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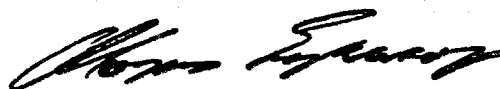
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Til underretning for Folketingets Europaudvalg vedlægges i fortsættelse af Justitsministeriets redegørelse fra rådsmøde (retlige og indre anliggender) den 30. november - 1. december 2000 samt mødet i Det Blandede Udvalg på ministerniveau samme dato situationsrapport vedrørende organiseret kriminalitet i 1999 samt rådsafgørelse og tilhørende erklæringer om Schengen-reglernes iværksættelse i forhold til de nordiske lande.

Materialet er ligeledes fremsendt til Folketingets Retsudvalg.





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Kære udenrigsminister.

I fortsættelse af Justitsministeriets redegørelse for rådsmødet (retlige og indre anliggender) samt mødet i Det Blandede Udvalg på ministerniveau med deltagelse af Norge og Island den 30. november – 1. december 2000 sender jeg vedlagt et eksemplar af situationsrapporten vedrørende organiseret kriminalitet i 1999 samt rådsafgørelsen og tilhørende erklæringer om Schengen-reglernes iværksættelse i forhold til de nordiske lande, idet jeg skal anmode om, at materialet oversendes til Folketingets Europaudvalg.

Det bemærkes, at materialet, ligeledes vil blive oversendt til Folketingets Retsudvalg.

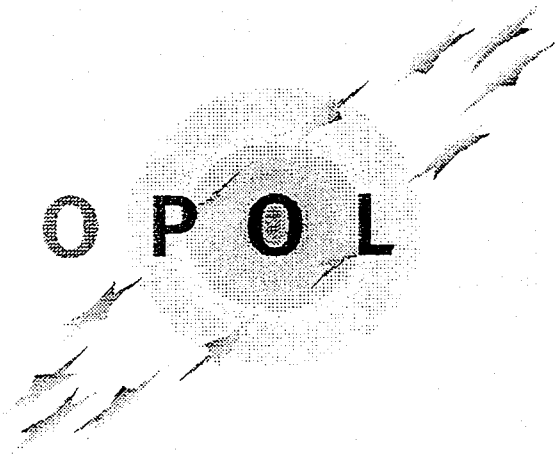
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1999 EU Organised Crime Situation Report



EUROPOL

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EXECUTIVE SUMMARY

Indigenous groups present the major threat in all Member States, mainly focusing on drugs, money laundering, illegal immigration, trafficking in human beings, and in many cases armed robberies and smuggling. Indigenous organised crime (OC) groups clearly dominate the criminal scene.

Nonetheless, the impact from foreign groups is growing, with a focus on drugs, financial crime, illegal immigration and smuggling.

Law enforcement agencies throughout Europe face large problems in dealing with OC. On a general level, most Member States face judicial and information problems which hamper the efficient tackling of OC groups. More specifically, as much OC is orchestrated from outside the Member States, and since OC is often transnational by nature, these judicial and information gaps are widened.

The process of many OC groups changing from monolithic and stable organisations into heterogeneous networks, which at times change quickly in both composition and activities, means that the target for law enforcement has become increasingly fluid. On the other hand, such groups that are defined by their ethnic uniformity also present law enforcement agencies with difficulties in that these groups are very difficult to target not least because opportunities to infiltrate them are rare.

To support their criminal activities, OC groups tend to employ professionals to an increasing extent to further their criminal purposes, for instance solicitors and IT professionals.

International co-operation is growing between OC groups. This can in part be explained by the fact that so much criminal activity is transnational by nature. Another explanation may be the profit seeking/risk minimising logic which defines most OC groups. Even closely knit OC groups basing their membership on ethnicity are increasingly acting across borders, and their co-operation is facilitated by the encompassing networks of fellow nationals in most Member States.

The growing co-operation between OC groups at an international level will offer them new criminal opportunities which will enhance the threat from OC.

OC in general has the potential for continued growth. The main body of existing OC is already international by nature. In view of the increasing internationalisation – including the continuing and rapid development in the field of IT – it is assumed that this development will continue.

As in earlier years, illegal immigration, trafficking in human beings and money laundering seem to be attracting ever more OC attention. However, the one field of criminal activity which dominates is still drug production and drug trafficking.

There is a move away from criminal specialisation to criminal diversification. This will further diffuse the target for law enforcement agencies. What specific products are handled is of little consequence. Profit is the overarching reason for the involvement in criminal activity. Especially within the field of counterfeit currency this change could present a problem. No longer will the targets be persons specialised in off set printing, but instead virtually anyone who can get access to a colour copier or an inkjet printer.

This trend towards diversification is also visible within the drug field where a growing number of OC groups become involved in 'poly-drug' trafficking. It no longer seems appropriate to talk of separate heroin, cocaine and cannabis trafficking activities. Moreover, there is a tendency towards differentiation in these smuggling networks where certain groups perform only a limited part of the whole trafficking operation, such as transportation.

There are however exceptions to this rule. Some OC groups prefer to specialise in only one criminal activity, and control the operation from start to end.

The diversification is partly a result of technological advancements. Information technology and other forms of modern high technological equipment are increasingly employed by OC groups to the detriment of law enforcement. Not only do criminals become involved in new types of crime ('cyber crime'), or find new areas for traditional forms of crime (e.g. fraud); they can also thwart law enforcement efforts to hinder their activities with the use of, for instance, encryption, pre-paid telephone cards in mobile telephones or internet communication.

OC groups that are increasingly difficult to monitor and infiltrate will in themselves present a threat to law enforcement. The possibilities to combat OC are decreasing due to the fluidity of the groups and their increased use of modern telecommunications. In short, it is difficult to target the groups and, even if this was possible, to aim relevant measures against them. This problem is compounded by the fact that many criminals are active in one Member State but resident in another, thus presenting law enforcement with difficult jurisdictional problems.

The single biggest problem with the efficient combating of transnational OC crime is jurisdictional limitations. Crime which by definition is border-less cannot effectively be fought by law enforcement agencies whose reach stays at their national borders.

1. INTRODUCTION

Due to the increasing threat of Organised Crime (OC), the European Council took a decision 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 contributions and analysis of information from the Member States. This concept was formalised in Enfopol 161 as 'a mechanism for the collection and systematic analysis of information on international OC'.¹

Enfopol 35 rev2 outlines the methodology to collect the data necessary for analysing the OC situation within the 15 Member States (MS).²

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'.

Accordingly, an OCSR has been produced annually since 1994. From 1998, an open version has also been produced, this being the third time such a report is presented.

Again for 1999, the 15 Member States' contributions (the national OC reports) 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.

To assist in the process of compiling the report, meetings have been held between Europol and the Multi-Disciplinary Group (MDG), and the Contact and Support Network (CSN) under guidance of the Presidency of the EU.

A number of other sources of information have also been used for this report, such as Europol documentation, extracts from reports from internationally recognised law enforcement agencies such as ICPO/Interpol, together with open source material and other documentation.

¹ Document 12247/1/94 Enfopol 161 rev1.

² Document 6204/2/97 Enfopol 35 rev2.

2. THE SITUATION CONCERNING OC IN THE EU IN 1999

2.1. Groups

OC groups tend to move towards a more network style of organisation compared to rigid, monolithic organisations. Among other things, this means that a quantitative estimate is increasingly difficult to make as the groups continuously form and re-form.

Homogenous groups are still prevalent in the EU. Co-operation between groups, both nationally and internationally, is increasing. Co-operation also seems to increase between groups of different ethnic/national composition. The number of foreigners involved in OC groups seems to increase in some Member States.

Modi operandi differ between OC groups. However on a general level it can be argued that many of them apply business like principles to their operations.

Indigenous groups present the major threat in all Member States, focusing on drug production and drug trafficking. The level of OC involvement, both in terms of prevalence and impact, appears to be increasing. Money laundering, illegal immigration trafficking in human beings, and in many cases armed robberies and smuggling are also areas of OC involvement.

Indigenous OC groups clearly dominate the criminal scene. Nonetheless, the impact from foreign groups is growing.

Kosovo Albanian groups, often small, tightly knit units based on clan or family belonging and often very violent, focus their activities *inter alia* on heroin trafficking. With the exception of the UK, their prominence on the drug scene is overwhelming and they have in many cases replaced Turkish groups in the heroin field.

Turkish groups, hierarchically structured under family heads or with roots in the same geographical area in Turkey are spread across Europe. They focus on heroin trafficking but are becoming increasingly involved in trafficking other drugs (cocaine and ecstasy) and also other types of crime such as arms trafficking, money laundering and illegal immigration. Their propensity for violence is high.

Both Turkish and ethnic Albanian Yugoslavian criminal groups co-operate with indigenous, other ethnic or foreign groups.

Colombian groups focus on cocaine trafficking, but are increasingly becoming involved in other forms of drug trafficking. They are also heavily involved in money laundering. Their cells in the Member States liaise with indigenous groups or other ethnic groups or have joined mixed drug trafficking groups. Co-operation between Colombian groups and Turkish or Albanian groups is growing.

Russian groups are involved in financial crime, smuggling, at times drug trafficking property crime and prostitution. They are often very violent. It is unclear whether certain Russian groups are connected to groups in Russia or not.

Chinese groups focus on illegal immigration and in many cases prostitution. IPT is also prominent.

Nigerian groups, based on loyalty to family or tribe, mainly deal with fraud and drug trafficking. Prostitution is also mentioned. Their criminal activities are facilitated by the marked presence of Nigerians spread across the world.

Moroccan groups concentrate on drug trafficking, *inter alia* cannabis. They are also involved in property crime and trafficking in stolen vehicles.

Motor cycle gangs are focusing their criminal activities on smuggling, vehicle crime and drugs (mainly amphetamine and cannabis). They are well known for their potential for violence.

2.2. Types of Crime

Production, trafficking and consumption of illicit drugs have spread into every region of the world. This globalisation has resulted in a gradual diminishing of the traditional distinction between producer and consumer countries. Drug trafficking routes nowadays cross the entire globe. The abuse of various types of drugs, previously limited to certain regions, has become prevalent world-wide.

- Cocaine use is slightly rising although prevalence is low and heroin use appears to be relatively constant. In some Member States cocaine processing laboratories have been seized.
- Cannabis is the prevalent illicit drug of abuse in the EU. Several Member States face large scale indoor and outdoor cannabis cultivation.
- The EU has become a major production region of amphetamine and amphetamine-type stimulants. A world-wide prevalence of ecstasy has led to exportation of the drug to markets in Central and Eastern Europe and Asia. A new trend is the large-scale trafficking of ecstasy to the United States.
- The use of ecstasy is stabilising on a high level, whereas there is an increase in the abuse of amphetamine. In several Member States there is a new trend in which amphetamine tablets with various logos are sold as ecstasy tablets.
- The ease with which OC groups can set up illegal laboratories to make amphetamine and methylamphetamine suggests that the production of these types of drugs will increase as long as the market exists. New types of designer drugs continue to arrive on the market.

Illegal immigration is affecting all Member States.

- People from China, the Ukraine, Moldova, Sri Lanka, Poland, Romania and Afghanistan are becoming more important as nationalities being smuggled.
- The number of Kosovars significantly decreased in 1999, but it is still very high in some of the Member States and Kosovars is the top nationality in quite a few of them.
- Apparently due to well developed control measures at external borders and other law enforcement activities, facilitators seem to become ever more important for illegal immigrants and their methods appear to have developed.
- Falsified documents such as passports and visas, as well as faked invitations, are becoming more and more professionally produced and are of a great concern to most of the Member States.

Most of the EU Member States are affected by trafficking in human beings.

- One main trend in trafficking in human beings is the rise in the number of victims from Central and Eastern Europe. However, many victims are still trafficked from Africa, Asia and Latin America.
- There are indications that OC is increasingly involved in trafficking in human beings, motivated not least by the potentially large profits that can be made.

Child pornography has not drawn the attention from OC groups.

The problem of trafficking in stolen vehicles still exists and very similar patterns can be found throughout the EU.

- There is always a market for second hand vehicles at a cheap price – particularly in those countries which are not so economically developed or do not manufacture vehicles themselves.
- Certainly, some types of vehicles are valued more than others: four-wheel drive vehicles are in demand. Moreover, it is also important to pay attention to lorries, trucks and construction site equipment.

There is little information about trafficking in radioactive and nuclear material. This is clearly not the focus of OC groups, more than possibly trafficking in radioactive waste.

With regards to counterfeit currency, three points are worth highlighting:

- The involvement of organised criminal groups using traditional offset mass production methods for counterfeit currency remain the biggest threat in this criminal arena.
- There is an increase in the quantity and quality of counterfeits being produced by criminals using office machine copiers and desktop publishing equipment. The prevalence of such equipment and the ease by which it can be operated provide greater opportunity for OC on a more localised level than previously encountered.
- The counterfeiting of currency and distribution of it is becoming less and less restricted by borders and the advent of the Euro in 2002 will further dissolve most remaining restrictions.

Money laundering has increased on an international level to become a global threat to the integrity, reliability and stability of financial and economic systems. Criminals involved in all types of crime need to launder the proceeds from their criminal activities. Drug related money laundering dominates.

Fraud is a widespread criminal activity across the EU. VAT and excise fraud seem to dominate. EU funds are also targeted. Nigerians are heavily involved in fraud. The Internet is presenting criminals with a new tool for their fraudulent activities.

Smuggling of alcohol and tobacco is growing at a significant rate. The products mainly come from Central and Eastern Europe, but also South East Asia. Important source or transit within the EU include Germany, Austria, Belgium, Luxembourg, The Netherlands, Ireland, Spain, Italy and France.

Forgery is inseparable from other forms of crime. As a crime area in itself it is seldom the main activity of an OC group, although a higher professionalism can lead to higher profits. Forgery of art and antiques should be specifically mentioned.

IPT is growing, not least due to technological advancements. Almost anything can be copied, from CDs to medical equipment and medicine.

With regards to theft of works of art, antiques and jewellery, there has been an increase in the number of stolen antique furniture, architectural antiques and national artefacts. Churches are increasingly targeted by criminals.

Other forms of theft present a serious problem, especially armed robberies, burglaries and hijackings. Automatic teller machines are often targeted. Preferred goods includes, *inter alia*, high technology equipment, for instance computers or mobile telephones. A great number of OC groups are involved in property crime.

Illegal firearms trading is seldom the major focus of OC groups. There is a strong connection between weapons and drug offences. With an increasing number of foreign criminals within the respective Member States, the more likely it becomes that the criminal scene becomes more violent with weapons involved, including automatic weaponry.

It is difficult to estimate the involvement of OC in environmental crime. If anything OC groups seem to be involved in trafficking in waste.

2.3. Other Key OC Features

With regards to key OC features, violence is inseparable from certain types of crime, for instance armed robbery and extortion. Other types of crime, for instance drug trafficking and trafficking in human beings, also rely on the use of violence. 'White collar crime' is increasingly attracting violent characters.

Sometimes the threat of violence is enough to reach compliance. Most often, violence is used for internal group discipline and to achieve obedience from others. In many cases, the use of violence is deemed unnecessary by OC groups, especially in such cases where they are organising smooth running 'business operations'.

The propensity for violence by Albanian, Turkish and Russian groups is well documented. Outlaw motorcycle gangs are also known for their violence potential.

Intelligence points at many cases of corruption.

The developments in information technology provide criminals both with new types of crime ('cyber crime'), new arenas for old types of crime (e.g. fraud) and new means of communication.

It is close to impossible to estimate the proceeds from OC groups criminal activities. However, the use of business structures is well documented, especially in certain forms of financial crime (e.g. fraud). Business like logistic systems are used for most trafficking operations, for instance trafficking in human beings, smuggling and vehicle crimes.

3. TRENDS

It is assumed that OC has developed in recent years in such a way that it has increased in quantitative terms (though still at a relatively modest level) as well as being carried out in a more sophisticated way. OC in general has the potential for continued growth.

One noteworthy trend regarding OC groups is the continuing development from rigid, monolithic structures to smaller, more flexible and loosely arranged networks.

These networks may still be hierarchically ordered, even based on family or ethnic ties, but they are often arranged for specific short time purposes or activities. These organisations are adaptable to changing circumstances and their composition often change due to this and prospective gains to be made. The networks are flexible enough to easily replace a node if it is hindered to work for the networks' goals. OC groups strive for profit and at the same time to minimise risks. Flexible networks rather than inflexible hierarchies facilitate these goals.

To support their criminal activities, OC groups tend to employ professionals to an increasing extent to further their criminal purposes, for instance solicitors and IT professionals.

OC is growing more and more international. This is reflected in the increasing number of foreigners being involved in OC groups and international activities. However, one noteworthy exception to this is Ireland.

OC groups tend to be increasingly multi-national. Co-operation is no longer solely based on belonging to the same national group, etc., but instead any form of co-operation which enhances profit is preferred.

There are exceptions to this rule. Nationals from Turkey, Nigeria, Morocco and especially from Kosovo or Albania tend to bond with their ethnic brethren.

International co-operation is growing between OC groups. This can in part be explained by the fact that so much criminal activity is transnational by nature. Another explanation may be the profit seeking/risk minimising logic which follows most OC groups. Even closely knit OC groups basing their membership on ethnicity are increasingly acting across borders, and their co-operation is facilitated by the encompassing networks of fellow nationals in most Member States.

Although Western Europe as a whole is the market for many criminal groups, this seems to apply to an even greater extent to The Netherlands, Belgium, Germany and UK which appear to form a single large market.

As in earlier years, illegal immigration, trafficking in human beings and money laundering seem to be attracting ever more OC attention. However, the one field of criminal activity which dominates is still drug production and drug trafficking.

There is a trend towards multiple criminal activity of many OC groups, i.e. the groups get increasingly involved in more than one field of crime. What specific products are handled is of little consequence, whether it is prohibited goods, regulated goods, legal goods differentially taxed, counterfeit goods or stolen goods. *Profit* is the overarching reason for the involvement in criminal activity, compounded by an urge to minimise risks.

This trend is clearly visible within the drug field, where a growing number of OC groups become involved in 'poly-drug' trafficking. It is no longer appropriate to talk of separate heroin, cocaine and cannabis trafficking activities. Moreover, there is a tendency towards differentiation in these smuggling networks where certain groups perform only a limited part of the whole smuggling operation, such as transportation.

A higher level of co-operation among traffickers and sellers can be observed. However, more competition among the street dealers can also be observed as they have to compete with other dealers selling the same range of products in a competitive market. Generally speaking, the phenomenon of poly-drug use has been growing amongst users for some time and it is likely that multi-drug supply will develop throughout all levels of the supply network.

There are exceptions to this rule, as well. Some OC groups prefer to specialise in only one criminal activity, and control the operation from start to end.

Regarding types of crime, some issues need to be highlighted. The drug scene is growing more complex and fluid. The poly-drug culture which has developed, and the increasing co-operation between different OC groups, are two trends which together present law enforcement with formidable difficulties. Seemingly, Colombian OC groups view Europe as one market. This means, among other things, that the cartels are continuously looking for new importation routes in order to minimise the risk of discovery. It is anticipated that South American production of heroin and synthetic drugs will increase. Organised criminals may seek new markets and reduce their reliance on cocaine.

An increasing number of signs are indicating that OC is, to an increasing extent, involved in prostitution, both in the form of trafficking in women for organised prostitution as well as procuring by means of the Internet and mobile telephones.

With regards to financial crime in general, and money laundering more specifically, the problems with companies in so-called tax havens are still very troublesome as regards efforts to take legal actions against actors involved in OC and secure their proceeds of criminal activities. Upon suspicion of crime, it is virtually impossible to trace the real owners of so-called offshore companies involved, as a result of legislation in the tax havens concerned.

Regarding key OC features, it is striking that violence is becoming such an important tool in 'white collar crime'. Violence is commonly exercised by OC groups, especially Albanian, Turkish and Russian groups, particularly in the drug field.

Information technology and other forms of modern high technological equipment are increasingly employed by OC groups to the detriment of law enforcement. Not only do criminals become involved in new types of crime ('cyber crime'), or find new areas for traditional forms of crime (e.g. fraud, procuring and prostitution); they can also thwart law enforcement efforts to hinder their activities with the use of, for instance, encryption, pre-paid telephone cards in mobile telephones or Internet communication.

Finally, the enlargement of the EU will also be an important trend which will pose potential problems.

EU membership allows for greater freedom of movement of persons, capital, services and goods, plus access to certain EU funds. From these, opportunities may arise for criminals within the EU, the new accessing states and elsewhere.

A wider and more open market raises risks concerning illicit trade and evasion of excise duties and VAT. Already, some of the candidate countries have been identified by EU law enforcement as markets for stolen vehicles, transit points for large-scale cigarette smuggling and transshipment routes for heroin coming from Turkey and cocaine from Colombian. The audio and software industries identify some of these countries as sources of counterfeit and pirated goods. If customs controls in the accessing countries are weak, they might be used as points of entry to the EU for goods coming illegally from outside.

With more applicants for monies from EU regional development and cohesion funds and for financial support from the common agricultural policy, the scope for fraud increases.

The free movement of capital presents further opportunities to OC groups, for instance by enhancing the possibilities for money laundering, the investment of criminal proceeds in other Member States, and transport of counterfeit currency. This trend will be compounded by the introduction of the Euro.

4. THREAT

Following this report on the situation in the EU, some threats can be pointed out. The main problems facing agencies fighting OC include:

- Indigenous OC groups;
- The changing structure of OC groups in general (from hierarchies to networks), but also the move away from ethnically homogenous groups to multi-national groups;
- Still remaining closed ethnic OC groups, *inter alia* (Kosovo) Albanian OC groups, but also Turkish, Russian, Nigerian, Moroccan and Colombian OC groups;
- Increased co-operation between OC groups;
- The increased use of modern high technological equipment, not least within the field of telecommunications which both hampers law enforcement's ability to fight OC and facilitates crime;
- The steady developing multi-crime environment, especially in the drug field;
- The large but also increasing involvement of OC groups in drug trafficking;
- The increasing involvement of OC groups in illegal immigration;
- The increasing involvement of OC groups in trafficking in human beings;
- The still extensive involvement by OC in illegal vehicle trafficking;
- The increasing involvement of OC groups in financial crime, and the increasing difficulties observed in the field, *inter alia* money laundering. Factors compounding the problem include the use of foreign jurisdictions or offshore tax havens, accountants and other professionals, and the growing use of the Internet;
- The increasing involvement of OC groups in financial crime is also reflected in the field of counterfeiting, where modern office equipment have made it easier to produce larger sums of counterfeit currency. The same technological developments have also resulted in an increase in the number of amateur criminals involved in this activity;
- The increasing involvement of OC groups in smuggling of alcohol and tobacco;
- The still extensive involvement by OC in property crime/theft, including IPT;
- Jurisdictional difficulties, *inter alia* the fact that transnational crime is border-less whereas law enforcement is bound by national borders.

