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From: General Secretariat of the Council
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Subject: Situational Overview 2017 prepared by Europol and Frontex as input for the Document Fraud

Delegations will find attached the Situational Overview 2017 prepared by Europol and Frontex as input for the Document Fraud priority of the EU Policy Cycle 2018/2021.



Europol and Frontex input for EMPACT Priority of Document Fraud Situational Overview 2017

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KEY FINDINGS

- Document fraud is a key enabler of all types of criminal activity as well as terrorism.
- The use of fraudulent documents in the EU has significantly increased as a result of the migration crisis.
- Fraudulent documents as well as the resource materials to produce fraudulent documents are traded online and trafficked using post and parcel services.

BACKGROUND

In May 2017, the Council of Justice and Home Affairs Ministers of the EU adopted a set of crime priorities for the second full Policy Cycle on Serious and Organised Crime from 2018 to 2021 based on the findings of the EU Serious and Organised Crime Threat Assessment (SOCTA) 2017. For the first time, document fraud was identified as a priority crime threat at EU level.

This situational overview of document fraud in the EU and its links to other criminal activities is intended to support the work of the Expert Group on Document Fraud at its inaugural meeting in September 2017. In addition to the situational overview, the document also includes information on existing intelligence gaps and suggested recommendations for the fight against document fraud, which can be discussed and further elaborated by the Expert Group.

OVERVIEW

Document fraud entails the production and use of false documents as well as the misuse of genuine documents. Document fraud is a key facilitator for organised crime and terrorism. The use of fraudulent documents in the EU has significantly increased as a result of the migration crisis.

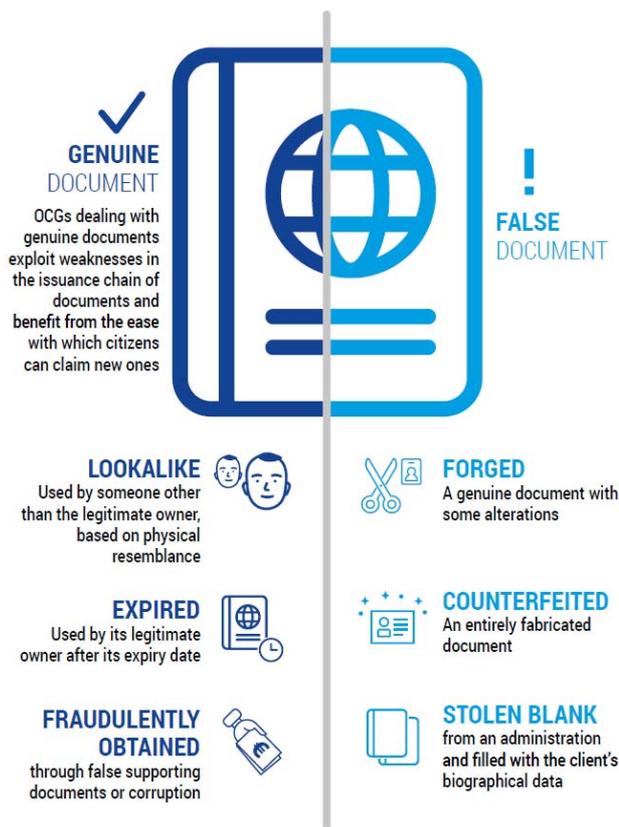
There are different types of document fraud and of fraudulent documents. Genuine stolen or lost documents are frequently used by look-a-like fraudsters without altering the biographical data of the legitimate owners. Forged documents are blank or genuine documents where forgers have altered security or biographical features, while counterfeit documents are wholly fabricated documents that were never issued by an official authority.

Document fraudsters not only misuse identity and travel documents, either genuine or counterfeited. They also forge or fabricate other types of paperwork and administrative documents such as transport certificates or company registration forms to facilitate criminal activities.

Document fraud is a key enabler for almost all crimes. Criminals make use of multiple aliases and identities to avoid detection by law enforcement authorities. In many cases, the same fraudulent documents are traded among criminals and used repeatedly for criminal purposes.

Many criminals using fraudulent documents either produce crude forgeries themselves or purchase

Understanding the different types of document fraud



higher quality documents from associates and criminal contacts.

Some OCGs exclusively engage in the production and/or provision of fraudulent documents as their main activity. These are professional service providers working in cooperation with several OCGs at the same time.

