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Delegations will find attached the Joint Eurojust-Europol Annual Report 2017 to the Council of the European Union and the European Commission.



Joint Eurojust-Europol Annual Report 2017

to the Council of the European Union and the European Commission

1. Introduction

During the course of 2017, Eurojust and Europol continued to work closely together in support of the Member States in their fight against serious and organised cross-border crime and terrorism. Both agencies continued the practice of identifying, developing and implementing strategies in support of effective coordination and cooperation.

In section 2 of this Report, 'Operational Cooperation', six case examples demonstrate how effective cooperation between Europol and Eurojust enhances even further the support provided by both agencies to investigations and prosecutions in the Member States.

Combined efforts to adopt Eurojust-Europol joint rules and conditions for financial support to JIT activities and Eurojust's participation in both the European Cybercrime Centre (EC3) and the European Counter Terrorism Centre (ECTC) at Europol further illustrate successful operational cooperation during 2017.

The final section of this Report focuses on institutional cooperation and in particular on discussions held at managerial and strategic levels and services shared between Eurojust and Europol.

2. Operational cooperation

The following examples demonstrate not just effective cooperation between law enforcement and judicial authorities from the Member States, but also the added value of the coordination of the respective capabilities and skill sets of both Europol and Eurojust.

2.1 Case examples

Operation Blue: Network of payment card fraudsters dismantled: 3 000 victims lost at least EUR 500 000

A successful operation that took down an international criminal network of payment card fraudsters was carried out by Central Investigating Judge number 5, the Public Prosecution Office at the Audiencia Nacional and National Police of Spain and the Specialised Public Prosecutor's Office of Bulgaria, together with the General Directorate Combating Organized

Crime in Bulgaria, with the support of Eurojust and Europol's European Cybercrime Centre (EC3).

As a result of the cross-border action, 31 suspects were arrested (21 in Spain, 9 in Bulgaria and one in the Czech Republic) and 48 house searches (14 in Spain and 34 in Bulgaria) were carried out. The suspects were in possession of equipment used to forge payment cards, payment card data readers-recorders, skimmers, micro cameras, devices to manipulate ATMs, as well as cash and numerous counterfeit cards, drugs and forged euro banknotes.

Between 2014 and 2017, the criminal network installed skimming devices on an average of 400 ATMs every year, to copy and clone the data contained on the bank cards. The forged cards were then used to make illegal transactions in 200 ATMs outside the European Union, mainly in the USA, the Dominican Republic, Malaysia, Indonesia, Vietnam, Peru, the Philippines and Costa Rica. Approximately 3 000 EU citizens were affected by the criminal network, with losses of at least EUR 500 000.

During the investigation, Eurojust ensured close contacts and coordination among the prosecuting and investigating authorities in Spain and Bulgaria. Europol supported the case by providing tailored intelligence analysis and expertise to the investigators and deploying mobile offices on the spot to Spain and Bulgaria. Several coordination and operational meetings took place prior to the action at Eurojust and Europol. Due to the demanding investigative measures run on an international level, a joint investigation team (JIT) was set up between the cooperating countries with the assistance of Eurojust and Europol.

Successful action against international money laundering network: France, Eurojust and Europol

The initial results of a preliminary investigation carried out by the French National Financial Public Prosecutor's Office, commenced in September 2015, revealed a vast and complex money laundering network in six Member States (Denmark, Germany, Estonia, Spain, Latvia, Lithuania) and in the offshore financial centres outside Europe (Hong Kong, Singapore).

Coordinated by Eurojust and Europol in cooperation with the magistrates and investigators of the requested countries, the objective of this international criminal investigation was to dismantle an extensive money laundering network involved in two types of offences: money laundering, originating from France, other crimes suspected of being linked to illicit online gambling, and money laundering for the purpose of tax evasion.

At the stage of the investigation reached in March 2017, the crimes had resulted in laundering of over EUR 200 million since 2009 and income tax evasion estimated at EUR 3 million.

The initial results of the investigations in figures:

- Twenty-four requests for international mutual legal assistance issued by the National Financial Public Prosecutor's Office to its foreign counterparts since September 2015;
- Coordination, under the aegis of Eurojust, of eight European countries: Denmark, Germany, Estonia, Spain, France, Latvia, Lithuania and Switzerland;
- Simultaneous operations by police forces with the support of Europol in searches carried out in fifteen locations (one in Denmark, seven in Estonia, one in Spain and six in France);
- Property and asset seizures within and outside France:
 - Estonia: three luxury vehicles, financial assets, five properties;
 - France: two luxury vehicles, two properties, financial assets, a vintage wine cellar; and
 - Germany, Spain, Latvia and Lithuania: financial assets.