The growing co-operation between OC groups at an international level will offer them new criminal opportunities which will enhance the threat from OC, not least in terms of economic, social, health and possibly even political costs.

OC groups that are increasingly difficult to monitor and infiltrate will in themselves present a threat to law enforcement. The possibilities to combat OC are decreasing due to the fluidity of the groups and their increased use of modern telecommunications. In short, it is difficult to target the groups and, even if this was possible, to aim relevant measures against them. This problem is compounded by the fact that many criminals are active in one Member State but resident in another, thus presenting law enforcement with difficult jurisdictional problems.

OC groups based on ethnic belonging, family or clan, for instance Kosovo Albanian groups, are difficult to infiltrate. At the same time, their criminal reach is growing which means that the threat from such groups is increasing.

OC groups basing their membership on what enhances their profits and minimises risk might be easier targets than those based on ethnic belonging. However, the flexibility of these groups, often shown in their appearance for only a few criminal undertakings, means that in effect at many times there is no group to infiltrate and thus target.

The single biggest problem with the efficient combating of transnational OC, and conversely the greatest advantage to OC, is jurisdictional limitations. Crime which by definition is border-less cannot effectively be fought by law enforcement agencies whose reach stays at their national borders. Co-operation difficulties across borders, *inter alia* with law enforcement agencies in third states, compounds the problem.

5. POLITICAL AND LAW ENFORCEMENT INITIATIVES

The growing concern regarding the development of OC has been translated into 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 transnational crime. The UN Convention against transnational OC, aiming at preventing and combating it more effectively, will cover different aspects, such as the criminalisation of organised groups, money laundering, corruption, confiscation of criminal proceeds, extradition, mutual legal assistance and special techniques.³

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 and the establishment of a European judicial network equipped with a telecommunications network. A further example is the establishment of the Contact and Support Network (CSN) aiming at promoting improvement of 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, and gives 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 OC⁴, integrating the 11 criteria set up by document Enfopol 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 meeting in Vienna on 11 - 12 December 1998 examined the report on the implementation of the Action Plan on the fight against OC endorsed at

³ The ad hoc committee on the elaboration of a convention against transnational organised crime accepted the text of the convention during their tenth session (17-28 July 2000) and the convention is scheduled for signature later this year.

⁴ See article 1 stating that '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.'

its meeting in Amsterdam. The integration of the Schengen acquis in the field of drugs is an important element of the plan. In this respect, consideration will be given to conditions under which law enforcement officers from one Member State can operate in the territory of another, as foreseen in the Schengen Treaty. Aware that significant progress had been achieved, it underlined that additional work still needs to be undertaken, 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 initiated, in close co-operation with the Member States and Europol, as outlined in Crimorg 80⁵, 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 multi-disciplinary 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 society;
- The strengthening of the 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 of legislation as well as control and regulatory policies against crime both at a national and international level;
- The strengthening of the investigations on OC, with the implementation of article 30 of the Treaty of Amsterdam, linked with the strengthening of Europol.⁶

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 conducted 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).

In 1999, a working meeting was held in Copenhagen, in which 20 countries participated, on countermeasures to combat cross-frontier financial crime, the improvement of information availability on new forms of crime and the reduction of time spent dealing with legal aid applications. This meeting resulted in a range of recommendations, including the introduction of crime prevention measures aimed at

⁵ Crimorg 80 'The Prevention and Control of Organised Crime: A European Union Strategy for the Beginning of the New Millennium'.

⁶ See article 30, paragraph 2 of the Treaty of Amsterdam.

warning investors of the risk of becoming involved with unprincipled investment companies, and improvements in the exchange of intelligence.⁷

An important amendment is being prepared at the international level with regards to money laundering: the amendment of the European Directive of 1991. The new directive for all EU Member States will very probably take effect in 2002. The main changes in the directive are a broader definition of financial institutions and the categories of people obliged to report suspicious transactions, and an amended definition of criminal activities.⁸

In Article 30 (1b) of the Treaty of Amsterdam Europol's role regarding suspicious transactions is stipulated. This proposal was elaborated in Recommendation 41 of Crimorg 80 of 21 June 1999. The need for this initiative was already recognised in Recommendation 26 a) of the EU Action Plan to Combat Organised Crime, which was approved during the Summit in Amsterdam in 1997.

In the meantime a study was carried out by KPMG, which had been initiated by the Dutch Presidency. The subject of the study was the feasibility of an EU-database for suspicious transactions. The report, which was presented to the MDG in November 1998, indicated that such a database was feasible and that Europol seemed well placed for its development and maintenance. A precondition would be the extension of Europol's mandate in the area of money laundering. During their meeting in Tampere in October 1999, the European Council decided that Europol's mandate should be extended to include money laundering in general. To this aim proposals were presented to the Working Group Europol.

The major initiative which took place during 1999 was the extension of the mandate of Europol to include forgery of money. The establishment of a centralised EU service for this criminal arena will lead to the Forgery of Money Group at Europol establishing itself as the European Central Office for the Suppression of Counterfeit Euro Currency. Europol will, in close co-operation with its partner agencies in this field – Interpol, the European Central Bank and the European Commission – co-ordinate their activities to ensure that an effective service can be provided to support the operational efforts of the National Central Offices for the Suppression of Counterfeit Currency in each of the Member States.

In May 1999, the European Commission presented the European Union Action Plan to combat drugs 2000-2004.⁹ It contains a 'global, multidisciplinary and integrated strategy to fight illicit drugs' with emphasis on demand reduction, reduction of illicit drug trafficking, international co-operation and co-ordination of the various initiatives. The implementation is included in the European Union Drugs Strategy 2000-2004, which was endorsed by the European Council of Helsinki, December 1999.

The implementation of the European Union Action Plan to combat drugs 2000-2004 and the European Union Drugs Strategy 2000-2004¹⁰ will undoubtedly contribute to the effective combating of international organised drug trafficking, meeting the Union's objective 'to provide citizens with a high level of safety within an area of freedom, security and justice'.

Both the Action Plan and the European Union Drugs Strategy stress the need for co-operation with third countries and regions, in particular the major production and

⁷ Denmark's contribution to the 1999 OCSR.

⁸ The Netherlands' contribution to the 1999 OCSR.

⁹ Document 9012/99, Cordroque 33: European Union Action Plan to Combat Drugs (2000-2004), Brussels, 8 June 1999.

¹⁰ Document 12555/2/99, Cordroque 64 Rev 2: European Union Drugs Strategy 2000-2004, Brussels, 26 November 1999.

transit regions for drugs, based on the principles adopted by the June 1998 United Nations General Assembly Special Session on Drugs.

At its meeting on 4 February 2000, the High Level Working Group on Asylum and Migration (HLWG) gave further consideration to the draft Action Plan for Albania and the region, and the implementation of the Action Plans for Afghanistan and the region, Iraq, Morocco, Somalia and Sri Lanka.

The HLWG has agreed to update the interim report on Albania and the region in the form of a draft action plan and draw attention to the fact that the work is still progressing. The HLWG agreed that the Presidency would make contact with the international governmental and non-governmental organisations consulted on the situation in Albania and the region in order to inform them of the state of play with regard to the draft Action Plan.

From 1 January 1999 the Europol mandate trafficking in human beings was extended to include the production, sale and distribution of child pornography material.¹¹ Europol has participated, co-operated and supported several external initiatives and projects such as the CAIR STOP-Project. Another project with Europol involvement is 'The Feasibility Study on Rapid Information Transfer aiming at preventing and combating trafficking in human beings, in particular women and children, for sexual exploitation in the EU'. The European Commission has launched a number of programmes such as STOP, COPINE, FALCONE and DAPHNE aimed at combating this phenomenon.

On 23 - 24 March 2000 a recommendation was submitted to the Lisbon European Council on the need to develop a strategy and action plan to combat OC in South East Europe. This recommendation followed a series of initiatives focusing on South East Europe.

The Partnership and Co-operation Agreements (PCA) between the European Union and Russia (1 December 1997), the EU and the Ukraine (1 March 1998), and the EU and Moldova (entered into force 1 July 1998) contain important elements focusing on the fight against OC from Eastern Europe.

'The Pre-Accession Pact on Organised Crime between the Member States of the European Union and the Applicant Countries of Central and Eastern Europe and Cyprus' of 28 May 1998 was a further important step in formulating a strategy to combat OC from this region.

The Task Force on Organised Crime in the Baltic Sea Region, established in 1996 and consisting of EU and Schengen Member States and EU candidate countries in the Baltic Sea Region as well as Russia, continued its work with several concrete operations and projects implemented in the fields of drugs, illegal migration, stolen vehicles, high-taxed goods and money laundering.

The setting up of the Stability Pact in 1999, with its working table on security issues (table number three), both internal and external, and the sub-table on Justice and Home Affairs, is a welcome and important contribution to the fight against OC in the region. The Stability Pact Anti-Corruption Initiative adopted in Sarajevo from 15 - 16 February 2000 will be an important step in the effort to combat South East European OC. Within the Stability Pact, the initiative on Organised Crime in Southeast Europe (SPOC) will also play a crucial role in the fight against OC, aiming at strengthening capacities against OC in South East Europe in accordance with European standards.

¹¹ As from 1 January 1999 the definition of trafficking in human beings was supplemented with the following text: 'These forms of exploitation also include the production, sale or distribution of child-pornography material.'

The EU has been called upon to actively support and to enable achieving the objectives for the Pact on the basis of the Amsterdam Treaty and once the Copenhagen criteria have been met.

6. RECOMMENDATIONS

Based on the national contributions to the 1999 Organised Crime Situation Report (OCSR), and taking into account the conclusions therein, the following recommendations should be considered:

1. Co-operation between law enforcement agencies, including customs and justice authorities, across the EU, but also the rest of Europe, needs to be strengthened, with a particular focus on jurisdictional problems facing them in the fight against transnational OC.
2. Co-operation with both source and transit countries outside the EU where commodities exploited by OC are produced or moved needs to be enhanced.

The increased involvement by OC groups in illegal immigration, trafficking in human beings, smuggling and other transnational activities require more efficient border controls and co-operation with the origin countries.
3. Combating criminal organisations from Central and Eastern Europe requires stronger law enforcement co-operation when it comes to speeding-up exchange of information between and with law enforcement and judicial authorities of these countries and the EU Member States.
4. There is a need for a common EU strategy and operational action plans focusing on OC activities from Eastern Europe impacting on the EU to facilitate the joint combating of such OC activity and Europol should be actively involved in such development, with and/or in support of the Member States involved following the political agenda.
5. As OC increasingly moves to lower risk/lower penalty crimes such as alcohol and tobacco smuggling, the emphasis on combating OC should be towards the criminal organisation rather than the crime area.
6. The severe jurisdictional problems coming with the growing use by criminals of high technological advancements and Internet requires effective strategies to counter the transnational criminal activities derived from this trend.
7. The use of foreign jurisdictions and offshore tax havens, particularly for money laundering and fraudulent activities needs to be closely monitored.
8. The introduction of the Euro will change the face of counterfeiting currency. Therefore the following should be undertaken:
 - To progressively update a Threat Assessment on the introduction of the Euro currency, concentrated upon the information and intelligence provided by Member States;
 - To develop a common EU Action Plan concerning the identified potential risks and threats from criminal activities appearing before, during and after the introduction of the Euro currency in January 2002;
 - To establish an effective co-ordination structure, both at the national and European level, to deal with this criminal phenomenon affecting the EU.
9. Taking into account the fact that in South East Europe criminality is compounded by ethnic tensions and movements which ultimately impact on the EU, a report on South East European OC should be considered.

Experience should be drawn from the annual OCSR and the Situation Report on Eastern European OC.

10. Threat assessment should also be undertaken by Europol in the following areas:

- The use and disposal of criminal finances, especially in the area of drugs, by ethnic Albanian Yugoslavian and Turkish groups impacting on the EU;
- The impact of illegal immigration and trafficking in human beings and the identification of groups active both within and outside the EU;
- The impact of transnational groups active in several crime areas as for instance the overlap of activities to areas such as alcohol and tobacco smuggling.

11. In light of the general diffusion of OC groups concerning both their composition and criminal activities, the development of a core criminal concept should be undertaken.

The basic idea behind distinguishing core criminals/suspects is the possibility to differentiate the most important OC group members (leaders, organisers, specialist/facilitators, peer persons, etc.) from those permanent, but less important members (temporary members; associates; hired facilitators, etc).

A structured, harmonised EU approach allowing a higher degree of comparison between Member States focusing on core criminals would enhance the understanding of OC structures and improve the effectiveness of law enforcement activity in the fight against OC.

7. APPENDIX 1: OVERVIEW OF THE SITUATION CONCERNING RECOMMENDATIONS FROM THE 1998 OC SITUATION REPORT

A number of recommendations, based upon the contributions from Member States as well as upon evaluation of other documentation used to complete the report, were formulated in the 1998 EU Organised Crime Situation Report. Below follows comments on the status of their implementation:

1. The quality of the OCSR and its procedure needs improvement.

Important methodological issues were agreed upon at follow-up meetings which were held during the year 2000. There is agreement that improvement is needed and discussion still goes on.

2. There is a need to implement a common EU prioritisation mechanism in order to select priorities to combat criminal phenomena affecting the EU.

This need is still seen, but national priorities make implementation difficult.

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.

On this subject, a Council decision is awaited, with the possible future involvement of Europol in joint investigation teams.

4. The group orientated rather than crime area approach should be encouraged. Long-term prevention of OC should continue to take crime areas and crime markets into account.

There is now a need within Member States to focus on the development of national groups. This should be further 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.

This focus is repeated in this year's report.

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.

To this there is a back-up by Member States. But Europol's involvement in developing such strategies will depend on common positions of the EU (such as it is now with the Horizontal Drug Group).

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.

The French presidency prioritised the combating of OC, which tends more and more to infiltrate the financial system.

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 and greater emphasis in this area should be made by law enforcement.

This issue has been highlighted by JHA.

9. More emphasis should be given to the development of an effective policy for the prevention of OC.

A prevention study will be finalised soon by the Commission together with Europol, with the aim to present concrete measures.

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.

There is now increased use of Europol's products and services, but attention has still to be given to the further developments of those tools.

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 forgery, smuggling (alcohol and tobacco products), environmental crime, high tech crime and issues relating to corruption.

Discussion is going on, especially certain types of crime, such as fraud, forgery and high technology crime.

12. The move of some OC groups towards low risk – high profit crime areas, stressed by some Member States contributions, may require the adoption of adequate measures to make these activities more risky and less profitable for OC. Special attention should be given to environmental crime.

This move still continues. Further special attention should be given to this issue.

13. 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.

Operational co-operation and support has to be further prioritised.

14. Co-operation with Central and Eastern European countries should also include joint actions between the EU and the CEE countries in order to prevent their use by OC as major transit and storage points for illegal commodities and persons.

Several steps are being taken in this direction.

15. Money laundering activities of OC from the Former Soviet Union countries, require measures to be identified and implemented both to prevent the impact on legitimate economies in the Member States and to minimise the use of the legitimate channels utilised by OC groups in these countries. Any possible assistance should be given to these countries to increase the resistance of the financial system to money laundering activities and any effort to prevent corruption should be encouraged.

Several steps are being taken in this direction.

16. 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.

Member States are invited to support together with Europol the Stability Pact initiative on OC in South East Europe.

17. The continuing threat posed by Turkish OC groups, particularly in drug trafficking and illegal immigration requires an increased level of co-operation both at law enforcement and political level.

Several steps are being taken in this direction.

8. APPENDIX 2: SUMMARIES OF THE CONTRIBUTIONS FROM THE MEMBER STATES

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

8.1. Austria

GENERAL OVERVIEW

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

Organised crime is taking advantage of new technologies and modern telecommunication devices. In 1999, this trend was counteracted by Austrian law enforcement by specialised computer training and more advanced technical equipment.

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.

Austrian nationals, both individuals or groups, have traditionally been to a high extent involved in traditional criminal sectors such as sex trade, narcotics, property offences, and white collar crimes.

In 1999 an improved method, in line with European standards, to prepare reports on organised crime was introduced in Austria.

In 1999, in total 86 proceedings had been instituted against criminal groups assumed to be linked to organised crime.

Criminal Organisations from former Eastern Bloc countries

The political economic upheavals have in recent years led to an expansion of organised crime in Europe. They specialise in mainly money laundering, white collar crime and property offences.

It must not be concealed that Austria is still confronted with dangerous elements of organised crime from eastern Europe, and that Austria continues to be used by organised crime as some sort of operation basis for meetings or preparatory actions, and the like.

Criminal associations from Turkey

Narcotics-related crimes were also in 1999 the main field of criminal activities of these organisations. Investigations have revealed tight criminal structures of these organisations reaching not only into Turkey, but also to former Eastern Bloc states, Germany, the Netherlands, and Belgium.

The main types of crimes committed by Turkish offenders consist in crimes of violence, property offences, traffic in persons.

Criminal Groups from Italy

In 1999 too it has been noted that there are close links between the criminal organisations in Italy and Germany, meanwhile also in Albania, as well as in former

Eastern bloc countries adjacent to Austria. Members of these organisations who face prosecution, again attempted to take up temporary residence in Austria and Germany alternatively.

Criminal Groups from Asia

Evaluation of all information gathered so far about Asian criminals indicate they are active in the fields of migration racketeering, forgery of documents, armed robberies, money laundering, false loan contracts, property offences, and extortion of protection money.

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.

Criminal Groups from Ex-Yugoslavia

In 1999 too the groups that live in Austria "co-operated" closely regardless of any ethnic conflicts. Some of their activities were being controlled from their home-countries. We have noted growing transborder complicity of these people. This trend was particularly noticeable in the narcotics sector, where criminal associations from the Kosova have further succeeded in enlarging their Europe-wide network.

Traffic in Stolen Vehicles

Traffic in stolen motor-vehicles is another important source of income for organised crime. The successful work of Austrian law enforcement at the Austrian border-posts, especially since the introduction of the Schengen Information System, is to be emphasized.

In 1999 the number of motor-vehicle rose slightly again after a few years of decline. In 1999 in total 4.588 motor-vehicle thefts were reported in Austria, that is 76 more less than in the previous year.

Nightlife-related Crime

The sex trade in Austria is to a very large extent dominated by Austrian groups. Also in 1999, all attempts by criminal groups from Eastern Europe to buy themselves in, or to undermine this sector, have failed.

In 1999 in total 601 establishments have been found to offer prostitution services. In 1999 in total 2,395 women were officially registered as prostitutes.

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.

Recent statistics:

1999: Total number of reports: 504, 364 by e-mail 364, yielding 268 useful leads.

Results (useful leads), total:

1999 268

Cases with links to Austria:

1999 33 detected

These figures illustrate clearly the continuous increase of reports, which all have to be duly processed.

Crimes of Violence

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

In 1999 the situation in this respect has not significantly changed in comparison to the previous year.

Money Laundering

Generally it can be said that both the Austrian Penal Code and the Austrian Banking Act contain provisions that ensure effective combating of money.

In 1999, 208 Dubious Transactions Reports were received from Austrian banks and finance institutions. According to these reports, in total more than ATS 2,034.518.000.-- moved through Austrian accounts.

In the course of the subsequent investigations, 20 court orders to inspect accounts, 14 warrants of arrest, and 5 warrants to search premises were obtained. Upon conclusion of the investigations 40 individuals were prosecuted for money laundering (section 165 of Austrian Penal Code) and 25 persons for 'membership in a criminal organisation' (section 278 of the Austrian Penal Code).

Court orders to freeze in total ATS 45,010,980.- were issued, and interim injunctions to stop transactions totalling ATS 3,020.000.-- obtained.

International Financial Fraud

In 1999 the overall situation has hardly changed in comparison to the previous year.

White collar crimes have also in 1999 been characterized by a continuing growing trend in the sector of financial frauds. Despite remarkable success of law enforcement and prosecuting authorities in the field of combating this special form of organised crime, and despite extensive warnings in the media, it has been impossible to stop this alarming development.

Narcotics

Charges

In 1999 in total 17,211 persons were reported to the justice authorities for violation of the Narcotics Act, which constitutes a growth of 3.5 percent compared to the previous year.

Crimes:

In 1999, 1,956 persons were reported for violation of section 28 (referring to crimes) of the Austrian Narcotics Act, which constitutes a decrease of 11.01 percent.

Misdemeanours:

In 1999, 15.090 persons were reported for having committed misdemeanours under the Austrian Narcotics Act, i.e. a decline of 5.63 percent compared to 1998.

Seizures

In 1999

341,4 kg cannabis herb

109,9 kg cannabis resin

78,9 kg heroin

63,4 kg cocaine

2.811 LSD-trips

31.129 Ecstasy pills

plus various other narcotic drugs were seized and thus withdrawn from the Austrian black market.

Migration Racketeering

Number of Illegals Detected in Austria

The number of persons smuggled into Austria, who entered Austria illegally, and who stay in Austria illegally has also in 1999 risen dramatically compared to the year before. In 1998 in total 19,693 persons were discovered, and in 1999 the number almost doubled to 42.812.

The enormous increase of detected illegals compared to 1998 is to a large extent due to stronger migration movements of Yugoslav nationals from the crisis region Kosova, to Romanians, who left their country for economic reasons, and also to migrants from the Middle East (Iran, Iraq, Afghanistan) and from countries of the Indian sub-continent.

The rise would have been even more dramatic, if the influx of Yugoslavs from the Kosova had not dropped significantly towards the last months of 1999, when the armed conflicts died down.

Nuclear Crime

In 1999 in total 12 hints pointing to illegal trade with nuclear or radio-active materials had to be investigated.

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 1999. Information on planned police operations leaked, and recorded data were passed on. These corruption cases have been completely solved.

CONCLUSIONS

The situation report for 1999 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.

Combating criminal organisation from former Eastern Bloc countries requires stronger police co-operation among others in the fields of training and technical equipment, and sped-up exchange of information between law enforcement and justice authorities of these countries.

In 1999, Austria has tackled the problem of organised crime inter alia by wider use of crime analysis, improved crime prevention measures and employment and consultation of experts from economy and industry.

Co-operation with justice and customs authorities has been improved. We have also enhanced co-operation in the framework of multi-crime projects focussing on fighting organised crime, both on national and international 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 step up the fight against money laundering in Austria.

In 1999 Austria began to set up a witness protection agency. The concept of witness protection has already helped to successfully conclude several OC-trials.

8.2. Belgium

1. Introduction:

The standardization of data collection concerning organized crime in Belgium is still improving. The quantitative information gathered from the law enforcement agencies are checked by the judicial authorities before exploitation and analysis by the central services of the Gendarmerie and the Judicial Police. The methodology to describe the organized crime situation in Belgium takes quantitative as well qualitative information into account. There are 336 investigations related to organized crime in Belgium in 1999. It confirms that the further development of a systematic methodology can increase the amount of information gathered from investigations. The number of related investigations represents an increase of 18,1% compared to 1998 (+34% compared to 1997).

