



**COUNCIL OF  
THE EUROPEAN UNION**

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**NOTE**

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From :            Presidency  
To :              Article 36 Committee  
Subject :        2004 EU Organised Crime Report

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1. In the meeting of the Multidisciplinary group on organised crime (MDG) of 21 and 22 October 2004 the Europol Organised Crime Report (OCR) 2004 was discussed.
2. Four questions were addressed:
  - 2.1) to what extent does the OCR comply with the format of a threat-assessment as indicated by the European Council?
  - 2.2) which improvements are feasible, especially with regard to the contributions of the member states?
  - 2.3) what should be the nature of the contributions of Eurojust and the PCTF as envisaged by the European Council?
  - 2.4) what observations can be made by the MDG on the recommendations of the current OCR?

3. The following observations were made by delegations:
- 3.1. Several delegations expressed that the OCR is clearly in a process of change and that in the last few years the content of the report has improved substantially. Nevertheless, further steps have to be taken to make the transition from “situation-report” to real “threat-assessment” successful. First, some delegations thought that the report contained too much detail in its present form. Furthermore, delegations felt that it could be focussed more to what seem to be the (political) priorities in combating organised crime.
- 3.2. It was stressed by some Member States that the main quality of the future threat-assessment(s) by Europol should lie in the fact that they give a clear picture of the EU dimension of the threat that organised crime poses. The report does not yet succeed in making clear what initiatives should be taken at EU level in order to make the combat against organised crime really effective.
- 3.3. In the MDG meeting, it was noted that the quality of the report is mainly dependent of two things: in the first place the contributions of the Member States and, secondly, a high quality analysis of this information by Europol. With regard to the contributions of Member States, Europol has already noted in the past that these still show a great variety in form and quality. This variety of different formats used by Member States poses a problem for Europol when analysing the information. (See also intelligence requirement number 22 on page 131 of the OCR).
- 3.4. In this respect some Member States suggested that the possibility of agreeing on one format, to be used by all Member States, should be explored.
- 3.5. One delegation suggested that attention should also be paid to the definition of organised crime. Being too vague, and perhaps also not up to date anymore, the use of this definition has a negative influence on the quality of the information sent to Europol by the Member States.

- 3.6. Europol expressed its view that it would like the process in which the report is made to be more inter-active between the Member States and itself. It should become a more dynamic process. Several Member States supported this idea. One of the initiatives that was made in this respect by the (then) Italian Presidency will lead to a conference, hosted by Europol, in the first quarter of 2005.
4. With regard to the recommendations in the report, the following observations were made:
- 4.1 Several delegations were of the opinion that the recommendations should be more limited in number.
- 4.2 Some delegations expressed a strong view that a recommendation like number 14 (on cannabis) should not be in the open version of the report but only in the restricted version.
- 4.3 Several delegations expressed their opinion that corruption, illegal arms trade and trafficking in human beings seem to be the three most important issues in fighting organised crime at EU-level.
5. The presidency would furthermore like to draw the attention to some important observations in the report, because they could effect to a certain extend the way in which organised crime has to be tackled:
- a) criminal organisations are developing towards a loose network structure (page 125);
  - b) the use of professionals and legal structures by organised crime groups is increasing (page 126);
  - c) money laundering activities are increasingly infiltrating the legal market (page 128);
  - d) the links between organised crime and terrorism (intelligence requirement number 27, page 132).

*Delegations in CATS are invited to agree on the following points:*

- a) to submit the OCR to the Council, together with the comments in this document, to take note;*
  - b) to ask the MDG to define, together with Europol, the most important requirements for the future threat-assessments.*
  - c) to ask the MDG to explore the possibilities, together with Europol, for a harmonised format with which Member States should provide Europol with the necessary information.*
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The logo features a blue circle with a white center, surrounded by a ring of yellow stars. The word "EUROPOL" is written in white capital letters across the center of the circle.

**EUROPOL**

# **2004 EU ORGANISED CRIME REPORT**

**OPEN VERSION**

**The Hague, 15 October 2004**

**File number: 2530-140**

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## 1. FOREWORD BY THE DUTCH PRESIDENCY

## 2. DIRECTOR'S FOREWORD



### **3. INTRODUCTION**

The Organised Crime Report (OCR) is an annual publication, which for the first time was published in 1993. Since this time, the production mechanism of the report has changed considerably. Where the report in the beginning was more or less a compilation of the national contributions provided by 15 Member States it has now developed more into a threat assessment orientated document, based on contributions from 25 Member States and contributions from Europol focussing on the results of the ongoing operational work in different crime areas. In addition, the report also makes use of other publications addressing OC related issues whenever such publications are appropriate and available.

The primary aim of the report is to obtain and disseminate information about organised crime (OC) in the EU. By nature, the report will focus more on a European perspective than on individual national findings. For the time being, the report remains the only strategic tool being able to take a bird's eye view on the OC in Europe. This will enable national governments and parliaments to formulate an EU strategic policy to tackle OC from an international perspective. It also supports law enforcement decision-makers to set priorities and allocate resources, and law enforcement officers to understand specific details of OC in a broader context. More details on those subjects can be found in the classified version of the OCR, which is restricted to law enforcement agencies within the Member States.

The strength of this report is the fact that it has been written on an agreed methodology over more than a decade now. Therefore, a comparison of the findings in the different OCR's allows to detect long lasting patterns and trends in OC. At the same time it has to be realised that sudden changes in OC (should they occur) will only be reflected in next years OCR.

The public version focuses largely on OC groups and their activities, based upon data referred to 2003. An appendix covering relevant political and law enforcement initiatives can be found at the end of the report.

The OCR does not cover terrorism or terrorist networks. In case there is a need to refer to these areas to explain a specific situation the report will do but in general terms these areas are subject to specific reporting mechanisms in different fora.

### **4. OVERALL PATTERNS AND GENERAL TRENDS**

The organised crime situation within the EU is developing rapidly, however the 2003 contributions did not contain sufficient data to establish the total number of OC groups and their number of members active in the Member States. The opening of the borders between the existing Member States and the Central and Eastern European countries and the expanding foreign communities in the Member States have made OC groups aware of the possibilities of expanding their criminal activities.

Ethnic OC groups are increasingly involving in their activities people of their own social and ethnic environment, living in the Member States. Several Member States reported OC groups using political asylum applications to get their members into an EU country.

Traditionally, OC groups tended to have one core criminal activity, however it is becoming apparent that some OC groups increasingly have a wider crime portfolio and a wider geographical spread where the profit potential is the prime mover. To a certain extent this relies on existing experience and knowledge and transferable skills but it also creates the need to buy in additional expertise or services as discussed below.

The trend towards more loose network structure with regard to the set-up of OC groups continues. The roles of facilitators and professionals are becoming increasingly important. These are individuals with specific skills that are required to conduct certain complex or difficult elements of a criminal enterprise. They provide their services either within their own OC group or as an external service to other OC groups against payment. The professionals provide legal, financial, IT and communication and scientific expertise, whilst facilitators assist with distribution and warehousing, production facilities, corrupt access and forged documents. The loose network structured groups are more difficult to disrupt by law enforcement as they are more flexible. One of the difficult tasks is to identify the key players. Some facilitators, such as ethnic Albanian groups have managed to actually create a position for themselves by which they are able to control certain markets.

OC groups are increasingly taking advantage of the benefits of legitimate company structures to conduct or hide their criminal. These legal structures are often abused to launder or reinvest profits. Alternatively they commit economic crimes such as VAT fraud as a primary activity.

The trend for poly-drug trafficking also continues. These consignments may be destined for a variety of recipients in different Member States, which indicates an increased co-operation between OC groups. Such diversifications, flexibility and co-operation across national boundaries are clear trends within the international drugs market.

The quality of counterfeit euro banknotes is continuously improving because of sophisticated printing facilities and the recruitment of professional individuals with considerable printing skills. Lithuanian and Bulgarian OC groups are increasingly involved in this type of crime.

