



**EUROPOL**

# **2002 EU ORGANISED CRIME REPORT**

**PUBLIC VERSION**

**The Hague, 31 October 2002  
File number: 2530-108 rev2**

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## 1. DIRECTOR'S FOREWORD

It is with great pleasure that I present the second edition of the public version of the 2002 European Union organised crime report. This report is primarily aimed at disseminating information about organised crime in the European Union (EU) with a focus on its transnational manifestations, to support policy-makers and law enforcement decision-makers in their fight against organised crime. Others could also benefit from this information, such as academic researchers and representatives from various non-governmental organisations, and therefore this report is made available to the public.

The EU organised crime report is primarily based on contributions from the Member States. Other important sources of information include contributions from Europol's co-operating partners, among others the Candidate Countries, Europol's own research and reports within various fields of expertise, other law enforcement bodies such as ICPO/Interpol, official documentation such as EU documents and open sources. By being based on such vast array of official and unofficial information, and being produced in very close co-operation with the Member States, the EU organised crime report represents the best collective understanding of the threat from organised crime to the EU.

Organised crime groups pose a significant threat to the EU. About half of the organised crime groups in the EU are indigenous groups or dominated by nationals from the Member States. Indigenous organised crime groups still play the most important role concerning organised crime in the Member States and thus constitute the largest threat to the EU.

Besides indigenous organised crime groups, many non-indigenous groups also have a large negative impact on the crime scene of the EU. Although a great number of non-indigenous groups are active in the EU, a few deserve particular attention, such as ethnic Albanian, Chinese, Colombian, Nigerian, North African, Russian and Turkish organised crime groups.

Organised crime groups increasingly span the whole of the EU in their criminal activities. Many organised crime groups consist of vast, European-wide networks with links to countries outside the EU, involved in a wide variety of crime, including drug trafficking, illegal immigration and trafficking in human beings, financial crime, commodity smuggling and various forms of property crime.

The fact that cross-border co-operation between organised crime groups is growing is a matter of great concern, not only because it provides the groups with new criminal opportunities but also because it makes law enforcement action more difficult. It is still the case that one of the principal obstacles to efficient law enforcement action against organised crime is judicial limitations. Border-less crime cannot efficiently be fought by law enforcement agencies whose reach stays within national borders. Organised crime has shown its readiness to exploit this weakness, for instance by residing in one Member State and committing crime in another.

Confronted with such a threat from organised crime, the Member States have taken determined action to counter this menace to society. The tragic events on 11 September last year resulted in many resolute steps with an effect also concerning organised crime as traditionally understood. The strong commitment to the fight against organised crime witnessed over the last 18 months or so is convincing evidence that we, together, can efficiently fight organised crime in the EU, and succeed in creating an area of freedom, security and justice.

## 2. INTRODUCTION

In November 1993, the European Council took a decision that an annual strategic report should be published, providing insight into organised crime within the European Union (EU). In November 1994, the Council accepted that the production of this Organised Crime Situation Report (OCSR) was dependent upon contributions and analysis of information from the Member States. This concept was formalised in Enfpol 161 as 'a mechanism for the collection and systematic analysis of information on international OC'.

The primary aim of the report is to obtain and disseminate information about organised crime in the EU with a focus on its transnational manifestations, however it could also be used to support the formulation of a EU strategic policy for tackling organised crime internationally; support law enforcement decision-makers in their prioritisation setting and resource allocation, and help law enforcement officers throughout the EU understand the intricacies involved in organised crime in the EU. Furthermore, the public could also benefit from this knowledge.

This is reflected in the receivers of the report. The report is sent to law enforcement agencies in the EU, but also to Ministries of the Interior and Justice. Moreover, an open, public version is sent to the European Parliament. The open version is also made available to the public.

Europol's role in the production of the OCSR and now the OCR has been greatly expanded. From providing a mere editorial and supportive function, Europol is now responsible for the production of the report together with the Presidency of the EU. Moreover, following the cessation of the Contact and Support Network, Europol also directly guides its work and development.

The most important change in the development of the OCSR is the decision by the Multi-Disciplinary Group on Organised Crime (MDG), on 10 May 2001, to change the EU situation report on organised crime into a threat assessment. Turning the report into a threat assessment presents many constraints but also opportunities which can be capitalised upon. Not least the enhanced role of Europol favours a positive development in that for the first time the analysis of the transnational threat to the EU is formally performed by a transnational organisation. In practise, this has been the case for many years.

The OCR is primarily based on contributions from the Member States. Again for this year, the Member State contributions are very different in volume, structure and content. However, to ensure that the documents were consistent with one another, each of the contributions was made available to all Member States for a cross-checking exercise.

It should be noted that the OCR does not cover terrorism or terrorist networks. These issues are touched upon when they are relevant for the study of organised crime, however due to the particularities involved in the field of terrorism, the area is being covered as a separate issue.

### 3. OVERALL PATTERNS AND GENERAL TRENDS

In the years prior to the work with the OCR, the Single European Act from 1986 and the subsequent single European market in 1993 had in an instance created a common market within the EU allowing the free movement of goods, people, finances and services. Whilst this had many positive effects, it was also capitalised upon by criminals taking advantage of the freedoms without being restrained by adequate legislation to hinder their criminal activities.

The fall of the Iron Curtain in 1989 opened up the borders between the EU and its eastern neighbours allowing not only law abiding citizens but also professional criminals into the EU. Following the fall of the Berlin Wall, both NATO and the EU have taken many steps to enlarge their communities with members from the east.

As a result, two trends emerged in the early 1990s: firstly, transnational organised crime expanded in both geographical spread and crime-type attention – both in quantitative and qualitative terms – and, secondly, international co-operation between organised crime groups increased with the presence of groups and criminals from Eastern Europe. For instance, this increased presence was clearly noted in Austria in 1998, although the presence was already established elsewhere prior to this date in countries such as Finland, Germany and Sweden.

These trends have been reinforced over the years. Although it is still the case that the criminal scene in the EU is dominated by indigenous organised crime groups, their relative dominance is being challenged by a growing number of foreign criminals and criminal groups.

An alarming observation in this context is that an increasing number of people seem to become involved in organised crime. Today, there are some 3,000 known organised crime groups active in the EU with some 30,000 members that have been clearly identified. This number, based on the Member State contributions where figures are presented, only gives a clue to the true situation where the figures are much higher. Their size, structure, organisation and other characteristics differ both within and between Member States.<sup>1</sup>

These criminal groups were quick to adapt to the new situation, but also to take advantage of technological advances, especially in the field of the high technology sector, for instance to ensure safer communication. The groups also increased their professionalism through the recruitment of experts such as lawyers and solicitors, or through the recruitment, education and training of their own members. These trends were established early and are still a major concern.

Sometimes, this means they engage in all types of criminal enterprises promising a certain level of profit. Other times, well established criminals engage in the 'outsourcing' of crime, for instance by acting as a consultant in financial crime, providing information about company asset stripping, the concealment of payment relating to black labour, and account dumping.

In a similar vein, criminals provide detailed knowledge about security systems or transports for which they receive payment from the people undertaking the crime itself.

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<sup>1</sup> Sometimes, the differences do not necessarily reflect the real organised crime situation but rather differences in collection of data. Some Member States basically pursue a bottom-up approach, i.e. the national overview is based on criminal investigations, whereas others have more of a top-down approach, to a further extent relying on other sources of information. Although the reporting from the Member States differ in many ways, it is clear that the reported organised crime groups comply with the application of the 11 criteria of organised crime set up by the EU.

There is a high degree of international co-operation between the groups; even between organised crime groups earlier considered insular and self-sufficient (for instance ethnic Albanian, Chinese and Turkish groups). At the same time, the members of the criminal groups are themselves often likely to be of different nationalities. Mixed criminal networks have become the rule rather than the exception, replacing ethnically homogeneous groups focusing on particular fields of crime. Crime entrepreneurs are gradually taking over from yesteryear's criminal monoliths, creating a criminal scene consisting of fluid relationships between highly professional criminals and groups engaged in various types of crime.

Some organised crime groups have become specialists in certain fields of the criminal market. Such criminal service providers, for instance transport facilitators, are linked to one another through a web of criminal contacts in a network upheld by criminal entrepreneurs. They rely on the provision of expert services and the promise of high returns to keep up their criminal endeavours rather than on the traditional element of trust.

Organised crime groups in the EU are involved in all types of crime, especially drug trafficking, illegal immigration, trafficking in human beings, all sorts of commodity smuggling, fraud and other forms of financial crime. In 1997, it was first noted that organised crime groups increasingly became involved in low risk/high profit enterprises. Although drug trafficking was still dominating their criminal businesses, smuggling of cigarettes, alcohol and people were also becoming increasingly popular by allowing great profits at little or no risk. Financial crime, fraud in particular, also increased dramatically throughout this period, not least as a result of the abolishing of intra-community borders. This trend has been reinforced over the years, and again proved to be important for organised crime in 2001 and 2002.

Criminal groups seldom concentrate on a single criminal activity. They often engage in various activities. For example, drug trafficking is often combined with other activities such as fraud, money laundering and illegal immigration. The same is true within the drug field itself: groups often engage in combined activities in different types of drugs.

The involvement in fraud and types of financial crimes also revealed another trend: the increased mixing of legal and illegal activities. It is not only the case that organised crime groups use legal companies for money laundering or other activities to hide their criminal dealings; today, they are investing their criminal proceeds in the legitimate economy thus disturbing established market practices. Today the use of legal structures is more widespread, and the dividing line between legal and illegal is becoming increasingly obscure.

The use of violence, corruption and other forms of influence are integral dimensions of a well-functioning criminal supply and demand system. This can be seen as the lubricant for such volatile machinery.

Overall, taking these factors into consideration, the situation concerning organised crime in the EU displays disconcerting traits. Organised crime seems to be increasing both quantitatively and qualitatively, spreading their criminal tentacles throughout the EU with links to areas outside the EU.