2. The organized crime situation:

2.1. Suspects involved in organized crime:

In the 336 investigations carried out in 1999, 2179 suspects were involved. As far as their nationality is concerned, we have to point out that 44% of them are Belgian nationals (including suspects with a different ethnic origin). The main non-Belgian nationalities mentioned were Dutch (7,8%), Italian (6,2%), Turkish (4,5%), French (3,3%), Moroccan (3,0%) and Albanese (3,8%). From the data available it could be established that more than 83,6% of the 336 groups involved less than 10 suspects.

2.2. Interaction at international level:

The interaction between the groups could be deeply analyzed. 80 of the organized crime groups have had contacts with at least 140 other criminal organizations, 63 of the 80 (78,7%) established contacts to criminal groups operating also in another country. Among the 140 organizations contacted, 82 (58,7%) were operating abroad. The national origin of the contacted groups were very diverse, but the following nationalities are predominant: Dutch (14,0%), Turkish (10,4%), Belgian and Italian (8,7%), Russian and Moroccan (6,1), and Chinese (5,2%). The groups contacted abroad were mainly involved in the field of drug trafficking, trafficking in stolen vehicles, illegal firearms trading, money laundering, extortion and murders. From a geographical point of view the main contacts outside Belgium were made to The Netherlands (20,7%), France (7,6%), Germany and Luxembourg (7,2%), Italy (6,8%), United Kingdom (5,1%), Turkey and Albania (3,0%). These contacts represent 56,4% of all the contacts abroad.

2.3. Criminal activities of organized crime groups:

Quantitative: Altogether the criminal activities of the organizations were split into 30 different "activity" - categories. As one organization is able to be active in several categories a total of 826 relations from the different groups was reached. Analysis of the crime data shows that money laundering is the criminal activity developed by most organizations, with 122 organizations being involved. Drugtrafficking came second with 78 groups being involved. Forgery came third (68 organizations) and excise and VAT fraud came fourth (with 63 organizations involved). 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. In 1999 occurred a first indication of trafficking of nuclear material, more precisely an attempt of fraud with low 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 managers disappear, leaving the waste behind which costs a lot of

money to the community for cleaning everything up. Waste from abroad is mainly imported out of the Netherlands and Germany, while our "Belgian" waste is often exported to African or Asian countries. The trafficking of waste can represent as well a prior activity as a minor activity for criminal organizations. International networks illegally trading endangered species don't have fixed structures. Criminals organize 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 specialized 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 (in one case drugs were exported hidden among snakes).

Trafficking of hormonal substances

The trafficking of hormonal substances becomes more and more international especially within the EU. Belgium has to face as well distribution of hormonal substances as the distribution of precursors or cocktails. The use of these chemical preparations increases enormously the financial gains and the competitiveness of the agriculture farms. So it's easy to understand that the use and the trafficking of these products has become a very lucrative business. Analyzing the criminal behavior 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. The criminals involved in this type of criminality are often from the same family. The development of family networks and structures facilitate the flux of illegal goods and complicate the action of the law enforcement agencies. Links with other criminals phenomena were also established (drugs, anabolic steroid for horse racing, fraud in the meat sector or in the pharmaceutical industry). Criminal organizations don't hesitate to use counterstrategies to attack the public authorities. After a relative decrease of violence and intimidation the last 3 years, 1999 indicates an increase of threats and intimidations.

Theft/Robbery.

We distinguish different types of criminal organizations according to the type of stolen goods or the way the crime is committed.

Robberies by ram. The relative new phenomenon of robberies by ram is increasing in Belgium. It's partly due to the development of new prevention systems that requires new methods. The criminal organizations target particularly jeweler's, clothes or lingerie stores, hi-fi centres or pharmacy. The criminals involved in this type of crime are originating from former Yugoslavia, Poland, and Africa and don't limit their activities in such kind of crime.

Serial robberies in residential areas. The major criminal groups are still originating from Romania and ex-Yugoslavia. They operate in Belgium and in other countries from the EU. The exploitation of the proceeds of crime becomes more and more specialized (computer scientist are also involved to make the most of the stolen credit cards).

Documents. Identification papers are of great value for criminal organizations. After a significant decrease of this kind of theft in the administration last year, we had to establish in 1999 a growth that might be linked with the one-shot procedure of regularization of the "sans-papiers". The groups active are originating from former-Yugoslavia. Those groups are also involved in firearms and drugs trafficking, women smuggling, illegal immigration and terrorism.

Container robbery. The criminal organizations are mainly interested in high value goods such as electronic devices, fashionable clothes, alcohol and cigarettes. Harbors and places where the goods are transferred are particularly vulnerable to this type of crime. The stolen goods are generally received in Holland and then exported to East-Europe.

Vehicle theft

The international trafficking in vehicles becomes more and more professional. The preparation and the choice of a vehicle are more rational, the tracks on the stolen vehicle cannot be detected without a profound control of both the car and the linked documents. Those accompanying documents are often filled out with information on existing persons and existing cars. The trafficking of vehicles is not limited to cars. Investigations establish more and more that cranes, bulldozers, trucks and other industrial rolling material are also subject for trafficking. The number of car and home jacking is increasing and is clearly part of the international trafficking. The destination countries for the stolen vehicles are various. Belgium is mostly used by criminal organizations for export or for transit. The border countries (The Netherlands, Germany but also Spain and Italy) seem also to be attractive for exportation. Further more are the PECO's countries interesting for criminal groups because first of their relative closeness to Belgium but also because of their judicial specificities.

Extortion

Extortion is rarely an activity of a criminal organization. This kind of offense is more used as a sponsoring mechanism to commit other crimes or is committed by individuals. In 1999 a few attempts were identified. Those attempts were limited to the sending of intimidation letters.

A particular problem for the moment are the doorkeeper-gangs, mainly Dutchmen, Albans, Moroccans and Belgians, who "offer" their services to club managers and claim their "rights" by means of intimidation and violence.

Drug trafficking

A new trend is arising since 1999. Investigations tend to prove that criminal organizations are combining different type of drugs in one delivery. Those deliveries were addressed to Great Britain. Heroin. The Turkish criminal networks control the importation, transit and distribution of heroin in Belgium. They have a very rigid structure and in most of the time the members belong to the same family. Most of the heroin is still brought into Belgium throughout the Balkanroute by lorrydrivers. The destination countries are Great Britain, Germany, The Netherlands and Italy. Some Turkish criminal organizations have also interest in cocaine and, in a lesser extent, in XTC.

Synthetic drugs. Belgium has to face both XTC and amphetamines. A new technical development facilitates the production of XTC and brings down the fabrication process to one day. It seems from the investigations that the production of XTC, controlled by criminal organizations settled in The Netherlands, is constantly growing in Belgium. The "traditional" countries for exportation are Great Britain, France, Spain and The United-States. Australia is a destination country since 1999. The precursors are originating from China or India.

Cocaine. Latin American groups use Belgium as a transit country but also as a distribution market for cocaine, and-less important-cannabis. Although they operate

on Belgian soil, they are based in the Netherlands. Different independent cells with a high level of organization build up the criminal groups. 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. Suspensions exist in Antwerp about the involvement of Albanian and Russian criminal groups in the supply of cocaine to the market in East-Europe. Seaports are very attractive infrastructures to import the illegal South American products to Belgium and to export directly those products to the Netherlands. The number of seizures stay stable in 1999 according to the previous years but the seized quantity becomes more and more important. In the airport, especially the national airport of Zaventem, the seizures are also stable. In 1999 for the first time in Belgium "black and red cocaine" was found. At this time no further indications show a transfer of the importation ways from the national airport to the regional one's.

Cannabis. Although most of the Moroccan criminal organizations 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 reappear in Belgium in the channel of distribution. Most of these criminal groups are composed of Belgian, Dutch and Moroccan nationals. Transport is organized by different means: the use of a private car, transport by bus (transformed for this kind of operation) or lorry drivers. In 1999 a travel and a bus agency was involved in the organization of such a trafficking, operating from Brussels, Antwerp and Charleroi.

Trafficking in human beings

1999 indicates a growth in the illegal immigrants intercepted in Belgium. The investigations have shown links with France, Italy, Germany and Greece. Most of the intercepted immigrants were originating from Kosovo and wanted to reach Great Britain. Indians, Pakistanis and Chinese are also often smuggled. The exploitation of some immigrants (or even Belgian citizen) can be sexual and/or economic. Sexual exploitation is especially controlled by: Sub-Saharan groups and albanese groups. Those organizations often take away the identity documents from their victims in order to force them to collaborate and to work for the organization. The albanese groups, who usually use violence, always try to control the criminal area where they're active. They don't hesitate to intimidate and even eliminate prostitutes or rival groups to achieve their goals (control). Economic exploitation mostly occurs in the horeca sector, in the clothing industry, slaughterhouses, the transport sector and agriculture. The Chinese immigrants are more active in the restaurants, while the Sri lankese are used in clothing industries. A preliminary condition to combat this form of organized crime is the collaboration of the victim. In 1999 the Ministry of Justice has prescribed new guidelines to focus the attention of the law enforcement agencies active in combating trafficking in human beings to the phenomenon in general and the organisations in particular.

Financial and economic crimes

Money laundering is clearly a major activity of criminal organizations. The phenomenon is mostly detected in the first stage when the proceeds of crime are transformed from cash into bank money. The increase in VAT-fraud (especially since 1993) is essentially due to the specific system of payment for deliveries of goods within the European Union. The most used technique is the non-declaration or the non-payment of the VAT on a series of goods. These goods were essentially cars and hi-fi equipment but computer processing units and mobile-phones are mostly

used now. The evolution of this kind of criminality tends to prove that the application of specific financial techniques is a good example of "low risk-high profit" criminality.

2.4. Resources:

260 (77,4%) of the 336 criminal organizations investigated made use of commercial or businesslike structure to cover or 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 used (62,1% of all possible relations). 97 foreign form were set up or abused. The main sectors for commercial or businesslike activities abused in Belgium are still "import-export", "horeca" (hotels, restaurants and cafes) and transport.

2.5. Use of violence:

In total 171 (50,9%) out of the criminal groups used violence or other means of intimidation. Some 196 (44,1%) out of 442 offenses reported in this context were directed either against members of their own organization or rival organizations. 65 (14,6%) of the offenses reported were directed against commercial firms or private persons. On the other hand 58 (13,1%) of the offenses reported were directed against persons willing to cooperate with Law Enforcement Agencies, police officers (12,4%) or prosecutors (4,8%). A total of 26 people were killed due to the use of violence by the organized crime groups (in Belgium and abroad) investigated in 1999.

2.6. Use of influence:

Information available showed that 87 out of 336 (25,9%) criminal organizations tried to influence a variety of different categories of people, mainly police, commercial firms or individuals and politicians (in 94 out of 182 reported cases, which corresponds to 52,7%). When influence was used it was primarily by providing a personal benefit (70 out of 182 cases).

3. Measures to combat organized crime:

Over the last few years Belgium has been involved in adjusting and enhancing available legal instruments and to create new tools for fighting organized 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:

- Improvement of the methodology to study the phenomenon (quantitative and qualitative),
- Repentant criminals (cooperating witnesses),
- Anonymous witnesses,
- Reversal of the burden of the proof,
- Proactive research and special police techniques,
- New anti-corruption laws,
- Law defining the concept of a criminal organization and the participation in an OC-group
- Improvement of the law concerning the interception of communication,

The possibility to charge legal entities,
Institutionalisation of the College of Prosecutors-General and national Magistrates,
Extradition procedures and juridical cooperation within the EU,
Bilateral agreements within the EU and with several countries,
Implementation of the Europol Convention,
New Liaison-Officers were put into position in several countries
Proactive police projects to examine a variety of different subjects related to organized crime.

8.3. Denmark

This status report has been drawn up on the basis of the current EU guidelines, as the Danish contribution to the combined EU status report on organised crime for 1999.

It describes the situation in 1999, identifies tendencies in crime and indicates the level of threat at the end of 1999/beginning of 2000. The report also contains a forecast of expected developments in crime.

The report concludes that organised crime does take place in Denmark, but that its level is apparently relatively modest. There is still nothing to suggest that internationally known criminal organisations have a genuine foothold in Denmark. It is difficult to estimate the number of persons or groups involved. This uncertainty is marked with respect to foreigners and foreign groups. In the case of biker and street gang crime, the Danish police have a comparatively well-developed knowledge of the groups responsible.

During 1999, biker crime continued to meet the criteria specified by the EU guidelines for classification as organised crime.

The 1997 "peace agreement" between the Danish chapters of the international biker groups was still in force in 1999. The Danish police assume that these groups have agreed to a geographical division of the country into territories, and the police monitor developments in biker circles extremely closely, including the extent to which the "peace agreement" continues to be respected.

The aura of violence that has surrounded the biker culture over a number of years has resulted in a situation in which most Danish citizens have no wish to become involved in any form of confrontation with people connected with such circles. But in 1999 Danish police established that people involved in street crime in some cases do not shrink from confrontation with bikers.

The organisational structure of the street crime gangs is considerably looser than that of the biker groups, and such gangs often lack coherent leadership. Some of the crime committed by street gangs is of such a nature as to fulfil or border on the criteria for organised crime. The street gangs have an over-representation of young men of a non-Danish ethnic background, who often react highly aggressively towards the police and other representatives of officialdom. The mobility of these gangs has increased in 1999 and there are signs of the establishment of co-operative structures between key members of several of the existing street gangs.

The manufacture of narcotics as such is limited in Denmark.

Cannabis is most often smuggled into Denmark by organisations consisting of Danes who are or have been resident in the Netherlands or Southern Spain. The overwhelming majority of the cannabis distributed in Denmark is thought to have been

produced in Morocco, but in 1999 the police and customs authorities seized a ship's cargo of about twelve tonnes of cannabis that originated from South-West Asia.

Heroin is typically smuggled into Denmark from the Balkans via the Czech Republic, Germany and Poland. Ethnic Albanians play a prominent part in the smuggling of and trade in heroin in Denmark.

In the case of cocaine, there have been several cases in which Danes have organised smuggling from South American countries.

The synthetic narcotics (amphetamines and ecstasy) seized in Denmark originate in most cases from illegal laboratories in the Netherlands/Belgium, the Baltic countries and Poland. For the most part, only Danes are involved in smuggling and dealing in synthetic narcotics in Denmark.

In 1999 Denmark was also a target for the smuggling of Danish-produced cigarettes (illegal re-import) or forged "Danish" cigarette brands, in particular from Lithuania.

Vehicles ranging from private cars to lorry trains are stolen – or reported stolen (insurance fraud) – for subsequent use as payment to international criminal organisations for narcotics etc. A substantial proportion of the vehicles is stolen in Denmark and then taken out of the country are found in Poland, Russia or Germany.

Expensive radio and television equipment is stolen in a high proportion of burglaries. Police enquiries indicate that those responsible are primarily foreigners, and that the goods are sold abroad.

348 persons were charged with smuggling human beings, while 38 persons were charged with assisting foreigners in illegally entering or staying in Denmark. The means of transport typically used are goods vehicles and private cars, with the frontier between Denmark and Germany as the main point of entry, and the information gained in these cases indicates that the intended destination was Denmark, Norway Sweden or Finland. The cases of human smuggling have shown that the price for smuggling one person from Germany to Denmark is about USD 1000 (about DKK 7,700 or €1,050). The price for smuggling someone from their native country to Denmark, Norway or Sweden has in some cases been as high as USD 10,000 (about DKK 77,000 or €10,500).

The police have not been able to prove that trafficking in human beings in connection with exploitation for prostitution has taken place to any great extent. One of the reasons for this may be the secrecy associated with prostitution. It can also be confirmed that a steadily rising proportion of prostitutes advertise on the Internet and are therefore less visible on the street.

In recent years there have been examples of the production in Denmark of child pornography, but the large-scale, organised production is assumed to take place in Asia, Eastern Europe and Russia. Most of the cases in Denmark involve the possession of child pornography, in which people have downloaded images from the Internet.

Information technology is an important element in a wide range of cases of serious crime. In Denmark in recent years examples have been seen of the organised illegal copying and sale of programmes, games and music, together with other multimedia products. There is also a good deal of production and distribution primarily carried out and planned by young people that cannot be said to be covered by the concept of organised crime, though they may peddle their wares by means of professional-looking printed or electronic catalogues and use middlemen.

It is not possible to be more precise in estimating the turnover or profits generated as a consequence of organised crime. However, the profits are thought to be large, in

that the earnings normally take place in areas in which legal activity is subject to not-inconsiderable duties payable to the state, or in areas that are illegal as such.

Nor is it possible in a meaningful fashion to trace the use of violence in connection with the practice of organised crime, since in view of the environment in which it takes place, crime is seldom reported to the police. However, on the basis of information of which the police have only rarely been able to obtain evidence, there is a clear indication that persons involved in biker circles threaten particularly vulnerable individuals in order to induce them to work for them.

There is no sign that organised crime is in any way connected with undue influence on public administration, the law enforcement authorities or the police.

It is thought that some cases of money laundering are connected with organised crime.

The great majority of organised crime in Denmark takes place in the large urban areas.

To some extent, Denmark is used as a transit country in connection with crime, including smuggling of human beings, smuggling of narcotics etc., primarily to Sweden and Norway.

Organised crime involving fraud takes place most often by means of domestic sale to persons resident in Denmark, while fraudulent investments and distribution of dividends typically take place abroad. Countries with highly restrictive banking secrecy rules are often used for this purpose.

Organised environmental crime in Denmark primarily involves the reception of illegal waste from abroad for incineration, storage etc. However there have also been examples of Danish waste being shipped abroad.

8.4. Finland

Regarding the crime known to the police, the crime situation has been relatively stable in past years, although the number of offences in some fields of crime, such as the narcotics crime has increased. For the most part the crime known to the police in Finland is committed by others than organized criminal groups.

Since the figures studied in this report are fairly small and they are only based on the data known to the police, the conclusions cannot be generalised in all relations. On the basis of the review it may be said however that the activities of the organized criminal groups in Finland are concentrated clearly on the narcotics offences.

On the basis of the questionnaire, the number of the organized criminal groups has increased slightly. Referring to the previous section and the facts that come out later, the changes in the number of the groups should not be given too much attention in the assessment of the significance and influence of the organized crime in the Finnish society.

As to the structures and number of members, there are no changes to be observed in the situation concerning organized crime. The number of core members has increased slightly, but it is still low. Hierarchy is also quite low. The number of foreigners is increasing.

The most significant form of organized crime is still trafficking and selling of drugs. The drugs crime is essentially accompanied by traditional crime against property and receiving offences as well as extensive smuggling (alcohol, cigarettes).

The increase in narcotics crime is reflected by the increase in criminal complaints, seizures of drugs and arrests and of course involvement of younger and younger

users and dealers in the narcotics crime. In some circles, researchers talk about a new drugs wave similar to the 1960's.

The above-mentioned facts and other indicators may mean that in Finland the narcotics market is being redivided and extended; the offer has been extended more and more aggressively to younger persons by reducing the prices strongly or by giving drugs to the young people for free. The above-described strategy is not typical to Finnish organisations, thus it is possible that the activities are directed from abroad. According to one estimation half of the drugs market in Finland is in the hands of foreigners and the number is not decreasing.

Increase of the significance of foreign crime is not clear. However, at least half of the street robberies in the Helsinki City are committed by others than Finns. The offenders and the victims have mainly been young people. Although the above-described offences as such are not organized, the ethnically homogenous groups of the young people possibly marginalised from the society, are potential organized groups. These groups may become significant criminal groups because of a strong leader or overtake. The ethnic minorities in Finland have not however become part of international organized crime.

For the international crime it may be said that Finland will rather be a transit than a target country.

There are basically no groups of organized crime related to the financial crime in Finland. On the other hand financial crime come out continuously demanding activities that necessitate planned and special knowledge with significant economic proceeds. The financial crime is often like a project: for a certain criminal activity a co-operation network is created which operates until

- a) it is no longer profitable
- b) the authorities stop it
- c) there is a new way to act with bigger profits and lower risks.

Financial crime is closely linked to cover companies and money laundering. On the basis of collected information the use of the cover companies and money laundering are common in groups of organized crime, but there is little exact information on such activities.

Corruption is not very common in Finland. As a form of organized criminal activity, corruption is difficult to observe as a phenomenon.

Integration of crime into the society is minimal, at least when we talk about traditional crime. The study of the links of known foreign offenders to the Finnish business life shows traces of them, but there is no proof of their criminal nature. The Finnish society is however quite narrow and political and financial links which can contribute to criminal activities are inevitably created.

Violence of the criminal groups still seem to be mainly between or inside the groups and there are no traces of extending them outside the gangland. The use of violence has however increased and become more cruel, examples of which are offences against life among the criminals. Violence is presumably related to the maintenance of the group discipline, power struggle between the groups and the redivision of the market areas. Arms are acquired rather for the threat between the criminals than other reasons, although it should not be forgotten that the arms are always a threat to others as well.

In future the organized crime will concentrate on the drugs, receiving crime and especially on smuggling of alcohol and spirits, which will probably increase. Special attention should be paid to the drug trafficking through Russia and Estonia and

dealing of the drugs to children and youngsters in the street. Along the membership in the European Union (1995) different frauds become more significant to the organized crime.

Organized crime will grow more and more international. It will be reflected in the increasing number of foreigners involved in the groups and international activities. It is also possible that the activities are directed more and more often from somewhere else than Finland and by other nationalities than Finns. This development is linked to the common internationalization and urbanization as well as economic and social development.

On the basis of the above, it may be said that in Finland preventive measures should be targeted against narcotics crime.

8.5. France

A. Introduction

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

The Central Judicial Police Department continues to be responsible for centralising national crime statistics and participates, in conjunction with other services, mainly the Gendarmerie Nationale (Constabulary) and customs, in the breaking up of criminal organisations.

B. Trends in organised crime

1. Those suspected of belonging to criminal organisations were primarily French. Foreign nationals were also among the persons accused. The criminal groups from Eastern Europe and the Balkans are growing in importance.

2. Criminal activities

> Drug trafficking

The statistical data for 1999 confirms that France is a hub for drug trafficking.

The breaking up of the networks detected revealed the presence, in particular, of French nationals who sometimes had links with persons originating principally from North Africa (Algeria, Morocco).

The networks often have a pyramid-type structure (above all in the suburbs), but may also have a family structure. The latter structure often develops in ethnic immigrant areas in France. Profiting from their knowledge they have of their country of origin, they have easy access to the products to be distributed in bulk in France. The youngest oversee transport and distribution while the older members recycle the money, which is often invested in immovable and movable property.

Some networks were exclusively composed of French drug traffickers.

> Trafficking in human beings

The proportion of foreign criminals involved in procuring increases every year. In this regard, in 1999, 44% of persons taken in for questioning for procuring were foreign nationals, in comparison with 32% in 1998 and 28.9% in 1997.

In 1999, there was a considerable increase in the activity of procurers from Eastern European and Balkan countries. Currently they account for 52% of foreign nationals involved in cases of procuring in France, and 23.5% of all persons taken in for questioning.

