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1998 - EU Organised Crime Situation Report

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1. Introduction

Due to the increasing threat of Organised Crime (OC), a decision was taken by the European Council during November 1993 that an annual strategic report, providing insight into OC within the European Union (EU), should be published. In November 1994, the Council accepted that the production of this Organised Crime Situation Report (OCSR) was dependent upon the exchange and analysis of information. This concept was formalised in ENFOPOL 161 as "a mechanism for the collection and systematic analysis of information on international OC".

ENFOPOL 35 rev2 outlines the methodology to collect the data necessary for analysing the OC-situation within the 15 Member States (MS).

Three points were highlighted as essential in the fight against OC:

1. To ensure knowledge about criminal groups and their networks with the main objective to dismantle the organisations, in addition to the arrests of offenders;

2. To ensure that "criminal intelligence practice is oriented more to organisations and the criminal process as a whole...to detect the weak links in organisations involved" ;

3. To ensure "policies that do not simply entail repressive action, but include preventive measures and proactive work, in which increasing use is made of knowledge and expertise gathered by governmental authorities, private enterprise, and science".

To assist in the process of compiling the report, meetings have been held between Europol and the Multi-Disciplinary Group (MDG), the Contact and Support Network in Brussels (CSN) and the Voluntary Reflection Group (VRG).

This year's OCSR is again based on the 15 Member States contributions (the national OC-reports). Once again these contributions are very different in volume, structure and content. However, to ensure that the documents were consistent, each of the contributions was made available to all Member States for a cross-checking exercise.

Furthermore a number of sources of information, such as Applicant Countries, ICPO/Interpol, open sources and Europol have been used.

2. Trends and New Developments in Organised Crime

2.1. Summary and Comparison of Previous OC Reports

The following is a brief summary comparing the 1995, 1996, 1997 reports with the 1998 contributions in order to assess the extent of the common major threat in the Member States in respect of the nationalities or the ethnic background of criminal organisations.

- The level of OC is growing throughout the Member States;
- There has been a marked increase in the influence of foreign OC groups on the EU, compared to the activities of indigenous OC groups;
- The OC groups themselves continue to show a trend towards smaller groups rather than large monolithic structures;
- The threat of organised crime from Central and Eastern European countries[1], is clearly viewed by the Member States with a growing level of concern;
- It is also suggested that these OC groups continue to maintain international co-operation amongst themselves, whilst the inter-action between law enforcement authorities has become more difficult;
- Three areas of crime show a marked increase in OC activity, that is illegal immigration, trafficking in human beings and money laundering – with the emphasis on the use of trans-national trafficking by OC, acting internationally rather than from a national perspective;
- The level of the use of technical developments by OC has increased dramatically, making law enforcement activities more difficult to pursue.

2.2. Actual Trends

In this chapter an attempt will be made to identify trends based on the general threat to the EU, on the basis of threats, highlighted by the national contributions to this OC Situation Report.

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[1] Conclusion of the Europol's strategic paper on OC trends within the Central Republics of Former Soviet Union and the Far Asian regions of the Russian Federation:

The threat of organised crime from Central and Eastern Europe to the EU is viewed with increasing disquiet by EU law enforcement authorities. However, for purposes of adequate and appropriate long-term response, it is suggested that strategic analysis must address the nature, extent and direction of such a threat to the EU. In doing so, such analysis must be made on both a multidisciplinary and multi-agency basis. It is further suggested that an essential part of the methodology of such analysis must be to place due emphasis upon the countries of the Former Soviet Union, and within this area the issue of the inherent economic crime and money-laundering

- The growing globalisation of financial markets and communications, together with the increased effectiveness of law enforcement activities, are provoking a series of changes in the structure of OC groups and in their relations with other criminal groups. Large, monolithic and rigid hierarchical structures have proven relatively easy targets for law enforcement operations. Reacting to that OC groups are replacing a centralised structure, often without multinational characteristics, with more flexible and decentralised structure. The current trend seems to be onwards the creation of smaller organisations based on mutual understandings and agreements, and with relatively few operating procedures, adjusting them to new market features. This would maximise the profit from the new business opportunities, minimising their vulnerability to law enforcement action;
- Most of the identified criminal groups within the EU are not "Mafia" type organisations, tending to be more structured with criminal enterprises;
- The need to respond to the changes in the world markets and their regulation as a result of technological developments and the new opportunities provided by the globalisation of financial markets and communications, is also resulting in the use that more and more criminal groups are making of professionals in order to acquire a higher level of expertise;
- Although some traditional criminal activities, such as drug trafficking remain highly lucrative, there are indicators that many criminal groups are moving to more profitable but less risky criminal activities, such as large-scale frauds, environmental crimes, smuggling of tobacco products and alcohol and illegal immigration. The existing sanctions in the Member States legal frameworks in these areas are often more lenient than those existing for drug trafficking and given lower priority by the law enforcement;
- Criminal groups are increasingly involved in illegal immigration and trafficking in human beings for the purpose of sexual exploitation;
- High-tech crimes, involving the use of computers are playing a significant role in the new international dimension of OC;
- OC has a greater involvement in committing frauds against the financial interests of the EU;
- Non-EU indigenous groups are increasing their impact on the EU.

  These foreign groups are:

  a) Linked by exclusive ethnic contacts;

  b) More aggressive;

  c) Multifunctional;

  d) Involved in many cross-border activities;

  e) Using complicated and encrypted means of communication.

- The level of OC present in the EU appears to be increasing and the activity of criminal groups is not confined by national borders. On the contrary they appear to take advantage of the legal loopholes and differences within Member States, exploiting the anomalies in the various systems;
- Besides the more traditional organised groups, there are a number of OC groups, which represent a problem in a number of EU countries.

2.3. Recommendations for measures to combat OC based on Member States' contributions

Measures to combat OC effectively have to be based on law enforcement experiences and needs. A distinction can be made between:

- Legislative aspects;
- Law enforcement aspects (operative);
- Strategic aspects.

There were many topics highlighted within the contributions of the Member States:

- The installing of central information and analysis agencies (to come to common standards);
- The building up of a strategic database, collecting all information on OC;
- Strategic projects and studies on drug-routes, Millennium-related crime, fraud and white-collar crime, environmental crime, FSU OC, Indo-Pakistani OC, firearms and weapons, intellectual property theft, projects on OC, fraud related to the introduction of the Euro, football hooliganism, contract killing, corruption and bribery, Illegal immigration, Hawala banking;
- law enforcement-projects, concentrating on certain national groups, such as the role of the Russian OC;
- Other projects, such as studies on illegal (OC) service providers, on means and resources, used by OC, on financial routes, used for concealing profits;
- Crime-pattern analysis in general (including the mapping of OC-activities and studies on core-nominals [top-tier criminals, main suspects]).

The strategic projects and studies should end up in a comprehensive and prioritised action plan.

2.4. Actual Initiatives at UN and EU level

The growing concern regarding the development of OC has been translated in an increasing number of initiatives in several international fora, such as the United Nations (UN), the Council of Europe, the G7/8 and the EU.

The UN has always played a central role in the fight against trans-national crime. In line with this attitude, the UN is preparing a Convention against transnational OC, aiming at preventing and combating it more effectively. The Convention will cover different aspects, such as criminalisation of organised groups, money laundering, corruption, confiscation of criminal proceeds, extradition, mutual legal assistance, special techniques and so on.

The Amsterdam Council of June 1997 approved a Plan of Action for the prevention and control of OC in the EU. Since its entry into force, the implementation of this has made substantial progress in developing measures contrasting OC in the Member States. Examples of this are the creation and development of Europol, the establishment of a European judicial network equipped with a telecommunications network, the establishment of the CSN in order to further improve the quality of this annual report on OC.

Another important step forward, resulting from the Joint Action of 21 December 1998, adopted by the Council on the basis of Article K.3 of the EU Treaty, is the setting up of an EU strategy against high-tech crime.

The joint action will make it a criminal offence to participate in a criminal organisation in the Member States of the EU, with a multi purpose benefit in the fight against OC:

- It provides a common platform for starting international investigations on OC, not only limited to specific crimes committed, but also affecting any person who supports OC with their activities, with intent and with knowledge of either the aim and general criminal activity of the organisation, such as professionals and advisers;
- It gives an EU-wide legal definition of OC[2], integrating the 11 criteria set up by document Crimorg 35 rev2. The lack of such a common definition often resulted in the lack of a common understanding, thus hampering international exchange of intelligence and creating problems in court phase of penal process;
- It demands the Member States to afford one another the most comprehensive assistance possible in respect of the offences related to OC, regardless of where the crimes are committed;
- It demands that Member States shall ensure the liability of legal persons, and that they may be penalised in an effective, proportionate and dissuasive manner and that material and economic sanctions may be imposed on them.

The European Council met in Vienna on 11/12 December 1998 examined the report on the implementation of the Action Plan on the fight against OC endorsed at its meeting in Amsterdam. Aware that significant progress had been achieved, it underlined that additional work still needs to be undertaken,

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[2] See art. 1 "a criminal organisation shall mean 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, whether such offences are an end in themselves or a means of obtaining material benefits and, where appropriate, of improperly influencing the operation of public authorities. The offences referred to in the first subparagraph include those mentioned in Article 2 of the Europol Convention and in the Annex thereto and carrying a sentence at least equivalent to that provided for in the first subparagraph."

especially as regards rapid ratification of the relevant Conventions by Member States. Building on the Action Plan, it called for a strengthening of EU action against OC in the light of the new possibilities opened by the Amsterdam Treaty. It also welcomed the elaboration of a comprehensive strategy for the prevention of OC and calls for concrete measures to be taken as a follow-up to that strategy.

The Finnish Presidency has initiated in close co-operation with the Member States and Europol, as outlined in Crimorg 80[3] the development of a new action plan on the basis of 75 recommendations in order to set priorities for action during the coming years. It generally calls for a dynamic and co-ordinated response by all Member States, aiming at an integrated and multidisciplinary EU strategy.

The new approach outlined by the Finnish Presidency includes in synthesis:

- The strengthening of the collection and analysis of data on OC;
- The strengthening of partnership between the criminal justice system, the public and other key sectors of the civil society, in order to decrease the demand for illicit goods and service and to prevent the infiltration of OC in the society;
- The strengthening of prevention of OC, exploring ways to ensure that committing crimes is made more difficult, that committing crime involves greater risks to the offenders and that the possible benefits to the offenders are decreased or eliminated;
- The reviewing and improving legislation as well as control and regulator policies against crime both at a national and international level;
- The strengthening of the investigations on OC, with the implementation of art. 30 of the Treaty of Amsterdam, linked with the strengthening of Europol[4].

The European Council of Tampere held in October 1999 also gave emphasis to crime prevention and to the need to reach a closer co-operation in combating crime among Member States. The European Council recommended the setting up of joint investigation teams and called for the creation of a joint structure of national police forces. It also agreed on the extension of Europol's mandate, entitling it in the future to ask Member States to open, conduct or co-ordinate investigations. In the same spirit, the European Council decided on the creation of Eurojust, a unit in which prosecutors, judges and police officers will ensure jointly that investigations are proceeding properly. Lastly, it called for efforts to secure agreement on common definitions, accusations and sanctions in certain priority sectors (financial crime, trafficking in human beings, sexual exploitation of children, crime using advanced technologies and environmental crime).

[3] Crimorg 80 " The Prevention and Control of Organised Crime: A European Union Strategy for the beginning of the new Millenium"

[4] See art. 30 par. 2 of the Treaty of Amsterdam.

3. Conclusions

The Member State contributions have highlighted many activities of OC, and as a result of the compilation of this overall report a number of conclusions can be made. It must also be stressed that these conclusions have been made by looking at the overall situation and comparing it with additional knowledge gleaned from other major reports as well as from the work that has been carried out within the EU in other fora in the fight against OC.

3.1. Situation

The following general points are worth to be mentioned with regards to the EU wide situation concerning OC:

- All Member States are concerned by OC;
- The activities of OC remain multi-faceted with differentiation in types of activities, markets, persons involved, crimes committed, and levels of organisations;
- The EU and probably even the whole of Europe remains as one market place exploited by OC activities, who continue to maintain a flexible approach to take advantage of ever changing market situations;
- The presence of smaller but well disciplined groups is seen rather than larger rigid structures;
- Some OC groups, specifically indigenous groups, are moving towards the low risk – high profit (cigarette/alcohol smuggling, environmental crimes) rather than high risk (drugs) crime areas;
- The threat from OC groups outside the EU, particularly Central and Eastern Europe is of great concern to the Member States. The law enforcement agencies in the EU have increased difficulties in investigating and infiltrating criminal groups characterised by a tight-knit ethnic background;
- Central and Eastern European countries are increasingly mentioned as depots for drugs and other illicit commodities and as logistic bases for OC groups impacting upon Member States. Central and Eastern European countries are also used by criminal groups (e.g. Chinese clandestine immigration networks) to serve as depots for illegal immigrants waiting to be smuggled to Member States and elsewhere;
- Corruption and influence are very important tools used by OC both to protect their interests and to develop their criminal activities;
- OC will more and more influence important sectors of the Member States economy as a result of the increased interest in legal business and finance. This may also result in a increased power of influence on local political, law enforcement and judicial representatives;
- The use of violence and violent crimes are expected to increase in the EU as a result of a growing competition among different criminal groups in

some criminal areas, such as trafficking in human beings and the exploitation of prostitution;

- OC is more and more focussing on high-tech crime both targeting Information Technology communication systems with frauds (payment card frauds, telephone card frauds), or using the Internet and other new telecommunication systems for the distribution of illicit goods.

3.2. Threat

In relation to the threat posed by different OC groups, the following general points have to be stressed:

- The traditional indigenous OC groups existing in the EU are still posing a considerable threat to the social security of the EU. Although many of them have been significantly affected by the success of action by the law enforcement and judicial authorities, they continue to be active. Some of them are showing a degree of flexibility, adapting their structure and improving their protective measures, so as to reduce the risk of dismantling. Their relations with more and more entrepreneurial non-EU originating OC groups is very different. In certain cases both sides ignore each other, in other cases there is competition and in most of the cases, particularly for the common handling of different segments of illicit trafficking, agreements and co-operation;
- Organised criminal groups from Eastern Europe (countries of the Former Soviet Union), will continue to grow and impact upon the EU on a wide range of criminal activities. Their impact is twofold: on the one hand they invest huge financial resources into the EU for money laundering and for creating legal businesses deriving from criminal activities, undertaken outside of the EU. On the other hand they start to be more and more active in committing crimes in the Member States, interacting or competing with other criminal groups;
- Albanian criminal groups are expected to develop their scope and impact on the EU. This development is facilitated by the very poor social and economical situation, linked to political instability of Kosovo and Albania. The Member States have large ethnic Albanian minorities that are exploited by criminals for recruiting manpower and as a cover to their activities.
- The Turkish criminal groups are expected to continue their trafficking activities with heroin and illegal immigrants. In addition they are expected to have a more important role in the trafficking of ecstasy
- Moroccan criminal groups will continue to run and further develop their trafficking in cannabis and stolen vehicles;
- Nigerian criminal groups could increase their scope and impact on the EU. Criminal groups from Nigeria are active in most Member States, showing a high degree of flexibility. Their activities range from frauds, to trafficking in human beings, trafficking in drugs, trafficking in stolen vehicles.

Additionally some Member States highlighted a number of threats which are outlined:

- Criminal groups from South East Asia will gain a growing foothold in the EU;
- Extremist religious sects could pose a genuine threat to the security of the EU Member States, mainly related to terrorist activities.

With reference to crime areas:

- An increase of illicit immigration and the trafficking of human beings for the main purpose of sexual exploitation are expected by eight Member States. A side effect to this development could be an increase of xenophobic reactions in the Member States;
- Drug crimes in general, particularly related to heroin and ecstasy trafficking are expected to increase;
- Violence and violent crimes are expected to increase in the EU as a result of a growing competition among different criminal groups. This is also linked to the expected rise of the Illegal trafficking in firearms;
- Fraud and forgery, particularly financial fraud, excise fraud, smuggling of alcohol and cigarettes are expected to increase, being these lower risk criminal areas characterised by a relatively high profitability;
- Environmental crimes are expected to develop further, also due to the move towards low-risk and high profit crime areas;
- Money laundering is expected to become more sophisticated and developed, for the increasing use of professional, such as lawyers, accountants, financial advisers;
- Trafficking in stolen vehicles is expected to increase;
- The level of activity in nuclear and radioactive trafficking is reported as being minimal.

3.3. Actions against OC

With reference to the actions against OC, the following points need to be stressed:

- Member States still have difficulties to assess and monitor OC. This is due in part to:
    - Financial regulations and the inherent problems surrounding money laundering activities, such as confiscation procedures and difficulties and varying legal instruments;
    - Technical issues, such as the use of encryption and enhanced communication systems;
    - Lack of legal instruments in the field of international co-operation.
- An actual picture of the overall vulnerability of the Member States' financial and economic systems to the infiltration of OC for money laundering,

investment and develop of further criminal activities is still lacking. In order to obtain a clearer picture, there needs to be a wide ranging multidisciplinary research on categories of subjects and activities, not only currently targeted by OC but also potentially infiltrated or influenced in the future, in order to identify key points for making money laundering more difficult;

- Off-shore countries are continued to be used by OC groups as ideal location for establishing companies and trustees for money laundering activities, financial crimes and frauds;
- Concentrating on the crime area, such as drugs, illegal immigration with emphasis on the 'commodity' is not effective, and more importance should be placed towards identifying and targeting the OC individuals, OC groups and international organisations involved;
- More agencies, institutions and organisations are involved in the combating of OC both at a national and international level, often without a clear outline of tasks and responsibilities. This may create overlapping and waste or misuse of resources, that result in making more difficult to obtain the high degree of co-ordination needed for an efficient contrast to OC;
- Several initiatives are ongoing in order to create a better basis for co-operation, such as the UN Convention in preparation and in the field of Mutual Legal Assistance;
- There is the need of increasing the use of analysis of information or intelligence available in the EU on OC. The result of these analyses should lead to joint actions by Member States;
- A structured approach to crime prevention started to be undertaken by Member States, even though a global EU-wide strategy is not still in place.
- The use of Threat Assessments and Risk Analysis is a better method of understanding the impact of OC, compared to General Situation Reports. The latter type of report only describes the general problem, rather than making a prediction of future OC activities, in order to gain a better understanding of how to tackle OC and to prioritise resources.

4. Recommendations[5]

The following recommendations are based upon the contributions from Member States as well as upon evaluations of all documentation used to complete the report, which gave indicators of other activities.

1. The quality of this report and its procedure needs improvement. (Crimorg 145 outlines ways to improve the collection of qualitative and quantitative data).
2. There is a need to implement a common EU prioritisation mechanism for the EU criminal phenomena.
3. The law enforcement related conclusions of the Tampere summit need to be studied taking into account the conclusions of this report, especially when creating joint teams following the project orientated approach, with emphasis on Europol as a key support organisation.
4. The group orientated rather than crime area approach should be encouraged.
5. The increased presence of OC groups originating from non-EU countries in the Member States should not detract from the continuing high commitment to prevention and repression of the criminal impact of indigenous OC groups.
6. Increasing co-operation of the EU with all source and transit countries for drug trafficking should be developed, as it is being developed with Latin American countries as part of a global strategy. Europol should be involved in such a strategy.
7. A new approach should be developed by the EU in order to effectively preventing and contrasting the infiltration of OC into the financial system of the Member States. For this purpose measures, such as the criminalisation of money laundering *per se*, and the consequent extension of the Europol mandate to money laundering crime committed by OC, should be developed.
8. In the field of high-tech crime and/or OC using high-tech to facilitate their activities, a common legal definition and common legal measures should be achieved at a EU level and greater emphasis in this area should be made by law enforcement.
9. More emphasis should be given to the development of an effective policy for the prevention of OC.
10. Member States are recommended to make the best possible use of analytical products, particularly the threat assessments and risk analysis, such as those produced by Europol.
11. Member States are requested to identify areas of crime outside of the Europol mandate, which are of specific concern to the EU. It is recommended that the Member States pay particular attention to fraud and

[5] Please refer to CRIMORG 80 as a background document to the recommendations.

forgery, smuggling (alcohol and tobacco products), environmental crime, high tech crime and issues relating to corruption. The enhancement of Europols activities should be based on these findings.

12. Co-operation with the applicant countries for adhesion to the EU should be further enhanced, and the processes to support this should be speeded up.

13. Member States should adopt a global law enforcement strategy with the support of Europol in respect of the OC activities and problems related to the area of the Balkans.

5. Appendix 1: Overview of Situation Concerning Recommendations from 1997 OC Report

The Situation Report on OC at the EU for the year 1997 –doc. CONFIDENTIAL2530-33r2- included 8 general and 8 operational recommendations.

Document CRIMORG 176, from the EU Council, issued on 13 November 1998, under Austrian presidency, invited the Council to 'ask the Multi-Disciplinary Group (MDG) and, as far as operational aspects are involved, Europol, to monitor the implementation of the recommendations that are in doc. 12748/98 CRIMORG 174'.

The MDG on OC informed in document CRIMORG 75, dated on 18 June 1999 on the implementation of the above mentioned recommendations. The following situation was reported:

Recommendations 1 to 3 – proposed improved methodology

Work is currently being implemented by the CSN and the newly formed ad hoc Voluntary Reflection Group (VRG). In addition further work is planned for 2000 in this area.

Outcome: Recommendation 1 is being addressed.

Recommendation 2 has been achieved by the formation of the VRG.

