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Foreword by the Director

I am delighted to present the fourth consecutive European Union Organised Crime Threat Assessment (2009 OCTA). The OCTA is a core product of the intelligence-led law enforcement concept and its drafting is one of Europol's top priorities.

The OCTA is an assessment of current and expected new trends in organised crime (OC) impacting on the EU and its citizens. It is drawn up in order to enable decision-makers to take the appropriate action to counter the anticipated threat.

But the OCTA is not only a strategic intelligence product. It is also a process in continuous development. Since 2005, when the first steps along the path outlined by 'The Hague Programme' were taken, Europol and the Member States have incessantly looked for improvements going beyond the good results already achieved with the previous assessment. This good practice has resulted in achievements beyond those expected of this pioneering project four years ago, at least in such a short period of time.

The 2009 OCTA represents a refinement and consolidation of a new approach in assessing OC at EU level, with the ultimate aim of identifying law enforcement priorities that are complementary to the individual Member States' law enforcement main concerns according to their internal situation.

This prioritisation helps to steer MS co-operation towards objectives that take into consideration the dynamics and negative effects of OC both inside and outside the borders of individual Member States. Only this common effort against common threats to achieve common goals can lead to an EU space of freedom, security and justice.

The OCTA is a practical tool, and the ensuing Council Conclusions based on the OCTA have already had a significant impact on the law enforcement community throughout Europe in terms of practices and priorities.

A great number of people and various organisations have contributed to the production of the OCTA such as EMCDDA, Eurojust and Frontex. This deserves to be recognised. All Member States have provided their respective contributions. Valuable contributions have also been received from other institutions at the EU-level. Additionally, a number of third parties have provided valuable assistance in building up the picture of OC as it impacts upon the EU.

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We are grateful to our law enforcement partners in Bosnia and Herzegovina, Colombia, Croatia, the FYROM, Israel, Liechtenstein, Monaco, Norway, Russia, Switzerland, Turkey and the US as well as to ICPO/Interpol, for their co-operation. The novel approach taken in producing this work has also seen consultation with a number of partners from the private sector and academia and their co-operation has added significant value to the OCTA. Finally, and perhaps most importantly, the staff of Europol deserve recognition for their efforts to produce this document. I appreciate and thank them for their on-going efforts in the production and development of this significant and innovative work.

The 2009 OCTA will be another important step to raise the level of co-operation between various competent authorities in the Member States as well as with the EU institutions and agencies as such. This will contribute to further develop the common space of freedom, security and justice in the European Union.

Max-Peter Ratzel
Director of Europol

1 Introduction

In response to 'The Hague Programme', three OCTA (2006, 2007 and 2008 OCTA) have been produced and, combined with the ensuing Council Conclusions, have already had a significant impact on law enforcement throughout Europe. This fourth OCTA represents another important step forward in consolidating this proactive and EU-wide approach in combatting OC.

The 2009 OCTA aims to be a significant milestone in the assessment of the OC threat, bringing into the same context the structural and functional features of the OC groups and the dynamics of which they are part or that can be exploited by them.

Such assessment is carried out with the aim of identifying criminal 'combinations' that are shaping the OC dynamics in the whole EU or significant parts of it, so that the ensuing conclusions are relevant beyond the borders of individual Member States (MS) and complement priorities based on national threat assessments.

This approach is reflected in the structure of the OCTA.

First of all, criminal markets are briefly explored, refraining from reiterating known situations in full, and focusing instead on emerging issues and new trends, with the aim of better outlining the environment in which OC groups operate and the opportunities that are or may be exploited by them.

Then, the EU criminal hubs are described through the assessment of their characteristics and possible evolution, and through the analysis of the interaction between OC groups and criminal activities occurring within and among the hubs.

Finally, the capabilities and intentions of OC groups active in the EU are analysed. This analysis derives from an evolved typology of OC groups based on their features, strategies and fields of action as reported by MS. This analysis also contributes to the improvement of the typology itself, thus initiating and perpetuating a cycle, which is typical of intelligence activities.

Money laundering and important side issues such as the criminal situation in West Africa and the present economic crisis are treated in dedicated sections of the document, as they request a special and asymmetric interest. Given their complex and technical nature, the OCTA methodology and OC group typology are outlined in separated inserts, thus permitting an easier and targeted consultation without burdening the structure and readability of the core product.

The OCTA is based on a multi-source approach, including law enforcement and non-law enforcement contributions. It helps to close the gap between strategic findings and operational activities but, in suggesting strategic priorities, it is not intended to be so detailed as to pinpoint specific criminal investigations.

The OCTA is always being enhanced. Methodological questions and other issues are continuously being addressed in close co-operation with the Member States. The methodology and procedures for its completion have been amended, and this has had a positive result in terms of quality of the contributions submitted to the report and the way in which the contributions are analysed. Overall, the changes which have been introduced have all contributed to enhancing the quality of the OCTA.

The OCTA does not cover terrorism or terrorist networks.

2 EU Criminal Markets

2.1 Drug Trafficking

Heroin trafficking continues to be fed by large scale opium cultivation in Afghanistan. Opiates reach Europe through the Balkan routes¹ and the Northern Black Sea route across Central Asia and Russia.² Alternative routes, established trading infrastructures, and geographical proximity to source or destination countries are among the main influencing factors of heroin trafficking.³ The relevant role of Turkish, Kurdish, Pakistani and Iranian OC groups⁴ is due to their geographical and historical proximity to the main source country⁵.

Cocaine is produced in the Andean region in South America. The importance of West Africa with regard to cocaine transit, storage and redistribution is increasing.⁶ Its geographical position between Andean cocaine suppliers⁷ and EU buyers, combined with economic vulnerabilities, established criminal networks and widespread corruption are decisive facilitating factors for international drug traffickers.⁸ South American OC groups dominate wholesale international trafficking. West African and domestic OC groups manage secondary distribution within EU.⁹ Cocaine enters the European market also through Turkey. Middle East consumers and domestic demand can explain this detour.¹⁰

1 “South-Western routes”, Germany’s, Latvia’s, Lithuania’s, Poland’s, Romania’s, Slovakia’s, Slovenia’s, Sweden’s, the UK’s and Croatia’s contributions to the 2009 OCTA (Sweden indicates transit via the Balkans).

2 Italy’s, Latvia’s, Lithuania’s and Turkey’s contributions to the 2009 OCTA.

3 The Netherlands’, Portugal’s and the UK’s contributions to the 2009 OCTA.

4 Italy’s, The Netherlands’, Romania’s, Slovakia’s, the UK’s and Turkey’s contributions to the 2009 OCTA.

5 Slovakia’s and Sweden’s contributions to the 2009 OCTA.

6 Austria’s, Germany’s and Ireland’s contributions to the 2009 OCTA, (Germany indicates trafficking from West Africa and South America),.

