

Joint operation uncovers complex money laundering scheme in Romania

The European Anti-Fraud Office (OLAF) has closed a successful investigation into suspected money laundering in relation to an EU-funded railway infrastructure project in Romania. Strong evidence was found of corruption and money laundering linked to the works undertaken by an Italian construction company through its Romanian subsidiary.

OLAF opened the investigation in January 2019 within the framework of a joint investigation team (JIT) with the Romanian National Anticorruption Directorate (DNA), the Belgian Prosecution Office of Brussels, the Belgian Central Office for Combatting Corruption (OCRC), and Eurojust. The focus of the investigation was alleged corruption and money laundering offences committed in relation to two different contracts for railway infrastructure development in Romania, which obtained co-funding by the European Union. The criminal investigation was initially opened by the Belgian judicial authorities in 2016 and by the DNA in Romania in 2017.

In April 2019, simultaneous operations were organised by the JIT members in Belgium and Romania, during which a substantial amount of evidence was seized, and a number of persons were placed under judicial control for corruption and money laundering offences.

The investigation established that after completion of the railway works the Romanian Railway Company owed more than €15 million in payments to the Italian constructor. A person close to the then Romanian Minister for Transport and an Italian citizen convinced the Italian constructor to make payments to them, of more than €2 million through its Romanian subsidiary. In order to dissimulate the nature of the payments, the constructor had concluded a number of fictitious contracts with companies controlled by the persons concerned. In return for these payments, the two individuals promised to ensure that the Romanian Ministry for Transport would allocate to the Romanian Railway Company the funds necessary to pay the outstanding debt.

Investigators traced the money flows and found that the two persons, with the support of other persons concerned in the case, set up a scheme whereby three fictitious contracts were used as a cover for the illicit payments. More than €1 million was paid into the bank accounts of two Belgian companies that were controlled de facto by the Italian citizen. Part of this money was used to pay for political advertising during the campaign for the Romanian national parliamentary elections in 2012, and more than €600,000 was transferred to private bank accounts belonging to the Italian citizen.

OLAF Director-General, Ville Itälä, said:

"This successful operation demonstrates OLAF's important role in identifying and stopping money laundering involving EU funded projects. It also shows the importance of cooperation and coordinated actions at EU level in order to fight fraud and corruption affecting the EU's financial interests. Money laundering is a serious criminal offence and following the money was always going to be key to cracking this case. As highlighted by this case, access to bank account information is crucial in order to investigate money flows to trace the proceeds of crimes."

Following the closure of the investigation, OLAF issued judicial recommendations to the judicial authorities in Romania and Belgium regarding money laundering and corruption offences, recommending them to take these results into consideration in their judicial proceedings. In July 2020, the DNA indicted five individuals and companies for corruption and money laundering offences committed in this case.

More information about this case can be found on the [DNA website](#).

OLAF mission, mandate and competences:

OLAF's mission is to detect, investigate and stop fraud with EU funds.

OLAF fulfils its mission by:

- carrying out independent investigations into fraud and corruption involving EU funds, so as to ensure that all EU taxpayers' money reaches projects that can create jobs and growth in Europe;
- contributing to strengthening citizens' trust in the EU Institutions by investigating serious misconduct by EU staff and members of the EU Institutions;
- developing a sound EU anti-fraud policy.

In its independent investigative function, OLAF can investigate matters relating to fraud, corruption and other offences affecting the EU financial interests concerning:

- all EU expenditure: the main spending categories are Structural Funds, agricultural policy and rural development funds, direct expenditure and external aid;
- some areas of EU revenue, mainly customs duties;
- suspicions of serious misconduct by EU staff and members of the EU institutions.

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