The total value of legally seized financial assets and property in the European Union amounts to approximately EUR 3 515 000.

Investigations continued after March 2017.

Eurojust and Europol support joint investigation into international human trafficking

As a result of coordinated and joint operational activities, authorities from Slovakia and the UK, supported by Eurojust and Europol, have dismantled an organised criminal group involved in trafficking Slovak victims for the purposes of sham marriages and sexual exploitation.

House searches were performed in Glasgow by Police Scotland. Europol specialists were deployed on the spot to support the national authorities. As a result, five suspects were arrested and detained in police custody. Sixteen women - potential victims of trafficking - were also identified and were offered care and assistance by a specialised NGO.

A significant amount of evidence (numerous travel documents, computer equipment, mobile telephones and cash) was seized during the operation, and was subsequently used for further investigation.

This joint action was preceded by extensive and complex investigations supported by Eurojust and Europol. Shortly thereafter, the second phase of this coordinated operation took place in Trebišov, Slovakia, where four search warrants were executed and four arrests were made.

The *modus operandi* of this organised criminal group was to recruit vulnerable women from challenging socio-economic backgrounds by deception, promising them attractive and well-paid jobs abroad, and then forcing them into sham marriages and prostitution.

Europol actively supported this human trafficking operation and provided operational and analytical support to Slovakia and the UK throughout the investigation by providing real-time cross-checks of the data gathered using a mobile office and data extraction device.

Eurojust and Europol facilitated judicial and police cooperation within a joint investigation team, bringing together efforts from both Member States. Several operational and coordination meetings were held at Europol and Eurojust.

159 arrests and 766 money mules identified in global action week against money muling

Law enforcement authorities from 26 countries, supported by Europol, Eurojust and the European Banking Federation (EBF), joined forces in the third coordinated global action against money muling, with the European Money Mule Action 'EMMA3'. During an action week from 20 to 24 November 2017, 159 individuals were arrested across Europe, 409 were interviewed by law enforcement authorities and 766 money mules were identified. EMMA3 has evolved from previous editions towards targeting not only the money mules, but also the money mule organisers. This resulted in 59 recruiters/organisers being identified.

Money mules are recruited by criminal organisations as money laundering intermediaries to receive and transfer illegally obtained funds between bank accounts and/or countries. This illicit money muling helps fund other forms of organised crime, such as drug dealing, human trafficking and online fraud.

With the support of 257 banks and private-sector partners, 1,719 money mule transactions were reported, with total losses amounting to almost EUR 31 million. Among those money mule transactions, more than 90% were linked to cyber-related crimes, such as phishing, online auction fraud, Business Email Compromise (BEC) and CEO fraud. For the first time, romance scams and holiday fraud (booking fraud) were reported by law enforcement authorities. Also, an increasing role of cryptocurrency (Bitcoin) transactions was identified in the money laundering schemes used by the criminals.

The third EMMA action week is the continuation of a project conducted under the umbrella of the EMPACT Cybercrime Payment Fraud Operational Action Plan, designed to combat online and payment card fraud, and led by the Netherlands. Building on the success of the first and second EMMA operations, EMMA3 saw the participation of law enforcement authorities from Australia, Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Moldova, the Netherlands, Poland, Portugal, Romania, Serbia, Slovenia, Spain, Sweden, Switzerland, the UK, the United States Federal Bureau of Investigation (FBI) and the United States Secret Service (USSS).

Europol and Eurojust organised various operational and coordination meetings in The Hague to discuss the unique approach of each Member State to tackle money muling in their respective country. During the action week, both agencies supported the operations by setting up a command post at Europol and a judicial coordination centre at Eurojust to assist the national authorities. This allowed for real-time cross-checks against Europol's databases of the data gathered during the actions, and intelligence gathering for further analysis, as well as swift forwarding and facilitation of the execution of European Investigation Orders. Europol also supported the actions on the spot by deploying a specialised officer equipped with a mobile office to Italy.

43 arrests in successful hit against organised crime

On 25 September 2017, in one of the biggest EU investigations in recent years, led by the Polish Prosecutor's Office and the Police Central Bureau of Investigation, a coordinated international operation targeting an organised crime group involved in the production and trafficking of drugs and psychotropic substances, as well as firearms trafficking, tobacco smuggling, luxury vehicle thefts and other offences, has resulted in the arrest of 43 individuals.