➤ Other types of trafficking

Trafficking in fire arms

The key offences recorded related to non-compliance with the new legislation which entered into force in 1995, notably failure to register arms and ammunition.

Some arms were seized which originated from countries where fighting is taking place, but no organised networks specialised in arms trafficking were broken up.

On the other hand, nine explosive devices, 5 311 firing devices for explosive charges or devices were stolen in 1999.

Trafficking in alcohol and cigarettes

Seizures of alcohol increased markedly by more than 78.15% compared with 1998.

While there was an increase in trafficking in cigarettes in comparison with 1998, the nature of the trafficking has hardly changed. Evidence showed that France continued to be a transit country for this kind of traffic.

➤ Theft

Armed robbery

In 1999, twenty attacks on armoured vehicles were recorded. One group was broken up and 724 hold-ups were committed. Forty-two revenge killings were registered last year.

Vehicle theft

The number of automobiles recorded in the stolen cars file decreased by 3.54% (continual decrease since 1994).

The traditional destinations for stolen cars continue to be Africa, the Middle East and the Maghreb. Undoubtedly trafficking destined for Eastern European countries is on the increase. Some destination countries for cars stolen in Europe are also themselves the victims of theft destined for countries further east.

The theft of construction site equipment, which is highly prized by developing countries, is a burgeoning phenomenon on an international scale conducted by genuine organised networks.

The number of thefts of ATM machines has been rising for several years.

Ram raids consist of smashing in the front of a shop using a stolen vehicle and stealing a large quantity of goods have also been on the increase for several years.

The theft of works of art, antiques or jewels

All countries are involved in the theft of works of art, either as transit countries (Belgium, the Netherlands, Switzerland), countries which are the victims of such thefts (France, Italy, Spain and Greece in Europe, Latin America, Africa, Eastern bloc

countries) or destination countries (UK, the United States, Japan). The upturn in world economic activity has promoted that of the international art market.

Besides the channels from northern Europe and Italy to the United States, there was evidence of channels towards the Eastern European countries.

An increase was seen in the armed and unarmed robbery of jewels from jewellers. The same is true for the theft of mobile telephones, through the theft of freight, ram raids, break-ins or simply by snatching them.

> Financial crime

Fraud principally involved the European budget in the agricultural sector.

Forgery related to car registration papers, identity cards, passports and checkbooks.

French industry was particularly hit by counterfeiting in a number of sectors (textiles, clothing, toys, watchmaking, automobile construction, alcohol, leatherware, luxury goods, etc.).

With regard to illegal gaming, twenty cases expedited in 1999 concerned the installation of seemingly authorised slot machines or games machines (notably video games or pinball machines) which gave rise to players winning money according to a system of calculating points or a hidden device triggered by tipping up the table.

Throughout 1999, the surveillance of the Net, and in particular Internet forums, revealed the existence of proposals to potential French applicants offering the chance to open "cybercasino" franchises on a turnkey basis.

For about ten years, members of the travelling community have long conceived and perpetrated scams, which constitutes a form of organised crime, frequently with an international dimension.

In 1999, across France, about ten cases were uncovered of swindling involving fake jade by organised groups. This consisted of persuading wealthy persons to buy objects of jade or precious stones presented to them as antique works of art.

In 1999, there were approximately 160 investigations into money laundering carried out in France.

The laundering of the proceeds of drug trafficking continued to account for most of the cases being dealt with in 1999 in France.

However, there was a marked increase in the number of cases involving the laundering of the proceeds of criminal activities other than those related to drug trafficking.

> Environmental crime

Environmental crime is mainly committed against endangered species that are protected under the WASHINGTON Agreement. This kind of traffic is stimulated by strong demand and substantial profits.

C. Conclusions

The hold that some criminal groups have over the "underground economy", which in some countries can represent up to 50% of genuine economic activity, as well as the penetration by the same groups into various sectors of the legal economy by means of privatisation operations, are factors which enable these criminal organisations to extend their influence over many economic sectors.

Alongside traditional multinational crime undertakings, such as Colombian cartels, criminal groups from Central and Eastern Europe, as well as from Asia continued to emerge. These groups, with some exceptions, have entered the field of "intelligent" crime.

Current trends confirmed the growth of networks from Eastern European countries.

This is explained by the economical difficulties experienced by these countries, whose nationals aim to reach the West at all cost, the development of means of communication and the ease with which people can move around, particularly in the European Union.

D. Measures to combat organised crime

From the point of view of combating organised crime more efficiently, the police services have primarily favoured the full use of existing instruments.

Thus, for example, in combating trafficking in works of art, the police and Gendarmerie (Constabulary) had regular recourse to Article 40 of the Schengen Agreement in operations involving France, Belgium and Luxembourg.

More generally, the police and security services have continued to co-operate closely, in particular as regards the exchange of information for operational purposes, carried out, notably on the basis of the involvement of the Gendarmerie Nationale (Constabulary) in the central offices of the Judicial Police.

Moreover, France actively participates in initiatives launched by international and European Union authorities to combat organised crime and also in working groups relating to specific problems involving all the countries concerned.

Great importance is placed on in-service training and awareness-raising of police officials, in particular those responsible for new or specific forms of crime.

8.6. Germany

Data about all OC investigations in Germany conducted during the reporting period were collected on the basis of the "organized crime" definition. In 1999, 816 investigations into groups with organized crime characteristics were in progress. 413 investigations were initiated in 1999, while 403 continuing investigations were carried over from previous years.

The Organized Crime Situation

In 1999, 7,777 suspects from 94 countries came to notice during the course of 562 investigations that included case data on suspects.

41.6 % of all suspects were German nationals. Turkish nationals, who accounted for 9.9 % of all suspects, comprised the largest group of non-German suspects. The next largest group was Yugoslavians (8.2 %), followed by Italians (5.9 %), Polish nationals (3.4 %), Romanians (3.1 %), Nigerians (1.9 %), Vietnamese (1.9 %) and Russians (1.5%). 1,067 (13.8 %) of the suspects came from Central and Eastern Europe.

Analysis of 562 investigations revealed that the number of suspects per investigation ranged from three to 220 persons.

In terms of nationality, both homogeneous and heterogeneous group structures were established. 23 % of the investigations involved groups of offenders comprised of a single nationality. In the remaining 433 investigations, groups of offenders were comprised of as many as 15 different nationalities.

Drug trafficking and smuggling were the main offenses concerned in 48.1 % of the investigations.

The damage reported for the 1999 situation report amounted to 1,426,941,612 DM (729,583,661.13 Euros). The profits estimated in addition - for offences for which no damage reports are required under Police Crime Statistics guidelines - amounted to: 1,984,303,449 DM (1,014,558,243.30 Euros):

In 315 of the 816 ongoing investigations (39 %), the offenders were active in a specific field of crime, while in 501 investigations (61 %) their activities involved more than one area of crime.

In 437 (77.3 %) of the investigations analyzed, international links were established. There were supra-regional links in 93 (16.5 %) of the investigations, and regional links in 35 (6.2 %) of the investigations.

In the 437 OC investigations with international links, offenses were committed in a total of 92 countries.

Commercial or business-like structures were used by suspects in 396 cases (82.5 % of the investigations).

In 235 cases (49 % of the investigations), force or other means of intimidation were used. 46 homicides were recorded in connection with analysis of the respective OC investigations.

In 88 cases (18.3 % of the investigations), there were indications of influence exerted on politics, the media, public administration, justice or the business sector.

In 144 of the OC investigations analyzed, there was information pointing to money laundering offenses as defined in Section 261 of the German Penal Code. In 68 of these investigations, 242 suspicious transaction reports were filed in accordance with section 11 (1) of the Money Laundering Act.

Measures to confiscate illegal profits were taken in 181 (22.2 %) of all the investigations.

Assessment

Overall assessment of national / ethnic phenomena

Although German nationals continue to form, as expected, the largest group of suspects, many areas of OC are dominated by non-German suspects. Last year's statements about national/ethnic phenomena are confirmed by the results of the structure analysis carried out in 1999.

A considerable part of non-German criminal organizations (leadership level and part of the organizational level) operates from outside Germany. This was for instance found to be the case with Turkish, Italian, Polish and Kosovo-Albanian organizations. Family structures are very important for Italian, Turkish and Kosovo-Albanian organizations. Very often they form the basis for influential relationships and positions of power and authority.

Above all German, Turkish and Kosovo-Albanian organizations are very much engaged in nightlife crime. It is noteworthy that OC activities by German suspects was in many cases found to be rooted also in areas not commonly known as areas of activity of that suspect group (e.g. white collar crime).

Indications of corruption or criminal influence mainly surfaced in connection with activities by German organizations. It would appear that German suspects take advantage of their easy access to public authorities as well as long-standing relationships within their own ethnic community. As in the previous year, there were

special features attached to an investigation into a rocker group. Rocker groups with a hierarchy and criminal structures from the red light scene appear in a symbiosis-like form. Their earnings from the red light scene, their increasingly well established group structures and a large number of physically strong and dominant and often armed group members are clear signs of a strong OC potential.

German suspects came to notice above all for their professional investment of illegal profits in Germany. Italian organizations were also found to be very sophisticated in re-introducing monies into the economy, while there is not much confirmed information about the use of illegal profits by Kosovo-Albanian, Turkish and Polish organizations. This is due to the fact that investigations abroad can be tiresome. Perhaps these criminals are also very clever at investing their illegal profits in their native countries. There is proof above all of Turkish organizations channelling their illegal profits abroad. This is also believed true for Kosovo-Albanians.

In almost every area of OC violence is a common means to enforce an organization's will. In particular Kosovo-Albanian and Russian suspects came to notice for uncompromising and wilful acts of violence.

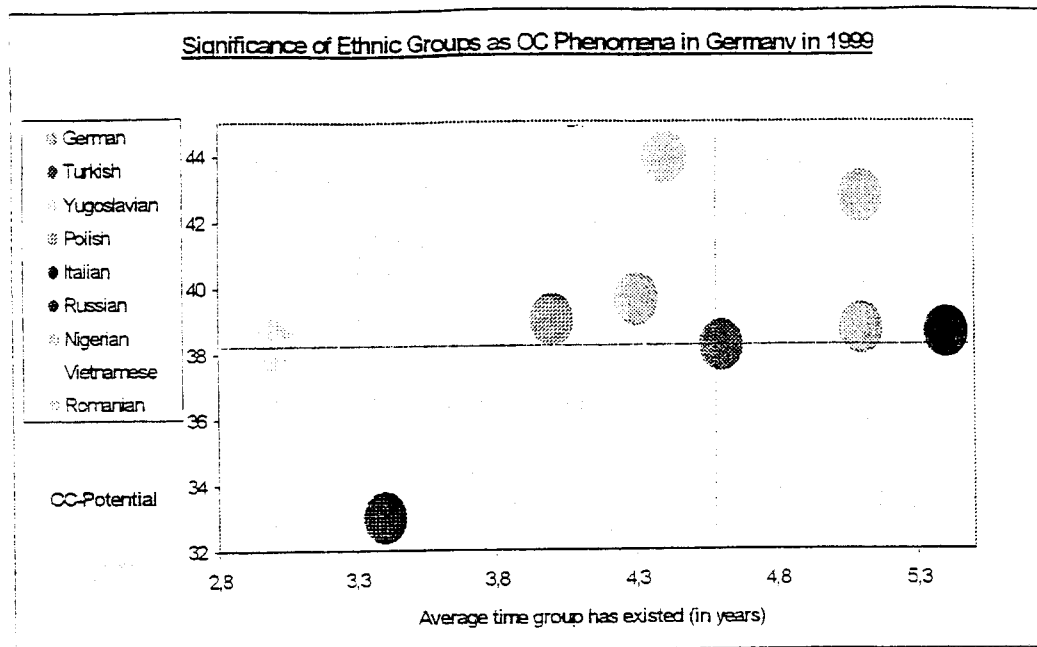
Individual suspects had contacts with politically extremist circles. Most of them were Turkish suspects of Kurdish ethnicity (PKK) as well as Kosovo-Albanian suspects (LDK and UÇK).

It is true to say that Germany is a field of action for many Italian OC groups. At the same time it is also a place for investment and a place of retreat for wanted OC criminals. Regardless of this, the main suspects in all investigations into Italian suspects in 1999 had been staying in Germany for a long time, sometimes for decades, or had at least had strong personal ties with Germany. Efforts to investigate Russian criminal groups have been intensified by police since 1994. However, there is still a marked discrepancy between estimates regarding this type of crime and verification of these estimates by means of police investigations. It is noteworthy that the offender structures investigated were not characterized by a high degree of organization and professionalism as compared with other OC phenomena.

Conduct and criminal activities of national/ethnic crime groups are in the first place influenced by the socio-cultural/historic background. Another important element is the degree of assimilation of the respective immigrant community and their integration into German society to include the German legal system. Ethnic groups who have been staying in Germany for a longer period of time already behave differently as compared with other nationalities non-yet integrated to that extent. Hence, certain developmental stages have to be taken into account when looking at how criminals co-operate, e.g. as regards their degree of compartmentalization, but also as regards criminal cross-border co-operation.

When overall offender structures were analyzed, 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.

The following chart represents police information available on the most important ethnic groups in Germany in terms of their OC potential as well as information about the average age of these structures.



A comparison of the different ethnic groups reveals that the Yugoslav/Kosovo-Albanian group is the most important OC group quality-wise. The reason for this being, inter alia, that they can meanwhile rely on well-established structures in Germany. This group is followed by Italian, Turkish and Polish suspects, which are all more or less of equal importance.

Well-established strong family ties among Kosovo-Albanian organizations cause enormous problems to investigators. Using family ties has a number of advantages for criminal organizations. For instance, there is the possibility of long-term co-operation, discretion / compartmentalization as a result of mutual commitment and there are family members who can be recruited as reliable partners.

Nigerian, Romanian and Vietnamese suspects have been listed among the most important nationality groups in terms of numbers for the first time. Hence, they have not yet been studied in detail for the structure analysis. Looking at all these nationalities together we find, however, that Nigerian suspects are in the second place as regards the OC potential. Yugoslav suspects are in the first place. It would appear that Nigerian suspects have been relying on well-established structures for some time already. The average Nigerian OC group has been in existence for 5.1 years. The same is true to some extent for Romanian suspects. Vietnamese suspects are investigated above all in the eastern part of Germany. The illicit traffic in untaxed cigarettes is believed their main field of activity.

When taking a close look at the most important suspect nationalities it becomes clear that the increase in the average OC potential of Nigerian and Romanian groups is due to ongoing investigations in the period under review. Hence, this trend is likely to be confirmed in the calendar year 2000.

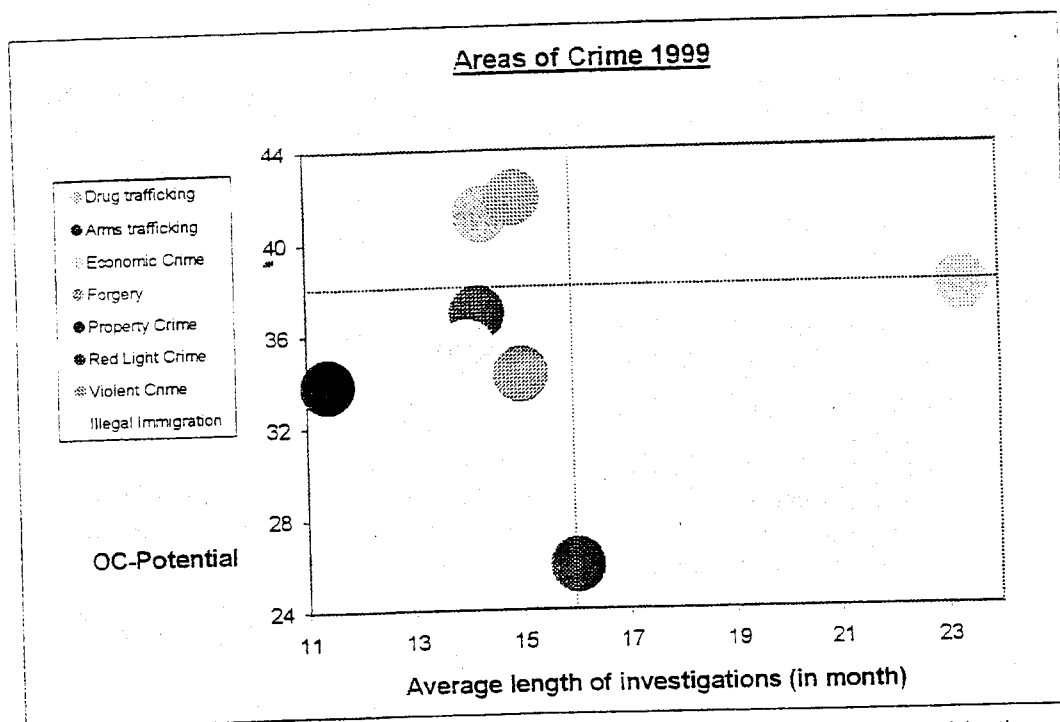
In 1999, for all OC groups the damage caused /profit generated was estimated at an average 7 million DM each. However, it should be noted that a large-scale investigation into a Romanian heroin trafficking network estimated criminal profits in the region of 600 million DM alone. If this sum is not taken into account, there was an average damage/profit of 5.8 million DM per group. A breakdown of selected nationalities in terms of average damage/profits:

Germans	6.0 m DM
Turks	1.3 m DM
Yugoslavs	1.7 m DM
Polish	3.8 m DM
Italians	7.0 m DM
Russians	4.4 m DM

The high damage caused by German and Italian groups is the result of their above-average participation in white-collar crime. As for Russian and Polish groups, the high figures can be linked with smuggling activities involving high-tax goods.

Overall assessment of criminal activities

The following chart illustrates the OC potential in various areas of crime (on the vertical axis) taking into account the length of the investigation in these areas (on the horizontal axis):



OC groups with a slightly above-average OC potential were identified in the areas of drug crime and violent crime. It would appear that these areas of crime are OC-prone. However, investigative efforts in recent years have been concentrated especially in drug crime control and enormous resources have been made available to this end. Not least thanks to undercover operations have highly organized criminal structures been identified and dismantled.

The situation in the field of property and alien smuggling crime sheds light on the problem of known and identified OP potential on the one hand and police information available on the other hand. The below-average OC potential in property crime and the relatively short existence of groups tend to make experts believe that these

structures are not very powerful. However, structure analyses in 1998 and 1999 reveal that criminals entering Germany to commit crimes here are acting on the instructions of leaders of criminal organizations based abroad. Most of the time only that part of the structures visible in Germany is identified. Information on higher-level structures abroad tends to be scarce or is based on assumptions. Considering these leadership structures it would appear that the groups committing crimes in Germany have a much higher OC potential. These statements are also true for alien smuggling crime. Here too, those who pull the strings are often found abroad.

There is a remarkably low OC potential in arms crime. Trafficking in arms and smuggling of arms are seldom a central field of activity for a group. Most of the time these crimes occur on the fringe of an organization engaged in a variety of criminal activities.

To fully assess different field of crime we must not rely on the OC potential as an indicator alone. White-collar crime is a good example for this. Because there we find - regardless of the average OC potential - very well established structures. Most of them have been existing for more than five years now and can rely on highly specialized professionals. To control this type of crime specially trained officers are deployed to investigate highly complex matters over a fairly long period of time.

Smuggling organizations too tend to be highly specialized. Any of the 34 organizations investigated concentrated on their smuggling activities. Other activities were not detected by the investigators. It is noteworthy that an average of 4.6 officers had to be deployed to counter these activities. The number of officers deployed depends on the specialization of the OC group under investigation, but also on the complexity of the matter and the group's international links and the evidence available.

There were problems in finding proof especially in connection with nightlife crime. This was due to the concentration on personal evidence and sophisticated legal constructions by suspects running brothels. Also found were complex offender structures. Criminals of different nationalities often co-operated above all in nightlife crime and alien smuggling.

Moreover, when identifying enforcement priorities, police should consider the damage likely to be caused by OC but also the enormous profits to be made.

Above-average (quantifiable) damage is especially caused by smuggling taxable goods, property crime and in particular white-collar crime.

Also to be taken into account is indirect follow-up damage to the economy as a whole, e.g. illegal aliens falsely claiming social benefits. Finally, non-material follow-up damage should also be considered.

Above-average illegal profits are made in drugs (approx. 985 million DM), white-collar crime (approx. 417 million DM) as well as in smuggling activities (approx. some hundred million DM). When looking at the average profits per group, white-collar crime is number one on the list (about 11.6 million DM). Considerable profits are also believed to have been made by smuggling (about 6.8 million DM in 34 selected investigations), drug crime (about 6 million DM) and nightlife crime (about 1.4 million DM).

The profit margin sometimes varies considerably within the different areas of crime. This is due to the varying degree of professionalism.

8.7. Greece

Greece's national contribution for 1999 represents a continuation of the effort made in the previous year to present - in multisectoral co-operation at national level - the

clearest and most objective picture of the organised crime situation in Greece in 1999.

The efforts of the Ministry of Public Order and of the other law enforcement authorities in Greece were focused not only on combating organised crime but also on preventing it with a number of actions, measures and plans.

The ongoing economic and social crisis, the politically fragile situation in almost all the countries adjoining Greece, the influx of refugees and economic migrants, principally from the Balkan countries, and the fact that a considerable number of these migrants remain in Greece, were exceptionally aggravating factors in the increase in many sectors of criminal activity.

B. Situation in the field of organised crime

General remarks

As in previous years, there was no lack in 1999 of manifestations of organised crime in its various forms, the principal ones being drug trafficking, the sexual exploitation of women, the traffic in illegal immigrants, the theft and smuggling of stolen vehicles, and economic crime in general.

Apart from the Greek gangs, the national criminal gangs which posed a particular threat to Greece in the field of organised crime in 1999 were Albanian, Russian, Bulgarian, Romanian, Turkish and Iraqi, and in certain cases Pakistani and Bangladeshi, in particular in the fields of illegal immigration, fraud and forgery.

These gangs generally consisted of from three to at most ten individuals who had come together with a view to jointly committing crimes, with a division of duties and for pecuniary gain. They are more in the nature of temporary bands, rather than organised mafia-style criminal organisations with stable and solid organisational and administrative structures.

A link was observed between organised criminal gangs in cases of theft of, and illegal trade in, motor vehicles, where some of the perpetrators (mainly car thieves) belong to different gangs, while other members of the gangs organise the export of the stolen vehicles or their sale within Greece.

C. Legalisation of the proceeds of illegal activities (money laundering)

While investigating crimes covered by the Law on Money Laundering, the police services applied the law in 16 cases. In 1999, 373 cases of suspicions of money launderings transactions were referred to the Article 7 Committee. 23 of these were sent to the Public Prosecutor. Seven concerned drugs cases, four concerned the trading and trafficking of arms, and the others concerned other criminal activities falling under Law 2331/1995.