Professional document fraudsters manipulate or produce all types of identity, travel and administrative documents on demand. Genuine documents are usually obtained from other criminals, who exploit weaknesses of some national systems in issuing documents and benefit from the ease and frequency with which citizens can claim new documents. In recent years, there has been a notable increase in the number of lost and stolen documents in circulation in EU. The use of genuine documents by look-alikes/impostors is the second most common *modus operandi* employed by document fraudsters. In many cases the documents used as part of this *modus operandi* are stolen. Indeed, due to the nature of the fraud and difficulties faced during document/passenger inspection the real number of impostors is most likely much higher, in particular at the external border of the EU.

Instability and weak state institutions caused by armed conflicts allow criminal groups to obtain blank documents.

CASE EXAMPLE

Europe on lookout for passports captured by 'Islamic State'ⁱ

In 2014, more than 10,000 original, blank passports were seized by the terror militia "Islamic State" (IS) when it captured Syrian and Iraqi towns.

The militant groups uses "real fake documents" to earn money, with the identity papers selling for up to USD 1,500 on the black market.

Breeder/administrative documents are also frequently forged or fabricated. Fraudulent administrative documents are used to obtain legitimate identity documents and services on false grounds. Fraudulent breeder documents such as false birth certificates, marriage records and work contracts can be used to obtain genuine travel, identity documents and drivers licences. They can also be used to acquire student visas, residency or work permits and to request loans, defraud welfare systems, insurance or investment companies.

In general, fraudulent breeder documents are much easier to acquire and to produce than fraudulent identity documents. Little information sharing among authorities on how national administrative documents look like in different countries and little or absent security features on these types of documents make it easier to forge them.

OCGs are increasingly trying to obtain genuine documents rather than relying on costly forgeries, and often make use of corruption to obtain blank genuine documents.

The production and sale of fraudulent documents

The most successful document forgers are able to quickly respond to demand in different criminal markets and overcome increasingly sophisticated security features and control measures against forgery. Some OCGs have developed technical expertise and have significantly improved the sophistication of their equipment, which results in the availability fraudulent documents of superior quality.

Counterfeit documents of very high quality are very difficult to detect during normal law enforcement checks. The availability of high-tech tools and raw materials makes document fraud a very profitable business. Criminals can easily obtain technical ink, digital printers and fibre paper, which are now primarily sold on Darknet marketplaces. Darknet marketplaces are also used by documents fraudsters to offer and sell fraudulent documents to clients worldwide anonymously and securely. Fraudulent documents are typically smuggled to end-users by courier and using post and parcel services.

The rental of genuine documents

Document fraudsters are increasingly offering travel and identity documents for rent. As part of their smuggling services, OCGs involved in migrant smuggling often offer the rental of identity documents of individuals residing in the EU to be used by irregular migrants to enter the EU and reach their desired country of destination. In many cases, the EU residents making their documents available for this service are third country nationals with legal residence status in the EU or EU nationals of non-EU descent from the main regions of origin for irregular migrants travelling to the EU. While some of these documents are lost or stolen, in many cases the documents are handed over to the document fraudsters in exchange for a fee. Once the irregular migrants using these documents have reached their destination, the documents are returned to the OCG, usually by post, for further use or are returned to the legitimate owners.

DOCUMENT FRAUD AS A HORIZONTAL ENABLER OF CRIME AND TERRORISM

The use of fraudulent documents is an integral part of the *modi operandi* of various criminal activities. Fraudulent documents are particular crucial enablers for the smuggling of irregular migrants, the trafficking of human beings (THB), the theft of goods and vehicles, the trafficking of firearms, the production, trafficking and distribution of drugs and various types of fraud. Fraudulent documents are also used by criminals for money laundering purposes and to obtain loans.

DRUG PRODUCTION, TRAFFICKING AND DISTRIBUTION

Document fraud is a key enabler for the production and trafficking of illegal drugs in the EU. Offenders use fraudulent documents all along the trafficking chain from the country of origin of the illegal drug to the countries of destination in the EU, mainly to conceal the identity of the criminals involved, to hide the illicit consignments and obscure the route of the shipments containing the illegal drugs.

Fraudulent IDs, fraudulent declaration and mislabelling of goods, fraudulent import/export certificates, fraudulent certificates of provenance or origin and fraudulent vehicle registration documents are all used frequently to facilitate the trafficking of illegal drugs and (pre-)precursor substances. In many cases, traffickers use fraudulent documents to register import/export companies and generate fraudulent documents in order to import various goods as a cover for the trafficking of illegal drugs or (pre-)precursor substances.