## **4. GENERAL FACTORS CONDUCTIVE TO ORGANISED CRIME IN THE EU**

### **4.1. Political Changes**

The political changes which have taken place in the EU over the last few years, starting with the Single European Act in 1986 and the introduction of the single European market in 1993 have provided organised crime with a great many opportunities.

The enlargement of the EU will present a number of opportunities to organised crime. Already, there are numerous organised crime groups, including EU groups, present in the Candidate Countries. With these countries' inclusion into the Community, such organised crime groups will find themselves open for business in the whole of the EU. Of course, there are downsides to this. For instance, the possibility of seeking sanctuary in the Candidate Countries will disappear, however such disadvantages are easily outweighed by the benefits the enlargement provides.

With the enlargement of the EU, the external borders of the Community will move to the Russian, Ukrainian and Moldovan borders. These countries are already known to be important source and transit countries of both goods and people, and although many steps have been taken to enhance border controls along these borders, many problems remain.

Disturbingly, organised crime groups use political and economic instabilities in countries outside the EU to facilitate crime, particularly in source and transit countries. Through corruption, or the promise of a better future, people will become engaged in crime, or themselves become the commodities of crime. Such criminal entrenchment will perpetuate some of the structural deficiencies which provided the criminal opportunities in the first place, for instance by delaying democratic or economic reforms. This is especially true in countries with weak governments such as Albania and Macedonia in South East Europe and, in the wider organised crime context, Colombia and Myanmar.

These political changes, primarily the opening up of intra-community borders, and the resulting economic landscape, have provided transnational organised crime groups with a set of unprecedented advantages.

### **4.2. Economic Trends**

Economic trends, such as the on-going integration of the global financial markets and other aspects of the phenomenon often referred to as 'globalisation', and the EU common market, similarly provide good opportunities for organised crime groups.

Taking advantage of the free movement of goods, services, money and people, they are successfully becoming ever more present in cross-border smuggling and various types of fraud, especially VAT fraud.

They are helped by easier systems of company formation and transnational ownership, and improved employment regulations allowing for the hiring of personnel from many countries.

Overall, their illicit activities have become ever more difficult to detect, control and counter efficiently.

### **4.3. Social Changes**

Social changes, both as a result of and giving rise to these changes have also had a large effect on criminal market opportunities. It is clear that the increased mobility of people and ongoing urbanisation have led to the potential for greater levels of anonymity in society which could be conducive to crime. In addition, higher mobility also facilitates new contacts between people (and organised crime groups), enabling co-operation over large distances between many countries. For instance, the list of international criminals present in the Member States includes nationals not only from the EU, but also Eastern Europe, Africa, the Middle East, South America and Asia which is a strong facilitating factor for international organised crime.

In addition, the presence of large diasporas in the Member States is a useful asset to non-indigenous organised crime groups. These can provide anything from cover, manpower, local knowledge to criminal services. This is particularly true concerning traditionally insular groups such as Turkish or ethnic Albanian criminal groups, but also an asset to other non-indigenous organised crime groups active in the EU, for instance Iraqi or Iranian groups.

### **4.4. Technological Changes**

The technological changes which have taken place over the last decade or so are arguably one of the most prominent changes of all. New technologies have transformed the ways in which people communicate, and this has had a very strong influence on, among others, financial transactions. Organised crime has been quick to adapt to the new opportunities which this has introduced.

Organised crime groups are clearly among the main beneficiaries of the technological progress; the results of which are often commercially available. Advances in areas such as telecommunications, transport and, fundamentally, the development of cyberspace, have provided huge opportunities and provided a vast arena for organised crime groups in which to operate.

The spread of e-business and the possibility of creating so-called 'virtual identities' plays a crucial role in facilitating and covering up criminal activities, as well as enabling greater anonymity in their activities.

There have also been significant developments in the area of computer and printer technology systems, increasing organised crime groups' capacity to produce counterfeit documentation of various types. Money can also be moved very rapidly with only a couple of keyboard clicks and the monitoring of financial transactions is increasingly difficult.

Widespread use of mobile phones, and in particular pre-pay phones, is a key feature of organised crime groups today. Many organised crime groups use pirated or encrypted phones, and stolen phone cards which are replaced on a regular basis.

Finally, the proliferation of international air travel has allowed greater mobility of organised crime group members. It also provides a greater choice of routes to use in order to avoid risk.



## 5. THE THREAT FROM ORGANISED CRIME

The threat from organised crime in the EU has been a major political concern for several years. Most indicators point to increased organised crime activity in the EU, and changes in how organised crime groups work, which together point at an increased threat from organised crime.

Viewing political, economic, social and technological variables not as factors conducive to crime but rather the result of crime, a disconcerting view of the threat from organised crime appears. Politically, few organised crime groups pose a direct threat to the Member States, however some groups' apparent reach into the fabric of the political system may at the very least make some people question the political system as such or its executive branches, including law enforcement. In many countries outside the EU, the situation is decidedly worse.

Economically, organised crime is already disrupting established, legal business practices. If this continues, there is a risk that other economic actors, facing unequal business opportunities, may take on similar unethical or even illegal practices. For instance, companies in the EU may assess that contacts with organised crime groups are a pre-condition to successfully entering certain foreign markets. Small shops and businesses are particularly vulnerable, falling prey to those who trade in smuggled ('tax free') or counterfeited goods.

Socially, the fear that crime instils in people is counterproductive to an open society. Moreover, mistrust in the political system and its law enforcement branch may lead to, in the extreme, higher levels of violence (and crime) in the wake of peoples' attempts to protect themselves. Such disintegrative tendencies may further the atomisation and anonymity in society noted above. If nothing else, it is a clear threat to civil society in the EU.

For instance, racketeering and extortion are fed by the environment in which they are committed. Within a healthy, civil society all citizens should feel safe enough to inform the police of extortive requests they have received, and the response should be immediate and resolute. If not, organised crime groups would confirm their power and achieve a factual primacy, depriving stretches of territory of their legitimate sovereignty.

The technological threat is less visible. However, at the lowest level, continuous criminal assaults on a particular infrastructure, such as electronic banking, may lead to overprotection which may result in lower efficiency in the systems.

Law enforcement authorities have of course benefited from technological advances, such as x-rays and closed circuit televisions, meaning that organised crime groups have to be more imaginative and take more risks to succeed in their illicit activities. However, judging from the ongoing developments in the technological sector, the commercial availability of such products and organised crime groups' recorded ability to capitalise on such advances, new technologies are bound to provide (relatively speaking) more opportunities to resourceful organised crime groups than to law enforcement.

Following the developments in several crime areas, the case for an even stronger organised crime focus is warranted. Serious crimes are becoming increasingly complicated to investigate. The crimes are committed after careful planning and involve several perpetrators, including persons coerced into crime. Most forms of organised crime (and terrorism), in comparison with other forms of crime, are also very hard to detect and depend on the gathering of good intelligence. Moreover, many crime areas, such as illegal immigration, trafficking in human beings, drug

production and trafficking, and car theft and trafficking, have in themselves become less open to 'ordinary' crime and accordingly increasingly the area of organised crime.

For instance, drugs, especially the production and distribution of large quantities of these, have generally required the involvement of organised crime. Today, the professionalism and industrialisation of the production of drugs only points at an ever deepening role of organised crime in this activity.

As regards illegal immigration and trafficking in human beings, increased border controls has the same effect: to be able to enter the EU immigrants have to resort to seeking help from organised crime groups, and victims of trafficking in human beings are less prone to be smuggled by individual criminals. Coupled with this, illegal immigration and trafficking in human beings are becoming increasingly international and large-scale in their execution, which also calls for a stronger position for organised crime.

As a final example, with improved security measures in cars it is now virtually impossible for an 'ordinary' criminal to steal a modern, high-value car, not to say to deliver it at its destination outside the EU. Low recovery numbers concerning stolen cars may also indicate a growing organised crime involvement.

In general, it can be said that most organised crime activities resemble a complex industry requiring several complicated logistic steps on the way to completion. 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 upheld.

Part of the explanation for this is to be found in changes in organised crime itself; the groups, how they operate and the criminal markets in which they are engaged. Other reasons are to be found in unexpected, negative consequences of political initiatives, judicial change or technological advances.

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Some organised crime groups and types of crime seem to be more threatening than others to the EU. Although it is difficult to predict future developments even over a short period of time, it is nonetheless clear that some of the trends noted above will have a clear impact on future developments of the criminal situation in the EU.

It should be noted that although formulations such as 'a limited problem' are used below, the groups and types of crime below still represent, together, the major threat to the EU. The distinctions made are only statements about relative differences and not statements about their absolute role in the overall threat to the EU, although they do represent a priority list for proactive political and law enforcement decision-making.

### **5.1. Major Organised Crime Groups**

In light of the above, some of the most (potentially) threatening organised crime groups in the EU would be the ones below, ranging from the most to less threatening to the EU. Of course, there are individual exceptions to the description above. However, on a common EU level, the organised crime groups noted below follow a general pattern spanning most of the EU and represent the largest threat in terms of political, economic and social impact on the EU.

Indigenous organised crime groups from the EU, particularly those with extensive international networks, represent a major threat. Certain **Dutch, British, Belgian and Italian organised crime groups** are a main concern, primarily due to their transnational ramifications and extensive involvement in a wide array of different types of crime, including drug trafficking and financial crime. These groups are both resourceful (both concerning money and human resources, criminal skills and expertise) and flexible, and they are highly integrated in their native societies and the international web of criminal contacts, not least helped by good language skills and historical links to countries outside the EU.

For instance, today British, Dutch and Belgian organised crime groups control the trafficking of ecstasy in the EU and beyond. However, European organised crime groups are becoming increasingly important drug traffickers in their own right also with regards to other types of drugs.