Recommendation 3 is in the process of being addressed further work required in 2000.

Recommendation 4 – concerning the involvement of scientists

Although some Member States have commenced a dialogue with the scientific community, further action is required to encourage and develop progress in this area. In order to assess the added value of this recommendation, Member States could identify within their future national contributions the input, provided by the scientific community.

Outcome: Recommendation only addressed by some Member States.

Recommendation 5 – proposed greater involvement of Europol in different fora

Discussions have commenced between Europol and the Council of Europe enabling Europol to have observer status at meetings concerning the Council of Europe's OC report.

In addition Europol will in the foreseeable future be able to establish official contacts with third states and organisations.

Outcome: Recommendation is in the process of being achieved.

Recommendation 6 – recognising the value of the cross checking mechanism, proposing further efforts for its development

The cross checking mechanism is now an integral part of the report process. For the 1998 report it has been further developed and is currently being used to cross check Member States national contributions against each other and additionally information from Europol obtained in other fora.

Outcome: Recommendation has been achieved, but needs to be maintained as part of the report procedure.

Recommendation 7 – outlined the possibilities of Europol hosting operational meetings drawing on the framework outlined in CRIMORG 167

Operational meetings between competent Member States and the judiciary have been hosted at Europol, harnessing its expertise to provide additional benefit. CRIMORG 167 will be the subject of specific review by the MDG after a pilot period until 1st semester 2000.

Outcome: Recommendation has been initiated and requires further development and operational input.

Recommendation 8 – proposes merging of EU initiatives in maritime and air trafficking to avoid duplication

There is greater awareness of duplication of EU initiatives in this field, in particular in discussions currently ongoing in both Police and Customs co-operation working groups, where Europol takes an active part.

Outcome: Recommendation requires additional work as regards the merging of elements of EU initiatives.

<u>Operational conclusions and recommendations contained in 12748/98 CRIMORG 175</u>

Recommendation 9 – development of common framework for prioritisation of law enforcement activities

The prioritisation mechanisms are currently under discussion by Member States within the framework of the Heads of National Europol Units, the results are expected by end 1999 when it should be addressed by the MDG.

Outcome: Recommendation initiated and still under discussion.

Recommendation 10 – thematic approach for maximum effect

The use of CRIMORG 167 endorses a project based approach, the development of this concept with a thematic approach is an integral part of this framework.

Outcome: Recommendation is in the process of being achieved through the framework of CRIMORG 167.

Recommendation 11 – response to low risk crime especially hi-tech and environmental crime

Meetings have been initiated by Member States to address this issue in particular through the MDG. In addition Europol has convened a meeting to address Hi-Tech crime.

Outcome: Recommendation partly achieved.

Recommendation 12 – development of national structures to benefit project orientated law enforcement actions. Europol to draft strategic overviews

The enhanced national contributions for the report are providing added benefit to law enforcement projects. Europol is in the process of producing structured regular reports to assist in the identification of new trends and OC structures and networks.

Outcome: Recommendation is in the process of being achieved. Procedures need to be maintained and developed.

Recommendation 13 – in depth studies on criminality from Asia, and Central and Eastern European Countries

Europol is currently undertaking studies in these areas impacting on the EU.

Outcome: Recommendation is in the process of being achieved.

Recommendation 14 –efforts to ensure Europol projects from Asia, and Central and Eastern Europe cover all countries

Meetings held concerning Eastern Europe have initiated action in this area, although further development especially relating to Asia is necessary.

Outcome: Recommendation has been initiated although requires further development.

Recommendation 15 – Europol to organise seminars based upon the outcome of recommendation 13, to improve co-operation and identify projects

As a follow up and to assist in the implementation of Recommendations 13 and 14, Europol has convened meetings with Member States.

Outcome: Recommendation partly achieved, although additional progress required to improve co-operation and identification of projects.

Recommendation 16 – in depth study on OC and money laundering

A study is currently being undertaken by Europol with the assistance of other relevant bodies, with a view to enhancing the position concerning money laundering and other related issues. Discussions are also ongoing in the MDG in order to initiate new activities European wide.

Outcome: Recommendation in the process of being achieved.

This subject was also included in the agenda of the meeting the MDG, held on 5 and 6 July 1999. It was decided to produce a simple paper, indicating how these recommendations will be woven into 9423/99 CRIMORG 80 and exploring how best to involve the CSN Group in considering of the Situation Reports for 1997 and 1998.

In the meetings held later by the MDG, recommendations of the Action Plan CRIMORG 80 were discussed, but no reference to merging the recommendations included in CRIMORG 75 was made.

The MDG held a meeting on 20 and 21 October 1999.

6. Appendix 2: Member States' Contributions (Summaries)

The following summaries reflect the OC situation as highlighted by each Member State.

6.1. Appendix A: Austria

ORGANISED CRIME REPORT

- Short version European Parliament and Summary-

GENERAL OVERVIEW

In many fields of organised crime Austria is no longer a secluded area.

The political changes in the East and the fall of the Iron Curtain resulting in a high number of migrants, further liberalisation of travel movements in Europe, elimination of European internal borders, the world-wide growth of organised crime, and Austria's geographical position are among the causes of this development.

Especially since the fall of the Iron Curtain the formation of criminal gangs and associations between Austrian criminals and criminals from abroad is on the rise. It has turned out that Austrian criminals are increasingly moving to adjacent countries, such as Hungary, Slovakia, and the Czech Republic, using these countries as 'retreats' from where they prepare or control their criminal activities in Austria and other European countries.

Criminal associations from the former Eastern countries appear to be active in Austria in almost all sectors of organised crime. Besides, Austria has become an attractive market for western European criminals, with German nationals playing leading roles in the field of white collar crime, especially financial frauds.

Criminal Organisations from countries of the Former Eastern Bloc

The political economic upheavals have in recent years led to an expansion of organised crime in Europe. We have increasingly noted the appearance of criminal groups originating from the former Eastern Bloc.

They mainly specialise in money laundering, white collar crime and property offences.

Until mid-1997 mostly corporations formed by Russian nationals had been involved in suspicious money transactions, we noted in 1998 a steep rise of "off-shore companies" replacing Austrian corporations.

Criminal Groups from Turkey

Narcotics-related crimes were also in 1998 the main criminal field of these organisations. Investigations have revealed tight criminal structures of these organisations reaching not only into Turkey, but also to former Eastern Bloc states, to Germany, and to The Netherlands.

The main types of crimes committed by Turkish offenders consist in crimes of violence, property offences, traffic in persons and arms. We know that the criminal activities in all these organised crime sectors as a rule affect several countries.

Criminal Groups from Italy

Austria frequently serves members of these organisations in fact as a sort of refuge and operation basis to carry out their Europe-wide activities. Very close connections to Germany and adjacent former Eastern Bloc countries have been established.

Criminal Groups from Asia

Asians in Austria make their living mainly through trading companies for Asian goods or by operating Asian restaurants. In the course of illegal migration numerous criminals have ended up in Austria. They exert considerable pressure on their fellow countrymen to force them to pay protection money. This type of crime very often involves bodily injury and damage of property, in exceptional rare cases also murder.

Criminal Groups from Former Yugoslavia

In 1998 too the groups that live in Austria "co-operated" closely regardless of the ongoing ethnic conflicts . Some of their activities are controlled from their home-countries. We have noted an increase in those activities that affect several countries. This trend was particularly noticeable in the narcotics sector. Criminal associations from Kosovo have succeeded in enlarging their Europe-wide network. Operational bases are mainly in Hungary, Slovakia, Austria, Germany, and the Nordic countries.

Traffic in Stolen Vehicles

Motor-vehicle thefts declined also in 1998. In 1998 in total 10,304 motor-vehicle thefts were reported in Austria, that is 1,230 less than in the previous year. 3,415 of these have not been recovered. This figure too is lower than that in 1997 (3,823), but motor-vehicle thefts abroad have risen (1997: 2569, 1998: 2628). One reason for the decline is probably improved security techniques and the well-functioning search activities in the Schengen countries.

As regards the number of vehicles stopped at the border during 1998, it is noteworthy that about 50 percent of the vehicles suspected of having been stolen had been obtained in a fraudulent manner.

Nightlife-related Crime

The sex trade in Austria is to a very large extent dominated by Austrian groups. Also in 1998, all attempts by criminal groups from Eastern Europe to buy themselves in, or to undermine this sector, have failed.

In 1998 in total 535 establishments have been found to offer prostitution services. In 1998 in total 2,708 women were officially registered as prostitutes, among them 754 foreign nationals. The majority come from the Dominican Republic (196), from Hungary (179), and from Slovakia (81). We do not possess any figures on the number of women who engage in prostitution clandestinely.

Child Pornography via Internet

In March 1997 the Austrian Ministry of the Interior created as part of the CID-services a unit to process reports on child pornography in the Internet, in order to fight this growing phenomenon.

Now any detection of child pornography depictions in the Internet can be passed on anonymously by e-mail to interpol@abacus.at.

Recent statistics are as follows:

1997: e-mails totalling **552** (including general inquiries and information from EUROPOL on the subject of child pornography in the Internet as well as computer crime) yielding **78** useful leads

1998: e-mails totalling **389** yielding **174** useful leads.

The lower number of e-mails is a result of improved pre-filtering with respect to general information from EUROPOL, the value of which could be assessed only at a later date.

In 1998, 25 of the reports received had some reference to Austria.

Crimes of Violence

Many criminal activities are frequently accompanied by violent actions, especially in Turkish and Asian ethnic associations, groups, or organisations, but also in organisations from Ex-Yugoslavia, committed both within the groups and against extortion victims.

In 1998 a higher number of robberies committed by Italian nationals were reported in Austria. Typically of these crimes was the ruthless use of firearms.

Money Laundering

In 1998 the money laundering-unit of the Austrian Special Task Force for Combating Organised Crime received 254 so-called 'Dubious Transactions Reports' involving in total ATS 1,65 million. Criminal charges for money laundering were made in 17 cases, and for 'membership in a criminal association' (section 278a of the Austrian Penal Code) in 10 cases. Court orders to freeze in total ATS 253,963,612.- were obtained in 1998.

Under the Austrian Banking Act the money laundering-unit also succeeded in obtaining interim injunctions for transactions totalling ATS 282,425,662.

The number of Dubious Transactions Reports in 1998 amounted to 254 (1994: 346, 1995: 310, 1996: 301, 1997: 239) received from Austrian banks was similar to the figures in the previous years.

About 70 percent of these reports involve so-called "off-shore destinations".

International Financial Fraud

White collar crimes have also in 1998 been characterised by a continuing growing trend in the sector of financial frauds.

In view of the fact that leading international experts have warned that financial frauds will continue to grow in the next decade.

International financial frauds are characterised by a high degree of organisation, by criminal actions not confined to one country, and by enormous financial losses.

Narcotics

In 1998 in total 16,615 persons have been charged of violation of the Narcotics Act and reported to the justice authorities: 2,198 persons for a crime (drugs trafficking/dealing) and 14,238 for a misdemeanour (consumption, use and dealing with minor quantities of drugs for their own personal use).

Following quantities were withdrawn from the Austrian black market in 1998:

1,211.0 kg of cannabis herb

124.7 kg of cannabis resin

118.2 kg of heroin

99.1 kg of cocaine

2,494 LSD-Trips

114,677 Ecstasy pills

The number of deaths sank from 150 in 1997 to 133 in 1998.

As regards organised drug trafficking the situation in 1998 was basically the same as in the previous year. Since Austria is not a country of origin of drugs, foreign criminal smuggling organisations supply Austria with illicit drugs, but Austria is also a transit country en route to other western European countries for drug rings operating on the main smuggling routes.

Migration Racketeering

Number of Illegals Detected in Austria

In 1998 Austrian law enforcement dealt with 6.646 cases (any police intervention during which one or more persons are detected counts as a case), which means an increase of 1.545 cases or 30.3 percent compared to 1997.

The number of persons stopped or arrested and subjected to appropriate measures in Austria or at Austrian borders in 1998 amounts to 19,693 (this figure includes smugglers, facilitators, organisers, accomplices, migrants and illegals), i.e. an increase of 6.520 individuals or 49.3 percent over 1997.

In 1997, one smuggler brought in average 2.7 illegals to Austria. In 1998, this figure had already risen to in average 5.5 persons.

Nuclear Crime

Austria has been confronted with this type of crime since 1991, owing to Austria's geographical situation. In 1998 we investigated in 17 cases for suspicion of trade in radioactive material. Even the legendary "Red Mercury" and other radio-active substances were offered on the Black Market.

There was not even one single case in which the persons involved were able to prove they were indeed in possession of such material suitable to build weapons of mass destruction. As in the past, neither the material offered, nor the alleged purpose and value were realistic. Fraudulent intent had been the driving force.

CORRUPTION

As regards corruption there had only been a few singular cases in Austria in 1998. Information on planned police operations and recorded data had been leaked. These corruption cases have been completely solved.

CONCLUSIONS

The situation report for 1998 shows clearly that organised crime is evidently being more and more institutionalised. Organisations and groups do not confine themselves to just one country, and can no longer be effectively combated by the authorities of one country only.

In the sectors economic crimes and money laundering prosecution has been rendered very difficult by the fact that criminal organisations control their activities outside the EU.

As regards organised drugs trafficking it is apparent that the groups and organisations are highly flexible. To avoid countermeasures taken by law enforcement they have taken to employing couriers from the target countries; narcotics depots are now more often located outside the European Union, and the drugs are shipped to the markets in western Europe only in small quantities.

Fighting criminal organisations from Eastern Europe requires more intensive co-operation between the police authorities, also with respect to training, technical equipment, and exchange of information at law enforcement and justice level.

As regards money laundering co-operation with banks and finance institutions has been strengthened. Awareness-increasing seminars and lectures held by bank experts, organised by Austrian law enforcement authorities, have greatly contributed to intensify the fight against money laundering in Austria.

Austria began in 1998 to set up a witness protection agency. The concept of witness protection has already helped to successfully conclude several OC-trials.

6.2. Appendix B: Belgium

Summary of the organised crime situation in Belgium:

1. Introduction:

The standardisation of data collection concerning organised crime in Belgium is still improving. The quantitative information gathered from the law enforcement agencies are checked by the judicial authorities before being used and analysed by the central services of the Gendarmerie and the Judicial Police. The methodology for describing the organised crime situation in Belgium takes quantitative as well qualitative information into account. The 285 mentioned investigations related to organised crime have detected 276 criminal organisations. It confirms that the new methodology has reached a high level of efficiency in gathering information from the investigations. The number of related investigations represents an increase of 16% compared to 1997.

2. The organised crime situation:

2.1. Suspects involved in organised crime:

Among the 285 investigations carried out in 1998, 2126 suspects were involved. As far as their nationality is concerned, we have to point out that 44% of them are Belgium nationals (including suspects with a different ethnic origin). The main non-Belgium nationalities mentioned were Dutch (7,8%), Italian (5,6%), Turkish (5,1%), Yugoslavian and Moroccan (3,8%). From the data available it could be established that more than 90,9% of the 285 groups involved were composed of less than 15 suspects. Within these groups more than 40% had a structure of 5 to 9 members.

2.2. Interaction at international level:

The interaction between the groups could be deeply analysed. 88 of the organised crime groups have had contacts with 159 other criminal organisations, 42 of the 88 (46,6%) established contacts to criminal groups operating also in another country. Among the 159 organisations contacted 63 (39,6%) were operating in Belgium and abroad, whereas 66 (41,5%) were operating exclusively abroad (30 other groups were operating either only in Belgium or no information was available).The national origin of the contacted groups were very diverse, but the following nationalities were mentioned the most: Dutch (13,3%), Yugoslavian (8,2%), Turkish (6,9%) Russian, Chinese and Britain (6,3%), Belgian and Italian (5,7%) and Pakistani (3,8%). The groups contacted abroad were mainly involved in the field of drug trafficking, money laundering, illegal immigration and extortion, fencing and murders. From a geographical point of view the main contacts outside Belgium were made to The Netherlands (23,4%), Germany (7,9%), Italy (7,1%), United Kingdom (5,4%), Turkey and France and Yugoslavia (4,2%). These contacts represent 56,4% of all the contacts abroad.

2.3. Criminal activities of organised crime groups:

Quantitative: Altogether the criminal activities of the organised were split into 28 different "activity" - categories. As one organisation is able to be active in several categories a total of 729 relations from the different groups was reached. Analysis of the crime data shows that money laundering is the criminal activity developed by the most organisations, with 98 organisations being involved. Drug trafficking came second with 83 groups being involved. The car trafficking came third with 40 groups being involved, followed by false or counterfeited and fraud. Few explanations have to be given on a more qualitative point of view. The following descriptions give us already indications or explanations concerning specific phenomenon, not directly linked with the quantitative gathered data's.

Qualitative: Environmental crime

Within this area, law enforcement agencies in Belgium are especially facing the trafficking of waste and the illegal trade in endangered species. For the moment there are no indications of the trafficking of nuclear material. For the most important investigations, dealing with the trafficking of waste, the INTERPOL definition of grave environmental is applicable. One of the most used techniques is still the storage of waste because of the low price and the very simple procedure. During a certain time waste is stored and then suddenly the exploiting disappears, leaving the waste behind, which cost a lot of money to the community for cleaning everything up. Waste from abroad is mainly imported out of Holland and Germany, while our "Belgian" waste is often exported to African or Asian countries. Some indicators make us believe that these cargoes also contain drugs and/or weapons. International networks illegally trading endangered species don't have fixed structure. Criminals organise themselves temporarily in function of one specific project. In general, these very flexible network structures count easily more than 10 persons. The more the network is specialised in providing one specific specie, the more stable the network is. It is also becoming more and more clear that people and criminal groups, which are involved in this kind of criminality, are also active in the field of trafficking of drugs and/or precious stones. The trafficking routes depend mainly on the type of specie, although the last years we saw an important increase in the illegal importation through east European countries.

Trafficking of hormonal substances

The use of these chemical preparations increases enormously the financial gains and the competitiveness of the agriculture farms. Enterprises using hormonal substances can more than double their fortune. So it's easy to understand that the use ad the trafficking of these product has become a very lucrative business. Analysing the criminal behaviour of some important criminals known for the trafficking of hormonal substances, learn that they are developing import (legal) commercial structures, to integrate within the criminal scene. These structures are set up to facilitate the flux of illegal goods and to complicate the action of the law enforcement agencies. Criminal organisations don't hesitate to use contra-strategies to attack the public authorities. In the past the violence and intimidation were frequently used, nowadays their techniques are becoming more subtle (influence and corruption).

Theft/Robbery.

We distinguish different types of criminal organisations according to the type of stolen goods. Serial robberies in residences. These criminal groups are especially originating from Romania and ex-Yugoslavia. These criminals operate in small groups in the neighbourhood of important traffic axis and are especially looking for jewels, credit cards and cheques.

Passports. These document are of great value for criminal organisations, and some are willing to pay up to 5000 EURO for one passport. These robberies are mostly committed by north-African or Yugoslavian nationals, under control and direction of the Yugoslavian underworld in Antwerp. Belgium, together with Hungary and Italy have a bad reputation, although the actual strategy, with both a preventive and a repressive compound, is becoming fruitful. Container robbery. The criminal organisations are mainly interested in high value goods, such as electronic devices, fashionable clothes , alcohol and cigarettes. This is a specific working area of Belgian criminals, in close collaboration with Ditch criminal enterprises. Because of their expertise in this environment (custom procedures, documents, stamps, ...) they switch over to drug trafficking. The number of container robberies seems to stabilise.

Vehicle theft

Beside cars stolen by criminal groups committing hold-ups or robberies in residences, about 35 % of the thefts is the work of criminal groups involved in trafficking of these stolen goods. Afterwards, the cars are reintegrated in the legal circuit by giving them a new identity. Therefore, there are multiple modi operandi. Within these criminal networks there isn't an pyramidal structure, but everyone has his own position in function of his skills and expertise. The stolen goods follow different routes, according to the type of vehicle. Cars manufactured in Germany are especially wanted in Eastern Europe, while high class vehicles disappear on the markets in the Middle East. In central Africa there is a special demand for French cars (and also 4x4) and the sports-cars find their way to the North African countries. Some of these criminal networks are very powerful and well organised. An important investigation learned that the main target was negotiating 30.000 dilapidated motorcars every year to give stolen cars a new identity.

Extortion's

A statistical analysis shows that extortion is rarely the main activity of a criminal organisation. This kind of offence is more used as a sponsoring mechanism to commit other crimes. Victims of extortion are most of the time of the same ethnic origin as the perpetrators. The very closed character of these communities explain an import dark number. A particular problem for the moment are the doorkeeper-gangs, mainly Dutchmen, Albans, Moroccans and Belgians, who "offer" their services to discotheque-keepers and who claim their "rights" by means of intimidation and violence. The minister of the interior is preparing a law to regulate this profession.