Most of the new psychoactive substances (NPS) are produced in China and, to a lesser degree, India and shipped to the EU in bulk for processing and packaging before being sold to customers across the EU. In many cases, the NPS shipments are mislabelled and accompanied by fraudulent declarations of goods/contents to avoid seizure of the NPS or the tracing of NPS destinations in the EU. NPS are also frequently mislabelled and sold as products not intended for human consumption such as incense or bath salts.

The trafficking of precursor and pre-precursor substances used in the production of synthetic drugs is highly reliant on document fraud. The production of synthetic drugs in the EU relies on the availability of these substances to maintain the unprecedented production output of various synthetic drugs, including amphetamine, methamphetamine, and MDMA, in the EU. These substances typically originate from China and, to a lesser degree, India and are shipped to the EU in mislabelled containers and using false declarations of contents. The volume of container traffic from Asia to the EU makes thorough physical controls virtually impossible and leaves Customs, border guards and other law enforcement officials to rely on declarations to assess risks and initiate controls. This makes document a key enabler for the trafficking of these substances.

OCGs involved in the production of cannabis or synthetic drugs in the EU also use fraudulent company registration documents and fraudulent ID to rent commercial or private properties to set up their cultivation or production facilities.

ENVIRONMENTAL CRIME

Environmental crime relies on document fraud to sustain various business models associated with different types of environmental crime. This is particularly the case for the trade in endangered species and the trafficking of illicit waste.

Criminals involved in the trafficking of illicit waste usually fabricate false documentation to conceal the toxic nature of the waste, to circumvent environmental legislation and to avoid expensive treatment processes. Waste traffickers make use of increasingly sophisticated document forgeries, which indicates the potential involvement of expert criminals with the necessary expertise to produce technical and legal documents specific to the requirements of waste traffickers.

Electronic waste materials are often branded as second hand household appliances, are resold in other markets or some of their components are extracted and sold separately. Treatment companies forge documents and certificates to sell this waste to third parties instead of disposing or destroying it as agreed with waste producers. In some Member States, fraudsters declare hazardous material as standard rate waste so that it qualifies for tax exemption or reduction. Notification documents for the import of waste shipments are also often forged, so the waste is not delivered to the recovery facility stated in the notification but instead is transported to another location.

The legal trade in wildlife products requires the availability of documents certifying the nature of the traded products. Wildlife traffickers frequently make use of fraudulent documents to misrepresent the types and species of their products in order to transport and sell protected specimens. False CITES¹ certificates are used

¹ The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

to conceal the real nature of the consignments, such as forged CITES certificates for poached birds to falsely declare their origin as birds raised in captivity. False load declarations and/or trade permits are also used to hide the illegal consignment within other goods.

FRAUD

Document fraud is a key enabler for some of the most costly types of fraud targeting citizens, companies and public authorities.

OCGs involved in excise fraud rely on document fraud to enable their trafficking activities. Fraudulent documents enable these fraudsters to divert excise goods, mostly tobacco products, alcohol and fuel, and sell them at lower prices as non-excise goods in other marketplaces. This includes the mislabelling of goods in official documentation and the use of forged documents. For instance, fraudsters use tax warehouses in combination with false declarations and fraudulent documents in Germany, France, Belgium, the Netherlands and the United Kingdom to circumvent custom procedures. Document fraud in this crime area generally includes the use of identical shipment documents for multiple transfers; “ghost warehousing” of goods accompanied with fake bills of lading, and the use of “cover loads” to label the commodities as non-excise goods. Criminals operating excise fraud often rely on associates and facilitators working at tax warehouses in various Member States (especially in Germany, France, Belgium, Netherlands and the United Kingdom) where the fraudulent documentation is produced and officially registered.

MTIC fraudsters also use fraudulent import/export documentation to orchestrate highly complex carousel fraud schemes that deprive Member States and the EU of billions of euros in revenue each year. In many cases, fraudsters make use of bogus companies in multiple jurisdictions which produce fake invoices stating the purchase of goods, which are then diverted clandestinely to other Member States. The companies involved do not file their tax declaration for the import of goods to evade VAT payments and claim a VAT refund on the base of false export. Complex VAT fraud schemes entail numerous intra-community acquisitions and sales, the involvement of shell companies in criminal investment the real estate sector.

Criminals orchestrate various investment fraud schemes. The most common schemes encountered in the EU include boiler room schemes, which use cold-calling to contact their victims and pressure them into investing in non-existent or very low-value stocks. Fraudsters often use false documents and certificates to present their company and the offered stock as legitimate.