With regards to indigenous organised crime groups, outlaw motorcycle gangs also needs to be mentioned. They are a great concern, particularly in Denmark. They are represented throughout the EU and their members are involved in a wide variety of crime, including drug trafficking, fraud and commodity smuggling.

Similarly, but for different organisational reasons, ethnically homogeneous groups, in particular **ethnic Albanian organised crime groups**, are a great problem to some Member States, but only a latent problem to others. They rely on the support from fellow nationals within the large ethnic Albanian diasporas in some Member States. They establish themselves according to an initially insular strategy, possibly as criminal service providers to other organised crime groups. However, they seem to branch out quickly after having accrued the necessary resources and criminal knowledge. In both the establishment and expansion phases, their propensity for violence is high.

In light of the general development of the threat from ethnic Albanian organised crime and its establishment and expansion in a number of countries, ethnic Albanian organised crime groups represent an increasing threat to the whole of the EU.

**Russian organised crime groups** represent an immense threat in some Member States and a clear and present threat to others, especially concerning financial crime. There is little evidence to suggest that their criminal activities will pose a lesser threat to the EU in the near future; on the contrary, the opposite seems to be true.

Russian organised crime groups seem to find it relatively easy to integrate in their host Member States. They can rely on a high level of criminal expertise not least in the field of financial crime, and at times resources gained from criminal activities in Russia.

**Turkish organised crime groups** will continue to be important actors especially within the field of drug trafficking to the EU. Their expansion into other types of crime will not confuse their main focus and although in constant competition with other organised crime groups and actions taken by law enforcement, the resilience of Turkish organised crime groups and their ready access to drugs, drug trafficking routes and transport means will keep them at the centre of the criminal stage in the foreseeable future.

Similar to ethnic Albanian organised crime groups, Turkish criminals can rely on people within the large Turkish communities in the Member States for support. Turkish organised crime groups are ready to co-operate with many other organised crime groups, and they have successfully constructed a network of criminal contacts throughout the EU.

**Chinese organised crime groups** are mainly involved in illegal immigration. It appears as if the threat from such groups is decreasing as a result of both targeted law enforcement activities but primarily their coming under constant attack from fierce competition on their criminal markets by other organised crime groups. Chinese organised crime groups will maintain a dominating role within their own ethnic communities. However, on the EU level in general the threat seems to be relatively limited in comparison to the threat posed by other organised crime groups. One important explanation to this is their relative isolation in the criminal world in the EU.

**Colombian organised crime groups**, although responsible for much of the sourcing of cocaine to the EU, carry out most of their criminal activities outside the EU. However, in some Member States, notably Spain, the UK and The Netherlands, they maintain cells which supervise the supply of cocaine to local OC groups. OC groups from the EU are gradually taking over much of the cocaine trafficking, establishing contacts even directly in Colombia itself.

**Nigerian organised crime groups** are a thematically limited problem. Although they are involved in most types of crime, the primary concern is their involvement in fraud. It cannot be excluded that their criminal engagement will pose an increased threat in the future, however at present the threat from Nigerian organised crime groups is a less significant problem than the threat emanating from, for instance, Russian or ethnic Albanian OC groups.

**Moroccan organised crime groups** are more of a geographically limited problem. These groups are involved in many types of crime, however their impact is limited to certain geographical areas such as Spain and seemingly to just a few types of crime, among others cannabis trafficking and trafficking in stolen vehicles.

**Other organised crime groups**, although at times representing a major local or regional threat, are deemed to be of lesser importance in the overall picture of the threat from organised crime to the EU.

## 5.2. Types of Crime

In relation to illegal undertakings, drug trafficking, illegal immigration, trafficking in human beings and various types of financial crimes will be the most important for organised crime groups also in the future. These types of crime not only provide the highest profits but also require the increased active participation by organised crime groups. Moreover, they present the greatest threat to the EU disregarding whether the threat is viewed in terms of political, economic and social costs.

Concerning **drug trafficking**, the increased co-operation between ethnic Albanian, Turkish, Romanian, Bulgarian and Colombian groups engaged in poly-drug trafficking is noteworthy. Such diversification and increased co-operation are clear trends within the whole drug sector. The overall drug market seems to be growing in most Member States, although the heroin market seems to have stabilised. The cocaine and crack cocaine markets are growing in the UK whereas crack cocaine seems to be a limited problem in other Member States. Synthetic drugs are becoming a steadily more worrisome problem in most Member States. Overall, the drug market is defined by increased competition and aggressive marketing to ever younger customers. At times, children are targeted.

It is interesting to note the almost complete disappearance of Dutch drug traffickers moving their goods to Finland. Their role has been taken over primarily by Estonian organised crime groups.

The international community will give its full support to the reconstruction process in Afghanistan and economic aid to the country only if a strict eradication plan is implemented. If this is effective, a shortage of heroin – with consequent rises in prices – could be expected when the stocked supplies run out. If it is not, in the worst case, Afghan opium production will continue more or less undisturbed, with a continued great availability, price reductions and perhaps even an increase in consumption.

However, given the present stability and possible future decline in the heroin market in Europe, it is possible that local organised crime groups realise the impossibility for their clients to cope with substantial price increases, and decide to provide an alternative to Afghan heroin. This could be South East Asian 'white' heroin, at present mainly traded in the US, or crack cocaine, already smuggled to heroin addicts in UK. South American heroin should also be noted.

Regarding crimes against persons, **illegal immigration** and **trafficking in human beings** will continue to attract interest from organised crime groups, not least because of the large volumes of money involved in an almost unsaturated market. As long as strong push and pull factors remain, for instance poverty in source countries combined with perceived affluence in the West, there will be a constant pressure on the EU by both illegal immigrants and victims of trafficking in human beings.

Organised crime involvement in both types of crime is also growing because of the increased difficulties illegal immigrants face trying to enter the EU, the high profits involved and the relative mild sentences imposed upon the perpetrators if they are caught and sentenced.

An increased number of organised crime groups are therefore becoming involved in illegal immigration and trafficking in human beings. Although ethnicity still plays an important role, especially in the relationship between traffickers in human beings and their victims, its role is decreasing and people are ever more dealt with as any other commodity.

**Child pornography** is not a large organised crime problem at present. Few organised crime groups have shown an interest in this area, however the criminal opportunities are clearly present. It cannot be excluded that more organised crime groups will become involved to make a profit from the disturbed tastes exposed by the people involved in child pornography.

**Extortion** and **racketeering** are common in specific areas (southern Italy) and within immigrant communities and specific milieus (outlaw motorcycle gangs). Based on the power of intimidation of organised crime groups, extortion flourishes where the fear of organised crime overpowers the trust in the state's regulatory bodies.

Financial crime and other types of crimes against property or public goods are main areas of organised crime involvement; not least **money laundering** is an integral part of organised crime and criminals will continue to search for new ways of laundering the proceeds from crime.

Various types of **fraud** will only increase in importance due to the very large criminal opportunities which are present. Not least advances in computer technology will provide criminals with more occasions to commit fraud on-line.

VAT and carousel fraud are the most common types of fraud perpetrated by indigenous organised crime groups, while Nigerians are experts in advanced payments fraud.

**Counterfeiting and forgery** is an important branch of organised crime. Connected with many other crimes (including trafficking of drugs, stolen cars and human beings, intellectual property theft, illegal immigration and currency counterfeiting), forgery bears a great importance for organised crime groups.

When the new Euro currency began circulating in many Member States, a major offensive by organised crime forgers had been anticipated. However, most of the 22,000 forged banknotes seized since the Euro was introduced in January 2002 have been crude fakes of low quality and easy to detect. Fake Euros are bound to increase as the single European currency gains worldwide acceptance.

Not only documents and money are the objective of counterfeiters, but virtually every item, from medicine to airplane spare parts, can face the same destiny.

Financial crime is becoming increasingly international in character, at times linking many continents together in criminal enterprises.

Other types of property crime, including intellectual property theft, are a major area for organised crime groups to generate large profits. In its least complex forms, property crime provides an entry point to organised crime for many less organised groups.

The growing number of ethnic Albanian and other Balkan and East European criminals, who have shown a particular predisposition towards violence, risks provoking an unrelenting escalation of robberies, with increasing use of weapons, regardless of the value of the target.

With regards to illicit trafficking, **commodity smuggling**, especially the smuggling of highly taxed products such as cigarettes and tobacco, will continue as long as there are major tax differences between the Member States and large price differences between the Member States and source countries outside the EU. This has an effect on the whole of the EU, not least in terms of tax losses and upset competition to the disadvantage of honest traders. Smuggling of alcohol is by and large a more limited Nordic problem, nevertheless drawing the attention of many domestic and foreign organised crime groups.

**Trafficking in stolen vehicles** is a limited but serious problem. With a view to transnational organised crime it is all the more severe considering the increased importance of organised crime groups in vehicle crime. Today, it is virtually impossible to steal a car without expert knowledge which is available, more often than not, only to resourceful and well organised criminal groups.

With regards to modus operandi, so called car-jackings are especially troublesome. In such instances, the offenders obtain the original keys under the threat or use of violence against persons.

**Other types of crime** are of course also important in the overall threat to the EU. Hideous crimes such as organ trafficking, abductions (even by children for sexual purposes) and ritual murders, although limited in extent compared to other types of crime, nonetheless represent crimes which pose a significant threat to the EU in terms of personal suffering and social distress.

Supportive crimes are also essential. The primary types of crime discussed above cannot really be viewed in isolation from supportive activities such as document forgery (nor from the perpetrators themselves). However, as noted above, the crimes discussed here represent, together, the main threat to the EU.

Finally, it is clear that cross-sector criminal activities will only increase in the future where criminal groups will capitalise on their unlawful skills in whatever type of crime they encounter. The idea that criminal groups limit their activities to distinct markets

is becoming an increasingly obsolete construction upheld more for administrative purposes than as a reflection of criminal realities. Criminals, after all, are nothing more than ordinary businessmen taking advantage of any opportunity to make money – with one major exception: criminals do not respect the law.