Illegal immigration is a growing problem in the Member States. The complexity of moving large groups of people to a number of countries requires a degree of organisation and sophistication that can only be met by OC groups. These OC groups often cooperate with groups involved in other types of crime, specifically drugs trafficking, in order to use pre-existing routes and networks already established through their activities.

Organised crime seems to be moving more and more into areas of 'petty crime' like pick-pocketing and shoplifting but also burglaries and theft by deception of individuals, often tourists. Members of OC groups, who often originate from Eastern Europe work in small groups and are moved around quickly but never stay long in one location. Recent information suggests that major sporting events are targets for the OC groups.

This development is in line with the realised trend towards 'high profit – low risk' crime areas. Prime areas here are tobacco and alcohol smuggling but there seems to be a widened approach to include additional lucrative high 'profit – low risk' areas in OC activities.

## 5. THE THREAT FROM OC

OC is becoming increasingly professional, relying on external expertise in an ever widening international and heterogeneous setting. OC activities resemble a complex industry. For instance, contracts need to be negotiated with (multiple) suppliers and sub-contractors, funds need to be raised, goods need to be transported, stored and distributed, documents need to be produced, and security of the operation needs to be maintained. In some cases OC groups are known to exploit the absence of or delay in political initiatives, or the unforeseen, negative consequences of these, as well as judicial change or technological advances. Another tool used by OC groups is corruption, which is an efficient method of achieving criminal successes. This is likely to become more pronounced in the years to come.

Certain factors play a major role in determining which OC groups pose the greatest threat. Aspects such as impenetrable group membership, increasing internationalisation, the level of establishment which certain groups have reached in today's transnational licit or illicit markets, and the extent of their penetration into legal economies through the hotel, banking or transportation sectors, for example, are fundamental.

### 5.1 Major OC groups

The following chapter outlines the involvement and the threat of indigenous and non-indigenous OC groups in the EU. Generally, OC groups appear to be developing towards a loose network structure. These networks are more difficult to disrupt since it is more difficult to target the key figures of the organisation. 'Facilitators' are becoming more important for OC groups. These are individuals with a particular useful skills who offer their services to a number of different OC groups. For example in the fields of finance, chemical production, printing and counterfeiting.

#### *Indigenous OC groups*

In most Member States organised crime is dominated by indigenous OC groups. These groups are well established in their own country and are more familiar with the cultural, legal and economic structure of their own country. Collaboration with non-indigenous OC groups has become more common. Besides providing extra skills and business opportunities (which increases profits) this also divides the risks of detection by law enforcement.

**Italian OC groups**, the most widespread indigenous OC groups, are an example of this. Being renowned for their ethnic composition they are increasingly developing external co-operation with other OC groups.

Certain indigenous OC groups are known for their specific expertise in certain crime areas. **Lithuanian OC groups** have developed currency counterfeiting skills making Lithuania an important source country for counterfeit euro banknotes. **Dutch indigenous OC groups** remain the main producers of synthetic drugs for the EU market.

### *OC groups from outside the EU*

**Ethnic Albanian OC groups** have established themselves in many Member States. The criminal activities are controlled by OC groups in Albania, Kosovo and FYROM. They continue to extend their role from facilitators for other OC groups to achieving full control in certain crime areas, such as drugs trafficking, illegal immigration and trafficking in human beings, in specific regions.

Ethnic Albanian OC groups are hierarchal, disciplined and based on exclusive group membership. The significance of ethnic Albanian OC groups in the overall EU context is further increasing. Italy and Greece consider ethnic Albanians to be the largest non-indigenous OC group in their countries. Albanian OC is considered an increasing threat to the Member States.

**Chinese OC groups** are expanding their criminal activities in the EU becoming more involved in the smuggling of precursor chemicals and the production of synthetic drugs. Production units in which Chinese nationals were involved have been dismantled in The Netherlands and Belgium.

Along with Malaysian OC groups, Chinese OC groups are involved in credit card fraud in the EU. Stolen credit card information is bought from hackers and used to make forged credit cards with which they purchase luxury goods. These are then converted to cash on the black market.

Chinese OC groups facilitating illegal immigration are well organised. They control every stage of the illegal immigration process for Chinese immigrants, but do cooperate with other OC groups in this venture. The OC groups known as 'Snakehead gangs' are known to be violent towards the immigrants and their relatives in their home country. The individuals exploited by Chinese OC groups are transported throughout Europe and through debt bondage are forced to work in the illegal labour market.

Chinese OC groups are increasingly seeking new destination countries for illegal immigrants. Finland and Greece have noticed an increase in the number of Chinese immigrants. The threat posed by these Chinese OC groups is significant and increasing.

It is difficult to establish the line between **Russian OC groups** and OC groups originating from other countries of the former Soviet Union. Only a few of these OC groups have a homogenous ethnic base such as Chechens, Armenians, Azerbaijanis, Georgian and Ingush often play a significant role. Russian OC groups have an impact on all the EU Member States being involved in virtually every type of organised crime. A large number of these groups are based in the Baltic States. They are involved in a wide range of crime types and are constantly looking for new criminal business opportunities such as the increasing engagement in cigarette smuggling to the EU, mainly to the Nordic countries and the UK.

**Lithuanian OC groups** are involved in drug trafficking (mainly synthetic drugs), trafficking in human beings, illegal immigration and stolen vehicle trafficking. The crime that gives Lithuanian OC an international dimension is currency counterfeiting. They are extremely skilled counterfeiters and they are constantly developing and improving their work. High quality euro counterfeit notes, produced by Lithuanian OC groups have been seized in Germany, The Netherlands and France. Lithuanian OC groups are active in almost every Member State.

The money laundering procedures of **Polish OC groups** are considered highly efficient and diversified. Corruption and violence are common practise and the territory they control includes not just major town and cities but also smaller towns and villages. Polish OC groups are involved in property crimes (specifically in

Germany), currency counterfeiting, drug trafficking and trafficking in stolen vehicles.

With Poland having the longest border of the new Member States, including the enclave of Kaliningrad, Polish OC groups' territorial control is important for all kinds of illicit trafficking from Eastern Europe towards the EU. All other OC groups are aware of this and appear willing to establish links with Polish OC groups to facilitate their own criminal business.

The penetration of Polish OC in the Member States is still limited but given the tendency towards co-operation with other OC groups as service providers their involvement in international organised crime can be considered a serious threat.

**Romanian OC groups** have expanded their criminal activities in the EU. They are prominent in trafficking in women and minors for sexual exploitation, forgery of documents, extortion, debit card fraud and property crime. Their role in drug trafficking appears to be taking place in Northern Italy and Spain although Romania itself is an important transit country for Turkish and Albanian drug traffickers.

The number of property crimes involving Romanian OC groups, including pick-pocketing and distraction robberies, is increasing. Romanian OC groups appear to be very mobile when committing property crimes. They often visit a location for just one day to commit their crimes and move on to another location the next day. This 'crime tourism' is done because it is difficult to tackle by law enforcement.

Romanian OC groups often operate in small cells. Despite their apparent autonomous activities these cells are often part of a larger hierarchical OC group. These are pyramidal organisations with strict centralised control and a clear division of tasks.

**Bulgarian OC groups** have established themselves particularly in trafficking in women for sexual exploitation, various counterfeiting activities, especially euro counterfeiting, and debit card fraud.

The OC groups involved in trafficking in human beings are highly mobile, making use of existing communities throughout Europe and moving both individual group members and victims across borders. Victims are repeatedly sold amongst various OC groups.

The counterfeit euro banknotes made by Bulgarian OC groups are especially distributed in France, Greece, Italy and Spain after entering the Schengen area via Austria or Germany. The banknotes are imported by small groups who return to Bulgaria immediately after making delivery. Although there is co-operation with other ethnic OC groups, the money couriers, middle men and distributors are almost always Bulgarian. Distributors are often recruited through newspaper advertisements and are briefed about the legislation of the country they are sent out to and trained how to react to the police in case of an arrest.

