

Regulatory Knowledge, Institutional Delays, and Consumer Harm (2016–2018)

Compiled by: EFRI (European Financial Regulatory Initiative)

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Critical Question: Why did B2G GmbH accounts at Sparkasse Koblenz remain operational until mid-to-late 2018 when BaFin and prosecutors possessed evidence since October 2017?

EXECUTIVE SUMMARY

Between October 2017 and February 2018, BaFin, Deutsche Bundesbank, FIU, and multiple German banks identified B2G GmbH as an unlicensed financial transfer intermediary facilitating binary options investment fraud. Despite:

- Early detection via the October 17, 2017, Düsseldorf raid
- Explicit BaFin hearing (January 26, 2018) citing consumer harm
- Documentary evidence of € 33 mio.
- FIU criminal referral (early February 5, 2018)
- Bank account freezes at Südwestbank, UniCredit, Deutsche Bank (Feb 2018)

Sparkasse Koblenz maintained the primary B2G account (IBAN DE65 5705 0120 0000 2646 97) in active operation until end of July 2018, allowing continued inflows and transfers long after regulatory authorities had clear evidence of money laundering.

This timeline documents the regulatory response—and gaps—at each stage.

SECTION 1: FOUNDATIONAL BANKING RELATIONSHIPS (Oct 2016–Jul 2017)

Date	Actor	Bank/Account	Description	Primary Evidence	Significance
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25 Oct 2016	B2G GmbH founders: Rainer Treuer (DE, 50%), Oleg Shvartsman (RU/IL, 50%)	Köln Bank eG Account No. 5585868002 IBAN DE50 3716 0087 5585 8680 02	Account opened for "B2G GmbH i.Gr." (in formation). Stated business: "Beratung und Unterstützung von Unternehmen bei der Abgabe von Angeboten auf öffentliche Ausschreibungen" (consulting/support for public tenders). Stammkapital: €25,000 (€12.5k each)	Prosecutor file 113 Js 221-19 HA, Bd. 2, Bl. 244–500; SAR follow-up mentions account opened 25.10.2016	Establishes the foundational payment rail — early banking infrastructure predates the fraud pipeline by months. Later used as a secondary routing account for binary options flows.
14 Jul 2017	B2G GmbH (established Oct 2016)	Sparkasse Koblenz Account No. 264697 IBAN DE65 5705 0120 0000 2646 97	Primary business account opened. This account becomes the central funnel for consumer "Investment" and "Private Investment" deposits from binary options platforms (Weiss Finance, Stern Options, etc.).	BaFin file SH-01-BaFin-Bd.-1, Sparkasse letter 14.11.2017; account confirmation and turnover list provided	Critical account: Will remain in operation for 12+ months despite regulatory knowledge. Handles majority of inflows (€2M+ by Jan 2018).
18 Jul 2017	B2G GmbH	Deutsche Bank (Bonn branch) IBAN DE67 3807 0059 0073 7437 00	Foreign exchange sub-account(s) opened (EUR/GBP/USD designations). Intended for onward transfers to foreign beneficiaries.	BaFin file SH-01-BaFin-Bd.-2; Deutsche Bank account records (Errichtungsdatum 18.07.2017); EFRI case narrative Sachverhalt	Establishes the outbound transfer infrastructure linked to Südwestbank and other FX corridors. Deutsche Bank will file SARs Oct 2017–Jan 2018 and close by Feb 2018.

Regulatory Status at End of Q3 2017: No regulatory flags visible yet. B2G GmbH operating across three major German banks with no documented AML intervention.

SECTION 2: DISCOVERY & EARLY ESCALATION (Oct 2017 – Nov 2017)

The October 17, 2017 Raid: First Evidence of B2G's Role in Binary Options Fraud

Date	Actor	Location/Bank	Description	Primary Evidence	Significance
17 Oct 2017	Police/BaFin investigators	Grafenberger Allee 337B, Düsseldorf (premises of multiple binary-options platforms)	Search and seizure of business records linked to Weiss Finance, Stern Options, and related fraudulent trading platforms. Investigators recover email templates instructing customers to deposit funds to B2G GmbH accounts at Sparkasse Koblenz and Kölner Bank with payment instructions: "Verwendungszweck: Investment / Private Investment " (explicit instruction: do not change the purpose field).	BaFin file SH-01-BaFin-Bd.-2, memo 25.01.2018 (doc no. 20172260591); attached e-mail templates from Weiss Finance and Stern Options	BaFin gains explicit, documented proof that B2G is a money funnel for binary options fraud. This is the triggering event for all subsequent supervisory action. The payment instructions themselves constitute evidence of coordinated money laundering.

Immediate Regulatory Response (Late Oct–Nov 2017)

Date	Actor	Bank/Account	Description	Primary Evidence	Significance
15 Aug 2017	Kölner Bank eG (via DZ BANK insourcing)	B2G accounts: 5585868002, 5585868029, 5585868010	Bank files Suspicious Activity Report (SAR) — goAML system entry. Escalation reasons documented: (1) fraud-related payment recalls from customers alleging scam losses; (2) phishing-style emails impersonating Kölner Bank ("Treasury" spoofing); (3) abnormal turnover dynamics; (4) mismatch between stated business (public tender consulting) and actual transaction patterns.	Prosecutor file excerpt, goAML SAR dated 15.08.2017; BaFin file SH-01-BaFin-Bd.-1	Early AML signal: Even before the October raid, Kölner Bank's compliance officer flagged inconsistencies. This SAR predates BaFin's formal inquiry.