Drug trafficking

Latin American groups. Belgium is used by these criminal gangs as an transit country but also as a distribution market for cocaine, and less important cannabis. Although they operate on Belgium ground, they are stationed in The Netherlands. The criminal groups are built up by different independent cells with an high level of organisation. They easily integrate within other ethnic communities and a part of the criminal activities is boarded out to other nationalities although they keep control on the whole process. Airports and seaports are very attractive infrastructures to import the illegal South American products. Moroccan criminal enterprises. Although most of the Moroccan criminal organisations are operational in The Netherlands, some of them have their roots in Belgium. Belgium is used as a transit country and nearly every hash-cargo ends up in Holland. A part of the illegal goods reappears in Belgium in the channel of distribution. Most of these criminal groups are composed of Belgian, Dutch and Moroccan nationals. Transport is organised by different means: the use of a private car, transport by bus(transformed for this kind of operation) or lorry drivers. Turkish criminal networks. The importation, transit and distribution of heroine in Belgium in mainly under control of these criminal gangs. Most of the criminal networks count Turkish nationals with an average age of 40 years. They have a very rigid structure and in most of the time the members belong the same family. The solidarity between the different criminal groups is very strong. Most of the heroine is brought into Belgium throughout The Balkan route by lorry drivers. Most of these criminal networks operate extremely violent although techniques, such as manipulation of the media and corruption are also frequently used. Nigerian criminal groups. The Nigerian criminal organisations we are facing in Belgium are involved in the trafficking of heroine, cocaine and marihuana. These groups are mainly built upon family relationship, operating in different parts of the world, but explicitly present in Thailand, Columbia and The Netherlands. The structures are very flexible, dissolve and reorganise themselves very quickly and the organisations are quite mobile. They often traffic in very small quantities. There is a regular basis co-operation with Colombian and Jamaican networks.

Holdup

Beside the amateurs and the semi-professionals, only a small group of people involved in hold-ups, can be catalogued as organised crime. They are extremely well organised and they operate on national and even international level. Permanent structures are disappearing and these criminal gangs operate more and more on a freelance-basis. The members professionalise themselves permanently, the number of offender for each hold-up is also rising. The international dimension of this phenomenon is growing every year The use of violence and intimidation are directed towards own gang members

Arms trafficking

Weapons find their way to the criminal market by three modi operandi. The illegal importation/exportation. Most of these weapons are coming from the East European countries and ex-Yugoslavia. Although the role of Belgium within this context isn't quite clear, there are indications that Belgian enterprises (air- and sea cargo companies) are involved in the trafficking of weapons. The withdrawal from the legal circuits. In this kind of traffic, legal stockholders are involved. They use different techniques to make believe that a weapon disappears out of the legal circuit by a legal way. To achieve this technique, such as fictive exportation, the selling to fictive persons and quick stock-rotations (reducing the stock in a fictive way) are used. Robbery of arms. In 1997, 75 facts have been registrated. The targets were arms dealers, military barracks and police stations.

Sects

Based upon experience in Belgium and information delivered by other countries, we can claim that some sects are extremely dangerous. Most of the international sects also have a liaison office in Belgium. The sects are hard to tackle because of three reasons: The liberty of religion is a constitutional right and some of these sects abuse this legal principle to dissimulate their criminal activities. Furthermore there is no (legal) definition of sects and criteria to describe their degree of danger don't exist. Finally the difference between individual freedom and the manipulation of men's mind is not always very clear.

2.4. Resources:

Out of the 276 criminal organisations investigated some 206 (74,6%) made use of commercial or businesslike structure to cover or to facilitate their activities or to launder their benefits. When it comes to commercial structures, two legal forms: 'La société anonyme" (limited company) and the "société privée à responsabilité limitée" (private company) - were mainly been used (58,7%) of all possible relations). 80 foreign form were also often set up or misused. The main sectors for commercial or businesslike activities misused in Belgium are still "import-export", "horeca" (hotels, restaurants and cafes) and transport.

2.5. Use of violence:

In total 162 (58,7%) out of the criminal groups used violence or other means of intimidation. Some 236 (48,9%) out of 483 offences reported in this context were directed either against members of the own or members of rival organisations. On the other hand 74 (15,3%) of the offences reported were directed against persons willing to co-operate with Law Enforcement Agencies, police officers (11,0%) or prosecutors (4,3%). A total of 20 people were killed due to the use of violence by the organised crime groups (in Belgium and abroad) investigated in 1998.

2.6. Use of influence:

Information available showed that 55 out of 276 (19,9%) criminal organisations tried to influence a variety of different categories of people, mainly police, commercial firms or individuals and politicians (in 60 out of 113 reported cases, which corresponds to 53,1%). When influence was used it was primarily by providing a personal benefit (46 out of 113 cases).

3. Measures to combat organised crime:

Over the last few years Belgium has been involved in adjusting and enhancing available legal instruments and to create new tools for fighting organised crime at all possible levels within the national and international framework. Areas in which these efforts are being undertaken are very wide and include as well preventive measures as adaptation of the national legislation. Those initiatives are:

- development of a methodology to study the phenomenon (quantitative and qualitative),
- repentant criminals,

- anonymous witnesses,
- reversal of the burden of the proof,
- proactive research and special police techniques,
- new offences of corruption and legal enhancement for the pursuing of corruption,
- law defining the concept of a criminal organisation,
- improvement of the law concerning the interception of communication,
- the possibility to charge some legal entities,
- institutionalisation of the College of General Prosecutors and national Magistrate
- preventive measures to combat the trafficking of vehicles,
- extradition procedures and juridical co-operation within the EU,
- bilateral agreements within the EU and with several countries,
- implementation of the Europol Convention,
- Proactive police projects to examine a variety of different subjects related to organised crime.

6.3. Appendix C: Denmark

Background of the report

This report, which constitutes the Danish contribution to the report on organised crime in the European Union, gives a general description of i) various criminal groupings and ii) various crime types, which, based on the fixed EU criteria, combine to make up actual organised crime in Denmark, as well as crime with elements of organised crime.

Groups involved in organised crime

It is difficult to assess the number of persons with links to the various organised-crime groups, but with regard to the rocker community (outlaw motorcycle gangs - OMCG), the Danish police are in a position to assess the number of persons with close links to the leading groups in organised crime.

Danish groups

Persons with links to the rocker community were in 1998 mainly involved in direct profit-oriented crime, including contraband smuggling and trafficking (drugs and heavily taxed goods). Actual acts of violence and other downright dangerous offences were primarily committed in relation to offences against property.

In 1998, the rocker community in Denmark had no internal assassination attempts or such. However, the rocker community was in 1998, as on previous occasions, surrounded by a general aura of violence, which offenders with links to the rocker community deliberately exploit as part of their criminal behaviour. The aura of violence was particularly significant and increased during the violent confrontations between the groups Hells Angels and Bandidos in the mid-1990s.

Crimes committed by so-called street gangs are more fragmented than rocker crimes. Street gangs tend to have no actual hierarchical leadership, but use situational leadership when committing criminal offences. Street gangs are often groups of young persons (in the 15-25 age group) who are involved in local-area crime when the gang structures are established. The incidence of crime then increases and sometimes develops geographically and in terms of character.

In their investigations of street gang criminality, the police often find weapons. Most gangs are composed so that gangs with a Danish membership do not involve other nationalities and vice versa, although a few gangs with a membership consisting of Danes and second-generation immigrants have been seen.

In 1998, some of the groups committed crimes of such a character that certain parts of it touch the EU criteria for organised crime.

Groups with a non-Danish background

Criminal group structures with an ethnic background in former Yugoslavia have in Denmark built a comprehensive network for receiving and distributing heroin. These structures are believed to be behind a considerable part of heroin trafficking aimed at the Nordic countries.

During 1998 the police instituted various investigations against Polish criminal groups' organised offences against property in the form of series of burglaries and other forms of theft. Polish criminal networks are also involved in cigarette, liquor and drug smuggling.

In connection with investigations of certain cases concerning smuggling of heavily taxed goods to Denmark (and the other Nordic countries), including cigarettes, in particular, the police found suppliers in the eastern Baltic States to be very well organised.

Reliable information indicates that the Russian mafia is very well established and anchored in the Baltic States and is an actor in the smuggling of heavily taxed goods and - to a lesser degree - synthetically produced drugs (amphetamine etc.). Denmark is one of several targets of organised crime committed and arranged by the Russian mafia, but in 1998 Denmark was apparently less affected by this than her neighbouring countries to the south and east.

Criminal Pakistani often commit offences under cover of front companies.

In connection with procuring and smuggling drugs, the police often see Turkish groupings collaborating with Iranians and persons from Central and Eastern Europe. Recently these groups have entered into co-operation with persons with an ethnic background in former Yugoslavia.

The Iranian groupings within organised crime in Denmark are primarily involved in opium smuggling and trafficking.

The African groupings from East, North and West Africa are active in drug smuggling and trafficking, as well as in body smuggling.

As regards North America, the rocker community have strong ties to organised-crime groups in the USA and Canada.

We have no information to the effect that groups from South America take an active part in organised crime in Denmark, but Denmark is an importer of cocaine, which is produced in that part of the world.

Criminal activities committed by groups

Actual drug production is still limited in Denmark, because the criminal organisations prefer to smuggle in finished drugs, which may be due to cultivation conditions as well as the considerable risk of detection involved in smuggling the necessary chemicals etc. and establish and run an illegal laboratory.

Morocco continues to be the primary supplier of cannabis to the Danish market. Crime analyses show that smuggling is increasingly organised. Smuggling is often organised by criminal groupings living on the Spanish Costa del Sol and in Holland.

A major part of amphetamine smuggling in Denmark is controlled by foreign groups living in Holland and Belgium, and Danish groups with links to the rocker community.

To a large extent, heroin smuggling was in 1998 controlled by groups consisting of persons with an ethnic background in former Yugoslavia. However, as before, other groupings, including Danish groups, continue to be involved in supplying the Danish market.

No actual organisations have been exposed as being behind the import and distribution of cocaine in Denmark.

The general opinion is that ecstasy is gaining ground in the Danish market As before, the majority of the seized drugs come from illegal laboratories in Holland and Belgium.

In recent years, the focus has been on doping (anabolic steroids and growth hormones), e.g. at great international sports events. The IT development has changed the trafficking pattern somewhat, because the Internet provides a large supply of doping substances. Attempts at smuggling these substances into Denmark are frequently uncovered. The substances are ordered via the Internet and sent to Denmark by mail, preferably from the USA, where certain doping substances can be purchased legally.

White-collar crime

No new case types directly comprehended by the EU criteria for organised crime appeared in 1998.

The police investigated comprehensive case complexes concerning fraud committed by "junk dealers", who are characterised by their unusually aggressive business methods when selling high-risk investments to investors, who have subsequently lost most of their investments.

As regards organised and systematic asset stripping, a number of investigations and legal proceedings were instituted in 1998.

Tax evasion in relation to the EU is typically a question of VAT fraud involving carousel fraud in connection with trade between Danish and foreign companies.

Being a target country, Denmark is affected by smuggling (illegal re-import) of cigarettes made in Denmark from Lithuania and Poland, in particular.

In relation to armed robbery, 1998 saw an increase in the number of robberies against high-value transports for banks and postal services. There is a special kind of robbery where lorry drivers with a freight of cigarettes or other valuables are held up by perpetrators disguised as uniformed police officers.

A number of hit-and-run thefts (ram-raiding) were ascertained in 1988. Several of the persons involved have strong ties to the rocker community. The crime scenes were typically banks, clothing and sports goods outlets, gold and silversmiths, furriers, watchmakers and opticians.

Investigations of major case complexes involving theft indicate that east-European groups of criminals commit major series of thefts in Denmark. The perpetrators are grouped by nationality and come primarily from the Baltic States, Poland and Romania. The stolen goods tend to be selected brand marks from fashion shops, opticians and perfumeries as well as mobile telephones and car radios. In this connection contacts between Polish criminals and persons with links to biker groups were ascertained.

Shoplifting in department stores carried out by Russian asylum seekers controlled by resident aliens is an increasing problem. The stolen goods are typically sent out of the country by parcel post.

Finally there are groups of persons falling under the Interpol designation "Traditional Itinerant migrant groups", who are involved in comprehensive and organised trick thefts in both shops and private dwellings.

There has been information about smuggling of firearms headed by persons with links to the biker milieu. The police have uncovered several depots of firearms, bombs and explosives attributable to the biker milieu.

There were no cases regarding traffic in human beings in 1998, but there was a marked increase in the number of charges of body smuggling .

In relation to child pornography, it is not possible to give a safe estimate of the memberships of the paedophile networks in Denmark, but presumably there are both a core group and a fringe group. At longer intervals, the latter gains access to material of a child-pornographic character. There have been examples of an actual production of child pornography in Denmark. Cases of a more serious character than solely possession of child pornography typically involve international networks with participants from many different countries. The majority of cases concerning possession of child pornography in Denmark are so-called Internet cases, where the perpetrator has downloaded the child-pornographic material from the Internet.

In 1998, Denmark experienced a small decrease in the number of registered violations of environmental laws. The most serious violations - which may, to a certain extent, be designated organised crime – relate primarily to trafficking in endangered species, companies' handling of waste products and pollution of the marine environment.

Resources

It is very difficult to give an objective estimate of the proceeds gained by organised criminals. The proceeds are, however, considered to be considerable.

Use of influence

There is neither tradition for nor any registration of whether criminal organisations have tried to influence or have indeed influenced the public administration, the judicial authorities or any political circles.

Money laundering

The finance sector made a total of 357 reports in 1998; an increase as compared to 1997 (309) and 1996 (254). Approximately 75% of the reports can be related to persons of foreign nationality. There is no information about money laundering by organised criminals through Danish financial institutions or casinos.

Enforcement of the law

National level

In 1998, Denmark was only affected by organised crime on a relatively limited scale.

In 1998, Denmark took special action against rocker crime, drug trafficking and serious financial crime, which are criminal offences that are especially suitable to be termed organised crime according to the fixed EU criteria.

There have been certain legislative amendments, which have improved the chances of confiscating the proceeds of a crime.

In June 1998, the National Commissioner of Police established Nationalt Efterforskningsstøttecenter (NEC) - a national centre of investigative support (NCIS). The Danish NCIS is responsible for crime monitoring, including collection and treatment of information in relation to i.a. drug trafficking and gang crime, and the Danish NCIS is also the Danish police's link to the international co-operation on fighting organised, cross-border crime.

International level

The Danish police participate actively in various international fora aimed at countering organised crime.

The intensive Nordic police and customs co-operation, the so-called PTN co-operation, continued in 1998. This co-operation has i.a. (with bilateral participation from Germany and the Czech Republic) lead to the unravelling of criminal groups consisting of persons with an ethnic background in former Yugoslavia who have organised smuggling of heroin to the Nordic countries, among others.

The Baltic Sea co-operation, particularly within the "Task Force on Organised Crime in the Baltic Sea Region", continued to develop in 1998 towards extended, pro-active and operative co-operation.

Denmark is also engaged in preparing its affiliation to the operative Schengen co-operation.

Conclusion

Based on comparisons with foreign reports, the rate of organised crime in Denmark seems relatively moderate. In terms of character and seriousness, certain aspects of organised crime in Denmark have, however, reached the level seen in other countries.

There is still nothing to indicate that internationally known criminal organisations have been able to secure an actual foothold in Denmark.

Smuggling of heavily taxed goods (cigarettes and liquor) from primarily Lithuania and Poland in the form of re-import or ordinary smuggling is on the increase.

The major part of existing organised crime has a relatively professional, international character. There is a tendency for organised criminals to go for the most profitable markets, which are also low-risk in terms of detection or punishment.

The criminal elements seem to be very adaptable in relation to the general societal development - and to the existing criminal markets, national as well as international.

6.4. Appendix D: Finland

A. Introduction

'Organised crime' as a term is not separately defined in the Finnish legislation. In various contexts, a definition given by the EU has been used (ENFOPOL 35 rev 2, 6204/2/97).

There is no strong tradition of organised crime in Finland, but monitoring systems for the phenomenon have been created both at technical and organisational level.

Data used in preparation of this report were collected with a help of a questionnaire sent to the appropriate law enforcement authorities - the police and the customs. 35 copies of the questionnaire were sent out.

B. Organised crime Situation

1. Suspects involved in organised crime

It would seem that there was a slight increase in the number of organised criminal groups identified in Finland since 1997 to 1998. For the purposes of this report, it was considered that 22 criminal groups meet the criteria on organised crime.

In most cases the core of the group consists of 4 - 6 persons and in addition to them, there are most often about ten other members. The total number of members in the cores of the groups is an approximate 200, and the number of other members is estimated to be a few hundred.

Participation in organised crime by foreigners seems to have grown; in a half of the groups (11) members represent only one nationality. In ten cases, they are Finnish persons and in one case, they are Vietnamese. Respectively, in eleven groups members present two nationalities (7 groups) or more than two nationalities (4 groups). Of these, in nine groups, there are Estonian members and in three groups, there are Russian members. Other non-Finnish members of the groups represent Spain, Germany, Sweden, Gambia, Turkey and Yugoslavia. In two multi-national groups, there are no Finnish members at all.

All groups have a clear division of labour.

2. Criminal activities of suspects involved in organised crime

The main field of activity of all 22 groups, with a few exceptions, is trafficking and selling drugs. Five groups are also suspected of production of drugs.

The most commonly found drugs in Finland are hashish, marijuana, amphetamines and heroin. In general, the situation relating to drugs is getting worse, but when compared to the international situation, the problem is still a minor one in Finland. For example, 160 kilos of hashish, some 25 kilos of amphetamines and 2 kilos of heroin were seized in 1998 in Finland.

The other common type of crime in which the groups are involved is smuggling and selling alcohol and spirits - a half of the groups practise this activity. The Finnish alcohol legislation, the high price of alcohol as well as big profits received from smuggling alcohol and relatively small risks relating to this activity are tailor-made temptations to incite criminal activities to appear in this area. In 1998, 81,000 litres of alcohol were seized in Finland. Of this amount, 51,000 litres were spirits.

A few groups are mainly involved in committing thefts, and one group commits mostly robberies.

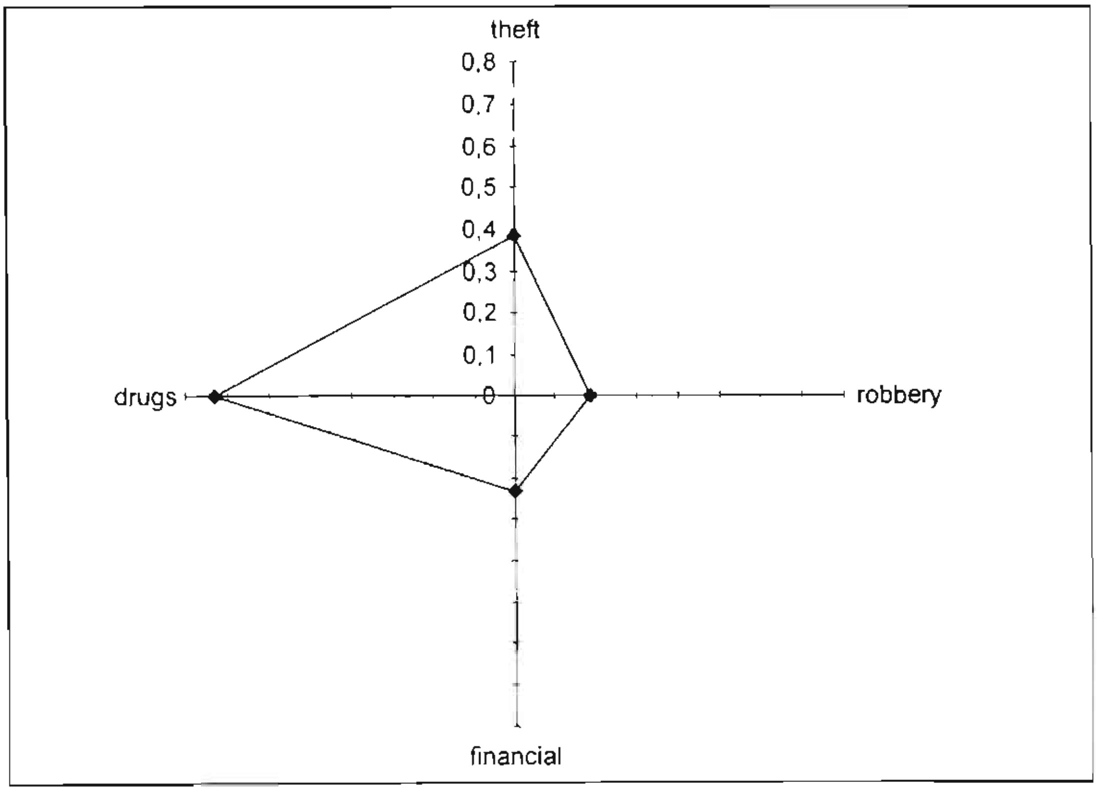
In addition, several groups are involved in receiving offences, robberies, embezzlements, thefts, counterfeiting currency and motor vehicle crime. Almost all groups are involved in more than one type of crime, but the main activity focuses on one type of crime, most often on drug crime.

Kidnappings, thefts of objects of Art, trafficking in human beings, illegal trade in firearms, child pornography and illegal gambling are not significant forms of crime in Finland.

It is estimated that smuggling drugs, spirits and alcohol will be the main types of activity in the field of organised crime also in the future.

The Chart 1 represents how the mean values of the fields of activity of the groups are situated in an activity chart. For the purposes of the chart, all offences reported to have been committed by the members of the groups were roughly divided into four fields of activity, i.e. thefts (burglaries, thefts, illegal use, etc.), robberies, drug offences and financial offences (fraud, tax fraud, embezzlements, etc.). The mean values per each group in different fields of activity were calculated on the basis that each type of offence appearing in each activity was given a value '1', if there were hard information or soft information about it. A value '0' was given, if the information were not available.

Chart 1. Mean values of criminal activity of all groups per line of activity.



3. Places and regions of activity

With a few exceptions, the domiciles of the organised criminal groups are in the area of Southern Finland, and nine of them have the Capital area as their central area. A half of the groups operate also outside the Finnish borders - for the main part, this is connected to smuggling.