Law enforcement agencies and judicial authorities from Germany, the Netherlands and Poland, supported by Europol and Eurojust, carried out a simultaneous action targeting this organised criminal network in their respective countries.

More than 330 police officers executed 75 house searches in Poland. As a result, 43 individuals were arrested, and firearms, substantial quantities of drugs, fake euro banknotes, and cigarettes without excise stamps were seized, among other evidence.

To support the investigations, various coordination meetings were held at Europol and Eurojust prior to the joint action day. On the action day, a coordination centre was set up at Eurojust's headquarters in The Hague. Europol deployed several experts to the involved countries equipped with mobile offices to assist the operations on the spot.

The suspects were charged with dozens of crimes, including participation in an organised criminal group, production of over 900 kg of amphetamine, intra-community acquisition of narcotic drugs and psychotropic substances, trafficking of significant quantities of drugs, firearms trafficking, possession of firearms and ammunition without the required authorisation, theft of luxury vehicles, and a number of other criminal offences. One of the suspects was charged with attempted murder.

The prosecutor secured assets valued at PLN 4.5 million, freezing real estate, luxury cars and PLN 500 000 in cash.

International criminal network involved in synthetic drug trafficking dismantled

On 12 December 2017, a coordinated international operation supported by Eurojust and Europol took down an organised crime group (OCG) involved in the production and trafficking of drugs and psychotropic substances and in money laundering.

The law enforcement and judicial authorities of Iceland, the Netherlands and Poland carried out joint operations against this OCG consisting mainly of Polish nationals. The operations were coordinated via a coordination centre established at Eurojust with the active participation of Europol. As a result of these operations, 8 suspects were arrested, 30 locations were searched and different types of drugs seized. Moreover, cash and other assets (such as cars, apartments and bank accounts) in excess of EUR 1,8 million were seized. The high value of asset seizure is also the result of the simultaneous financial investigations - initiated from the beginning of the case and targeting the proceeds of crime.

These successful joint operations were the result of the continuing and fruitful cooperation amongst the law enforcement and judicial authorities of Iceland, the Netherlands and Poland, facilitated by Eurojust and Europol.

Over the year, Eurojust and Europol organised several operational meetings to ensure the coordination of parallel investigations opened in Iceland, the Netherlands and Poland against this crime group. Eurojust also facilitated the simultaneous execution of mutual legal assistance requests and European Arrest Warrants, and the development of coordinated strategies for the joint operations. Europol provided in-depth operational analysis and supported the joint operations by deploying mobile offices on the ground and participating in the Eurojust's coordination centres.

These examples demonstrate effective coordination and cooperation between both agencies, exhibiting a smooth interchange of respective expertise and skill sets in supporting investigations and prosecutions brought by national competent authorities.

2.2 Other examples of operational cooperation

Cooperation in setting up and financing joint investigation teams (JITs)

Pursuant to Article 61(4) of the Europol Regulation, as mirrored in Article 52(1a) of the draft Eurojust Regulation, both agencies were required to jointly establish common rules and conditions on the financing of JITs, in order to avoid 'double funding'. A Memorandum of Understanding on the joint establishment of rules and conditions for financial support to JITs' activities between Europol and Eurojust was signed by the Executive Director of Europol and the President of the College of Eurojust on 1 June 2018.

Europol and Eurojust are also actively participating in some JITs. For instance, in the past two years, both organisations have been participating to and closely working together in JITs related to the recent major terrorist attacks in Belgium, France and Spain.

In September 2017, a dedicated team was formed which included Europol and Eurojust experts, along with two members of the JIT Expert Network, to redraft the CEPOL JIT On-line Training Module. This new version has since been approved by the CEPOL Management Board and both agencies and is now reflected in the updated JIT Manual to be used in all future training for JIT practitioners by the three agencies.

Indirect access for Eurojust to information stored at Europol and vice-versa

The implementation of Article 21 of the Europol Regulation, *Access by Eurojust and OLAF to information stored by Europol*, and of the mirroring provision in the draft Eurojust Regulation, offer new opportunities for increased information sharing between Europol and Eurojust.

Discussions on Eurojust's connectivity to Europol's new data processing environment under the Integrated Data Management Concept (IDMC) and about how Europol's IDMC will interface with the Eurojust Case Management System were initiated in 2017.