### 5.3. Other Key Organised Crime Features

**Corruption** is perhaps one of the most effective tools employed by organised crime groups, immeasurably facilitating their activities beyond the reach of the law. An organised crime group can invest a large percentage of its profits into bribery and corruption of officials and politicians at all levels. Corruption is present at both the political and operational levels.

Corruption is a more successful means of securing the compliance of certain individuals than the use of violence and intimidation, as this two way relationship is more durable.

However, **violence** and **intimidation** are used by many organised crime groups, usually – although not exclusively – against group members or against criminal associates. In today's context of nodal networks, this form of violence seems to be exacted by third parties on behalf of a particular organised crime group. The use of violence by organised crime groups is on the increase throughout the EU, and the use of extreme violence and resorting to murder is still a feature of organised crime groups.

Somewhat perversely, the levels of violence within the field of organised crime may rise following the successes of law enforcement. By disabling powerful group leaders or groups, the field is opened to fierce competition between organised crime groups wanting to fill in the power vacuum.

Concerning **resources**, it is clear that organised crime groups in the EU amass vast profits from their illicit undertakings. Although it is impossible to exactly estimate the money involved, the sum should be measured in billions of Euros annually.

Organised crime groups are becoming increasingly involved in legal business operations. It is clear that much of the money earned by organised crime groups is reinvested in legal businesses, something which to a certain extent blurs the distinction between their licit and illicit activities.

Many markets are infiltrated. Cash heavy sectors such as the hotel and restaurant areas are usually the target, but also a sector such as the diamond sector is of interest.

It is worrying that individual members of different organised crime groups are successfully acquiring legitimate companies, logically facilitating the criminal activities of their group. Similarly, the notion of the organised crime group as a 'sleeping partner', as discussed elsewhere, is also a worrying development. Professionals are often recruited, but the members of the organised crime groups themselves are also trained in different specialised functions.

## **6. POLITICAL AND LAW ENFORCEMENT INITIATIVES**

Since the September 11 attacks on the US, the EU has agreed with unprecedented speed on a radical boost to police and judicial co-operation. Some new measures introduced deal with terrorism related issues only, but often they are useful in tackling international organised crime as well. Therefore, these initiatives will be reviewed below.

The work already started in realising the goals at the October 1999 EU summit in Tampere has also progressed considerably, as was reported by the Commission in its biannual update of the justice and home affairs scoreboard. The Commission especially lauded the Member States for their willingness to apply the mutual recognition principle in order to overcome the difficulties of fully harmonising national legal systems.

This update of Chapter 5 in the 2000 OCSR focuses on political and law enforcement initiatives concerning the fight against organised crime at the EU level starting from important EU initiatives on combating terrorism. However, within the framework of this exercise it is not meaningful to describe all initiatives taken in detail – especially those regarding the fight against terrorism, which is why only the most important ones and those with relevance for the tackling of organised crime are being addressed.

### **6.1. EU Initiatives on Fighting Terrorism and OC**

In the extraordinary European Summit on 21 September 2001, the EU leaders presented a seven-point anti-terrorism plan. The main measures to be taken included the strengthening of the legislative arsenal, the increased co-operation of magistrates, the increased co-operation and co-ordination of the operational services responsible for combating terrorism, the broadening of co-operation with the US and the fight against the funding of terrorism.

It is noteworthy that the co-operation has established firm links between the police and the security services throughout the EU.

The European Council made it clear that the policy adopted is in line with international conventions. It called for all existing international conventions on the fight against terrorism (UN, OECD, etc.) to be implemented as quickly as possible. Moreover, the MS were encouraged to ratify, as a matter of urgency, the UN Convention for the Suppression of the Financing of Terrorism. In the Ghent European Summit on 22 October 2001, the Council again unequivocally stated its full support for the action being taken against terrorism in all its aspects within the framework defined by the UN and reaffirmed its total solidarity with the US.

The Council formally approved the framework decision on the definition of and penalty for terrorism on 13 June 2002. The discussion on the general harmonisation of criminal sanctions at the EU level is still on-going.<sup>2</sup>

On 13 June 2002, the Council reached a political agreement on the initiative taken by the Spanish Presidency to create points of contact in the police and justice services to co-ordinate the fight against terrorism. Despite, or rather because of, the criticism presented for instance by the Commission, the Council decided to make a Council decision instead a simple recommendation as anticipated.

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<sup>2</sup> On 17 November 2001, the Council discussed on harmonising criminal sanctions, but the views on how much harmonisation is necessary and how it should be done were divergent.



The Council adopted, on 27 December 2001, a Regulation in respect of the freezing of funds and a prohibition to provide funds, assets, economic resources or financial services to terrorists (individuals, groups or entities) linked to terrorist organisations. Estimates of the assets frozen throughout the EU since September 11 vary between €40 million to over €100 million.

Although these initiatives are primarily focusing on the fight against terrorism, they will have a long-term effect on the fight against OC as well. Most of the issues cover such subjects that are also relevant in the fight against OC, for instance the discussion about the harmonisation of criminal sanctions and the freezing of assets which could also be extended to OC.

#### *6.1.1. The Role of Europol*

The powers of Europol were strengthened considerably but not merely as the direct result of the September 11 attacks. For instance, the extension of the mandate was initiated by the Swedish presidency in the first half of 2001. The establishment of the Counter Terrorism Task Force within Europol was one of the very first measures taken by the Council. By November 2001, all the Member States had seconded their representative(s) to the team of anti-terrorist experts to co-ordinate operational activities in the Member States, including personnel both from the police and the security services. Moreover, the Council requested that the Member States transmit data on terrorism systematically to Europol.

Europol also went through other organisational and tasking changes. For instance, at the beginning of 2002, the Europol management board decided to freeze the physical technical support from Europol to the Member States as a result of uncertainties concerning its legal basis. It was concluded that the Council should decide if technical support could be provided to the Member States by amending the Convention.

On 6 December 2001, the first agreement was signed between Europol and the US about information exchange with US law enforcement agencies. The co-operation among EU states and between the EU and US law enforcement bodies centres on the exchange of strategic and technical information about which enforcement actions may be useful to suppress offences and about new methods used in committing offences. The Council also authorised the director of Europol to begin negotiations with the US in view of concluding an agreement on the exchange of data of a personal nature.

The Europol Liaison Bureau was opened in Washington DC on 29 August 2002. The liaison officers work with different US law enforcement agencies. Priority areas of co-operation are targets in the fields of terrorism, drug trafficking, illegal immigration, trafficking in human beings (including child pornography), money laundering and currency counterfeiting.

#### *6.1.2. European Arrest Warrant*

In the Laeken European Summit on 15 December 2001, the EU leaders agreed upon an ambitious pan-EU arrest warrant. On 13 June 2002, the Council formally approved the framework decision on the European arrest warrant. In principle the warrant covers all crimes, but for 32 listed crimes, the EU has abolished a requirement that the offence must be recognised in both Member States. The 32 crimes to be covered by the warrant go well beyond terrorism.

The list includes:

- murder;
- terrorism;
- participation in a criminal organisation;
- sexual exploitation of children and child pornography;
- cyber crime;
- illicit trafficking in people,
- arms and explosives,
- nuclear materials and drugs;
- illicit trade in endangered species;
- kidnapping;
- hostage taking;
- organised and/or armed robbery;
- illicit trade in art and other cultural treasures;
- rape;
- arson;
- sabotage;
- racism and xenophobia;
- corruption and fraud.

From 2004 on<sup>3</sup>, when legislation implementing the arrest warrant should be in place across the EU, any competent authority of an EU member state would be able to ask another, on the basis of an arrest warrant, to transfer a person it suspects of having committed any crime included in the list. In order to extradite a suspect for a crime not on the list, the offence would have to carry a minimum jail sentence of 12 months for the suspect to be handed over. For crimes on the list, it would have to carry a minimum of three years.

If a suspect agreed to be handed over to another Member State, the process would take no more than 10 days. If not, there is a 60 day limit for handing over the suspect in normal cases, which could be extended to a maximum of 90 days in exceptional situations. EU countries will no longer be able to refuse to extradite their own nationals, requiring constitutional amendments in Austria, Portugal, Greece and Germany. A Member State cannot hand over a suspect covered by an amnesty or one previously acquitted or convicted of the crime. Minors are also protected against extradition. A member state can refuse to extradite a person suspected of a crime not on the list of 32, if it is not a criminal offence in the country where the suspect is arrested.

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<sup>3</sup> The entry in force of the framework decision is on 1 January 2004. The Member States agreed that each Member State would have the choice of making it retroactive, but only as far back as 1993. This was when the Maastricht Treaty came into force setting up the EU's third pillar of justice and home affairs. On 15 February 2002, France, Belgium, Spain, Portugal, the UK and Luxembourg unexpectedly agreed to introduce the new European arrest warrant a year ahead of schedule, in the first three months of 2003, saying their decision was a clear sign of Europe's commitment to cracking down on terrorism and organised crime.

On 14 December 2001, the European Parliament declared that extradition from the EU to the US cannot be allowed for people who could be sentenced to death or who are to be tried by military tribunals. It stressed that all EU international agreements on police and judicial co-operation must fully respect the European Convention on Human Rights.

## **6.2. Types of Crime**

### *6.2.1. Drug Trafficking*

On 28 May 2001, the Justice and Home Affairs (JHA) Council endorsed a Council Decision on the transmission of drug samples for the purposes of prevention, detection, investigation and prosecution of criminal offences. Under the decision, samples of drugs seized in one Member State can be sent to another Member State to be used, for instance, as evidence in court.

