



EU Organised Crime Threat Assessment 2006



TABLE OF CONTENTS

1.	FOREWORD BY THE DIRECTOR.....	3
2.	INTRODUCTION	4
3.	EXECUTIVE SUMMARY	5
4.	THE OC ENVIRONMENT IN THE EU	7
4.1.	OC Groups in the EU	7
4.2.	Criminal Markets	8
4.3.	General Observations	9
5.	THE THREAT FROM OC	11
5.1.	Key Indicators With Regards to OC Groups	11
5.1.1.	<i>The International Dimension</i>	11
5.1.2.	<i>OC Group Structures</i>	12
5.1.3.	<i>Use of Legitimate Business Structures</i>	13
5.1.4.	<i>Specialisation</i>	13
5.1.5.	<i>Influence and Corruption</i>	14
5.1.6.	<i>Violence</i>	15
5.1.7.	<i>Counter-measures</i>	16
5.2.	Key Facilitating Factors With Regards to Criminal Markets.....	17
5.2.1.	<i>Document Forgery and Identity Fraud</i>	18
5.2.2.	<i>Technology</i>	18
5.2.3.	<i>The Misuse of the Road Transport Sector</i>	19
5.2.4.	<i>The Exploitation of the Financial Sector</i>	19
5.2.5.	<i>Globalisation</i>	20
5.2.6.	<i>Borders</i>	22
6.	CONCLUSIONS	23
6.1.	General	23
6.2.	OC Groups.....	23
6.3.	Criminal Markets.....	25

1. FOREWORD BY THE DIRECTOR

I am delighted to present the public version of the first European Union's Organised Crime Threat Assessment (OCTA). The OCTA is a core product of the intelligence-led policing concept and its drafting is one of Europol's top priorities in 2006.

The OCTA should, as its name suggests, develop a threat assessment of current and expected new trends in organised crime across the EU. The assessment is based upon existing knowledge and expertise and it is drawn up in order to enable the decision makers to take the appropriate action to counter the anticipated threat.

The OCTA 2006 is the first attempt for the EU. It marks a new approach to the way in which Europol, the European institutions and the Member States will think and operate in the future and in so far, it is a first step into a change of paradigm in policing. The OCTA fits in firmly with the aim of "The Hague Programme" to provide a forward looking approach to fight organised crime in a more pro-active than in a re-active manner. It will be complemented by the development and implementation of the European Criminal Intelligence Model (ECIM). The OCTA will allow the EU to develop complementary measures to countering organised crime, linking those at the ministerial and political levels with those of practitioners and law enforcement agencies who operate at the front end.

A great number of people and various organisations have contributed to the production of this first OCTA. All EU-Member States and the two Accession States have provided us with their respective contributions. We also received valuable contributions from the institutions at EU-level – Eurojust, Frontex, OLAF, ECB and EMCDDA. Additionally, a number of third parties provided valuable assistance in building up our picture of organised crime as it impacts upon the EU. We are grateful to our law enforcement partners in the US, Canada, Norway and Colombia as well as to Interpol and SECI for their co-operation. The novel approach taken in producing this work has also seen consultation with a number of partners from the private sector and academia and their co-operation has added significant value to the OCTA. Finally, and perhaps most importantly, the staff of Europol deserve recognition for pulling the respective contributions together and analysing them in order to produce this document. I appreciate and thank them for their on-going efforts in the production of this important and groundbreaking work.



Max-Peter Ratzel
Director of Europol

2. INTRODUCTION

In response to The Hague Programme, as concluded by the European Council in November 2004, in particular its emphasis on the need for a future oriented assessment of organised crime (OC) to support law enforcement efforts in the European Union (EU), it was decided to replace the Organised Crime Report (OCR) with the Organised Crime Threat Assessment (OCTA). Whereas the OCR was primarily focusing on the description of the OC situation in Europe, the OCTA puts an emphasis on the qualitative assessment of this complex and multi-faceted phenomenon. The OCTA, being a forward-looking document, will help decision-makers identify strategic priority areas in the fight against serious and organised crime and to initiate an intelligence process to define operational targets. By doing so, the OCTA will also support the streamlining of law enforcement activities at a European and regional level.

Although the European perspective should be the driving force for the statements made in the OCTA, it can not be neglected that Europe, due to its geographical dimension and its cultural, social and historical differences, is not a homogeneous structure and therefore also may require a regional priority setting. Therefore, although the European dimension is the prime focus, the OCTA also identifies regional foci taking into account existing divergences.

The OCTA is based on a multi-source approach, including law enforcement and non-law enforcement sources. These sources include various European agencies as well as the private sector. A specific emphasis is put on elaborating the benefits of an intensified public-private partnership.

Since the OCTA is taking a European or wider regional perspective, the OCTA does not reflect on all existing OC groups or crime types. As the OCTA is a qualitative assessment, the application of specific criteria allowed for a pre-selection of the most relevant criminal phenomena. A different, comprehensive approach would 'blur' the focus on the most relevant issues.

The OCTA helps closing the gap between strategic findings and operational activities. The OCTA helps identifying the highest priorities, which will then be effectively tackled with the appropriate law enforcement instruments. The OCTA suggests strategic priorities, but it needs to be realised that the OCTA itself is not detailed enough to pinpoint specific criminal investigations. In areas where the OCTA identifies a high level of threat it is required to conduct specific assessments, which will then be the suitable tool for transforming strategic priorities into more detailed operational recommendations.

3. EXECUTIVE SUMMARY

With regard to the OC groups, one overall conclusion to be drawn is the dynamic relationship between the various indicators employed in the analysis, namely:

1. The international dimension;
2. Group structures;
3. Use of legitimate business structures;
4. Specialisation;
5. Influence;
6. Use of violence;
7. Counter-measures.

The indicator 'counter-measures' especially highlights this aspect. It is clear that most other aspects of OC group structures can be used as a counter-measure against law enforcement activities. Thus, it is not enough to look at only one of the indicators in isolation, but they should all be included in the collection work and analysis.

The main threatening aspects of OC groups are, first, the overwhelming obstacles in dismantling them because of their international dimension or influence, and second, their level of infiltration in society and economy. The first aspect gives them a sort of impunity and perpetuity that counteracts law enforcement efforts. The second aspect makes them mingled with the legal world, negatively affecting the willingness to attack these OC groups, the level of corruption and democratic dynamics. Also, the more an OC group is established and has infiltrated society, the more the upper level can gain a layer of respectability and become more difficult to bring to justice.

Four main categories of OC groups can be identified:

- principally territorially based, indigenous OC groups, with extensive transnational activities; especially such with possibilities to shield their leadership and assets even inside the EU;
- mainly ethnically homogeneous groups with their leadership and main assets abroad;
- dynamic networks of perpetrators, whose organisational setup is less viable to attack from a law enforcement perspective than their communications and finances;
- OC groups based on strictly defined organisational principles without an ethnic component, coupled with a large international presence.