Eurojust's participation in the Europol Centres

- European Cybercrime Centre (EC3)

Eurojust continued cooperating closely with Europol via the Seconded National Expert for Cybercrime posted at EC3, who, with the active support of Europol, promoted the early involvement of judicial authorities in cross-border investigations as well as facilitating the exchange of information. Combined with his weekly presence at EC3, liaising with the respective Analysis Projects, the Seconded National Expert for Cybercrime participated in meetings of the Programme Board of EC3, the Heads of Member States' cybercrime divisions (EUCTF), the Cybercrime Training & Education Group (ECTEG), the Joint Cybercrime Action Task Force (J-CAT) and also in several operational and strategic meetings in which he promoted the added value of Eurojust and the possibilities of funding JITs. Eurojust and Europol also updated the joint paper on common challenges in combating cybercrime, which was published as a Council document. Such activities enabled Eurojust and Europol to work closely together on an operational level in two Ransomware cases, namely Wannacry and NotPetya.

Eurojust and EC3 worked closely in supporting the expert communication process on the role of encryption in the context of criminal investigations, which was launched by the Commission in December 2016. In response to the concrete technical measures proposed by the Commission in 2017, Eurojust will work with EC3 on the establishment of an observatory function on encryption.

Apart from Eurojust's participation in many meetings organised by EC3, EC3 also participated in and made presentations at several events organised by Eurojust, such as the 3rd Plenary Meeting of the EJCN. Coordination also took place in support of a table-top cyber workshop under the Maltese Presidency.

Moreover, Eurojust supported the EMPACT activities corresponding to the three Analysis Projects (APs) in EC3, and continued supporting the Training Governance Model and the Training Competency Framework.

- European Counter Terrorism Centre (ECTC)

In order to strengthen the synergies between the two agencies in the area of counter-terrorism, and building upon the successful example of the posting of a Eurojust SNE at EC3, Eurojust recruited a national prosecutor specialised in counter-terrorism to act as a Eurojust representative at the ECTC and facilitate the exchange of information between Eurojust and the ECTC. On 26 October 2017, an Agreement between Eurojust and Europol on the temporary placement of a Eurojust representative to the ECTC was signed, thus implementing the call from the European Commission to fully involve Eurojust in the activities of the ECTC. The purpose and scope of the Agreement is to enhance further cooperation between Eurojust and Europol, promote their involvement in each other's activities, in particular where entering into a JIT is being considered, and promote the sharing of information supplied by Member States about relevant cases. The Eurojust representative attends meetings organised by the ECTC upon invitation.

Eurojust and the ECTC continued to exchange strategic and knowledge products in the area of counter-terrorism. As in previous years, Eurojust shared the latest issues of the Terrorism Convictions Monitor (TCM) with Europol and sent a copy of its fifth report on foreign terrorist fighters (FTF) to the Head of the ECTC. Eurojust also contributed to Europol's TE-SAT report, providing quantitative data on convictions for terrorist offences, as well as some case illustrations and amendments in the terrorism-related legislation of the Member States.

Eurojust receives various strategic reports and intelligence notifications produced by the ECTC. Eurojust invited Europol to attend the annual meeting of the national correspondents for Eurojust for terrorism matters, held on 31 May – 1 June 2017.

In order to seek further possibilities to enhance the cooperation between Eurojust and Europol in counter-terrorism matters, Eurojust's Counter Terrorism Team and the ECTC held their regular liaison meeting on 16 February 2017. Furthermore, the Eurojust contact point for Europol's counter-terrorism APs HYDRA and TRAVELLERS met on 29 May 2017 with representatives of the two APs and other members of the ECTC. The Eurojust contact point also participated in the annual expert meeting of APs HYDRA and TRAVELLERS and presented the work of Eurojust in supporting terrorism investigations and prosecutions in the Member States and cooperating with Europol.

EU Policy Cycle, EMPACT, OAPs and Joint Action Days in 2017

Eurojust was invited to all key EU Policy Cycle 2014-2017 meetings, including all the OAP strategic meetings and some relevant meetings/events to implement and discuss diverse Operational Actions. In the framework of the Policy Cycle 2018-2021, Eurojust participated in the drafting of the Multi Annual Strategic Plans and Operational Action Plans 2018 of the EU crime priorities. Eurojust also participated in the National EMPACT Coordinators (NEC) meetings organised at Europol in 2017.