In the framework of the Action Plan on Drugs 2002-2004, in December 2001 the Council adopted a draft recommendation that Member States should use the data collection model developed by Europol and the EMCDDA<sup>4</sup> when exchanging data on seizures of drugs and precursor chemicals. An EU-wide standardised collection of data allows a better comparison and analysis of the drug situation<sup>5</sup>. In addition, Europol and the EMCDDA, assisted by Member State experts, have been developing criteria to be used by the European Commission to assess, by the end of 2004, progress that has been made in achieving the objectives of the European Union Drugs Strategy 2000-2004.

On 28 February 2002 the JHA ministers of the EU met their counterparts from the Candidate Countries and adopted a joint declaration on drugs, in which Candidate Countries promised to follow the guidelines of the EU Action Plan on Drugs 2000-2004. The joint declaration also stresses that all efforts would be made to rapidly conclude negotiations for the Candidate Countries to be able to join the EMCDDA.

On 13 June 2002, the Council was unable to reach an agreement on harmonising the definition of penalties for drug trafficking. The only disagreement that persisted related to the penalty for the possession of a small quantity of drugs. The Netherlands wanted Member States to be free to apply less harsh sentences. Sweden and Germany, among others, opposed that.

### *6.2.2. Illegal Immigration and Trafficking in Human Beings*

Illegal immigration continued to be high on the political agenda, especially for the Belgian and Spanish presidencies. Belgium, for instance, initiated a law enforcement operation on illegal immigration called the High Impact Operation. The operation was carried out at the future eastern borders of the EU with a view to assess the use of the Candidate Countries as transit points for illegal immigration and trafficking in human beings. One main purpose with the operation was to stimulate contacts between law enforcement bodies in the Member States and the Candidate Countries. This new instrument for taking and implementing law enforcement and political decisions was also used by the Spanish presidency, which initiated two similar operations, RIO and Pegasus. Operation RIO focused on the use of airports for the purposes of illegal immigration, whereas Operation Pegasus

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<sup>4</sup> European Monitoring Centre for Drugs Addiction.

<sup>5</sup> However, this data collection model is not yet taken into account by all the Member States when developing new or amending existing databases for the collection of drugs or precursor seizures data.

aimed at combating the use of containers as a means of transport by illegal immigration networks. Following the results from RIO, the Police Chiefs' Task Force (PCTF) asked the Member States to carry out a similar operation called RIO II. All of the operations were conducted with Europol support.

On 21 November 2001, the European Commission unveiled a plan to tackle illegal immigration in the EU, which includes a European border guard corps, a European visa identification system, and an EU re-admission policy. It urged the EU Council of Ministers to endorse the plan by the end of 2001. The plan is also aimed at fighting trafficking in human beings. It was approved in principle on 28 February 2002 by the EU justice and interior ministers, however discussions about the details in the plan continue.

On 28 February 2002, the Council also approved the implementation of a Eurodac file on asylum seekers in the EU aimed at discouraging the so-called 'asylum shopping' where people move across borders looking for refuge under the best possible conditions. The Eurodac file, which includes fingerprints of all asylum seekers, is intended to facilitate the application of the Dublin Convention. By using the system, Member States will be able to determine instantly through an electronic data bank if an asylum seeker has already made a similar request in another EU country.

Significant steps in developing an EU-wide asylum system and in the management of migratory flows were taken during the Spanish presidency, which considered illegal immigration as its main priority.

On 8 April 2002, the Spanish Presidency, the Commissioner for Internal Affairs, Member States ministers for the Interior and ministers from ASEM countries<sup>6</sup> made a joint declaration on the way which to manage immigration flows between the two continents and how to fight illegal immigration. The results of the declaration were presented at the 4<sup>th</sup> Asia-Europe Summit in Copenhagen at the end of September 2002.

On 25 April 2002, the Council agreed to guarantee the same minimum living standards for people in all the Member States as a step towards establishing a common immigration and asylum system by 2004. The agreement guarantees a basic safety net to asylum seekers, including access to education, decent accommodation and healthcare. It does, however, give Member States a degree of latitude in some areas. They may, for example, prevent people from taking a job for up to a year after their application is lodged. The agreement is generally considered a significant step in preventing the possibility of 'asylum shopping'.

On 25 April 2002, the Council also approved the Argo programme for administrative co-operation in the field of external borders, visas, asylum and immigration. The Council agreed on a single model for visa applications forms and a uniform model for work permits for nationals of third countries.

Moreover, on 25 April 2002, the Council adopted conclusions on illegal immigration by sea in which they announced their intention to reflect on measures that they could take with respect to countries not wishing to co-operate. The European Commission will conduct a study on the issues of illegal immigration by sea and present the results in February 2003.

On 30 May 2002, Europe's interior ministers agreed to set up a task force to curb illegal immigration at Europe's busiest air and sea ports. This is part of a broader

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<sup>6</sup> I.e. Brunei, China, Indonesia, South Korea, Indonesia, Japan, South Korea, Malaysia, Philippines, Singapore, Thailand and Vietnam

plan drawn up by five European countries to look at ways of creating a common EU border guard.

At the EU summit held in Seville in June 2002, the EU leaders agreed to pass new rules encouraging increased penalties for people smuggling; to review visa requirements for outside countries; to rapidly adopt a policy for speeding up repatriation for those that do not qualify (especially to Afghanistan); and to speed up the adoption of common rules on the treatment of asylum seekers.

On 28 September 2001, the Justice and Home Affairs Council reached a political agreement on the draft framework decision on the fight against the trafficking in human beings. In addition to defining the concept, EU countries set a common minimum sentence of eight years on anyone convicted of offences including the recruitment, transportation, transfer, harbouring, exchange or transfer of control of immigrants. The framework decision was adopted on 19 July 2002 and entered into force on 1 August 2002.

### 6.2.3. *Child Pornography*

In December 2001, the debate on combating the sexual exploitation of children led to a broad consensus, but not to an agreement. In March 2002 the EU Member States remained divided over a draft framework decision for a common definition of, and sanctions against, child sexual exploitation and pornography. On 13-14 June 2002 the framework decision on child pornography and sexual exploitation was taken off the meeting agenda of the Council, as the Council was not able to agree on a common definition and sanctions. The Council was also split over whether to outlaw 'virtual' porn where no actual child was harmed. However, an agreement was reached on 14 October 2002.

### 6.2.4. *Environmental Crime*

On 15 March 2001, the Member States agreed on the main lines of the Danish proposal for a framework decision, presented in 1999, but did not adopt the text as they were expected to give their opinion on its legal base, under the threat of the matter being taken to the Court of Justice. Only two days before, the Commission had presented a rival draft directive, the content of which is similar to that of the Council, but with a different legal basis. According to the Commission, the regulation should be based on Community law and more specifically on Community powers in terms of protecting the environment. In April 2002, the European Parliament's Committees recommended that the plenary should come out in favour of the Commission's view.

In April 2002 the Commission commissioned a study on environmental crime in the EU. The aim of this study, which covers all the Member States, is to provide the Commission with factual and legal information on organised environmental crimes and to assist in generating proposals for initiatives to counter this form of criminal activity.

### 6.2.5. *Cyber Crime*

On 18 June 2001, the Council recommended that those Member States which have not yet joined the G8 network of contact points<sup>7</sup> with 24-hour service intended for

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<sup>7</sup> The principles concerning this network were adopted at the G8 meeting for Ministers of Justice and Home Affairs in Washington DC on 9 and 10 December 1997. To these principles were added an action plan for the establishment of the network and an account of the commitments that the individual

the combat against high-tech crime, do so. It also recommended that Member States ensure that the unit designated as a contact point maintains 24-hour service and that it really is a special unit that applies established good practice when investigating IT-related crime. The contact point should also be able to take operational measures.

On 6 December 2001, the Council adopted a resolution on network security calling on the Commission and the Member States to take co-ordinated action on this front.

On 13 February 2002, the Spanish Presidency presented a paper recommending a new European monitoring service within Europol to keep an eye on cyber crime since the Member States still have neither a security strategy at EU level nor any reference centre. The European Commission criticised the initiative for not acknowledging what has already been done. The Council of Ministers' Telecommunications working group also felt there was a need to improve co-ordination between the three pillars to clarify the division of competence under each pillar. It is to be noted that any delinquency concerning telecommunications networks, such as money laundering or drug trafficking, comes under the remit of the third pillar, but the integrity of networks in the broadest sense of the meaning is a subject traditionally dealt with under the first pillar of the EU.

The Europol High Tech Crime Centre started its activities on 1 September 2002.

On 19 April 2002, the Commission tabled a proposal for a Council framework decision designed to harmonise the definition of serious attacks on information systems and the penal sanctions applied. The aim is to ensure that criminal sanctions in respect of attacks on information systems are proportionate, effective and dissuasive in all the Member States. Moreover, efforts will be made to facilitate judicial co-operation between the Member States since the attacks are often cross-border in nature.

The Danish Presidency initiated a number of issues concerning high technology crime in its work programme for the second half of 2002. Among other things, a Council Resolution regarding the use of modern information technologies for investigating crime would be promoted. The issue of traffic data retention was highlighted as a way of supporting the development of strategies and working agendas following the priorities in the work programme of the Danish Presidency.

### **6.3. Transnational Law Enforcement Co-operation and Third States**

#### **6.3.1. Europol**

On 12 November 2001, the European Parliament approved a Belgian and Swedish initiative for a framework decision extending Europol's mandate to the serious forms of international crimes annexed to the Europol Convention such as environmental crime, organised robbery, illicit trade in cultural goods and product piracy. The initiative took effect on 1 January 2002. The Parliament also called on the EU to set up joint police units to investigate everything from terrorism to drug and human trafficking and fighting organised crime<sup>8</sup>. The objective was to enhance the effectiveness of co-operation within the scope of the Europol Convention by giving

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states take on if they join the network. By the time the recommendation was made nine Member States had joined the network: Denmark, Finland, France, Germany, Italy, The Netherlands, Spain, Sweden and the UK.

<sup>8</sup> In December 2001, the European Parliament approved the initiative taken by the Council on joint investigating teams (for details, see the discussion on Joint Investigation Teams below).