D. Locations and regions of activity

Most organised criminal activity takes place in the two largest cities in Greece, i.e. Athens and Thessaloniki. Instances of organised criminal activity are also found in other regions of Greece, such as Thrace, western Greece and Crete.

E. Resources

Organised criminal organisations which have disbanded have been depositing the gains from their criminal activities (such as drug trafficking, acts of robbery, theft and

burglary, sexual exploitation of women, extortion of money, etc.) in bank accounts, and using them to buy luxury cars and real estate and, in general, to ensure themselves a luxurious lifestyle.

In some cases, there were efforts to launder money through banks in Greece.

The illegal proceeds from drug trafficking were in some cases invested in real estate in Greece and abroad.

F. Use of violence

In the course of 1999, in certain regions of the country (such as Attica and Crete), there were a number of explosions in night clubs and other similar establishments, car bombs and homicides whose characteristics point to the activities of organised crime.

G. Legalisation of the proceeds from illegal activities (money laundering)

To justify their illegal earnings, the criminal gangs and their members set up legal businesses - frequently limited companies - which they use as a front to channel the illegally acquired money, even investing in luxury apartments, land and hotel establishments.

H. Conclusions

a.- Assessment of the danger

Drugs trafficking, sexual exploitation of women and aiding illegal immigrants are serious problems for Greece and we believe that the situation will worsen in the future.

Apart from the Greek gangs, the national criminal gangs which pose a particular threat to Greece in view of the growing criminality and organised crime in 1999 were the Albanian, Russian and Turkish gangs, because of their international activity, their links at international level, their education, the form of their criminal activity and the geographical proximity to Greece.

Iraqi criminal gangs also pose some threat to Greece and are active mainly in the trafficking of illegal immigrants and the production of forged identity documents.

As mentioned above, members of Italian mafia gangs were active in cigarette smuggling in western Greece. The situation in the former Yugoslavia and Albania, as well as in other countries in the region, appears to offer an inviting field for mafia activity and co-operation with the local mafias in the region, and in particular in Albania.

An encouraging feature was the arrest of 2 prominent members of the Italian mafia thanks to the excellent co-operation between the Italian and Greek crime suppression authorities.

I. Outlook

The future threat to Greece from organised crime is worthy of note and is based on the following:

- ◆ The direct proximity of Greece to the countries of the former Soviet Union, which are facing exceptional structural, organisational, economic and political problems.

♦ The use of Greece as a transit country for moving drugs and illegal immigrants to other countries in the European Union.

♦ The production of drugs in the neighbouring Albania and the ties which have developed between the Albanian and Italian Mafia, organised crime in Latin America and Greek criminal organisations (Translator's note: part of this sentence seems to be missing). This co-operation is not confined to drugs, but also involves arms and cigarettes. The trade in cigarettes uses speedboats which cover southern Italy, western Greece and the coasts of Albania and Montenegro.

♦ The exploitation by members of the Russian mafia of the status of naturalised Greeks originating in the former Soviet Union who now have Greek identity documents which allow them to travel with relative ease to other EU countries and even apply to become established there as nationals of a Member State of the EU

The measures taken by the Greek authorities to resolve the problem have already improved the situation and have made a decisive contribution towards dealing with it more effectively.

J. Measures taken to combat organised crime

1.- With a raft of plans and co-ordinated measures, the Ministry of Public Order set out objectives for combating organised crime effectively. The objectives were pursued with perseverance, consistency and steadfastness, with the result that they were largely achieved during 1999, leading to a considerable fall in the rates of certain forms of criminal activity.

Particular importance was attached to the system of foot patrols which was set up in major cities, and in particular in the areas in which the police were facing an increase in problems. This measure was a powerful preventive deterrent which strengthened the citizens' feeling of security.

2.- A draft law submitted to Parliament and already approved set up a Supreme Command of the Greek Police and Regional Services with decisive responsibilities (Regional General Police Directorates). Provision has also been made for setting up, within the Ministry of Public Order, a Council for Co-ordination and Strategic Public Order, and for setting up, within the Supreme Command of the Greek Police, a Council for Staff Planning and Crisis Management. (The draft law has already been approved by Parliament, published in the Government Gazette and enacted as Law 2800/2000.)

3.- The Ministry of Public Order is promoting a draft law setting up an Institute for Anti-Crime Policy.

4.- In order to combat police corruption more effectively and give greater protection to the Greek police, as well as to improve the investigation and solution of crimes committed by police and punish those responsible, provision was made for the formation of an "Internal Affairs Service", operating in accordance with internal models, with increased operational powers.

Pursuant to Article 1 of the law in question, an independent special police service was set up within the Ministry of Public Order, directly responsible to the Chief of Staff of the Greek Police and entitled "Internal Affairs Directorate", with its seat in the prefecture of Attica.

The mandate of the Internal Affairs Service is to investigate, solve and punish, throughout Greece, the crimes committed by or involving police of all ranks and provided for by the Criminal Code and other special criminal laws.

5.- The following measures were taken to combat illegal immigration and cross-border criminality in general:

- ♦ Setting-up and operation of thirty border protection sections, with a total of 2 480 police and border guards and operating along the entire length of the land frontiers of Greece.
- ♦ Formation and operation of special teams to check persons and vehicles (roadblocks) in all the police directorates in border areas, and operation of similar teams in other police directorates.
- ♦ Regular or irregular operations at regional level to achieve the objective set out above.
- ♦ Signing of readmission agreements with Italy, France and Lithuania.

6.- Participation in an operation organised by the German customs under the title "Money Penny" to monitor the movement of capital and other securities at the internal and external frontiers of the European Union from 1.9.1999 to 29.2.2000, held under the FALCONE programme to combat organised crime.

7.- From April to October 1999 the Greek police authorities carried out planned operations to locate [both on land and from helicopters] and uproot illegally cultivated or wild crops of hemp.

During 1999, 46 198 illegally cultivated hemp plants were discovered, uprooted and destroyed in accordance with the law.

8.- In order to combat open-air crime and strengthen the citizens' feeling of security, teams were set up to prevent and suppress crime in all the police directorates in the country. These teams were particularly active in appearing at indeterminate times at any time of day or night at all points in their area.

9.- An amendment submitted to the Greek Parliament by the Greek Ministry of Public Order on 18.3.99 set up the local Crime Prevention Councils (Article 16 of Law 2713/1999).

A Ministerial Decision has already set up, within the Ministry of Public Order, a group to co-ordinate and facilitate the activity of the Crime Prevention Councils.

The principal mandate of this body, which is new for Greece, is to record and study crime at local level, and to enable local authorities to plan, organise, co-ordinate and implement initiatives likely to prevent or limit certain forms of crime.

10.- Close co-operation with universities through:

- ♦ Participation of professors of criminology in drafting the annual report on the state of organised crime in Greece. This co-operation marks a further step in the efforts being undertaken by our Ministry to open up to society.
- ♦ Participation of university professors, together with senior police officers, in a working party on improving the quality of courses in the training establishments of the Greek police.

11. Participation of Greece in the Southeast European Co-operative Initiative (SECI) to combat cross-border crime in south-eastern Europe. As part of this initiative, Greece has already sent a police liaison officer to Bucharest, where this initiative is based. The co-operation agreement has been signed by Greece and is expected to be approved by the Greek Parliament shortly.

- ♦ 12.- Organisation in 1999 of the following series of workshops, co-financed by the European Commission under the OISIN, FALCONE and ODYSSEUS programmes:

13.- Law 2734/1999 set up a special category of personnel, the "Special Guards" whose sole mandate is to protect sensitive targets of interest to the police, public buildings and establishments, judicial authorities, social utility bodies, etc.

14.- In co-operation with the Ministry of Justice, a "Service for the external protection of detention establishments" was set up with a view to providing external protection for detention establishments, guarding hospitalised convicted criminals and suspects awaiting trial, and accompanying them to interrogations, court appearances, medical examinations, etc. This service takes over the relevant responsibilities currently assumed by the relevant services of the Greek police (Article 48 of Law 2721/1999).

15.- Decision 3002/10/73-xd of 13-12-1999 of the Minister for Public Order created, within the Ministry of Public Order, a central database and the national crime information system, which will be used to store data and information - initially from the security directorates and the police directorates in the prefectures - relating to criminal acts and their perpetrators.

This system will be accessible to all the police services, not just for the purpose of obtaining statistical data, but principally for processing the data, making a strategic and operational analysis of them and exploiting them.

This Decision provides for the purchase of modern computer equipment for the central and regional directorates of the Ministry of Public Order, for training of staff in crime analysis, and for the setting-up of crime analysis offices at both central and regional level.

16- Setting-up, within the Supreme Command, of the Firefighting Force of the Directorate for Combating Arson.

17.- As part of the co-operation and reciprocal administrative assistance between customs administrations, Greece has concluded the following bilateral agreements with a view to tackling organised crime:

- ◆ With Bulgaria (Law 2766/1999, Government Gazette 269/1999)
- ◆ With Yugoslavia (Law 1547/85, Government Gazette 94/1984).

The agreement with Yugoslavia applies to the Federal Republic of Yugoslavia, i.e. to Serbia and Montenegro. It also applies to Slovenia and Croatia. It does not apply to the FYROM.

- ◆ Albania (Law 2180/1997, Government Gazette 8/1994).
- ◆ Poland (Law 292/1978, Government Gazette 140/1979).
- ◆ Czechoslovakia (Law 2191/1994, Government Gazette 32/1994). It came into force on 1.12.95 for the Czech Republic only, in accordance with the provision of Article 14, and is still pending for Slovakia.
- ◆ Georgia (Law 2650/1998, Government Gazette 247/1998).
- ◆ Russian Federation (Law 2529/1997, Government Gazette 217/1997).
- ◆ USA (Law 2066/1992, Government Gazette 117/1992).

In implementation of Article 15 of the Vienna Convention of 1998, and of the vote of 20 July of the Economic and Social Council of the United Nations, the Directorate-General for Customs and Excise Duties decided to conclude memorandums of agreement as a means of collecting information for the purpose of combating drug trafficking. These memorandums are aimed at strengthening co-operation between customs and trade with a view to making a joint contribution to tackling trafficking in drugs and psychotropic substances, to the benefit of both parties and of society as a whole.

Specific remarks:

The programme of memorandums in Greece commenced in 1997 with the signing of the relevant memorandum with the Baltic International Maritime Conference (BIMCO). The second memorandum was signed in 1998 with the Association of Greek Chemical Industries and is aimed at preventing the diversion of precursor substances to the preparation of narcotics. The third memorandum was signed in 1999 with the courier service DHL.

18.- On 8.10.99, the Committee set up under Article 7 of Law 2331/1995 signed a memorandum of understanding with the Belgian Financial Intelligence Processing Unit (CTIF/CFI), with a view to promoting mutual co-operation in the investigation of cases of money laundering. Moreover, although the relevant agreements have not yet been signed, there is a very high level of co-operation with the corresponding financial intelligence units in the Republic of Cyprus, Italy, the United States of America and Germany.

I.- Methodological annex

The Public Security Directorate of the Ministry of Public Order was again responsible for co-ordinating the drafting of this report.

All the law enforcement authorities in Greece (the Greek police, the customs authorities, the Port Authority, the Economic Crime Suppression Force/SDOE, the Committee under Article 7 of Law 2331/1995 on money laundering, the Fire Service) were invited to contribute to the drafting of this report and the formulation of the final text, in the framework of multisectoral planning aimed at describing as well as possible the situation as regards organised crime.

The assessment again used the document ENFOPOL 35 Rev. 2 of the Council of the European Union. Classification of criminal behaviour in the category of organised crime was based on the eleven criteria agreed within the European Union.

8.8. Ireland

1 INTRODUCTION

Relative to other Member States, the Irish population (3.5 million people) remains relatively homogeneous in racial terms despite significant increases in the number of asylum seekers in recent years. Consequently, organised crime tends to be national in character. An insignificant number of organised criminals of non-Irish nationality reside in Ireland. 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 about 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 form the most significant element of Irish organised crime and almost all of them are based in the Dublin area. There were three fewer groups in 1999 when compared with the previous year. The reduction

was the outcome of the imprisonment of a number of significant criminals and the restructuring of some of the groups.

The second category involves groups whose activities are less significant than those described above. This category comprises groups, which are characterized by less cohesive group structures and criminal activities which are often confined within Ireland.

On average, organised crime groups contained six persons which is similar to those of previous years. Approximately 15% of the groups had just three members while one group had a membership of 18 persons. However, the membership of many of the less significant groups is quite fluid because of their relatively weak group structures and opportunistic approach to crime.

3. CRIMINAL ACTIVITIES OF SUSPECTS INVOLVED IN ORGANISED CRIME

As in previous years, drugs and armed robberies are the most frequent activities. For example, nine of the major groups are involved in drugs while six are involved in armed robberies. The importation of drugs is largely the preserve of the major groups.

A small number of groups based in Dublin and the North East, are involved in smuggling cigarettes. They work internationally and have close links with groups in various parts of the United Kingdom. As a result of cooperation between the Customs and Excise Investigation Bureau and their counterparts in other Member States more than 70 million cigarettes were seized in 1999.

One organised crime group was involved in prostitution. Apart from this group, prostitution operates largely outside the organised crime sector.

There has been a significant increase in the number of Nigerian nationals involved in fraud in recent years.

4 PLACES AND REGIONS OF ACTIVITY

In keeping with the previous year, approximately, 61% 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 26% of the groups.

Although 60% of all groups have contacts outside Ireland this characteristic features more frequently among Dublin groups. Approximately 58% of Dublin based groups maintain such contacts while 12% of those in Border Divisions and 19% of those in the remainder of the country do so.

5 RESOURCES

Eight 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. A small number of groups operate vehicle scrap yards. It is difficult to obtain objective information about profits.

6 USE OF VIOLENCE

Most of the major groups use violence as a sanction within and between groups and one death resulted from the use of such violence in 1999. No death occurred in the previous year while one occurred in 1997 and six occurred in 1996. About 20% of all

groups engage in violence within the groups while almost 30% use violence outside the groups.

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. MONEYLAUNDERING

Approximately half of the groups identified are involved in moneylaundering 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 1999 a total of 1,421 disclosures (suspicious transaction reports) were received from the designated bodies and this was an increase of 18% over the number of disclosures received in the previous year. The total value of the 1999 disclosures was in excess of 148 million Euro- a decrease of 7% over the previous year.

9. OUTLOOK

The emerging trends in other Member States relating to organised criminal networks based on illegal immigration have not arisen in Ireland despite the dramatic increase in the number of persons who sought asylum during 1999. Persons seeking asylum do not feature in the organised crime sector.

The measures adopted in recent 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 may well continue in the years ahead. The absence of a significant number of foreign nationals may 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

Since 1996 the development of the multi-agency approach has marked a turning point in the measures against organised crime in Ireland. The Criminal Assets Bureau (CAB) is a multi-agency organization consisting of members of An Garda Síochaná (National Police Force), Revenue Commissioners (Taxation, Customs & Excise) and the Department of Social Community and Family Affairs. It was established under legislation that provides for the freezing of such assets and their subsequent sale. The CAB has had considerable success in its role to deprive organised crime groups of assets which were the proceeds of their criminal activities.

The measures against organised crime were expanded in 1997 by the introduction of a Witness Security Programme. The Programme continued to play an important role in the efforts to combat organised crime throughout 1999.

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. 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, close liaison between the police and the computer industry has resulted in a reduction in the number of thefts in transit.

A range of measures is in place to prevent the importation of drugs. For example, Coastal Watch is a Garda initiative that was devised to assist in the development of intelligence. During 1999, the Customs National Drugs Team was responsible for the seizure of drugs at the point of importation with an approximate street value of 31million Euro and cash seizures amounted to almost one million Euro. The Customs National Drugs Team is also involved in the exchange of intelligence with the Criminal Assets Bureau.

Funding from the Oisín Programme was used to develop a project, which commenced in 1999, to target Irish nationals across the European Union who were involved in drugs trafficking and to promote best international practice in the measures to combat this type of crime. Organised by the Garda National Drugs Unit, the project resulted in exchanges of intelligence and involved personnel from Germany, Belgium, the Netherlands, Spain and Portugal. The project resulted in a significant number of drug seizures by the end of 1999.

8.9. Italy

Organized Crime Situation

Groups involved in Organized Crime and their Activities

Despite the leading role more and more played by ethnic criminal groups, organized crime in Italy is still characterized by the lasting presence (though on a smaller scale than in the past) of the traditional forms of organized crime of Mafia type (Mafia, Camorra, 'Ndrangheta, and Apulian crime). They are not only active in Southern Italy but also in the rest of the country with ramifications abroad.

The major results achieved, also in 1999, in the fight against organized crime of Mafia type still confirm its considerable dangerousness but make it possible to state that the basic goal of keeping it under control has been attained.

Even its presence at international level appears to be quantitatively significant but associates are less specialized than in the past.

In addition, a massive change has been recorded as to the composition of Mafia-type associations which, decimated by arrests, have resorted to the recruitment of young and common criminals and even to immigrants in order to compensate for losses.

The activities carried out by Mafia families can be subdivided into three main connected areas:

- Illicit activities linked to the control over the territory (extortions, usury, infiltration into public contracts and other sectors);
- Illegal trafficking (narcotics, weapons, toxic waste etc);
- Money laundering and reinvestment of crime proceeds.

Connections between traditional crime and emerging forms of crime – often of a violent nature as in the case of cigarette smuggling, a phenomenon on the increase in Apulia and in the whole Adriatic basin – are more and more noticeable.

As a matter of fact, even where it is not directly involved, Mafia-type crime is capable of attracting or affecting the interests of the different crime organizations active on the territory.

The Sicilian "Cosa Nostra", characterised by a pyramid-like traditional structure, continues to prove dangerous and does not show possible changes in its leadership, a fact confirmed by the appointment of "acting bosses" heading its territorial structures.

Despite the significance of some major trials, the Mafia strategy, characterised by a "low visibility" (division of groups into territory compartments; delegitimation of co-operating witnesses; intimidation of public administrators), remains unchanged, with the end of the "terrorist" phase, and aims at countering the attempts of other criminal groups, at the same time avoiding to turn State's evidence.

As regards criminal activities, besides the most sophisticated ones, such as money laundering and the involvement in public contracts, especially in relation to small and medium-sized enterprises providing goods and services, extortion still ranks first.

The Calabrian "Ndrangheta", availing itself of a well-established and tightly-meshed structure and characterized, since the early nineties, by a functional self-regulation mechanism and close connections at the top, is more and more active at national and international level, especially in areas such as trafficking in drugs and firearms as well as money laundering, along with an extensive control over the Calabrian territory (extortions, infiltration into public contracts, economy and public bodies).

The Campanian "Camorra", still lacking a pyramid-like structure, is harassed by conflicts between gangs in the province of Naples (where the so-called "Secondigliano Alliance" seems to have failed so far in its attempts to achieve supremacy), Caserta (where the cohesion of the "Casalesi" cartel has broken) and Salerno (where new gangs begin to emerge in the Nocera-Sarno area).

Besides the control over trafficking in narcotics and firearms along with cigarette smuggling, Camorra's infiltration attempts concern the execution of major public works.

Apulian organized crime by now not only consists of the traditional cartel of the "Nuova Sacra Corona Unita" (unevenly present in the provinces of Lecce, Brindisi and Taranto) but includes a large number of different groups (urban and rural gangs, smugglers). By exploiting the Adriatic route, it has enhanced its business relations with other Mafia-type as well as Albanian and Montenegrin organizations (from cigarette smuggling to trafficking in drugs and firearms and, recently, illegal immigration).

Ethnic criminal groups tend to increase their autonomy and to diversify their structure and are extending their criminal activities to more complex sectors requiring a certain integration on the territory such as illegal immigration and trafficking in narcotics and firearms.

The illegal immigration flow represents a large reservoir of rank-and-file members for ethnic organized crime.

In 1999 the already massive presence of Albanian criminal organizations became more and more significant in Italy, tending to gather into small autonomous groups. They represent a complex and structured network which has developed so as to gain control over more and more sophisticated illicit activities. Albanian criminal associations are characterized by a marked mobility all over the territory, but in some cities in Northern Italy they have reached a certain level of stability if not established their presence on the territory in connection with the exploitation of prostitution and drug dealing. Albanian criminals have by now business relations with the Camorra

and the Apulian organized crime as regards the control over trafficking in drugs and firearms as well as cigarette smuggling and illegal immigration.

Chinese ethnic criminal groups (mostly settled in some regions such as Latium, Lombardy and Tuscany) show a high degree of organization and combine the activities carried out to the detriment of their fellow-countrymen (extortions, kidnappings) with those aiming at smuggling Chinese nationals. This enables them to obtain human resources to be employed in "illegal work" also in relation to counterfeiting (clothing, leather goods etc). Other sectors of interest are drug trafficking and exploitation of prostitution.

Intelligence has confirmed the involvement of "Russian Mafia" (especially along the Romagnese Adriatic coast) and the investment in Italy of huge capital flows from the former Soviet Union. Other areas of interest concern illegal immigration, particularly of young women to be exploited as prostitutes.

Nigerian criminal organizations, too, are active in Italy, especially in those regions where this ethnic group is more present such as in Campania but also affect cities in Central and Northern Italy. They resort, inter alia, to magic-religious rites to increase intimidation and maintain tacit complicity and discipline within the group.

Their activities range from drug trafficking (often resorting to "couriers" coming from other African countries) to the exploitation of prostitution, offences against property and frauds.

Groups of Maghrebians, especially Moroccans, can be found in cities; they are, in particular, involved in drug dealing but also in offences against property and trafficking in stolen vehicles intended for Morocco.

Rumanian organized crime, dealing above all with crimes against property, but also with illegal immigration, procuring and drug trafficking. Shows an upward trend.

Though not directly present in Italy, Montenegrin organized crime has a significant impact on the Italian criminal situation, ensuring inflows of smuggled tobacco, illegal immigrants and narcotics crossing the Adriatic Sea.

The importance of foreign organized crime is based not only on the high percentage of reports and arrests of non-Italian nationals as well as on the increase in the number of prisoners, but also on the fact that aliens are more and more involved in criminal conspiracy, sometimes even of Mafia-type.

Use of Violence

The Sicilian Mafia, the Camorra, the 'Ndrangheta and Apulian criminals resort to violence both inside and outside the underworld.

Generally speaking, there is a downward trend in conflicts within Italian organized crime, even though tensions between the various criminal groups still exist, especially in certain areas where the balance has not been redressed yet.

The use of violence is more and more frequent among ethnic criminal groups, namely Albanians, Nigerians and Maghrebians, in conflict among themselves to gain the control over those illicit activities mainly linked to narcotics and prostitution. In this context, several murders have been committed, especially of subjects of Albanian and North African origin.

Use of Influence

Traditionally, Mafia-type criminals resort to intimidation and infiltration in order to influence institutions and the economic power. Intimidation is used to the detriment of

the representatives of public institutions, local authorities, entrepreneurs and sometimes priests, educators or journalists who have committed themselves against Mafia-type crime.

