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Subject:	Serious and Organised Crime Threat Assessment (SOCTA) - Methodology

Delegations will find enclosed the Serious and Organised Crime Threat Assessment Methodology which was validated by COSI at its meeting on 25 June 2012 in accordance with action 17 of the EU Policy Cycle[1].

[1] 15358/10 COSI 69 ENFOPOL 298 CRIMORG 185 ENFOCUSTOM 94

SERIOUS AND ORGANISED CRIME THREAT ASSESSMENT

METHODOLOGY

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1. INTRODUCTION

1.1. Aims and objectives

The aim of this document is to set out the methodology used to produce the **Serious and Organised Crime Threat Assessment** (SOCTA).

The **SOCTA methodology** was developed by Europol in cooperation with the SOCTA expert group (composed of EU Member States (MS), Europol's third partner countries and organisations, European Commission and Council General Secretariat) and on the basis of the previously agreed **SOCTA customer requirements**[2]. Europol organised several meetings with all its partners to discuss these customer requirements, defining the aim and scope of the SOCTA. The conclusions of these discussions were adopted by COSI in October 2011.

The aim of the SOCTA is to:
- analyse the character or the threatening features of organised crime groups (OCGs)
- analyse the threatening features of serious and organised crime (SOC) areas of activity (hereafter SOC areas)
- analyse the threatening aspects of OCG and SOC areas by region
- define the most threatening OCGs, criminal areas and their regional dimension

The SOCTA is the strategic report identifying and assessing threats in the EU, assessing vulnerabilities and opportunities for crime, including findings specific to regions and MS. The methodology developed in this paper will allow Europol to prepare that assessment.

In order to develop the most appropriate strategy to tackle serious and organised crime (SOC) in the MS and to fully meet the expectations of the customers of the SOCTA, the methodology presented to develop the SOCTA focuses on a broader range of aspects than those used to produce the OCTA in the past:

- The scope and use of indicators for organised crime groups (OCGs) is enlarged and indicators are developed to analyse SOC areas.

[2] SOCTA customer requirements, doc. 12983/1/11 REV 1.

- Horizon scanning is added so that future threats can be better defined.
- The effect of SOC and crime relevant factors are analysed in detail to allow better and more focused prioritisation.

1.2. Background: The EU Policy Cycle

The EU has established a multi-annual policy cycle[3] with regard to serious international and organised crime in order to tackle the most important criminal threats in a coherent and methodological manner through optimum cooperation between the relevant services of the MS, EU Institutions and EU Agencies as well as relevant third countries and organisations. This **EU policy cycle for serious international and organised crime** was adopted by Council in December 2010.

The starting point of this EU policy cycle is the **SOCTA** in which Europol will deliver analytical findings that can be translated into political priorities, strategic goals and operational action plans in order to implement EU policy. The link between the SOCTA conclusions and the definition of priorities is very important. Taking this step in an intelligence-led way ensures that analysis directly informs political decision-making, and that the most relevant threats in the EU are addressed.

1.3. Strategic intelligence analysis and strategic assessments

The SOCTA is a present- and future-oriented threat assessment. It goes a step further then a situation report (which is retrospective and mainly statistical) as it takes into account possible future developments.

The SOCTA provides an overview of the present and future threats posed by SOC. In addition to the current and future threats, it includes a limited analysis of future trends, which are taken into account for the assessment and lead to a "watch list" of probable threats that need to be monitored.

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[3] Council Conclusions on the creation and implementation of an EU policy cycle for organised and serious international crime, doc. 15358/10 COSI 69 ENFOPOL 298 CRIMORG 185 ENFOCUSTOM 94.

During the SOCTA analysis process, Europol will aim to provide a holistic assessment of the SOC threat, including:

- factors that are relevant for SOC,
- the impact of SOC,
- the groups and networks active in SOC,
- intelligence gaps, and
- recommendations of key threats.

1.4. From OCTA to SOCTA

The **2010 Council Conclusions on the EU policy cycle and the SOCTA customer requirements** provide a robust conceptual framework and process for the development of the SOCTA. The SOCTA process will assure the integrity of analysis by clearly distinguishing between facts and opinions; identifying and mitigating the negative effects of bias and faulty assumptions; and, strengthening data collection and analysis. In parallel, the engagement of, and input from, all stakeholders (including those that lie beyond the law enforcement domain) will be sought.

Furthermore, information on new and emerging trends will flow into the data collection for the SOCTA. Europol has set up a horizon scanning function (see chapter 2) to detect and analyse new and emerging threats from SOC.

The **SOCTA** will not only cover organised crime but also serious crime[4]. In the methodology for the development of the SOCTA, in comparison with the OCTA, more indicators are used to define the OCGs; indicators have also been introduced for the criminal activities (crime areas); the "effect" of SOC is measured; and "crime relevant factors" that refer to vulnerabilities and facilitators are studied, using horizon scanning.

A transparent methodology, based on clearly defined indicators, will lead to well-founded findings enabling the Council to set priorities.