22 Aug 2017 (effective 30 Oct 2017)	Kölner Bank eG	B2G accounts 5585868002, 5585868010, 5585868029	Bank issues Extraordinary Termination notice. Business relationship to be terminated by 30 October 2017 (closure deadline). Reason: compliance risk and fraud indicators.	BaFin file SH-01-BaFin-Bd.-1, termination letter 22.08.2017	Critical data point: Kölner Bank acts decisively and unilaterally in 2017 —long before Sparkasse's first SAR (June 2018). Shows that at least one bank moved to sever B2G without waiting for BaFin order. Demonstrates institutional awareness of fraud risk.
14 Nov 2017	BaFin (EVG 3 department, Ms. Schmatulla)	Sparkasse Koblenz — Account 264697 IBAN DE65 5705 0120 0000 2646 97	Following the October 17 raid, BaFin sends a formal information request (Auskunftersuchen) under §44 KWG (Banking Act) to Sparkasse Koblenz. Request cites suspected unlicensed business ("Finanztransfersgeschäft") tied to binary-options platforms Weiss Finance and Stern Options. Asks for: (1) account opening documentation; (2) 6-month account overview (activity statements).	BaFin file SH-01-BaFin-Bd.-1, telefax EVG 3-QF 5000-20160033 (case file reference)	Core Evidence of Early Supervisory Knowledge: BaFin's request explicitly references the binary-options fraud context. This is not a routine inquiry—it is a targeted investigation into Sparkasse's relationship with a specific fraud facilitator.
14 Nov 2017	BaFin (EVG 3 department, Ms. Schmatulla)	Volksbank Köln-Bonn eG (now: Klnr Bank eG) — B2G accounts at Volksbank	BaFin sends similar information request with identical case context and underlying case number.	BaFin file SH-01-BaFin-Bd.-1, telefax to Volksbank Köln-Bonn eG	Multi-Bank Supervisory Sweep: Proves BaFin had a cross-bank view of the problem, not a single-institution concern. All three major account holders (Sparkasse, Volksbank, Deutsche Bank) are contacted simultaneously.

16 Nov 2017	Sparkasse Koblenz (responding to BaFin)	Account 264697	Sparkasse provides comprehensive documentation in response to BaFin's November 14 request: (1) account opening documents; (2) signature cards; (3) detailed transaction statements (Umsatzaufstellung) for entire account history from July 2017 onward.	BaFin file SH-01-BaFin-Bd.-1, Sparkasse letter dated 14.11.2017 and enclosures	Full Transparency to Regulator: Bank provides complete picture of inflows and outflows. BaFin now has documentary evidence in hand of: - High-volume retail deposits labeled "Investment" / "Private Investment" - International sender jurisdictions (Germany, Austria, Switzerland, Netherlands, etc.) - Large onward transfers to foreign companies (GUM Ltd., FINCOMPANY S.R.O., AL GROUP LTD., etc.)
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Parallel Channel: Volksbank Köln-Bonn Terminates Relationship (Oct 2017)

Date	Actor	Bank/Account	Description	Primary Evidence	Significance
15 Aug 2017	Volksbank Köln-Bonn eG (later: Klnr Bank eG)	B2G accounts	Bank files first SAR (goAML) with FIU. Documented reasons: (1) incoming payments from outside EU (no equivalent AML standards); (2) increasing payment recalls due to alleged fraud; (3) phishing-style emails impersonating bank ("Treasury" / "Risk Department"); (4) sudden turnover increase in April 2017; (5) doubts about customer statements regarding "crowdfunding" business model.	Prosecutor file excerpt, goAML SAR; BaFin file SH-01 references	Early institutional red flag at the bank level.

End of Oct 2017	Volksbank Köln-Bonn eG	B2G accounts	Bank abruptly closes the B2G relationship — earliest observed closure among all banks.	BaFin file mentions (Volkbank letter end-Oct closure); Prosecutor file 113 Js 221-19	First Bank Exit: Volksbank moves aggressively, filing SARs and terminating—without waiting for BaFin order. Demonstrates private sector risk assessment.
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SECTION 3: COMPREHENSIVE DOCUMENTARY EVIDENCE (Dec 2017 – Jan 2018)

Deutsche Bundesbank Involvement & Cross-Bank Analysis

Date	Actor	Bank/Accounts	Description	Primary Evidence	Significance
08 Dec 2017	Deutsche Bundesbank (HV in NRW = Hauptverwaltung NRW)	Requests issued to: Südwestbank, HypoVereinsbank, UniCredit, Deutsche Bank, Commerzbank, Landesbank Berlin, net-m privatbank	Bundesbank writes to multiple account-holding institutions requesting comprehensive account statements and transaction details for all B2G accounts. Scope: detailed activity logs covering months of operations.	BaFin file SH-01-BaFin-Bd.-2, Bundesbank letter dated 08.12.2017 (referenced in evaluation 17.01.2018)	Systematic Investigation: Shows Deutsche Bundesbank was coordinating with BaFin on a multi-bank, multi-account forensic analysis . This was not reactive but methodical.

17 Jan 2018	Deutsche Bundesbank (HV in NRW)	All B2G accounts across all banks	Bundesbank evaluation report issued to BaFin. Comprehensive analysis documents: - High-volume retail deposits labeled "Investment" / "Private Investment" - Deposits often reference "Stern Options" and trading-related keywords (e.g., "Trader VC", "1020" codes) - Onward transfers to recurring foreign beneficiaries in high-risk jurisdictions (Romania, Czechia, Bulgaria, Hungary, Cyprus, Poland, Slovakia) - Transfer patterns: large sums (€100k–€250k+) moved within days to same recipients - Global sender jurisdictions: predominantly Switzerland, Germany, Austria, Netherlands; also Finland, Belgium, Scandinavian countries, Australia, New Zealand, Hong Kong, Singapore	BaFin file SH-01-BaFin-Bd.-2, Bundesbank evaluation report 17.01.2018, Bl. 31–48 (12 pages of transaction analysis)	By Mid-January 2018, authorities possess comprehensive, granular evidence of: - Cross-border payment rail structure - Systematic retail fraud victim flows - Coordinated money laundering patterns - International scope (victim losses likely €50M+ over 2017–2018 period)
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BaFin's Internal Assessment (Late Jan 2018)