Regarding Joint Action Days (JADs) coordinated by Europol, Eurojust participated in the JADs planning meeting held at Europol in February 2017 and supported three out of the seven JADs implemented in 2017, as follows:

1. Global Airport Action Day (GAAD), 5-9 June 2017, involving these priorities: Cybercrime–Payment Card Fraud (PCF) and Facilitation of Illegal Immigration (FII).
2. Cyber-Patrolling Week, 12-16 June 2017, involving operational activities in these priorities: Cybercrime, Synthetic Drugs, Cocaine/Heroin and Firearms and actions in connection with the priority FII, euro counterfeiting and virtual currencies.

3. Large-Scale JAD (LS-JAD), 9-13 October 2017, involving these priorities: FII (activities at reception centres, selected border crossing points within the EU external land, air and maritime border domain), THB (targeting child trafficking), Synthetic Drugs, Cocaine trafficking and Organized Property Crime. Operation Trivium, targeting offenders in the roads, was implemented jointly with the LS-JAD.

All above mentioned JADs were supported by the Eurojust representatives to the relevant OAPs, available on-call during the JADs to ensure any necessary judicial follow-up.

In addition, for the preparation and implementation of the Cyber-Patrolling Week, a more extensive support and follow-up was provided by the Eurojust Seconded National Expert for Cybercrime. It included a presentation to the participants on Eurojust's judicial capabilities to support the operational actions and attendance at the operational coordination centre during the action days.

Furthermore, Eurojust's support to the LS-JAD included attendance at the preparatory meeting on 9 June 2017. At the preparatory meeting, the Eurojust mandate was emphasized and some specific judicial issues, such as securing the admissibility of evidence, controlled deliveries and *ne bis in idem*, were brought to the attention of the participants. A suggestion was made to include, in the evaluation form of the JAD, a section dedicated to assessing whether possible judicial cooperation problems were encountered and what solutions/best practice were found.

3. Institutional cooperation

High-level meeting between Europol and Eurojust

On 22 September 2017, the two Vice-Presidents of Eurojust and the Chair of the Europol Team of Eurojust hosted for the first time in the new Eurojust premises a Directorate delegation from Europol headed by the three Deputy Executive Directors for the annual high-level meeting. An exchange of views on pending issues of cooperation was conducted.

Eurojust conducted a meeting of all its Europol Analysis Project contact points in September to discuss their progress, effectiveness and to consider and adopt best practice. The idea of a general meeting in 2018, in the form of an open forum discussion, held between all Eurojust contact points and all Europol Analysis Project managers, was endorsed at this meeting. The high-level meeting agreed to support this initiative, which was subsequently progressed through the Steering Committee on Operational Matters.

Steering Committee and other meetings

The Steering Committees met once in the relevant period, on 7 June at Eurojust, and addressed strategic and operational matters, respectively.

The Steering Committee Meeting on Operational Matters focused on the exchange of information relating to coordination meetings and operational meetings, JITs funding, Policy Cycle matters, cooperation and potential joint positions regarding data retention and asset seizing, and the presence of Eurojust at Europol Centres.

The Steering Committee Meeting on Strategic Matters covered Eurojust's move to the new premises, the implementation of the Europol Regulation, the update on the draft Eurojust Regulation, and the follow-up to the joint meeting of the Management Board of Europol and the College of Eurojust held on 12 December 2016.

In 2017, Eurojust regularly attended the meetings of the Heads of Europol National Units (HENUs) as an observer. This has promoted awareness about issues of common concern.

Exchange Programme

In 2017, one session of the exchange programme was held at Eurojust (22-23 February 2017) and one at Europol (5-6 April 2017). More than twenty representatives from each agency attended these sessions, which consisted of general presentations on the work of Europol/Eurojust and tailor-made presentations in accordance with the profiles and interests of each participant.

Shared services/synergies between Europol – Eurojust

Following the discussions initiated at strategic level in September 2016, the concept of badges allowing for easier access by staff and representatives of each organisation to the other building was further explored in 2017. The issuing of the badges started in January 2018.

Regarding conference room facilities, Eurojust facilitated the first Europol (EMPACT-related) meeting in September 2017.

Regarding joint tenders, the following procedures were completed in 2017:

- Procurement procedure for courier services; and
- Procurement procedure for the provision of environmental management consultancy services to Eurojust and Europol: Europol hosted the first EMAS (Environmental Management System) training between Europol and Eurojust on 1 September 2017.

4. Conclusion

Contact and cooperation between Eurojust and Europol are aided by the proximity of their respective headquarters. The examples outlined above illustrate that coordination and cooperation between the agencies at operational and strategic levels facilitate their joint efforts to support the Member States in the fight against organised and serious cross-border crime and terrorism.