[4] See chapter 2.2. "Focus"

1.5. Limitations

Intelligence analysis is different from scientific research. In the latter the principal aim is to acquire knowledge on a chosen subject. With intelligence analysis the objective is to facilitate effective interventions. Here the aim is to find out what has happened, is happening now or could happen in the future. This has a bearing on the recognition and interpretation of indicators for specific situations and developments. There are other differences which set analysis apart from research, such as the need for speed, secrecy and professional trust.

The concepts of risk, threat, serious and organised crime and intelligence-led policing need clear and univocal definitions to avoid controversial and contested interpretations. Special focus has therefore been given to the use of clearly defined terminology in this document.

2. THE SOCTA METHODOLOGY

2.1. Conceptual model

This chapter sets out the four distinct steps that make up the SOCTA methodology: the focus, the tools, the analysis and assessment, and the result. These steps are explained in more detail in sections 2.2 to 2.5 below.

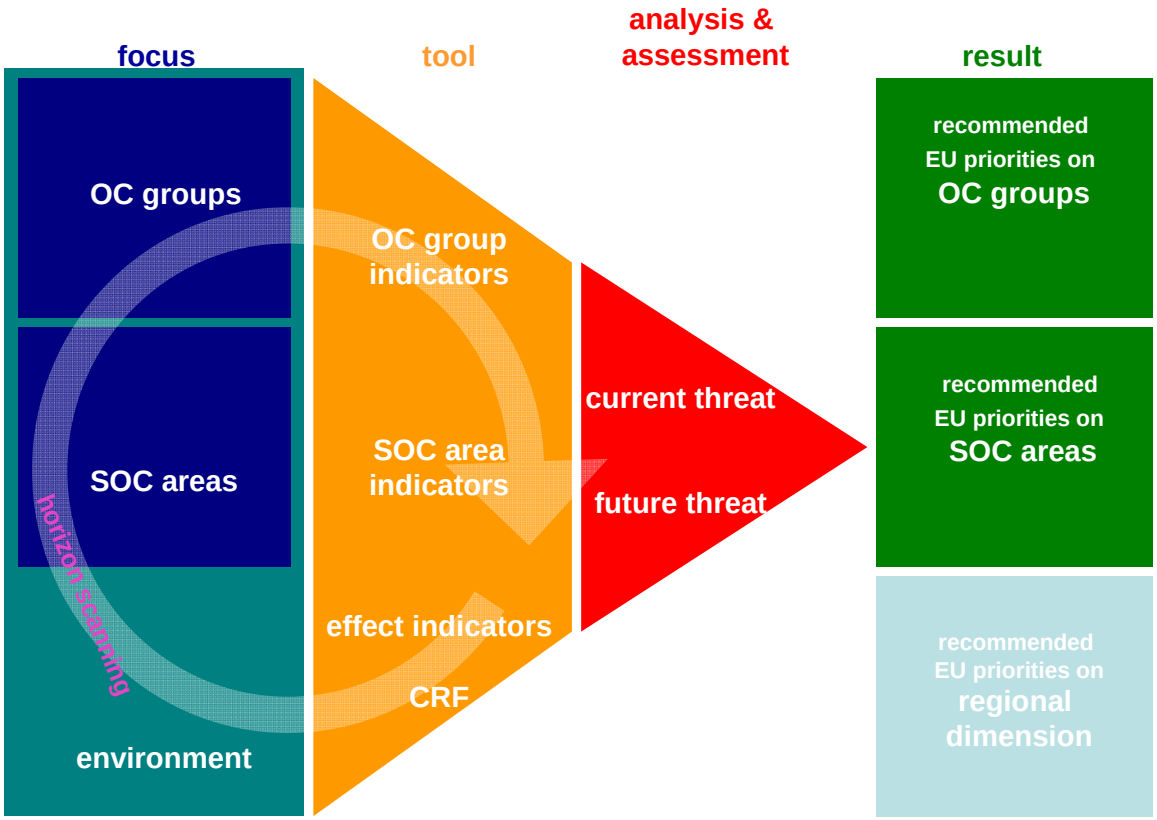

Figure 1: The SOCTA methodology conceptual model

2.2. Focus

The SOCTA analysis starts from three focus points: **OCGs**, **SOC areas**, and the **environment** on which they have an effect and by which they are facilitated. These three focus points are also the starting point for the data collection. Data contributing to the SOCTA is therefore collected based on these three aspects.

2.2.1. OCGs

For the purpose of the SOCTA and to promote uniform reporting, MS are invited to refer to the definitions provided by the Framework Decision on organised crime of 24 October 2008[5] when defining international organised crime. This Framework Decision defines a "criminal organisation" as "*a structured association, established over a period of time, of more than two persons acting in concert with a view to committing offences which are punishable by deprivation of liberty or a detention order of a maximum of at least four years or a more serious penalty, to obtain, directly or indirectly, a financial or other material benefit.*"

A structured association "*means an association that is not randomly formed for the immediate commission of an offence, nor does it need to have formally defined roles for its members, continuity of its membership, or a developed structure*"[6].