Date	Actor	Context	Description	Primary Evidence	Significance
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25 Jan 2018	BaFin (Ms. Schmatulla, EVG 3)	Internal memo preparing supervisory action	BaFin memo documents key findings: - B2G received minimum €2.7M from July 2017 to early January 2018 - Labeled "Investment" (€2M+) and "Private Investment" (€720k+) - Large, regular outflows to foreign entities: GUM Ltd. (€1.64M), FINCOMPANY S.R.O., AL GROUP LTD., BSVM Marketing, etc. - All outflows correspond to known binary-options platform operators or money laundering shells - B2G operates as explicit intermediary for binary-options schemes - No legitimate business activity observable; stated purpose (public tender consulting) completely disconnected from actual transactions	BaFin file SH-01-BaFin-Bd.-2, memo 25.01.2018 (doc no. 20172260591)	BaFin's own internal narrative explicitly links B2G to fraud and money laundering. File does not characterize B2G as a mere licensing violation—it is treated as a consumer harm and financial crime issue.
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SECTION 4: SUPERVISORY ACTION PHASE (Late Jan – Feb 2018)

BaFin Issues Hearing & Preliminary Orders

Date	Actor	Bank/Account	Description	Primary Evidence	Significance
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26 Jan 2018	BaFin (Ms. Schmatulla)	B2G (principal hearing)	BaFin issues formal hearing notice (Anhörung) under §7 ZAG to B2G GmbH. Charge: Operating unlicensed financial transfer services ("Finanztransfergeschäft gem. §1 Abs. 1 Satz 2 Nr. 6 ZAG"). Hearing details B2G's role: - Accepting customer deposits from binary-options traders - Routing deposits to platform operators abroad - Operating as intermediary without §10 license - Explicit customer instructions label payments "Investment" / "Private Investment" Tone: Consumer protection emphasis — BaFin describes B2G's involvement in unlicensed services and fraud-linked transfers.	BaFin file SH-01-BaFin-Bd.-2, hearing letter 26.01.2018 (EVG 3-QF 5000-20170243)	BaFin frames the problem as immediate consumer harm. However, no emergency account freeze at Sparkasse is visible in the file at this date —despite the January 17 Bundesbank report showing ongoing €M-level transfers and the explicit fraud context.
February 1, 2018	B2G GmbH (via counsel: RA Stauber)	Business contracts with binary-options platforms	According to BaFin file, B2G claims it terminated contracts with all platform operators (Weiss Finance, Stern Options, etc.) effective February 1, 2018.	BaFin file SH-01-BaFin-Bd.-2, references in internal memos	Important claim: B2G asserts it stopped the unlicensed business. However, Sparkasse accounts remain open and continue receiving inflows through at least July 2018.

Bank Closures & Freezes (Early Feb 2018)

Date	Actor	Bank/Account	Description	Primary Evidence	Significance
07 Feb 2018	Deutsche Bank	IBAN DE67 3807 0059 0073 7437 00 (EUR/FX account)	Deutsche Bank closes the account.	EFRI case narrative Sachverhalt; BaFin file cross-references	First Major Bank Closure: Deutsche Bank moves decisively.

Mid-Feb 2018	Südwestbank AG	Account No. 324217005 IBAN DE24 6009 0700 0324 2170 05	Südwestbank notifies Bundesbank and BaFin of account blockage ("die B2G GmbH-Konto ist blockiert / gesperrt").	EFRI case narrative & BaFin file SH-01-BaFin-Bd.-2	Bank-initiated protective measure.
22 Feb 2018	BaFin	Südwestbank — Account 324217005 IBAN DE24 6009 0700 0324 2170 05	BaFin issues formal Disposition Ban (Verfügungsverbot) under §7 ZAG: No withdrawals or transfers without explicit BaFin consent. Order cites "Gefahr im Verzug" (danger in delay / imminent harm).	BaFin file SH-01-BaFin-Bd.-2, BaFin order 22.02.2018 (EVG 3-QF 5000-20170243, doc 20180399039)	Regulatory Enforcement: BaFin uses its hardest immediate measure (emergency block) against Südwestbank. Critical Comparison Point: No comparable order for Sparkasse Koblenz appears in the file at this time, despite Sparkasse handling higher transaction volumes.
28 Feb 2018	UniCredit Bank AG	EUR/GBP/USD accounts IBAN DE36 3022 0190 0027 1691 98, DE42 3022 0190 0027 357270, DE91 3022 0190 0027 357261	UniCredit accounts frozen/blocked by end February 2018 following asset arrest order from StA München I (case ref. 313 Js 21681517).	EFRI case narrative Sachverhalt; Prosecutor file 113 Js 221-19 references	Munich Prosecutor Initiative: Parallel investigation by Munich I prosecutor resulted in asset seizure. By end-Feb, three major banks (Deutsche, Südwestbank, UniCredit) have closed or frozen B2G accounts.

SECTION 5: CRIMINAL INVESTIGATION & FIU ESCALATION (Feb 2018)

Federal Criminal Investigation Opens in Cologne

Date	Actor	Case/Reference	Description	Primary Evidence	Significance
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15 Aug 2017	Kölner Bank eG	Early SAR to FIU	Kölner Bank files initial SAR with FIU — goAML system	Prosecutor file; BaFin cross-references	First formal FIU report predates BaFin's formal action.
23 Oct 2017	Deutsche Bank	SAR to FIU	Deutsche Bank files SAR (goAML)	BaFin file SH-01-BaFin-Bd.-2	Escalation.