7 The Czech Republic’s and Denmark’s contributions to the 2009 OCTA.

8 European Monitoring Centre for Drugs and Drug Addictions (EMCDDA)’s contribution to the 2009 OCTA, Block, L., “Expansion of the West-Africa route through Algeria”, in *Examining Cocaine trafficking in Europe*, collected 2 December 2008 from www.essex.ac.uk/ecpr/standinggroups/crime/documents/SGOC_Vol6_2.pdf.

9 Austria’s, Bulgaria’s, Hungary’s, Luxembourg’s and Europol’s AWF Cola contributions to the 2009 OCTA (Bulgaria indicates Nigerians perpetrators; Hungary indicates African nationals).

10 Turkey’s contribution to the 2009 OCTA

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Morocco is still the main EU supplier of **cannabis** resin.¹ Cooperation of Moroccan OC groups with domestic criminals assures knowledge of legislation gaps and provides local contacts.² The increasing trend of indoor cannabis plantations in MS can be due to geographical proximity to the destination or distribution markets.³ Victims of THB or illegal immigrants repaying the costs of their journey are often exploited in cannabis plantations.⁴ Vietnamese growers are widely reported.⁵ In countries with large numbers of cannabis users domestic production is increasing to meet the demand and optimise the profits. In the UK 80 per cent of cannabis is thought to be produced domestically.⁶

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- 1 Italy's and Luxembourg's contributions to the 2009 OCTA (Luxembourg indicates Morocco, Belgium and the Netherlands as countries of origin of cannabis).
 - 2 Belgium's and the Netherlands contributions to the 2009 OCTA.
 - 3 Belgium's, Lithuania's and the UK's contributions to the 2009 OCTA.
 - 4 The UK's contribution to the 2009 OCTA (the UK's refers to the Vietnamese and Chinese illegal migrants).
 - 5 The Czech Republic's, Denmark's, Ireland's and the UK's contributions to the 2009 OCTA.
 - 6 EMCDDA's contribution to the 2009 OCTA.

Inexpensive production, high profits and low levels of specialisation characterise **synthetic drugs** trafficking.¹ Production and consumption areas seem to coincide or be adjacent, contributing to abating costs and transportation risks.² Production in Eastern European countries is increasing, although Dutch and Belgian OC groups are still dominant.³ The production and diversion of precursor chemicals is vital for the trade. Chinese OC groups, dominant in the trade, have ceased to use traditional routes: there has, however, been no decline in the amount of chemicals seized, suggesting that these OCGs have found new routes as yet unidentified by the authorities.⁴ Amphetamine production is significantly increasing in Bulgaria and Turkey, also destined towards the Middle East market.⁵ Methamphetamine production is increasing, as well as that of designer drugs produced by Dutch and Belgian OC groups expanding their markets.⁶ The growing industrial productivity and penetration into the global market by China and India, combined with licit access to precursor chemicals, is reflected in a noticeable increase in the production of synthetic drugs in these countries.⁷

Technology is a key facilitating factor in drug trafficking. Special equipment for production, anonymous internet communication, electronic money transfers, online trade challenge both international and national anti-drug policies and control mechanisms.⁸ Industrial development allows for the production of new, as yet uncontrolled substances or for the camouflage of more traditional substances.⁹ The **prison system** provides an opportunity to meet associates, to exchange information, to delegate tasks or to set up new criminal connections.¹⁰ **Social tolerance** and alluring media coverage contribute to mitigate inhibitions and increase consumption.

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- 1 Lithuania's contribution to the 2009 OCTA.
 - 2 For example: Russia indicates trafficking from Western Europe, Eastern Europe and Baltic countries to Russia; FYROM indicates trafficking from the Balkan area, Austria indicates trafficking from Western Europe to Eastern Europe, The Czech Republic indicates neighbouring countries as destination countries, Western European countries as a source but also destination countries, ect.
 - 3 France's, Latvia's, Lithuania's, The Netherlands', Romania's, Sweden's, the UK's, Russia's, Croatia's and Europol's AWF Synergy's contributions to the 2009 OCTA (The Netherlands indicate partial move from the NL towards other continents; Sweden indicates Balkan area in this connection as well).
 - 4 Europol's AWF Synergy's contribution to the 2009 OCTA.
 - 5 Europol's AWF Synergy's contribution to the 2009 OCTA.
 - 6 Europol's AWF Synergy's contribution to the 2009 OCTA.
 - 7 France's, Italy's, Latvia's and the UK's contributions to the 2009 OCTA (France's indicates India and Iran; Italy indicates China; Latvia indicates India).
 - 8 Belgium's, Luxembourg's, The Netherlands', Poland's and EMCDDA's contributions to the 2009 OCTA.
 - 9 Denmark's and Latvia's contributions to the 2009 OCTA (Latvia indicate salvorin for example).
 - 10 Ireland's, Latvia's and the UK contributions to the 2009 OCTA.

2.2 Crimes against Persons

Defining **crimes against persons**, it is important to distinguish trafficking in human beings (THB) from facilitated illegal immigration (people smuggling).¹ While people smuggling refers to the facilitation of the illegal entry into the EU of willing migrants, trafficking in human beings is defined by their ensuing exploitation and forced labour.

1 "This report refers to the crime areas as they are defined by in the Annexes of to the United Nations Convention against Transnational Organised Crime (UN, 2000) and the Europol convention:
Annex III (Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organised Crime) defines people smuggling as:
"the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a State Party of which the person is not a national or a permanent resident."
The Europol Convention defines illegal immigrant smuggling as:
"...activities intended deliberately to facilitate, for financial gain, the entry into, residence or employment in the territory of the Member States of the European Union, contrary to the rules and conditions applicable in the Member States."
Annex II (Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organised Crime) defines "trafficking in persons" / "trafficking in human beings (THB)" as:
"the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs." Europol's Crimes Against Persons Unit, 'Definitions', in *Facilitated Illegal Immigration, 2008 Situation*, Europol, 24 October 2008.

The most active OC groups involved in **trafficking human beings** in the EU are Nigerian, Romanian and Bulgarian. Groups from other Balkan countries, Ukraine, Moldova, Vietnam, China, Russia and Turkey are also frequently reported.¹ Albanian OC groups tend to exploit victims trafficked by other groups.² Trafficking of women for sexual exploitation is stabilising, while trafficking for forced labour is increasing, mainly in the sectors of construction, drug production and begging.³ Intelligence indicates increasing trafficking in children destined for illegal labour – including domestic slavery – or sexual exploitation.⁴ Romanian OC groups of Roma ethnicity dominate trafficking in children. Where child victims have been identified it has been observed that their willingness to cooperate with the authorities is almost non-existent. Reports of child victims exhibiting non-cooperative behaviour and taking every opportunity to escape from ‘protective custody’ indicates the level of control exercised by their traffickers. It is also suspected that the use of children has been determined as a strategy by the traffickers to disrupt the law enforcement response.⁵ Possible future sources of trafficked human beings include Black Sea, Caucasus and Central Asian countries (e.g. Georgia and Kyrgyzstan), whose present threat is not clear.⁶

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- 1 Austria's, Belgium's, Denmark's, Finland's, Italy's, Portugal's, Romania's, Slovakia's, Sweden's, Russia's and Europol's Crimes Against Persons Unit contributions to the 2009 OCTA (Belgium indicates Chinese, Romanian, Moroccan, etc. traffickers; Finland refers to Chinese, Indians, Russians offenders; Italy refers to Chinese and Romanian OC groups; Portugal indicates groups operating in Romania).
 - 2 Italy's and the UK's contributions to the 2009 OCTA.
 - 3 The Czech Republic's, the Netherlands', Poland's, Romania's, Sweden's, Croatia's, FYROM's and Norway's contributions to the 2009 OCTA.
 - 4 Ireland's, Italy's, The Netherlands', Slovakia's and Sweden's contributions to the 2009 OCTA (The Netherlands indicates underage girls forced to prostitution).
 - 5 Europol's Crimes Against Persons Unit's contribution to the 2009 OCTA.
 - 6 Europol's Crimes Against Persons Unit's contribution to the 2009 OCTA.