**Former Yugoslavian OC groups** are involved in many types of property crimes such as burglaries, ram-raids and armed robberies. Members of these groups are taken in small vans to certain locations in Member States to commit burglaries.

Members of former Yugoslavian OC groups have also been involved in motor vehicle crime in Spain (mainly Croatians and Bosnians) and The Netherlands (mainly Serbs), the transport of alcohol to the Nordic countries and the transport of chemical drugs from The Netherlands for their local market using Austria and Slovenia as transit countries.

There is little information about the structure of former Yugoslavian OC groups. They appear to work as a horizontal cluster of different independent groups. Former Yugoslavian OC groups are active in most of the EU Member States.

It is often difficult to discriminate between nationality and ethnicity due to the fact that information gathering at a national level does not always consider the two aspects separately. This makes it specifically difficult to always distinguish between **Kurdish** and **Turkish OC groups**. The heroin trade remains the major organised crime activity of these groups although they are also engaged in poly-drug trafficking indicating co-operation with other OC groups. Turkish OC groups are increasingly linked to ethnic Albanian OC groups. Furthermore their experience in areas such as transportation, company formation and facilitation management is used for organised crime activities in the field of illegal immigration and trafficking in human beings. Turkey is an important transit country for illegal immigration to the EU from, for example, China.

Turkish OC groups are known to be involved in an array of legal businesses which are likely to be a method of laundering proceeds of heroin trafficking. Restaurants, bars, fast-food franchises, real estate agencies, travel agencies and vehicle repair shops are examples of such businesses.

**Nigerian OC groups** supply cocaine and herbal cannabis to EU Member States and smuggle women into the EU who are exploited in the prostitution business. Their victims are subject to extreme pressure and in some occasions voodoo rituals have been employed in order to force the girls and women to prostitute themselves.

**Moroccan OC groups** also play a major role in the importation of cannabis products to the EU. Morocco remains by far the most important source country for cannabis coming to the EU. Furthermore reports suggest a stronger involvement of Moroccan OC in the trafficking of cocaine and synthetic drugs in some of the Member States.

Morocco plays a significant role as a source and transit country in the illegal immigration flow especially towards Spain. The OC groups involved are mainly clan based, relying on former drug dealer networks and local community chiefs. They operate independently by dividing up operational zones amongst themselves but they do provide each other with such expertise as may be required to carry out specific tasks.

**Colombian OC groups** operate, apart from Colombia, in other Southern and Latin American countries from where they control the production and global trafficking of cocaine and associated money laundering. Solid indigenous criminal networks in several Member States guarantee the wholesale distribution across the EU. The structure of Colombian OC groups is fragmented and decentralised and they often co-operate with other groups linked to flexible networks.

Pakistan is a transit country for the trafficking of Afghan heroin destined for the EU market. It is also a major source country for cannabis resin. Besides this, **Pakistani OC groups** facilitate illegal immigrants heading for Greece, The Netherlands and Spain. These immigrants are often kept in bad conditions and are exploited until they have paid off their debt to the traffickers.

**Indian OC groups** facilitate the illegal immigration of Indians to Belgium, Denmark, Germany, Greece, The Netherlands, Slovakia Spain and the UK. These OC groups use Italy and Austria as important transit countries. Indian OC groups are often not hierarchically structured. Rather, they are loose cells often based on family ties or common origin (same village). These OC groups are known to co-operate with OC groups of other nationalities, for example ethnic Albanian and Surinamese.

## 5.2 Types of Crime

The move away from single types of criminal activity (e.g. drug trafficking) to diversification into multi-crime activities (e.g. drug trafficking, commodity smuggling and illegal immigration) is a continuing trend.

The involvement of OC groups in facilitating crimes against persons, with a specific focus on facilitating illegal immigration and trafficking of human beings, as one of the most lucrative high profit – low risk crime areas, is still worth highlighting, taking into the account the social, political and economic disturbances that this form of organised crime causes in the EU.

The field of crimes against persons is multi-faceted often intrinsically linked to other OC activities. This may involve crimes that facilitate illegal immigration, such as forgery and counterfeiting of documents or identity theft, or other crimes such as drug trafficking, when migrants carry drugs as part payment for their journey. In addition, this area of crime has an ongoing and often negative impact arising from the continued (often illegal) presence of migrants in their host countries.

This crime type is already classified as a priority area for the Member States and at EU level. This priority setting should not change.

### *Crimes against persons*

**Illegal immigration** is a growing problem within the EU. The complexity of moving large numbers of immigrants across great distances requires a degree of organisation, specialisation and sophistication that can only be met by OC groups. To a large extent, the OC groups facilitating this type of crime can be found within the ethnic specific communities already present in the EU and its new Member States. This can be seen as an important pull factor. OC groups often co-operate with each other, particularly in moving commodities across multiple borders/states often making use of pre-existing routes and networks established by OC groups involved in drugs trafficking. The profits that can be made from facilitating illegal immigration, in comparison to the attendant costs and risks make it a business that is attractive for organised crime. Many of the countries that were known as transit countries en route to the EU are increasingly exploited by facilitating OC groups as destination countries in their own right, reflecting the eastwards spread of prosperity as the EU enlarges. The boom in Chinese illegal immigration to the EU is particularly noteworthy.

On a global scale, **Trafficking in Human Beings** is a EUR 8.5 to EUR 12 billion per year business. Women victims of this type of crime are, in most cases, forced into **illegal prostitution** and often suffer from extreme violence (rape, assault, torture and even mutilation) and extensive control by their pimps. The OC groups involved are also known to threaten the victims' families in case their victims are not obedient. In order to help break the women's resistance to prostitution they are disorientated by often being sold from one pimp to the other and transferred between working places. Eastern Europe (Ukraine, Bulgaria, Romania, Albania), Africa (Nigeria) and Asia (China, Thailand) remain important source countries.

The majority of **child pornography** images and videos seized in the Member States appear to be produced in the former Soviet Union states, South Eastern Asian countries (particularly Japan) and, increasingly, South America. The proliferation of commercial pay-per-view websites is an increasing threat. The evolution of Internet payment systems provides improved anonymity for both the supplier and the customer. In 2003, enhanced international co-operation and co-ordinated actions between states has resulted in the identification and arrest of thousands of members of the online paedophile community.

**Extortion** cases are closely related to a wide range of crimes and can be associated with the threat of violence. Traditionally extortion is a means of territorial control. As a new development, cases of Chinese OC groups who are involved in the extortion of Chinese restaurants and casinos have been reported. Furthermore there is an

increase of the extortion of large retail stores. This new development might be an indication that similar forms of extortion also take place in other ethnic communities within the EU.

### *Drug trafficking*

**Drug trafficking** remains the most common form of transnational organised crime in the EU. The Member States remain a major consumer market for all types of illicit drugs. Well established OC groups in the Member States guarantee the wholesale distribution across the EU. The trend of poly-drug trafficking continues. These types of consignments may be destined for different recipients in different Member States indicating an increased co-operation between OC groups involved in drug trafficking.

The **cocaine** supply is still dominated by Colombian OC groups who have their networks established in Europe, however OC groups within the EU are also in direct contact with suppliers in South America and the Caribbean. It is estimated that each year approximately 250 tonnes of cocaine are transported to the EU by sea. EU Law enforcement agencies seized almost 90 tonnes of cocaine in 2003.

On a global level, illicit poppy cultivation declined by 6 per cent in 2003 to 169,000 ha, equivalent to a potential **heroin** production of 480 tonnes of which between 60 and 100 tonnes is thought to be destined for the EU. In 2003, only 14 tonnes of heroin were seized by law enforcement in the EU but this is the highest quantity ever. Some 90 per cent of heroin on the market originates from South West Asia. Extensive commercial trade between Asia and Europe and a good infrastructure of land, sea and air connections provide ample opportunity for the trafficking of heroin to Europe. Turkish OC groups still dominate the heroin market are involved in all aspects of the criminal business from the poppy fields in South West Asia to the markets in Europe, although the involvement of Albanian OC groups is increasing. A close co-operation between these two groups is developing.