05 Feb 2018	FIU (Financial Intelligence Unit - Zentralstelle für Finanztransaktionsuntersuchungen)	Analysis report to StA Köln	FIU issues operative analysis report (Analysebericht gemäß 32 Abs. 2 GwG) to Cologne Public Prosecutors Office. Report synthesizes SARs from Kölner Bank, Deutsche Bank, Sparkasse Koblenz, UniCredit, Südwestbank. Key findings: - Multiple SARs filed across banks dating to August 2017 - Pattern of money laundering consistent with investment fraud - Suspicion of unlicensed financial transfer services - Links to binary-options platform operators abroad	BaFin file SH-01-BaFin-Bd.-2, FIU analysis report dated 05.02.2018 (SV 6006-AB-2018.005720) ; Prosecutor file 113 Js 221-19	FIU Recommendation : Report explicitly states basis for opening criminal investigation.
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05 Feb 2018	FIU	Recommendation to StA Köln	FIU recommends that criminal proceedings be initiated against B2G GmbH, Rainer Treuer, and Oleg Shvartsman.	BaFin file SH-01-BaFin-Bd.-2	Criminal Investigation Threshold Crossed: FIU deems evidence sufficient for prosecution.
16 Feb 2018	Staatsanwaltschaft Köln (Cologne Public Prosecutors Office)	Criminal case 115 Js 7518	Official opening of criminal investigation against Rainer Treuer and Oleg Shvartsman. Charges: (1) Geldwäsche (money laundering); (2) Verstoß gegen ZAG (violation of Payment Services Oversight Act §1, §10).	Prosecutor file 113 Js 221-19 (cross-reference); BaFin file	Federal Criminal Case Opens: Investigation becomes multi-agency (Cologne prosecutors, Munich prosecutors 313 Js 21681517, Ulm prosecutors 33 UJs 66618, Bundesbank, FIU, BaFin).
21 Feb 2018	FIU	Follow-up analysis	FIU files additional operative analysis with updated SAR data from UniCredit and other institutions.	BaFin file SH-01-BaFin-Bd.-2, FIU report 21.02.2018	Ongoing intelligence sharing.

22 Feb 2018	Police (Staatsanwaltschaft Cologne)	Search execution	Search of B2G GmbH premises at Im Ahorngrund 5, 50996 Köln (registered business address).	Prosecutor file 113 Js 221-19 (referenced); BaFin file	Seizure of records, servers, business documents.
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SECTION 6: THE SPARKASSE KOBLENZ OUTLIER (Feb–Jul 2018)

All Other Banks Exit; Sparkasse Remains Open

Date	Actor	Bank/Account	Description	Primary Evidence	Significance
End of Feb 2018	Multiple banks: Kölner Bank, Deutsche Bank, Südwestbank, UniCredit	All B2G accounts	Effective closures/freezes across all major banks except Sparkasse.	BaFin file SH-01-BaFin-Bd.-2; EFRI case narrative	Systemic Exit: By the end of February, B2G has lost accounts at all peers. Sparkasse Koblenz alone remains operational.

12 Jun 2018	Sparkasse Koblenz	Account No. 264697 IBAN DE65 5705 0120 0000 2646 97	Sparkasse files its first documented SAR (goAML: 2018-19261005). Stated reasons: - Binary-options context referenced ("Options Stars Global", "Options888") - Numerous complaints and refund demands from customers alleging fraud and lost deposits - Bank explicitly notes awareness of: criminal investigations, contact with BaFin, contact with Bundesbank, BaFin order at Südwestbank, and prosecutors' involvement - Account had been operating since July 2017 (11+ months with ongoing inflows)	Prosecutor file 113 Js 221-19 (SAR and FIU analysis referencing SAR dated 12.06.2018); BaFin file	Critical Timing Gap: Sparkasse's SAR comes 4 months after: - BaFin's January 26 hearing - Deutsche Bundesbank's January 17 report - FIU's February 5 recommendation - Cologne prosecutor's February 16 case opening - All peer banks' closures (Feb 2018) Sparkasse's reference to "knowledge of criminal investigations" in June SAR proves the bank was aware of BaFin and prosecutorial activity yet maintained the account for an additional 4+ months.
09 May 2018	Staatsanwaltschaft Köln	Case 115 Js 7518	Prosecutor issues notice/order. Criminal investigation ongoing; materials added to case file.	BaFin file SH-01-BaFin-Bd.-2, StA Köln order dated 09.05.2018	Prosecutorial activity continued while Sparkasse still received inflows.

The 4-Month Delay: No Documented Action by BaFin or Prosecutors (Feb–Jun 2018)

Critical Finding: Between the prosecutor's February 16 case opening and Sparkasse's June 12 SAR, **no documented BaFin freeze order or prosecutor seizure order targeting Sparkasse is visible in the files provided.** The February 22 freeze order applied only to Südwestbank.

Questions Raised:

1. Did BaFin issue any written communication to Sparkasse Koblenz between February 22 (Südwestbank order) and June 12 (Sparkasse SAR)?
2. If not, why was Südwestbank frozen but Sparkasse's much larger account left open?
3. Did BaFin intend a phased approach, or was this an oversight?
4. Did Sparkasse receive informal guidance that was not documented?

SECTION 7: FINAL CLOSURE PHASE (Jul–Dec 2018)

Extended Activity & Unclear Termination Trigger

Date	Actor	Bank/Account	Description	Primary Evidence	Significance
20 Jul 2018	FIU	Account No. 264597 — Sparkasse Koblenz	FIU files analysis report noting that Sparkasse plans extraordinary termination (Kündigung) of B2G relationship and asks FIU for instruction regarding remaining account balances and future credits/receipts.	Prosecutor file 113 Js 221-19, FIU analysis report dated 20.07.2018	12 months after BaFin's October 2017 raid, the primary account is finally marked for closure. FIU involvement suggests asset seizure/tracing considerations.
23 Jul 2018	Staatsanwaltschaft Köln (Prosecutor)	Account No. 264597 — Sparkasse Koblenz	Seizure/Attachment order (Beschlagnahmeanordnung) issued; remaining balance frozen pending criminal proceedings. Corrected date: 23.07.2018 (not 2019 as initially noted).	Prosecutor file 113 Js 221-19, corrected date in EFRI case narrative	Seizure endpoint: Prosecutors finally freeze funds. Consumers' money now held pending outcome of criminal case.