Africa, Asia (China, Vietnam and Indian sub-continent), Eastern Europe (including FSU countries), Latin America, the Middle East and the Western Balkans are sources of **illegal immigrants** toward the EU.¹ Profiling smugglers, many countries suggest that their nationality often approximates to that of those smuggled,² although criminal partnership involving a wider range of OC groups can not be excluded.³ Certain transit countries are evolving into final destinations.⁴ Inconsistent immigration laws and national anomalies in the Schengen visa policy facilitate this criminal activity.⁵

In relation to THB and people smuggling, the abuse of legal migration systems is likely to increase in the future, especially in the area of visa and residence permits.⁶ Also, intra-EU freedom of movement can be abused by OC groups, as in the case of Eastern European EU citizens exploited as prostitutes in Western Europe.⁷ Criminals can legally move, and other migrants flowing in significant numbers to MS can be exploited or enlisted by OC groups.

Document counterfeiting and the abuse of the transport sector, mainly low cost airlines, are major facilitating factors in crimes against persons.⁸ Traffickers are often involved in other transnational crimes, such as drug trafficking⁹, payment card fraud¹⁰, identity fraud, counterfeiting¹¹ and money laundering¹².

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- 1 Austria's, Ireland's, Italy's, Latvia's, Luxembourg's, The Netherlands', Romania's and Europol's Crimes Against Persons Unit's contributions to the 2009 OCTA (Austria indicates smuggling from Russia and Iraq; Ireland indicates China, Pakistan, Eastern part of the EU as a source; Latvia indicates source countries with regard to terrorism).
 - 2 Austria's, Belgium's, Czech Republic's, Denmark's, Italy's, Romania's, Sweden's, Croatia's, Eurojust, Frontex' and Europol's Crimes Against Persons Unit's contributions to the 2009 OCTA (Austria refers to Nigerian, Russian and/or Iraqi nationals trafficked into the EU; Belgium indicates also Moroccan, Indies, Turkish and Congo traffickers; Czech Republic indicates Arab, Asian and the former Soviet Union countries as a source countries; Denmark's refer to Iraqis trafficker trafficking Iraqis).
 - 3 Italy's contribution to the 2009 OCTA (Italy refers to the cooperation of Albanian and Romanian OC groups).
 - 4 Czech Republic's and Europol's Crimes Against Persons Unit's contributions to the 2009 OCTA.
 - 5 Czech Republic's, Denmark's and Latvia's contributions to the 2009 OCTA (Denmark's refer to the Swedish immigration law; Latvia refers to decreasing number of visa issuance as result of Schengen).
 - 6 Europol's Crimes Against Persons Unit's contribution to the 2009 OCTA.
 - 7 Europol's Crimes Against Persons Unit's contribution to the 2009 OCTA.
 - 8 Europol's Crimes Against Persons Unit's contribution to the 2009 OCTA.
 - 9 Denmark's and Lithuania's contributions to the 2009 OCTA.
 - 10 Romania's contribution to the 2009 OCTA (Romania refers to skimming).
 - 11 Denmark's and Estonia's contributions to the 2009 OCTA (Denmark refers to ID fraud and counterfeiting as a crucial facilitating factor).
 - 12 Slovakia's and Romania's contributions to the 2009 OCTA.

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In recent years a considerable transnational action has been directed against the production and distribution of **child abuse** material on the Internet. However the circulation of such material is not decreasing. OCGs are engaged in the production of new illegal images and movies, or they utilise the same material on different websites where they sell it through sophisticated electronic payment systems. Growing demand implies an increasing number of children being sexually abused to fulfill it.¹

Child abuse content is also distributed through networks of child sex offenders that are not motivated by financial gain. Rather, they exchange this material because of their common sexual interest in children. Among the latter it has been noted that a large amount of illegal material is being produced and distributed by travelling sex offenders.²

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1 Europol's Crimes Against Persons Unit's contribution to the 2009 OCTA.

2 Traveling sex offenders are child sex offenders that move to foreign countries in order to sexually abuse children. Europol's Crimes Against Persons Unit's contribution to the 2009 OCTA.

2.3 Fraud

Fraud is a worldwide problem and is a method increasingly used to generate money in order to fund other types of crime such as drug trafficking, THB, identity fraud, alcohol smuggling, counterfeiting and terrorism.¹

Value-added tax fraud (VAT fraud) is among the most frequent types of **trade fraud**.² Double invoicing³, illegal trade of goods without enlistment of consumer tax and VAT⁴, fictitious trade with goods with consequent request of VAT return⁵, false invoicing⁶ and carousel fraud⁷ are frequent scenarios. Disguising merging of legal and illegal business activities plays a key role.⁸ Catering services, transport, real estate agencies, trade in mobile phones, computer parts, fuel or cars⁹ are the most targeted businesses. Geographic proximity

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- 1 Czech Republic's, Germany's, Hungary's, Latvia's, Luxembourg's, Romania's, Sweden's (alcohol smuggling), FYROM's, Eurojust and Europol's AWF Terminal's contributions to the 2009 OCTA.
 - 2 Belgium's contribution to the 2009 OCTA.
 - 3 Finland's, Italy's and Portugal's contributions to the 2009 OCTA (Italy indicates different invoicing; Portugal indicates over evaluating goods).
 - 4 Czech Republic's contribution to the 2009 OCTA (it refers to illegal import of tobacco, oil, etc. and their sale without enlistment of consumer tax and VAT).
 - 5 Czech Republic's, Italy's, Lithuania's and Portugal's contributions to the 2009 OCTA (Czech Republic refers to rise of business chains that perform fictitious transactions and consequently request return of VAT. Tax liability in chains generally ends in non existent tax subjects or tax subjects impossible to contact).
 - 6 Lithuania's and Portugal's contributions to the 2009 OCTA.
 - 7 Estonia's, Finland's and Italy's contributions to the 2009 OCTA.
 - 8 Latvia's, Lithuania's, Poland's and Portugal's contributions to the 2009 OCTA (Latvia indicates credibility issues).
 - 9 Finland's, Greece's, Italy's, Lithuania's, The Netherlands', Poland's and Europol's AWF MTIC's contributions to the 2009 OCTA.