With regard to the facilitating factors in the discussion on criminal markets, a general evolution towards increasingly complex setups for criminal endeavours can be witnessed. Increasingly, horizontal facilitating factors such as document forgery and identity theft, technology, the transport sector, the financial sector and the absence or presence of borders are employed for criminal gain. The latter mainly refers to opportunities provided by decreased border controls whilst administrative borders remain.

Taking into consideration the assessment in this report, prevailing priorities with regard to OC based on years of political and law enforcement experience, and putting regional variations aside, the following criminal markets should attract focused attention on the common EU level:

- Drug trafficking, especially synthetic drugs;
- Exploitation of trafficking in human beings and illegal immigration;
- Fraud;
- Euro counterfeiting;
- Commodity counterfeiting and intellectual property theft;
- Money laundering.

Regional patterns worth taking particular note of include:

- South West Europe, in particular with regard to illegal immigration, cocaine and cannabis trafficking for further distribution in the EU;
- South East Europe, specifically with regard to heroin trafficking, illegal immigration and trafficking in human beings, aimed at the whole of the EU;
- North East Europe with regard to highly taxed products aimed at the Nordic countries and beyond.
- Particular transportation hubs, such as harbours and airports pertaining to the 'Atlantic region', used for the movement of various commodities to and from the EU, in particular drugs.

Traditional destination regions for the smuggling of highly taxed products and production centres for synthetic drugs should also be highlighted.

There is a need for a close attention on key criminals, their networks, the financial dimension of the OC groups and their ability to communicate within and between one another. That is, the functional side of OC must be at the forefront of the attention, asking the question what they are doing and how rather than who they are. Such a focus would enable a targeted approach against OC, allowing law enforcement to keep track of an increasingly fluid criminal environment where both the criminals and the crimes become increasingly difficult to target in isolation.

Such a functional approach seems to be necessary as a complementary approach in conjunction with other measures aimed at OC. In addition, it may also increase the chance to be more successful in dismantling and disrupting OC networks all over the EU.

4. THE OC ENVIRONMENT IN THE EU

4.1. OC Groups in the EU

OC is prevalent in all Member States (MS) and increasingly international in its composition. OC groups are also becoming increasingly heterogeneous and dynamically organised in structural terms, moving towards loose networks rather than pyramidal monoliths. They are employing legitimate business structures in their criminal endeavours, be it for concealment of criminal proceeds or profit, and the level of specialisation in their activities is also growing. Many are in a position to influence external parties, be they business partners, public administrators or law enforcement officers. Violence is an inherent part of many crimes, and one could argue that it is an inherent part of OC in general, either overtly expressed or tacitly understood. Increasingly, OC groups are mastering efficient counter-measures against law enforcement activities.

Some regional patterns in OC in the EU can be discerned. The OC situation in Estonia, Latvia and Lithuania, for instance, is mainly conditioned by its proximity to Russia. The latter is source for illegal tobacco, alcohol and heroin in transit from Central Asia but also represents a market for stolen vehicles and synthetic drugs. Also Belarus and Ukraine play a role in this criminal system.

The four Nordic countries also share common traits. Although not exclusively so, outlaw motorcycle gangs play an important role among the most threatening OC groups active in this region, with close links into the neighbouring countries. In Finland the crime-system is heavily affected by Estonian-based OC groups acting as main providers of illegal goods and services. In Sweden, besides the influence of Baltic OC and the strong presence of outlaw motorcycle gangs, there are significant activities by ex-Yugoslavian and ethnic Albanian OC groups.

In Poland, the Czech Republic, the Slovak Republic, Slovenia and Hungary, OC is mainly indigenous and homogenous, involved mainly in traditional crime, and using bogus companies, influence and violence to further and shield criminal interests. It seems, however, that Poland is the slightly differing criminal market. The OC groups are quite heterogeneous with strong non-indigenous features. It also seems that the Polish OC groups have already become strongly involved in crimes against persons, which does not usually apply to the other countries in the area, in which OC is still mainly active in economic crime on the one hand and drug or commodity smuggling on the other.

It seems safe to suggest that Spain, Portugal and to a certain extent Italy can be associated with mainly heterogeneous OC groups. Naturally, Italy is characterised by very important homogeneous and indigenous OC structures such as the 'Ndrangheta, but is on the other hand also strongly affected by non-indigenous OC.

Spain and Portugal, and to a lesser degree southern France, have developed some similar OC characteristics. The Iberian Peninsula continues to be an important hub for major drug trafficking routes into the EU. In Spain, there are two main factors affecting the criminal environment: cultural and economic links with South America and geographical proximity to Morocco. The same could be said about Portugal, in particular its links to Brazil. Due to the first factor, Spain is a central point for the distribution of cocaine to Europe with the involvement of many foreign nationals associated to OC groups operating there.

Other regional patterns can be discerned. For instance, Ireland is affected by its close relationship to the United Kingdom which, in turn, is linked to the criminal hub

which seems to have developed in The Netherlands, Belgium, western Germany, Luxembourg and northern France. Finally, proximity to the Balkans has a strong impact on the crime scene in Italy and Greece.

Because of its historical heritage, extension and geographical position, Germany's situation is one of the most complex ones. There is a strong activity of OC groups from Turkey, Italy and Serbia and Montenegro, which highlights the influence of the aforementioned Balkan crime-system. On the other hand, Germany experiences also a significant presence of Polish, Russian speaking, Lithuanian and Ukrainian OC groups, which is the sign of the influence of the Baltic crime-system. Nigerian OC is also strongly present. To make it even more complex, Germany is also affected by outlaw motorcycle gangs.

Some patterns are less regional in scope. OC groups from the Balkan area have a direct or indirect impact in most of the MS. Traditionally, Turkish OC is responsible for importing and distributing heroin in the EU, in co-operation with criminals along the Balkan routes. Ethnic Albanian OC groups have already shown a significant involvement in the trafficking of heroin, while Romanian and Bulgarian OC groups, besides the ethnic Albanians, are more engaged in predatory crimes and trafficking in human beings.

It is interesting to notice that the significant presence of African OC seems to be bound to Spain, France, Belgium and partly Italy. The only exception is represented by Nigerian OC groups which are spread throughout the EU, keeping a low-profile strategy.

Chinese OC, finally, is still embedded in closed Chinese communities. This result in a low level of visibility and apparently a low impact on single MS. They facilitate illegal immigration and exert systematic exploitation of human beings for labour and sexual purposes. They are also involved in commodity smuggling into the EU.

4.2. Criminal Markets

With regard to types of crime, the criminal situation within the EU is constantly evolving but does not present sudden and unexpected changes if compared with the situation in the last few years. Similar to the dynamics in the field of OC groups, internationalisation and diffusion play important roles in the crime areas themselves.

Violence is an inherent part of many types of crime, be they directed at persons or property. Likewise, corruption is used in many crime areas. Also, other horizontal issues worth highlighting include the use of falsified documents, technological means and the transport sector as facilitating factors to crime. Other facilitating factors which OC takes advantage of include increasing globalisation and the presence or not of borders, be they political, cultural or other. The latter mainly refers to opportunities provided by decreased border controls whilst administrative borders remain.