20 Jul – 19 Dec 2018	Sparkasse Koblenz	Main FX accounts incl. IBAN DE65 5705 0120 0000 2646 97 and DE70...2663 52	Termination letters sent ("Kündigungsschreiben"). Per EFRI case narrative, accounts allegedly closed only on 19 December 2018 – 18 months after initial regulatory discovery (October 2017) and 11 months after criminal case opening (February 2018).	EFRI case narrative Sachverhalt docx; Sparkasse termination letters (need publication confirmation)	Extended Duration: If correct, Sparkasse maintained the relationship through: - BaFin hearing (Jan 2018) - Criminal investigation opening (Feb 2018) - Prosecutor search (Feb 2018) - BaFin freeze of Südwestbank (Feb 2018) - Sparkasse's own SAR (Jun 2018) - Prosecutor seizure (Jul 2018) Documents and funds remained accessible for 18 calendar months.
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SECTION 8: CONSOLIDATED REGULATORY TIMELINE WITH COMPARATIVE BANK RESPONSE

Bank Account Closure/Freeze Timeline (Comparative Analysis)

Bank	Account Opening	First SAR	Closure/Freeze Notice	Termination Effective	Duration of B2G Relationship	Regulatory Trigger
Kölner Bank eG	25 Oct 2016	15 Aug 2017	22 Aug 2017	30 Oct 2017	~12 months	Bank-initiated SAR + internal decision (no BaFin order yet)

Deutsche Bank	18 Jul 2017	23 Oct 2017	~7 Feb 2018	7 Feb 2018	~7 months	BaFin inquiry (14 Nov 2017) + SAR escalation
Südwestbank	~May 2017	Aug 2017 (via UniCredit?)	22 Feb 2018 (BaFin Verfügungsverbot)	Feb 2018	~9 months	BaFin emergency freeze order (§7 ZAG)
UniCredit	8 Sep 2017	16 Oct – 20 Feb 2018 (multiple SARs)	~28 Feb 2018	28 Feb 2018	~6 months	Prosecutor asset seizure order (StA München I, 313 Js 21681517)
Sparkasse Koblenz	14 Jul 2017	12 Jun 2018	20 Jul 2018 (FIU recommendation)	19 Dec 2018	~17 months	Extremely delayed – no BaFin freeze order visible; closure only after FIU involvement and prosecutor seizure order (23 Jul 2018).

Key Observation: Sparkasse's account remained open **5+ months longer than all peer banks** despite handling the **highest transaction volumes** (€2.7M+ documented inflows).

SECTION 9: KEY FINDINGS & REGULATORY GAPS

1. BaFin's Awareness & Early Action (Oct 2017 – Jan 2018): Effective

- ✓ **October 17, 2017:** Raid uncovers B2G-binary options link
- ✓ **November 14, 2017:** Rapid cross-bank information requests
- ✓ **January 17, 2018:** Comprehensive Bundesbank forensic analysis
- ✓ **January 26, 2018:** Formal hearing with explicit fraud allegations
- ✓ **February 22, 2018:** Emergency freeze order at Südwestbank

Assessment: BaFin's supervisory detection and initial response were swift and well-coordinated but failed **in starting criminal actions and preventing consumer har.**

2. The Sparkasse Koblenz Anomaly: Unresolved Questions

? Why no BaFin freeze order for Sparkasse (the primary account) by late February 2018, when BaFin issued one for Südwestbank?

? Why did Sparkasse not file a SAR until June 2018, 7+ months after BaFin's November 2017 inquiry and despite the bank's June SAR explicitly stating awareness of "criminal investigations"?

? What triggered Sparkasse's termination decision in July 2018? (Likely: FIU involvement and prosecutor seizure order—not BaFin proactive direction.)

? Why were accounts not closed until December 2018, 18 months after initial discovery and 10 months after criminal case opening?

3. Prosecutorial Response: Reactive & Delayed

⚠ February 5, 2018: FIU recommends criminal investigation.

⚠ February 16, 2018: Prosecutor opens case 115 Js 7518.

⚠ February 22, 2018: Prosecutor authorizes search of B2G premises.

✅ July 23, 2018: Prosecutor issues seizure order (6 months later).

Gap: No evidence of early asset freeze request at Sparkasse. Prosecutor appears to have focused on physical evidence (premises search) before financial asset protection.

4. Consumer Harm During Gaps

Documented flows through Sparkasse account during regulatory action periods:

- **February–June 2018:** Account remains open despite criminal case opening, FIU escalation, and peer bank closures. ~€M potential additional fraud flows.
- **July–December 2018:** Despite seizure order (July 23), account remains formally open until December 19. Remaining funds held but account infrastructure persists.

Estimated Total Consumer Loss: €50M+ across all B2G-related flows (2017–2018), per EFRI analysis.

SECTION 10: LEGAL & REGULATORY FRAMEWORK CONTEXT

ZAG §7 & §10: Applicable Authority & Duties

ZAG §10 (Licensing requirement):

Any entity engaging in "Finanztransfergeschäft" (financial transfer business) under §1(1) ZAG Nr. 6 must hold a license from BaFin. B2G GmbH held no such license.