to trading countries, close relations with former colonies¹, trade conditions, national and international legislative anomalies and the involvement of foreigners with legal status in the EU facilitate this crime.² Besides domestic criminals, also African, Asian, Russian and Arab OC groups are active in VAT fraud.³ Long term residence in host countries, good knowledge of the legal and tax systems⁴, a background in financial crime⁵ and active orientation towards running business enterprises⁶ are typical features of suspects. The activities of Russian OC groups, for example, have been observed in the Baltic region, while Chinese OC groups play an important role in the South-East region, in cooperation with domestic criminals. Importing goods into the EU through that traditional gateway, criminals invoice imported commodities to missing traders and then divert them elsewhere.⁷ The use of false commercial documentation suggesting legitimate trade and masking details of the trading process is a known facilitating factor.⁸

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- 1 Finland's and Portugal's contributions to the 2009 OCTA (Finland's refers to the geographic proximity).
 - 2 Italy's, Latvia's and Portugal's contributions to the 2009 OCTA (Portugal refers to national and community legislation that facilitates VAT fraud).
 - 3 Czech Republic's, Finland's, The Netherlands' and Europol's AWF MTIC's contributions to the 2009 OCTA (Czech Republic indicates Vietnamese, Russian and Arab people; Finland indicates Russians; The Netherlands indicate Moroccan, Egyptian, Turkish, Pakistani, etc. but in general; Europol's AWF MTIC refers to the Chinese OC groups).
 - 4 Czech Republic's and Portugal's contributions to the 2009 OCTA.
 - 5 Finland's and Luxembourg's contributions to the 2009 OCTA.
 - 6 Finland's and Romania's contributions to the 2009 OCTA (Romania indicates the fact that members of OC groups have almost always active involvement in LBE).
 - 7 Europol's AWF MTIC's contribution to the 2009 OCTA.
 - 8 Finland's, Sweden's and Europol's AWF MTIC's contributions to the 2009 OCTA.

Public procurement fraud is usually linked with elements of corruptive action against public administration and the private business sector.¹ OC groups can exploit this process from its initial stages, tampering with the activities that precede the publications of tenders, and thus designing them to their advantage.² Public and community funds received illegally can be laundered and re-integrated into the cycle of lawful activities or be re-invested to support other criminal activities.³

Payment card fraud depends on the theft of personal financial data through a wide range of techniques, including wire tapping, hacking into electronic databases, phishing, pharming and skimming.⁴ It is not always necessary to copy card data to a counterfeit card or white plastic as illegal use of payment cards includes card-not-present purchases. While carding is controlled predominantly by Russian OC groups,⁵ Romanian and Bulgarian OC groups prefer traditional skimming activities.⁶ The Modus Operandi has changed slightly in 2008, as criminals are moving from automated-teller machines (ATM) to points of sale (POS) in supermarkets and shops to obtain payment card data: in addition, while in the past skimming and money withdrawals took place within the EU, criminals are increasingly making withdrawals outside of the EU,⁷ New GSM technology offers the opportunity to send data to other countries and dump credit card data onto servers which are directly accessible via the internet.⁸

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- 1 Czech Republic's and Croatia's contributions to the 2009 OCTA.
 - 2 Croatia's contribution to the 2009 OCTA.
 - 3 Italy's contribution to the 2009 OCTA.
 - 4 Greece's, Luxembourg's, The Netherlands', Romania's, the UK's, Croatia's and FYROM's contributions to the 2009 OCTA (The Netherlands refers to stealing and reinstalling cash machines and then skimming; Romania indicate gaining access to some cards without actually obtaining them).
 - 5 Carding is a term used for a process to verify the validity of stolen card data, which can be obtained through generated sequences of numbers, skimming or phishing. Of the categories advertized on underground economy servers, credit card information ranked highest, with 31 per cent of the total. The potential value of this category in underground economy in the reporting period was USD 7 billion. ("Report on the Underground Economy" by Symantec). Europol's Forgery of Money Unit's contribution to the 2009 OCTA.
 - 6 Europol's AWF Terminal's contribution to the 2009 OCTA.
 - 7 Hungary's, Latvia's and Croatia's contributions to the 2009 OCTA (Croatia indicates payment with a stolen/lost or undelivered card).
 - 8 Europol's Forgery of Money Unit's contribution to the 2009 OCTA.

Fraud is not the only criminal field heavily impacted upon by the rapid development of modern technology. One of the emerging threats is the growing number of virtual OC groups.¹ Criminals from different continents can meet on the Internet and collaborate in crime without personally knowing each other. Common criminal intent and technical proficiency are the driving factors of these virtual OC groups, which get together on Virtual Private Networks covering vast geographical areas.² In such private networks, always protected by sophisticated security features, criminals or scattered cells spread all over the world can meet and organise to commit crimes on the internet; specialists can offer their skills and be purposely hired and paid by OC groups to commit crimes on the internet (or in real life); individual criminals can meet and group to exchange illicit material, for example child abuse pictures or movies.³ OC groups operating on the Internet are very difficult to trace. This is because there are legal and procedural deficiencies in a number of key areas, such as a common reporting system; a reporting system for the victims; the managing of and access to data retained by Internet Service Providers (ISP) and telecommunication companies; and a common strategy at international level.⁴

2.4 Counterfeiting

The manufacturing and distribution of **counterfeit commodities** constitute a serious problem beyond the financial loss of owners of intellectual property rights and legal enterprises in general. The industrial sectors mostly affected by counterfeiting are music, software, tobacco products, automotive parts, pharmaceutical and chemical products, and clothing.⁵

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- 1 AWF Terminal's and Europol's Organised Crime Groups Unit's contributions to the 2009 OCTA.
 - 2 Europol's Organised Crime Groups Unit's contribution to the 2009 OCTA.
 - 3 Europol's Organised Crime Groups Unit's contribution to the 2009 OCTA.
 - 4 Europol's Organised Crime Groups Unit's contribution to the 2009 OCTA.
 - 5 Austria's, Finland's, France's, Germany's, Greece's, Ireland's, Italy's, Latvia's, Lithuania's, Portugal's, Romania's, the UK's and Croatia's contributions to the OCTA (Greece refers to digital disks/records, DVDs; Ireland refers to DVDs/CDs, movies, software, counterfeit pharmaceutical and counterfeit cigarettes; Latvia refer to cars spare parts, pharmaceuticals; Lithuania refers to faked DVDs; Portugal refers to counterfeit tobacco; Austria, Finland, France, Italy and Germany indicate counterfeit pharmaceuticals; Latvia, Ireland, Romania and the UK refer to closing, brand wears, fashion parts, etc; France refers to software, games, DVDs, etc.).