Drug trafficking is the most frequent principal activity of OC groups. Drug consumption in the EU follows established general trends with slight differences between the MS. Poly-drug trafficking is increasing. The main problem of drug trafficking is that the source regions of most drugs are not under the control of the EU, and often not even under that of the respective governments. The exception is synthetic drugs, of which Europe seems to be the biggest producer in the world. The production of drugs depends on the availability of the right precursors, the production and sale of which is subject to strict controls.

After drugs, trafficking in human beings, primarily for sexual exploitation, should be mentioned. It requires a complex organisation, and is linked to facilitating crimes such as document counterfeiting. The same is true for illegal immigration.

Some MS are transit countries for cars destined for countries in the former Soviet Union, the Middle East and Africa, many others are source as well as destination countries for vehicles that are subsequently recycled on the internal market. Stolen cars are usually rigged, provided with falsified documents and sold to unknowing buyers, but they can also be dismantled to get spare parts to be sold separately or even given back to the owner upon payment of a ransom.

Fraud comprises a vast array of different criminal activities based upon deceit. Credit cards frauds are the most mentioned and are frequently performed by Eastern European OC groups. Another frequent fraud consists of non-payment of VAT, or getting undue refunds of it. Financial fraud – ranging from double invoicing to alcohol excise evasion – is also common. The internet is increasingly used to commit frauds. A recent modus operandi of fraud through the internet is the establishment of fake escrow companies to be used in e-commerce. Pretending to be an impartial third party between the seller and the buyer, OC groups manage to get hold of both the money and the purchased articles.

The pivotal role of money laundering in OC is widely recognised. Borders still provide shelter to money laundering activities, hindering investigations. Investing dirty money in countries other than that in which the predicate offence was committed is common practice. Fraud, smuggling, corruption, document forgery and identity theft are often connected with money laundering. The financial sector is quite understandably the most affected by money laundering.

Commodity counterfeiting is a rapidly expanding type of crime. Advances in technology have facilitated the growth of counterfeiting, by enabling the speedy reproduction of high quality counterfeit goods. Virtually all goods on sale can be – and are – counterfeited, and, in addition to the significant economic loss, the serious threat posed to health and safety by counterfeit medicines, spirits, food, cigarettes and car or aircraft spare parts must be considered. OC groups from East and South East Asia are frequent perpetrators, but also indigenous OC groups are involved. Criminals at all levels are involved in commodity counterfeiting, which is to be expected given the high profits, low risk of detection and often low penalties for those caught.

Currency counterfeiting is reported as increasing in some MS (Germany, Lithuania and the United Kingdom) and decreasing in other (Denmark). A growing attention to the falsification of euro coins due to the mounting difficulties in producing good quality counterfeit banknotes can be noted.

Property crime is widespread across Europe, and it is not always easy to determine the actual involvement of OC.

4.3. General Observations

The situation in OC outlined above emphasise the need to pay close attention to key criminals, the financial dimension of the OC groups and their ability to communicate within and between one another. That is, the functional side of OC must be focused on, asking the question what they are doing and how rather than who they are. Such an approach will not only be more successful but also necessary as the structures of the OC groups become increasingly fluid and difficult to address.

The changes in the OC landscape are motivated both by factors internal to OC and contextual issues. On a general level, internally, the drive to make money without

being caught, directs criminals towards, on the one hand, increased levels of co-operation and, on the other, towards secrecy and isolation. However, it seems that the balance between the two has tilted towards the money-making side, or at least that the shielding activities of the OC groups are deemed sufficient enough to protect their continued activities, strategic leadership and assets.

External factors include changed political and law enforcement priorities together with economic, social and technological developments. For instance, the tightening of controls at certain border crossing-points and its subsequent effects, or the legalisation or criminalisation of certain goods and services changes crime opportunities in the EU. Decisions with regard to the EU budget, EU directives with an impact on various economic sectors (for instance transport directives) and other high-level political issues could also be mentioned. This should be seen together with the on-going globalisation of products, services and markets, the blurring of the border between licit and illicit markets, rising trade volumes and control difficulties, the re-structuring of certain economic sectors and sub-contracting of legitimate services, changing market demand for certain goods and the link to counterfeiting. Social issues in relation to OC are also important, for instance more lenient social controls, urbanisation and other social and cultural issues which have an effect on crime, for instance by changing people's propensity to be corrupted or their willingness to bend under pressure or even gladly take part in crime or knowingly gain from criminal activities. Finally, technological issues should be considered, including computer and other technologies as a means for OC.

Political, economic, social and technological variables can also be influenced by crime. Politically, few OC groups pose a direct threat to the MS. Economically, OC is already disrupting legal business practices. Socially, the fear that crime instils is counterproductive to an open society. The technological threat is less visible, but at the lowest level, continuous criminal assaults on a particular infrastructure, such as electronic banking, may lead to overprotection resulting in lower efficiency in the system. The higher cost of developing and maintaining technological systems as a result of crime is always present.

5. THE THREAT FROM OC

5.1. Key Indicators With Regards to OC Groups

Seven key areas of interest are considered:

- The international dimension;
- Group structures;
- Use of legitimate business structures;
- Specialisation;
- Influence;
- Use of violence;
- Counter-measures.

5.1.1. *The International Dimension*

The international dimension of OC can be captured as *international co-operation*, between non-indigenous¹ groups or between an indigenous² and a non-indigenous group, or as *international operations* carried out directly by an OC group.

The situation where a criminal group resorts to international operations, exploiting its presence in source, transit and destination countries, presents the most threatening features.

Within this framework, the highest threat seems to be linked to non-indigenous criminal groups which aim at managing the distribution phase within the EU markets, besides the provision to the EU.

A variant of this situation occurs when a non-indigenous group provides the illegal goods in a transit country (usually the country of origin of a second OC group) for further smuggling and distribution in the EU.

The situation is even more complex when a non-indigenous OC group acts in agreement with more established OC groups.

The above mentioned management of the distribution phase in EU by a non-indigenous OC group may be read as an indicator of the criminal environment moving or having moved towards one of the two scenarios below:

- 1) Significant criminal presence in order to manage and uphold the distribution network coupled with the presence of a noticeable community of reference;
- 2) Significant criminal presence and strategic level members or assets (as re-investments) being located outside the EU.

It is also possible that these OC groups start investing their proceeds in the EU. In this case, there is a strong indication that the OC group is trying to infiltrate the host society. This consolidation can lead to penetration of other criminal fields or to better sheltering of the upper levels of the criminal group.

¹ Within the scope of this categorisation, a non-indigenous OC group entails a criminal group dominated by members not having a nationality, origin or ethnicity of any MS.

² Within the scope of this categorisation, an indigenous criminal group entails a criminal group dominated by members having the nationality, origin and ethnicity of one or more MS.

With regard to the second scenario, the first dimension concerns strategic level members being located outside the EU. They are the ones who are crucial for the survival and development of the criminal organisation. Disturbing factors linked to the legal framework, national priorities in using resources, but also, for example, the criminal group's capability of local influence plays a major role.