Money Laundering

Criminal organizations need laundering and reinvestment circuits for crime proceeds.

As a matter of fact, the pressure exercised on their economic resources by seizing and confiscating their assets resulted in the most complex groups looking for new activities and geographic areas (less subject to control), in order to place and administer their money.

Italian organized crime appears to invest huge financial resources in loan-sharking activities, directly run by traditional usurers. Usury, often combined with racketeering practices, offers criminal organizations the opportunity of infiltrating into the legal economic circuit and of taking over new companies, thereby laying the foundations for new money laundering and reinvestment operations.

Chinese criminals can easily launder their money within the extensive network of commercial activities and small-size industries managed by the same community especially in Tuscany and Northern Italy.

Italy is becoming an important area for Russian Mafia to reinvest huge amounts of dirty money. This phenomenon is particularly apparent along the coasts of Versilia, Marches and Romagna.

Nigerians invest their illicit profits in business activities such as African markets, beauty parlours, restaurants and other meeting-places for Nigerian nationals.

Measures aiming at countering Organized Crime

The great attention devoted to fighting organized crime in Italy is proved both by the updating and improvement of legislation and by the positive results achieved by law enforcement agencies against major criminal organizations.

The present strategic approach to the fight against organized crime in Italy provides for the following measures:

- Resorting to criminal conspiracy as a pattern of crime to be applied to groups of criminals;
- search for fugitives;
- attack on assets deriving from the perpetration of crimes;
- fight against money laundering;
- attack on illicit traffic and markets (drugs, weapons, waste, motor vehicles);
- combating international networks of illegal immigration;
- identifying new sectors of emerging criminal interest (high-tech crime and illicit activities through the Internet, money laundering and economic crime, illegal immigration, environmental crime, counterfeiting, computer and audio-visual piracy and the like);
- reinforcement of international co-operation at bilateral and regional level;
- improvement of infrastructures and control over the territory in areas strongly affected by crime, also in view of the economic development;

- safeguarding administrative transparency and preventing infiltrations into the economy, especially as regards public contracts;
- encouraging victims and criminals to co-operate with judicial authorities;
- providing different prison conditions for the most dangerous criminals.

8.10. 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.

It is important to point out that one has to be careful with extrapolations, this for the simple reason that a criminal phenomena may quickly attain a national dimension whereas the same case could only be a regional problem in a much bigger country and wouldn't even be mentioned in the national report.

Suspects involved in organized crime

In 1999, it was not possible to identify one particular group of nationals which was more frequently involved in criminal activities than others, with perhaps the exception of citizens from Romania who were over represented in relation to their normal distribution.

As far as geographic regions are concerned, it is a fact that the border regions of our neighboring countries are over represented which can be explained by the specific geographical situation of Luxembourg. Nevertheless it has to be considered that although the cases fulfil the criteria of the E.U. definition applied in the field of the present report, the groups did not present the level of organization generally attributed to classical organized crime.

For Belgium, Charleroi and Brussels were the regions mainly concerned by organized crime investigations. Citizens from the former Yugoslavian Republic involved in organized crime investigations had their origin in Montenegro and Kosovo in most of the cases.

Criminal activities of organized crime groups

The principal activities into which judicial investigations were conducted in 1999 were, money laundering, hit and run raids, fraud, counterfeiting, trafficking in human beings, armed robbery and vehicle theft.

Most of the investigations showed that criminal behavior is rarely limited to one particular field of activity.

As last year, industrial counterfeiting and unallowed trademark copying revealed to be an area of interest and the investigations showed that the persons involved were well known for having committed already similar offenses in the past.

In the general context of fraud it is very difficult to evaluate if offenses are committed by organized crime groups or by individuals. In 1999 two important VAT fraud investigations were carried out which showed that the offense was facilitated by existing legislative gaps in third countries.

Like the previous years, trafficking in human beings investigations turned around the Balkan region conflicts. Although there were indications that criminal organizations

were partly responsible for the transfer of the refugees, it has to be admitted that the investigative successes to prove this statement were rather limited in 1999.

In the area of car trafficking one important investigation concerning cars stolen in Luxembourg by using the "home-jacking" modus operandi and which were sold in Portugal was concluded.

As far as international drug trafficking and procuring is concerned, no investigations were carried out in 1999.

Places and regions of activity

All elucidated organized burglary cases showed that the responsible groups were based in other member states. As last year Brussels played a particular role in this context.

This was the only activity where it was possible to point out one particular region of activity.

VAT fraud showed that European Union member states from the north and the south are affected in the same way by this problem. On the other hand, it turned out that eastern European non-member state countries were involved in both of the investigations carried out in 1999.

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 organized crime with sufficient scientific value, we prefer not to supply estimation. Nevertheless we can confirm that profits are high as in one single case it was estimated at several billion USD.

Use of violence

In 1999 information regarding the use of violence were less concrete than the year before. In the context of a rogatory letter from Russia however, information about severe violence carried out in Russia against members of the criminal organization and investigators was reported.

Use of influence

There was no information available that points undoubtedly toward the use of influence by organized 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 carried out in 1999 didn't change from 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.

The number of judicial examinations, following the preliminary investigations in the cases where those gave rise to the suspicion that evidence for money laundering was given, remained stable too.

The number of requests to Luxembourg for information made by foreign FIU's decreased for the first time since 1996. On the other hand, information asked by Luxembourg reached a maximum in 1999.

The number of international (rogatory letter) seizures in Luxembourg increased since 1994 and reached a new maximum in 1999 (50 cases) as well.

Nevertheless, it has to be pointed out that these seizures were operated in only 29 (different) investigations from which only 72% had their origin in EU member states.

This relatively low number of passive rogatory letters is surprising, especially in relation to the subjective image sometimes attached to the Luxembourg financial center.

8.11. The Netherlands

The Dutch situation report on organised crime in 1999 is based on investigations into organised crime from the Dutch regional police forces, six organised crime squads, the National Crime Squad, the Synthetic Drugs Unit, the Immigrant Smuggling Unit, the Royal Netherlands Military Constabulary and special investigation services like the Fiscal Information and Investigation Service, the Economic Investigation Service and the General Inspectorate. In total, 118 investigations qualified - matching with the eleven EU criteria for organised crime - for the inventory, 66 of which were still ongoing, 45 completed and seven prematurely discontinued. Using a comprehensive checklist, data on these investigations were gathered. The data from investigations were supplemented by information from scientific literature, (strategic) analysis reports and other open sources.

The (principal, subsidiary and supporting) activities that occur most often in the 118 investigations are hard drugs trafficking (mentioned in 66 investigations), soft drugs trafficking (51), money laundering (51), fraud (41), falsification (15), trafficking in illegal firearms (13) and immigrant smuggling (12). The investigations involve, as far as our information goes, 593 principal suspects en 1019 other suspects. The majority of the principal suspects are of Dutch nationality (300 principal suspects are Dutch). Most principal suspects of foreign nationality are Turkish (31), Moroccan (19), Surinamese (17), Colombian (16), Iranian (16), British (12) or Chinese (9).

Criminal activities

Drugs trafficking

The fight against narcotic drugs trafficking is the largest working area for law enforcement agencies in the Netherlands where organised crime is concerned. In a large majority of the 118 investigations in the 1999 inventory the smuggling of and/or trade in hard and/or soft drugs is an activity (or one of the activities) of the criminal association. Many criminal groups do not limit themselves to one particular drug, but are involved in trafficking in many kinds of hard and soft drugs.

Cocaine: Trafficking in cocaine is mentioned in a majority of the 'hard drug cases'. In 41 investigations activities with respect to this hard drug are mentioned, often as one of the principal activities of the criminal group in question. The majority of the principal

suspects in these groups have Dutch nationality. Other nationalities coincide with the country of origin of the cocaine (mostly Colombia) or the destination countries of this hard drug (in particular West European countries like the United Kingdom, Germany or Belgium).

Synthetic drugs: In the investigations trafficking in various forms of synthetic drugs is also mentioned often. In most of these cases the activities concern ecstasy-like substances (MDMA in seventeen investigations and other ecstasy-like substances in twelve investigations). In fewer cases activities with respect to amphetamine or other forms of synthetic drugs are mentioned.

The Netherlands functions as an important producer country of these forms of hard drugs. In most investigations concerning trafficking in synthetic drugs the Netherlands is mentioned as a source country. The synthetic drugs are mostly destined for surrounding West European countries and to a lesser extent countries outside Europe (United States, Canada, Australia, Israel, Republic of South Africa).

Heroin: The number of investigations in which trafficking in heroin is mentioned is smaller than the number of investigations in which cocaine or synthetic drugs trafficking are mentioned. The Netherlands is mainly used for the export and transit of heroin. In general the suspects are Turkish nationals or suspects of other nationalities but of Turkish origin. Turkey is also the most important source country of this hard drug. Part of the smuggled heroin is destined for the local Dutch market (street-corner trade), the other part is exported or sold via wholesale trade and is destined for markets in surrounding countries (mainly the United Kingdom, Germany and Belgium).

Cannabis products: The largest part of the 'soft drug cases' involve hashish trafficking. Activities with this kind of soft drugs are mentioned in 37 investigations, often as one of the principal activities of the criminal groups. In many cases these groups combine hashish trafficking with the smuggling of and trade in cocaine. They often are engaged in the entire 'criminal process', i.e. they are involved in the smuggling process (from import, transit to export) as well as the traffic in the drugs in question (wholesale, distributive and/or street-corner trade). The most important source country for hashish is Morocco.

Activities involving marijuana are mentioned in fewer investigations (18 in total).

Immigrant smuggling

Immigrant smuggling is mentioned in twelve investigations. The nationalities of both victims (or 'clients') and suspects are the same in a number of investigations. 'Source countries' in these cases are Afghanistan, Iran and Iraq. In some cases Turkey is mentioned as a transit country. In these investigations the principal suspects are often Turkish. The destinations mentioned in the investigations are the Netherlands, Germany and the United Kingdom and - in some cases - the USA, Canada or Japan.

Trafficking in human beings

Trafficking in human beings is inextricably connected to prostitution. In seven investigations trafficking in human beings is mentioned as a criminal activity. Female victims are rounded up in Africa (Nigeria), Eastern Europe (Ukraine, Poland, Belarus, Slovakia and the Russian Federation) or South-America (Brasil). In some cases the victims are not only women, but children as well. Mostly African criminal groups use the asylum procedure in the Netherlands to entice especially young girls, the so-called 'unaccompanied minor asylum-seekers', to the Netherlands.

In the inventory activities with respect to trafficking in women and children are often combined with activities in other fields: drugs trafficking, immigrant smuggling, trafficking in illegal firearms, motor vehicle crime and/or extortion.

Trafficking in illegal firearms

In thirteen investigations the criminal groups are involved in trafficking in illegal firearms. In all these cases the trafficking in illegal firearms coincides with the smuggling of and/or traffic in drugs.

In these investigations the criminal groups often use violence as a negative sanction; sometimes they use firearms or other arms.

Motor vehicle crime

In fifteen of the investigations, the criminal groups are active in the field of motor vehicle crime. In eight of these cases this is the principal activity of the criminal group. The groups involved in motor vehicle crime are often also engaged in a variety of other crimes, such as drugs and/or firearms trafficking, immigrant smuggling and trafficking in human beings.

A number of the stolen vehicles are not sold by the criminal groups but used for other criminal activities (e.g. 'getaway cars', transportation of smuggled goods, etc.).

Smuggling

In eight investigations smuggling is mentioned as a criminal activity of the group in question. Usually smuggling entails the smuggling of cigarettes, alcohol, illegal fireworks, computer parts, gold and jewellery. Smuggling is found in investigations where the criminal group is engaged in a number of different criminal activities.

Fraud

In 41 investigations fraud is mentioned as a criminal activity. The most common fraudulent offences are also the most 'classic' ones: forgery and swindling. A large part of the reported fraud schemes involve forms of tax fraud: fraud concerning wages and salaries tax, company tax and value-added tax and excises duties. The latter form is usually one of the principal activities of the criminal group. Fraud schemes concerning legal entities and social security fraud are mostly subsidiary activities. Almost 70% of the principal suspects in the investigations where fraud is mentioned as a criminal activity has Dutch nationality.

Money laundering

Money laundering activities are found in 51 investigations. Money is mainly laundered through currency exchange transactions, money transfers, real estate merry-go-rounds, smurfing and underground banking. Two out of every three suspects involved in money laundering are Dutch.

In 1999 more than 21,000 money transfers and almost 24,000 other cases are reported as 'unusual'. Of these transactions, almost 11,000 are reported to the police as being suspect.

Falsification

Activities concerning falsification are mentioned in 33 investigations. Forgeries are mainly supportive to other principal or subsidiary activities. Falsified identity documents or residence permits are nearly always found in investigations where immigrant smuggling or trafficking in human beings is involved.

Environmental crime

In six investigations environmental crime is found as an activity of the criminal group.

Extortion

In nine investigations the criminal activity extortion is found. The criminal groups that are involved in extortion are also engaged in other criminal activities, predominantly drugs trafficking.

Structure of criminal groups

The majority of the criminal groups in the investigations have one or two leaders and a clear division of tasks. Three out of every four criminal groups are organised horizontally. In other words, there are direct contacts between those in charge (the leaders) and their subordinates.

In 32 of the 118 investigations in the inventory the country of origin of the principal suspects remains unknown. In seven investigations there is only one principal suspect. In 23 of the 79 remaining investigations the principal suspects are all Dutch. These homogeneous Dutch groups often are active in drugs trafficking, money laundering, fraud and/or forgery. In thirteen investigations the countries of origin of all suspects are foreign. The principal activities of these criminal groups are drugs trafficking, immigrant smuggling or trafficking in human beings. In 34 investigations Dutch principal suspects co-operate with foreign principal suspects. This kind of heterogeneous association is most often found in relation to drugs trafficking and fraud.

Businesses and legal entities

In the 118 investigations, 159 times a industry or trade is mentioned in which criminal groups operate. In the Netherlands these are particularly car dealers and garages (25), the hotel and catering trade (24), import and export trade (20) and transport industry (14). Outside the Netherlands these are mainly import and export companies (14), transport firms (12) and financial institutions (11).

In the 1999 inventory, 179 legal entities are reported to have been used for illegal purposes. In the Netherlands, the ones that were mentioned most are Dutch private limited companies and one-man businesses.

Application of sanctions

In almost half of the investigations negative sanctions against members of the criminal group are mentioned. The forms these sanctions take range from fines and forced repatriation of group members to intimidation, kidnapping/hostage taking and violence (either psychological or physical). In thirty investigations sanctions against members outside the criminal group are mentioned. In most cases this takes the form of intimidation or (the threat) of intimidation.

Criminal groups not only have the power to punish when group members overstep the mark, but can also reward members when they perform well. In 41 investigations the criminal groups arranged for a lawyer to assist arrested members, or they provided for the relatives of members who had been arrested (mentioned in 23 investigations). Other positive sanctions that are mentioned frequently are a share in the profit or some other financial reward.

Shielding and corruptive contacts

In quite a number of investigations the criminal groups shield their activities from discovery by law enforcement agencies. The 'cover up' techniques mentioned most often in the inventory are the limited exchange of information between group members (in 41 investigations), using code language (62), using communication means that are difficult to tap such mobile or radio phones (46) and countersurveillance (25).

The few investigations in which corruptive contacts are mentioned, mainly concern contacts with businesses both in and outside the Netherlands, law enforcement agencies (police and customs) and professionals such as lawyers, accountants and notaries. The most important reason for criminal groups to engage in corruptive contacts is to acquire useful information, often to prevent discovery of offences.

Results of investigations

In the 118 investigations 374 principal suspects have been arrested.

The total estimated value of real estate seized in the investigations (mainly houses and hotels) is 13,800,000. Furthermore, a varied collection of movable property was seized, with a total estimated value of 95,850,000.

The starting point for this inventory are investigations into organised crime. On the basis of these investigations it is not possible to say much about trends or developments in the field of organised crime in the Netherlands. However, some short remarks can be made:

- The combat against synthetic drugs especially by the USD (Synthetic Drugs Unit) has shown some results in 1999. The number of investigations that mentioned trafficking in synthetic drugs rose while a significant number of laboratories was dismantled this year.

- The criminal groups that are engaged in drugs trafficking often do not restrict their activities solely to the Dutch market. An important part is exported to surrounding countries such as Belgium, the United Kingdom and Germany. Although Western Europe as a whole serves as a large market for many criminal groups, this seems to apply to an even greater extent to these four countries: the Netherlands, Belgium, Germany and United Kingdom form a single large market for criminal groups to sell their illegal goods on (at least in the investigations in the inventory).

- Most of the criminal groups mentioned in this report are engaged in more than one principal activity. This certainly counts for criminal groups involved in motor vehicle crime. A number of the stolen vehicles is not sold but used to commit other crimes. With regard to motor vehicle crime car dealers and garages play an important role.

8.12. Portugal

There was a significant increase in organised crime in Portugal in 1999.

This escalation was marked in the areas of economic, financial and micro-financial crime and violent crime, and accompanied by an increase in the number of cases investigated and results obtained. With regard to other crimes, there has likewise been a noticeable proliferation of crimes against property, trafficking in cars, and forgery, trafficking and misuse of official documents perpetrated by organised crime.

In this context, drug trafficking is perhaps the one exception, given the relative stability of organised crime in this area and because of the significant results achieved by the police in 1999.

A. ECONOMIC AND FINANCIAL CRIME

The police authorities dismantled 35 organised gangs and uncovered another five, involved in the counterfeiting of currency, counterfeiting and forgery of certificates and credit cards, fraud relating to the granting and embezzlement of EU subsidies, international fraud and money laundering, smuggling of tobacco and ivory, telecommunications fraud and major scams. Ninety-one persons were detained, the majority Portuguese, but also nationals of Belgium, Spain, Finland, France, Holland and the United Kingdom; Moldova and Russia; Angola, Guinea Bissau, Republic of South Africa and Senegal; Brazil, Canada; Bangladesh, India and Pakistan. The various types of economic and financial crime total profits estimated at EUR 21.34 million.

B. VIOLENT CRIME

Eleven organised gangs were dismantled and 56 national of Portugal (39), Italian (8), Moldova (3), Angola (3), São Tomé e Príncipe (2) and the People's Republic of China (1) were arrested. They committed crimes such as attempted murder, abduction, unlawful imprisonment, trafficking in human beings, rape, robbery, extortion, serious offences against physical integrity, forgery of documents, aiding and abetting illegal immigration, theft from homes and business, use and transformation of stolen vehicles, theft from vehicles, handling of stolen property and the use of illegal firearms. The gangs committed crimes in Portugal and Spain; their victims were subjected to violence and profits estimated at around EUR 1 million were generated.

C. OTHER CRIMES AGAINST PROPERTY

These cases related to eight organised gangs, comprising 82 persons, which led to the arrest of 44 persons from Portugal (42), Albania (1) and Brazil (1). They committed crimes such as theft, handling of stolen property and crimes against physical integrity. Established in Portugal, the gangs also operated in Spain, Germany, Belgium, France, Italy and the United Kingdom, generating proceeds estimated at EUR 1.9 million.

D. DRUG TRAFFICKING

One hundred and three persons were arrested for complicity in organised drug trafficking; they comprised nationals of Portugal (59), Spain (7), France (2), Italy (2), Germany (1) and Holland (1); Cape Verde (11), Ivory Coast (5), Angola (3), Benin (1), Guinea-Bissau (1), Guinea-Conakry (1), Morocco (1) and Tunisia (1); Equador (2), Bahamas (1), Colombia (1) and Venezuela (1); Afghanistan (1) and Turkey (1). Of the 325 suspects from 26 countries, 198 were of Portuguese nationality. The drug trafficking passed via Germany, Spain, France, Italy and Holland; Equador, Colombia and Venezuela; Morocco, Turkey and Bahamas. The police seized EUR 321 000 in

cash. As regards drugs, 76.5 Kgs of heroine; 822.5 Kgs of cocaine; 10.6 tonnes of hashish; 65.7 Kgs. of marijuana; 0.62 Kgs of grass and 31 319 units of ecstasy were seized. The investigation revealed the use of 35 lawfully established businesses for the import and distribution of drugs. As regards money laundering, there were 166 suspicious transactions, involving amounts estimated at EUR 138.5 million. The 46 investigations led to the arrest of six Portuguese nationals and to the seizure of valuables worth EUR 9 millions. The money laundering transactions took place in various EU Member States, in Eastern European countries and (offshore) free trade zones.

E. TRAFFICKING IN CARS

In 1999, Portugal continued to constitute both a country of origin and destination for trafficking in cars. Eight organised networks were uncovered, as were 96 suspects of five nationalities. The investigations led to the arrest of 23 nationals of Portugal (12), Italy (5), Angola (4), Belgium (1) and Turkey (1). The gangs were responsible for robbery, theft and transformation of vehicles, theft and forgery of documents and credit certificates and also various scams. One hundred and forty-seven cars were seized, generally stolen in Italy and also in Portugal, Belgium, Spain, France and Luxembourg. Large quantities of such vehicles transit through Portugal en route for other countries – primarily Angola, Guinea-Bissau and Cape Verde – via ports in Belgium, Spain and the Netherlands. They include vehicles obtained through fraud, theft and/or robbery. The large number of cars originating in Italy and the constant presence of Italians in Portugal confirm suspicions of links between these networks and criminal organisations in that EU Member State.

F. FORGERY, TRAFFICKING AND USE OF OFFICIAL DOCUMENTS

Four organised networks were uncovered and 11 persons arrested from Portugal (9), India (1) and Pakistan (1). They were involved in forgery (of driving licences, passports and identity cards) theft, robbery and fraud in obtaining documents and corruption. The criminal activities took place in Portugal and probably in Belgium and the United Kingdom, generating profits estimated at EUR 225 000.

8.13. Spain

SITUATION OF THE ORGANIZED CRIME.-

At 31st December 1999, according to the sources of police information, 94 criminal organized groups operated in Spain.

GENERAL BALANCE (*)	1998	1999	DIFFERENCE
Known groups	342	329	- 3,80%
Organized groups	273	209	- 23,44%
New groups detected	169	126	- 25,4%
Dismantled groups	90	115	27,77%
Active groups	183	94	- 48,63%

(*) No accurate correspondence because of different classification of groups.

ANALYSIS OF SITUATION

From the analysis of the 209 groups detected during 1999, it is deduced that:

1.- PERSONS SUSPECTED OF PARTICIPATING IN THE ORGANIZED CRIME.

1.1.- NUMBER OF MEMBERS.-

The total number of suspected persons investigated as presumed members of the 209 groups was 6.623 (5.418 men and 1.205 women), what means an average of 31,6 members per group.

1.2.- NATIONALITIES.-

The groups studied were composed by:

Spanish, exclusively	26 = 12.44%
Foreigners, exclusively	31 = 14.83%
Spanish and Foreigners	152 = 72.72%

The maximum exponents regarding the national origin of the majority of the groups, were United Kingdom with 5 groups, as Member State of the E.U., and, outside it, the Colombians with 7 groups.