In accordance with this definition, the following list of criteria shall be applied when reporting reporting on OCGs[7] for the SOCTA:

- collaboration of more than two persons
- for a prolonged or indefinite period of time
- suspected or convicted of committing serious criminal offences (intended as punishable by deprivation of liberty or a detention order of a maximum of at least four years or a more serious penalty - for organised crime)
- with the objective of pursuing profit and or other material benefit
- Operating/working on an international level in and/or outside the EU MS.

Serious crime refers to criminal activities deemed serious, i.e. worth reporting, while not meeting the OCG definition of the 2008 Framework Decision through criminal association. De facto it concerns also lone actor or individual actions.

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5 Council Framework Decision 2008/841/JHA of 24 October 2008 on the fight against organised crime, OJ L 300, 11.11.2008, p. 42

6 Idem

7 OCG structures vary widely and many groups ranging from strong hierarchical groups to loose networks of criminals. For the purpose of the SOCTA, all types of OCGs are analysed provided that they correspond with the aforementioned definition.

2.2.2. SOC areas

Within the scope of the SOCTA methodology, **SOC areas** are specific clusters of criminal activities[8] affecting MS, committed by OCGs, as well as clusters of criminal activities which are serious because of their international dimension or their effect on the EU.

MS are invited to refer to the Europol Council Decision which provides an extensive (but not exhaustive) list of serious crime activities[9].

Additionally, related criminal offences should be reported[10]. The SOCTA looks into all forms of organised crime, covering both organised crime groups and networks in all possible varieties and may include individually operating criminals. Therefore, MS are urged to also report on *additional* serious crime areas, even if they are not referred to in the above list.

2.2.3. The environment

To have a better insight into the future of the threat, consideration of the surrounding broader environment is required. Criminal activities are embedded in a larger environment, and changes in the OCGs and SOC areas often reflect an adaptation to facilitators, vulnerabilities and/or opportunities in the immediate or broader environment. For the purposes of the SOCTA methodology these are known as Crime Relevant Factors (CRF).

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8 The crime area includes the criminal markets.

9 Europol Council Decision: unlawful drug trafficking, illegal money-laundering activities, crime connected with nuclear and radioactive substances, illegal immigrant smuggling, trafficking in human beings, motor vehicle crime, murder, grievous bodily injury, illicit trade in human organs and tissue, kidnapping, illegal restraint and hostage taking, organised robbery, illicit trafficking in cultural goods, including antiquities and works of art, swindling and fraud, racketeering and extortion, counterfeiting and product piracy, forgery of administrative documents and trafficking therein, forgery of money and means of payment, computer crime, corruption, illicit trafficking in arms, ammunition and explosives, illicit trafficking in endangered animal species, illicit trafficking in endangered plant species and varieties, environmental crime, illicit trafficking in hormonal substances and other growth promoters.

10 The following offences shall be regarded as related criminal offences:
(a) Criminal offences committed in order to procure the means of perpetrating criminal acts
(b) Criminal offences committed in order to facilitate or carry out criminal acts
(c) Criminal offences committed to ensure the impunity of criminal acts

10)
Detecting early signs of potentially important developments through a **systematic analysis of the environment** will help determining what is constant, what has changed, what is changing and what might change in the future. Emphasis will be put on factors that are relevant for SOC, including the effect that SOC has on the environment. It is a continuous exercise. A thorough scan of the environment provides the background for the development of the recommended priorities and strategies to tackle SOC.

2.3. Tools

In order to assess the threats and their links to the environment, three types of indicators are used:

- OCG indicators (16)
- SOC area indicators (11)
- Effect indicators (6)

Tailored indicators that describe and assess the intrinsic characteristics of **OCGs and SOC areas** are used to describe their respective threat levels**. Effect indicators** measure the effect that OCGs and crime areas have on different aspects of EU society. These are the most important elements to reach conclusions regarding key threats and to arrive at substantiated recommendations.

In addition to these three types of indicators, **Crime Relevant Factors** (CRF) are also analysed. CRF are facilitating factors and vulnerabilities in the environment that have an influence on current and future opportunities or barriers for OCGs and SOC areas. CRF are analysed via **horizon scanning**, which aims to identify future trends in society and future crime threats.

A balanced combination of these four features (OCG, SOC and effect indicators, and CRFs) is crucial in order to reach conclusions and produce recommendations regarding key current and future threats.

The current and future threat is assessed through the use of indicators and CRFs. In combination, the indicators and CRFs help to answer four questions:

- Which OCGs (or types of OCGs) are the most dangerous in the EU, and why?
- Which SOC areas are thriving within the EU, and why?
- Where are these activities and their effects observed?
- What changes in the environment are affecting SOC, and why?

The OCGs and the SOC areas are each assessed by area dedicated set of indicators, and the environment in which both are embedded is assessed by effect indicators and CRF. Sixteen key indicators describe the OCGs and 11 indicators measure SOC areas.

Data will be collected on the basis of indicators defined for OCGs, SOC areas and the environment.