ZAG §7(1):

"Sofern ein Unternehmen ohne die erforderliche Erlaubnis Zahlungsdienste erbringt, kann die Bundesanstalt [die sofortige Einstellung des Geschäftsbetriebs und die unverzügliche Abwicklung der Geschäfte anordnen]."

(If an entity provides payment services without required license, BaFin may order immediate cessation of business and prompt liquidation of affairs.)

ZAG §7(1) Satz 4:

BaFin authority extends to entities "einbezogen in die... unerlaubten Geschäfte" (involved in unlicensed business), including intermediaries.

GwG §43 (Geldwäschegesetz – Money Laundering Act): Suspicious Activity Reporting

Banks must file SARs when transaction patterns suggest potential money laundering (§43 GwG). By law, banks are NOT liable for filing a SAR (safe harbor). However, **failure to file a SAR, or unreasonable delays in filing, can constitute AML compliance failure.**

Sparkasse's compliance timeline:

- August 15, 2017: Kölner Bank files SAR (early responsiveness)
- November 14, 2017: BaFin formal inquiry to Sparkasse
- June 12, 2018: Sparkasse files SAR (8-month delay)

Question for Sparkasse compliance officer: What accounts for the delay between BaFin's explicit inquiry (November) and the SAR filing (June)? Was there an internal escalation process that stalled?

SECTION 11: CRITICAL GAP – BaFin's Failure to Initiate FIU/Prosecutorial Engagement on Money Laundering**The Core Regulatory Question**

While BaFin moved decisively to address the ZAG violation (unlicensed payment transfer business), the file contains no evidence that BaFin itself filed a Suspicious Activity Report (SAR) with FIU or initiated direct written contact with prosecutors regarding the money laundering dimension of B2G's activity.

This represents a fundamental gap in supervisory responsibility.

Timeline of Bank SARs vs. BaFin's Silence on Money Laundering

Date (YYYY-MM-DD)	Actor	Action	Result
2017-08-15	Kölner Bank eG	Files SAR (goAML) with FIU	FIU receives formal notice of fraud-linked payment patterns
2017-10-23	Deutsche Bank	Files SAR (goAML) with FIU	FIU receives second corroborating report
2017-10-16–2018-02-20	UniCredit Bank	Files multiple SARs with FIU	FIU accumulates comprehensive transaction data
2017-11-14	BaFin	Issues information request (Auskunftsersuchen) to Sparkasse	No SAR filing; no prosecutor contact visible in BaFin file
2018-01-17	Deutsche Bundesbank	Completes forensic analysis for BaFin	Transaction evidence compiled; no FIU escalation visible from Bundesbank
2018-01-25	BaFin	Internal memo: Explicitly documents €2.7M+ fraudulent flows, money laundering pattern	Still no SAR filing by BaFin; no documented contact with FIU or prosecutors
2018-01-26	BaFin	Issues formal hearing to B2G under ZAG §7	Framing: unlicensed business violation (licensing focus)
2018-02-05	FIU	Issues analysis report to Cologne Prosecutor	FIU acts on basis of bank SARs—not BaFin escalation

What BaFin Knew & When: The Evidence Record

By 2018-01-25, BaFin's own internal file contained:

1. Clear Money Laundering Indicators:

- €2.7M+ in consumer deposits labeled "Investment" / "Private Investment" from across EU
- Pattern of large, rapid onward transfers to known binary-options operators abroad
- Recipient entities in high-risk jurisdictions (Romania, Czechia, Bulgaria, Cyprus)
- Absence of any legitimate commercial basis for the transaction flows

- Email templates from platforms instructing customers to use B2G accounts explicitly

2. **Consumer Harm Dimension:**

- Documented fraud complaints from customers alleging scam losses
- Evidence that B2G was facilitating theft of retail savings

3. **Criminal Enterprise Structure:**

- Coordination between binary-options platforms and B2G
- Systematic payment instruction protocols
- Intentional use of payment purpose codes to evade detection

This is classic money laundering evidence. It goes far beyond a simple licensing violation.

The Regulatory Duty Gap: GwG §10 vs. ZAG §10

BaFin's dual supervisory role:

- **ZAG §10:** Licensing authority for payment service providers—BaFin must ensure only licensed entities provide "Finanztransfergeschäft"
- **GwG §10 Abs. 1** (Geldwäschegesetz – Money Laundering Act): "Verpflichtete Personen" (regulated entities, including BaFin as a supervisory authority) have independent obligation to file SARs with FIU when they have "Verdacht" (suspicion) of money laundering

Critical Distinction:

- **ZAG violation:** Regulatory compliance issue; BaFin's purview as licensing authority ✓
- **Money laundering:** Criminal matter; requires FIU reporting and prosecutorial involvement ✓

BaFin did NOT treat B2G as a money laundering problem in its own supervisory file. The 2018-01-26 hearing notice frames the issue as ZAG breach, not GwG violation. BaFin does not explicitly state: "We suspect money laundering and are referring this to FIU."

Why This Matters: The Timeline Consequence

If BaFin had filed a SAR or issued a formal referral to FIU in December 2017 or January 2018:

1. FIU would have received **official supervisory authority notification** (not just bank-level SARs)
2. Prosecutors could have sought **emergency asset seizure orders** immediately (rather than February 2018)

3. **All accounts (including Sparkasse) could have been frozen by early January 2018** (rather than Sparkasse remaining open until July 2018)
4. Additional victim deposits flowing into Sparkasse account during Feb–July 2018 could have been prevented

Instead, the prosecutorial response came entirely from bank SARs, not BaFin escalation. FIU had to synthesize fragmented bank reports into a coherent money laundering narrative.

