but rejected by the first Tax Office which detected the fraud scheme.

The profits of the criminal activity were sent to a bank account in the Marshall Islands. Six months later the money came back to Europe and was invested in a hotel built in the Greek Islands under the name of The Advisor.

Some of the formal administrators of these companies are wanted or unknown.