2.3.1. Indicators for OCGs

The threat indicators for OCGs describe, cluster and assess the threat level of OCGs[11]. The function of these indicators is to describe and cluster the OCGs, to assess the threat they pose, or both.

The analysis of the OCGs' capability and intent provides answers to these questions: ▪ How much resource does the OCG own or control? ▪ How broad is the operational scope of the OCG? ▪ How flexible is the OCG? ▪ How much influence can the OCG exert on law enforcement, the public sector and the private sector? ▪ How does the OCG make use of violence?

Resources

1) **Nationality**: the nationalities of the OCG members, and the dominant nationality.
2) **Country of birth**: the country of birth of the OCG members, and if possible the dominant ethnicity of the group.
3) **Size**: the size of the OCG and estimated size of the larger network.
4) **Profit**: the yearly profit obtained by the OCG.
5) **Financial and other resources**: financial resources and consequently other resources (e.g. personnel, materials, information, communication tools).
6) **Expertise**: the degree to which the OCG is supported by people with specific skills and knowledge and/or uses specific tools and technologies to facilitate its criminal activities (level of experience and sophistication).

[11] See chapter on prioritisation.

7) **Cooperation**: the extent and type of collaborative links between OCGs, including the degree of equality or dependence.

8) **Modus operandi:** the main modus operandi and possible changes to it.

Scope

9) **International dimension**: the OCGs geographic sphere of activity and influence, based on its country(-ies) of origin, main activities and supporting activities.

10) **Multiple crime areas**: the extent to which the OCG is involved in multiple crime areas in order to maximise returns and minimise risks.

Adaptability

11) **Structure**: the type of structure used by the group (e.g. hierarchical, flat, loose networks, core group).

12) **Adaptability and flexibility**: the OCG's ability to adapt its criminal activities or working processes to changes in the environment, in order to exploit licit and illicit markets (including the degree of innovation and pro-activeness).

Influence

13) **Countermeasures**: the active or passive measures or actions (including violence) taken by the OCG to counter law enforcement detection, investigation or prosecution.

14) **Corruption and influence in the public sector**: the OCG's level of abuse of the power that is entrusted to the public sector, by practicing illicit influence, exploiting weaknesses, bribing and/or blackmailing, in order to further criminal opportunities (including the frequency, the degree of pro-activeness and the degree of belonging to the OCG's strategy).

15) **Use of legal business structures (LBS)**: the OCG's ability to operate within or make use of legitimate private businesses (including the degree of infiltration and the level at which the LBS is used).

Violence

16) **External violence**: the OCG's use of violence and/or intimidation through implicit or explicit threats against targets outside the group, in order to further criminal activities, or for competition or revenge purposes (including the level of violence, premeditation and the scale).

2.3.2. Indicators for SOC areas

The threat indicators for SOC areas are used to describe and assess the threat level for a SOC area to thrive within the EU. The function of these indicators is to describe the SOC area or to assess its threat.

The indicators developed explore four dimensions of the SOC area's dynamics:

- How many resources does the SOC area use?
- How broad is the operational scope of the SOC area?
- How flexible and adaptable is the SOC area?
- How much is the SOC area tolerated?

Resources

1) **Extent**: the extent or volume of the crime area, measured according to fixed available measuring units depending on the crime area.
2) **Value**: estimation of the total value of the crime area and of the proportion SOC occupies within this crime area.
3) **Resource availability**: availability of resources within the production cycle, such as raw materials and machinery.
4) **Demand and supply**: the balance between supply and demand in the crime area.
5) **Groups active**: the number of international OCGs under investigation for which this crime area is a main activity.
6) **Evolution**: the extent to which the SOC area is increasing or decreasing in size or in number of groups.

Scope

7) **International dimension**: the crime area's geographic sphere of operations, based on the countries involved in this crime area, including countries of activity, countries of origin, transit countries, and destination countries.
8) **Linked crime areas**: the extent to which a crime area is linked to other illicit crime areas (taking into account the difference between main and supporting activities and the extent to which the crime area is predominant to or supports other crime areas).

Adaptability

9) **Modus operandi**: the main modus operandi and possible changes to it.
10) **Innovation**: the capacity for innovation within the crime area (including whether the area generates innovation or benefits from existing innovations).

Tolerance

11) **Social tolerance**: the degree of social acceptance or tolerance of a crime area according to public opinion (including whether it is generally accepted, tolerated or rejected).

2.3.3. Effect indicators

Effect indicators are used to measure the effect of OCGs and SOC areas on EU citizens and society as a whole, i.e. on the environment. Data provided includes descriptive elements on the nature of the effect, a differentiation between direct and indirect effect, an estimation of its volume, scope and seriousness, and an evaluation of different levels of targets/victims.

Measuring the effect is often difficult and requires a large set of data and significant data collection processes. The effect can be expressed quantitatively (e.g. statistics relating to victims) and qualitatively, using for example the categories HIGH – MEDIUM – LOW – NIL – UNKNOWN, although this requires detailed definitions. Often the data needed to conduct detailed effect analysis is lacking. Measuring effect will therefore often remain an estimation. Nevertheless it is a valid and necessary input for prioritisation.