1.3.- CO-OPERATION AMONG GROUPS.-

The co-operation or interconnection with other groups raised to a total of 43 (20,57%), and this represents a decrease of 26,17 percentage points, compared to the previous year. It is detected a tendency to the isolation or criminal self-sufficiency of the organized groups.

2.- CRIMINAL ACTIVITIES

The traffic of drugs was still the major activity in 1999 (38,54%).

The laundering of capitals has been the second activity more practised by the criminal organizations, going to 22,90%.

The forgeries (6,14%), and the illegal immigration (4,46%), following, in significance, to the criminal activities imputed..

The variations more significative within the practised activities have taken place in the laundering of capitals and illicit traffic of vehicles, with an increase of 18,9 and 2,1 percentage points, respectively. The highest decreases took place in the traffic of drugs (-20,46) and in the crimes against the persons (-1,27).

3.- PLACES AND REGIONS OF ACTIVITY.

From the analysis of the investigated criminal groups, the following conclusions are deduced, regarding the role that some territories play in relation to the organized crime:

⇒ SPAIN: Transit of cocaine from Colombia towards Europe; of hashish from Morocco; place of establishment of delinquents from countries of Eastern Europe (mainly, Russia), with investments in real estate and secondary industry sectors.

- ⇒ GERMANY: Headquarters of the Yugoslavian Groups involved in robberies in Spain and of some Turkish Groups of Heroine Traffic; transit of stolen vehicles towards Eastern Countries.
- ⇒ AUSTRIA: Transit of stolen vehicles towards Eastern Countries.
- ⇒ FRANCE: Headquarters of some French Groups involved in hold-ups in Spain; place of transit of hashish towards Central Europe and of synthetics towards Spain.
- ⇒ UNITED KINGDOM: In general, it can be said that United Kingdom and its colony in Gibraltar, serve as operations base of the groups practising the smuggling and the drugs traffic; establishment of groups practising the laundering of funds; area of constitution of "shell" mercantile societies of laundering and "tax heaven", as well as receiving of bank accounts of funds with dubious origins.
- ⇒ HOLLAND: Area of procedence of synthetic drugs and transit of cocaine and heroine.
- ⇒ ITALY: Headquarters of some groups involved in robberies with violence in Spain.
- ⇒ PORTUGAL: Transit of cocaine from Brazil, controlled by Colombian and Spanish groups; transit of tobacco towards Spain and the rest of the European Union; establishment of groups of money counterfeiting.
- ⇒ COLOMBIA: Production and distribution of cocaine and, lately, of heroine as well; reception of funds which come from the drugs traffic and final destination of jewels and goods obtained in hold-ups.
- ⇒ MOROCCO: The retail production and distribution of hashish (the large-scale distribution is in the hands of European groups); organizations of illegal immigration; final destination and of transit of stolen vehicles.
- ⇒ TURKEY: Head of organizations of traffic of heroine produced in the country and imported from Iran.
- ⇒ RUSSIA: Point of destination of stolen vehicles; origin of capitals with a dubious source (laundering) which come into Spain (usually, via U.S.A. and Germany); area of origin of illegal immigration.

4.- ECONOMICAL RESOURCES OF THE ORGANIZED CRIME.

It is estimated that the criminal groups which have used business structures, reached 28.75% of the detected ones during 1999.

With regard to the economical potential, it has been estimated about 25,861,551 Euro of average revenues, for each organized group.

5.- USE OF THE VIOLENCE

From the researches carried out, it is deduced that 20% of the groups practised some kind of violence or intimidation, with a total result of 4 mortal casualties (5 less than in 1998), being used in 17 of the groups in an intragroup way, 13 in an intergroup way and 12, practised it in an extragroup, upon persons who had nothing to do with the criminal world and on the occasion of the perpetration of violent crimes. The groups which more used the violence, were those in which Colombian criminals were involved.

6.- TRAFFIC OF INFLUENCES.

During 1999, 20 groups carried out or attempted to practise illicit business activities (in the public sector as well as in the private one), being detected 29 cases of corruption or bribery in Spain and 15 abroad. Being the groups involved in the laundering of capitals those which were more related to the attempting or perpetration of corrupt actions.

7.- LAUNDERING OF CAPITALS.

The number of groups which included among their practises the laundering of capitals, was 82, from which 5 carried out it in an exclusive way and other 77 practised it being connected or associated to other activities, mainly, the drugs traffic.

Members from 55 countries composed the groups involved in these practises, most of them being Colombian and Moroccan, as citizens from outside the E.U., and Frenchs and Italians inside it.

The used systems were, mainly:

- ◆ Acquisition of goods (personal property and real estate) undervaluing the price declared.
- ◆ Sale of goods or services overestimating the market price.
- ◆ Use of companies declaring, from these ones, the revenues obtained with the criminal activity.

As general data, about investigations related to the system of prevention of laundering, to the information reported by the Executive Service of the Commission for the Prevention of Laundering of Capitals (SEPBLAC), F.I.U. in Spain, and to the analysis carried out by the Unit assigned to this Service, the following data are submitted:

Communications for suspicious operations	1.235	
Amount investigated operations	204.498.313.195 pta.	1.229.059.615 Euro
Individuals investigated	2.920	
Legal persons investigated	465	
Cases of illicit activity detected	688	
Cases with criminal indicators	579	

CONCLUSIONS

As general conclusion, we point out that, regarding the characteristics of the situation and tendencies of the organized crime in Spain, and despite the larger effectiveness of the police action and of the Criminal Law System in their fight against the organized crime, it is noted the actual threat which it represents the average of 200

criminal groups that, yearly, operate in Spain; established, mainly, in the capital city and along the Mediterranean coast; characterised by an increasing degree of organisational complexity in their structures and hierarchies, with a clear component of multinationality in their members and trans-nationality in their operations: most of them involved in the illicit traffic of drugs and laundering of capitals, with an increasing and significant economical potential; self-sufficient; progressively modernized from a technical point of view; not extremely violent and with a very limited capacity of entering the institutional and social structures, and among which it is noted the presence, along with the Spanish criminals, of Moroccan, Colombian, Italian, French, English, Dutchs and Turkish citizens, being also significant the existence of Russians and citizens from the rest of countries of Eastern Europe, mainly, Yugoslavians and Albanians/Kosovars.

ADOPTED MEASURES AND RESULTS

As a consequence of the strengthening of the efforts of the fight against, the following results are reported:

- ♦ In general terms, to note the approval of the "National Strategy on Drugs" for the period 2000/2008, in which the areas and fields of operation in this matter are specified, among which it can be noted all that is related to the prevention and fight against the effects and illicit traffic of drugs.
- ♦ At an organisational level, during 1999, it has been still implemented the deployment of the Drugs and Organized Crime Units (UDYCO) of the National Police, as well as the Organized Crime and Drugs Teams (E.D.O.A.) of the Civil Guard, and the Customs Surveillance Service has put into operation the Research Units on Illicit Traffic via Internet.
- ♦ At the strategic level, the Law Enforcement Agencies and the Administrative Services have achieved the total integration of the data related to the organized crime.
- ♦ With regard to specific projects of police action, it is still practised the fight against the Russian organised crime, by means of the "OCAPE operation". The culmination of the "BALCANS II Operation", from which excellent results follow due to the enlightenment of a large number of crimes against the patrimony, recovering stolen goods and arresting the criminals. As material results, during 1999, the following groups were dismantled:

LEVEL	DISMANTLED 1999
HIGH	22
MEDIUM	39
LOW	54
TOTAL	115

- ♦ As a consequence of the police action against the illicit traffic of drugs, as the main criminal activity of the organized crime, the following results were achieved:

	1998	1999	DIFFE RENCE
Total arrested persons	13.967	13.430	- 3,84%
Total confiscation	82.421	91.641	11,18%
Heroin confiscated	418 kilos	1.154 kilos	176,00 %
Cocaine confiscated	11,688 kilos	18.111 kilos	55,00%
Hashish confiscated	428,23 6 kilos	431.165 kilos	0,68%
MDMA confiscated	194,59 7 drops	357.649 drops	83,85%
Speed confiscated	177 kilos	49,5 kilos	- 72,00%
Other Psychotropics confiscated	99.138 units	262.934 units	165,22 %

♦ Finally, with regard to the legislative measures, it is noted the modification of the Procedural Criminal Law in order to develop the fact of "controlled delivery", extending its area of implementation to the money and to the goods which come from crimes considered as organized crime and regulating the action of the "undercover agent" as an instrument for the fight against the organized crime.

8.14. Sweden

The National Criminal Investigation Department is responsible for, on behalf of the Swedish government, the elaboration of an annual European Union Report on Organised Crime that is classified as secret. Each Member State submits a report and these reports constitute the basis of a joint review of how the European Union is affected by organised crime. This review is, inter alia, used as a basis of the aim and direction of the common measures of the Member States in combating organised crime.

Since 1998 also an open version of the report is submitted by Sweden to the European Union. This summary is also available to interested parties in Sweden and more copies can be ordered from the National Police Board or can be fetched from the National Police Board homepage on the Internet (www.police.se) or from the Customs Head Office homepage (www.tullverket.se).

The annual report has since several years been elaborated in close collaboration with the Customs Head Office. In 1999 the National Criminal Investigation Department has in collaboration with the police authorities, the Customs Head Office, the Economic Crimes Bureau and the Office of the Prosecutor-General started and carried out a methodology project aimed at the mapping of organised crime that operates within or against Sweden, "Organised crime in Sweden". One objective of the project is to create and develop methods that may constitute the basis of a national platform for the mapping and the assessment of organised crime and certain other serious crime. Another objective is to enhance and improve the quality and indicate conditions of operational and strategic relevance. The methods are to be elaborated so that the

result will be applicable for strategic purposes within concerned regional and national agencies in Sweden and on EU level. At a common conference at the end of 1999 the project presented an outline as regards a cross-agency structure and process for gathering, processing, analysis and communication. The proposed structure and process will gradually be implemented in the year of 2000.

Definition of organised crime

To make a common mapping possible, all EU Member States use the same criteria in order to define "organised crime".

Some of the criteria shall always be fulfilled: collaboration of more than two people, activities carried out during a certain period of time, and that the motive for the crime is determined by the pursuit of profit and/or power. In addition to this there are several criteria that can, but do not have to, characterise organised crime: using some form of discipline and control, operating on an international level, using violence or other means suitable for intimidation, or undue influence as regards media, the business sector, governmental agencies or the political sphere.

Activities of organised crime

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

- ☐ Drug offences (including the smuggling of anabolic substances and pharmaceutical preparations classified as narcotics)
- ☐ Traffic in alcohol and tobacco
- ☐ Fraud and other forms of financial crime
- ☐ 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
- ☐ Traffic in women (including prostitution)
- ☐ Extortion (in Sweden often classified under the heading of "unlawful threat")
- ☐ Forgery
- ☐ Money laundering¹²
- ☐ Murder
- ☐ Assault
- ☐ Illegal firearms trading

Several fields of crime – for instance sexual abuse of children and armed robbery – do not fulfil the criteria relating to organised crime established by the EU. Also this criminality, in spite of not being assessed as organised, may pose a serious threat against the individual and society, and is handled accordingly by the law enforcing authorities in Sweden.

¹² The concept of money laundering is not addressed in the Penal Code of the Swedish legislation but is, as regards legal proceedings, currently addressed as receiving according to indents 3 and 4 paragraph 6 of Article 9 of the Penal Code.

No great changes as regards organised crime activities have been noted in 1999 compared to 1998. The fields of crime that in 1998 were indicated as new – prostitution and private importation of cars to Sweden from other EU Member States – still exist in 1999. In Sweden, since 1 January 1999, purchase of sexual services or attempts to purchase sexual services is prohibited according to law. In 1999 prostitution is to an increasing extent arranged via the Internet and mobile telephones. There are signs indicating that these activities are getting more and more organised. In 1999 trafficking in women for organised prostitution was an existing phenomenon that has been documented.

In 1999 also VAT frauds were committed that were linked to importation of cars from other EU countries and there are signs indicating that persons connected to organised crime are responsible for this kind of criminal activity. However, it is still doubtful whether these VAT frauds fulfil the EU criteria for organised crime.

As the number of Internet users increases, so does the criminal usage of the Internet. An increasing use of the Internet in criminal connections has been noted in 1999. Information has appeared that groups within organised crime use the Internet and other similar IT structures for communications and the direction of their criminal activities, inter alia as regards drug dealing. There have also been frauds related to account card numbers and groups within organised financial crime have in 1999 succeeded in associating IT specialists in order to commit crime by means of different IT structures.

Structure of organised crime

In Sweden the major part of organised crime is characterised by the following:

- Flows of crime that are stable over time, as long as they are considered to be profitable in relation to the risk (amphetamine is for instance brought Sweden into Sweden in a relatively regular flow even if the procedure of the smuggling can change).
- Networks between criminal individuals that are developed from a long-term point of view and that in terms of general contacts are stable over time.
- Specific groups that come into existence out of the networks and that for a certain period of time organise in order to carry out criminal activities together (if certain groups for instance are destroyed by the police or the customs, new groups step in if the market remains and the necessary know-how is not too special).

The networks are considered to be more stable over time than the groups are considered to be. However, organised crime is to a major part a phenomenon that is dynamic and quickly adaptable.

Ethnicity/nationality/language/culture are still important factors concerning the composition of the groups. There are, however, signs that above mentioned factors are losing their importance and that the networks/groups are getting less homogenous from an ethnic point of view and that criminal actors are instead linked to the networks/groups from a profit-making point of view. The internationalising of organised financial crime has increased to an extent that it is no longer relevant to talk about Swedish groups. The groups include several different nationalities and the persons involved frequently live in one country but have an office or business activities in other countries.

Several of the known criminal groups that are active in Sweden are still specialised in one field of crime, for instance the smuggling of heroin. However, the trend of networks active within several fields of crime is steadily increasing. These groups are criminally active within fields of crime where the risks are minimised in relation to the

gains to be made and if the risks increase within one field, they opt for a new one, where the risks are perceived to be lower. One example of this phenomenon is criminal groups that change from traffic in drugs to traffic in alcohol and tobacco. Another example is that profit from one field of crime, for instance prostitution, is used to finance the activities of another field of crime, for instance the manufacturing of drugs.

The so called "peace" between Hells Angels and Bandidos still exists in the so called outlaw motorcycle environment. There is, however, evidence that individuals or factions within the clubs still exist in criminal connections.

In the Swedish prison environment there is a number of small and relatively stable gangs. These so called prison gangs principally exist at prisons where inmates that have been sentenced to serious crimes are placed.

Use of legal commercial structures

The use of companies or similar structures as regards certain forms of organised crime in Sweden is relatively common. The companies are mainly used in connection to tax crimes, organised frauds and money laundering. Some of these companies are found in so called tax heavens and are then called offshore companies.

In 1999 the possibility of cyber laundering, i.e. money laundering via the Internet, has been observed. Transactions via the Internet diminish the risk of the detection of criminal activities.

Use of violence within organised crime

A comprehensive inventory of the violence that can be linked to organised crime has not been carried out, but the impression is that violence, or threat of violence, exists in most environments where organised crime exists. A tendency that can also be perceived is that violent criminals to a larger extent are being linked to criminal networks.

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, illegal debt collection or trafficking in women; (2) violence used in order to handle secondary effects of criminal activities, e.g. intimidation of plaintiffs, witnesses or public media; and (3) violence that unintentionally affects a third party.

No comprehensive review has been made of the number of incidents in 1999. The incidents that are known are principally linked to the outlaw motorcycle environment. The incidents mainly belong to the first two mentioned categories.

Influence of organised crime on Swedish society

From an international point of view organised crime has not to any greater extent affected Swedish society. There are, however, tendencies that indicate an increasing influence as regards Swedish institutions.

The influence of organised crime on the business sector is perceived to have been relatively limited in 1999. The business sector is, naturally, in different ways exposed to crime and there are problems with, among other things, organised frauds. Several cases concerning insider crimes were discovered in 1999.

The attempts by organised crime to exert a direct influence (i.e. through infiltration or attempted bribery) on law enforcement agencies and other judiciary authorities is judged to have occurred only to a very limited extent in Sweden in 1999, seen in an international perspective. In Sweden there are, however, a number of criminal groups that have both the capacity and the will to bring pressure upon officials working within public agencies. Individuals involved in the outlaw motorcycle environment have tried to influence the judicial process by intimidating plaintiffs, witnesses and officials within law enforcement agencies. Also the reporting of public media have in certain cases been exposed to similar types of threats from individuals belonging to the outlaw motorcycle environment.

Annex

Definition of organised crime

Below follows a list of the preliminary prerequisites that are currently used within the European Union to define organised crime.

The following list of criteria for organised crime may help the Member States at the elaboration of the national situation reports. At least six of the following criteria, among them the ones with number 1, 3, 5 and 11, must be fulfilled to classify crime or criminal groups as organised crime.

1. Collaboration of more than two people;
2. Each with own appointed task;
3. Long or unlimited extension in time (the criteria refers to the stability and [potential] duration of the group);
4. Using some form of discipline and control;
5. Suspected of the commitment of serious criminal offences;
6. Operating on an international level;
7. Using violence or other means suitable for intimidation;
8. Using commercial or businesslike structures;
9. Engaged in money laundering,
10. Using undue influence as regards the political sphere, media, public agencies, judiciary authorities or the business sector.
11. Determined by the pursuit of profit and/or power.

8.15. The UK

1 INTRODUCTION

This year, NCIS is publishing the third annual assessment of the threat to the United Kingdom from serious and organised crime. The annual assessment is a classified document but for the first time, NCIS is also publishing an unclassified version. This is an abridged version of the unclassified document. The full version can be found at WWW.ncis.gov.uk.

The objectives of the classified document are to inform Government strategy, priority setting and law enforcement senior managers. The purpose of publishing the unclassified version is to inform public understanding and generate debate about the nature and impact of serious and organised crime in and upon the United Kingdom.

For the purposes of this document, the following definition is used of organised crime:

Organised crime groups are those which satisfy all of the following criteria:

- contains at least three people;
- criminal activity is prolonged or indefinite;
- criminals are motivated by profit or power;
- serious criminal offences are being committed.

This definition is selected to ensure consistency with the characteristics used by the Home Office and European Union.

2 GENERIC ACTIVITY

USE OF BUSINESSES

Money laundering is dealt with as a separate issue later in this chapter. However, businesses are used to provide a front for illicit activities, to augment the abilities of the criminals to commit crimes such as fraud or drug trafficking or to provide them with the means to gain access to criminal markets.

The setting up of front businesses is often an essential component for fraud. Long-firm fraud is an obvious example of this.¹ However, businesses can also be fronts for more elaborate frauds or criminal enterprises.

A number of businesses owned by criminals have the advantage of being largely cash-based with a relatively high number of untraceable transactions. These include licensed premises, cafes, mobile phone shops, warehouses, car sales and car-breaking services, car and van hire, and private taxi services. Some of these businesses are also suitable for facilitating the distribution of illicit commodities.

In several cases, businesses involved in importation have provided a cover for the movement of illegal goods. Intelligence suggests that in some cases drugs have been concealed in scrapped vehicles or vehicle parts imported by businesses overtly involved in the auto trade.

In cases of intellectual property theft, the ownership of legitimate companies involved in the distribution of goods, such as computer software, can also provide a method for distributing counterfeit equivalents.

Other seemingly legitimate businesses also facilitate criminality by giving the criminals access to victims or their assets. For example, organised vehicle theft often relies on businesses through which stolen vehicles or their component parts can be sold. Petrol stations, restaurants and a mail-order computer firm are examples of businesses where access to the credit-card details of customers has provided opportunities for credit-card fraud.

Criminals can use businesses to establish contact with potential customers. For example, drug distribution has been connected with pub owners, and with companies responsible for door security at clubs. In the latter case, violence has sometimes been used to obtain the door security contracts. Links have also been reported between the ownership of gymnasiums and suspected dealing in cocaine, ecstasy and amphetamines.

Door security is not the only area of private security to have been affected by organised crime. Contracts for the provision of security on building sites are lucrative. As a result, the provision of security has become an area of fierce, even violent,

competition, involving threats to rival firms and pressure has sometimes been placed upon businesses employing rival firms.

CORRUPTION

Corruption is one of the most effective ways by which criminals can safeguard and promote their interests. Access to information held by law enforcement can alert criminals to law enforcement methods, allow them to identify investigating officers and informants, compromise surveillance and identify criminal rivals.

There are various methods by which law enforcement officers may be corrupted. In some cases, former officers may approach them. Whilst this may be to carry out low-level checks for private investigators on the Police National Computer (PNC), in other cases the information may be more sensitive. Criminals may approach officers seemingly to help them out, for example, with the offer of favours, loans, hospitality and possibly information. The aim is to build up a sense of obligation by the officer to the criminal. Once the officer is compromised, it becomes very difficult to refuse further favours.

A development which may affect the liability of police officers to be corrupted has been the restructuring of pay and conditions in recent years. Reductions in pay and allowances for more recent recruits might well result in them being more vulnerable to corruption.

There is a commitment from law enforcement to tackle corruption. Resources needed to establish preventative measures are a prudent outlay as the costs of dealing with detected corruption are much higher. It is of vital importance that information and best practice is shared amongst existing anti-corruption units. There is a recognised need for inter-agency co-operation, establishment of protocols, and understandings to successfully counter corruption.

All UK law enforcement agencies agree that anti-corruption strategies are a sound investment. The Association of Chief Police Officers (ACPO) through the ACPO Presidential Task Force on Corruption have recognised and put in place an integrated anti-corruption strategy to protect the Police Service from the effects of corruption.

MONEY LAUNDERING

Money laundering is the process of moving illegally generated funds through a cycle of transformation in order to create the end appearance of legitimately earned funds. Such a process is vital for organised crime if it is to avoid the attentions of law enforcement and ensure that criminal profits are not at risk from restraint and, ultimately, seizure by governments.

As well as allowing criminals to enjoy the profits of their crimes, money laundering can also increase risks of destabilisation for financial markets, undermine individual financial institutions, and disadvantage legitimate businesses by supporting otherwise uncompetitive market operators with laundered funds.

The scale of money laundering affecting the UK is difficult to quantify due to the secretive and clandestine nature of both the underlying activities generating the funds, and the actual fund movements. This difficulty notwithstanding, the International Monetary Fund estimates that money laundered by criminals world wide is valued at between 2 and 5% of the world's GDPⁱⁱ. Within the UK, the Office of National Statistics (ONS)ⁱⁱⁱ estimated that the illegal drugs market alone could be generating around 1% GDP - some £8.5 billion per year.

The number of disclosures received by NCIS during 1999 totalled 14,500 - a small increase from 1998. However, the quality of the disclosures forwarded by institutions has improved.