Both OCGs and individual criminals operate insurance fraud schemes typically defrauding the insurance coverage for motor vehicles, health, and housing/construction. Insurance fraud schemes rely on false declarations, the use of fraudulent documents such as fake invoices and IDs, and corruption.

Fraudsters organising loan or credit fraud schemes typically rely on fraudulent documents, including fraudulent ID and company registration documents, to obtain bank loans, which are never paid back. OCGs have repeatedly attempted to defraud EU funds by submitting applications for EU grants or tenders. Typically, these applications are based on false declarations such as fraudulent progress reports as well as fraudulent documents such as fake invoices.

Benefit fraud schemes cause significant financial losses for all Member States. OCGs and individual fraudsters target social and labour benefit schemes to defraud the state of regular benefit payments. Benefit fraud is strongly linked to THB and migrant smuggling. In some cases, OCGs create fake companies and declare non-existing employees to authorities in order to receive subsidies. In many cases, benefit fraud schemes are only possible due to the widespread availability of fraudulent documents.

INTELLECTUAL PROPERTY CRIME

Document fraud is a key enabler for the trafficking of counterfeit goods to the EU. Most counterfeit products distributed in the EU continue to be produced outside the EU, particularly in Asia. False import certificates, false declarations of goods, fraudulent import/export certificates and other documents including customs seals are widely used to facilitate the importation of counterfeit products to the EU.

In the EU, various types of products are frequently mislabelled and sold to retailers with false declarations of genuine products. For instance, low-quality counterfeit mozzarella cheese is in some cases sold as high-quality Italian mozzarella using false declarations of origin of the product.

ORGANISED PROPERTY CRIME

Document fraud is used widely to facilitate all types of organised property crime including burglaries and robberies, motor vehicle crime and cultural goods trafficking. Members of mobile organised crime groups (MOCGs) involved in these types of crime regularly rely on the use of fraudulent ID documents to facilitate their movements throughout the EU.

Professional fences use false certificates and other documents to obscure the origin of their goods and sell on jewellery and other high-value goods to clients who are unaware or indifferent to the origins of these goods.

Vehicle theft is intimately linked to document fraud. OCGs use fraudulent documents to give stolen cars new identities for registration or exportation purposes. This may also entail alterations to the Vehicle Identification Number (VIN). OCGs widely exploit weaknesses in registration systems in order to register stolen vehicles. These systems currently only have limited success in identifying stolen vehicles and preventing their registration. Various *modi operandi* are used to overcome registration safeguards including the cloning of vehicles. Vehicles are often stolen from car rental and leasing companies by making use of fraudulent documents when renting the vehicles. Some Member States have noted an increase in the use of this *modus operandi* over recent years.

OCGs continue to steal vehicles for the purpose of dismantling them and selling off the spare parts. The trade in spare parts is increasingly taking place on online marketplaces. In some cases, these spare parts are accompanied by fraudulent certificates in order to convince clients they are purchasing genuine and legal spare parts.

The trafficking in cultural goods continues to rely heavily on the forgery of documents such as the production of fake export certificates. Once obtained by traffickers, usually cultural goods are concealed in warehouses for years. The accompanying documents of the goods are physically antiqued by forgers in order to look original. In many cases, auction houses are used to sell trafficked cultural goods, using false certificates and declarations of provenance for the traded objects.

TRAFFICKING OF FIREARMS

The trafficking of firearms in the EU often involves legal vendors and is heavily reliant document fraud. Firearms traffickers abuse weaknesses in the EU control system for intra-community trade in firearms to divert firearms from legal dealers using forged documents. These can include fraudulent company registration documents and fraudulent invoices to maintain the appearance of legal business conduct. In many cases, firearms traffickers use fraudulent ID to obscure their identity as well as fraudulent declaration or mislabelling of goods, fraudulent import/export certificates, fraudulent certificates of provenance or origin to obscure the nature of the goods they are trafficking.

MONEY LAUNDERING

Money launderers heavily rely on document fraud to facilitate their activities. Fraudulent documents such as false invoices and forged ID documents are used to conceal the origin of criminal cash, to open bank accounts or to establish shell companies.

Legal businesses remain a key asset for money laundering activities and are instrumental in enabling trade-based schemes which limit the movement of cash and provide a facade of legitimacy for money transfers. In many cases, these legal businesses are registered using fraudulent ID and operate using fraudulent accounting statements as well as fraudulent invoices to circulate illicit proceeds and carry out various types of money laundering schemes such as trade-based money laundering.