Most of the 50 to 70 **synthetic drugs** production sites that were dismantled in the EU during 2003 were located in The Netherlands and Belgium. It appears that couriers are now aware that flights arriving directly from The Netherlands and Belgium will be subject to closer scrutiny and therefore choose to travel by an indirect route. In apparent confirmation of this Germany reports increased trafficking of Dutch ecstasy destined for the US and Australia.

Investigations in Member States revealed a growing number of synthetic drug production sites in Estonia (especially for the Finnish market), Serbia, Poland and Germany. There is also an increased involvement in synthetic drug production of Turkish, Moroccan and Chinese OC groups. Chinese OC groups are of particular interest as, in the past, they have been mainly responsible for the smuggling and distribution of precursor chemicals.

Advanced production methodology, the use of sophisticated equipment and the involvement of skilled specialists have resulted in an ever increasing production efficiency and capacity. The production process, from chemical synthesis to the end product of packaging, now invariably takes place in separate locations, occasionally even in different countries. This division of tasks reduces the risks for OC groups of an inclusive production network being dismantled when one site is being discovered by law enforcement.

Morocco remains the principle source for **cannabis resin** (hashish) for the EU. Albania, Pakistan and Afghanistan are also important source countries of cannabis resin. This type of drug remains the most commonly used drug in the EU.



**Herbal cannabis** (marijuana) is supplied to the Member States from Colombia, Jamaica, South Africa and Nigeria. Albania has developed into an important source country for this type of drug, specifically for the Greek and Italian market.

In 2003, approximately 900 tonnes of cannabis resin and 52 tonnes of herbal cannabis were seized by law enforcement in the EU.

In France the number of incidents involving the illegal trafficking of **anabolic and doping substances** more than doubled from 65 in 2002 to 136 in 2003. A large part of these substances are discovered in mail and express freight. **Ephedrine** is especially imported from Pakistan often after being ordered on the Internet. Other substances required by users are **stanazolol**, **clenbuterol** and **testosterone**. Sweden also experienced an increase in the seizure of doping preparations with the Baltic States, Thailand, Greece and Spain being the main suppliers.

#### *Financial Crime and other crimes against property*

A possible trend in **money laundering** activities is the increasing use of money transfers through the Cash Deposit System (CDS). Accountholders are often straw men and forged bank cards are used to withdraw the money all of which further increases anonymity.

An increase has also been noticed in suspicious money transfers and money laundering cases with money transfers, land and real estate purchases still being the most common modus operandi.

Skimming, which is the copying of data encoded within the magnetic strip of debit cards, and hacking, which involves the electronically breaking in to databases which contain credit card data are two main categories of payment card **fraud**. Thirteen Member States are closely working together to fight this type of organised crime.

The quality of **counterfeit euro** banknotes is continuously improving because of the sophisticated printing facilities and the recruitment of professionals with considerable printing skills. The vast majority of counterfeit euro banknotes are produced in Bulgaria, Lithuania, Poland, Albania, Turkey and Kosovo. In 2003, a total of more than 570,000 euro notes were seized by law enforcement and banking systems in the EU with an estimated value of around EUR 30.000,000. The price of a counterfeit bank note is estimated at approximately 8 per cent of its face value. The price can increase to up to 35-40 per cent once the bank notes reach their final distributor whose aim is to introduce the forged money into the market place in exchange for real money or goods.

#### *Organised Robberies, Burglaries and Theft*

A significant increase in organised **robberies**, **burglaries** and **theft** by a number of different OC groups originating from Eastern Europe and former Yugoslavia has occurred in several Member States. Crimes such as ram raids or **armed robberies** against jewellers' shops, breaking into ATMs, burglaries of shops selling hi-tech equipment or stealing personal belongings from tourists by a form of deception are often committed by OC groups originating from these countries.

In Eastern Europe, Portugal, Spain and North Africa there is a willingness to purchase stolen construction site machinery. This concerns mainly (mini) excavators, backhoe loaders, compressors, fork lift trucks and loaders. These objects are stolen from construction sites in the EU and transported on stolen platform lorries.

### *Other Commodity Trafficking*

In Spain there was a growing number of **vehicles** stolen in **car-jacking** cases (obtaining the keys to the vehicle by threatening with violence) and **home-jacking** cases (obtaining the key to the vehicle by breaking into a house). The reason for using this modus operandi is the improved security systems now fitted in high value vehicles. Especially Bulgarian, Russian and Romanian OC groups are mentioned in this respect.

Germany and Austria remain important transit countries for stolen vehicles being transported towards Eastern Europe while Greece is the route for stolen vehicles destined for Eastern Europe, Middle East and Asia.

**Tobacco smuggling** used to be a form of fraud almost exclusively confined to Italy and, to a lesser extent, Spain but this is no longer seems to be the case. Since the abolition of intra-community frontiers tobacco smuggling has grown rapidly throughout the EU, particularly in the UK, France, The Netherlands, Belgium, and Germany (where it covers 90 per cent of all revenue and customs offences) even though Italy remains the crossroads for the illegal tobacco trade because of its geographical position in the heart of the Mediterranean. A significant branch of tobacco smuggling is the counterfeiting of well known tobacco brands. In 2003, two factories producing fake tobacco products were discovered in the EU, both equipped with efficient Russian machines. OC groups choose mainly to export cigarettes brands preferred by UK customers because of the price of a packet of cigarettes is so high there.

The Nordic countries are important destination countries for **alcohol smuggling**. OC groups involved in this type of crime mainly originate from Sweden, Norway, Poland, Russia and the Baltic States who have strong links to former Yugoslavian OC groups. The alcohol smuggled originates, in many cases, from Spain, Italy and Portugal.

Cases of **illicit fire-arms trafficking** investigated in the EU continue to show the involvement of former Yugoslavian OC groups. Suspects originating from the UK, the US and Turkey were involved in The Netherlands as key players within OC groups. Fire-arms originating from Croatia are made in legal and illegal armoury work shops and fire-arms trafficked from the Balkan region are often stolen from military warehouses.

## 6. RECOMMENDATIONS

The following recommendations (excerpt) are based on the national contributions to the 2004 OCR and the findings as a result of the work done at Europol until mid 2004:

### POLICY-ORIENTED RECOMMENDATIONS

1. The council act of 27 November 2003 amending the Europol Convention is still not ratified by sixteen Member States. Although a lot of future planning documents are already based on the foreseen changes of the convention it has to be realised that the non-ratification will delay the putting into practice of the envisaged improvements.
2. The council act of 30 November 2000 proposing an amendment of the Europol Convention in the area of money laundering still is not ratified by nine Member States. As money-laundering is seen in the heart of all OC activities the ratification of the aforementioned council act should be prioritised to enable Europol to focus its activities in this area to better contribute to the fight against OC.
3. The council act of 28 November 2002 referring to the participation of Europol staff in joint investigation teams (JIT) is still not ratified by thirteen Member States. It is recognised that JIT's provide the the proper framework with an operational focus to tackle OC from a European perspective. To be able to make full use of the JIT concept the finalising of the ratification process remains of major importance.
4. On 01 May 2004 ten new Member States joined the EU. Until the accession a lot of support was given by the 'old' Members to the 'new' Member States, especially focussing on the exchange of existing experiences and expertise. These efforts should continue as they will further contribute to the development of a common understanding in the fight against OC at EU level
5. In combating all forms of international OC, a proper balance is needed between national and EU-wide interests and priorities, in order to meet the Unions' objective to create a high level of safety within an area of freedom, security and justice.
6. To prevent crime from happening in the first place, or to reduce crime opportunities is the most successful strategy to fight OC. Crime prevention/opportunity reduction involves a variety of different players, many of whom are outside the scope of law enforcement. Nevertheless, 'crime-proofing' (minimising the potential crime opportunities created by new legislation, products, and services) and 'target-hardening' of products can be a successful approach to combat OC at an early stage. Therefore ongoing initiatives in this area should be continued.
7. To be more successful in the area of illegal immigration and trafficking in human beings a further harmonisation of EU directives covering asylum and visa policy should be implemented as soon as possible. Common visa issuing offices in identified 'black spots' have the potential to contribute significantly towards improved law enforcement successes. Consideration should be given to the development of a uniform format for all EU visas and passports as well as the implementation of the Visa Identification System.
8. The measures introduced by the United Nations Protocol against the illicit manufacturing of and trafficking in firearms, their parts and components and

ammunition will provide new possibilities to EU Member States to improve international co-operation on information exchange and tracing of firearms. So far four EU Member States have ratified the protocol, fourteen have signed it and seven have not yet signed it. A prompt ratification and implementation of the protocol by all remaining Member States is necessary.