As a rule, amphetamine is trafficked to Finland from Estonia. Approximately, a half of the heroin is trafficked from Russia and the other half from The Netherlands. Cocaine - although it is not a significant drug in Finland - would seem to come in Finland mainly via the Baltic countries.

Illegal alcohol is smuggled to Finland mainly from Russia or Estonia. The most common countries of origin are the USA and China.

As a general observation, it can be noted that when compared to the previous year, activities of the organised criminal groups have become more international - members present more and more some other nationalities than Finnish and the operational sphere of the groups expands more often outside the Finnish borders.

4. Resources

An approximate half of the groups have some kind of cover companies. Business lines of these companies include e.g. import, catering, transporting and sales in motor vehicles. Respectively, an approximate half of the groups are suspected of money laundering - although it is certain only in case of two groups.

Different estimates on proceeds from criminal activities have been presented in various contexts. According to a careful estimate, the street value of the drugs in Finland would be around 100 million marks (16,7 million Euro). Regarding financial crime, it has been reported that the damage caused the parties involved in 1998 was 645 million marks (107.5 million Euro).

5. Use of violence

All the groups have an internal discipline of some degree, mainly based on violence and/or extortion. In most cases, a threat of violence has been enough to maintain the discipline, and there are only a few cases in which use of violence has been verified. Positive discipline is known or estimated to be realised in about a half of the groups.

Use of violence against the members of the groups or other criminals, not mentioning outsiders to criminal circles, is more rare. Even then it most often remains at the level of posing threats. There is one homicide case relating to organised crime known.

6. Use of influence

The influence of organised crime outside criminal circles is estimated to be insignificant. It is assumed that a few groups have aimed to influence law enforcement and judicial authorities mainly by threatening. Only three groups are suspected of bribery and regarding two of them, it is suspected that the bribery took place in Estonia. There are no proved cases of bribery known.

7. Money laundering

The number of reports on suspicious financial transactions has remained relatively stable in the years 1994 - 1998. 186 reports were made in 1998. The obligation to report is based on the Act on Preventing and Clearing Money Laundering entered into force on 01 March 1998.

Reports on suspicious financial transactions are not directly linked in criminal activities and reports made by parties under the obligation to do so are based only on their observations made of suspicious transactions.

In 1998, 19 reports on suspicious financial transactions were transferred to pre-trial investigation. Regarding reports transferred to pre-trial investigation in 1994 - 1998, there is a court ruling in 24 cases.

In 1998, the police made 10 decisions to suspend the transaction based on the reports made on suspicious financial transactions. The total value of frozen assets made in 1998 was 6.7 million marks (approximately 1.15 million Euro). There is no information available on the number of confiscations made.

In the context of suspicious financial transactions, Finland is most commonly used as a transit country; assets arrive from Russia and they are then forwarded from here to other countries. The most common countries mentioned in the reports on suspicious financial transactions are Finland, Russia and Estonia. Regarding persons, the runner-up is Turkey and regarding companies, the runners-up are Sweden and Great Britain.

C. Conclusions: Threat assessment, trends and prognosis

Regarding the crime known to the police, the crime situation has been relatively stable in past years, although there has been an increase in certain areas of crime, especially in drug crime. By far, the crime known to the police in Finland is for its main part clearly some other form of crime as organised crime. The basic crime is still based on - at least for the time being - the activities of Finnish professional and habitual offenders.

As the figures used in this evaluation are relatively small and are only based on the data known to the police, the conclusions cannot be generalised in all relations. It can be stated, however, that activities of organised criminal groups in Finland are clearly focused on drug crime.

So far, the number of foreign population residing in Finland is small, although it is in a constant increase. In the end of 1997, there were approximately 80.000 foreigners residing permanently in Finland (approximately 1.6% of the whole population). Although the foreign population in Finland is small, it should be kept in mind that the relative number of foreigners may well have increased faster than in any other European country.

It is believed that international organised crime will not heavily penetrate Finland, but some suspicions especially concerning penetration by financial crime originating from the area of the Former Soviet Union have been presented. Most likely, Finland will remain a transit country in relation to international organised crime. Ethnic minorities do not pose an immediate threat by nesting organised crime either, but forming leagues in relatively tight-knit communities may become more common.

In the future, the activities will most likely focus on drug crime and receiving offences and, in particular, smuggling alcohol and spirits that may well increase. Along integration to the European Union (1995), also various types of frauds become more significant to the organised crime.

Organised crime will continue to grow more international; this may well show both in participation by foreigners in the activities of the groups and the activities becoming more international.

D. Measures against organised crime

There is no special legislation concerning specifically organised crime. The law enforcement authorities have intensified their measures against organised crime e.g. by:

1. presenting amendments to the legislation
   - tracing proceeds from crime (reversed burden of proof)
   - witness protection (anonymity)
   - making undercover operations possible
2. intensifying tracing proceeds from crime
3. intensifying the use of informants
4. developing information systems
5. developing crime analysis
6. increasing and developing international co-operation and exchange of information especially with Russia and Estonia.

Towards the end of 1997, a separate fixed-term project was established at the National Bureau of Investigation to investigate crime relating to illegal immigration.

On 01 March 1998, new legislation on money laundering entered into force in Finland. Along with this new Act, the Money Laundering Clearing House was established at the National Bureau of Investigation.

Along with issuing a new Police Personal Data File Act (entered into force on 01 October 1995), a new national police data file was constructed for the police for recording intelligence information with the purpose of detecting groups and networks of persons with criminal activity. The data file was taken into use in October 1997, but the more active use started during 1998.

The already Finnish government platform of 1995 states that the government makes prevention of financial crime and black economy as well as recovery of proceeds from crime more efficient e.g. by intensifying co-operation between the tax authorities, police and other authorities. In addition, a national drug crime prevention program was prepared in the end of 1998.

Methodological Annex

The used method

Data on organised crime was collected by using a questionnaire sent to the appropriate law enforcement authorities (the police and customs). 35 copies of the questionnaire were sent out. It was requested that replies to the questionnaire were given using a three-step scale: 2 = hard information, 1 = soft information and 0 = not known/not available. In addition, there were some supplementary questions included for replying in free narrative. A list of the EU criteria on organised crime (ENFOPOL 35 rev 2, 6204/2/97) was attached to the questionnaire.

6.5. Appendix E: France

French contribution to the Annual Report of the European Union on Trends in International Organised Crime in 1998

A. INTRODUCTION

The trends as regards organised crime in France, which is difficult to quantify and highly complex, were established on the basis of wide-ranging investigations, which uncovered criminal organisations.

B. TREND IN ORGANISED CRIME

1. Persons suspected of involvement in organised crime are primarily of French nationality. Of the networks detected and broken up, the groups were mostly composed of French nationals, or of French nationals operating alongside foreign nationals. On occasion, they solely comprised foreign nationals. In some cases, there were international links and the organisers were based on foreign soil.

2. Criminal activities

- **Drug trafficking**

The statistical data for 1998 confirms that France is a transit company, certainly as regards most of the trafficking in cannabis resin and ecstasy and as regards cocaine and heroin, of which more than half of quantities seized were in transit. Concerning trafficking in cannabis resin, the South-North routes are particularly active, as are the North-South routes for heroin trafficking; 38 networks, which comply with the European Union criteria have been put out of operation. In actual fact, the true figure for the number of networks broken up is however much greater since a significant number of cases in which major seizures of cannabis resin, cocaine, heroin and ecstasy were made failed to meet these criteria. Whilst the intelligence gathered by those investigating cases where offenders were caught red handed would seem to indicate that criminal networks are involved, this has not yet been officially confirmed.

Some networks are only composed of French traffickers. The number of trafficking networks with links to traditional crime increases from year to year Others are a mixture of foreign and French nationals. Still others only comprise foreign nationals or have an international structure in which the organisers are based in other countries.

- **Trafficking in human beings**

As in 1996 and 1997, organisations trafficking in human beings from Eastern European countries have continued o be active in France, with Bulgarian. Croat and Albanian networks in particular being broken up. Young women prostitutes from Croatia, the Czech Republic and Slovakia are still entering south-eastern France (Nice region), via Italy. An international organisation operating a prostitution network with young women from the Ukraine, Moldavia and the Czech Republic was broken up in this region.

Networks originating in the Maghreb region, Africa, Latin America and Asia are still active. Investigations reveal that in some cases trafficking in drugs, faked administrative documents and arms go hand in hand with trafficking in human beings.

There has been a slight increase in the number of organisations concerned as compared with previous years. Their geographical breakdown remains unchanged: Paris and the Paris region, eastern and south-eastern France.

The networks are built up or replaced in areas where demand is the strongest or where police activity has the least impact.

The types of legally-constituted companies used are primarily hotels, restaurants, night clubs, and even marriage bureaux.

The estimated proceeds from such criminal activities are difficult to put into figures.

- **Clandestine immigration**

There are more Asian and Indo-Pakistani illegal immigration networks than any other kind and they are highly structured.

In 1998, several highly-structured illegal immigration networks were uncovered. This included Sri Lankan networks. One of these played a dual role: firstly, drug trafficking, and secondly, smuggling of illegal immigrants. The members of the highly-structured Chinese networks have always maintained their links with "traditional" crime (extortion, kidnapping for ransom and some specialising in the smuggling of Asian minors). The investigations uncovered links between clandestine immigration networks and the employment of foreigners without papers,

French security services co-operated closely with Italy in investigating Kurdish networks. Finally, Romanian illegal immigration networks have shown themselves to be of particular cause for concern.

- **Other kinds of trafficking**

As in previous years, investigations undertaken into the illegal arms trade have pointed to the existence of a black market in arms from a variety of sources rather than organised trafficking on a large scale. The supply of arms for trafficking derives principally from robberies from private individuals, swaps between collectors, trade among criminal circles, arms from countries in which fighting is taking place, which do not yet have adequate controls and regulations, and from countries where the legislation is less strict.

In 1998, trafficking in cigarettes represented a total value of approximately 77 million francs and some 138.3 tonnes of cigars, cigarettes and smoking tobacco were seized. France continues to be a transit country and trafficking occurs principally along the frontier with Andorra and in the Nord/Pas de Calais region.

There was a decline of 42% in trafficking in alcohol.

- **Theft**

Armed robbery: of five criminal gangs specialising in attacks on money transport, four were put out of operation. Of the 705 bank robberies on record, 399 were carried out by gangs involved in organised crime.

The number if vehicle thefts is falling. The international trafficking routes are the Maghreb countries, West Africa, the Middle East and Eastern European countries. All of the Maghreb countries and certain Eastern European countries are buyer markets for spare parts. Trafficking largely goes hand-in-hand with trafficking in false administrative documents.

The theft of works of art and the handling of stolen goods occur via structured channels. In 1998, France continued to focus its efforts on the foreign nationals running such networks. Many gangs have been broken up in this way and organised gangs uncovered from, in particular, Romania, the Czech Republic, Poland and Hungary specialised in burglaries of castles and mansions. Otherwise developing countries have been the victims of the trafficking of items of cultural heritage.

- **Fraud**

This relates primarily to the prevention of Community fraud, which consists of fraud and breech of trust, which are detrimental to the financial interests of the European Union, involving the use of false invoices and customs papers.

Fraud showing signs of the influence of international organised gangs is on the increase in France. So-called "rip-deal" fraud is organised by gangs of Yugoslav origin.

Counterfeiting, which has a particularly detrimental impact on French industry, is continuing to expand, while more modern techniques, which are available to amateur printers are used in the counterfeiting of money. Young people, and sometimes minors, seem to be attracted to such crime.

The illegal proceeds from prostitution were laundered either through the purchase of luxury goods, or by reinvestment in a variety of businesses, such as bars, restaurants, hotels, etc. In the hands of organised networks based in foreign countries (countries of the European Union, Eastern European countries) the money is repatriated to the country of origin or transit by means of banks or businesses.

It is therefore impossible to estimate the value of goods seized or confiscated. Investments in France and Europe by nationals of former USSR countries, whether it involves the take-over of companies in difficulty, acquisition of holdings or the purchase of luxury apartment blocks, is still a cause for concern.

Money laundering benefited from the wide variety of methods used and generated profits amounting to approximately FRF 300 million for offenders. Some 30 cases were solved in 1998.

Crime relating to new technologies mainly involved the Internet and electronic commerce. Different types of offence could be distinguished: offences committed on the system (paedophilia, racial hatred), offences generated by the system (fraud, breech of trust), offences against the system (computer hacking), and offences connected to electronic payments mainly intended for Asian countries, North America and Eastern European countries.

- **Violent Crime**

A significant proportion of cases go undetected. In 1998, two cases were reported, which involved organised crime.

Of the 47 cases of revenge killings reported, four pointed to the existence of two gangs with links to organised crime, involved in drug trafficking and illegal gambling in the south of France.

In 1998, six cases of kidnapping were solved, which led to the break up of 6 gangs from the south of France, the Paris region and the Far East who resorted to kidnapping as a means of resolving internal conflicts arising in the context of drug trafficking and illegal immigration networks.

In 1998, the breaking up of organised gangs brought to an end the activities of a biker gang operating in the south of France and specialising in debt recovery by recourse to violence, arson and the use of false documents and a gang carrying out acts of aggression at night against car drivers in eastern France, and of several gangs, with interchangeable elements, specialising in night raids on automated teller machines (ATMs) in central, western and south-western regions of France.

A. CONCLUSIONS

The development of criminal gangs originating in Central or Eastern Europe and Asia continues alongside the traditional multinational criminal organisations, particularly in the field of procuring. Prostitution is often combined with offences reflecting the organisational and logistic structure of the network, namely trafficking in drugs, arms, false papers, violence and illegal immigration.

B. MEASURES TO COMBAT ORGANISED CRIME

The police and security services have continued to co-operate closely and have also promoted the exchange of information. With a view to combating organised crime, a unit has been put in place to co-ordinate and centralise intelligence in this area. This forum combines the judicial police, the intelligence services and the border police.

France participates actively in initiatives undertaken by international bodies and the European Union to combat organised crime.

6.6. Appendix F: Germany

Introduction

Data about all OC investigations in Germany conducted during the reporting period were collected on the basis of the "organised crime" definition. In 1998, 832 investigations into groups with organised crime characteristics were in progress. 441 investigations were initiated in 1998, while 391 continuing investigations were carried over from previous years.

The Organised Crime Situation

In 1998, 8,444 suspects from 92 countries came to notice during the course of 589 investigations[6] that included case data on suspects.

37.3% of all suspects were German nationals. Turkish nationals, who accounted for 13% of all suspects, comprised the largest group of non-German suspects. The next largest group was Yugoslavians[7] (6%), followed by Polish nationals (5.5%), Italians (5.1%), Albanians (2.8%), Russians[8] (2.5%), Lithuanians (1.8%) and Czechs (1.8%). 1,607 (19%) of the suspects came from Central and Eastern Europe[9].

Analysis of 589 investigations[10] revealed that the number of suspects per investigation ranged from three to 187 persons.

In terms of nationality, both homogeneous and heterogeneous group structures were established. 22.8% of the investigations involved groups of offenders comprised of a single nationality. In the remaining 455 investigations, groups of offenders were comprised of as many as 15 different nationalities.

In 137 of the investigations analysed, additional information came to light concerning connections between groups of offenders in Germany and specific groups of offenders in other countries.

Drug trafficking and smuggling were the main offences concerned in 40.1% of the investigations. Turkish heroin trafficking organisations dominated this field of crime. Criminal activity in 22.4% of the investigations was focused mainly on property crime, much of it internationally organised vehicle trafficking committed by Polish suspects. German suspects played a major role in the fields of economic/financial crime (14.5%) and forgery (16.3%), and German nationals dominated crime associated with night life (14.9%). Violent crimes (15.6%) were committed in particular by German, Vietnamese and Turkish

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[6] 441 initial reports and 148 continuing investigations that included new data on suspects.

[7] Data for the Federal Republic of Yugoslavia (Montenegro and Serbia)). Besides this, in 1998 an additional 185 suspects (2.2 %) of Bosnian, Croatian, Slovenian and Macedonian nationality were recorded.

[8] 571 suspects came from countries that used to be part of the Soviet Union. They account for 6.8% of all suspects.

[9] Albania, Bulgaria, Estonia, Latvia, Lithuania, Moldova, Poland, Romania, the Slovak Republic,the Russian Federation, the Czech Republic, Hungary, Ukraine and Belarus.

[10] 441 initial reports and 148 continuing investigations that included new data on suspects.

nationals, while illegal immigration offences (13.4%) were traced to Yugoslavian and German suspects in many cases. To a large extent, the investigations in the other - unspecified - areas of crime (16.3%) were handled by the customs investigation service and were focused on evasion of import duties and evasion of taxes on high-tax items.

In 334 of the 832 ongoing investigations (40.1 %), the offenders were active in a specific field of crime, while in 498 investigations (59.9 %) their activities involved more than one area of crime[11].

In 462 (76.6 %) of the investigations analysed, international links were established. There were supra-regional links in 84 (13.9 %) of the investigations, and regional links in 57 (9.5%) of the investigations.

In the 462 OC investigations with international links, offences were committed in a total of 96 countries.

Commercial or business-like structures were used by suspects in 412 cases (79.7% of the investigations).

The damage reported[12] for the 1998 situation report[13] amounted to 1,801,049,226 Deutsche Mark (920,861,846.89 Euro). The profits estimated in addition - for offences for which no damage reports are required under Police Crime Statistics guidelines - amounted to: 1,054,012,618 Deutsche Mark (538,908,094.26 Euro).

In 293 cases (56.7 % of the investigations), force or other means of intimidation were used. 73 homicides[14] were recorded in connection with analysis of the respective OC investigations.

In 110 cases (21.3% of the investigations), there were indications of influence exerted on politics, the media, public administration, justice or the business sector.

In 118 of the OC investigations analysed, there was information pointing to money laundering offences as defined in Section 261 of the German Penal Code. In 38 of these investigations, 139 suspicious transaction reports were filed in accordance with section 11 (1) of the Money Laundering Act.

Measures to confiscate illegal profits were taken in 179 (21.5%) of all the investigations.

Assessment

In view of the above, it can be stated that organised crime in Germany is a highly varied and complex phenomenon. Organised crime is characterised by a wide spectrum of characteristics that make it necessary to consider not only

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[11] In 1997, 46.7 % of the investigations were classified as involving a specific field of crime, while 53.3 % were classified as involving more than one area of crime.

[12] Damage and profit data are available for 556 investigations - 441 initial reports and 115 continuing investigations.

[13] Damage as defined by the Police Crime Statistics guidelines is the illegally obtained monetary value (market value). For import duty and tax evasion and for subsidy fraud in connection with the marketing regulations of the European Union, the damage is defined as the amount evaded or the unjustly received subsidies.

[14] Including punishable attempts

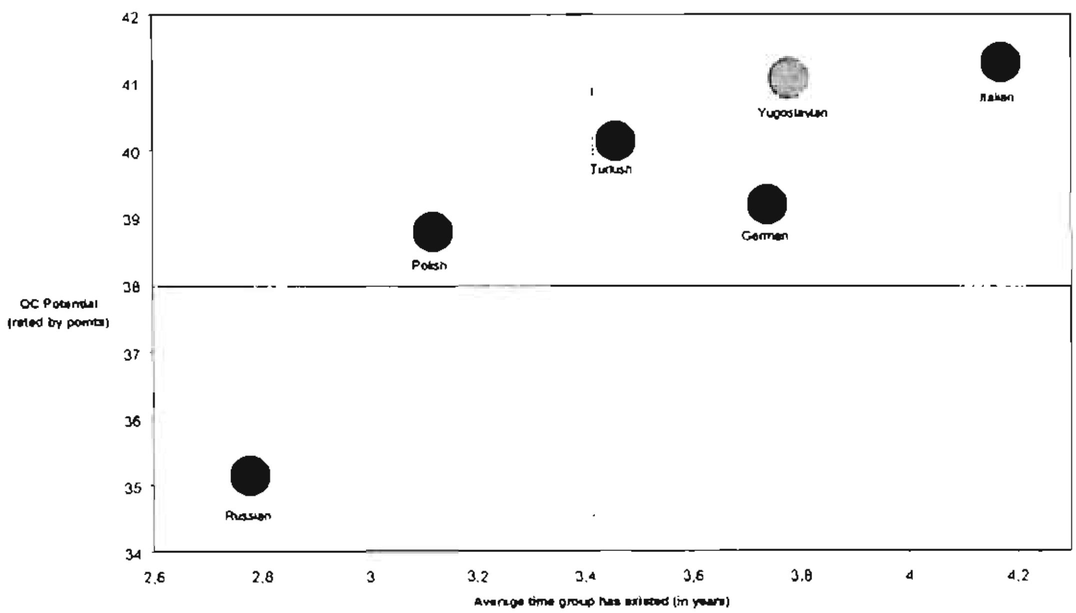
the criminal, but also the structural, historical-cultural and geographic aspects of this phenomenon. On the basis of the assessment results, it was not possible to identify common features of organised crime that go beyond the current definition and thus would represent additional characteristics of this phenomenon.

When overall offender structures were analysed, in most cases hierarchies comprised of two or three levels were established. In addition, there are often horizontal networks of relationships between hierarchical groups that function in accordance with the conditions of the illegal market and within which there is a high level of co-operation.

As in 1997, the ratio of homogeneous to heterogeneous structures was approximately one to three. It should be noted in this connection that there is a growing trend toward complex networks of relationships involving a variety of ethnic components.