MIGRANT SMUGGLING

Document fraud is a key enabler for the smuggling of irregular migrants to and within the EU. Fraudulent documents allow irregular migrants to enter and move within the EU as well as to change from irregular to legalised residence status under false pretences or by using fake identities. Migrant smuggling networks are increasingly offering tailor-made facilitation services including high-quality fraudulent documents.

The abuse of genuine passports by look-alikes continues to be a widely used *modus operandi* used by document fraudsters. ID cards are the most commonly detected document used as part of document fraud during secondary movements inside the EU/Schengen Area.

The quality of fraudulent documents circulating in the EU has increased. In most cases, migrant smugglers obtain counterfeit documents from expert counterfeiters who provide their products to several smuggling networks. New makeshift print shops have been established in and outside the EU over the course of the migration crisis in late 2015 and early 2016. The sustained increase in demand for fraudulent documents has prompted established counterfeiters to increase their production output and establish new print shops. Some migrant smuggling networks also alter or produce fraudulent documents themselves.

Smuggling services offered in a full package form frequently include the provision of fraudulent travel and identity documents, which can be bought or just rented by the irregular migrants.

Migrant smugglers often provide fraudulent documents to irregular migrants that share their nationality. The bio-data of the irregular migrants are often exchanged via phone apps (Viber), e-mail and other means of digital communication.

CASE EXAMPLE

Document forgery and migrant smuggling

In May 2016, Greek and Czech law enforcement authorities arrested 18 suspects involved in the forgery of documents and migrant smuggling as part of an international investigation supported by Europol.

Two parallel investigations supported and coordinated by Europol targeted a network of OCGs involved in the mass production and distribution of falsified or forged documents (passports, ID cards, visas) to third country nationals.

The forged documents were subsequently provided to irregular migrants to enter the EU or to legalise their stays there. The investigation in Greece highlighted the structure and the hierarchy of the Athens-based network, which was composed of 2 distinct criminal groups operating in parallel, creating a sophisticated network for the illegal facilitation of irregular migration. The first one was composed of Bangladeshi nationals ('Criminal Group A') and the second one of Sudanese nationals ('Criminal Group B'). Investigations revealed that the Criminal Group A sent via courier services at least 126 parcels containing travel documents, and Criminal Group B 431 parcels over the course of a single year.

The fees for the forged documents ranged from EUR 100 to EUR 3,000 per piece depending on the quality, type and country of issue. The documents forged by these two criminal groups included passports, national ID cards, Schengen visas, driving licences, asylum seekers' registration cards and residence permits.

In parallel with the activity of these two criminal groups, the Czech Police began investigating in November 2014 another group that was purchasing in the Czech Republic stolen or lost identity/travel documents, before sending them to Greece to have them altered by the Athens-based criminal groups. The final products were then shipped back to the Czech Republic and distributed through courier companies to potential customers from third countries. This Czech OCG also produced fake Schengen visas.

Migrant smugglers obtain genuine documents from a variety of sources. Genuine documents used by irregular migrants are lost, stolen, obtained by corrupting consular officials or borrowed or purchased from relatives and EU nationals or obtained with the use of breeder documents. The emergence of a large market for documents used for identity fraud poses a serious threat to security in the EU.

Migrant smugglers frequently abuse legal channels to facilitate the entry of irregular migrants to the EU or to legalise their stay. The abuse of legal channels involves a variety of modi operandi including sham marriages, bogus paternity, false employment contracts, fake invitation letters, false medical visas, and false claims of being victims of trafficking or refugees. In many cases, migrant smuggling networks operate legal business structures in the EU such as travel or recruitment agencies to produce fraudulent paperwork which allows irregular migrants to obtain work permits.

UPDATE

Stable trend in document fraud detections between January and July 2017 – general overview observed by Frontex EDF-RAN

In Jan-Jul 2017, the overall level of document fraud reported within the Frontex European Union Document Fraud –Risk Analysis Network (EDF-RAN) was almost equal to that of the first seven months of 2016, with 11 562 document fraud users. The current figures, however, still fall short of the levels before the migration crisis peaked in Q3 2015.

The current situation has been strongly influenced by two opposite trends. While on entry the EU/Schengen area from third countries the number of detected document fraud users has been steadily decreasing since 2013, the number of document fraud users on the secondary movements inside the EU/Schengen area has been increasing despite temporary decrease between Sep 2015 and Jul 2016 caused by the development of the migration crisis and cheaper options along the Eastern Mediterranean and Western Balkan route.