9. Law enforcement efforts to efficiently fight OC will always fall short from being successful if these efforts are not accompanied and supported by measure taken in other areas. Especially the area of counterfeiting of goods illustrates the need for a close co-operation between law enforcement agencies and the private sector to exchange information and to develop common strategies to successfully act against these forms of crime. Efforts to intensify public-private partnerships should be continued.

## **OPERATIONALLY RELEVANT RECOMMENDATIONS**

10. A successful fight against illegal immigration and trafficking in human beings also requires the inclusion of third countries in the law enforcement strategies. Therefore, information exchange and technical co-operation between source, transit, and destination countries in the area of training and exercising border control should be further enhanced (good practice).

11. Fighting the counterfeiting of the Euro remains a crime area which should be prioritised by law enforcement agencies. OC groups from the Balkan Region seem to be very much involved in these criminal activities.

12. Cultivation of cannabis within the EU and neighbouring countries has been constantly reported in the 2004 OCR as being an increasing problem. Therefore political and law enforcement initiatives aimed at eradication should be developed at an EU level.

13. A network of National Expert Contact Points should be formalised for the purposes of transnational information exchange and continuous sharing of information in the field of combating illicit trafficking of firearms. Secure information exchange solutions should be created to support the activities of this network.

14. Counterfeiting of goods as the prime area of 'low risk - high profit' activities by OC groups has moved up to an altogether higher scale, especially with reference to cigarettes and tobacco. It is recommended to enhance cross-border co-operation in this area.

## **INTELLIGENCE REQUIREMENTS**

15. The OCR is developing from a descriptive situation report into a evaluating Threat Assessment. Although this development is not finalised it has to be realised that an additional dimension in the perspective of how to report on OC needs to be considered: the actual harm of OC activities and its economic impact. Therefore it should be considered to also create a measurement to operationalize the actual harm potential of OC activities, as the harm level will also influence the setting of priorities at a European level.

16. The vulnerability to corruption of the public and the private sector needs to be properly evaluated. A clear-cut picture on the use of corruption by OC groups does not exist. To be able to realistically evaluate the situation it would be required to produce a specific Risk Assessment for this type of crime.

17. To be able to develop a sound and unified EU law enforcement information platform it is recommended to intensify the approaches to harmonise data collection models beyond national level. Only such harmonisation will provide an environment for a meaningful cross-European data comparison.

18. Not much is known about the involvement of OC groups in 'non-traditional' OC areas. Therefore situation reports in the areas of high-profit/low-risk crimes such as environmental crime, organ smuggling and trading in hormones with a focus on the involvement of OC groups should be initiated.

19. Based on reports from some Member States a hypothesis can be drawn that OC is also moving into areas of 'petty crime' like pickpocketing and shoplifting, where the involvement of highly structured criminal organisations is emerging. It is recommended to obtain further information in this area from the MS to be able to draw a complete picture of the situation. In case this development is confirmed, additional new strategies to tackle this specific form of OC need to be developed and implemented.

20. The increasing use of professionals is a constant trend reported in previous issues of the OCR. The services offered by professionals such as legal, financial and tax advisors, IT and communication experts and chemists is essential to the functioning of OC groups increasingly involved in transnational crime. A risk analysis of this phenomenon at an EU level should be encouraged with the aim to identify the appropriate countermeasures.

## 7. COUNTRY PROFILES

This chapter summarises the findings of the 2004 OCR with a specific focus at national level. As not all Member States were able to provide a national contribution to the 2004 in time this chapter only refers to those countries providing a national contribution. In addition, this chapter also refers to Norway although Norway is not a member of the EU. Nevertheless Norway has been closely associated with the EU over the last years and the given geographical situation together with the fact that Norway is contributing to the OCR on a voluntary basis the national situation is also reflected in this chapter.

### *Austria*

OC groups in Austria mainly consist of multiethnic gangs from Southern and Eastern Europe. They are involved in smuggling drugs and people, organised trafficking in stolen vehicles, assistance with illegal immigration and international trade in firearms. A significant trend that has been identified is the growing ethnically-based settlements of southern European origin in which local representatives receive their instructions from the various countries of origin concerned.

Due to its geographical position Austria is used as a transit country for east-west or north-south movements. Synthetic drugs are smuggled from The Netherlands to Slovenia, Bosnia-Herzegovina and Croatia. Polish and African criminals are also take part in this crime area. Criminal organisations smuggle women out of the former Eastern Bloc countries (primarily Romania and Bulgaria) as well as from South America and Asia. This crime area is dominated by Austrian gangs.

Austria continues to be used as a safe haven for Russian and Italian criminals. Especially the Russian organisations see Austria as a quiet location where the top-level members of such organisations educate their children or install their families or possibly themselves. For years now there have been signs in Austria of property purchases increasingly being undertaken by persons or companies from FSU. The members of the five criminal associations identified in Italy that are styled on the Mafia continue to use Austria as a refuge and an operations base for conducting their strategic activities.

Ram raids against jewellers' shops were on the rise, presumably committed by eastern European gangs or gangs from the former Yugoslavia, Polish groups are also active in this crime area.

### *Belgium*

In Belgium the main activities of OC groups are drug trafficking, money laundering, tax fraud, swindle and aggravated theft. Falsification of documents is mostly committed as accessory or supporting activity. OC groups in Belgium consist of more than one third Belgian nationals. Other established nationalities were Dutch, Italian, Moroccan, Albanian and Romanian. There has however been a decrease of number of Belgian nationals and a rise of Roman and Bulgarian nationalities during 2003. Over a longer period, it can be stated that the number of Italian OC groups continues to rise, especially in those areas where there's a large Italian community.

In spite of the overall tendency towards globalisation, international collaboration amongst criminals still remains limited. Only one fifth of the criminal organisations in Belgium have international contacts. These international contacts are limited mainly to the European Union, namely with The Netherlands, Germany, Italy and the UK. The international activities of Belgian OC groups are aimed towards The Netherlands, Germany, France, Luxemburg, the UK, Spain, Italy, Morocco, Lithuania and Switzerland.

### *Cyprus*

OC appears to be less developed in Cyprus. The present crime groups operate locally and their structure is based mainly on kinship and common interest in gaining profit. The predominant nationalities are Greek-Georgian and Greek-Russian, mainly involved in distribution of narcotic substances, burglaries, thefts from cars, extortion and robberies. Cyprus recently has become a destination for illegal immigrants, which use Cyprus as a leaping stone for other European Countries. The OC groups that organize the traffic are from abroad, mostly from neighbouring countries. Money launderers appear to use accounts in Cyprus, the companies they use being either established abroad or in Cyprus, but no hard evidence on this could be found.

### *Denmark*

The level of OC in Denmark was once more relatively modest in 2003. In some areas OC in Denmark is on a par with the level seen in other countries. This is primarily crime originating in the biker community, and crime that has links with criminal networks from Eastern and Central Europe.