The activity of ethnic groups of offenders in Germany is influenced to a considerable extent by the cultural background of the ethnic group and the degree of assimilation of its members into German society. To this extent, certain developmental stages must be taken into consideration when co-operation between the criminal participants is examined. For example, the degree of compartmentalisation and its effect on co-operation between nationalities as well as the forms of criminal activity can vary accordingly. There are also basic differences in the degree of organisation, degree of professionalisation (OC potential) and degree of establishment of the ethnic groups studied in Germany (information about the existence of a group/how long it has existed).

Significance of Ethnic Groups as OC Phenomena in Germany in 1998



To begin with, the limited significance of the Russian groups of offenders[15] compared to the other ethnic groups is striking. Of the different nationalities, Italian, Kosovar Albanian and Turkish groups of offenders can be considered the most important OC groups at the present time. This is certainly due to the fact that, in Germany, they can fall back on structures that have evolved over the course of time. In their fight against Turkish OC groups, it is probably a disadvantage for the law enforcement agencies that these groups often concentrate on a single type of offence (heroin trafficking) and that it is evidently not very difficult to procure the respective illegal substance. In addition, investigative work is more difficult due to their well-developed logistics, most of which are located outside of Germany, as well as to smoothly functioning distribution structures.

In the case of all three ethnic groups, investigators also face the problem that the groups operate within firmly established family structures with clear lines of authority. These make long-term co-operation possible, offer a dependable source for recruiting, and ensure appropriate discretion. In the case of Kosovar Albanian groups, police investigations are certainly made more difficult by the efficiency with which these groups carry out their criminal activity and their unconditional use of force - which is also used to intimidate witnesses. German groups can fall back on long-standing, and in many cases non-criminal, contacts in their own culture group. Besides this, they are familiar with the German legal system, which in makes it easier for them to proceed in a professional manner. When the Polish groups are considered, it is certainly important to remember that only limited information is available about some of their structures, most of which are located outside Germany.

In 1998 as well, these criminal groups were active primarily in the illegal market segments drug trafficking and smuggling, property crime, forgery, and crime associated with night life. Most of the investigations in question involved more than one area of crime. It was established that criminal activity tended to occur in certain combinations.

For example, drug crime was frequently linked to crime associated with night life, which in the underworld context is understood as various forms of encouraging prostitution and illegal games of chance. Violent crimes were often committed in connection with such criminal activity as well.

Offences in the fields of vehicle crime and illegal immigration were frequently associated with forgery. It should be noted that, because of the logistics associated with these offences, they often occurred in tandem.

Protection racketeering was frequently practised in groups firmly rooted in the underworld and therefore closely associated with the aforementioned areas of crime.

Use of income is clearly concentrated on consumption. Much income is consumed by enormously high expenses. The money is often spent on logistics (office rents, travel expenses, etc.) and for lawyers' fees. Further expenses can arise in connection with providing support for group members in

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[15] comprised solely of Russian suspects

custody and for their families, as well as for payment of any bribes that may become necessary and for payments to other groups.

In connection with some investigations, it was established that money had been invested in legal businesses. Mixing of illegal and legal income is a known problem.

Large amounts of money are spent on strengthening criminal structures and as reinvestments in illegal activities (e.g. operating additional brothels for the purpose of expanding illegal activities in red-light districts, advance financing for further drug transactions).

In a number of non-German groups, money is often transferred to the respective native countries, both as cash and in other forms. Little information is available about subsequent use of such money.

On the whole, there are few indications that money is invested systematically and for specific purposes. Instead, there is a tendency to handle money in a "free and easy" manner. However, in some investigations professional handling of profits by German suspects has been noted.

At times, even though extremely high income was presumed, only insignificant amounts of assets, or none at all, were established. Only in very rare cases did suspects attempt to break out of their criminal environment. Even in cases where former OC "kingpins" have managed to "go legal" by investing illegal income in real estate or business and can no longer be linked to criminal offences, they still maintain personal contacts in the OC scene.

6.7. Appendix G: Greece

GREECE

THE SITUATION IN THE FIELD OF ORGANISED CRIME

As in previous years, 1998 witnessed a considerable number of serious crimes, such as murder, drug dealing, armed robbery, prostitution, dealing in stolen goods, theft, burglaries, etc. The authorities took a raft of measures, which eventually led to a gradual improvement in the indicators of overall crime in the course of the year.

The ongoing economic crisis, the fragile political situation in almost all neighbouring countries and the steady influx of refugees and so-called economic immigrants from neighbouring Balkan countries substantially contributed to the increase in certain categories of crime. Besides, the presence of a large number of economic immigrants, mainly from neighbouring countries, had a negative impact on the serious crime indicators.

1. Categories suspected of involvement in organised crime

In 1998 various criminal gangs were active in our country, consisting of *Greek, Albanian, Russian, Turkish, Romanian, Bulgarian, Yugoslavian, Iraqi and, to a lesser extent, other nationals*. The above gangs consisted of small groups of two to at most 10 individuals, with an unclear hierarchy below the level of ringleader, who joined forces mainly with a view to jointly committing crimes for pecuniary gain. Sometimes they consisted of one nationality, sometimes of several. On occasions the composition of these groups varied from crime to crime. In many cases Greek criminals conspired with foreigners, in particular Albanians, Romanians, Bulgarians, Russians and occasionally nationals of other countries. These gangs did not always confine their activities to Greece, some being active in other countries, particularly in the case of organised Russian criminals.

2. Criminal activities of the suspects referred to in point 1

- ***Main criminal activities:***

2.1 Homicide

In 1998 Albanian nationals were disproportionately involved in homicide (committing 82 murders out of a total of 350). The motives for most of these homicides were the settling of accounts between members of gangs or individuals that had their roots in their country of origin.

2.2 Drugs

- The total quantity of processed cannabis seized during the year by the Greek authorities amounted to 30.811 kg, while the total quantity of natural cannabis seized in 1998 amounted to 17 tonnes 510.162 kg. ***The main source of processed cannabis was Albania, Bulgaria and Morocco. The main source of raw cannabis was Albania.*** In 1998 cannabis was sold in Greece by 7 073 Greek citizens and 686 Albanians. To a lesser extent cannabis was also sold by nationals of other countries (Germans, British, Bulgarians, Russians, etc.).

The total quantity of heroin seized in Greece in 1998 was 185.266 kg. The law enforcement authorities recorded 180 cases of heroin dealing and prosecuted 450 individuals. ***The main sources of heroin were:*** Turkey, 92 kg, Albania 62 kg, Bulgaria 4 kg, the rest being of unknown origin. All the heroin seized had been transported by road. ***The breakdown of nationality of heroin dealers was as follows:*** 220 Greeks, 130 Albanians, 14 Nigerians, 12 Turks, 7 Romanians and 6 Rwandans. The remaining heroin was traded by nationals of various countries (Italy, Ghana, Moldavia, Tanzania, Finland, Portugal, Russia, Mongolia). In 1998 there were 243 deaths from overdoses, as opposed to 232 in 1997. 1998 saw a new trend, namely the growth in the heroin trade between Albania and Greece. In 1998 a total of 57.5 kg of heroin was confiscated from 130 Albanian citizens.

The total quantity of cocaine seized in 1998 was 283.214 kg. The authorities identified 89 cases of cocaine dealing and prosecuted 246 persons. The source of the cocaine was: Latin America (Colombia): 95%, other countries: 5%. *93.5% of the cocaine had been shipped by sea, 2% by air and the remaining 4.5% by road.* Number and nationality of cocaine dealers and quantities involved: 107 Greeks, (43.5%: 196.626 kg), 79 Albanians (32%: 6.342 kg), 60 other nationals.

2.3 Armed robbery

There was an increase in armed robbery in 1998, with a total of 119 bank robberies over the year *inter alia*. These robberies were either the work of individuals or organised criminal groups, consisting of Greeks or foreigners, mainly Albanians and Romanians, or multiethnic groups. These gangs were particularly ruthless and planned their actions carefully; indeed in two cases they did not hesitate to shoot and as a result we have human victims. Robberies were also perpetrated by felons who had escaped from Greek prisons.

2.4 Motor car theft and illegal dealing in stolen vehicles

In 1998 most of the perpetrators were Greek nationals, but ethnic Greeks from the former USSR, followed by Albanians, were also involved. Other nationalities involved included Romanians, Yugoslavs, Slovenians, Bulgarians, Georgians, and citizens of other Eastern European countries. ***In 1998 there were 11 cases in which organised criminal groups were involved in this area.***

2.5 Traffic in human beings

a. Traffic in women with a view to their sexual exploitation

Greece is one of the target countries for the illegal trafficking of women at European level. Most of the victims came from Bulgaria, Romania, Russia, Albania, Ukraine, Moldavia, Khazakhstan, Belarus, Georgia, and the Czech Republic, which account for approximately 90% of all victims. The main nationals prosecuted in this connection in recent years were Greeks, Albanians, Bulgarians, Romanians and citizens of the former USSR.

b. Smuggling of illegal immigrants by organised networks

The figures for illegal immigration in 1998 are: 10 844 Iraqis, 1 940 Iraqis of Kurdish extraction, 1 344 Bulgarians, 714 Pakistanis, 3 420 Romanians, 1 151 Bangladeshis, 262 Turks of Kurdish extraction and 126040 Albanians. During 1998 the Greek police arrested a total of 510 perpetrators, including 337 Greeks, 82 Albanians, 23 Turks, 13 Lebanese, 13 Syrians, 11 Bulgarians, 7 Iraqis, 6 Romanians, 6 Russians, 5 Yugoslavians, 3 citizens of FYROM, 1 Egyptian, 1 Indian, 1 Israeli and 1 Bangladeshi.

Likewise, 315 vehicles were seized, including 220 private cars, 52 public-use cars, 9 public-use trucks, and 34 craft.

2.6 Smuggling:

According to customs authorities data for 1998 there were a total of 6 cases of motor vehicle smuggling, involving 16 persons in all, of whom four foreigners, three cases of alcohol smuggling, involving two firms and one individual, two cases of smuggling of ships' supplies, involving one firm and two persons, one case of illegal distribution of ethyl alcohol involving three persons and, finally, one case involving the distribution of PVC, involving one firm. Cigarette smuggling at the borders with Albania, FYROM and Bulgaria is not uncommon. Georgians, Russians, Bulgarians, FYROM citizens, Albanians and Iraqis have also been involved in smuggling.

2.7 Money laundering

Act 2331/95 on money laundering was enforced by the Greek police in 18 cases. The Article 7 (Act 2331/1995) Committee (consisting of representatives of the Ministries of Justice, Public Order, Finance (customs, Financial Crime Squad) and representatives of the banks, etc.) dealt with a total of 224 suspect cases in 1998 . Of these, 22 were referred to the Public Prosecutor, 62 were classified, 99 were temporarily classified, and 41 are still under investigation

3. Places and regions of activity

Most crimes are perpetrated in the large cities (Athens and Thessaloniki), but also in the northern, eastern and western border regions (drug trafficking and smuggling of immigrants).

4. Resources

Most of the resources of the various criminal gangs came from the proceeds of their criminal activities, including drug dealing, extortion, robberies and protection rackets targeting night-clubs, as well as the creation of legal undertakings, often in the form of limited companies, as a cover and as means for laundering the proceeds from crime.

5. Use of violence

During 1998 violence was sometimes used to settle accounts between competing gangs and in attempts to control certain areas and branches of criminal activity, mainly by Greek, Russian and Albanian groups. Likewise, there were several clashes between Albanian gangs competing to control the employment of their fellow countrymen, and there were a number of murders, which seem to have very close links with organised crime. It should be noted that many of the violent clashes between members of Albanian and Russian gangs had their roots in disagreements, which originated in their countries of origin. In 1998 15 Greek policemen lost their lives in the course of duty, while 26 were seriously injured and 363 were slightly injured.

6. Exercise of influence

On a number of occasions explosive devices were placed in court buildings. On one occasion a vehicle belonging to a private TV channel was torched. A group of anarchists claimed responsibility for this felony and also for setting fire to a parked vehicle belonging to the Ministry of the Environment, Regional Planning and Public Works. The police are investigating several incendiary attacks on police cars, responsibility for which has been claimed by anarchist groups, and the possible links between these groups and organised financial or other interests.

C. CONCLUSIONS

Organised crime has already gained a foothold in Greece in certain specific areas of criminal activity. The activity of these criminal gangs, whose primary objective is pecuniary, fosters the underground economy and a state of lawlessness, which adversely affect the market economy and normal social life and reward criminal behaviour.

Drugs are still the number one problem for the Greek police. There has been a slight rise in white-collar crime due to the relatively low risk of detection. Night life is a particularly problematic area. Here we now have established criminal structures, some patently illegal, some with legal fronts. The extent of underground economic activity in this sector is hard to justify. The gangs fighting to control this field of employment via extortion and protection rackets are ruthless and do not hesitate to kill if necessary. The use by criminal gangs of identity papers that have been stolen or lost and subsequently counterfeited - as well as the whole-scale forgery of such papers - is a major problem. Traffic in women with a view to their sexual exploitation has now become an established form of organised crime.

Given the internationalisation of organised crime, the globalisation of economic activities and markets and the critical economic and political situation in the Balkans in general, various sectors of organised crime seem set to expand in the years to come. Organised foreign gangs - mainly Albanians and Russians, in co-operation in certain cases with Greeks - have already set up shop and the outlook is anything but reassuring.

The threat posed by organised crime, given the difficult political and economic circumstances, is likely to grow in the future. The greatest threat facing Greece is considered to be the perpetration of contract killings by so-called murder gangs consisting of Greeks, Albanians and Russians.

d. Measures taken to combat organised crime

1. In 1998 instructions and guidelines on 'Crime Prevention Measures' were circulated by the Ministry of Public Order to all the police departments. The plan was implemented and policing was intensified with a view to reducing crime; results are reported at the end of each month. In addition, the intensification of the work of the police departments and the regular patrolling of difficult areas, in conjunction with more frequent controls, did much to reassure citizens as to their safety.

2. Pursuant to Decision 3002/10/73 of 22 September 1998 of the Minister of Public Order, a working group has been set up to create a National Crime Information System and work is continuing on the design and creation of a central database at the Ministry of Public Order to combat fraud and other crimes perpetrated with the aid of identity papers that have been stolen or lost and subsequently counterfeited.

3. Dedicated crime squads have been set up for certain regions of Crete, with a view to preventing and combating organised crime and reinforcing public trust, and a special Border Squad has been set up to monitor the Greek-Albanian frontier areas, where the pressure of immigration is greatest.

4. Greece participates in multilateral co-operation within the Black Sea Co-operation Organisation, in the work of the Financial Action Task Force and in the South East European Co-operation Initiative to combat cross-border crime in Southeast Europe.

5. In the context of implementing the Bilateral Agreement on Police Co-operation between Greece and Albania, the Ministry of Public Order organised a seminar in Athens from 15 to 20 June 1998 on the State and Public Safety, during which 12 Albanian policemen were trained by Greek police officers.

6. Act 2655/1998 ratified the European Convention (Strasbourg 1990) on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime; the Europol Convention was also ratified.

7. State of the art equipment has been procured with a view to determining identity via DNA laboratory assays.

8. The Ministry of Public Order has created an Internal Services Department within the police to combat corruption in accordance with international models and a law has been passed requiring police personnel to declare their wealth annually to the Attorney of the Supreme Court.

9. Similar measures have been taken by the Customs Authorities, by the Port Authorities and by the Financial Crime Squad (SDOE).

6.8. Appendix H: Ireland

Five Page Summary Irish Organised Crime Situation Report

1 INTRODUCTION

In general, Irish organised crime does not operate under the control of any one group or individual and the most important elements comprise a relatively small number of well-established and tightly structured groups. The majority of these groups are based in the Dublin area.

2 SUSPECTS INVOLVED IN ORGANISED CRIME

Irish organised criminal groups can be divided into two general categories. The first category consists of approximately a dozen major groups that are well established, tightly structured, involved in drug trafficking, armed robbery and, to a lesser extent, the theft of computer components. These groups are mainly based in the Dublin area.

The second category involves groups whose activities are less significant than those described above. They are characterised by less cohesive group structures and criminal activities that are often confined within Ireland. The somewhat fragmented and opportunistic element of organised crime in Ireland is an important characteristic of these groups.

3. CRIMINAL ACTIVITIES OF SUSPECTS INVOLVED IN ORGANISED CRIME

Drugs related crimes and armed robberies are the criminal activities in which groups are most frequently involved. The importation of drugs is largely the preserve of the major groups. On occasions in recent years, the volume of drugs seized in the south-west has been in excess of domestic demand and it is indicative of the fact that Ireland has operated as a transit country A particular cocaine seizure in 1998 was an example of such a case.

Some groups based in Dublin and the North East, are involved in smuggling cigarettes. One of the groups is operating on an international basis and is involved in the supply of cigarettes to a range of Member States. As a result of co-operation between the Customs and Excise Investigation Bureau and their counterparts in other Member States more than 100 million cigarettes were seized across the Union. It is significant that crime relating to gambling prostitution and child pornography, in Ireland, does not occur in the organised crime sector.

4. PLACES AND REGIONS OF ACTIVITY

Approximately, 62% of the total number of groups are located in Dublin, 13% are located in the border divisions and the rest of the country accounts for the remaining 25% of the groups.

Although 60% of all groups have contacts outside Ireland this characteristic features more frequently among Dublin groups. The relatively high proportion of Dublin groups with links abroad can be attributed to three main factors. First, nine of the 13 major groups located in Dublin are involved in drugs crime: some of these groups use a small number of Irish criminals who are resident abroad to procure drugs for the Irish market. Second, an international network of contacts is required to dispose of stolen computer components on the European and world markets. Third, a greater proportion of all Dublin groups are involved in drugs crime than those located elsewhere.

5. RESOURCES

Seven of the groups use legal enterprises. For example, a coal retailing business, retail outlets, a construction business, and a wholesale business are among the enterprises used. It is difficult to obtain objective information about profits.

6. USE OF VIOLENCE

Most of the 15 major groups use violence as a sanction within and between groups. About 35% of all groups engage in violence within and between groups. Disputes between organised crime groups in 1998 did not result in any deaths. This contrasts with previous years: one death occurred in 1997 while six occurred during the previous year. The murder of a prominent crime journalist in 1996 was a very serious development. It has proved to be an isolated incident.

7. USE OF INFLUENCE

There is no evidence that any of the groups have influence over the judicial, executive or legislative functions of the State. Although there is no evidence of the use of influence it is well known that major criminals appraise themselves fully of the current legislation in an attempt to use this information to their advantage.

8. MONEY LAUNDERING

Half of the groups identified are involved in money laundering to a significant extent. The continued buoyancy of the economy in general, and the property market in particular, provide criminal groups with increased opportunities to launder the proceeds of crime. Some also make use of bookmakers (betting) and others become involved in the purchase of licensed premises (bars selling alcohol). During 1998 a total of 1,202 disclosures (suspicious transaction reports) were received from the designated bodies and this was more than double the number of disclosures received in the previous year. Approximately half of the disclosures are associated with organised crime. The total valve of the 1998 disclosures was in excess of 160 million Euro.

9. OUTLOOK

The measures adopted in the last three years to combat organised crime have significantly altered the environment within which organised criminals operate in Ireland. The benefits of these measures will continue into the years to come. However, the domestic nature of organised crime in Ireland is unlikely to alter significantly in the years ahead: the absence of a significant number of foreign nationals will continue to be a characteristic of organised crime in Ireland, which contrasts significantly with the experience throughout the European Union.

10. MEASURES AGAINST ORGANISED CRIME

In 1996 the development of the multi-agency approach marked a turning point in the measures against organised crime in Ireland. The Criminal Assets Bureau (CAB) is a multi-agency organisation consisting of members of An Garda Síochaná (National Police Force), Revenue Commissioners (Taxation, Customs & Excise) and the Department of Social Welfare. A legal officer has also been appointed to the Bureau. The CAB has had considerable success in its role to deprive organised criminal groups of assets, which were the proceeds of their criminal activities. Legislation provides for the freezing of such assets and the subsequent sale of property, which has been purchased with the proceeds of crime.

The measures against organised crime were expanded in 1997 by the introduction of a Witness Security Programme. Although the Programme was at an early stage of development during 1998, it played an important role in the efforts to combat organised crime.

The Money Laundering Investigation Unit, which is attached to the Garda Bureau of Fraud Investigation is involved in the investigation of suspicious transaction disclosure reports. The investigation of a report may be carried out by the Money Laundering Investigation Unit or it may be forwarded to the CAB while a significant proportion of the reports are referred to the appropriate local Garda Detective Units throughout the country for investigation.

The theft of computer components has resulted in the development of two important measures. First, a specialist unit has been formed within the Garda National Bureau of Criminal Investigation to address this area of crime. Second, the close liaison between the police and the computer industry has resulted in a reduction in the number of thefts in transit. Intelligence indicates that the success of these measures has resulted in Irish organised crime groups targeting the components when the consignments have moved abroad. This was the case in respect of the Irish criminal who was arrested in The Netherlands during 1998: the crime was planned in Ireland and executed elsewhere in the Union as the property was travelling to its final destination.

A range of measures is in place to prevent the importation of drugs. For example, Coastal Watch is a Garda initiative, which was devised to assist in the development of intelligence. In recent years, there has been an emphasis on the development of co-operation between the police and customs: during 1998 approximately 40% of the seizures made by the Customs National Drugs Team resulted from joint police/customs actions.

6.9. Appendix I: Italy

Italian brief presentation for the 1998 report on organised crime in the E.U.