The financial sectors identified as risk areas in the 1998 and 1999 Threat Assessments continue to cause concern. Accountants, company formation agents and estate agents, for example, account for only a small proportion of the total disclosures received each year by NCIS.

Overall in 1999 there were only 444 institutions that reported a total of 14,500 suspicious transactions. There continues to be a disparity between the number of deposit taking institutions - approximately 500 - and the number actually making suspicious transaction reports - 126. Ten of these banks make up 78% of all banking sector reports and also represent 39% of all disclosures received.

Trends

Security Markets

There is increasing intelligence to suggest that some of the more sophisticated money launderers are using specialised areas of financial markets, such as the use of brokers and market traders to buy and sell stocks, securities and other commodities.

Money Laundering from Eastern Europe and the Former Soviet Union.

Money laundering originating from countries in Eastern Europe and the former Soviet Union has had a high profile in the UK in recent times. The media coverage of particular laundering operations originating in the former Soviet Union has increased the public awareness of this threat. Capital flight from Eastern Europe and the former Soviet Union has helped create an environment in which the movement of criminal funds from East to West has been difficult to detect.

Internet Banking

Internet banking has many benefits for legitimate customers. There are, however, a number of concerns raised by Internet banking services with regards to laundering the proceeds of crime:

- The extent to which adequate customer identification is required is unclear;
- For some of the Internet banks, cheques and cash can be paid in using a third party bank. It is not yet clear whether all such third party banks routinely monitor such payments for suspicious transactions, or whether a Money Laundering Reporting Officer is appointed by the Internet bank to analyse account activity;
- In many cases customers can undertake transactions between accounts without any employee interaction or oversight. Suspicious transaction reporting by high street banks is frequently generated through the observations of the branch staff who serve the customers. This opportunity is eliminated through the operation of Internet banks and may therefore result in a decrease in the number of disclosures;
- In relation to the issuing of production orders, it is not yet clear where these would be served (particularly in the case of overseas banks) or how backdated records would be accessed (possibly through the Internet service providers).

VIOLENCE

Violence is associated with many aspects of serious and organised crime. In some cases, such as armed robbery and extortion, the use or threat of force is an essential component. With others, such as drug trafficking, the use of violence is often an accompaniment to the criminal activities. In the course of their criminal activities, 36% of organised crime groups identified in 1999 were reported to use violence or intimidation against people who were not members of their group, with 15% actually inflicting violence on these people. In order to maintain control and discipline within the group, 36% of identified organised crime groups were also reported to make threats against individuals within their groups, whilst 26% actually used violence against their own members.

Fifty-two murders occurring in 1999 were notified to NCIS as being possibly linked to organised crime. It is assessed that 37 of these appear to be attributable to drug-related crime or executed in such a fashion as to suggest an organised crime involvement. This is an increase on the 28 murders reported last year, however, it is believed that this reflects an improvement in the level of reporting.

Currently there is no statistical basis for evaluating what causes violence amongst criminals. However, the non-payment of drug debts appears to provoke a high proportion of violence, judged by the number of kidnaps which it provokes and from unconfirmed intelligence. Drug traffickers often use violence, intimidation and kidnapping in order to collect drug debts. Of the 72 kidnaps reported to NCIS in 1999, it has been estimated that about 90% are kidnaps of criminals by criminals, nearly all of which are related to debts of one sort or another. With some drug dealers, other forms of violence are also caused by a strong desire to dominate or eliminate competition.

3 CRIMINAL ACTIVITIES

Market demand sets the framework for many criminal activities, and organised crime exploits many illicit markets and transcends individual law enforcement agency remits. The range and complexity of the criminal activities undertaken by organised crime groups are demonstrated by, for example, drug distribution networks which supply multiple commodities and by the involvement of drug traffickers in other types of crime. The proportion of organised crime groups involved in the different criminal activities is as follows.

Proportion of Organised Crime Groups involved in different Criminal Activities

Criminal Activity	Percentage of all identified Organised Crime Groups (to nearest 1%)
Drug trafficking	56
Money laundering	47
Counterfeiting / forgery	26
Other forms of theft / handling	20
VAT fraud	19
Excise fraud	19
Vehicle theft, handling, export, etc	19
Inland Revenue fraud	16
Other serious fraud	15

Robbery	15
Illegal immigration / traffic in human beings	11
Arms, munitions trading	10
Kidnapping	7
Extortion	7
Theft (and / or export) of antiques, fine art, jewellery, etc	5
Prostitution	5
Illegal gambling	3
Child pornography	1
Other criminal activities	6

Judging from this data, drug trafficking is central to organised crime in terms of the number of organised crime groups involved. Fifty-six per cent of organised crime groups identified in 1999 were involved in drug trafficking, with 42% having it as their principal criminal activity. Roughly 79% of these groups were involved in other criminal activities (in many cases more than one other criminal activity), and 60% were involved in trafficking more than one kind of drug.

The following table indicates the additional activities carried out by drug traffickers.

Other Criminal Activities Undertaken by Drug Traffickers

Criminal Activity	Percentage of drug trafficking groups (to nearest 1%)
Money laundering	79
Counterfeiting/ forgery	26
Inland Revenue fraud	23
Vehicle theft	21
Excise fraud	21
VAT fraud	21
Other theft	19
Arms trading	18
Social Security fraud	17
Robbery	16
Extortion	13
Other serious fraud	12
Kidnapping	11
Illegal immigration	9
Arts & antiques theft	7
Prostitution	6
Illegal gambling	5
Child pornography	1
Other criminal activities	10

Money laundering is the most common additional crime carried out by drug traffickers. This is predictable given its central role in protecting the money gained by organised crime, and is common to nearly all such groups. Fraud^{iv}, vehicle theft, other theft and robbery (which includes armed robbery) also attract a large number of the groups which may use these activities as a source of working capital for their drug trafficking. Finally, the data also indicates that other activities, such as arms and munitions trading, extortion and kidnapping have a link with drug trafficking. NCIS is seeing intelligence which suggests that networks created for drug trafficking are also suited to crimes involving material or indeed human commodities - including excise evasion and organised illegal immigration.

4 ORGANISED CRIME GROUPS

Previous assessments have noted that criminals show a strong tendency to work with criminals of similar ethnic backgrounds. This is still evident. Many of the criminal groups mentioned by law enforcement either consisted of one ethnicity or were dominated by a particular ethnicity. In some parts of the UK, this is simply a reflection of the demography of the area.

However, intelligence also indicates several cases where criminals of different ethnicities appear to collaborate without difficulty. There are indications that criminals descended from ethnic minority migrants to the UK are entering the mainstream of British criminality. In some cases this may be due to necessity.

The NCIS 2000 Threat Assessment has found that whereas in the past there was a tendency to associate particular crimes and commodities with particular ethnic groups, this is no longer necessarily the case. Thus, South Asian criminals, for example, appear to be involved in a wide spectrum of organised crime - including armed robbery, insurance fraud, credit card fraud, and vehicle theft - as well as crimes with which they were previously associated, such as heroin trafficking and illegal immigration. In addition, there have been a number of reports of groups with more than one ethnicity, particularly British Caucasians and South Asians, but also including Afro-Caribbean criminals.

However, some generalisations still hold true. Thus, the importation of heroin still appears to be largely controlled by groups of Turkish origin whilst Chinese groups appear to be heavily associated with illegal immigration rackets, and associated crimes such as kidnapping.

If a greater degree of collaboration occurs between criminals of different ethnicities, it could have significant consequences. It will make criminals more effective by introducing them to new criminal networks, giving them access to commodities and expertise which they would not otherwise possess. Moreover, it will supply them with more options if their usual markets or suppliers are disrupted by law enforcement action.

i Long firm fraud occurs where fraudsters set up or take over a business and place orders with suppliers. Initially the fraudsters pay promptly to establish their credit-worthiness. Once a line of credit is established, larger orders are placed culminating in one huge final order. When these goods are received they are quickly sold for what they will fetch and the fraudsters disappear without paying for the goods.

ii FATF Policy Brief July 1999

iii Office for National Statistics: *Economic Trends*, July 1998

iv NB: A number of the groups involved in one kind of fraud are also involved in the other frauds as well - this is particularly the case with Inland Revenue, VAT and Excise frauds



RÅDET FOR
DEN EUROPÆISKE UNION

Bruxelles, den 20. november 2000
(OR. fr)

VF20T. 1.12.00.

12741/1/00
REV 1

LIMITE

SCH-EVAL 65
COMIX 754

RETSAKTER OG ANDRE INSTRUMENTER

Vedr.: Rådets afgørelse om en fuldstændig gennemførelse af Schengen-reglerne i Danmark,
Finland og Sverige samt i Island og Norge

RÅDETS AFGØRELSE

af

om en fuldstændig gennemførelse af Schengen-reglerne i Danmark, Finland og Sverige
samt i Island og Norge

RÅDET FOR DEN EUROPÆISKE UNION HAR -

under henvisning til protokollen, der er knyttet som bilag til traktaten om Den Europæiske Union og til traktaten om oprettelse af Det Europæiske Fællesskab, om integration af Schengen-reglerne i Den Europæiske Union, særlig artikel 2, stk. 2,

under henvisning til den aftale, som Rådet for Den Europæiske Union har indgået med Republikken Island og Kongeriget Norge om disse to staters associering i gennemførelsen, anvendelsen og den videre udvikling af Schengen-reglerne¹ (i det følgende benævnt "aftalen af 18. maj 1999"), og som blev undertegnet den 18. maj 1999 og trådte i kraft den 26. juni 2000, særlig artikel 15, stk. 4, og

¹ EFT L 176 af 10.7.1999, s. 36.

ud fra følgende betragtninger:

- (1) Slutakten til konvention om gennemførelse af Schengen-aftalen, undertegnet den 19. juni 1990, samt slutakten til de respektive aftaler om Kongeriget Danmarks, Republikken Finlands og Kongeriget Sveriges tiltrædelse af denne konvention indeholder i punkt 1 en fælles erklæring om iværksættelse af de pågældende instrumenter.
- (2) Datoen for Schengen-reglernes ikrafttræden i Danmark, Finland og Sverige samt i Island og Norge (i det følgende benævnt "de nordiske lande") bør fastsættes.
- (3) Af hensyn til den nordiske pasunion bør den dato, der fastsættes, gælde for samtlige nordiske lande.
- (4) Forberedelsen af denne afgørelse er gennemført i følgende etaper. Først fik de nordiske lande tilsendt et komplet spørgeskema, og besvarelserne heraf blev registreret. Derefter har der fundet kontrol- og evalueringsbesøg sted i alle de nordiske lande i overensstemmelse med de procedurer, der gælder i Rådet på områderne politisamarbejde og databeskyttelse. Den 29. maj 2000 konkluderede Rådet, at betingelserne på disse områder er opfyldt. For så vidt angår gennemførelsen af Schengen-reglerne på områder som visa og konsulært samarbejde har disse besøg vist, at der bortset fra enkelte punkter, som de nordiske lande vil sørge for at tage hensyn til, er truffet tilfredsstillende foranstaltninger til at opfylde kravene med hensyn til lovgivning og personale og dets uddannelse samt infrastruktur og disponible hjælpemidler.

- (5) Hvad angår Schengen-informationssystemet (SIS) bør besøgene til evaluering af, hvordan det fungerer, imidlertid gennemføres, inden kontrollen ved de fremtidige indre grænser ophæves. og arbejdet med udvidelsen inden for rammerne af projektet SIS 1 + skal afsluttes. og afprøvningsresultaterne skal vise, at det kan fungere i 18 lande.
- (6) Der er ligeledes gennemført besøg til evaluering af kontrollen og overvågningen ved de ydre grænser. På grundlag af disse besøg har der kunnet udarbejdes en positiv status over fremskridtene. Der er dog stadig visse mangler, hvorfor yderligere evalueringsbesøg er nødvendige.
- (7) De nordiske lande har meddelt Rådet den liste over deres kompetente myndigheder og instanser, der er omhandlet i artikel 101, stk. 4, og artikel 108, stk. 1, i konventionen om gennemførelse af Schengen-reglerne, undertegnet den 19. juni 1990. De nordiske lande opfylder forpligtelserne i artikel 114 i nævnte gennemførelseskonvention.
- (8) For at kontrollere, at SIS fungerer efter hensigten i de nordiske lande, bør de nordiske landes respektive nationale dele af Schengen-informationssystemet (N.SIS) være operationelle fra den 1. januar 2001 (dvs. de endelige brugere skal have adgang til reelle data i alle 15 lande), inden kontrollen ved de indre grænser afskaffes.
- (9) Rådet bør sørge for, at der rettidigt indføres en ordning for de kriterier og mekanismer, der gør det muligt at fastlægge, hvilken stat der er ansvarlig for behandlingen af en asylansøgning, som indgives i en medlemsstat, i Island eller i Norge, som omhandlet i artikel 7 i aftalen af 18. maj 1999.

(10) Medmindre Rådet efter de evalueringsbesøg, der skal gennemføres efter den 1. januar 2001, fastslår, at SIS ikke fungerer korrekt i et eller flere af de nordiske lande, eller at disse landes havne og lufthavne ikke alle opfylder de nødvendige betingelser, bør samtlige Schengen-regler for disse lande iværksættes fra den 25. marts 2001.

(11) Den procedure, der er omhandlet i artikel 15, stk. 4, i aftalen af 18. maj 1999, er overholdt –

TRUFFET FØLGENDE AFGØRELSE:

Artikel 1

Fra den 25. marts 2001, jf. dog artikel 3, stk. 2,

- a) anvendes alle de bestemmelser i Schengen-reglerne, der er omhandlet i bilag A, B, C og D til Rådets afgørelse 1999/436/EF af 20. maj 1999 om fastsættelse i overensstemmelse med de relevante bestemmelser i traktaten om oprettelse af Det Europæiske Fællesskab og traktaten om Den Europæiske Union af retsgrundlaget for de bestemmelser og afgørelser, der udgør Schengen-reglerne¹, samt enhver retsakt, Rådet har vedtaget om oprettelse af et instrument, der er trådt i kraft, og som udgør en videreudvikling af en eller flere af disse bestemmelser, for Danmark, Finland og Sverige i deres indbyrdes forbindelser og i deres forbindelser med Belgien, Tyskland, Grækenland, Spanien, Frankrig, Italien, Luxembourg, Nederlandene, Østrig og Portugal;

¹ EFT L 176 af 10.7.1999, s. 17.

- b) anvendes alle de bestemmelser, der er omhandlet i bilag A og B til aftalen af 18. maj 1999 mellem Rådet for Den Europæiske Union og Republikken Island og Kongeriget Norge om disse to staters associering i gennemførelsen, anvendelsen og udviklingen af Schengen-reglerne, samt enhver retsakt, Rådet har vedtaget om oprettelse af et instrument, der er trådt i kraft, og som udgør en videreudvikling af en eller flere af disse bestemmelser, for Island og Norge i deres indbyrdes forbindelser og i deres forbindelser med Belgien, Danmark, Tyskland, Grækenland, Spanien, Frankrig, Italien, Luxembourg, Nederlandene, Østrig, Portugal, Finland og Sverige.

Artikel 2

1. Bestemmelserne i Schengen-reglerne vedrørende Schengen-informationssystemet (SIS) finder anvendelse efter de nærmere retningslinjer i artikel 1 fra den 1. januar 2001. Med henblik herpå, vil de nordiske lande indlæse reelle data i SIS. Disse lande vil således i lighed med de medlemsstater, på hvilke Schengen-reglerne allerede finder anvendelse, kunne bruge disse data, jf. dog stk. 3. Den anvendelse, der er nævnt i nærværende stykke, er ikke til hinder for samarbejdet inden for rammerne af den nordiske pasunion.
2. De i stk. 1 omhandlede bestemmelser er gengivet i bilaget.
3. Indtil den i artikel 1 nævnte dato vil de nordiske lande:
 - a) ikke være forpligtet til at nægte indrejse på deres område for eller til at udsende tredjelandsstatsborgere, som af en anden medlemsstat i SIS er indberettet som uønskede, og som kommer direkte fra en medlemsstat, hvor bestemmelserne i Schengen-reglerne allerede er gennemført

- b) kunne tillade indrejse på deres område for tredjelandsstatsborgere, som af en anden medlemsstat i SIS er indberettet som uønskede, og som en nordisk stat har besluttet at give visum eller en anden opholdstilladelse
- c) afholde sig fra at indlæse oplysninger, der er omfattet af artikel 96 i konventionen om gennemførelse af Schengen-aftalen.

Artikel 3

1. I løbet af januar og februar 2001 gennemføres der evalueringsbesøg i alle de nordiske lande i overensstemmelse med de procedurer, der gælder i Rådet, for at kontrollere, om SIS fungerer efter hensigten og anvendes korrekt.

I samme periode foretages der yderligere evalueringsbesøg i Danmarks og Norges havne, samt i lufthavnene i alle de nordiske lande, for at kontrollere, om disse havne og lufthavne opfylder de nødvendige betingelser.

Rapporterne om disse besøg forelægges Rådet inden den 1. marts 2001.

2. På grundlag af disse rapporter kan Rådet, som træffer afgørelse med kvalificeret flertal blandt de medlemmer, der repræsenterer regeringerne i de medlemsstater, der er omhandlet i artikel 1 i protokollen om integration af Schengen-reglerne i Den Europæiske Union, og med stemmeafgivning fra mindst ti af disse medlemmer, beslutte at udskyde datoen i artikel 1. I så fald fastsættes en ny dato af Rådet, som træffer afgørelse med enstemmighed blandt de medlemmer, der repræsenterer regeringerne i de medlemsstater, der er omhandlet i artikel 1 i ovennævnte protokol.

Artikel 4

Denne afgørelse træder i kraft på datoen for offentliggørelsen.

Udfærdiget i Bruxelles, den

På Rådets vegne

Formand

De i artikel 2 nævnte bestemmelser er følgende:

- artikel 62, 64, 65 og 92-119 i konventionen af 1990 om gennemførelse af Schengen-aftalen af 1985 som suppleret ved aftalerne om Italiens, Spaniens, Portugals, Grækenlands, Østrigs, Danmarks, Finlands og Sveriges tiltrædelse
- Eksekutivkomitéens afgørelse af 14. december 1993 om finansieringsordningen for oprettelses- og driftsudgifter for Schengen-informationssystemet (C.SIS) (SCH/Com-ex(93)16)
- Eksekutivkomitéens afgørelse af 25. april 1997 om indgåelse af en aftale om forundersøgelsen vedrørende SIS II (SCH/Com-ex (97) 2, rev 2)
- Eksekutivkomitéens afgørelse af 7. oktober 1997 om Norges og Islands andel i udgifterne til oprettelse og drift af C.SIS (SCH/Com-ex (97)18)
- Eksekutivkomitéens afgørelse af 7. oktober 1997 om udvikling af SIS (SCH/Com-ex (97) 24)
- Eksekutivkomitéens afgørelse af 15. december 1997 om ændring af finansieringsordningen for C.SIS (SCH/Com-ex (97)35)
- Eksekutivkomitéens afgørelse af 21. april 1998 om C.SIS med 15/18 tilslutninger (SCH/Com-ex (98) 11)
- Eksekutivkomitéens afgørelse af 28. april 1999 om budgettet for helpdesk i 1999 (SCH/Com-ex (99)3)

- Eksekutivkomitéens afgørelse af 28. april 1999 om udgifter til oprettelse af C.SIS (SCH/Com-ex (99)4)
- Eksekutivkomitéens afgørelse af 28. april 1999 om ajourføring af SIRENE-håndbogen (SCH/Com-ex (99)5)
- Eksekutivkomitéens erklæring af 18. april 1996 om definition af begrebet udlænding (SCH/Com-ex (96) erkl. 5)
- Eksekutivkomitéens erklæring af 28. april 1999 om SIS' struktur (SCH/Com-ex (99) erkl. 2 rev.)

samt:

- Eksekutivkomitéens afgørelse af 23. juni 1998 om visse dokumenters fortrolige karakter (SCH/Com-ex (98) 17), i det omfang disse dokumenter vedrører ovennævnte bestemmelser
- Eksekutivkomitéens afgørelse af 23. juni 1998 om en opfejningsklausul, som skal dække samtlige tekniske Schengen-regler (SCH/Com-ex (98) 29 rev)
- Eksekutivkomitéens erklæring af 9. februar 1998 om bortførelse af mindreårige (SCH/Com-ex (97) erkl. 13 rev. 2)

- Rådets afgørelse 1999/323/EF af 3. maj 1999 om en finansforordning vedrørende budget-aspekterne af Rådets generalsekretærs forvaltning af de kontrakter, som han indgår som repræsentant for visse medlemsstater vedrørende installering og drift af forvaltningsenhedens server til on-line-hjælp og Sirene-nettet, fase II
 - Rådets afgørelse 2000/265/EF af 27. marts 2000 om en finansforordning vedrørende budget-aspekterne af Rådets vicegeneralsekretærs forvaltning af de kontrakter, som han indgår som repræsentant for visse medlemsstater om oprettelse og drift af kommunikationsinfrastrukturen i Schengen-sammenhæng ("Sisnet"), som ændret ved Rådets afgørelse 2000/664/EF af 23. oktober 2000.
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RÅDET FOR
DEN EUROPÆISKE UNION

Bruxelles, den 15. november 2000 (22.11)
(OR. fr)

12741/00
ADD 1 REV 1

LIMITE

SCH-EVAL 65
COMIX 754

ADDENDUM

Vedr.: Udkast til Rådets afgørelse om en fuldstændig gennemførelse af Schengen-reglerne i de nordiske lande

Udkast til ERKLÆRING

fra Rådet, forsamlet den 30. november og den 1. december 2000 i Bruxelles

Artikel 3, stk. 2, i udkastet til Rådets afgørelse om en fuldstændig gennemførelse af Schengen-reglerne i Danmark, Finland og Sverige samt i Island og i Norge indebærer ikke nogen fravigelse fra den regel, at gennemførelsen af Schengen-reglerne i nye medlemsstater sker på de betingelser og de datoer, som Rådet fastsætter med enstemmighed blandt sine medlemmer.

ROOM DOCUMENT

MIXED COMMITTEE AT THE LEVEL OF SENIOR OFFICIALS
Meeting in the margins of the 1898th meeting of the
Permanent Representatives Committee (2nd Part)

29 November 2000

Draft Swedish declaration

Sweden confirms its obligation to apply the entire Schengen acquis. The Swedish Government has therefore commissioned a Committee of Inquiry to review existing legislation concerning carrier liability in order to comply with the provision of Art 26.2 of the Schengen Convention.

The Government undertakes to present a proposal to the Parliament based on the findings of the Committee and sets as an objective the adoption of new legislation before July 2002.

The Government will also regularly inform the Council about its undertakings in this regard.



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 November 2000

13296/00

LIMITE

CRIMORG 150

NOTE

From : the Presidency and Europol
To : COREPER
Subject : 1999 - EU Organised Crime Situation Report
Open version

Delegations will find attached the open version of the 1999 EU Organised Crime Situation Report.