The description of the effects includes:

- the **nature** of the effect (including both direct and indirect effect)
- an estimation of its **volume/scope** and **seriousness**
- a qualitative or quantitative measurement

For the purpose of this methodology, six types of effects are measured:

1) **Physical and psychological effect**: the undesired physical and psychological effect caused by the OCG or SOC area, affecting individuals and public health.
2) **Political effect**: the undesired effect on public policy, including corruption, caused by the OCG or SOC area, affecting government, democratic values, and the judicial system.
3) **Financial and economic effect**:
   - Economic: the undesired effect on economy caused by the OCG or SOC area (e.g. unfair competition);
   - Financial: the value of the proceeds of crime, the damage caused by the crime, and indirect loss of income, affecting individuals, the private sector, public infrastructure, government.
4) **Social effect**: the undesired effect caused by the OCG or SOC area on social and ethical aspects of society, including moral values and norms, integrity and ethics, privacy, feelings of public safety, disturbance of public order affecting individuals, the private sector or government.
5) **Technological effect**: the undesired effect caused by the OCG or SOC area on technological aspects of society.
6) **Environmental effect**: the undesired effect caused by the OCG or SOC area on environmental aspects (excluding public health) of society.

2.3.4. Crime-Relevant Factors

Crime-Relevant Factors[12] (CRF) are developments in society that have a major influence on different aspects of SOC, including the crime areas, the behaviour of criminal actors (e.g. the internal violence of the group) and the behaviour of victims. CRF comprise facilitating factors (e.g. increased access to the internet) and vulnerabilities in society, creating opportunities for crime or crime-fighting. CRF include all aspects of the environment (PESTEL[13]).

The identification and description of CRFs enables greater insight into current and future opportunities or barriers for OCGs and SOC areas. The use of CRF does not aim to provide a fully-fledged scenario or other type of future analysis, but will provide an insight into current conditions and main changes that may occur in the environment and how they may influence crime.

CRFs can vary greatly with regard to the OCG or crime area under analysis, but they can also be horizontal. A specific CRF is the law enforcement reaction to crime. In the EU policy cycle, priorities are set for which law enforcement activities are then developed. These activities are elaborated in national and international action plans (EMPACT, national priorities, JITs). Consequently new data is collected from law enforcement agencies to support subsequent threat assessments and future priority-setting. In order to avoid the recycling of information focusing on the same priorities, the activities of law enforcement agencies need to be taken into account in order to assess why information is more widely available on some OCG types or SOC areas than others.

Studying the vulnerabilities means assessing weak points in the environment that can be exploited by SOC. A certain threat can only cause harm if there is some kind of vulnerability (an internal weakness that can be exploited).

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12 KLERKS, Peter and KOP, Nicolien, Societal Trends and Crime-relevant factors: An Overview for the Dutch National Threat Assessment on Organized Crime 2008-2012, Police Academy of the Netherlands, Apeldoorn, 2008, p. 10.

13 Policy, Economic, Social, Technological, Environmental, Legal.

Identification and description of CRFs improves insight into current and future opportunities or barriers for OCGs and SOC areas. Furthermore, this will allow recommended priorities to be more precise and formulated in a more precise, targeted manner. Knowledge regarding future changes in crime relevant factors via horizon scanning can also help to define new SOC threats.

The method for this part of the analysis will be **horizon scanning**, making use of a Delphi[14] exercise. Horizon scanning is the analysis of environmental developments to identify the possible impact on the criminal landscape. It is not a conclusion on its own but it is an essential part of the threat assessment.

2.4. Analysis and assessment

2.4.1. Data collection

A) Data collection process

The starting point of the data collection process will be the **data available within Europol**: the contents of Europol's Analytical Work File (AWF)[15] SOC database. The information will be combined with Europol's SCAN threat notices on new and emerging trends, specific threat assessments and other strategic reports developed at Europol. Additionally open sources intelligence (OSINT) will be used to scan the crime environment. This analysis will provide a current but not complete picture of the SOC situation in the MS.

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[14] The Delphi method is a structured communication technique, developed as a systematic, interactive forecasting method which relies on a panel of experts.

[15] AWF: An AWF is a database on a specific crime area which is intrinsically linked to specific forms of operational support offered by Europol. In effect an AWF is the only existing legal tool at European level to store, process and analyse factual information ('hard' data) and in particular 'intelligence' (or 'soft' data), including personal data of sensitive nature at the same time. Once information is received within an Analysis Work File, Europol will make sure that all the data is made available for analysis. This means, to start with, that data is processed in a structured way so it can be continuously exploited and enhanced.

The results of this preliminary analysis will identify **intelligence gaps**. This will assist with the development of tailored **EU intelligence requirements**. Questionnaires will be sent to MS in order to gather descriptive data for the indicators, fill intelligence gaps, and receive information about new trends or of emerging trends. Specific questionnaires will also be sent out to non-EU states and organisations that have strategic[16] or operational[17] agreements with Europol.