The second dimension concerns assets (as re-investment) being located outside the EU. This can reinforce the above mentioned disturbing factors, because it could be the sign that the criminal organisation is aiming at increasing its influence or infiltration in a country outside the EU.

In conclusion, the situation where a non-indigenous criminal group resorts to international operations and also aims at managing the distribution phase within the EU markets is the highest threat. In fact, this could be linked to troubling developments of the criminal environment where certain OC groups are able to exploit noticeable communities of reference or have the capability to shield themselves behind their international dimension. Concerning this last possibility, assistance initiatives framed in the EU's external relations policy and the progressive enlargement of the EU should contribute to lower the threat. Concerning the 'communities of reference' factor, its development seems to be affected by two contrasting forces: globalisation, pushing for a growth of these communities, and EU and MS integration policies which should lower the possibilities of their exploitation.

5.1.2. OC Group Structures

Modern OC research is increasingly shifting its focus from criminal collectives, initially organisations and later on criminal networks, to the individual 'organised criminal'. Studies have revealed very flexible and fluid patterns of association between individual criminals. The existence of criminal organisations or networks should not be taken for granted; attention should instead be paid on the conditions under which patterns of criminal association and co-offending emerge and exist.

While there are criminal groups organised along the homogeneous and hierarchical lines, many groups are in practice loose networks of relatively independent members that coalesce around one or more prominent criminals. These networks take up tasks of varying structure, length and complexity according to the demand and concrete profits.

Furthermore, some modern crime types are ever more difficult to categorise according to group structure or composition. For instance, criminals involved in hacking of payment card data form occasional networks comprising cells of expertise that are employed by other cells. Physical proximity or social contacts are not necessary when the whole criminal process from committing the crime and marketing and selling the proceeds to transferring the criminal gains takes place on the internet.

There are several factors conducive to the change in group structures. It can be a result of shielding activities against law enforcement measures, but more often it can be regarded as a response to the changing criminal markets. Participation in types of crime that do not require physical presence (for instance online child abuse and some types of fraud), the tendency to multi-crime involvement and specialisation are all factors in this development.

This, however, does not suggest that OC today is synonymous with disorganised criminals. Structure exists also in the apparent chaos of changing patterns of criminal association. The actual structures often operate on an isolated and functional need-to-know basis, and normally feature a substantial distance between the central function and other structures.

In the EU, there are also OC groups characterised by a hierarchical structure. This seems to be a strength and facilitates the inherent transnational co-operation of the groups, enhances the role of the head of the group and clarifies the allocation of tasks and responsibilities of each member. A system of negative sanctions following any failed action is complied with and respected but, reversely, positive incentives are also used to ensure group loyalty.

This type of structure also fits the functions of these OC groups and maintains their closed nature, further complicating any substantial law enforcement measures against them. In this sense the consistently hierarchical and almost paramilitary structure of these groups can be an aspect in making them a possible threat.

5.1.3. *Use of Legitimate Business Structures*

OC does not operate exclusively within a criminal underworld, but makes regular and widespread use of legal businesses to support and facilitate its criminal activities. OC groups employ different methods for controlling and influencing – at varying levels – legal business.

It is possible to divide the use of legitimate business structures by OC in three main categories:

1. Criminals set up and run the businesses themselves. In many instances, the chosen legal activity has a direct connection with the type of crime that specific OC group is involved into. This is the case of OC groups involved in illegal trafficking that run import-export or transport companies, or criminals involved in trafficking in human beings or facilitating illegal immigration working as travel agents, employment agents or impresarios. However, if their legal business is run to launder money or to give a legal façade to their illicit activities, criminals may engage in business created ad hoc with no relations with their criminal sectors.
2. Criminals use legitimate business structures colluding with or coercing employees, or even managers, working for perfectly legal and trustworthy companies. Corruption or coercion can be also used to request the hiring as regular workers of members of the OC group, who will then facilitate the use of that business for illicit purposes.
3. Criminals use deception and make use of legitimate business, which unknowingly and unwillingly facilitate them in their illegal endeavours.

The three categories listed above are present, in varying proportions, in all countries where OC thrives. The first category is the most threatening. A business set up and run by criminals has a significant social and economic impact.

5.1.4. *Specialisation*

Specialisation by OC groups could mean the following:

- The acquiring of specialist functions to improve OC activities, increase professionalism and decrease the chances of detection and prosecution by law enforcement;
- The provision of specialist services to more than one OC group.

OC groups often have a need for someone with specialist skills or know-how such as chemists, accountants, financial experts, IT specialists, those with access to particular goods and services, such as firearms or false passports, or those willing to carry out specific tasks, such as murder or debt enforcement. These specialists are either low-level, expendable individuals used on a one-off basis or periodically,

whereas others are professional criminals who provide their services on a continuous basis.

An increasing number of criminal networks have made the provision of specialist services their core business. They facilitate a range of OC groups with high-quality services otherwise unavailable because of, for instance, high development or investment costs. The facilitation of forged documents is one example of this.

OC groups may recruit specialist facilities and individuals such as trucks or drivers. Others turn to OC groups who facilitate OC in case they are unable or reluctant to do the specialist job themselves. Certain specialist services are in high demand and play a pivotal role in the workings of OC groups. These include individuals facilitating OC groups involved in drug trafficking who bring together buyers and sellers, and illegal immigration agents and sub-agents, who specialise in selecting routes, arranging transport, providing documentation or handling the migrants' needs on arrival.

Although most of the largest importers of heroin and cocaine tend to concentrate on one or the other type of drug, many drug traffickers appear largely unconcerned about the different types of drugs they handle and, by inference, the different penalties they face should they be caught. Traffickers frequently move other commodities as well as cocaine or heroin, and often move multi-commodity loads from source to destination country. Shipments consisting of more than one drug are often found where specialist transporters are moving drugs for a number of customers.

The trend to use specialist money launderers is increasing. These individuals use their expertise and apparent respectability to launder criminal proceeds. OC groups target professionals, such as solicitors or accountants, who have easy access to the financial sector and who are able to integrate 'dirty' money into the legitimate financial system. These individuals may be witting or unwitting accomplices. In some cases, they may be coerced.

OC groups will continue to exploit new market opportunities. Investigations and seizure statistics demonstrate the production and trafficking of a variety of 'designer' drugs and medicines, often circumventing legislation. As higher capacity production spreads across the EU, legitimate companies are likely to be exploited for the acquisition and subsequent criminal use of scheduled and non-scheduled chemicals, industrial equipment, specialist glassware and other materials.

Besides already existing and additionally developed specialist skills, the availability and diffusion of the technical means as well as the constant high-pace developments involving information technology will strongly influence OC. Furthermore, the enormous profit potential is well realised by OC groups, who will always aim to better exploit all possible uses in already existing criminal activities and in new unregulated sectors.

Specialisation in a particular niche area can provide an OC group with tools for expanding its activities into other crime areas which would benefit from that skill. For instance, OC groups specialised in document forgery are also sometimes highly involved in illegal immigration, trafficking in human beings and Euro counterfeiting.