The situation at the external EU border and decreasing number of detected document fraud users has been influenced by many factors as e.g. by enhancement of the security of the EU travel documents, in particular passports, cheaper options offered by OCGs that do not necessarily require fraudulent document to illegally cross the external EU borders via Eastern, Central or Western Mediterranean, probable increasing use of identity fraud that is more difficult to detect, current visa liberalization for Ukraine and Georgia etc. With the decreasing number of detections at the external EU borders also the number of fraudulent passports decreased in the past few years, however, this trend stopped and the current decrease is thus driven mostly by fewer fraudulently obtained visas. Well secured biometric EU passports have been mostly abused by impostors (look alike principle) and related number started increasing again in 2017. As far as it may be very challenging to reveal this type of fraud, the real number of impostors is most likely much higher than current figures show.

Compared to the situation at the external EU border, the number of document fraud users on the secondary movements inside the EU/Schengen area started increasing again in the mid of 2016 despite temporary decrease during the winter months. Abuse of less secure EU ID cards prevails on the secondary movements

because it is easier to counterfeit them compared to the EU passports. With the increasing efforts and investments into this type of document by certain EU countries also the impostor *modus operandi* started to be used more frequently than in the past.

Latest trends in the document fraud detections can be found below describing in more detail the situation in Q2 2017. The main nationalities of the document fraud users, main routes and fraudulent documents used, however, remain similar over the past months. Particular figures mentioned below do not stand only for fraudulent documents detected in the hands of illegal migrants but can be linked to other types of crime as Trafficking in Human Beings etc.

Albanian, Ukrainian and Syrian nationals ranked top in Q2 2017

When it comes to fraudulent document users, trends observed for particular nationalities show considerable variation. The number of Albanian nationals, which decreased by 18% compared with Q1 2017, was still higher in Q2 2017 than in any other second quarter in the past four years. Thus, the decrease in relation to Q1 2017 is mostly due to the unusually high number of Albanians detected in that quarter. While some percentage decrease was observed in the subsequent quarter, the absolute number remained high. The number of Ukrainian nationals slightly increased between Q1 and Q2 2017; however, an overall decreasing trend has been observed over the last two years. The visa-free regime for Ukrainian nationals travelling on Ukrainian biometric passports, which entered into force on 11 June 2017, will most likely bring about an even more significant decrease in the number of Ukrainians abusing travel documents, in particular fraudulently obtained visas. However, as regards the total number of Ukrainian document fraudsters, the decrease in those entering the Schengen area with fraudulent documents will probably be counterbalanced by higher detections on exit from the Schengen area towards the United Kingdom and Ireland, where the visa policy remains unchanged. The number of Syrians, the third most reported nationality in Q2 2017, rose by 12% compared with the previous quarter, following an increasing trend that has been observed since the beginning of 2016. However, the overall number of Syrians travelling on fraudulent documents remains way below the levels usually detected before the migration crisis hit its peak in Q3 2015. Apart from the abovementioned nationalities, considerable increases were also registered in Q2 2017 for Turkish and Pakistani nationals.

Significant increase in document fraud detections on the air routes departing from Greece

Compared with the previous quarter, the overall number of detections on secondary movements within the EU/Schengen area decreased by 3.5% from 2 757 in Q1 2017 to 2 660 in Q2 2017. Over a quarter of this number was associated with Albanians detected on the routes towards the United Kingdom and Ireland.

By contrast, the detections of migrants stranded in Greece using fraudulent document, who now have limited options of reaching their intended final destinations by land or sea, started to rise again on air routes. The number of persons attempting to leave Greece with fraudulent documents to reach other EU Member States/Schengen countries increased by almost 70%, from 429 in Q1 2017 to 729 in Q2 2017. Top nationalities of document fraudsters departing from Greece include Syrians, Afghans, Iranians, Turks, Albanians and lately also Eritreans. Germany remains the most favoured destination country, followed by Switzerland, Italy, the Netherlands and Belgium. Despite the fact Syrians continued to rank first as the most detected nationality of document fraud users detections between Greece and Germany, their number decreased in Q2 2017 by one fourth in relation to the previous quarter. However, more Syrians were detected on air routes between Greece and Switzerland, Italy and Belgium. A significant increase was observed for Turkish and Eritrean nationals on air routes leading from Greece to Belgium, even though their overall numbers were much lower compared to Syrians. Syrian nationals tended to use fraudulent Greek and Italian ID cards, or German and Syrian passports (including the so-called Q-Passports). Afghans, in turn, were mostly detected with fraudulent French ID cards and Korean passports.