Situation of organised crime

Groups involved in organised crime and relevant activities

Despite the ever-increasing importance of ethnic criminal groups, in Italy organised crime is still characterised by the persistent presence (though to a lower extent compared to the past) of traditional forms of organised crime of Mafia-type (The Mafia, the Camorra, the 'Ndrangheta and the Apulian crime). The latter operate not only in Southern regions, but also in Central and Northern Italy, with ramifications abroad.

The important results achieved, again in 1998, in the fight against organised crime of Mafia-type, confirm that this phenomenon is still very dangerous but kept under control.

When considering the number of its members, organised crime appears to be very remarkable at international level, but less specialised compared to the past.

In addition, great changes occurred in the structure of Mafia organisations, which, decimated by arrests, recruited new members involved in juvenile and petty crime and even foreigners, for the purpose of replacing losses.

The activities carried out by Mafia families fall into three main categories, which are interconnected:

- Illegal activities related to the control of the territory (extortions, usury, infiltration into public contracts and other public sectors).;
- Illegal traffics (drugs, weapons, toxic waste, etc.);
- Money laundering and reinvestment of illegal profits.

There is an increasing interaction between traditional crime and new forms of ordinary crime often violent.

Moreover, even if it does not operate directly, organised crime of Mafia-type is capable of centralising or influencing the interests of the different criminal organisations active on the territory.

As far as the **Sicilian "Cosa Nostra"** (having a clear pyramid-like structure) is concerned, there has been no sign of possible changes in its leadership (whose members are almost all in prison at present). Maintaining a strong continuity with the past, this criminal organisation designated at the top of the traditional territorial structures "acting bosses" who operate in the name and on behalf of the leaders detained.

Moreover, the "low-visibility" strategy adopted at the end of 1993 (when the "terrorist" strategy was abandoned), is still confirmed, awaiting for the outcome of the most important trials, also intended for diverting the attention. As a consequence, Cosa Nostra chose to resort to less striking operational tools, such as delegitimization (of State representatives and co-operating witnesses) and constant intimidation (rarely carried out through direct attacks against a person) exerted on local administrators.

At national level the Mafia is still playing a prominent role in the co-ordination of the main activities related to illegal trafficking and money laundering.

The **Calabrian 'Ndrangheta**, availing itself of a solid structure with many ramifications and based, since the beginning of the '90s, on a functional mechanism of self-regulation and co-ordination at top level, is increasingly spreading all over Italy and abroad, especially in drug and weapon trafficking and money laundering, keeping however an extensive control over the Calabrian territory (extortions, infiltration into public contracts, economic sector and local authorities).

The **Campania Camorra** is traditionally fragmented, with an horizontal structure, except for the Province of Caserta controlled by the "Casalesi" clan. Acts of violence resulting in murders have been recorded in the Caserta province and especially in Naples, as a consequence of criminal situations not yet defined and of massive recruitment of members involved in ordinary and juvenile crime. In 1998 the perpetration of striking attacks results from the appearance of a cartel of Neapolitan clans (the so-called "Secondigliano Alliance").

The Camorra seems to concentrate on territory-based traditional criminal activities (extortions, usury, prostitution, gambling business, frauds, infiltration into public services) even carrying out illegal activities, such as smuggling of goods as well as the production and sale of forged items. Moreover, it seems to be increasingly involved in environmental crime, especially in illegal waste dumping, and is also active to a greater extent in drug trafficking.

The **Apulian organised crime** is no longer represented only by the traditional "New United Holy Crown" cartel (only partly acting in the provinces of Lecce, Brindisi and Taranto) but includes an array of associations (urban gangs, rural clans, groups of smugglers). Thanks to the exploitation of the Adriatic route, the Apulian organised crime strengthened its business relations with other mafia-type organisations as well as with the Albanian and Montenegrin ones (extended from cigarette smuggling to trafficking in drugs and weapons and, more recently, to illegal immigration).

Ethnic criminal groups aim at increasing their autonomy and improving their structure and are interested in more complex criminal activities, such as illegal immigration, trafficking in drugs and weapons requiring a certain integration into the territory.

The illegal immigration flow is a big reservoir of rank-and-file members for ethnic organised crime.

In 1998 the presence of **Albanian** criminal associations, already strong, has become more and more important in Italy; they tend to be organised in small autonomous groups. These associations are characterised by great mobility but, in certain Northern towns, they have settled down and appear to be deeply involved in the exploitation of prostitution and drug dealing. The Albanian organised crime has by now business relations with the Camorra and the Apulian organised crime in order to control trafficking in arms and drugs, cigarette smuggling.

Chinese criminal groups (which mainly concentrate in certain regions, such as Latium, Lombardy and Tuscany) are highly organised and, in addition to the activities carried out to the detriment of their fellow-countrymen (extortions, kidnappings), they are involved in illegal immigration of Chinese people. This makes it possible for them to get human resources to be employed in "illegal work", even in relation to counterfeiting activities (clothing, leather goods etc.). Other areas of interest are drug trafficking and the exploitation of prostitution.

The enquiries conducted in 1998 confirmed that members of the **Russian Mafia** are active (especially along the Romagnese coast on the Adriatic Sea) and invest huge capitals coming from the Former Soviet Union in Italy. The Russian Mafia is also involved in illegal immigration, in particular of young women to be induced to prostitution.

The **Colombian** traffickers keep traditional good relations with the Italian organised crime as far as the cocaine trafficking is concerned.

Nigerian criminal groups as well operate in Italy and have gained importance in areas where they are massively present, such as Campania, but carry out their activities also in the big urban areas of Northern Central Italy. These groups also resort to magic and religious practices in order to strengthen intimidation and keep conspiracy of silence and discipline inside the group.

Activities range from drug trafficking (in which "couriers" coming from other African Countries are often employed) to the exploitation of prostitution, crimes against property and frauds.

Maghrebian groups, particularly Moroccan, are active in big cities and especially involved in drug dealing but also in crimes against property and trafficking in stolen vehicles towards Morocco.

Apart from the great number of reports and apprehensions of non-Italian subjects and an increased percentage of detained aliens, the incidence of foreign crime results from an higher and higher involvement of foreign subjects in conspiracy crimes and even in some Mafia-type crime patterns.

Use of violence

The Sicilian Mafia, the Camorra, the 'Ndrangheta and the Apulian criminal organisations make use of violence both inside and outside the underworld.

A general trend towards decreased conflicts within the Italian organised crime has been registered, even though tensions still remain between different criminal organisations, especially in some areas where balance still needs to be restored.

Murders have been registered within ethnic criminal associations, mainly of Albanian and Moroccan origin.

Exertion of influence

Mafia-type organisations traditionally resort to both intimidation and infiltration to exert their influence on State institutions and the economic power. Intimidation is widely used against public bodies' representatives, local Authorities, entrepreneurs and now and then priests, educators or journalists fighting against the Mafia. During 1998, 9 Municipal Councils were dissolved (2 in Sicily, 1 in Calabria and 6 in Campania) for Mafia connections.

Money Laundering

Mafia-type organisations need to resort to money laundering circuits and reinvest illicit gains.

After all, the pressure itself exerted on their economic resources through the seizure and forfeiture of assets forced the most organised groups to search for new activities and geographical areas (less controlled) to invest and manage their money.

Moreover, the Italian organised crime seems to invest huge resources in usury; loan sharking activities are run directly by traditional usurers. Often accompanied with the racket, usury gives the criminal organisations the opportunity to infiltrate the legal economic world, to obtain new enterprises and therefore set up the conditions for new money laundering and reinvestment operations.

The Chinese underworld finds it easy to launder money inside the wide network of business and manufacturing activities run by this community, above all in Tuscany and in the North of Italy.

Italy is becoming an area of significant importance for the Russian Mafia to reinvest huge amounts of dirty money. This phenomenon is particularly apparent on the Versilia, Marche and Romagna coasts.

Colombian criminal organisations, too, are laundering proceeds of drug trafficking in Italy, by opening bank accounts, exchange offices and purchasing front companies.

Nigerians invest their crime proceeds in business activities, such as the African markets, beauty centres, restaurants and other meeting-places for Nigerian nationals.

Organised Crime Countermeasures

The utmost attention afforded in Italy to the fight against organised crime is attested by the updating and improvement of the relative legislation as well as by the successes achieved by the Italian law enforcement action against organised crime.

In fact, the current strategic approach in the fight against organised crime in Italy is based on the following measures:

- resorting to Mafia-type conspiracy charges against criminal associations;
- searching for fugitives;
- dealing serious blows to properties originating from crime;
- fighting against money laundering;
- repressing illicit traffics and hampering illegal markets' activities (narcotics, weapons, waste, motor vehicles);
- fighting against international illegal immigration networks;
- strengthening international co-operation;
- improving facilities and territory policing in areas characterised by an ever stronger presence of crime, also in view of an economic development;

- safeguarding administrative transparency and preventing the infiltration of organised crime into economy, particularly in relation to public contracts;
- spurring victims and criminals on to turn state evidence;
- providing for different prison treatment for the most dangerous criminals;
- identifying new areas of emergent criminal interest (telematic crime and illicit activities via the INTERNET, money laundering, illegal immigration, environmental crime, counterfeiting, video and software piracy, etc. ...).

6.10. Appendix J: Luxembourg

The Luxembourg contribution is based upon police data that in most of the cases was at the origin of an official report sent to the judicial authorities. Due to the limited number of investigations carried out during one year, only a qualitative approach can be produced, even considering the rather broad definition of ENFOPOL 35 rev. 1.

Suspects involved in organised crime

Nationals of Belgium, France, Germany and the former Yugoslavian Republics where those, which were the most frequently encountered in our investigations. It remains important to stress that most of the cases, although they fulfil the criteria of the E.U. definition applied in the field of the present report, did not present the level of organisation generally attributed to classical organised crime.

The specific geographical situation of Luxembourg explains the fact that the neighbouring countries are over represented. Other people involved were nationals from Italy, Albania, Morocco, Nigeria, Norway, Romania, Thailand and Zaire.

No particular territory of activity could be detected inside those countries but for obvious reasons, the frontier region was frequently affected by the phenomenon as well as the capitals and the major economic areas and business centres.

For Belgium, Antwerp, Liege and Charleroi remained the most interesting locations and it turned out of different investigations that Charleroi has to be considered as a platform for vehicle trafficking inside Europe.

Another tendency in 1998 was the losing of interest for the financial centre detected among criminals from Russia and the former Soviet Republics. According to police information, a transfer of their activity mainly to Ireland (Dublin) took place.

Criminal activities of organised crime groups

The principal activities into which judicial investigations were conducted in 1998 were, money laundering, hit and run raids, fraud, counterfeiting, procuring, drug trafficking, trafficking in human beings, armed robbery and vehicle theft.

All the investigations showed that criminal behaviour is rarely limited to one particular field of activity, and sharing of tasks is even performed by smaller groups.

Industrial counterfeiting and unallowed trademark copying revealed to become an area of growing interest and VAT fraud remains a field of particular interest.

International drug trafficking looses continuously of its importance whereas the situation on the national level remains stable.

Places and regions of activity

It turned out that some people belonging to the refugee community in Brussels were responsible for a series of organised burglaries in Luxembourg. Investigations concluded in 1998 allowed in this way to corroborate a working hypothesis established some time ago. The healers could be located in Brussels and involvement of the Italian "milieu" was presumed.

Generally it can be noticed that places and regions of activity are strongly depending on the main activity of the criminal group. For this reason it is impossible to summarise and the plain text should be consulted for details.

Resources

There are several indications that some companies created in Luxembourg are set up only to facilitate criminal activities. Unfortunately as the primary offences are often carried out abroad, law enforcement measures may only be engaged together with the competent foreign authorities.

As we think that it is impossible to estimate the benefit of organised crime with sufficient scientific value, we prefer not to contribute to that game.

Use of violence

In 1998 there were indeed some information concerning violence and intimidation inside criminal groups. Less as the fact in itself, it was the disposition of the concerned individuals to report about it that was to some extends unusual.

Use of influence

There was no information available that points undoubtedly toward the use of influence by organised criminal groups. Sometimes astonishing connections between criminals and official actors or personalities are revealed during investigations, but it remains a fact that no proof of successful use or attempt could be brought.

Money Laundering

The number of preliminary (police) investigations increased by 69% in 1998. Most of them took their origin in information provided by a professional working in the financial sector according to the law implementing the 308/91 CE directive.

On the other hand the number of judicial examinations, following the preliminary investigations in the cases where the latter gave rise to the suspicion that evidence for money laundering was given, dropped from 5 to 3.

Once again, the number of requests for information from Luxembourg made by the FIU's slightly increased without however reaching the level of the years 1994 and 1995.

6.11. Appendix K: The Netherlands

Dutch investigations on organised crime in 1998

Situation report drawn up in the framework of the inventory of organised crime of the European Union

Summary

1. Introduction

This report gives an overview of the current situation as regards investigations into organised crime in The Netherlands in 1998. It is based on what is known of 149 selected crime investigations, i.e. in as far as the eleven criteria set by the European Council to determine organised crime were applicable. "Making a profit" was seen as one of the most important of these. In order for a group to be included in the study, the criminal groups intended "profit" must have been at least one million Dutch guilders (c. 450,000 ECU). This obviously resulted in the selected cases involving the most profitable forms of organised crime.

The data were collected from all services in The Netherlands that are occupied with the fight against organised crime, and so refer to all of the country. This, however, does not mean that the report is representative for organised crime in The Netherlands; the criteria on which the report is based led to exclusion of "minor" and less profitable groups.

As the inventory was based on investigations, some of which involve criminal organisations engaged in several main activities, some totals are higher than 149.

2. Suspects involved in organised crime

The investigations involved a total of 534 main suspects (of whom 397 have been arrested) and 1696 other suspects. Almost 50% of the suspects are of Dutch origin (255). Others are of foreign origin, most of which are from Turkey (76), Surinam (26), Morocco (19) or Colombian (18). A total of 39 countries of origin have been counted.

3. Criminal activities

An analysis of the investigations showed that there are eighteen fields in which the criminal groups operate. The most important of these are the trafficking in hard and soft drugs, trafficking and smuggling of human beings, illegal firearms trafficking, vehicle crime, fraud and forgery, smuggling, money laundering, environmental crime, raids, robberies and extortion.

3.1. Narcotic drugs trafficking

The fight against narcotic drugs trafficking is the main occupation of enforcement agencies in The Netherlands. Many criminal groups do not limit themselves to one particular drug, but are involved in the trafficking in many kinds of hard and soft drugs. A good example is the (Dutch) criminal group that is engaged in cocaine, MDMA, amphetamine, precursors, hashish and marihuana. Often, however, the criminal groups are specialised in one link in the entire criminal chain, such as production, export, import, transit, wholesale,

retail, or street trading. Turkish groups involved in the heroin trade, for example, are mainly involved in the wholesale and smuggling of this drug; they leave retail, and street dealing to others. Groups with cocaine trafficking as their main activity limit themselves to smuggling or trading, and seldom do both. Synthetic drug organisations are involved in all of the relevant activities. Hashish organisations often limit themselves to import, transport, and export of the drugs.

Frequently, groups have been found to co-operate with other, foreign organisations. The Netherlands are often just a transit place for the drugs, which are being sold on to organisations in the surrounding countries, or on their way abroad.

COCAINE

Cocaine is mentioned in fifty-two of the investigations, more than 50% of the investigations involving hard drugs. In thirty-eight cases, cocaine trafficking is the main activity of the groups involved, and in seven cases the only activity. The majority of the main suspects originate in The Netherlands, Colombia, Turkey, Suriname, and The Netherlands Antilles. The most important transit countries for the cocaine imported into The Netherlands are Surinam, The Netherlands Antilles, and Spain.

HEROIN

Heroin is mentioned in twenty-nine investigations, in twenty-three investigations heroin trafficking is the main activity. However, heroin trafficking is never the sole activity of the criminal groups involved, but is always accompanied by the trafficking in other drugs or firearms. In general, the suspects are Turkish nationals or of Turkish origin. Turkey is also mentioned as the source country of the heroin.

SYNTHETIC DRUGS

Trafficking in synthetic drugs mainly involves MDMA, MDEA, MDA. and amphetamines. In twenty-one investigations, the production of XTC variants and their trade form the main activity, in nine investigations this is amphetamine. Almost without exception, the drugs are manufactured in The Netherlands, and the main suspects are Dutch nationals. The market for this type of drugs is in Europe; outside Europe the final destinations are mainly Turkey and Indonesia.

CANNABIS PRODUCTS

Of the cannabis products recognised in The Netherlands (hashish, marihuana, Nederwiet, and hash oil), hashish trafficking is mentioned most often as the main activity (43 times). In 13 cases it is mentioned in combination with cocaine. The combination of hashish and marihuana is also found. The most important source country of hashish is Morocco. Nederwiet is produced in The Netherlands, and for the greater part exported to surrounding countries. The main suspects in this trade are predominantly Dutch nationals.

3.2 Smuggling of and trafficking in human beings

The smuggling of and trafficking in human beings are mentioned in twelve investigations. In three cases, the two are combined. The countries of origin of both suspects and victims are quite varied. For the smuggling of human beings, Turkey, Pakistan, Albania, and Italy are important transit countries. Co-operation takes place with criminal groups in Iraq, China, Germany, Iran, and other countries. The criminal groups involved in the trafficking in human beings engage in all links of the chain: establishing contacts, recruiting, leading people out of one country and into another, providing transit facilities, and having women work as prostitutes. These groups too co-operate with foreign groups. The smuggling of and trafficking in human beings often go together with other criminal activities, such as the narcotic drugs and firearms trafficking, vehicle crime, fraud and forgery.

3.3 Illegal firearms trafficking

Illegal firearms trafficking is mainly found as a supporting activity to drugs trafficking, and almost never as a main activity. All Albanian and Yugoslavian suspects are engaged in firearms crime. The Turkish suspects combine their activities with heroine trafficking. The weapons are mainly produced in Yugoslavia, Belgium, the Czech Republic, and Switzerland.

3.4 Illegal vehicle trafficking

In fifteen of the investigations, illegal vehicle trafficking is the main activity. Forty of the fifty principal suspects are Dutch. The vehicles mainly originate in The Netherlands, Belgium, and Germany. The criminal groups involved in the illegal vehicle trafficking are also engaged in a variety of other crimes, such as drugs and firearms trafficking, smuggling, fraud and forgery.

3.5 Fraud

Fraud is mentioned as the main activity thirty-six times, usually involving classic criminal acts, such as forgery and swindling. In most of the cases, which involve EU, VAT, bankruptcy, credit card, investment, bank, mortgage, or stock exchange fraud, the main suspects are Dutch nationals; in a few cases the main suspects are Chinese, Albanians, Germans, or Moroccans. Fraud initiated within the territory of The Netherlands is mainly committed by autochthonous Dutch.

3.6 Forgery

Most forgery cases (twenty-nine times the main activity) involve identity documents, invoices, cheques, credit cards, and transport documents. Forging documents is often accompanied by fraud, smuggling of and trafficking in human beings, and vehicle crime.

3.7 Smuggling

Smuggling is mentioned as the main activity eleven times, and usually entails the smuggling of cigarettes, alcohol, illegal fireworks, endangered species, and computer parts.

3.8 Other crimes

Environmental crime is mentioned as the main activity five times, mainly involving illegal waste flows of paint, photo material and manure. Only in one investigation, raids (on armoured transports) form the main activity of a criminal group. Burglaries (predominantly by Dutch nationals) are mentioned four times. Extortion is the main activity five times, usually in combination with drugs trafficking, and sometimes with kidnapping and hostage taking.

4. Organisational structure

The majority of the criminal groups of which the structure has become known, have one or more leaders and a clear division of tasks. In general, criminal associations are organised horizontal; in other words, there are direct contacts between those in charge and executives. Vertical associations (where there is no contact between the leaders and their executives) are almost always engaged in drugs trafficking.

Use of sanctions

In almost 50% of the investigations, reference is made to negative sanctions against members of the group, taking many forms: intimidation, fines, kidnapping, sending someone back to his country of origin, and the use of physical and mental violence. The number of Turkish and Yugoslavian groups mentioned in this context, particularly in relation to drugs, is remarkably high. Sanctions within the own group have led to fifteen deaths and fourteen injured. In thirty-six investigations outside the group sanctions are mentioned, against members of rival organisations, against witnesses, and police officers. Sanctions against the competition have led to eleven deaths and eight injured; outside the criminal circuit sanctions have ended in eight deaths and eight injured.

Positive sanctions usually take the form of a money reward. In thirty-one investigations, lawyers' fees or maintenance of relatives of an arrested member were paid by the group.

6. Resources

Various legal companies are involved in illegal activities; car dealers and garages, the catering industry, import and export industries and transport firms are mentioned most in this respect. Retailers, banks, sex parlours, and real estate brokers (particularly Russians, who frequently invest in Dutch real estate) are also involved in illegal activities.

A total of 274 legal bodies have been used for illegal purposes: limited companies, one-man businesses, partnership firms, and British limiteds.

7. Corruption and protection

Most (presumed) corruption takes place within the police and judiciary. Dutch businesses and political circles in ethnic groups' countries of origin have also been reported as corrupt. In most cases, drugs trafficking was at the centre of the corruption.

A considerable number of criminal groups protect themselves against law enforcement agencies through a limited exchange of information, the use of communication equipment that is difficult to tap, changing cellular phones frequently, and contra-observation.

8. Money laundering

Part of the criminally acquired money is invested in real estate, for example in the USA, Morocco, Pakistan, and Turkey. Money is mainly laundered through currency exchange transactions (particularly in Belgium and The Netherlands). Other methods include loan back constructions, real estate merry go-rounds or phony investments. Underground banking has been reported several times. In 1998 more than 19,000 transactions were reported as "unusual". Compared to 1997, this is an increase of more than 2,000. Of these transactions, almost 4,000 were reported to the police as "suspicious".