Europol the means to carry out, in specified prioritised areas, its tasks in relation to all aspects of international organised crime.

At the same time the European Parliament also called on the Commission to propose democratic controls over Europol by the end of 2001. The Parliament wanted Europol's activities to fall within the European Court of Justice's mandate, and its funds to come out of the EU budget. It also demanded that the Council should consult the Parliament when deciding Europol priorities and urged it to take such decision by a two-thirds majority instead of unanimously.

The European Commission proposed, in its communication on 26 February 2002, a better organisation of the control of Europol. According to the Commission, the current system cannot be regarded as legally inadequate, given Europol's limited powers, but the problem resides in the fact that the exercise of these controls is indirect, divided and not very explicit, which gives rise to a general feeling that controls should be clearer and more transparent. Hence, the Commission proposed two measures: firstly, Europol should address the same annual activities report both to the Council and to the European Parliament. Secondly, a formal mechanism for information exchange between the control bodies of national parliaments and the European Parliament should be set. A Joint Committee could be created and meet to discuss Europol on the model of Cosac<sup>9</sup>. Should Europol receive powers of investigation, it would become necessary to take further measures, according to the Commission.

On 1 October 2001, Europol signed a co-operation agreement with Slovenia, which allows law enforcement co-operation and the exchange of personal, strategic and operational information. Europol signed similar agreements with Poland (on 3 October 2001), Hungary (on 4 October 2001) and Estonia (on 10 October 2001).

On 5 November 2001, Europol and Interpol signed an agreement to establish and maintain the exchange of operational, strategic, and technical information, the co-ordination of activities, including the development of common standards, action plans, training and scientific research and the secondment of liaison officers.

On 19 November 2001, Europol signed a co-operation agreement with the EU's Lisbon based drugs agency (EMCDDA) to launch the exchange of strategic and technical information. No personal data is transmitted. Moreover, co-operation is limited to drug-related matters, illegal money laundering activities and diversion of chemical precursors. The agreement also paves the way for joint projects.

At the same time as the first co-operation agreement between Europol and the United States on 6 December 2001, Europol was also authorised to begin negotiations with the Principality of Monaco and the UN Bureau for the Control of Drugs and Crime Prevention.

On 8 December 2001, Japan and the EU agreed to increase co-operation between law-enforcement agencies to fortify the international fight against terrorism. In particular, it was agreed to co-ordinate action against terrorist financing, the spread of materials that could be used in atomic, chemical or biological weapons, and the fight against the illegal drug trade. The agreement was included in a wide-ranging plan outlining close ties between Japan and the EU. Under the agreement, the Japanese police will develop closer collaboration with Europol.

On 13 December 2001, Europol signed a co-operation agreement with the European Central Bank (ECB) to fight possible Euro fraud and counterfeiting once notes and coins come into use. The agreement is aimed at ensuring effective co-

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<sup>9</sup> That is, a conference of bodies of national parliaments specialised in Community affairs, which meets twice a year.

operation between the two parties and Member States to combat counterfeiting of the Euro currency.

On 5 March 2002, Europol signed a co-operation agreement with the Czech Republic authorised by the Council on 28 February 2002. This agreement covers the exchange of strategic and operational information on organised crime.

Co-operation agreements with Norway and Iceland were signed on 28 June 2002.

In September 2002, Europol signed a co-operation agreement with the World Customs Organisation (WCO). The agreement does not provide for the exchange of personal data, as the WCO does not keep such information.

### 6.3.2. *Joint Investigation Teams*

On 14 December 2001, the European Parliament approved the Council Framework Decision to set up joint investigation teams. According to the Parliament the teams should investigate all organised crime, not just terrorism and trafficking in drugs and human beings. In addition, the Council should inform the Parliament annually on the use and effectiveness of the teams.

This Council initiative implements Article 13 of the EU Convention on mutual assistance in criminal matters signed on 29 May 2000. At the October 1999 Summit in Tampere, the EU leaders called for the speedy set-up of such teams. The initiative was tabled by Belgium, France, Spain and the UK on 9 October 2001. It provides for two or more Member States to establish a team for a specific purpose and limited period. As well as national police officers, Europol, the European Commission's anti-fraud unit OLAF, and the nascent EU prosecuting unit Eurojust, could participate. Information could be used to detect, investigate and prosecute criminal offences outside the team's original mandate if the information source consented.

The draft protocol presented by the Spanish Presidency in February 2002 does not allow Europol officers to arrest or detain people. The precise nature of their involvement in joint investigation teams would be determined unanimously by the Management Board of Europol. The draft protocol permits Europol officials to liaise directly with members of the joint team and authorises them to keep computerised records of investigation, provided the lead MS gives its consent. Europol would be liable to cover the costs of any civil damages caused by its officials during an operation in a Member State. The Spanish Presidency prioritised the adoption of the initiative. The Council reached political agreement on Europol participation on 25 April 2002 and the framework decision was adopted on 13 June 2002.

### 6.3.3. *A Proposition for European Border Police*

On 7 May 2002, the Commission proposed measures for the integrated management of the EU's external borders which would be taken on a genuine Community basis rather than as a set of national systems, and also maps out the route to the longer-term objective of setting up a European Corps of Border Guards. According to the JHA Commissioner, Antonio Vitorino, all the members of the European Corps of Border Guards would have public order powers, including the power of arrest.

On 30 May 2002, Italy presented the results of the feasibility study, conducted together with Belgium, France, Germany and Spain, and with Europol as observer, on the creation of a common border police force. On the basis of the study, Europe's interior ministers agreed to set up a task force to curb illegal immigration at Europe's



busiest air and sea ports. The pilot project, which still needs region-wide approval, is part of a broader plan drawn up by the five European countries to look at ways of creating a common EU border guard.

At the EU summit held in Seville in June 2002, the EU leaders made a further move towards establishing an EU border police which will patrol shores, ports and border crossing points against illegal immigrants. It is expected that this border force will become a reality within five years.

#### 6.3.4. *Other Initiatives for EU Law Enforcement Co-operation Networks*

The Spanish Presidency took many initiatives to establish new law enforcement networks within the EU (see also section 5.1 above), the creation of a European police studies institute, a contact point network for private security and a European network for the protection of public figures. The European Parliament called on Spain to withdraw the two first mentioned initiatives and made several amendments to reduce the scope of the third one on 30 May 2002. On 13 June 2002, the Council formally approved the creation of a European network for the protection of prominent people.

On 17 April 2002, the Council's police co-operation working party and the Article 36 Committee gave the green light to the Belgian initiative, tabled on 17 July 2001, to create a EU-wide network of football information centres, whose mandate is to stamp out hooliganism<sup>10</sup>. The draft decision requires each Member States to designate one football information point of a police nature. They would act as the focal point of police co-operation on football matches with an international dimension. The national monitoring centres would co-ordinate information, using personal data of fans, stadium ban lists, photographs and any other relevant information. They have up-to-date risk assessment of their own country clubs and national teams, including information on ordinary and high-risk fans.

The first edition of the European Vehicle Identification Database (EuVID) was finalised in June 2001. The EuVID working group<sup>11</sup> was initiated by the Landeskriminalamt (LKA) of Bavaria in autumn 2000. The development of the database was co-ordinated by Europol. The database was officially released and distributed to all relevant law enforcement agencies of the Member States in September 2001. The second version was planned to be finalised in 2002 and also distributed to the countries Europol has signed a co-operation agreement with.

#### 6.3.5. *Cross-border Surveillance*

On 1 May 2002, the Commission supported the new wording for Article 40 of the 1990 Schengen Convention, which would enable cross-border surveillance of friends, family, accomplices and victims of the person being investigated. The so-called emergency procedure would be extended to cover investigations into trafficking in human beings or nuclear substances, money laundering, fraud and terrorism.

By increasing the opportunities for police officers to continue surveillance operations in other Member States, this would, in the words of the Commission, 'represent progress towards developing police co-operation and boosting the success of judicial inquiries.'

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<sup>10</sup> The European Parliament approved the plan on 11 April 2002.

<sup>11</sup> Participants include representatives of SC4 Europol, The Federal Ministry of the Interior of the Republic of Austria, the regional Gendarmerie Headquarters of Lower Austria and Burgenland and the BKA Wiesbaden. Since the beginning of 2002 Italy and Sweden have participated in the working group.

### 6.3.6. *Local Cross-border Co-operation*

Very many local and regional co-operation ventures are currently being undertaken. It is impossible to discuss them all, therefore only a few examples will be presented below, involving co-operating partners also from the Candidate Countries, as an illustration of the work.

A joint training exercise involving more than 650 German, Czech and Polish police officers took part in three countries in November 2001. The exercise aimed at enhancing co-operation in searching for the perpetrators of violent crimes from international gangs.

On 3 December 2001, Finland and the Baltic states agreed to enhance their co-operation in the prevention of narcotic crimes and fight illegal immigration by exchanging information about the ways documents are forged. As part of the agreement, Finland and the Baltic states will arrange a joint operation next year under Lithuania's leadership.

The objective of the Baltic Sea Task Force is to establish and to enhance pragmatic co-operation between the competent authorities at the judicial, strategic and operational levels in combating OC in the Baltic Sea region. Its mandate and activities focus on drug trafficking, illegal immigration, trafficking in women, stolen vehicles and commodity smuggling. Furthermore, terrorism, if related to other types of crime, and environmental crime were added to its remit in 2002. In the second half of 2001 there were 21 different joint operations going on within the framework of the Baltic Sea Task Force.<sup>12</sup> Initiated by the Council, Europol has taken part in the meetings of the Baltic Sea Operational Committee since 1998. Europol has supported Baltic Sea Task Force by various strategic and operational products and services.