The United Kingdom remained the most frequently reported final destination as regards secondary movements within the EU/Schengen area. In Q2 2017, almost 1 000 persons with fraudulent documents were detected on the routes towards the United Kingdom. This number is 25% lower than in the first quarter of 2017; however, it is comparable to the figures reported in the second quarters over the past few years. The most frequently used by document fraudsters were the sea and land routes between France and the United Kingdom, often involving Albanian and Ukrainian nationals. On the air routes leading from Italy, Germany and Spain to the United Kingdom, the most reported nationalities were Albanians, Iranians and Chinese.

On entry from third countries, the number of fraudulent Ukrainian and Georgian passports remains low

In Q2 2017, 1 682 persons entered the EU/Schengen area from third countries with fraudulent documents. Compared with the situation on the intra-EU/Schengen movements, the number of detections on routes from third countries slightly increased (+4%) in relation to Q1 2017.

At EU level, of the 101 nationalities detected using fraudulent documents to illegally enter the EU/Schengen area from a third country, the most commonly detected were Ukrainians (252), Moroccans (147), Iranians (88), Albanians (81) and Turks (65). The number of Iranian and Turkish nationals increased by almost 50%.

As in the previous periods, most detections were reported on air routes. At 128 detections, the number of document fraud cases reported on arrival from Istanbul Atatürk increased by 20% compared with the previous quarter. Thus, Istanbul Atatürk remains the most reported last departure airport outside the EU/Schengen area.

The second most reported last departure airport in Q2 2017 was Dakar in Senegal (77 detected persons),

followed by Tirana (48) and Casablanca (38). In fact, the real number of cases on the flights arriving from Dakar could be even higher. It is expected that some migrants reported as arriving from unknown last departure airports are in fact departing from Dakar.

The visa-free regime for Ukrainian and Georgian nationals has so far not brought an increase in the detections of fraudulent biometric Ukrainian and Georgian passports at the external borders. A few such fraudulent documents have indeed been detected; however, mostly in the hands of Ukrainians and Georgians. As yet, there have been no signs of growing appeal of these documents for other third-country nationals.

TRAFFICKING IN HUMAN BEINGS

Traffickers rely heavily on document fraud to enable their trafficking activities. In many cases, the use of fraudulent documents used by criminals involved in THB mirrors the use of fraudulent documents for the purpose of migrant smuggling. This includes the use of fraudulent identity, travel and breeder documents as well as the abuse of legal channels such as the EU visa regime for tourism, study and work visas. On many occasions, victims are provided with fraudulent documents to conceal their real identity and age.

Traffickers make use of both counterfeit and genuine documents used by look-alikes to register victims in Member States. OCGs typically have access to expertise offered by lawyers, document forgers and other highly specialised professionals. Traffickers use loopholes in Member State legislation to obtain legal work permits typically involving the use of front companies, fake medical certificates, false declarations of self-employment, and the recruitment of victims already holding residence permits in other Member States.

The exploitation of victims often happens in premises of businesses owned or rented by associates or frontmen working for the OCG. These businesses are usually registered using false registration details and or operate exploitative conditions behind their legitimate business façade.

TERRORISM

Document fraud has the potential to significantly exacerbate the threat of terrorism in the EU. Fraudulent documents enable terrorists to travel freely across the EU and remain undetected by law enforcement authorities. Recent terrorist attacks in the EU have involved the use of high quality false administrative documents by terrorists. This includes the deadly Brussels attacks of March 2016.

CASE EXAMPLE

Berlin Christmas Market attackⁱⁱ

On 19 December 2016, a Tunisian suspect drove a truck into a Christmas market in the centre of Berlin, Germany. The terrorist attack left 12 people dead and 56 others injured. The perpetrator was a rejected asylum seeker from Tunisia and had previously been suspected of involvement with the Islamic State. After his asylum claim was rejected, the suspect travelled throughout Europe using multiple identity documents under different aliases.