9. Trends and developments

In general, the knowledge as regards current organised crime does not deviate much from what we know of earlier years. However, there some remarkable facts:

- The variety of crimes in which Turkish nationals and Dutch nationals of Turkish origin are involved is significant: narcotic drugs trafficking, smuggling of and trafficking in human beings, firearms crime, vehicle crime, extortions, using violence, and corruption.
- Most of the criminal groups mentioned in the report are engaged in more than one main activity.
- Groups are sometimes specialised in a particular link of the criminal chain, such as production, export, import, or trade.
- The number of Kosovo-Albanians involved in the smuggling of and trafficking in human beings (as victims) is increasing.
- All suspects from former Yugoslavia (Serbia and Montenegro) and Albania engage in the use of violence and illegal firearms trafficking.
- The car industry plays a conspicuous role in numerous illegal activities that surround vehicle crime; import and export industries are involved in all kinds of criminal activities.

In 1998 the following remarkable developments took place in the fight against organised crime:

- Recently the first monitor of organised crime by the Scientific Research and Documentation Centre of the Ministry of Justice was published It gives an account of the qualitative study based on files of concluded organised crime investigations, reports, and interviews in The Netherlands. The next monitor will be published in two years.
- New legislation on money laundering, exchange offices, precursors and raw material for synthetic drugs, brothels, and firearms possession is being prepared (or has recently been introduced). In response to various incidents, which led to the death of several innocent victims the penalty for illegal firearms possession will be increased.

6.12. Appendix L: Portugal

1. INTRODUCTION

Portugal recorded considerable fluctuations between the different areas of organised crime in the course of 1998. An increase in criminal activity was evident in only a few areas.

In the area of white-collar crime there was a significant rise in the number of cases, the same also being the case in drug trafficking and car trafficking. In all of these three areas more investigations were carried out and improved results obtained.

In the case of violent crime the situation remained relatively stable compared with the preceding year.

There were also some – sporadic – occurrences of trafficking in human beings and the sexual exploitation of minors plus the forging, use and trading of personal identification documents.

2. THE SITUATION WITH REGARD TO ORGANISED CRIME

A. WHITE COLLAR CRIME

The police detected 44 active, organised groups. In connection with the investigations 58 suspects were detained. The nationalities involved were Portuguese, Spanish, French, Angolan, Cape Verdean and Guinean. There were also signs of activities in groups incorporating persons of Italian, Brazilian, Colombian, Venezuelan, Indian, Pakistani and Bangladeshi nationalities.

In addition to Portugal these groups were also active in Germany, Belgium, Spain, Holland, the United Kingdom, Sweden, Argentina, Brazil, Canada, the USA and Switzerland. Offshore companies were used in Madeira and Gibraltar as well as bogus Portuguese companies for import/export activities.

The groups active in smuggling resorted to violence and there were signs of attempts to bribe the customs authorities and port authorities as well as the police themselves.

The police identified twelve organised groups of **money forgers**, arrested 29 individuals who were either Portuguese or Spanish nationals. The profit achieved by these groups is estimated at EUR 1 million.

In the field of **financial fraud** seven organised groups were detected and six individuals arrested. The criminal activities covered Germany, the United Kingdom, Argentina, Canada (money laundering), the US, (creation of bogus companies) and Switzerland.

In the field of **telecommunication fraud** there were signs of the involvement of nationals from Angola, Bangladesh, Cape Verde, Guinea, India and Pakistan. Five active groups were identified and six individuals were arrested.

As regards **smuggling**, eight organised networks were detected and five presumed members arrested. Most of the groups maintained links with a number of different countries and specialised in the smuggling (via Holland) into Spain, Italy and the United Kingdom of tobacco produced in China and the US.

In the field of **computer crime** ten groups were detected and four suspects arrested. As their *modi operandi* the networks primarily opted for the altering of the chip cards for mobile telephones and illegal access to the Internet by using individuals' accounts. These operations involved the participation of Portuguese, Brazilian, Colombian and Venezuelan nationals. The profits achieved possibly exceeded half a million Euro. In the Internet there were child pornography images originating in Belgium, the United Kingdom and Sweden as well as coming from the Far-East. Four groups were identified, which operated via the Internet but no arrests were made.

The police halted the activities of a group of eight individuals, Portuguese and French, who were responsible for **swindles** involving stolen euro cheques and using personal identity documents, also stolen, which they also falsified. Five individuals were arrested, one in Portugal and four in the United Kingdom. The suspects amassed profits of the order of EUR 92.500.

A further case related to the arrest of a group of three Portuguese nationals who were responsible for crimes involving **swindle, document falsification, theft and the fraudulent use of credit cards**. Those responsible collected profits of the order of EUR 10 000.

B. VIOLENT CRIME

Four organised groups were intercepted and the investigations led to the arrest of 17 persons, nationals or Portugal, Angola, São Tomé and Príncipe and Cape Verde. The groups operated exclusively on Portuguese territory and their profits are estimated at EUR 108 000. In one of these cases the violence to which they subjected their victims proved fatal.

In the course of 1998 a group of five Portuguese responsible for a killing, various armed robberies and other crimes of theft from shops and private residences was intercepted.

It also proved possible to stop the activities of a group of 3 Portuguese committing crimes of robbery, kidnapping blackmail, grievous bodily harm and the holding/using of prohibited firearms.

Two organised groups were intercepted whose nine members were from Angola, São Tomé and Príncipe and Cape Verde and who were responsible for bank robberies, as well as robberies from jewellers and other establishments, simple larceny and the use of prohibited firearms.

C. DRUG TRAFFICKING

In addition to committing crimes involving drug trafficking the organised groups active in this sector were responsible for the laundering of money from drug trafficking and financial frauds, kidnapping; robbery, blackmail, falsification and use of falsified documents; tax and customs fraud as well as car theft.

Investigations led to the arrest of 103 individuals of the following nationalities: Portuguese, Spanish, French Cape Verdean, Colombian, Ecuadorian, Guinean, Moroccan, Turkish and Venezuelan.

That Portuguese make up the major part of these groups confirms a trend noticed in 1997: out of total of 345 persons involved in drug trafficking, who came from 18 different countries, 209 – more than 60% – were of Portuguese nationality.

The drug trafficking operations were channelled through Spain, France, Holland, the United Kingdom, Brazil, Colombia, Ecuador, India, Morocco, Peru and Venezuela. American and Swiss territory was used as transhipment points for distribution. The authorities seized a sum equivalent to EUR 184000 in Portuguese money and approximately EUR 12000 in foreign currency. It is not possible to estimate the profits achieved by these organised groups from drug trafficking. As regards the seizures of drugs, it proved possible to secure 41 kg of heroin, 65 kg of cocaine and 13.5 tonnes of hashish (approximate quantities).

It also proved possible to detect 23 legal companies being used for importing/exporting and transport by road to other countries. Some of the groups resorted to violence, even kidnapping, against any persons failing in their duties, as well as to armed robbery.

On the subject of money laundering there were 106 suspect transactions in connection with drug trafficking, financial fraud, both in Portugal and abroad. The operations were run through the financial system based on real estate operations. Four arrests were made and money equivalent to EUR 740000 was secured in addition to other items of value that were seized.

D. TRAFFICKING IN STOLEN CARS

At the present time Portugal is also a country affected by the trafficking of stolen cars and the associated crimes.

In 1998 eight networks were detected operating at international level and responsible for: **attempted murder, robbery, bribery, swindle, falsification and forging of documents as well as the theft, alteration and receiving of vehicles**. Investigations led to the arrest of 13 individuals of Portuguese, Italian, Spanish and Angolan nationality and it was established that one of the main destinations for the trafficking was, aside from Portugal, Angola. The cars were stolen in Germany, Belgium, Spain, France, Italy and Portugal with Holland, Luxembourg, Portugal, as well as the Democratic Republic of Congo being used as transit countries. 130 cars were secured and it also proved possible to identify legal French firms, which were either bankrupt or on the point of becoming so, that were used. There was one case of attempted murder. In the course of the enquiries information was secured on the existence of links and complicity with criminal organisations in Italy.

E. TRAFFICKING IN HUMAN BEINGS AND THE SEXUAL EXPLOITATION OF MINORS

It proved possible to intercept an international network responsible for **trafficking in human beings, the abuse and exploitation of minors for sexual purposes, white slavery and child pornography**.

Six individuals, nationals of Portugal, Holland and Belgium, were involved in this organisation, which has operated over a number of years. The criminal activities occurred in Belgium, Holland and Portugal and involved the production of child pornography films, which were then shown in gay bars in Holland.

F. THE FORGING, USE AND TRAFFICKING IN DOCUMENTS

In 1998 part of an organised group specialising in the **forgery, use and trafficking of passports** was intercepted. The group operated from Portugal, where it obtained documents, which it then used and shipped abroad. The objective was to facilitate illegal immigration. Three Angolans were arrested and other nationals from the Democratic Republic of Congo were also involved.

3. CONCLUSIONS

The evaluation of the situation and the trends reveals the existence of *de facto* conditions for a worsening of organised crime in economic and financial terms. The global economy and technological developments favour the development of crime at international level. A complementing factor is that the Portuguese banking and financial systems have developed fairly well over the last few years, creating an ideal field for the setting up illegal operations.

The same trends are discernible in drug trafficking, an area where the effect of political and economic globalisation is in evidence. It is foreseeable that if it does not get any worse, drug trafficking will continue at stable levels in the years to come.

In terms of violent crimes there are no indicators showing that the threat is on the increase. The trends established in 1998 may well continue in the short term.

Admittedly car crime has surged significantly owing to the greater ease with, which persons and goods can be moved around.

4. METHOD

This report has been drawn up on the basis of the criteria adopted in previous years. The information has been provided by the criminal investigation department, the authority legally responsible for investigating organised crime.

The data have been compiled in accordance with the guidelines laid down in ENFOPOL 35 REV 2 of 21.04.1997 issued by the Council of the European Union.

6.13. Appendix M: Spain

A.- INTRODUCTION

This report has been carried out taking into account the information provided by the law enforcement agencies tasked with organised crime roles.

The Only Contact Point in Spain for O.C.S.R. is the Secretaría Técnica de la Comisaría General de Policía Jurídica (Technical Secretariat of the Criminal Investigation Department) (Dirección General de la Policía - Directorate General of the Spanish National Police Force).

B.- ORGANISED CRIME (O.C.) SITUATION

B 1.-ASSESSMENT AND DEVELOPMENT.- This paragraph is supplementary to the analysis on the discovered groups given in previous annual reports.

On 31-12-98, according to police sources of information, 183 organised crime groups operated in Spain.

The development of the high and middle level active groups during this year has been as follows:

{PRIVATE }	HIGH	MIDDLE	TOTAL
ACTIVE GROUPS ON 31-12-97	41	63	104
DISCOVERED DURING 1998	61	108	169
DISMANTLED IN 1998	-(36)	-(54)	-(90)
ACTIVE GROUPS ON 31-12-98	**66**	**117**	**183**

B.2.- SITUATION ANALYSIS

From the analysis on the 169 new groups discovered during 1998, it comes out that:

1.- PEOPLE SUSPECTED OF BEING INVOLVED IN O.C.

1.1.- MEMBERSHIP .- The total number of suspected people who has been investigated as belonging to the 169 groups was of **5,122**; **4,010** of whom were men and **1,112** were women, which means in practice an average of **30.3** per group.

1.2.- NATIONALITIES.- The investigated groups are composed of:

Nationals exclusively	= 12.43%
Foreigners exclusively	= 8.28%
Nationals and foreigners	= 79.29%

1.3.- CO-OPERATION WITH OTHER GROUPS.

We were able to establish that a **46.74%** of the analysed groups had been involved in any kind of co-operation or interconnection with other criminal organisations. This percentage represents an increment of 57.53% in respect to 1997.

The nationality of the co-operating groups were primarily the following: Spanish, Moroccan, Colombian and Italian.

2.- CRIMINAL ACTIVITIES

Drug trafficking was still the main activity in 1998 **(59%).**

Money laundering has been the **4%** of the criminal group activities.

Frauds (4%) and forgeries (4%) mean the third place of the charged criminal activities.

Smuggling (of licit goods) means the **3.5%** of the charged offences.

It has been produced a **noticeable increase** in the following activities: **illegal immigration**, **thefts** (groups from Perú), **robberies** (groups from Yugoslavia and Albania), **racketeering** (groups from Russia and Yugoslavia), **hold-ups** (groups from Colombia) and **intellectual and industrial "piracy"** (groups from China and Eastern Asia).

3.- PLACES AND REGIONS OF OPERATION

From the analysis of the investigations relating to criminal groups, we are able to draw out the following conclusions about the role played by some territories in connection with O.C.:

- **SPAIN**: Transit towards Europe of cocaine coming from Colombia; hashish coming from Morocco; heroin, via Asia-Gulf of Guinea; transit of stolen vehicles within Europe towards the Maghreb and the rest of Africa.
- **GERMANY**: Headquarters of Yugoslavian groups that are engaged in robberies in Spain and of some Turkish groups engaged in heroin trafficking; transit of stolen vehicles towards Poland.
- **ITALY**: Headquarters of Italian groups engaged in robberies in Spain.
- **GREAT BRITAIN**: **(Colony of Gibraltar):** Operational base for groups engaged in smuggling; settlement point of groups engaged in drug trafficking and money laundering; incorporation of "front companies"; tax haven; transit point of illegal immigration. (**Channel Islands**): Bank accounts to which are credited doubtful funds.
- **PORTUGAL**: Settlement of currency counterfeiting groups; transit country of cocaine coming from Brazil, controlled by Spanish and Colombian groups; transit country of tobacco unloaded off its shores and destined to Spain and the rest of the E.U.
- **LUXEMBOURG**: Incorporation of societies and use of its financial system for doubtful business.
- **AUSTRIA**: Transit of stolen vehicles to Eastern countries.
- **SWITZERLAND**: Use of bank accounts for doubtful business.

- **ANDORRA**: Base of groups engaged in smuggling; use of its financial system for doubtful business.
- **RUSSIA**: Destination point of stolen vehicles; origin of doubtful capitals; transit country of illegal immigration from China and Latin America.
- **POLAND:** Destination of stolen vehicles.
- **HUNGARY:** Transit country of stolen vehicles to the East.
- **BULGARIA:** Destination point of stolen vehicles. Transit country of heroin coming from Turkey.
- **YUGOSLAVIA:** Point of origin of weapons. Transit country of heroin coming from Turkey.
- **ALBANIA:** Point of origin of weapons.
- **TURKEY:** Headquarters of organisations engaged in heroin trafficking grown in the country or imported from Iran.
- **IRAN:** Areas for opium growing and heroin transformation.
- **EASTERN ASIA:** Intellectual and industrial piracy.
- **SOUTHERN ASIA:** Heroin production.
- **COLOMBIA:** Growth and distribution of cocaine and recently heroin also. The drugs having Europe as destination uses Spain as a transit country. It receives the found coming from drug trafficking. Final destination of jewellery and goods got from hold-ups in Spain.
- **VENEZUELA:** Transit country of cocaine coming from Colombia to Europe.
- **BRAZIL:** Cocaine transit controlled by Colombian citizens to Europe.
- **PANAMA:** Incorporation of companies and use of the banking system for doubtful business.

Registration of ship used as cargoes for cocaine transportation to Europe.

- **CARIBBEAN SEA ISLANDS:** Tax havens used for money laundering.
- **MOROCCO:** Production and retail sales of hashish . It is the major entry route of the drug into Europe through the Strait of Gibraltar. Illegal immigration organisations. Transit and final destination of stolen vehicle to sub-Saharan countries.
- **GULF OF GUINEA:** Distribution of heroin coming from Southeast Asia and Turkey. Settlement for groups engaged in defrauding European businessmen. Destination of vehicles stolen in Europe.

4.- ECONOMIC RESOURCES OF O.C.

It has been estimated that the 40% of criminal groups use business structures.

On the other hand, it is considered that the average annual income of an organised group operating in Spain is approximately 5,400,000 Euro.

5.- USE OF VIOLENCE

According to the calculations, the 21,89% of the groups used intra-groups, inter-groups or outer-groups violence causing 9 victims in 1998.

6.- EXERCISE OF UNDUE INFLUENCE

It has been detected 11 cases of attempted bribery or bribery and corruption and other 2 cases carried out in other countries (Russia and Georgia).

7.- MONEY LAUNDERING

During 1998, the 4% of the criminal activities attributed to the investigated criminal organisations were related to money laundering. Moreover, 37 out the 169 investigated groups linked money laundering to other illegal activities: 23 groups related to trafficking in drugs, 3 groups connected with fraud and forgery, 2 groups connected with illicit traffic on vehicles and 9 linked to other criminal activities (smuggling, tax evasion and human beings traffic, principally)

On the other hand, the SEPBLAC (F.I.U. in Spain) carried out the following communications about operations possibly related to money laundering:

COMMUNICATIONS	1997	1998
SUSPICIOUS OPERATIONS	734	869
UNUSUAL OPERATIONS	34,096	39,887
OTHER COMMUNICATIONS	43,838	45,534

The main routes of capital movements having doubtful origin are: inflow from Eastern Europe Countries and especially from Russia, via U.S.A, flow to Colombia and U.S.A.

C.- CONCLUSIONS

In the light of this Annual Report it can be asserted that:

O.C. is more and more a real danger for the whole European Union.

It is detected an ever growing coalition among foreign and Spanish nationals, which means an increase of mixed groups.

As nationalities, not belonging to the European Union that have a major relevance within the organised crime in Spain, it can be underlined Colombian , Moroccan and Yugoslavian nationalities.

The priority areas in Spain are: territory close to Gibraltar, the Strait of Gibraltar, Madrid, the Costa del Sol, the Galician Coast, Catalonia, the Canary Islands, Ceuta and Melilla.

Traffic in drugs is still the main criminal activity, cocaine (in which all kind of groups "worked") is keeping its increased trend while heroin remains constant (controlled by middle and high level criminal organisations).

Several countries and territories are standing out as points of destination of illegal capital or as places where it just passes trough. Therefore, a European Union joint plan should be considered.

Two main ways out for the vehicles stolen in Europe have been confirmed: The "Eastern Route", through Germany and Austria, and the "Southern Route" through Spain; therefore, a European joint plan should be considered.

The increase of smuggling activities is a phenomenon striking not only in Spain, but in the whole European Union, what requires a co-ordinated action by the relevant Forces and Units.

The complex situation in some Eastern Europe countries and Yugoslavian conflict point to an increase of the organised crime coming from these areas, but the criminal activity coming from Colombian groups is an special cause for concern in Spain.

It is necessary to forecast the emergence of new criminal groups engaged in "euro" counterfeiting.

D.- MEASURES TAKEN AND RESULTS{PRIVATE }

During 1998, Spain has intensified the fight against the organised crime by means of:

A higher co-ordination among the different Police Forces; continuation of the deployment of specific Police Units; the increase of the assigned financial resources; the design of policing Projects ("OCAPE", against Russian O.C., "YUGOS", against Yugoslavian O.C.); legislative Bills (extending the scope of "controlled delivery" and regulating the performance of the "undercover agent").

In 1998, the results achieved in dismantling criminal groups have been as follows:

{PRIVATE }GROUPS LEVEL	TOTALLY DISMANT.	PARTIALLY DISMANT.	TOTAL DISMANT.
HIGH	11	25	36
MIDDLE	28	26	54
LOW	63	25	88
TOTAL GROUPS	**102**	**76**	**178**

As regards operations against illegal drug trafficking, the results achieved are as follows:

Total number of arrests	13,967
Total number of seizures (operations)	82,421
Heroin seized	418 Kg.
Cocaine seized	11,688 Kg.
Hashish seized	428,236 Kg.
M.D.M.A. seized	194,527 Tablets.
Speed seized	177 Kg.
Other psychotropic substances seized	99,138 Units.

6.14. Appendix N: Sweden

Introduction

The National Criminal Investigation Department (NCID) is responsible for, on behalf of the Swedish government, the elaboration of the annual European Union Report on Organised Crime (which is classified as secret, according to Swedish legislation).

The activities of organised crime

There are criminal actors operating within, from or against Sweden within the following fields of organised crime or equivalent activities:

- Drug offences (including the smuggling of anabolic substances and pharmaceutical preparations classified as narcotics)
- Traffic in alcohol and tobacco
- Fraud, mainly tax and customs fraud, and other forms of financial crime, chiefly company asset stripping
- Illegal trade in stolen vehicles
- Robbery and theft (including receiving) aimed at elderly people, as well as certain serial thefts
- Illegal traffic in human beings
- Prostitution
- Extortion (in Sweden often classified under the heading of "unlawful threat")
- Forgery
- Money laundering
- Murder
- Assault
- Illegal firearms trading

There are a number of fields of crime in Sweden – such as sexual abuse of children and armed robbery – that, insofar as can be judged, do not fulfil the criteria for organised crime that are established by the EU. Naturally, many areas of crime can, although not considered to be organised in character, constitute serious threats to individuals and society at large, and are also treated as such by the law enforcement agencies in Sweden.

Prostitution is an area where possible links to organised crime have been discerned in Sweden in 1998. While there are several indications of this development, the facts involved have not yet been clearly established.