Pharmaceutical products, mainly those from India, China, Hong Kong, Thailand and Turkey¹ represent the most alarming dimensions of this phenomenon. To maximise profits, OC groups produce medicines without regard to ingredients – including the active principle – composition and production methods.² Other counterfeit products such as software, music, movies and luxury goods lead to significant financial losses to right holders and legitimate business.³ **Modi operandi** vary in accordance with the selected distribution channel. While some counterfeits enter the legitimate supply chains and displace the sale of genuine articles, causing a reduction in revenue,⁴ some others are sold to end users through illicit supply chains.⁵ Counterfeit products with labels and logos of renowned trademarks are also commercialised through door-to-door sale.⁶ Some restaurants and other catering services are involved in the import and distribution of counterfeit food and spirits. The growing consumerism of society, combined with social tolerance and a general lack of community awareness are major facilitating factors.⁷ The sale of counterfeits is directly **linked to other criminal markets**, such as drug trafficking, cigarette smuggling, tax fraud and money laundering or funds other criminal activities, such as illegal migration, stolen vehicle trafficking or terrorism.⁸

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- 1 Austria's, Finland's, France's and the UK's contributions to the 2009 OCTA (Finland indicates China and Far east countries).
 - 2 Austria's and France's contributions to the 2009 OCTA.
 - 3 Pollinger, Z., "Counterfeit Goods and Their Potential Financing of International Terrorism", collected 2 December 2008 from <http://www.doaj.org/doaj?func=abstract&id=250550>.
 - 4 The UK's contribution to the 2009 OCTA.
 - 5 Portugal's and Romania's contributions to the 2009 OCTA (Romania and Portugal refers to the exploitation of black market).
 - 6 France's and Greece's contributions to the 2009 OCTA (Greece indicate street vendors trade with digital disks, downloading of songs, movies).
 - 7 Portugal's contribution to the 2009 OCTA.
 - 8 Portugal's, Romania's, Slovakia's, Sweden's, the UK's and Eurojust contributions to the 2009 OCTA, (Portugal refers to counterfeit tobacco in particular).

Counterfeited documents are a horizontal facilitator touching upon all criminal markets. Identity documents, passports, birth certificates, and residence permits are among the most commonly targeted documents ensuring smooth perpetration of cross border organised crime.¹ Counterfeit customs declarations and quality certificates are presented to custom offices while declaring contents of shipments.² Counterfeit breeding documents are submitted to MS consulates to obtain visas.³ **Technology** development allows manufacturing counterfeit products of higher quality, which makes their detection and seizure more difficult⁴ and leads to a larger profit for OC groups. The **Internet**, with its virtual stores selling all kinds of goods, is one of the main distribution channels for counterfeits.⁵

In 2008 for the first time the amount of **counterfeit Euro** banknotes detected in circulation amounted to more than 600,000 items (664,000). This increase in fact intensified in the second half of the year.

National authorities, often supported by Europol, seized approximately 500,000 counterfeit euro banknotes, arresting nearly 400 suspects. A criminal profit of EUR 34 million was prevented with the seizures.⁶

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- 1 Such as illegal migration, cigarettes smuggling or vehicles trafficking. Greece's, Slovakia's and FYROM's contributions to the 2009 OCTA.
 - 2 Portugal's contribution to the 2009 OCTA.
 - 3 Greece's contribution to the 2009 OCTA.
 - 4 Bulgaria's, Czech Republic's, Denmark's, France's and Germany's contributions to the 2009 OCTA (France indicates offset technology in particular; Germany refers to difficulties regarding Euro counterfeit production and its recognition).
 - 5 The UK's and Croatia's contributions to the 2009 OCTA.
 - 6 Numerous operations were carried out by the national authorities in and outside of the European Union in cooperation with Europol, and resulted in 2008 in the dismantling of 20 illegal print shops and the disruption of several criminal networks. Europol's Forgery of Money Unit's contribution to the 2009 OCTA.

An increase of Euro counterfeits, mainly of high nominal value, is reported from the Balkans together with Italian counterfeits of lower nominal value.¹ The criminals most frequently involved in Euro counterfeiting come from Bulgaria², some of Turkish origin,³ Italy, Estonia, Lithuania and Colombia.⁴ Counterfeit Euros produced in Italy are also distributed in the EU by Ghanaian OCGs and in Morocco, conceivably by Moroccan OCGs.⁵ The black market contributes to the flow of counterfeits. The skilled use of sophisticated equipment, computers and reproduction **technology** contribute to this increase.⁶ Low awareness of and insufficient attention to security features applied on banknotes facilitates the process.⁷

The decrease in the number of counterfeit classes being produced and the increase in the number of variants indicate a trend of further professionalism and the growing involvement of OC groups. Thus a limited number of criminal groups – mainly from the above mentioned areas – are dominating this criminal market. Another trend can be noticed in the counterfeited denominations. Historically, the EUR 50 has been the most counterfeited banknote, but current trends favor the EUR 20. The three mid-range denominations (EUR 20, EUR 50 and EUR 100) together account for about 94 per cent of all counterfeits.⁸

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- 1 Belgium's, France's, Germany's and Greece's contributions to the 2009 OCTA (Greece refers to Bulgaria in particular).
 - 2 Europol's AWF Soya's contribution to the 2009 OCTA (AWF Soya indicates Bulgaria in connection with sophisticated production and transportation networks).
 - 3 Bulgaria's and Greece's contributions to the 2009 OCTA (Greece indicates Bulgarians without spec. ethnical side). On August 2008, in Colombia more than 11 million counterfeit euro were seized in a joint operation between Europol and the Colombian and Spanish Authorities. This sum represents the highest seizure so far in a single operation, Europol's Forgery of Money Unit's contribution to the 2009 OCTA.
 - 4 Denmark's, Finland's, France's, Europol's AWF Soya's contributions to the 2009 OCTA (AWF Soya indicates countries rather than OC groups coming from countries but it still can be understood as OC groups origin).
 - 5 AWF Soya's contribution to the 2009 OCTA
 - 6 Czech Republic's, Ireland's and the UK's contributions to the 2009 OCTA.
 - 7 Latvia's and Romania's contributions to the 2009 OCTA (Latvia refers generally to society).
 - 8 Europol's Forgery of Money Unit's contribution to the 2009 OCTA.

An increasing number of counterfeit Euro coins enter the market through slot-machines.¹ The improving quality of counterfeit coins indicates the involvement of professionals from the casting industry in the production of raw materials placed both in and outside the EU.²

Euro counterfeiting is often associated with other crime areas such as drug trafficking, money laundering and economic crimes.³

3 Analysis of Criminal Hubs

3.1 Criminal hubs

A 'criminal hub' is a conceptual entity that is generated by a combination of factors such as proximity to major destination markets, geographic location, infrastructure, types of OC groups and migration processes concerning key criminals or OC groups in general. A criminal hub receives flows from a number of sources and spreads their effects in the EU thereby forging criminal markets and creating opportunities for the growth of OC groups that are able to profit from these dynamics.