INTELLIGENCE GAPS

- Detailed intelligence on OCGs exclusively focused on producing high-quality forgeries of documents and providing them to other OCGs.
- The scope and role of new distribution channels for fraudulent documents such as the online trade in fraudulent documents on Darknet marketplaces and via social media platforms.
- Key locations for print shops producing high-quality fraudulent documents encountered in the EU inside and outside the EU.
- The origin and trafficking routes of raw materials used for the production of fraudulent documents encountered in the EU.
- The origin and manufacturers of the machinery used to produce high-quality fraudulent documents.
- The potential vulnerability to abuse of IT systems used by government authorities to generate and issue official documents (e-government).
- The profiles and movement patterns of couriers trafficking fraudulent documents from producers and between clients.
- The market for genuine documents fraudulently obtained with the assistance of corrupt officials.
- The use of advanced technologies for the production of high-quality fraudulent documents.
- The use of morphing, fingerprint spoofing to circumvent latest technologies used within border control.

RECOMMENDATIONS

INFORMATION-SHARING AND COOPERATION

- Enhance cooperation and create synergies between police, customs and border guard authorities in fighting document fraud.
- Enhance data collection and information sharing among law enforcement in source, transit and destination countries should be further developed, in particular on lost/stolen documents, “serial losers” and breeder documents. Existing tools and channels (i.e. National Country Partners, Europol, INTERPOL, Frontex, networks of experts, iFADO, DISCS, Frontex Reference manual) should be used more broadly.
 - Study the possibility of connecting central European biometric databases to national Fingerprint Criminal Databases.
 - Establish a central repository for all discovered fraudulent documents.
 - Relying on a central repository, establish a tracing programme to identify print shops.
 - Systematically register all stolen, lost, misappropriated or invalidated documents in the SIS and the stolen and lost travel document database.
- Establish cooperation with post and parcel services as well as other private sector organisations in order to create risk profiles and increase the rate of detection of fraudulent documents trafficked using post and parcel services.
- Raise awareness among officials working in offices issuing travel, identification and administrative documents of various document fraud *modi operandi* including look-alikes.

TARGETING AND INVESTIGATIONS

- Dismantle illegal print shops by pursuing proactive investigations relying on good practice established through combating euro counterfeiting.
- Systematically monitor and target the distribution of fraudulent documents online, particularly via Darknet marketplaces and social media platforms.
- Target legal business structures involved in the generation of breeder document based on false premises such as recruitment agencies (work permits) or study support agencies (student visas).

- Target OCGs exclusively dedicated to the production of high quality fraudulent documents.
- Target corruption in state administration and offices issuing travel and identity documents as well administrative documents.

TECHNICAL MEASURES

- Promote the widespread use of enhanced security features for travel and identification documents as well as administrative documents.
- Ensure that any police officer in the EU can open the RFID biometric chips (e.g. exchange the certificates for RFID Chips which are incorporated in the documents).
- Ensure the availability of the relevant equipment for document control at 1st, 2nd and 3rd line of control and sufficiently trained staff.
- Establish an online catalogue of administrative documents which includes detailed information on security features for law enforcement and other authorities for easy comparison and verification; potentially by expanding the scope of IFADO.
- Establish a detailed catalogue on discovered print shops similar to catalogues for discovered drug laboratories in the EU.

ANNEX I - DOCUMENT FRAUD TYPOLOGY

The use of different types of fraudulent documents in criminal activities

	Use of breeder documents	Fraudulent travel and other identification documents	Fraudulent declaration of goods/Mislabelling	Fraudulent import/export certificates	Fraudulent certificates of provenance or origin	Fraudulent work permits	Fraudulent visas	Fraudulent company registration documents	Fraudulent vehicle registration documents	Fraudulent accounting statements	Fraudulent invoices
Criminal finances and money laundering	X	X		X	X			X		X	X
Drug production, trafficking and distribution		X	X	X	X			X	X		X
Environmental crime		X	X	X	X			X			X
Fraud	X	X		X				X		X	X
Intellectual property crime		X	X	X	X			X			X
Organised property crime		X	X	X	X	X	X	X	X		X
Migrant smuggling	X	X				X	X	X	X		
Trafficking in human beings	X	X				X	X	X	X		
Trafficking of firearms		X	X	X	X			X			X

ⁱ DW.com 2015, Europe on lookout for passports captured by 'Islamic State' [20 December 2015], accessible at <http://www.dw.com/en/europe-on-lookout-for-passports-captured-by-islamic-state/a-18930346>

ⁱⁱ The Telegraph 2016, Berlin terror attack: Tunisian suspect was investigated over earlier terror plot (22/12/2016), accessible at <http://www.telegraph.co.uk/news/2016/12/20/berlin-market-attack-suspect-named-23-year-old-asylum-seeker/>