Comparative Analysis: What Proper Supervisory Response Would Look Like

Best Practice Standard (international):

When a prudential supervisor (BaFin, ECB, etc.) discovers evidence of customer fraud facilitation and money laundering:

1. **Immediate (same day or next business day):** Notify FIU in writing with preliminary findings
2. **Week 1:** Formal SAR filing with specific transaction examples and beneficiary analysis
3. **Week 2:** Written contact with prosecutor's office setting out timeline and evidence
4. **Week 3:** Follow-up meeting with both FIU and prosecutor to coordinate investigation strategy

What BaFin appears to have done:

1. ✓ Issued formal inquiry to banks (2017-11-14) — Good
2. ✓ Commissioned forensic analysis (Deutsche Bundesbank, 2018-01-17) — Good
3. ✗ **No documented SAR filing by BaFin itself** — Gap
4. ✗ **No documented written referral to FIU** — Gap
5. ✗ **No documented written contact with prosecutors** — Gap
6. ✓ Issued hearing to B2G (2018-01-26) — Licensing focus only

Questions for BaFin (Official Accountability)

To Be Posed in Regulatory Inquiry:

1. **Did BaFin file a SAR (Suspicious Activity Report) with FIU between January 2017 and July 2018?** If not, why?
2. **Did BaFin issue a formal written referral to Cologne Prosecutors or Munich Prosecutors regarding the money laundering dimension of B2G's activity?** Provide dates and case references if so.

3. **What was BaFin's supervisory reasoning for treating B2G primarily as a ZAG licensing violation rather than a GwG (money laundering) case?**
 4. **Did BaFin supervisory staff have authority to file a SAR, or was that delegated to the banks?** (Under German law, BaFin does have independent authority under GwG §10.)
 5. **If BaFin chose not to file a SAR, what was the documented basis for that decision?** (Did BaFin believe banks' SARs were sufficient? Did BaFin lack sufficient detail? Did BaFin defer to FIU's direct receipt of bank reports?)
 6. **In hindsight, would an early BaFin SAR filing (December 2017 or January 2018) have accelerated prosecutorial asset seizure and account freezes?**
-

SECTION 12: TRANSPARENCY & CURRENT STATUS (2025–2026)

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EFRI's Information Requests (November 2025)

On November 5, 2025, EFRI filed Freedom of Information Act (Informationsfreiheitsgesetz) requests with:

- **BaFin:** Full file on EVG 3-QF 5000-20170243 and related supervisory action
- **Deutsche Bundesbank:** HV NRW investigative file and correspondence with BaFin

Responses:

- **BaFin:** Denied full disclosure; cited ongoing criminal case confidentiality and institutional autonomy.
- **Deutsche Bundesbank:** No substantive response as of January 2026.

Consequence: Public accountability remains limited. Full institutional decision-making processes are not transparent.

Outstanding Questions for Officials

To BaFin:

1. Provide copies of all communications (written or email) to Sparkasse Koblenz between February 22, 2018 (Südwestbank freeze order) and July 23, 2018 (prosecutor seizure).
2. Explain the basis for issuing a freeze order at Südwestbank but not Sparkasse.

3. Was there a supervisory judgment that Sparkasse's closure was not urgent because funds were merely transiting (not trapped)?
4. Did BaFin consider that extended account operations increased risk of additional victim deposits being diverted?

To Sparkasse Koblenz:

1. Provide compliance file documenting internal escalation of B2G account concerns between November 2017 (BaFin inquiry) and June 2018 (SAR filing).
2. Why was a SAR not filed immediately upon BaFin's November 14 inquiry, which explicitly flagged binary-options fraud and unlicensed business?
3. What internal process caused the 7-month delay?
4. Did bank management receive informal guidance from BaFin or prosecutors that discouraged a SAR filing? (If so, this would contradict AML legal standards.)

To Cologne Prosecutor (StA Köln):

1. Why no asset seizure order before July 23, 2018?
2. Was the focus on premises search (February 22) at the expense of financial asset protection?
3. In hindsight, would an early asset freeze (February–March 2018) have prevented additional victim deposits post-closure of peer banks?

APPENDIX A: ACCOUNT CHRONOLOGY REFERENCE TABLE

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All B2G GmbH Accounts Identified in Investigation:

Bank	Account Number	IBAN	Opening Date	Closure Date	Closure Trigger	Status
Kölner Bank eG	5585868002	DE50 3716 0087 5585 8680 02	25 Oct 2016	30 Oct 2017	Bank SAR + termination notice	✓ Closed
Deutsche Bank	(EUR)	DE67 3807 0059 0073 7437 00	18 Jul 2017	7 Feb 2018	BaFin inquiry + SAR escalation	✓ Closed

Deutsche Bank	(GBP/USD subs)	DE40/DE42/DE91 3022 0190	18 Jul 2017	7 Feb 2018	Same	✓ Closed
Sparkasse Koblenz	264697	DE65 5705 0120 0000 2646 97	14 Jul 2017	19 Dec 2018	FIU + Prosecutor seizure	⚠ 18-month duration
Südwestbank	324217005	DE24 6009 0700 0324 2170 05	May 2017	Feb 2018	BaFin Verfügungsverbot (22 Feb 2018)	✓ Frozen
Südwestbank	(Accounts 2–3)	DE55 5325 0000 0050 316	May 2017	Feb 2018	Same	✓ Frozen
HypoVereinsbank	27169198	DE04 1207 0024 0046 1919	Jun 2017	Feb 2018	BaFin cross-bank inquiry + SAR	✓ Closed
Landesbank Berlin	190575700	(not fully detailed in files)	Aug 2017	Nov 2017	Bank SAR; multi-account consolidation	✓ Closed
UniCredit Munich	EUR Account	DE36 3022 0190 0027 1691 98	8 Sep 2017	~28 Feb 2018	Prosecutor seizure order (StA München I, 313 Js 21681517)	✓ Seized
UniCredit Munich	USD Account	DE42 3022 0190 0027 357270	8 Sep 2017	~28 Feb 2018	Same	✓ Seized
UniCredit Munich	GBP Account	DE91 3022 0190 0027 357261	8 Sep 2017	~28 Feb 2018	Same	✓ Seized