The criminal hubs do not exist by or for themselves. They are supplied by so-called feeders which are often locations just inside or outside the EU borders providing goods to the important European hubs, namely the North-West, North-East, South-West, South-East and Southern criminal hubs. The feeders can have different roles: in some cases they are relatively passive transit zones to the EU, in other occasions they are active centres in which business deals on commodities are negotiated, logistics defined, goods stored and re-packaged, and strategies for the delivery of the goods defined and agreed. In any case the role of the feeders is crucial: they procure and move goods from the origin closer to the EU and in some cases even alter or finalise the commodities in preparation for their various stages of final distribution in the EU and Europe.

1 Germany's contribution to the 2009 OCTA.

2 France's contribution to the 2009 OCTA (France indicates Italy and Turkey, it indicates also that some of the counterfeit coins meet even the magnetic criteria of the original).

3 Eurojust contribution to the 2009 OCTA.

The relationship between the various levels of hubs and feeders can be illustrated by the example of cocaine trafficking into the EU. Cocaine is produced not only in Colombia but in Peru and Bolivia¹ and possibly other Latin American countries. This diversion is mainly due to law enforcement action in Colombia and international political pressures against the country's significant role in coca production.² The cultivation is in any case organised and controlled mainly by Colombian groups.³

From its origin cocaine is moved either to Venezuela and Brazil, whose role in cocaine transit is increasing, or to the Caribbean or Central America (Mexico, Costa Rica and Panama) in order to circumvent law enforcement action based on specific risk origin countries in the EU airports and sea ports.⁴ West Africa and recently also other African regions (for example Morocco, Kenya, Central Africa and South Africa)⁵ are used for transferring cocaine to the EU and elsewhere. The Balkans (among others Montenegro, Albania and the Kosovo region)⁶, the Black Sea region including Turkey⁷ and especially the port of Constanta⁸ are also receiving flows of cocaine which are then fed towards Western Europe.

1 Belgium's, Bulgaria's and the UK's contributions to the 2009 OCTA.

2 The Netherlands' and Colombia's contributions to the 2009 OCTA.

3 The UK's contribution to the 2009 OCTA.

4 Belgium's, Bulgaria's, Ireland's, Italy's, the Netherlands', the UK's, Colombia's and AWF Cola's contributions to the 2009 OCTA.

5 Italy's and The Netherlands' contributions to the 2009 OCTA; and "Over 60 kilos of cocaine worth \$6 mln seized from two vessels at St. Petersburg port", 21 November 2008, Russia & CIS General Newswire; "Agent finds 10 kg cocaine on Russian cargo ship", 09 October 2008, Cape Times; and "62 kilos of cocaine seized in St. Petersburg, nearly 10 kilos of hashish in Samara", 25 November 2008, ITAR-TASS World Service..

6 FYROM's contribution to the 2009 OCTA.

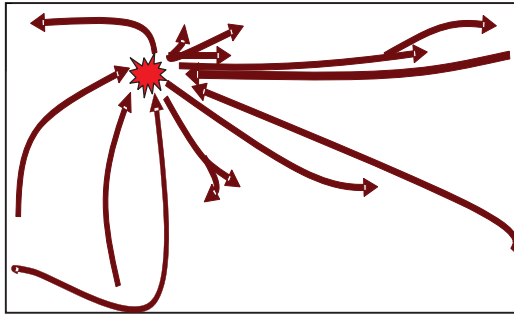
7 Sweden's and Colombia's contribution to the 2009 OCTA.

8 Hungary's and Romania's contributions to the 2009 OCTA.

In Europe the cocaine directed through the feeders in many cases arrives in the South West criminal hub to be forwarded, to a certain extent, to other hubs such as the North West. In this framework, the latter can be considered a secondary distribution hub.¹ From there the cocaine is re-directed to its final destination markets all over the EU. Alternatively criminal groups can procure cocaine directly from the origin or indirectly from the feeders. This is done in order to cut costs or to fulfil a certain distribution role in a specific market. Certain Latvian and Lithuanian OC groups are strengthening their position in the cocaine market by directing cocaine couriers from the origin via the Baltic States for the growing Russian market.² In addition to this, cocaine is exchanged for other drugs and commodities: in Turkey and Iran for heroin, in Spain for cannabis products and in the Russian Federation for arms³.

On the whole the gateways to the EU remain relatively stable but the transit areas and commodities vary, as may also the direction of the routes. These variations are the visible indications of the changes taking place in the criminal hubs which are the dynamic centres of criminal activities and in turn respond to changes in demand. An indication of this is the increasing association between ethnic Albanian groups and the Balkans and Turkey – which previously have mainly been associated with heroin trafficking – in the cocaine trade⁴. For various reasons the demand for cocaine in some parts of the EU as well as the Russian Federation seems to be growing while heroin use remains stable.⁵ This can change the supply patterns relatively quickly, especially with those OC groups that can logistically and organisationally respond to the changing demands.

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- 1 Belgium's, Bulgaria's, Italy's, the UK's, Croatia's and AWF Cola's contributions to the 2009 OCTA.
 - 2 Latvia's and Lithuania's contributions to the 2009 OCTA.
 - 3 The Netherlands' contribution to the 2009 OCTA.
 - 4 Denmark's, Greece's, Sweden's and FYROM's contributions to the 2009 OCTA.
 - 5 Bulgaria's, the Netherlands', the UK's, Turkey's and AWF Cola's contributions to the 2009 OCTA; and "2008 World Drug Report", United National Office on Drugs and Crime (UNODC), June 2008.



The North West criminal hub has a central role in the network of the main EU criminal hubs. As is the case with the trade in many legal goods the geographical centre is the Netherlands and, to a lesser but however significant degree, Belgium. Criminals and OC groups from the UK, Ireland, Belgium and the Netherlands have traditionally defined the markets and supplied the commodities in this criminal hub. They are nowadays

increasingly challenged and complemented on different logistical levels by West and North African, East European, Turkish, Pakistani, Vietnamese, Chinese and Colombian groups which in many cases can also be comprised of second generation members residing in the EU MS.¹

The indigenous criminal groups (such as the UK and Irish groups) have traditionally procured goods from the North West and the South West hubs. They also establish contacts with groups in the supplying countries in order to directly source the goods and reduce the amount of go-betweens and thus increase the profit margins in the relatively competitive and efficient criminal markets of the North West Europe. For example, Irish criminals are cutting out the established drugs wholesalers in the Netherlands and Spain and establishing business contacts in the origin with the aim of procuring drugs from the supplying groups in Colombia².