Another novelty is the increasing amount of information that indicates an extensive criminality being linked to the private importation of cars to Sweden from other EU Member States. Principally, these activities involve VAT frauds in connection to the importation, which appear to result in a considerable loss of tax revenues for the Swe-dish State. While elements of organisation can be discerned in parts of this criminality, it is doubtful whether the necessary EU criteria are fulfilled. Moreover, there is information concerning this criminality that indicates occasional elements of acts of violence and links to individuals within organised crime, e.g. the so-called outlaw motorcycle environment (which is also referred to as rocker criminality in Scandinavian contexts).

As the number of Internet users increases, so does the criminal usage of the Internet. An observation that was made in 1998 with regard to prostitution in Sweden was that these activities to an increasing extent were arranged via the Internet and mobile phones. There have also been cases where individuals have sold narcotic substances via the Internet. The number of cases of Internet related frauds involving credit card numbers increased in 1998. There are clear indications that the Internet and other IT structures are to an increasing extent being used in criminal contexts.

The structure of organised crime

The vast majority of organised crime in Sweden is characterised by:

- flows of crime that are stable over time, as long as they are perceived to be profitable enough in relation to the risk involved (e.g. amphetamine enters Sweden in a relatively even flow, although modi operandi of the trafficking may alter)
- networks between criminal individuals, developed on a long-term basis that show stability over time as regards the general contacts
- specific groupings originating from the networks and which during a specific period are organised for the purpose of jointly committing crimes (if police or customs, for instance, disrupt some groupings, new ones will take over, given that the market still exists and the necessary skills are not too specific)

The networks are assessed to be more stable over time than the groupings. All in all, organised crime is, however, to a large extent a dynamic and quickly adjustable phenomenon.

Several of the known criminal groups that are active in Sweden still keep to one field of crime, such as the smuggling of amphetamine or serial thefts of spectacle frames. However, the trend of groups being active within several fields of crime appears to have been reinforced in 1998. These latter groups are criminally active within fields of crime where the risks are minimised in relation to possible profits, and if the risks increase within one area, they opt for a new one, where the risks are perceived to be lower. An example of this is criminal groups that shift from the smuggling of drugs to trafficking in alcohol and tobacco. A considerable part of organised crime in Sweden is in various ways transnational in character.

Ethnicity/nationality/language/culture are important factors concerning the composition of the criminal groups that operate within, from or against Sweden. However, few of the criminal groups that are normally categorised on ethnic grounds are in fact ethnically homogeneous. These groups are often constituted by a small, ethnically homogeneous core, around which there are collaborators belonging to various ethnic communities.

Swedish criminal actors have for a long time had a dominant position in the sphere of organised financial crime in Sweden. This also holds true for the organised illicit traffic in alcohol, amphetamine and cannabis. A network has been developed among the criminals involved in organised financial crime in Sweden, which has been used in organised VAT frauds etc. Criminal actors in the financial crime sphere are to an increasing extent collaborating with international actors.

Within the Swedish outlaw motorcycle environment, there are some 20 clubs that are interesting to the police. The "truce" that Hells Angels and Bandidos agreed on in September of 1997 has evolved to a state that can be considered as a stable "peace". No serious incidents took place between the clubs in 1998. There has not been any information in 1998 that clearly indicates that there is organised crime controlled by the clubs per se. The impression is that organised crime in this environment is still conducted by factions or individuals within the clubs, who are guided by a personal profit motive and who also often collaborate with criminal actors who do not have any formal links to the outlaw motorcycle environment.

During the last few years, a number of relatively stable gangs have been formed in the Swedish prison environment, chiefly at the Swedish prisons where prisoners convicted for serious crimes are placed.

Use of legal commercial structures

The use of companies or similar structures is relatively widespread in Sweden as regards certain forms of organised crime. While company structures are used when various types of crimes are committed, this is mainly the case in connection to tax crimes, organised frauds and, to a certain extent, money laundering.

During the last few years, the NCID has observed an increasing problem with companies in so-called tax havens. These companies, which are also called offshore companies, are used for all forms of organised crime, tax crimes and money laundering.

Use of violence

A full inventory of the use of violence within organised crime in Sweden during the past few years has not been made, but the impression is that violence, or the threat of violence, has increased and occurs in most of the environments where organised crime is present.

The violence that organised crime directs towards individuals outside the criminal sphere may be categorised as: (1) violence used as an instrument in the principal criminal activities (e.g. violence or threats in connection to extortion and illegal debt collection or trafficking in women); (2) violence used in order to handle secondary consequences of criminal activities (e.g. intimidation of plaintiffs, witnesses or public media); and (3) violence that unintentionally affects third party.

Although no comprehensive review has been made, a number of incidents – mainly falling within the first two categories – are known in 1998. The greater part of these incidents is linked to the outlaw motorcycle environment.

Influence of organised crime on Swedish society

The institutions of Swedish society are still not to any greater extent affected by the activities of organised crime in Sweden. However, a number of troublesome signs were observed in 1998.

The influence of organised crime on the business sector is perceived to have been relatively limited in Sweden in 1998. The business sector is, naturally, in different ways exposed to crime, e.g. problems with organised frauds. Attempts by organised crime to exert a direct influence (e.g. through infiltration or attempted bribery) on law enforcement agencies and other judiciary authorities in Sweden are assessed to have occurred only to a very limited extent in 1998, seen in an international perspective. In Sweden there are, however, a number of criminal groupings that have both the interest and the capacity to put pressure on officials working at Swedish public agencies. Individuals who are involved in the outlaw motorcycle environment have in a number of cases tried to influence judicial processes, by intimidating plaintiffs and witnesses to silence.

6.15. Appendix O: United Kingdom

EXECUTIVE SUMMARY

A. GENERAL

- This report, the second of its type, has been prepared to provide the law enforcement community with a strategic overview of serious and organised criminality as it affects UK security and interests. The report assesses and prioritises the threats as they impact on the UK. As such, some of the threats may justify a different priority at local or regional levels. The report is also designed to fulfil the aim of generating a series of constructive forecasts incorporating an outlook to the year 2002 and, by so doing, of identifying gaps in the intelligence picture and areas for future development.
- Serious and organised crime can be expected to become more pervasive and prevalent as the opportunities from making illegal profits present themselves in an increasingly international market place. Developments in technology, such as virtual banking and the Internet, have a part to play in this. Transnational crime issues will increasingly dominate political agendas but, as yet, there is no sign of a transnational crime group dominating the UK scene.
- Organised criminals can be expected to make ever more strenuous efforts to conceal their illegal activities from investigation, while participating in any activity, which offers high returns for minimal risks. Serious attempts to subvert public officials and agencies both to evade detection and assist their crimes can be expected. Corruption is, therefore, likely to pose an increasing threat to operational security and institutional integrity.
- As potential profits for organised criminals become more substantial, protection of the gains can be expected to become more intense and, possibly, more violent. This comment applies equally to organised crime groups, such as British Caucasian, Turkish and West African groups as it does to specific criminal activities, such as cross-border smuggling and illegal immigration.
- As criminals become more sophisticated and knowledgeable in the area of telephony and as encryption becomes more commonly available, it may become more difficult for law enforcement to monitor criminal communications. New strategies may have to be developed as a result.

B. SPECIFIC CRIMINAL ACTIVITIES

The Illegal Drugs Market

- Drug trafficking is assessed as the primary activity of organised crime although the overall size of the illicit market is not yet clear. The threat remains essentially from plant-based products. While cannabis remains the most widely abused drug in the UK and accounts for the vast majority of drug seizures, heroin usage has the greatest impact and is one, which is strongly associated with serious organised crime. Turkish organised crime groups remain primarily responsible for wholesale heroin distribution in the UK while British Caucasian and Colombian groups are the prime agents in the cocaine trade. In the long term, the development and use of crop-specific parasites may eventually change the nature of drug production.

- Such a change may well be reflected in an increase in the production of synthetic drugs and synthetic versions of heroin and cocaine may appear. Currently, most synthetics are strongly linked to organised crime at the manufacturing and distribution level. The ease with which organised crime groups can set up illegal laboratories to make drugs like amphetamine suggests that the production of these types of drugs will increase as long as the market exists. A rise in the level of production of new designer drugs may also be seen as criminals attempt to add new chemical bonds to existing illegal drugs in an effort to subvert legislation. (Overall Assessment: HIGH PRIORITY)

Fraud and Money Laundering

- The primacy of drug trafficking may increasingly be challenged in the future by the trend towards low-risk, high-profit crimes. This is evidenced by the movement from armed robbery and drug trafficking to various types of fraud. Organised crime groups can be expected to become increasingly involved in excise evasion, even if excise duties on alcohol and tobacco were to remain static. Currently, it appears that the most common frauds being carried out by criminal groups include long-firm fraud, advanced-fee fraud and excise fraud. With high returns, new fraudulent methods will constantly be advanced by the criminal. The UK may be particularly vulnerable to the activities of fraudsters and money launderers because of the importance its financial markets and the apparent security of the UK banking system.
- As electronic commerce becomes more widespread, familiarity with its use will allow criminal organisations to exploit any technical or systematic weaknesses including, where available, increased anonymity and speed of fund transfer. Criminals will also use a commodity, such as arts and antiques as a way of laundering money or as a method of providing collateral in order to fund other criminal ventures, such as drug purchases. (Overall Assessment: HIGH PRIORITY)

Child Pornography and Paedophilia

- The most recent and problematic trend in child pornography and paedophilia is the use and abuse of the Internet. The Internet has provided paedophiles with a high-tech vehicle in which to present, distribute, swap and discuss paedophiliac material within a relatively anonymous and secure environment. In its most basic form, paedophiles place material on newsgroups or the World-Wide Web for general access and distribution. However, as the facilities available on the Internet have increased and as paedophiles have exploited technological advances, so paedophiliac activity on the Internet has evolved and diversified. (Overall Assessment: MEDIUM PRIORITY)

Organised Immigration Crime

- Organised illegal immigration and the trafficking in human beings have become a major source of income for criminal organisations. Criminal groups have been quick to transfer the knowledge, facilities and networks used for smuggling drugs and other commodities to a newly emerging, highly profitable market. Most gangs involved in organised illegal immigration function along ethnic lines and operate largely in family networks. Political and demographic disruption in certain foreign regions will probably bolster the number of people seeking to enter the UK from affected countries in future years. (Overall Assessment: MEDIUM PRIORITY)

Organised Vehicle Theft

- There is considerable substantiated evidence regarding the involvement of organised crime in the theft of vehicles, often intimately connected with the legitimate vehicle trade. It is a vast and complicated market involving large-scale, local, national and international movement of new and used vehicles, the supply of new and re-cycled parts, and vast numbers of transactions via registration authorities all over the world. There has been a reduction in plant theft in the UK and criminals involved in this illegal activity have seemingly switched to other commodities, especially tariff fraud. As market conditions vary, however, they may return to stealing plant and heavy goods vehicles. (Overall Assessment: MEDIUM PRIORITY)

Armed Robbery

- The number of major armed robberies against cash in transit in 1998 was the lowest for six years. (Overall Assessment: LOW PRIORITY)

Arts and Antiques Theft

- While organised criminal groups appear to acquire stolen arts and antiques to use as collateral for other criminal ventures and for money laundering, there is some evidence to suggest that this may be becoming less common because the market is extremely specialised. There are various codes of trade practices in force to assist recovery. An emerging trend is an increase in the sale of forged paintings throughout the art world. (Overall Assessment: LOW PRIORITY)

Computer-Related Crime

- The increasing reliance and dependence on computer interconnectivity in communications, finance, business and recreation is likely to offer organised crime new and innovative opportunities for criminal gain. Undoubtedly, a very wide range of criminal offences may be perpetrated across the Internet and this electronic medium is sure to grow. Organised crime may, as a result, increase the targeting of information with financial value, such as credit-card details, insider-trading information and commercial espionage or sabotage. The theft in transit of high-value computer parts is an emerging problem. While there have been recorded instances of sophisticated computer-related crime, this threat is, in general, judged to be a low priority at present as it constitutes a potential rather than established threat. (Overall Assessment: LOW PRIORITY)

Counterfeiting

- The counterfeiting of currency remains a relatively specialised criminal activity and those habitually involved in the large-scale production and distribution of counterfeit currency are relatively few in number and, for the most part, concentrated around London, which is a centre of expertise in lithographic printing. The introduction of the Euro bank notes in 2002 is likely to provide UK counterfeiters with a challenging opportunity. (Overall Assessment: LOW PRIORITY)
- The counterfeiting or piracy of goods (intellectual property theft) affects commodities in a wide range of industries. With better manufacturing techniques, many copies are very hard to distinguish from the original. As the UK is a major holder of copyrights for successful products and possesses a buoyant consumer market, it has become a high-profile target for the counterfeiters and now attracts the attention of organised and serious criminal groups. While the respective industries bear much of the sizeable cost of this type of crime (but inevitably pass it on to the customer), there is the potential for significant loss of life occurring through accidents or product contamination. While there is evidence to indicate that some well-organised crime groups are involved in intellectual property theft, there is slender intelligence as yet to suggest they have had a major impact on the UK. (Overall Assessment: LOW PRIORITY)

Environmental Crime

- Within the UK, there is little substantive evidence to indicate that organised crime groups are moving into environmental crime or that environmental crime gangs are developing international links. On the other hand, there is some evidence to indicate that the methods used by environmental criminals are similar to those used by the more traditional organised criminals, such as forged documents, complex fraud and the use of carefully planned trade routes. There are also a few examples of organised criminals trading in wildlife in order to obtain money, which can then be invested into the purchase of drugs. (Overall Assessment: LOW PRIORITY)

Football Hooliganism

- While there have been some recent high-profile instances of football hooligans from the UK causing trouble abroad, the UK's domestic football scene has remained relatively quiet. There has been a slight reduction in arrests for drunkenness but this has been redressed by a small increase in offences involving violence and disorder. Almost half the arrests made were related to incidents away from stadia. By targeting known hooligans, better use of CCTV and the enforcement of spectator segregation, the threat inside stadia has been reduced. International events in the coming years will no doubt bring the issue to the fore again. The threat level has been reduced from last year because of enforcement controls and risk relative to other issues. (Overall Assessment: LOW PRIORITY)

Internet Gambling

- If evidence from the USA is indicative, then Internet gambling may become a feature in the UK. Illegal gambling sites could be an element of this activity. On the positive side, the introduction of digital signatures on the Internet may assist in protecting customers from unscrupulous gambling sites as the technology provides authentication of identity. Whether organised crime becomes involved seems, as yet, unlikely but this subject needs to be monitored and, until such time as a pattern emerged, it is given a low grading. (Overall Assessment: LOW PRIORITY)

Kidnapping and Extortion

- The targeting and subsequent kidnap of an individual, albeit serious, is not a prevalent offence in the UK. However, there was a slight rise in the incidents of this offence during 1998, notably an increase in incidents in the kidnapping of members of drug-trafficking groups by rival groups. All types of kidnapping are expected to continue to occur as long as the profits or net benefits remain for the criminals. The figures for product contamination have remained relatively stable over the past six years. This is probably due to the fact that, although many commercial organisations remain attractive targets for the criminal, most have well-established procedures in place to combat these types of offences. (Overall Assessment: LOW PRIORITY)

Motor-Cycle Gangs

- Large motor-cycle gatherings will continue to pose a localised threat given the rivalry between Hells Angels and Bandidos and the demonstrated access of particular gangs to firearms. However, police presence at such events should prevent or limit this threat. (Overall Assessment: LOW PRIORITY)

Prostitution

- Prostitution in the UK today maintains close links with various elements of serious organised crime. Intelligence indicates that some major criminals are currently diverting some of their capital into massage-parlour prostitution although it is not clear whether this is an investment or simply a money-laundering activity. Organised crime involvement in prostitution ranges from various groups exerting direct control over the trafficking and running of prostitutes, through to organised criminals maintaining an interest in prostitution to pimps running small-scale local operations. (Overall Assessment: LOW PRIORITY)

Sex Tourism

- Sex tourism tends not to be a highly organised activity and is seen to very much rely on word of mouth among paedophiliac networks. Several high-profile prosecutions abroad against the activities of travelling paedophiles appear to have had little effect on other travellers. Extreme poverty appears to provide a continuous stream of victims for the sex tourists. As long as such poverty continues, there will always be those who will sell children to paedophiles for cash. Furthermore, as more commercial air-routes are opened to the Third World, there will be an increase in the choice of destinations available for sex tourists. However, the prevalence and impact of the crime on the UK directly is not great. (Overall Assessment: LOW PRIORITY)

Small-Arms Trafficking

- There is the possibility that, with the UK's tightened controls on handguns and if there is an increased criminal demand for modern powerful weapons, the illicit imports of firearms may increase. However, given the large amount of firearms believed to be in circulation and the activities of dishonest registered firearm dealers, it is not foreseen that UK organised criminals will become significantly and directly involved in the trafficking of small arms. (Overall Assessment: LOW PRIORITY)

C. ORGANISED CRIME GROUPS

British Caucasian Groups

- British Caucasian crime groups remain the most prevalent and prolific criminals in the UK. Such groups are reported to be present in about half of the police force areas but the majority are concentrated in the South East of the UK. The top tier of British Caucasian organised crime is founded upon strong links of loyalty between gang members, which is reinforced in many cases by family links, and the threat of violence against non-conforming members. The most common area of criminality for British Caucasian groups is drug trafficking. With a few exceptions, the groups are willing to work with groups of any ethnicity, the nature of the co-operation depending upon the commodity in question. Other criminal activities are linked to the drug trade and also include protection rackets, armed robbery and the illegal trafficking of alcohol and tobacco.

Chinese Groups

- Chinese criminal groups, from Mainland China, are involved in illegal immigration. Chinese groups are also involved in counterfeiting activities, particularly of credit cards. In the short term, this problem is likely to be sustained or exacerbated as the flow of illegal Chinese immigrants increases due to increases in unemployment in the People's Republic of China (PRC).

Colombian Groups

- The main criminal activities of Colombian criminal groups are connected to cocaine trafficking, primarily to the North American market but also to Europe. Although initially the groups concentrated on the manufacture and export of cocaine, the greater profits to be made in distributing the drug has led to them expanding their activities to wholesale distribution and distribution to street-level dealers of any nationality. Cocaine trafficking by Colombian organised crime groups based in the UK can be expected to continue to grow. There are indications that large trafficking organisations from Colombia will seek to increase their share of the expanding UK market. This may be connected with increased drug-related violence.

Former Soviet Union Groups

- In the UK, criminals from the Former Soviet Union (FSU) are reportedly involved with laundering the proceeds of crimes committed elsewhere. This is largely due to the opportunities and expertise found in the City of London and the stability of the UK economy. Money laundering and property dealing appear to be the prime activities to date. So far, it is not thought that FSU criminals have targeted the UK for their more violent or visible crimes on a large scale but there are signs of FSU groups moving into car theft and prostitution.

Indo-Pakistani Groups

- Organised criminals of South Asian ethnicity are involved in drug trafficking and organised immigration crime. The groups rely heavily on family loyalties, both within the UK and in the Indian sub-continent, and these links make the organisations difficult to penetrate. The main drug with which Indo-Pakistani groups are involved is heroin but the smuggling is on a much smaller scale than that of the predominant Turkish groups. Indo-Pakistanis are primarily involved in the wholesale marketing of the drug, obtaining heroin smuggled in by Turks, and passing it on to Indo-Pakistani or British Caucasian dealers. As for illegal immigration, this may increase in the future because of environmental and demographic factors. The involvement of Indo-Pakistani crime groups in excise diversion frauds as principal organisers and financiers has also been identified.

Irish Groups

- The role of the UK with regard to Irish organised crime is largely as a transit country for the distribution of drugs, principally heroin. The relatively higher prices to be gained for heroin in Ireland compared to the UK, and particularly the North West of England, means that it is highly profitable to traffic heroin in that direction. There are indications that Irish Itinerants are involved in miscellaneous crimes, including vehicle and plant theft, robbery, artifice and other offences but these may not be on the scale of organised crime.

Italian Groups

- In spite of an EU report to the contrary, there is no firm evidence to indicate large-scale penetration by the Italian Mafia. While the Mafia and other Italian criminal groups no doubt include the UK in their scheme of operations, tobacco smuggling being an example, it is thought that the UK is of more use to such groups as a safe haven and service base.

Turkish Groups

- Turkish criminals are involved in a number of criminal activities within the UK, with heroin trafficking being the most significant. The trade is largely based on the importation and subsequent wholesale distribution. The trafficking is dominated by a small number of organisations, with a larger number of lesser criminals also involved. Apart from drug dealing, Turkish organised crime figures have been linked to firearms trafficking, illegal immigration and vehicle theft. Because of links with criminals of other ethnicities, and the possibilities for making increased profits from existing distribution networks, Turkish drug-traffickers may become increasingly involved with new commodities, such as cocaine and synthetics.

West African Groups

- West African criminal groups are involved in a number of criminal activities and also act as sub-contractors for groups of other ethnicities involved with various crimes. The crime most frequently associated with this group is fraud, particularly advance-fee fraud known as '419' fraud and benefit fraud. However, West African criminals are also involved in drug trafficking. They specialise in moving drugs from the source country to the wholesaler, trafficking heroin from South-East and South Asia into North America, and cocaine from South America into Europe. In addition, car theft and human trafficking are prevalent activities. Irrespective of political changes in Nigeria, there are no indications that the pattern of West African crime will alter.

West Indian Groups

- West Indian organised crime is mainly concerned with the importation and distribution of cocaine and cannabis; they are involved at all levels of the drugs chain. The illegal trade is dependent upon links between criminals resident in the UK and the West Indies. Other crimes involve telephone fraud and prostitution.