

Biggest fraud case in German history takes place in underground bomb-proof court

Germany's biggest fraud case gets underway as the former executives of payments company Wirecard stand trial after a scandal that rocked the German establishment.

In a new, bomb-proof court built 5m (16ft) underground to try terror suspects, CEO Markus Braun will appear.

He, and two other Wirecard managers, Oliver Bellenhaus and Stephan von Erffa, stand charged with fraud and market manipulation offences for their alleged role in the collapse of the payments company.

They could be jailed for up to 15 years if convicted.

Wirecard was at one point valued at \$28bn (£22.9bn). It rose to prominence from being a porn and gambling payments processor to a respected tech company, listed on the Frankfurt Stock Exchange and a constituent company of the Dax index of German blue chip companies.

The prosecution has argued that Wirecard management invented company revenue to trick investors and creditors.

Mr Braun has been [in custody since 2020](#) and the company has [admitted €1.9bn \(£1.63bn\) went missing](#), but he denied embezzling money and accused others of running a shadow operation without his knowledge.

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He was arrested for a [second time in July](#) 2020 on suspicion of being part of an organised criminal enterprise that obtained more than €3bn from creditors in a scheme based on faked accounts.

The Wirecard fall was meteoric. It became the only Dax member to file for bankruptcy, owing creditors nearly \$4bn (£3.28bn). The downfall shook [German](#) politics and regulators and hit the country's business reputation.

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The company counted former German chancellor [Angela Merkel](#) as a supporter as she lobbied for Wirecard in China as it pursued an acquisition. For a short time she considered bailing the firm out.

Current chancellor [Olaf Scholz](#) also came in for criticism as he served as finance minister under Ms Merkel.

Criticism had been levelled at Mr Scholz for a lack of oversight of the company during his finance tenure. In the wake of the scandal he bolstered the powers of the German financial regulator, BaFin, and brought in new leadership of the watchdog. BaFin's head as well as the boss of Germany's accounting watchdog had stepped down, following the company's demise.

Wirecard had successfully lobbied German authorities not to investigate the company and instead look into the investors and journalists making claims of wrongdoing.

Both Ms Merkel and Mr Scholz have said they are not to blame for the scandal.

Former executive Mr Bellenhaus became a key witness after turning himself in to the German authorities in 2020 while Mr von Erffa expressed regret about the Wirecard events, but denied orchestrating them. His lawyer said to Reuters that Mr von Erffa did not want to comment on the charges.

Not on trial is Wirecard's former chief operating officer Jan Marsalek, a key suspect and currently an international fugitive with unknown whereabouts.

A verdict is not expected before 2024 at the earliest and there are hundreds of court dates scheduled until the end of 2023 to hear the case.