1 France's, Ireland's, the Netherlands' and the UK's contributions to the 2009 OCTA.,

2 Ireland's contribution to the 2009 OCTA.

Turkish criminal groups seem to continue controlling the trafficking of heroin to the EU. Suspects of Turkish ethnicity or having contacts with Turkish trafficking groups dominate the wholesale of the heroin through the Netherlands¹. Moroccan criminal groups move cannabis products from Morocco through Spain to the North West criminal hub for redistribution in the EU. The same routes are also becoming popular for the importation of cocaine into the EU.² Indoor cultivation of cannabis seems to be on the increase and can affect the market in cannabis products. It is also linked to facilitation of illegal immigration or trafficking in human beings: illegal Vietnamese and Chinese immigrants or Bulgarian victims of trafficking trying to pay for their transportation and upkeep are used for tending the cannabis plantations.³

Despite certain attempts to procure drugs directly from the origin, the role of the North West criminal hub as the distribution centre for heroin, cocaine, synthetic drugs and cannabis products remains. The hub is influenced and fed in particular by the South West criminal hub (including Morocco) directing cocaine and cannabis products, and by the flow of heroin reaching the Netherlands through Turkey and the Balkans. Its influence extends to the UK, Ireland, France, Spain, Germany and the Baltic and Scandinavian countries.⁴ Synthetic drugs produced in the Netherlands and Belgium are trafficked to North America, Israel and Australia⁵ as well as to the Middle East and Asian markets, sometimes in exchange for heroin.⁶ Precursors for the production of synthetic drugs in the North West criminal hub are procured from both China and the Russian Federation.⁷

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- 1 The Netherlands' contribution to the 2009 OCTA.
 - 2 Belgium's, Ireland's, the Netherlands' and the UK's contributions to the 2009 OCTA.
 - 3 Ireland's and the UK's contributions to the 2009 OCTA.
 - 4 Ireland's, Latvia's, Lithuania's, Luxembourg's, The Netherlands', Sweden's and the UK's, contributions to the 2009 OCTA.
 - 5 Belgium's contribution to the 2009 OCTA.
 - 6 Bulgaria's and Greece's contributions to the 2009 OCTA.
 - 7 Belgium's, Ireland's, the Netherlands', the UK's and AWF Synergy's contributions to the 2009 OCTA.

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In the North West criminal hub the UK specifically acts as a considerable pull factor for legal and illegal forms of immigration. Certain locations in South East Asia, the Balkans and Turkey, the FSU and North Africa act as feeders where migrants arriving through various routes congregate and where deals on their facilitation are struck. From there they are directed by air, sea or land to Greece, Belgium, Italy and France and in many cases, especially via the Channel ports, further to the UK.¹

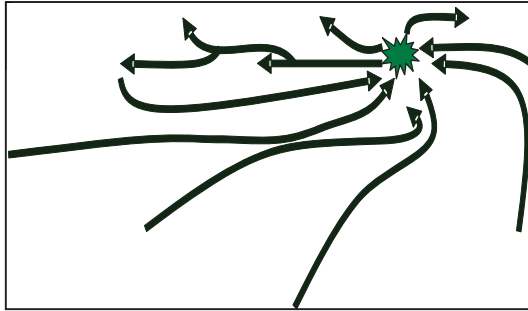
The North West criminal hub seems to be influenced by a feeder possibly located in the Middle East, more specifically formed around Dubai. In addition to being an important transit and storage area for illegal commodities (for example counterfeit cigarettes and other counterfeit products mainly from the Far East²), its role in the international opiate trade appears central. Dubai is a key financial and business centre but also a logistic hub where criminal groups make contacts and deals, launder the proceeds of criminal activities and regulate shipments to the distribution hubs or destination markets.³

1 The UK's contribution to the 2009 OCTA.

2 Italy's, the Netherlands' and Sweden's contributions to the 2009 OCTA.

3 The UK's contribution to the 2009 OCTA. See also Italy's and AWF MTIC's contributions to the 2009 OCTA.

Current intelligence indicates a growing role for Pakistan in the international trade in opiates (including processing into heroin).¹ Since a significant amount of heroin for the Irish and UK markets is already directly sourced from Pakistan, this development may intensify the country's role as a feeder not only for the British Isles but possibly also for the overall European market.



The North East criminal hub in and around the Baltic countries is confirmed by the data contributed to the 2009 OCTA. The North West hub acting as a central distribution centre in the EU influences this particular hub especially in relation to cannabis products originating from Morocco and transiting through Spain as well as to a certain extent in synthetic drugs and heroin.²

This hub seems, however, more strongly influenced by feeders and transit zones located just outside the eastern EU borders (the Russian Federation/Kaliningrad, the Ukraine and Belarus).³ Additionally, the role and international operations of Lithuanian and other Baltic groups in the hub means that commodities from afar touch on the region and can be re-directed for the local markets even though their main destination may be elsewhere, such as Western Europe or the Russian Federation.

- 1 Due to increased efforts by Afghan authorities heroin labs have been moved from Southern Afghanistan across the border to Pakistani Baluchistan. Emery, J., "Converting Afghan opium into heroin", Middle East Times, 30 April 2008, www.metimes.com. Furthermore, it is estimated that 70 per cent of the UK's heroin supply transits Iran, either directly from Afghanistan or (overland) via Pakistani Baluchistan (the UK's contribution to the 2009 OCTA) and that both Irish and UK criminals source heroin directly from Pakistan (Ireland's and the UK's contribution to the 2009 OCTA). According to UNODC information the role of Pakistan as a destination or transit for opiates produced in Afghanistan is growing: already 35 per cent of opiates exits through Pakistan while the amount exiting through Iran, even though the highest, is decreasing. "2008 World Drug Report", United National Office on Drugs and Crime (UNODC), June 2008.
- 2 Latvia's, Lithuania's and Sweden's contributions to the 2009 OCTA.
- 3 The Russian Federation's contribution to the 2009 OCTA.

The Lithuanian OC groups have a central role in the North East criminal hub even though their main influence extends to markets and criminal hubs further away. They act as dealers and brokers for various types of commodities in the EU and beyond: they procure and traffic in cannabis products, cocaine, synthetic drugs and their precursors, heroin, counterfeit goods and Euro counterfeits, stolen vehicles and other stolen property, cigarettes, arms, illegal immigrants¹ and women for sexual exploitation and forward these to the relevant markets. Lithuanian groups re-direct and traffic commodities from the east towards the west (women for sexual exploitation, illegal immigrants, cigarettes, counterfeit goods, synthetic drugs precursors and heroin) but also vice versa (cocaine and cannabis products).² Furthermore, they traffic synthetic drugs from the North West hub to the Nordic markets where also amphetamine and especially methamphetamine produced in Lithuania prevail.³ They are also introducing methamphetamine originating from Lithuania to the Irish market.⁴

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- 1 In some cases the role of the Lithuanian groups is limited to producing and providing the illegal immigrants with false documents. Lithuania's contribution to the 2009 OCTA.
 - 2 Belgium's, Finland's, France's, Ireland's, Latvia's, Lithuania's, Poland's, Slovenia's, Spain's, Sweden's, the UK's, AWF Cola's, AWF Copper's, AWF Synergy's and Europol's Crimes Against Persons Unit's contributions to the 2009 OCTA.
 - 3 Finland's, Norway's, Sweden's and AWF Synergy's contributions to the 2009 OCTA. In both Norway and Sweden seizures of methamphetamine seem to be on the rise while seizures of amphetamine are either on a stable or decreasing level.
 - 4 Ireland's contribution to the 2009 OCTA.