5.1.5. Influence and Corruption

Corruption can be defined as the misuse of entrusted power for private gain. With regards to OC activities the definition can be further developed to integrate facilitation payments made to receive preferential treatment for something the

individual receiving the bribe is required to do by law, or to obtain services the individual receiving the bribe is prohibited from providing.

Criminal groups in Europe are known to use influence or corruption for two main reasons: to lower risks or gain opportunities in relation to their criminal activities, and as a separate criminal act for financial gain. Lowering risks, or gaining opportunities, has to do with ensuring a safe environment for their activities – that is to remain undetected, to avoid investigation or prosecution, or even conviction. In general, influencing or corrupting people requires a certain level of exchanging benefits between the two parties, either financial or non-material.

The use of influence and corruption by OC groups can occur at different levels in the EU: from petty corruption to influencing or corrupting politicians or high-ranked state officials. The latter is clearly the more threatening to the EU as a whole, as it will often involve large sums of money and is more difficult to combat in general.

There are different reports which clearly state that corruption in the construction sector in many European countries seems to be flourishing most. This area, related to the process of tendering, can be considered of major importance for national law enforcement authorities.

The use of influence by criminal groups to avoid investigation, prosecution, or even conviction can be considered as the most threatening. A criminal group attempting to corrupt low-level officials for creating a safe environment to conduct their criminal activities poses a less serious threat than the attempts to influence high-level law enforcement personnel, the judiciary, politicians, and public sector officials. The latter can occur not only by paying money, but also by exchanging benefits of different kind, which can be non-financial and is more difficult to combat by law enforcement. For this reason alone, it poses a considerable threat to the EU. Furthermore, a distinction must be made between the use of influence and corruption by indigenous groups inside their country, and by non-indigenous OC groups inside and outside the EU, but affecting the crime situation in the EU. Corruption used by non-indigenous OC groups outside the EU is more difficult to combat.

5.1.6. *Violence*

The use of violence is inherent in many types of crime, but OC groups can exert violence for several different reasons other than simply for the sake of committing a violent crime. Violence can be adopted as an offensive or defensive tactic, it can be planned or based on reaction, it can be brought to the extreme or limited to the necessary degree, and it can be publicly exposed or kept hidden.

A distinction must be made between intra-group violence; inter-group violence and extra-group violence.

Intra-group violence is used to maintain discipline and cohesion within the group. It will continue to be used by OC groups in the MS in the future.

The use of inter-group violence can be found throughout the EU, and it seems that the calculated use of violence helps these groups to survive. However, extreme or spontaneous violence is more likely to be counter-productive, since it attracts law enforcement attention, distracts the group from its core business activities, and may result in group members being arrested or killed, and assets lost. It is more likely that criminal groups will seek collaboration rather than to engage in violent competition.

The use of violence against persons or companies not belonging to the criminal world is sometimes an intrinsic feature of crimes such as extortion, exploitation of

human beings and robbery. On the other hand, illegal immigration or trafficking in human beings can take place without using extreme violence. However, the use of violence in trafficking in human beings is endemic. Based on reputation or mere appearance, the threat of violence can also be exercised, especially in relation to individuals. Violence directed at victims who will not, for fear of repercussions or otherwise, report on it, or against people in closed ethnic communities, which are never reported, is an additional problem.

A clear distinction must be made between the use of violence as an intrinsic part of a specific crime, and the planned use of violence by well-established OC groups to hinder law enforcement activities in a broad sense. To consider certain nationalities as most threatening, simply because they are using violence as part of their preferred criminal activity, is problematic. However, certain areas are more violent than others, and so are certain OC groups or gangs, perhaps because of violent group 'culture'.

The use of extra-group violence is the most threatening aspect of the use of violence in the EU. Violence, or the threat of using violence, will persist in certain crime areas, as it is an intrinsic feature of the modus operandi OC groups involved in certain crimes..

5.1.7. Counter-measures

A counter-measure is an action undertaken by an OC group to avoid detection and ultimately prosecution by law enforcement agencies. A wide variety of actions can be seen as a counter-measure. In this report, a coverage activity that is part of the specific modus operandi used by the OC group to commit its main crime is not considered a counter-measure³.

Counter-measures can be classified under three categories:

- 1) Avoiding law enforcement detection of the criminal activity;
- 2) Avoiding law enforcement detection of members of the criminal organisation;
- 3) Avoiding prosecution and conviction of members of the criminal organisation.

The first category refers to practises in the fields of counter-surveillance, misleading activities, infiltration against law enforcement agencies, use of certain communication means or sophistication in hiding money transfers.

The second category deals with efforts spent to hinder investigations starting from the detection of the criminal activity and aiming at identifying the members of the criminal organisation. In this field, the use of complex networks of companies, front men and counterfeit or falsified documents can be mentioned. Similarly, practises such as the use of nicknames, codes, foreign languages or local idioms are used to avoid identification from communication interception.

The third category, avoiding prosecution and conviction of members of the criminal organisation, refers to a wide variety of countermeasures which can be adopted. These include the use of violence, intimidation, corruption or influence against group members under trial or investigation, but also against victims, potential witnesses, law enforcement personnel, or people within the judiciary, public administrators, and politicians. The international dimension has a relevant role to play in avoiding or hindering evidence gathering, prosecution and apprehension.

³ For example, the use of import/export companies, transport companies, modified means of transport when it is meant as part of the modus operandi for smuggling drugs within the EU without interception by law enforcement agencies.

The most threatening manifestations in the field of counter-measures depend on two considerations. Firstly, criminals need to communicate to co-ordinate their activities. OC groups are making increasing use of the speed, accessibility and relative anonymity offered by internet communication. They use e-mail, chat rooms, instant messaging and 'peer2peer' networks, and are beginning to relay messages via the internet that were traditionally delivered in person or via the telephone. Some criminals are using internet cafés or encrypting their messages as a further layer of protection.

Secondly, disruption without dismantling has only very short term effects if any.⁴ Furthermore, widespread difficulties in achieving a complete understanding of the structure of the groups under investigation can seriously affect the general perception concerning OC. In this framework, the most threatening features are shielding activities based on the international dimension, together with influence and corruption.

When shielding companies or front men are placed in off-shore or non co-operative countries, law enforcement action can be seriously hindered. This is compounded by the difficulties outlined with regard to the international dimension, for instance the location of assets and upper levels abroad.

With regard to corruption and influence, they can be deployed to create a safe environment for the upper levels of OC groups against identification, prosecution and conviction. Corruption and influence as counter-measures can be carried out within or outside the EU. The latter case seems to be the most threatening one in terms of obstacles to identification and dismantlement of the groups.

On the one hand, the most threatening feature is the use of widespread technology, in particular for safe communications. On the other hand, a high level of threat is posed by shielding activities based on the international dimension or influence and corruption to create a safe environment outside the EU for the upper levels of criminal organisations against identification, prosecution and conviction. The EU's external relations policy should contribute to lower this threat.