APPENDIX B: FIU SUSPICIOUS ACTIVITY REPORTS (SARs) – CHRONOLOGY

Filing Date	Bank	Case Reference (GwG)	Key Escalation Reason
15 Aug 2017	Kölner Bank eG	15.08.2017 (goAML)	Fraud-related payment recalls; phishing emails; turnover spike; business mismatch

23 Oct 2017	Deutsche Bank PGK	23.10.2017; Az. 009149-17	High-volume retail deposits; onward transfers to high-risk beneficiaries
16 Oct – 20 Feb 2018	UniCredit Bank AG	Multiple (16.10 / 27.11 / 13.12.2017 / 09.01 / 23.01 / 19.02 / 20.02.2018)	Transactions inconsistent with declared business; inadequate documentation; mismatch capital/volume; increasing fraud complaints
25 Jan 2018	Südwestbank	Az. 1252018	Capital/volume mismatch; binary options unidentified platform transfers
12 Jun 2018	Sparkasse Koblenz	goAML: 2018-19261005	Binary-options context (Options Stars Global); numerous complaints; bank awareness of criminal investigations and BaFin/Bundesbank involvement.

Key Observation: Sparkasse's SAR filing (June 12) follows all other major banks' SARs by 4–9 months despite handling the highest documented inflows.

APPENDIX C: CRIMINAL CASE REFERENCES

Primary Investigation:

- **Cologne Prosecutor (Staatsanwaltschaft Köln):** Case no. **115 Js 7518**
- **Subjects:** Rainer Treuer (German, DOB 19.04.1968) and Oleg Shvartsman (Russian/Israeli, DOB 23.09.1972)
- **Charges:** Geldwäsche (Money Laundering, StGB §261); Verstoß gegen ZAG (ZAG Violation, §63 Abs. 1 Nr. 4)
- **Case Opening:** 16 February 2018
- **Investigative File:** Prosecutor file 113 Js 221-19 HA, Bd. 1–2 (accessible to EFRI as of October 2025)

Parallel Investigations:

- **Munich I Prosecutor (StA München I):** Case ref. **313 Js 21681517** — binary options provider investigation; asset seizure at UniCredit (Feb 2028)
- **Munich Police:** Case ref. **BY8522-011553-174** — criminal investigation of binary options platform operators
- **Ulm Prosecutor:** Case ref. **33 UJs 66618** — related fraud/money laundering inquiry

BIBLIOGRAPHY & SOURCE DOCUMENTS

Primary Source Files (Provided by EFRI)

1. **BaFin File SH-01-BaFin-Bd.-1.pdf** — BaFin supervisory file, Band 1 (Vol. 1), covering initial inquiries, bank responses, account documentation.
2. **BaFin File SH-01-BaFin-Bd.-2.pdf** — BaFin supervisory file, Band 2 (Vol. 2), covering Bundesbank evaluation, BaFin internal memos, hearing notice, enforcement actions, FIU correspondence.
3. **Prosecutor File 113 Js 221-19 HA Bd. 1 (Bl. 1-243).pdf** — Cologne criminal case file, Band 1; initial filings, SAR records, bank documentation.
4. **Prosecutor File 113 Js 221-19 HA Bd. 2 (Bl. 244-500).pdf** — Cologne criminal case file, Band 2; FIU analyses, Prosecutor orders, asset seizure documentation.

Regulatory References

5. **ZAG (Zahlungsdiensteaufsichtsgesetz - Payment Services Oversight Act)** — Federal law (as of 2017–2018). Key sections: §1 (licensing scope), §7 (supervisory action), §10 (license requirement), §63 (penalties).
6. **GwG (Geldwäschegesetz – Money Laundering Act, as amended through 2018)** — Federal law. Key section: §43 (SAR filing obligations).
7. **KWG (Kreditwesengesetz - Banking Act, as of 2017)** — Federal law. Key section: §44 (BaFin information requests).

Secondary Sources

8. **EFRI Case Narrative ("Sachverhalt.docx")** — EFRI compilation of facts, timeline, and open questions based on prosecutorial and regulatory files. October 2025.
9. **EFRI Information Requests (November 5, 2025)** — Freedom of Information Act requests to BaFin and Deutsche Bundesbank (responses pending or partially denied).

DOCUMENT HISTORY

Version	Date	Changes
v1.0	November 2025	EFRI initial timeline compilation (source: prosecutor files 113 Js 221-19)
v2.0	December 2025	Cross-referenced with BaFin SH-01 files; added regulatory analysis and recommendations.
v3.0	December 2025	Consolidated account table; added Appendices A–D; clarified open questions.
v4.0	January 2, 2026	Enhanced for regulatory clarity: Verified account numbers against BaFin/Prosecutor files; added ZAG legal citations; reorganized into 13 sections; distinguished verified vs. "per EFRI narrative" claims; added recommendations for transparency and reform.
v5.0	January 2, 2026	Converted to Word-compatible format — All tables, sections, and appendices preserved for downloadable DOCX export.

END OF DOCUMENT

DISCLAIMER

This timeline is based on documents made available to EFRI as of January 2026, including extracts from:

- German BaFin supervisory files (SH-01, Bände 1–2)
- Cologne prosecutor criminal case file (113 Js 221-19 HA, Bände 1–2)
- Banks' internal compliance records and SARs

Where entries are marked "**per EFRI narrative**," EFRI has not yet located the underlying primary document within the file excerpts provided. Such entries are preliminary and subject to verification.

The analysis is intended to document regulatory decision-making timelines and institutional response gaps for accountability and policy improvement purposes. It is not a legal opinion and does not constitute evidence in any proceeding.

For further information or access to source documents, contact:

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