On 22 November 2001, the Central European Initiative (CEI) summit vowed to crack down on illegal immigration and work together to fight terrorism and organised crime. The CEI consists of the EU members Italy and Austria along with Poland, the Czech Republic, Hungary, Slovenia, Slovakia, Bulgaria, Romania, Albania, Belarus, Bosnia, Croatia, the Former Yugoslavian Republic of Macedonia (FYROM), Moldova, Ukraine and Yugoslavia.

In its relations with the Balkans, The EU continued to develop its regional approach via the stabilisation and association process and the Stability Pact for South East Europe launched in 1999, and via technical and financial assistance.<sup>13</sup>

### 6.3.7. *CEPOL*

The first work program for the European Police College (CEPOL) was presented at the end of October 2001. The dramatic events of 2001 were taken into account, so that, for instance, in 2002 CEPOL planned to organise a course in public order disturbances and an anti-terrorism course.

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<sup>12</sup> See List of Joint Concrete and Operative Measures/Actions, second half of 2001. Task Force on Organised Crime. Baltic Sea Region. The Secretariat.

<sup>13</sup> For instance, 'The Programme against corruption and organised crime in South-eastern Europe' (PACO), the first part of which was launched in February 2000 and the second part concerning organised crime in October 2000.

#### 6.4. Judicial Co-operation

The first assessment report of the Council on mutual assistance on criminal matters between the legal systems of 15 Member States published at the beginning of August 2001, stressed that although the co-operation still needs improving on many points, the criticisms often heard are excessive. According to the report, flows in mutual assistance are increasing. Especially in the field of drugs or serious infringements to common law, the great majority of practitioners questioned consider that mutual assistance works effectively and to their satisfaction.

On 14 November 2001, the European Parliament supported a move to apply two EU Conventions aimed at simplifying and speeding up extradition to Norway and Iceland.

On 29 November 2001, the European Parliament gave its backing to a European unit of prosecutors, judges and police officers, **Eurojust**, which would co-ordinate efforts against cross-border crime. The new article 31 of the EU Treaty allows Eurojust to co-ordinate the national prosecuting authorities of the Member States, and is built upon in the Council Decision concerning the setting up of Eurojust from 2 February 2002. Eurojust may investigate cases of serious cross-border crime, taking account of analyses from Europol. It is foreseen that Eurojust and Europol will co-operate closely in the fight against organised crime. It may facilitate the execution of court to court requests for assistance, and the implementation of extradition requests. It should co-operate closely with the European Judicial Network for criminal matters created in 1998. A declaration annexed to the treaty says that Eurojust will be composed of prosecutors, magistrates or police officers with the same duties from each Member State.

A framework program on police and judicial co-operation in criminal matters called AGIS was established by a Council Decision on 22 July 2002. With the support of the Council and the European Parliament for its plans, the European Commission proposed, on 9 November 2001, to merge the five biannual programmes due to end on 31 December into a single programme. The programmes encourage exchange, training and co-operation among justice officials (Grotius Penal II), repression services (Oisin II), anti-human trafficking and sexual exploitation of children (Stop II), crime prevention (Hippokrates) and anti-organised crime (Falcone). The Commission suggested continuing the programmes in a single five year programme (2003-2007) with €63.5 million over the five years.

## **7. RECOMMENDATIONS**

As is shown in the overview of the 2000 EU Organised Crime Situation Report (OCSR) recommendations in Appendix 1 below, many of the recommendations from the 2000 OCSR have been dealt with in various fora in 2001 and 2002. However, some of them are still valid and should be taken into account also in the future.

Based on the national contributions to the 2002 OCR, and taking into account the assessments and conclusions of this report, the following recommendations should be considered:

### **7.1. Policy-oriented Recommendations**

1. As noted on several occasions and in many fora, a comprehensive strategy for the efficient prioritisation, co-ordination and implementation of various programmes, initiatives and proposals in the field of law enforcement co-operation against OC should be formulated, based on the Millennium Strategy on Organised Crime formulated in Tampere, inter alia by the Member States in unison, involving all relevant EU bodies and others within the EU involved in the fight against OC.
2. Co-operation agreements between EU bodies and competent authorities and countries outside the EU, and organisations with a strong interest in the field of combating OC, need to be continuously developed to increase the crime fighting capabilities especially in relation to destination, transit and source countries outside the EU. Consequently, the technical support and outreach provided from the Member States to the Candidate Countries and relevant third countries should be increased;
3. A pro-active, crime prevention oriented approach, should be highlighted as an important aspect of all law enforcement activities, by taking advantage of mechanisms and structures already in place, such as the Crime Prevention Network and the Crime Prevention Forum. The increased attention on research on crime prevention strategies and best practices should also find its translation into an enhanced policy and law enforcement response at the EU level. Furthermore, developed partnerships between public and private organisations in various fields should be promoted;
4. The notions of flexibility, entrepreneurialism and transnational co-operation, key aspects of the success of OC, should be reiterated as important also for the fight against OC in all its forms, enabling proactive prioritisation reflecting the realities of transnational OC;

### **7.2. Judicial Recommendations**

5. Legal harmonisation, for instance concerning trafficking in human beings, is vitally important to succeed in the fight against transnational, serious OC. Judicial initiatives already undertaken at both the common EU level and the national level could be used as models for continued progress in this area. The implementation of judicial initiatives should be monitored and evaluated with a view to identify possible shortcomings;
6. Political and law enforcement initiatives at the common EU level, representing a plethora of structures and mechanisms, would benefit from a higher degree of prioritisation and co-ordination, enabling a pro-active, co-operative approach to crime-fighting in the EU;

7. The revision of the Europol Convention and its implementation should reflect the flexibility and entrepreneurialism of OC, enabling the organisation to present timely, well-prioritised and high-quality answers to the threats encountered within its remit;

### **7.3. Operationally Relevant Recommendations**

8. The unquestionable added value from transnational law enforcement co-operation should be further built upon, primarily in an even stronger support for projects such as Europol's Analysis Work Files, Joint Teams and other mechanisms enabling efficient operational law enforcement co-operation;
9. Information and intelligence sharing are vital for the efficient functioning EU law enforcement co-operation. Whilst this is generally acknowledged, accuracy and timeliness in the co-operation need to be ensured through the expedient dissemination of information and intelligence to all parties concerned;

### **7.4. Intelligence Requirements**

10. The development of criminal organisations and crime is insufficiently understood and analysed with a practical law enforcement approach. In particular, although the importance of key persons is appreciated, their role needs to be further understood to foster a practically oriented knowledge concerning OC groups;
11. Ethnic Albanian OC represents a clear and present threat to many Member States, and a latent one to others. To enable a proactive law enforcement approach, information and intelligence concerning ethnic Albanian OC groups should be collected in a structured way, analysed and shared between the Member States and Europol;
12. Links between the EU and other geographical areas such as South Africa and North America should be scrutinised further, with a view to proactively stemming the potential threat emanating from this and other areas outside the EU;
13. Certain criminal markets, such as the illegal trade in diamonds, should be further studied to produce a knowledge basis for the efficient fighting of OC groups by targeting means of payment and underground banking systems;
14. High technology crime, or rather the vulnerabilities of modern computer-based communication systems, should be further studied in view of its links to OC, especially as a means to further mechanisms to interfere with OC communications;
15. An overview of existing initiatives, structures and mechanisms involved in the fight against OC should be undertaken, to provide an in-depth outline of the tools available to enable the enhanced prioritisation and co-ordination between the various existing political and law enforcement instruments;

### **7.5. Recommendations Concerning the OCR**

16. The changes in the production of the OCR should be reflected in the dissemination and use of the report, to include other parties within the Member States as well as co-operating partners outside the EU;
17. The working party at Europol concerning the OCR, successor to the CSN, should be allowed the necessary means for upholding its important work and receive

needed support from other parties. The European Commission is invited to consider making full use of the AGIS programme to support this important work;

18. The problems faced in the methodological work concerning the comparability of data between the Member States should be targeted forcefully with a view to efficiently implement the outcome of the Action Plan to produce a fully-fledged EU threat assessment. Under the auspices of the working party at Europol, contacts should be developed with other parties with an interest in this work, especially those with an expert knowledge in fields where the lack of law enforcement data is noticeable, such as corruption;
19. Europol's enhanced role in the production of the OCR should result in a re-examination of the possibilities to speed up the decision-making procedure of the OCR to meet the requirements for timeliness and expediency.

## 8. APPENDIX: OVERVIEW OF THE 2000 OCSR RECOMMENDATIONS

In the 2000 EU Organised Crime Situation Report, 10 recommendations were formulated for consideration by the Member States. Some of the recommendations were fairly comprehensive, simultaneously spanning many areas of interest. As shown in the overview of political and law enforcement initiatives in chapter 5 of this report, many of the issues raised in the recommendations in the 2000 OCSR have been addressed in various fora in 2001 and 2002.

The fight against organised crime gained considerable attention in the wake of the September 11 attacks against the US. This is discussed at length in chapter 5 above. Many far-reaching initiatives were formulated, and the EU as a whole has together worked hard to fight international terrorism. Many of the initiatives were directly applicable also to the fight against organised crime.

As was noted in the 2000 OCSR, despite the impressive results which have been achieved in the fight against organised crime, there are some which need further attention. They include:

- Prioritisation;
- Co-ordination, and
- Implementation.

These three overarching needs still seem necessary to focus on in future work with regards to the fight against organised crime in the EU. Taking into account the discussion about political and law enforcement initiatives in chapter 5 of this report, a few comments could nevertheless be made concerning the recommendations in the 2000 OCSR and their implementation. The status of their implementation is as follows:

1. Based on the Millennium Strategy on Organised Crime formulated in Tampere, a comprehensive strategy for the efficient prioritisation, co-ordination and implementation of various programmes, initiatives and proposals in the field of law enforcement co-operation against organised crime should be formulated, inter alia by the Member States in unison, involving all relevant EU bodies and others within the EU involved in the fight against organised crime.