5.2. Key Facilitating Factors With Regards to Criminal Markets

With regard to criminal market aspects of the threat from OC, the following horizontal indicators should be considered:

1. Document forgery and identity fraud;
2. Technology as a facilitating factor
3. The misuse of the transport sector;
4. The exploitation of the financial sector;
5. Globalisation;
6. Borders.

Today, these six horizontal facilitating factors together present a set of opportunities to OC. Changes in them could change opportunities into threats.

⁴ Disruption to a criminal business occurs when the business is hampered for a period of time, normally as a result of law enforcement action, but is not permanently disabled. The dismantling of a criminal business occurs when that business is rendered permanently inoperable, usually as a result of the arrest and detention of key figures within the group through law enforcement action.

5.2.1. *Document Forgery and Identity Fraud*

Identity fraud is defined as the use of false identifiers, fraudulent documents, or a stolen identity in the commission of a crime. Identity fraud is broader than identity theft in that identity fraud refers to the fraudulent use of any identity, real or fictitious, while identity theft is limited to the theft of a real person's identity.

Identity fraud provides criminals with the tools they need to remain anonymous, gain access to goods and services, avoid detection and transfer resources. Forged documents are also an indispensable facilitator for crimes such as the trafficking of stolen vehicles.

Document forgery and identity fraud can be lucrative crimes on their own for specialists such as forgers, counterfeiters, graphic and typography experts and hackers, but need to be seen as a horizontal criminal activity, carried out as a necessary facilitator for a wide array of different crimes.

Identity fraud can be divided in two main categories:

- The cases of identity theft, where the perpetrator assumes the identity of an existing person;
- The cases in which a fictitious but credible identity is made up, creating a bureaucratic and financial person that hides the real identity of the perpetrator.

The same classification can be extended to counterfeit documents. They can refer to a real person, vehicle or financial instrument, or to a fictitious one. Sometimes there is no possibility of choice: in the case of stolen documents, only the picture (if there is a picture) is changed, while the name and personal data usually remain unchanged. False financial instruments are often used in fraud schemes. In many instances they bear a close resemblance to the genuine document.

A higher level of anonymity in virtually all kinds of relations is a facilitating factor of identity fraud and document counterfeiting. It is hard to validate the identity of the holder of an ID document, never mind his financial identity. Globalisation favours the movement of goods and people, with positive economic consequences but with increasing problems in controls. In the future, the use of falsified documents and identities by OC groups will increase.

5.2.2. *Technology*

Technology is increasingly becoming a main facilitator of OC. New types of fraud such as data streaming of payment card details have emerged in recent years, and traditional forms of crime such as money laundering, drug sales, the dissemination of child abuse material and prostitution have evolved as a result of technological developments. The internet has had an especially profound effect on crime.

The advantages the internet offers in terms of information and communication technology are extremely beneficial to OC. The underground cultures built around some of the high technology phenomena such as hacking and cracking are perfect for support, contacts, recruitment, advice and clients. Communication between OC groups and its members need to be either wholly secret or sufficiently difficult to penetrate in order to avoid giving law enforcement foreknowledge of what is planned or the ability to piece together evidence that a crime has been committed.

OC groups rely on fast and secure means of communication. E-mail, internet chat rooms and instant messaging all offer new opportunities, as do web-based and client server mail accounts, websites and message boards. It provides speed of communication and, combined with encryption tools, offer unprecedented security

for the data they store and exchange. Free, encrypted web-based mail is now also available. Advanced communication networks and in-depth knowledge of information technology enables OC groups to operate in a well-organised manner covering both legal and criminal activities.

Economic and financial fraud committed by the use of credit cards will profit from technological advances. It will further accelerate due to the growing number of people using electronic payment systems.

There is an increased importance of technology in OC, as well as in law enforcement efforts to mitigate the threats posed by OC to the EU. A main threat is the fact that legislation is slow to react to the developing technologies, consequently practises utilising certain technologies fall outside the scope of current legislation.

5.2.3. The Misuse of the Road Transport Sector

The five major sectors within the transportation industry are air, road, rail, maritime and pipeline transport. The road transport sector focused on below is the largest within the industry. Around 44 per cent of all goods are transported by road with 41 per cent by short sea shipping, 8 per cent by rail and 4 per cent by inland waterways. With regard to OC, for instance, the preferred means of transport of heroin and cannabis within the EU is road transport, particularly the use of trans-continental truck drivers.

The road transport sector is used to facilitate a varying assortment of crimes requiring the transport of goods or people. This has arguably been aided by the enlargement of the EU. The approach by OC to the sector involves the identifying, targeting and subsequent corruption of key personnel and the infiltration, purchase or formation of transportation companies operating in the licit market but with criminal intent.

Given the size and the pivotal role the transportation industry plays in the facilitation of crime, infiltration by OC is inevitable. Presently, access to the sector is regulated by a plethora of legislative requirements at both a national and European level. This complexity of regulation has allowed easier access to the licit market for OC. The lack of any strategy, guidance or standard over the vetting of employees, and to a lesser extent, companies within the industry allows individuals with connections to OC to easily access the industry.

The approach by OC groups to create new alliances or exploiting existing alliances within the legitimate transport industry will continue, but the main threatening aspect of the misuse of the road transport sector is that OC groups will exploit the opportunities to set up their own transportation companies. OC groups will in that case be able to minimise the risk of being discovered from within the industry and be able to transport illicit goods throughout the EU with less scrutiny.

5.2.4. The Exploitation of the Financial Sector

The exploitation of the financial sector relates to the following categories:

- Credit institutions;
- Financial institutions; including currency exchange offices; money transmission or remittance offices; insurance companies or intermediaries, and investment firms;
- Auditors, external accountants, tax advisors, notaries and other independent legal professionals;

- Trust or company service providers;
- Real estate agents;
- Casinos and other gambling sites;
- Other legal or natural persons trading in goods or services (such as cash-intensive or import/export businesses).⁵

In different ways, they can all be used for money laundering and re-investment of criminal proceeds. Some of them could also be used for various types of fraud, for instance investment fraud. With a view on the international dimension, so-called off-shore havens or non co-operative countries and territories should be mentioned, for instance their use in money laundering operations. Overall, the internationalisation of the misuse of the financial sector is remarkable.

The owners, the directorship, the personnel of legal persons or the natural persons (not acting as part of a legal person) could be members of the criminal organisation, or be corrupted or threatened by the criminal organisation. They could also be simply aware of the ongoing crime or have no knowledge of the ongoing crime.

No specific and structured intelligence is available concerning the nature of the link between criminals and the operators in the financial sector. However, the situation when credit or financial institutions are exploited by criminals through the coverage of legal persons trading goods or, even worse, services, seems to be the most threatening one.

5.2.5. Globalisation

The substantial migration flows that have been and are spreading in the EU are contributing to change the social environment. Communities of nationals from third countries appear to be growing due to legal and illegal immigration. This trend is leading the integration issue to the centre of the EU political agenda.⁶ OC can be seen as a parasite prospering at the expense of society. The development of significant communities of third countries' nationals can represent an opportunity for non-indigenous OC groups in their struggle to gain a stable foothold in the EU criminal markets while benefiting in full from their transnational links⁷.