The SOCTA 2013 will be compiled on the basis of all investigations into OCGs and SOC areas from 1 January 2011 to until the date of the data collection.

B) Data sources

Both data from law enforcement agencies and open sources are used to inform the SOCTA.

Law enforcement data includes, as previously mentioned, data available within Europol, data obtained from MS via questionnaires, and data obtained from third organisations and countries.

The SOCTA uses a holistic approach toward open source material. Not all available sources will be used, but none is immediately discarded, except for suspicious sources, tabloid press articles or similar. OSINT that contradicts the information provided by MS will be cross checked with the MS involved.

Open sources include:

- Reports from other public organisations, primarily NGOs;
- Returns from the private sector;
- Scientific reports;

[16] Albania, Bosnia Herzegovina, Colombia, Moldova, The Russian Federation, Serbia, Turkey, Ukraine, Montenegro, European Police College (CEPOL), European Commission (EC), European Central Bank (ECB), European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), European Anti-Fraud Office (OLAF), European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex), Situation Centre of the European Council (IntCen), United Nations Office on Drugs and Crime (UNODC), World Customs Organisation, Civilian ESDP police missions

[17] Australia, Canada, Croatia, Former Yugoslavia Republic of Macedonia, Iceland, Monaco, Norway, Switzerland, USA, US Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF US), US Drugs Enforcement Agency (DEA), USA Federal Bureau of Investigation (FBI), US Immigration and Customs Enforcement (ICE), US Postal Inspection Service (USPIS), US Secret Service (USSS), Eurojust, Interpol

- Other open sources including journals, magazines, news agency reports and newspapers;
- EU and other official (governmental) documentation (e.g. decisions, declarations, general reports and bulletins, meeting minutes and background papers).

A reference list of all sources used for the purpose of the SOCTA, will be added as an Annex to the SOCTA report.

C) Data evaluation

In general, information will be evaluated using the "four by four (4x4)" system, in which both the source and the information are independently assessed, and every combination of a source and its information is assigned a value ranging from A1 to X4.

Following this 4x4 system, data sources used for the SOCTA are attributed thus:

- Europol information: A1;
- MS information: A1* (an **exception** can be made if there is an explicit reason to lower the status of the source and/or information e.g. investigation is ongoing and not all information is confirmed);
- Information from EU institutions (Eurojust, FRONTEX, …): A1 ;
- The status of information from grey literature and other open sources can be anything between A1 and X4.

The information that can be used for the SOCTA should have an evaluation of B3 or higher (A1, A2, A3, B1, B2).

2.4.2. Analysis

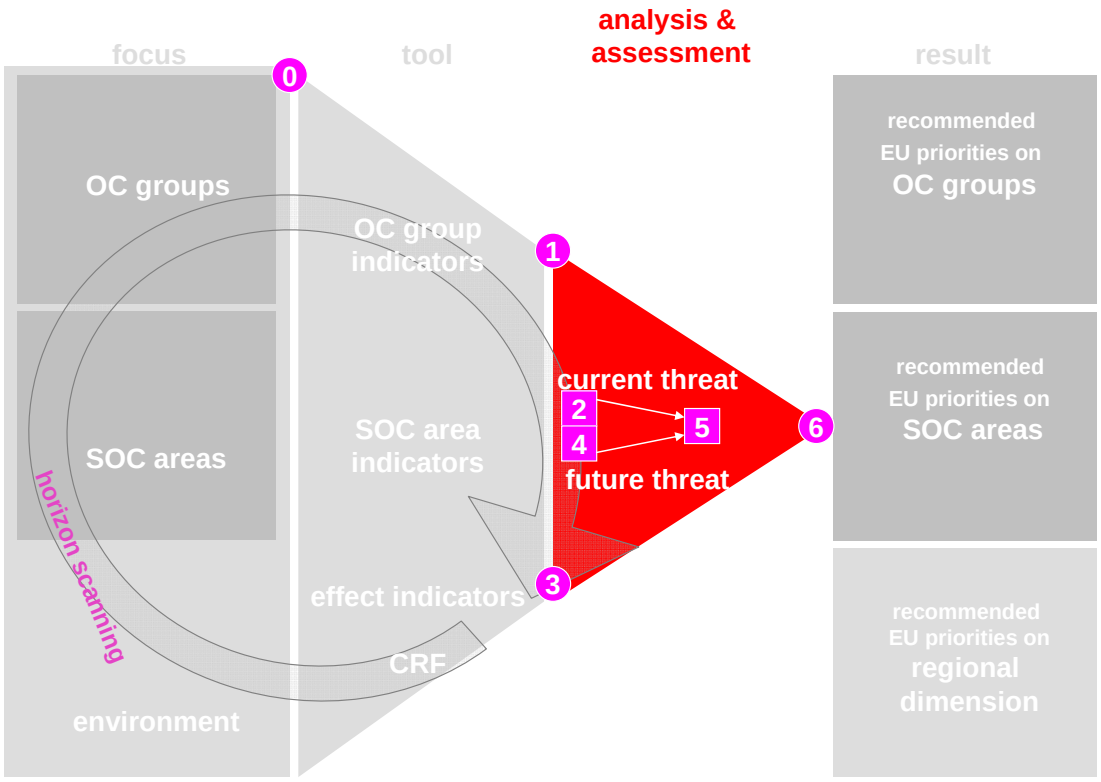
The analysis of the data and the assessment of the indicators is the core of the analysis process. The aim of the analysis is to develop the most precise and valid inferences possible from the information and to arrive at key threats.