To an increasing extent, OC in Denmark seems to be based on flexible network cooperation. For example, it is often found that people in smuggler networks supply many different recipients in several countries and cooperates in variable constellations, and that the networks are involved in the form of crime that is currently thought to yield the highest profits.

Danish criminals are mainly involved in narcotics crime, financial crime, trafficking in human beings and smuggling of goods that are subject to high levels of tax. The characteristic of these OC groups is their dynamic and changeable nature. The biker and street gang community played a dominant role in these types of criminal activities in Denmark during 2003. A number of street gangs were established in several Danish cities in 2003. The members of these gangs are typically boys or young men with immigrant backgrounds, but groups of Danish ethnic origin also exist. The street gangs are to some degree involved in activities which are of the nature of OC.

To an increasing extent, OC in Denmark seems to be based on flexible network cooperation. For example, it is found that members of smuggling networks supply many different recipients in several countries and cooperate in various individual set-ups. These networks are also changing their areas of criminal activities, depending on the highest profit expected.

Denmark's biker community is dominated by the international biker organisations the Hells Angels and the Bandidos. Both the Hells Angels and the Bandidos are continuing to expand internationally, in Central and Eastern Europe and Asia.

### *Finland*

OC in Finland is dominated by two distinct groups: Estonian and Russian groups on one hand and outlaw motorcycle gangs on the other.

The most serious threats in the field of OC in Finland emerge from the international activities of Estonian, Estonian-Russian, and Russian criminal organisations and their impact on the development of organised criminal activities in Finland.

During the recent years, outlaw gangs, among them a significant number of gangs affiliated to the international outlaw motorcycle gangs, have taken a significant role in the organised criminal activities in Finland, and an exceptionally large number of new outlaw gangs have emerged. Particularly in prisons, the number of outlaw gangs has thrived, and as a consequence, the number of violent incidents has increased rapidly.

One of the most significant means of acquisition of income for the outlaw gangs is the large-scale trafficking of drugs and hormones which yields quick and high proceeds.

Trafficking in human beings and illegal immigration are growing threats in Finland. The number of cases of arrangement of illegal immigration as well as the number of persons brought illegally into Finland is on a slow and steady increase. Facilitating illegal immigration and trafficking of human beings will probably continue its increase in Finland. Most of the persons who entered Finland illegally were from the area of the former Yugoslavia, Iraq, Turkey, Somalia, and Nigeria.

### *France*

OC groups in France are very much alive and typically involve a large number of foreign nationals, particularly from the new EU Member States. The crime gangs are able to exploit all kinds of new money-making activities and easily switch to other operating methods, thereby making the task of investigators more difficult. One example of this is the rise in the number of armed robberies on tobacconists, which has gone hand in hand with an increase in tobacco prices. Violence is also an increasingly worrying development, affecting both the law enforcement officers and the victims of crime.

Overall, France serves as a transit point for hashish and cocaine moving further north and synthetic drugs and heroin moving to Southern Europe. While most of these groups are controlled by French nationals, it should be noted that there are growing links between French OC groups involved in drug trafficking and those from, or based in, other European countries. For cocaine smuggling, the involvement of French networks was found to be minimal. Cases recorded in 2003 involved networks organised by Colombian traffickers operating in France, with intermediaries in Spain or the Netherlands. For heroin, networks operating in France consist mostly of Turkish, Albanian or African nationals. For the redistribution phase, these networks work together with French, Algerian, Moroccan and Congolese nationals.



The nationalities of traffickers actually smuggling ecstasy into France are difficult to establish but the networks behind the trafficking seem to be British, Spanish and Italian. In addition to drugs trafficking these groups are also involved in facilitating illegal immigration, trafficking in human beings, trafficking in stolen vehicles, financial crime, property crime and commodity smuggling.

French OC groups are also active in Luxembourg (kidnapping, armed robberies and extortion) and Spain (drug trafficking, money laundering, forgery, racketeering, fraud and armed robberies). Indeed the increase in armed robberies in Spain can be partly attributed to French groups and their participation in attacks on armoured trucks and jewellers, utilising both specialist skills and violence.

#### *Germany*

As in previous years, OC in Germany is dominated by German groups. Turkish organised groups also have an impact on the OC situation in Germany followed by Lithuanians, Poles and Russians. Compared with previous years, the increase in the number of Lithuanian OC groups is particularly noteworthy.

As in recent years, German groups were primarily involved in drugs trafficking (especially cocaine and cannabis products), economic crime and crime associated with nightlife. The activities of all the groups together were focused primarily on the following crime fields: drug trafficking and smuggling; property crime; economic crime; smuggling of illegal immigrants and crime associated with nightlife. The only crime type that increased in regards to last year was arms trafficking.

Only one in four OC groups was involved in more than one form of criminal activity. This represents a continuation of the trend towards groups focusing increasingly on single areas of crime in order to maximise their profits. As before, groups involved in more than one criminal activity had a higher average OC rating than groups involved in just one field of crime.

#### *Greece*

The most predominant crime areas for OC groups in Greece are: illegal immigration, drugs trafficking, trafficking in human beings, forgeries and trafficking in stolen vehicles.

Almost 40% of the suspects have the Greek nationality, followed by Albanians, Bulgarians, Pakistani and Turks. Greek criminal organisations are mainly involved in trafficking in human beings, illegal immigration, fraud, forgery, blackmail and trafficking in drugs. The Albanian suspects display the most intense activity among the non-indigenous groups. By cooperating with Greek nationals they expand their illegal activity mainly in trafficking of drugs (cannabis, heroin) from Albania into Greece, trafficking in human beings for sexual abuse, thefts and robberies and illegal immigration. Bulgarian criminal organisations are involved in forgery, counterfeiting, trafficking in human beings for the purpose of sexual exploitation and trafficking in drugs. Pakistani and Turkish criminals are mostly involved in illegal immigration.

## *Hungary*

Drug crime is a major activity of OC groups in Hungary. Cannabis herb is the most common drug, mainly produced in Hungary while the rest comes from The Netherlands and former Yugoslavian states. In synthetic drugs there are two new trends: the appearance of Kosovo Albanians (formerly active along the 'Balkan route') as coordinators and the growing role of Dutch citizens resident in Hungary and associated with drug producers and distributors in other European countries. Albanian 'procurement groups' mainly purchase heroin from Turkish wholesale traders who use Hungary more and more to establish heroin storage facilities, just as they do in Bulgaria and Romania. Certain Arab groupings also take part in the distribution of heroin in Hungary and there is a growing presence of Bulgarians, Rumanians and Nigerians.

Other important crime areas are trafficking of illegal immigrants, where detection rates decrease due to the use of better quality forged documents and economic crime. The same applies to trafficking of human beings. As far as counterfeited or illegally transported genuine cigarettes are concerned, these are firstly stored in Hungary, and then transported to illegal storage facilities in Austria and Germany and from there into the UK where they are sold.

The cross border activities are mostly aimed at Austria, Germany, Slovakia, Ukraine and Italy.

The nationalities involved in OC in Hungary are mainly Hungarian, Bulgarian, Chinese and Serbian and Montenegrin.

## *Ireland*

The majority of the suspects involved in OC in Ireland continue to be Irish nationals with only a very minor involvement of non-nationals. Where there is an involvement of non-Irish criminals, this occurs mainly outside of Ireland, namely as contacts of Irish criminals living abroad. Moreover, it seems that all of those involved in OC in Ireland are known to each other and in many instances have co-operated in their efforts. This is a somewhat unique situation in the European context and may partly explain why there is so little involvement of other nationalities in Ireland.