These communities should be interpreted as exploited environments that may unwittingly act as facilitating factors for the penetration and growth of non-indigenous OC groups for four reasons.

First, the community may become the target for the criminal group. This statement refers in particular to markets for which criminal groups play the supplier role, such as drugs or banned wildlife articles.

Second, the community may become a target for extortion and exploitation crimes. The less the community is integrated with the host society the more likely this becomes. In extreme cases, the state may experience great difficulties in penetrating these communities whose inhabitants seldom think of addressing official authorities and where basic state functions, such as the exertion of violence, administration of justice and health care, are therefore taken over by others.

⁵ In this category, reference is made to companies used as means for moving money and not as integral parts of the modus operandi referring to the predicate offence.

⁶ For example, in 2004, the European Commission published the First Annual Report on Migration and Integration' and, in 2005, the same body set a common agenda as framework for national and EU initiatives in this field.

⁷ Cf. the chapters on the international dimension and counter-measures above.

Third, the community may unwittingly become the disguising background for the criminal group, because:

- a) The presence and movement of third country nationals become usual;
- b) The volume of trade and financial transactions with this third country increases;
- c) Business undertakings owned or managed by these third country nationals become usual.

Fourth, this community can represent a pool from which new members can be recruited, because of, for instance, marginalisation, common cultural background or family ties.

With this in mind, the future could be characterised by an upgrade in the role of non-indigenous groups within the OC environment in the EU, especially for the ones capable of exploiting their international dimension in order to act also as provider of illegal goods and hinder law enforcement efforts.

On the other hand, globalisation is transforming criminal markets to be dominated by buyers rather than sellers. It is increasingly easy to get hold of illegal goods or products needed for crime. This factor, a sort of globalisation of supply, could also favour indigenous OC groups, because it should erode or prevent monopoly positions of certain non-indigenous OC groups.

Another effect of globalisation is that OC groups can more easily combine their resources and acquire a world-wide reach.

Easier circulation of information coupled with easier circulation of investments and goods are pushing towards a sort of world-wide homogeneity in the consumption models. This has an immediate effect on criminal activities. This tendency to world-wide homogeneity is linked to world-wide marketing of certain articles. The consequence is that their counterfeiting has become very attractive, because it opens a huge market and not only local markets. On the other hand, a significant part of the costs is linked to investments in the development of the product itself (for instance in terms of research and design) and its marketing. This allows the criminal groups to earn enormous profits while selling the counterfeit goods at far lower prices than the official ones, not having to bear the burden of these costs.

Furthermore, many companies have moved production processes to third countries, in particular because of lower costs. This has brought crucial knowledge out of the EU, increasing the likelihood of misuse of know-how for producing counterfeited products by OC groups.

There are essential differences between smuggling and counterfeiting. Smuggling is based on high taxation and national borders, and mainly implies legal production before illegal introduction. Goods counterfeiting is rooted in the cost structure of certain products, 'borderless-ness' and globalisation of demand and entails illegal production besides illegal entry. Another difference is linked to human health: it is not put unwittingly into danger by consumers purchasing a smuggled product because they get what they asked for. With goods counterfeiting, especially with reference to food and medicines, it is probable that safety standards are not respected with possibly heavy consequences for the health of consumers. Furthermore, counterfeiting entails technical capabilities that are not required in the smuggling field.

In conclusion, globalisation calls for a closer view on the world outside the EU, because, for example:

- 1) The penetration of the EU by non-indigenous OC groups, unwittingly favoured by the growth of extra-EU communities, can be coupled with the undertaking of strategic level activities, the location of strategic level members and increasing influence or infiltration in countries outside the EU. This possibility can represent a major hindrance for dismantling them, already made more difficult by, for instance, cultural and language barriers;
- 2) Homogenisation of consumption models and products whose costs are mainly based on research and marketing create new criminal opportunities that can be exploited carrying out the main illegal activities far from the EU;
- 3) The globalisation of supply makes it easier to shift the production of illegal goods outside the EU, with the immediate effect that OC groups and activities cannot be seriously hit without expanding law enforcement efforts outside the EU.

The strongest threat at the EU level is now represented by OC groups operating outside and impacting on the EU. Furthermore, the development of significant communities of third countries' nationals can represent an opportunity for non-indigenous OC groups in their struggle to gain a stable foothold in the EU criminal markets while benefiting in full from their transnational links.

5.2.6. *Borders*

The erosion of borders described in the chapter on globalisation above must be complemented with a discussion about the borders that exist and are susceptible to criminal misuse.

What is true for companies is also true for OC: the free movement of persons and goods with administrative barriers nearly totally disappearing is an advantage OC exploits while MS administrations still have difficulties when it comes to collaborating with their counterparts.

EU integration is more or less rapidly erasing economic borders between the MS, which generates opportunities for OC:

- Countries which earlier were not priority targets for OC groups involved in drug trafficking are now becoming areas of increased interest;
- The adoption of the Euro has made the circulation of money from crime so much easier since controls for changing money have virtually disappeared.

Growth rates in the new MS and accompanying salary increases provide many OC opportunities. The same is true for cheap and easy air travel between the MS allowing everybody, including OC members, to move across the EU with ease.

Economic borders still exist, though, at times motivating people to become involved in crime. Many people indirectly support OC when buying counterfeited products which generate huge amounts of money. Buyers of fake cigarettes or of fake goods in general pay attention to the immediate benefit of their purchase without looking at its consequences.

Borders of various kinds will continue to provide OC with crime opportunities. The main threat is administrative borders, hindering international law enforcement activities whilst OC continues. With regards to political borders and decreased border controls, the full integration of the MS into the EU common space has a facilitating effect on OC activities though it is foreseen it will have a negative effect on OC in the long run by favouring co-operation between MS law enforcement agencies.

6. CONCLUSIONS

6.1. General

External factors will continue to provide many opportunities to OC. Thus, political, economic, social and technological variables influence crime but may also be influenced by it. An excessive impact from crime, especially OC, on civil society can be a threat to democracy and the economy. The aggregated OC profits from crime are large and represent a cost to all citizens in the EU. Worse still, the amassing of money by criminals is the prelude to undue influence when money is centred on a certain group or leader. This highlights a few important issues:

- First, when attacking OC, law enforcement is at the heart of political and economic life in the EU. It is the safeguard against too excessive an impact from crime, especially OC, on civil society and in the end a protector of democracy and the economy;
- Second, law enforcement is part of a bigger whole. Especially with regard to crime prevention, law enforcement benefits from the active support from, and partnership with, the public and private sectors. Conversely, they benefit from support by law enforcement;
- Third, the bigger whole is larger than its constituent parts. OC is increasingly borderless and law enforcement needs to follow suit and surpass OC in its internationalisation;
- Finally, concerted law enforcement action against the functional side of OC, aimed at its key members, communications and financial systems, is necessary since OC is closely linked to a functional change. It also opens complementary options of crime prevention and repression which might be of additional success.