The full analysis process includes the six steps described below and starts with what was described above, namely decisions relating to the focus and the indicators.

After the analysis and drafting phase, MS will be given the possibility to review the report and provide comments and propose amendments.

Step 0: Data collection on OCGs and SOC areas and the environment by means of the indicators.

For each indicator for OCGs and SOC areas, and for each effect indicator, a description and unit of measurement is determined. CRFs relevant for the OCGs and SOC areas are identified.



Step 1: Assessment of OCGs and SOC areas based on the indicators developed.

Especially for OCGs, MS data on OCGs can be used to create a typology of OCGs at Europol level. The typology or clustering of OCGs will be based on the existence of significant similarities between indicators. These types will be assessed according to their threat. OCGs and SOC areas are scored (high, medium, low, nil and unknown) on all their indicators.

These scores are taken into account for the determination of the current and future threat. For both OCGs and SOC areas the effect they have on the environment is assessed. Vulnerabilities, facilitators and other CRFs are analysed.

Step 2: Current threat

Definition of current threats and the relevant CRFs (e.g. new communication tools, changes in legislation).

Step 3: Horizon scanning

In order to work in a future-oriented manner, it is necessary to go beyond the current threat and also assess future threats. To do this, a horizon scan is carried out, to look into future changes in CRFs.

Step 4 : Future threat

Definition of future threats.

Step 5: Current and future threats

Combination of steps 2 and 4: list of current and future threats on SOC for the EU, including a regional perspective.

Step 6: Additional step to identify key threats

If an overview of key threats does not clearly arise from the analysis of the OCGs, SOC areas and the effect they have on the environment, an additional qualitative step alongside the whole process can be used to assist with the assessment. To identify key threats, a relative value is given to each of the threat indicators (see list below). The assigned value is not an absolute weighting but rather an indication to assess the relative value of several indicators when informing the process of prioritisation. The final result of the whole process will be the list of recommended priorities for OCGs, SOC areas on both EU and regional level.

The aforementioned decision on the value of each of the indicators for OCGs and SOC areas was determined by the SOCTA Advisory Group[18].

[18] The exercise was done during workshops organised by Europol. The method used was paired comparison analysis.

Value of the OCG indicators:

- High: International dimension, corruption;
- Medium: Adaptability and flexibility, Resources , Legal business structures, Multiple crime areas;
- Low: Cooperation, Expertise, External violence, Countermeasures.

Value of the SOC area indicators:

- High: International dimension, profit;
- Medium: Innovation, number of groups active, evolution;
- Low: Resource availability, social tolerance, linked crime areas.

It is important to note that, regarding the indicators, a clear distinction has to be made between:

- the scale of the indicator (unknown; nil → low → medium → high);
- the value of each separate indicator, which is necessary in order to combine the scores on all indicators into one threat score.

Example:

Step 0

Group type X and group type Y are, after the analysis of all indicators, on the list of most threatening groups.

- *Group type X consists of OCGs that can be described as dominant. They are large and violent polycriminal OCGs, having criminal areas inside and outside the EU and making use of violence. They employ experts, exploit LBS and corrupt law enforcement officials.*
- *Group type Y consists of OCGs providing services. They are small but polycriminal, highly specialized, but do not use countermeasures, corruption, LBS or violence.*

Step 1

The threat of group type X is assessed as high for the indicators size, international dimension, multiple crime areas, LBS and external violence. It is assessed as medium for resources, expertise, countermeasures. It is assessed low for profit and cooperation. It is assessed as unknown for flexibility. Its effect is assessed as low for psychological and physical, political and social effect; medium for economic and financial effect; and unknown for technological effect. The growth of the internet and unemployment are identified as relevant CRFs.

The threat of group type Y is assessed as high for expertise, international dimension and multiple crime areas. It is assessed as medium for cooperation and low for size and countermeasures. It is assessed as nil for corruption, LBS, external violence. Its effect is assessed as high for social effect; medium for economic and financial effect; low for technological effect; and nil for psychological, physical and political effect. The use of biometrics and the growth of the internet are identified as relevant CRFs.

The effect of group X

High: Physical/ psychological, financial/ economic

…

The effect of group Y

Low: physical, psychological

Financial/ economic: NIL

Group X: unemployment is a key CRF

Group Y: increased accessibility to the internet is a key CRF

Step 2

The list of key current threats includes

- *group type X*
- *group type Y*
- *SOC area X*
- *SOC area Y*
- *…*

Step 3

The horizon scanning and associated Delphi method indicates key future changes in CRF relate to technological developments.