Drug trafficking is the most significant form of criminality. The most common types of drugs smuggled into Ireland are cocaine, heroin and cannabis. Cannabis and cocaine are sourced in Spain and in many instances Irish nationals now resident there arrange for the purchase of the drugs. Heroin is smuggled mainly from the UK again using Irish nationals resident in the UK. Ecstasy continues to be sourced mainly in Holland and as with the other types of drugs; use is made of Irish national resident in Holland. Where the Irish nationals are not directly involved they do, in many instances, provide introductions. However there remains an amount of contact with other criminals who are also the source of drugs destined for the Irish market. There is some evidence that Ireland continues to be a transit point for some drugs although this is less significant than in previous years.

The smuggling of cigarettes through Ireland using recognized trade routes for consumption in the UK is also an important activity of the Irish criminal organizations.

## Italy

As in previous years, the OC in Italy is dominated by Mafia type organisations. The criminal organisations are operating in a heterogeneous fashion and function according to a specific geographical structure. Next to Italian OC some non-indigenous crime groups have been very active in the last few years; the most prevalent nationalities being the suspects originating from North Africa, Romania, Albania and Nigeria. However, this activity by non-indigenous groups relies on the granting of 'authorisation', permission by Italian OC for territorial autonomy and specific areas of activity, so that power relations are maintained and profits are optimized.

In Northern Italy, a stronger presence of traditional mafia organisations was noticed, mainly operating in the areas of money laundering, contracts and drug trafficking on an international scale. There is also a further expansion of foreign criminal organisations, in particular Albanian, Chinese and Nigerian and more recently Romanian, sharing various criminal activities and particularly those related to the production and distribution of illegally manufactured products. In Central Italy the traditional mafia attempts to penetrate the financial world in order to launder their illegal profits. Next to the mafia, gangs made up of individuals from developing countries have been established, mainly active in drug trafficking, exploitation of prostitution, marketing of falsified trademarks and running of illegal gambling places.

In Southern Italy the criminal phenomena are more wide-spread and complex. The *mafia* has a more direct involvement in contracts, sub-contracts and supplies. A tendency to concentrate the economic and financial interests in the hands of an 'elite' has emerged, delegating other activities like drugs, usury and extortion to lower profile individuals. The '*Ndrangheta*' is less visible but is better structured and more widespread, both at national and international level, with groups that report back to the land of origin. They try to corrupt public contracts and are also very active in national and international drug trafficking. Other criminal groups often request their collaboration for their drug provisions. In general terms, *camorra* is composed of a variety of highly autonomous criminal realities. They have a wide field of activities: smuggling, drugs trafficking, dumping of illegal waste, exploitation of prostitution and trafficking in counterfeited currency and bonds. *Camorra* organisations do not allow much room for foreign organisations. However, some foreign groups, especially Albanian, Nigerian and Chinese have acquired some autonomy in managing drug trafficking, exploitation of prostitution and the black market of their own clandestine compatriots.

*Apulia's criminal groups* are the first example of interethnic crime integration, especially with the arrival of Albanian OC that participates in trafficking of human beings and drug trafficking. They are mainly active in managing the logistics of cigarette smuggling; fraud against the EU (in the areas of tomato growing, oil and wine production); usury, currency counterfeiting and *mafia*-type crimes like extortion and intimidation. They have a strong influence on the Adriatic coasts and collaborate with Greek and Russian. In the terms of the scale of serious and organised criminal involvement, drugs' trafficking, especially but not exclusively Class A drugs, poses the greatest single threat to the UK. Chinese criminals and criminals from former Yugoslavia.

The cross border activity of Italian groups is mainly aimed at, France, Spain, the Netherlands, and Eastern Europe, including the Balkans.

### *Lithuania*

Lithuanian OC groups are mostly focusing on vehicle theft, drug related crimes, racketeering, smuggling and robberies. At an international level, they are primarily active in Russia, Germany, The UK, Byelorussia, Spain and Latvia. A major part of the OC groups in Lithuania are considered to have a high level of organisation. Important foreign ethnicities are Chechens, Chinese and individuals belonging to travelling communities.

### *Luxembourg*

OC groups in Luxembourg are involved in a wide variety of crimes: mainly fraud, drug trafficking, vehicle theft, robberies and burglaries. All groups based in Luxembourg have international contacts. Further characteristics are a clear division of labour and the use of commercial structures. In a third of the investigations, it was detected that different groups are collaborating with one another. In 2003, there was a rise in the use of violence. Although investigations haven't been concluded yet, and therefore, any conclusion must be taken with caution.

Luxembourg signals two crime area's where political asylum is abused. One concerns *trafficking in hard drugs*, where a cellular network is dominated by Nigerian OC. A significant part of the suspects, mainly of Western African origin, had asked for political asylum in Luxembourg. However, most of them stayed already for some years in the European Union and were involved in political asylum procedures in The Netherlands, Spain, Italy, Austria and Switzerland. The goal of this organisation seems to provide its members with a legal position. When the asylum procedure in one country is put to an end, they just apply in another country. This organisation is rapidly gaining influence and gets the drugs from The Netherlands. Secondly, South-Eastern European gangs are responsible for burglaries. Often, these criminals are engaged in the procedure to obtain political asylum in Belgium, Germany, France and The Netherlands.

### *Poland*

OC groups in Poland mainly consist of Polish nationals followed by Ukrainians, Byelorussians, Lithuanians and Russians. Their main activities are economic crime, drugs production and distribution, extortion, thefts of vehicles and Euro counterfeiting.

Chechens, Afghan and Vietnamese groups are considered to be the most dangerous ethnic groups that are active in Poland. There is also an increasing threat from Ukrainian groups, caused by the growing illegal cultivation of cannabis in Ukraine and Turkish criminals, controlling the smuggling of heroin from Turkey through Poland to western European countries.

Moreover, the drug market presents the most international crime area. Polish criminals export (met) amphetamines to Germany, Sweden, Denmark, Spain, Great Britain and Holland, using their own distribution networks. On the other hand, Nigerian, Kurdish and Turkish groups active in Germany, the Netherlands and Spain try to recruit drug couriers in Poland. Lastly, there are Polish criminal groups carrying out armed robberies on jewellery shops in Germany, the Netherlands, Spain, Sweden and Denmark.

Due to its specific geographical situation Poland is used by OC groups as a transit country in the areas of illegal immigration and trafficking of human beings mainly from Asia.

## *Portugal*

The most common nationalities that are involved in OC in Portugal are Portuguese, Spanish, Italian, Moldavian and individuals belonging to travelling communities. The groups are mainly engaged in the following crime types: drug trafficking, economic and financial crime, violent crime, trafficking and cloning and ringing of stolen vehicles and money laundering. The overall activity of OC in Portugal fell in 2003 with the exception of drug trafficking. Most striking was the fall in violent OC as a result of the breaking-up, in previous years, of Eastern European gangs which specialised in providing help with illegal immigration, trafficking of human beings, sexual exploitation, extortion and other related crimes.

Portugal is still important on the Atlantic route for drug trafficking, principally due to its long-established relations with Africa and Latin America. Cocaine arrives mainly through seaports, and to a much lesser extent through airports, from South America, principally Brazil, Colombia and Venezuela. Hashish mainly arrives by sea from Morocco or overland from Spain. Heroin however, normally arrives overland from Spain, Holland and Turkey. Likewise, ecstasy reaches Portugal mainly overland from Spain and from Holland.

Concerning illegal immigration, Portuguese authorities anticipate an increase of persons arriving from Brazil — traditionally linked to illegal immigration and trafficking of women for prostitution. They also consider it likely that there will be an increase in the numbers of illegal immigrants arriving from Arab and Muslim States, but this will be due to the stepping-up of checks on such arrivals in line with the war on terrorism.

## *Slovakia*

In 2003 OC groups in Slovakia focused their activities on trafficking in human being and commodity smuggling. In those crime areas Slovakia is not only a transit but also a destination country.

Highly latent economic crime is still more and more committed by OC groups linked to OC groups abroad. To reach their goals, offenders commit the most serious crimes like homicides, kidnappings etc. Banking and non-banking institutions, European funds, insurance, savings companies are becoming attractive objects of interest of OC groups. They use fictitious companies, false documents, payment cards, bank cheques and protective stamps to get to a profit. To protect their interests they often need to use "brutal force". To use it they illegally traffic in arms and explosives, which they subsequently use to intimidate their competing OC groups, damaged victims or witnesses of their main activities.