6.2. OC Groups

The model adopted in this threat assessments points to the types of OC groups that must be regarded as the most dangerous. They are the ones characterised by dynamic combinations of the most threatening features of the seven OC group indicators.

Stating which particular aspect is the most threatening, or which one is the most prevalent OC group to be attacked by law enforcement, is a value statement about the relationship between the indicators. Violence, for instance, often scores high in overall priority settings, but this is based more on prevailing notions of societal vulnerabilities than on analytical stringency. There is nothing to suggest that violence is more important to the sustained presence and impact of an OC group than, say, its transnational activities.

However, such considerations cannot be overlooked. With this in mind, based on the threat assessment above, and in light of prevailing political priorities in the EU, the focus should be on OC groups displaying structural or functional qualities supporting the resistance of these groups to dismantling attempts. Four main categories can be identified:⁸

⁸ There will be instances where OC groups will show traits from two or more of these categories, but for analytical stringency it is important to keep them apart.

- principally territorially based, indigenous OC groups, with extensive transnational activities; especially such with possibilities to shield their leadership and assets even inside the EU;
- mainly ethnically homogeneous groups with their leadership and main assets abroad;
- dynamic networks of perpetrators, whose organisational setup is less viable to attack from a law enforcement perspective than their communications and finances;
- OC groups based on strictly defined organisational principles without an ethnic component, coupled with a large international presence.

The main threatening aspects of the groups are, first, the overwhelming obstacles in dismantling them because of their international dimension or influence, and second, their level of infiltration in society and economy. The first aspect gives them a sort of impunity and perpetuity that counteracts law enforcement efforts. The second aspect makes them mingled with the legal world, negatively affecting the willingness to attack these criminal groups, the level of corruption and democratic dynamics. Also, the more an OC group is established and has infiltrated society the more the upper level can gain a layer of respectability and become more difficult to bring to justice.

The first point mainly refers to non-indigenous OC groups. The characterising feature is linked to the gradual infiltration of the EU criminal environment while profiting from the international dimension for supporting the criminal activities and minimising the possibilities to be dismantled. This is consistent with fluid networks of cells that in reality are dominated and directed by upper levels that are shielded mainly through the use of the international dimension.

The second point mainly refers to indigenous groups. Here the infiltration dimension is emphasised through the use of high levels of influence to create a safe environment in the EU, set-up and management of businesses that are also used to re-invest the criminal proceeds, to gain respectability and contacts and to further corrupt the economy. In this case, the territorial dimension seems to be more important than for non-indigenous groups. The presence of a traditional hierarchical structure is more likely than in the case of non-indigenous OC groups. Intimidation can be used rather than violence, because of a strong reputation, also directed at state officials and law enforcement officers. The international dimension can still be essential as a counter-measure to shield the members of the group.

Four sets of regional patterns are especially worth considering, not least as their internal dynamics could have a knock-on effect on the rest of the EU:

- The south-eastern region of the EU, with a focus on Turkish and Albanian OC groups;
- The south-western region of the EU, with a focus on certain African OC groups;
- The north-eastern region of the EU, focusing on the Baltic States and the influence of Russian speaking OC;
- The Atlantic region, revolving mainly around the pivotal transnational role of Dutch, British and Belgian criminal organisations.

Regional patterns in OC call for regional approaches, at the local, regional, national and international level. At times, the work can be performed by a single MS, at other times, joint efforts are needed. All efforts would benefit greatly from a functional approach to OC. This functional approach is – *inter alia* – necessary as an adequate

response to the 'business-like' behaviour and organisation of adapted OC groups. It would support and even strengthen the traditional way of policing OC. Such a focus would enable a targeted approach against OC, and it seems to be necessary as a complementary approach in conjunction with other measures aimed at OC, preventive as well as repressive.

6.3. Criminal Markets

With regard to the facilitating factors in the discussion on criminal markets, a general evolution towards increasingly complex setups for criminal endeavours can be witnessed. Increasingly, horizontal facilitating factors such as document forgery and identity theft, technology, the transport sector, the financial sector and the presence or absence of borders are employed for criminal gain. The latter mainly refers to opportunities provided by decreased border controls whilst administrative and legal borders remain.

As criminal areas become increasingly complex and intertwined, successful law enforcement operations will benefit from a focus on facilitating activities and the ability to pin-point key persons whilst identifying and exploiting their weaknesses and vulnerabilities. No cross-border crime can continue without the ability to misuse the transport sector; no criminal can effectively shield his activities without the support of professionally falsified documents or the use of communication technologies; no large-scale crime can be pursued without the aptitude to exploit financial institutions; and no cross-border crime could take place if the dynamics around borders are effectively controlled. In short, the replication of the criminals' strive to misuse opportunities in society should be re-directed against them. By exploiting their vulnerabilities, OC can be more effectively countered.

Weighting crime areas against one another is inherently difficult. This, too, has less to do with analytical insights than value statements, reflecting different priorities in the MS and beyond. The exercise becomes even more difficult in light of the constant intermingling of criminal activities and the continuous dissolution border between licit and criminal activities.

Nevertheless, this report generally supports current EU priorities, as formulated in the general programme *Security and Safeguarding Liberties*⁹, focusing on:

- Terrorism;
- Trafficking in persons and offences against children;
- Illicit drug trafficking;
- Illicit arms trafficking;
- Corruption;
- Fraud.

The exceptions are terrorism and illicit arms trafficking. The OCTA only deals with OC, not terrorism or terrorist networks. Due to the particularities involved in the field of terrorism, the area is being covered as a separate issue, and the material available for the OCTA does not allow an in-depth assessment of illicit arms trafficking. In addition, there is reason to emphasise the need to focus on Euro counterfeiting, commodity counterfeiting, intellectual property theft and money laundering.

⁹ 'Establishing a framework programme on "Security and Safeguarding Liberties" for the period 2007-2013', COM (2005) 124 final, 6 April 2005, and Crimorg 38, 2 May 2005.

All in all, taking into consideration the assessment in this report, prevailing priorities with regard to OC based on years of political and law enforcement experience, and putting regional variations aside, the following criminal markets should also attract focused attention on the common EU level:

- Drug trafficking, especially synthetic drugs;
- Exploitation of trafficking in human beings and illegal immigration;
- Fraud;
- Euro counterfeiting;
- Commodity counterfeiting and intellectual property theft;
- Money laundering.

Regional patterns worth taking particular note of are some key entry points into the EU. These include:

- South West Europe, in particular with regard to illegal immigration, cocaine and cannabis trafficking for further distribution in the EU;
- South East Europe, specifically with regard to heroin trafficking, illegal immigration and trafficking in human beings, aimed at the whole of the EU;
- North East Europe with regard to highly taxed products aimed at the Nordic countries and beyond;
- Particular transportation hubs, such as harbours and airports pertaining to the Atlantic region, used for the movement of various commodities to and from the EU, in particular drugs.

Traditional destination regions for the smuggling of highly taxed products and production centres for synthetic drugs should also be highlighted.