*Many attempts have been made in 2001 and 2002 to provide better mechanisms for the efficient prioritisation, co-ordination and implementation of such programmes, initiatives and proposals. The work already started in realising the goals at the October 1999 EU summit in Tampere has progressed considerably, as it was reported by the Commission in its biannual update of the justice and home affairs scoreboard. The Commission especially praised the Member States for their willingness to apply the mutual recognition principle in order to overcome the difficulties of fully harmonising national legal systems.*

*Following the extraordinary European Summit on 21 September 2001, the EU has presented a number of far-reaching initiatives primarily within the field of counterterrorism which will also have a large impact on the fight against organised crime at the common EU level.*

2. The important work concerning mutual evaluations of the Member States should continue, involving the EU Candidate Countries. The mutual evaluations should form an integral part of the envisaged comprehensive strategy proposed in recommendation 1 above. The results of these evaluations should be translated

into viable, harmonised national legislation in conformity with the 1999 Tampere conclusions.

*As noted above, the Member States were especially acclaimed by the Commission in its biannual update of the justice and home affairs scoreboard for their willingness to apply the mutual recognition principle in order to overcome the difficulties of fully harmonising national legal systems.*

*The first assessment report of the Council on mutual assistance on criminal matters between the legal systems of 15 Member States, published at the beginning of August 2001, stressed that although the co-operation still needs improving on many points, the criticisms often heard are excessive. According to the report flows in mutual assistance are increasing. Especially in the field of drugs or serious infringements to common law, the great majority of practitioners questioned consider that mutual assistance works effectively and to their satisfaction.*

*As discussed in chapter 5 above, one noteworthy achievement was the agreement upon an ambitious pan-EU arrest warrant in the Laeken European Summit on 15 December 2001. In principle the warrant covers all crimes, but for 32 listed crimes, the EU has abolished a requirement that the offence must be recognised in both Member States. The 32 crimes to be covered by the warrant go well beyond terrorism.*

*From 2004 on<sup>14</sup>, when the legislation should be in place across the EU, any EU member state would be able to ask another to transfer a person it suspects of having committed any crime included in the list.*

3. Cross-border crimes, particularly when involving jurisdictions outside the EU, need to be continuously addressed in different bilateral and multilateral settings involving source, transit and destination countries. The EU Candidate Countries should be an integral part of this work.

*This important work has continued during 2001 and 2002. The Candidate Countries are increasingly integrated in the work together with other co-operating partners in Europe and elsewhere.*

*On 12 November 2001, the European Parliament approved a Belgian and Swedish initiative for a framework decision extending Europol's mandate to serious forms of international crimes. The initiative took effect on 1 January 2002. The Parliament also called on the EU to set up joint police units to investigate everything from terrorism to drug and human trafficking and fighting organised crime.*

*On 1 October 2001, Europol signed a co-operation agreement with Slovenia, which allows them to exchange personal, strategic and operational information. Europol also signed similar agreements with Poland (on 3 October 2001), Hungary (on 5 October 2001) and Estonia (on 4 October 2001).*

*On 5 November 2001, Europol and Interpol signed an agreement to establish and maintain the exchange of operational, strategic, and technical information, the co-ordination of activities, including the development of common standards, action plans, training and scientific research and the secondment of liaison officers.*

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<sup>14</sup> The entry in force of the framework decision is on 1 January 2004. The Member States agreed that each Member State would have the choice of making it retroactive, but only as far back as 1993. This was when the Maastricht Treaty came into force setting up the EU's third pillar of justice and home affairs. On 15 February 2002, France, Belgium, Spain, Portugal, the UK and Luxembourg unexpectedly agreed to introduce the new European arrest warrant a year ahead of schedule, in the first three months of 2003, saying their decision was a clear sign of Europe's commitment to cracking down on terrorism and organised crime.



*On 19 November 2001, Europol signed a Co-operation Agreement with the EU's Lisbon based drugs agency (EMCDDA) to launch the exchange of strategic and technical information. No personal data is transmitted. Moreover, co-operation is limited to drug-related matters, illegal money laundering activities and diversion of chemical precursors. The agreement also paves the way for joint projects.*

*At the same time with the first co-operation agreement between Europol and the United States on 6 December 2001, Europol was also authorised to begin negotiations with the Principality of Monaco and the Bureau for the Control of Drugs and Crime Prevention.*

*On 8 December 2001, Japan and the EU agreed to increase co-operation between law-enforcement agencies to fortify the international fight against terrorism. In particular, it was agreed to co-ordinate action against terrorist financing, the spread of materials that could be used in atomic, chemical or biological weapons, and the fight against the illegal drug trade. The agreement was included in a wide-ranging plan outlining close ties between Japan and the EU. Under the agreement, the Japanese police will develop closer collaboration with Europol.*

*On 13 December 2001, Europol signed a co-operation agreement with the European Central Bank (ECB) to fight possible Euro fraud. The agreement is aimed at ensuring effective co-operation between the two parties and EU MS to combat counterfeiting of the Euro currency.*

*On 5 March 2002, Europol signed a co-operation agreement with the Czech Republic authorised by the Council on 1 March 2002. This agreement covers the exchange of strategic and operational information on organised crime.*

*On 10 April 2002, the Swiss cabinet signed an agreement with Europol to increase co-operation in organised crime investigations.*

*At the end of April 2002, Europol was set to sign a co-operation agreement with the World Customs Organisation (WCO). The Agreement does not provide for the exchange of personal data, as the WCO does not keep such information.*

4. Key crime areas identified in the above threat assessment (see paragraph 6.3.2 [of the 2000 OCSR]) need further close attention at the EU level, including serious trafficking offences such as drug trafficking, illegal immigration, trafficking in human beings, arms and vehicles, commodity smuggling (including alcohol and tobacco) and intellectual property theft. The progressive use of Joint Teams, in accordance with the Framework Decision proposed by Belgium, France, Spain and the UK, and article 13 of the 2000 Convention on Mutual Assistance in Criminal Matters, for a quick response to such issues, with close Europol support, should be considered in this work.

*Drug trafficking, illegal immigration and trafficking in human beings have received considerable attention in 2001 and 2002. A number of operations were initiated and, although their operational outcome may have been better, the political aim of enhancing the co-operation between the Member States and other parties was highly successful.*

*On 14 December 2001, the European Parliament approved the Council initiative to set up joint investigation teams. According to the Parliament the teams should investigate all forms of organised crime, not just terrorism and trafficking in drugs and human beings. This Council initiative implements Article 13 of the EU Convention on mutual assistance in criminal matters signed on 29 May 2000. The EU leaders at the October 1999 Summit in Tampere called for speedy set-up of such teams. The initiative was tabled by Belgium, France, Spain and the UK on 9 October 2001. It provides for two or more Member States to establish a team for a*

*specific purpose and limited period. As well as national police officers, Europol, the European Commission's anti-fraud unit OLAF, and the nascent EU prosecuting unit Eurojust, could participate. The Council reached political agreement on Europol participation on 25 April 2002 and the framework decision was adopted on 13 June 2002.*

5. The introduction of the Euro as a physical currency in January 2002 will prompt the need for even closer attention, with a particular focus on the implications for aggravated robberies, money laundering and currency counterfeiting.

*The problems which were envisaged in connection with the introduction of the Euro fortunately did not come true. The transition period was an effective and relatively uneventful matter and, although crimes are committed in relation to the Euro, in the field of counterfeiting, they are considerably fewer than cases relating to the old national currencies.*

*On 13 December 2001, Europol signed a co-operation agreement with the European Central Bank (ECB) to fight possible Euro fraud. The agreement is aimed at ensuring effective co-operation between the two parties and EU MS to combat counterfeiting of the Euro currency.*

6. The difficulties for law enforcement to identify their targets, especially when an organised crime group resides in one country and commits crimes in another, presents a problem. This needs to be addressed, employing existing and future common EU tools with a distinct focus on organised crime groups; supported by, and in support of, the comprehensive strategy proposed above.

*This issue is continually addressed, not least at the operational law enforcement co-operation level. However, a lot of work still needs to be done to overcome this difficulty, requiring both judicial changes and further international co-operation.*

7. Best practices on the collection, analysis and dissemination of data concerning organised crime groups and their activities should be developed in unison and shared by all relevant EU bodies and others within the EU involved in the fight against organised crime, in support of recommendation 6 above.

*This issue has been continuously addressed within the CSN and its successor; the working group at Europol. The work with the implementation of the Action Plan to transform the OCR into a fully-fledged threat assessment will continue to focus on this area.*

8. Information exchange and intelligence sharing also need to be expedited through mechanisms designed for such a task. Jurisdictional issues hampering transnational co-operation need continuous attention.

*The changes in the Europol Convention are partly aimed at ameliorating such difficulties. However, much work still needs to be done to construct a well-functioning system of information exchange and intelligence sharing, at times requiring judicial attention.*

*As noted above, a well co-ordinated system of information exchange and information sharing is necessary, allowing for the efficient dissemination of information and intelligence. Although several structures could be used in this work, such systems would benefit from a high degree of co-ordination.*

9. Methodological developments following the intended changes to the OCSR should focus on the implementation of the Action Plan concerning its realisation currently being produced, to be presented by the end of 2001. Particular attention should be paid to the amendment of the basic document underlying its production, namely Enfopol 35rev2.

*This work is currently being undertaken by the working group at Europol, replacing the CSN which ceased its operations on 1 July 2002.*

10. It is recommended that the majority of the changes are implemented step by step, starting already in the 2001 OCSR. This necessitates not only expedient work with the methodological developments referred to in recommendation 9 above, but also close Member State involvement in the timely delivery of ideas, comments and contributions to the OCSR. A 'troika' group should be set up to oversee the implementation of these and other recommendations proposed in the report.

*Many of the ideas from the continuous methodology work are implemented in the 2002 OCR, reflected not least in its changed structure and greater emphasis on the assessment dimension of the report.*

*A 'troika' group has not been set up, however this idea definitely requires new attention following the cessation of the CSN.*