## *Slovenia*

Criminal groups in Slovenia are largely associated to other groups in the Balkan region, due to connections to the former common state. A lot of members of Slovenian criminal associations (Slovenian nationals) originally come from areas of the former Yugoslavia, and they maintain family, friendly and criminal contacts in those areas. This specific situation is used by OC groups in Slovenia to facilitate illegal immigration.

There is also a strong presence of Hungarian and Moldavian criminals who are active in crime against low-profile targets such as shops, supermarkets and houses. Slovenian authorities further detected smuggling channels for weapons from the area of South-Eastern Europe to the EU countries and even to other continents. Nationals of Bosnia-Herzegovina and Slovenia working in the EU countries are acting as couriers. A number of smuggling cases to the Netherlands were discovered; there the weapons

are usually paid for in drugs, which were taken back to Bosnia-Herzegovina and Croatia by the same couriers. In July 2003, an unlawful import of the radioactive element Cs 137 to Slovenia and an attempt to take it out of the country and then to Italy was discovered.

Lastly, in Slovenia the distribution of counterfeited Euros increased considerably and the phenomenon is expected to grow even further.

### *Spain*

A total of 101 different nationalities were identified in the known OC groups in Spain during 2003. The most predominant nationalities are: Spanish, Romanian, Colombian, Moroccan and Serbian and Montenegrin. The increase in Romanian criminals (1.018), is significant, they represent now 10% of the total number of suspects.

Within the EU, associations are noted between Spanish OC group members and Italians, Portuguese, French, Germans, British and Dutch, these are the same nationalities as last year. As a matter of fact, the Spanish OC groups are the ones that showed the highest level of collaboration with other criminal groups. They are followed by Colombian, Moroccan, Russian and Belgian organizations. OC groups in Spain are mainly involved in drug trafficking (mostly cocaine and hashish), documents forgery, money laundering, burglary and trafficking of human beings (white slave trade and prostitution).

With regards to drugs, Spain continues to be one of the most important transit countries in the EU. Almost 70% of the cocaine seized in the EU was intercepted in Spain. Colombian and Spanish drug-traffickers control the cocaine trade. Most of it comes from Colombia, Peru and Bolivia. Similarly, 65% of all the hashish traded in Europe, is thought to pass through Spain and before onward shipment to other countries by truck. Most of it comes from the North of Africa, with Morocco as the main exporter. Synthetic drugs are trafficked on a large scale by Israelis and Dominicans and their suppliers usually are from Dutch origin. Moroccans control the trafficking of synthetic drugs on a middle scale. In the area of heroin trafficking Spain is not to be regarded as a transit but a consumer country. The substance comes mainly from Afghanistan, being sent to Turkey, from where it is delivered to other countries. In Spain, the delivery of heroin is controlled by groups stemming from the travelling communities and, to a lesser extent, by Sub-Saharan Africans and nationals from Cape Verde.

The threat posed by the increase in groups made up of individuals from Eastern Europe has been confirmed. They are mainly settled in large cities and along the Mediterranean coast, extending to South-eastern areas and to the islands. In particular, Estonian and Russian based gangs organise the traffic of cannabis resin, cocaine and alcohol to Northern Europe.

### *Sweden*

The most common criminal activities in Sweden are economic crimes, drug-related crime, smuggling of alcohol and tobacco, violent crime and illegal trade in firearms. A significant number of networks are also stated to be operating within smuggling of alcohol or tobacco. As to economic crime, tax crime in connection with use of black labor has been the predominant phenomenon that has been reported in 2003. Evasion of VAT in connection with trade within the EU is a phenomenon that also exists within the tax crime sphere.

A significant number of OC groups in Sweden have an international connection. As to smuggling activities connections exist above all to other countries in the Baltic Sea region and the south of Europe. The links to the countries in the Baltic Sea Countries mostly concerns smuggling activities. Within the field of economic crime, the most common links are with other EU Member States. In most cases members of the networks live and operate in Sweden. Some exceptions among smuggling networks exist where members live abroad and operate against Sweden from there.

#### *The Netherlands*

The OC groups based in The Netherlands continue to play a pivotal role in the drugs market, they distribute mainly to surrounding west European countries. The number of investigations into trafficking of *cocaine* increased substantially; with an increase of Dutch suspects (from 23 to 33%). The Netherlands Antilles are important as transit areas for cocaine from South America. The number of investigations into *heroin* showed a relatively sharp decrease in 2003, it is still to a large extent dominated by homogeneous Turkish groups. *Ecstasy* is also exported the United States and Australia. In addition to the high involvement of Dutch suspects in trafficking in synthetic drugs, ethnically homogeneous criminal associations from Turkey, the People's Republic of China, the United States and the Dominican Republic are also active in this area. Trafficking in *soft drugs* presents a fairly stable picture, but the number of Dutch suspects rose from 38 to 70 per cent. The OC groups from the Netherlands active in the area of trafficking soft drugs are predominantly homogeneous in ethnic composition.

#### *UK*

[10] In terms of the scale of serious and organised criminal involvement, drugs trafficking poses the greatest single threat to the UK. British OC groups are engaged in is the trafficking in heroin, cocaine (including crack) and ecstasy. To that extent, they closely co-operate with other indigenous groups, such as Spanish and Dutch groups. They have even set up bases in Spain and The Netherlands to facilitate the trafficking to the UK. Heroin trade is dominated by Turkish groups but there is an increasing significance of other groups, including British Caucasian criminals, South Asians and West Africans. Colombians still play a major role in cocaine trafficking but British and other European criminals are gaining influence as traffickers in their own right. The UK wholesale ecstasy market is supplied mostly by British, Dutch and Belgian criminal networks.

Other threats detected in the UK relates to facilitating of illegal immigration, fraud, money laundering and hi-tech crime.

## *Norway*

There has been a recent change within the OC groups active in Norway. It seems to be a trend towards an increased level of organisation among the criminals. The networks are working like criminal entrepreneurs shopping needs and expertise when and wherever necessary. They seem to organise out of functional aspects instead of belonging. Traditionally the criminal networks did specialise in a certain modus operandi, or in certain areas.

Drug related criminality is the main concern regarding organised crime. During 2003 the police focused on cases involving bigger volumes of drugs, instead of the end of the line drug users. More serious cases than in previous years were uncovered. The total volume of drug related cases are decreasing, but the volume of drug seized is increasing. The criminal networks seem to be more often organised from abroad than earlier, and especially from the Eastern European countries. These networks are resourceful and well organised. Criminal networks trafficking drugs, are using violence and threats as a mean to a bigger extend than previous.

Criminal networks in Norway have long tradition smuggling alcohol. Traditionally there has been a sharp distinction between networks smuggling alcohol and drugs. This seems no longer to be the case. The volume of alcohol seized in 2003 dropped dramatically due to the death of 15 persons after they had been drinking poisoned alcohol containing methanol. Nevertheless, it is to be expected that smuggling of beer and original liquor will further increase in the future.

Criminal networks do also smuggle cigarettes, meat and capital goods as cars and leisure boats.

Trafficking in Human Beings seems to be concentrated around the Oslo region. Cases reported are few, but increasing. Huge dark numbers in this area are expected. These networks are also doing other illegal acts, as smuggling of drugs, car thefts etc.

Hells Angels MC, Outlaws MC and Bandidos MC are established in Norway and pose a threat concerning organised crime. They are well organised and have close international connections. One per cent of the members are involved in smuggling and distribution of drugs, weapons and prostitution.

There are some well-organised networks in the region of Oslo, doing mainly involved with armed robberies. The modus operandi is marked by brutal well-planned operations, where sensitive information has been gathered by threat and/or the use of corruption.