Step 4

The list of key future trends includes

- *Future trend A*
- *Future trend B*
- *…*

And their impact on

- *SOC area X*
- *SOC area Y*
- *Group type X (this will be more difficult)*
- *…group type X*
- *…*

Step 5

The combined key current and future trends are:

- *group type X*
- *group type Y*
- *SOC area X*
- *SOC area Z*
- *SOC area A*
- *SOC area Y*
- *group type Z*
- *…*

Step 6

The relative value of indicators is applied to this list in order to indicate the recommended priorities and can be justified according to the following findings:

Group type X appears as a key priority:

- *it scores high on high value indicators international dimension and corruption;*
- *it scores high on medium value indicators multiple crime areas and LBS.*
- *it scores medium on medium value indicator resources.*
- *it scores high on low value indicator external violence.*

Group type Y ranks lower than group type X:

- *it scores high on high value indicator international dimension;*
- *it scores high on medium value indicator multiple crime areas;*
- *it scores high on low value indicator expertise;*
- *it scores nil on high value indicator corruption, on medium value indicator LBS and on low value indicator external violence.*

	indicators for OCGs					effect indicators			CRF		
indicator	**expertise**	**interna-tional dimension**	**multiple crime areas**	**external violence**	**...**	**physical / psycho-logical**	**financial / economic**	**...**	**unemploy-ment**	**internet growth**	**...**
value of indicator	*LOW*	*HIGH*	*MEDIUM*	*LOW*	*LOW*						
group type X	MEDIUM	HIGH	HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH	x		
group type Y	HIGH	HIGH	HIGH	NIL	LOW	LOW	NIL	LOW		x	

2.5. Results

The analysis process results in a list of recommended priorities on OCGs and SOC areas, including the geographical aspect. For each of the recommended priorities defined, an argument map will be provided explaining why the threat is in the list of recommended priorities. The argument map will provide a complete overview of all information assessed (including effect and CRF) and the pros and cons of the choice, which will allow decision-makers to have a clear overview of the main features of the recommended priorities. The details of the argument maps will also be useful in the preparation of multi-annual strategic plans (MASPs) in a later phase of the policy cycle.

3. CONCLUSION

The SOCTA is the strategic report assessing and prioritising threats in the EU, assessing vulnerabilities and opportunities for crime.

The SOCTA process includes:

- The preparation and endorsement of the methodology;
- Data collection, including the EU intelligence requirements (questionnaire);
- Analysis of the data;
- Drafting the SOCTA report, including a list of key threats;
- Drafting of the recommended priorities.

In order to develop the most appropriate strategy to tackle SOC in the EU MS and to fully meet the expectations of the customers of the SOCTA, the proposed methodology focuses on a broader range of aspects than the previous OCTA methodology:

- The scope and use of indicators for OCGs is enlarged and indicators are developed to analyse SOC areas.
- Horizon scanning is added, so that future threats can be better defined.
- Effect and crime relevant factors are analysed in detail to allow improved and more focused prioritisation.

This methodology will allow Europol to prepare an assessment of key threats on SOC.

An evaluation of the SOCTA methodology is foreseen mid-2013, following the delivery of the first SOCTA.

A summary of the methodology will be added to all versions of the SOCTA. A complete methodology report will be available to all stakeholders.

COSI adopted the SOCTA methodology at its meeting on 25 June 2012. Europol will now proceed with the preparation of intelligence requirement questionnaires for the contributors. The questionnaire will be issued in the beginning of August 2012.

4. LIST OF ABBREVIATIONS

AWF	Analytical Work File
COSI	Standing Committee on Operational Cooperation on Internal Security
CR	Customer requirements
CRF	Crime-Relevant Factors
EMPACT	European Multidisciplinary Platform against Criminal Threats
IR	Intelligence requirements
JIT	Joint Investigation Team
MS	Member States
OCG	Organised Crime Group
OCTA	Organised Crime Threat Assessment
PESTEL	Policy, Economical, Social, Technological, Environmental, Legal
SOC	Serious and Organised Crime
SOCTA	Serious and Organised Crime Threat Assessment

5. REFERENCES

Council Conclusions on the creation and implementation of an EU policy cycle for organised and serious international crime[19];

Council Framework Decision 2008/841/JHA of 24 October 2008 on the fight against organised crime[20];

Council Decision 2009/371/JHA of 6 April 2009 establishing the European Police Office (Europol)[21];

SOCTA customer requirements[22];

[19] 15358/10 COSI 69 ENFOPOL 298 CRIMORG 185 ENFOCUSTOM 94
[20] OJ L 300, 11.11.2008, p. 42
[21] OJ L 121, 15.05.2009, p. 37
[22] 12983/1/11 REV 1 COSI 56 ENFOPOL 246 CRIMORG 110 ENFOCUSTOM 78

KLERKS, Peter and KOP, Nicolien, Societal Trends and Crime-relevant factors: An Overview for the Dutch National Threat Assessment on Organized Crime 2008-2012, Police Academy of the Netherlands, Apeldoorn, 2008, p. 10.

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