



ECONOMIC CRIME INVESTIGATION OFFICE (E.C.I.O.)-POLICE HEADQUARTERS





DEPARTMENT OF COMBATING CRIME

CYPRUS POLICE HEADQUARTERS

The Economic Crime Investigation Office

Is responsible for investigation on:

- Fraud
- Crimes related to economic issues
- Corruption
- Fraud against European Union's financial interests
- Money Laundering



Economic Crime Investigation **Office**



The ECIO is also responsible for the investigations carried out upon requests made by



- *Interpol*
- *Europol*
- *Liaison Officers at foreign Embassies*
- *execution of legal requests for assistance to foreign countries (received through the Ministry of Justice)*

The E.C.I.O. works in close cooperation with

- all police Units involved in the fight against serious crime
- the FIU (Anti-Money Laundering Unit - MOKAS)
- the Customs & Excise Department
- the Divisional Units of C.I.D.
- the Central Bank of Cyprus
- the VAT & Income Tax Authorities





Role in the Anti-fraud strategy



The Economic Crime Investigation Office participates, on behalf of the Chief of Cyprus Police, in the authorities and bodies mentioned below:

- the Advisory Authority for Combating Money Laundering and Terrorist Financing
- the Anti-Fraud Coordination Structure (AFCOS)
- the Coordination Body Against Corruption

which are composed of various public bodies, including bodies from the private sector.



Cooperation with **OLAF**



- *Since EU accession in May 2004, the Cyprus Police works closely with OLAF.*
- *Mutual assistance.*
- *Cases related to EU Financial Interests*
- *However, cases related to EU financial interests had also been investigated prior to EU accession.*



FRAUD AGAINST EU INTERESTS CASE **INVESTIGATED BY CYPRUS POLICE**



- **THE PROGRAMME**

- **EU CHEESE PLEASE**

(Multi – Country Program)

Countries: Cyprus & Bulgaria

Proposing Organizations: POCF (CYPRUS) &
BADP (BULGARIA)

Implementing Body: Agropromotion Sprl (Belgium)



THE FINANCE



- Total Finance: €4.988.000 (50% from EU, 30% from Cyprus and Bulgaria and 20% from the proposing organizations)
- Duration: 3 years (24/4/2009-23/4/2012) divided in 3 annual phases
- **FOUR OFFERS (for implementing body)**

Agropromotion Sprl (Belgium)

Media Consultant AG (Germany)

Economotechniki Ltd (Greece)

RTD Talos Ltd (Cyprus)



COUNTRIES INVOLVED IN THE FRAUD



- CYPRUS
- BULGARIA
- UKRAINE
- UNITED KINGDOM
- RUSSIA
- SEYCHELLES



COMPLAINANTS AND SUSPECTS



- **COMPLAINANTS**

Cyprus Government through the Audit office of the Republic

- **SUSPECTS**

Stella Scarlis (Australian citizen, Greek national)

Alexander Hedersven or Alex Filaretou or Constantinos Danis (Swedish citizen, Greek national)

Savvas Evangelou (Cyprus-president of POCF)

Georgios Hadjiafxentis (Cyprus-Ministry of Commerce, Industry and Tourism)

Alexander Kondratyuk and Andriy Orcharuk (Ukraine-strawmen)



COMPANIES INVOLVED IN THE SCHEME



- 14 COMPANIES HAVING RELATION WITH THE MAIN SUSPECT (HEDERSVEN)

8 in Cyprus

1 in Belgium

1 in Bulgaria

1 in Greece

1 in UK

1 in Ukraine

1 in Seychelles



OFFENCES



- (a) Conspiracy to defraud, (Cy.Crim. Law)
- (b) Cheating, (Cy.Crim. Law)
- (c) Active bribery in the private sector, Passive bribery in the private sector (European Council Criminal Law Convention on Corruption Law 23(III)/2000 section 7 & 8)
- (d) LAW WHICH RATIFIES THE CONVENTION ON THE PROTECTION OF THE EUROPEAN COMMUNITIES FINANCIAL INTERESTS (Law 37(III)/2003 Article 5(1),
- (e) The prevention and suppression of money laundering activities Law (Cyprus law)



- The finance stopped at 1.313.000 euros after the Police started investigation

The suspects used false invoices (overvalued) in order to get the maximum of the finance the program allowed for each action.



OTHER ACTIONS



- 9 disclosure orders were issued
- 6 rogatory letters were sent to 6 different countries
- A huge number of evidence was obtained specially Bank statements, swifts, invoices, papers for registration of companies, signature specimens etc. (totally 285)



MONEY MOVEMENT



- Different bank accounts were used to move the money.
- They were opened in the names of different companies in Cyprus and abroad. Totally to these accounts were transferred 1.313.000 million euros approximately
- From the above sum of money 1.2 million euros finally reached a personal bank account of Hedersven, instead of the purpose for which they were paid.



ON GOING INVESTIGATION

- There is an on-going investigation for the same facts and persons from Belgium Authorities and from OLAF itself.
- In May 2015 members of Cyprus Police joined investigations and searches, took place in Brussels from Belgium Police and OLAF for this case (statements were taken and evidence)



E.C.I.O.-POLICE HQ

**INSPECTOR
CHRISTOS CHRISTODOULOU**

**THANK VERY MUCH FOR
YOUR ATTENTION**