Lithuanian groups co-operate or deal with Russian and Belarusian as well as certain Estonian, Latvian and Polish OC groups.¹ The latter act as “bridging groups” who procure commodities from or through the Lithuanian OC groups and collaborate in turn with local criminal groups, including those with outlaw motorcycle gangs (OMCG) members, for ultimate distribution in the appropriate criminal markets.²

Furthermore, groups originating from Vietnam³, the Balkans⁴ and West Africa⁵ are active in the ultimate distribution of drugs in the Nordic markets, either in co-operation with other groups or seemingly independently. The local distribution set-up varies between the Nordic countries: Finland is influenced mainly by co-operation patterns between Russian and Estonian groups and OCGs with OMCG members, while the impact of groups originating from the Balkans is more relevant although not exclusive to Denmark, Norway and Sweden. The impact of a criminal phenomenon familiar to Central Europe, namely the involvement of Vietnamese groups in domestic cannabis cultivation and distribution, is most relevant to Norway and Denmark.⁶

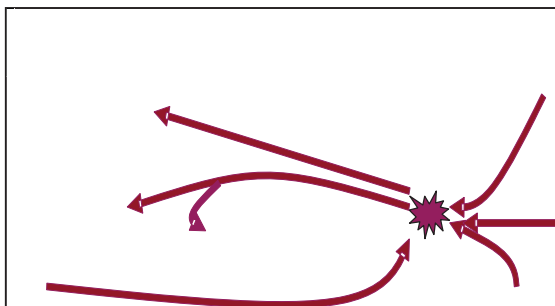
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- 1 Finland's, Latvia's, Lithuania's, Poland's and AWF Synergy's contributions to the 2009 OCTA.
 - 2 Denmark's, Finland's and AWF Monitor's contributions to the 2009 OCTA.
 - 3 Denmark's and Norway's contributions to the 2009 OCTA.
 - 4 Denmark's, Sweden's and Norway's contributions to the 2009 OCTA.
 - 5 Finland's and Norway's contributions to the 2009 OCTA.
 - 6 Denmark's, Finland's, Sweden's and Norway's contributions to the 2009 OCTA.

St. Petersburg is an important logistical nexus in the North East criminal hub. It gathers various commodities that are then re-directed to the Russian, Nordic, Baltic and Western European markets. Cocaine¹ arrives directly from South America or is re-routed via South Africa and sometimes the Baltic States to St Petersburg, from where it is forwarded to the markets of the North East. Smuggled cigarettes² from Kaliningrad are passed on via St Petersburg to the Baltic countries and further to the EU destination markets. Illegal immigrants³ from the Far and Middle East, the FSU, Colombia and Pakistan gather at this final transit point to be facilitated into the EU. Counterfeit goods are shipped from St Petersburg to Lithuania and sometimes further to Latvia, Poland and Germany.⁴ Kaliningrad seems to have a similar but more limited role especially in relation to cigarette smuggling and the importation of heroin into the EU.⁵

The borders between the Russian Federation/the FSU and the EU are an important factor creating certain dynamics essential for the functioning of the North East criminal hub. Russian OC groups are interested in using banks located in the Nordic and Baltic countries for laundering criminal money derived from crime perpetrated in the Russian Federation/the FSU and probably for a less suspicious and low-profile entry into the financial systems in the EU.⁶ The high volumes of trade crossing the region create opportunities that both white-collar and organised crime can exploit (smuggling activities, money laundering, VAT fraud, double-invoicing, etc).⁷

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- 1 Latvia's contribution to the 2009 OCTA, and "Over 60 kilos of cocaine worth \$6 mln seized from two vessels at St. Petersburg port", 21 November 2008, Russia & CIS General Newswire; "Agent finds 10 kg cocaine on Russian cargo ship", 09 October 2008, Cape Times; and "62 kilos of cocaine seized in St. Petersburg, nearly 10 kilos of hashish in Samara", 25 November 2008, ITAR-TASS World Service.
 - 2 The cigarettes are shipped from Kaliningrad production plants to St Petersburg from where they enter Latvia and Lithuania and further to European and Nordic markets. Lithuania's contribution to the 2009 OCTA. "Little-but-often" smuggling of genuine cigarettes takes place often either from St. Petersburg or Vyborg to Finland. Finland's contribution to the 2009. It can be assumed that the latter cigarettes could originate among others from the shipments from the Kaliningrad plants.
 - 3 "Illegal immigrants from China, Syria, Moldova, Georgia, Russia, Belarus, Ukraine, Turkey, Columbia and Pakistan via Moscow, St. Petersburg (Russia) then via Latvia (airport Riga, railroad border control point Karsava, "green border") to target states - Ireland, England, Spain, the Netherlands, Germany, Sweden, Norway and other states." Latvia's contribution to the 2009 OCTA.
 - 4 Lithuania's contribution to the 2009 OCTA.
 - 5 Lithuania's, Poland's and AWF Smoke's contributions to the 2009 OCTA.
 - 6 Estonia's, Finland's, Latvia's and Lithuania's contributions to the 2009 OCTA.
 - 7 Estonia's, Finland's, the Russian Federation's and AWF MTIC's contributions to the 2009 OCTA.

Possible changes in taxation may change certain dynamics of the North East criminal hub. Mainly due to significant alcohol tax cuts in Finland the market in smuggled alcohol is currently mostly relevant to Sweden and Norway.¹ However, some countries of the region are planning or already introducing increases in relevant taxes.² This might lead to the re-activation of an important black market and increased opportunities for criminal groups already involved in the smuggling of cigarettes and/or alcohol such as certain Polish, Baltic and Russian OC groups.³



The South East criminal hub is based on its geographical location between Asia and Europe and hinges on its role as an important gateway into the EU. Logistically the importance of the Black Sea and the related waterways define the hub and create opportunities for both legal trade and organised crime.

The significance of the port of Constanta in the growing cocaine traffic is strengthening, and cocaine seems to be increasingly arriving in the EU through Turkey and/or the Balkans.⁴ This may be due to the increased involvement of Turkish and ethnic Albanian groups in the cocaine distribution chain but can also be the effect of the already well-established role of West Africa as a transit zone: this will lead to more law enforcement attention to the relevant routes entering the EU from West Africa and will conversely increase the importance of alternative routes and entry points into the EU.

- 1 Finland's and Sweden's contributions to the 2009 OCTA.
- 2 Both Finland and Estonia have already increased their alcohol tax in 2007 or 2008. The price difference still remains about three-fold with alcohol in Finland being significantly more expensive. Government's proposal to the Parliament for the law on alcohol and alcoholic beverages, 28 November 2008, www.riksdagen.fi; and "Alcohol tax going up next year", Helsingin Sanomat, 19 November 2008, www.hs.fi.
- 3 Finland's, Latvia's, Lithuania's, Poland's, Sweden's and the Russian Federation's contributions to the 2009 OCTA.
- 4 Hungary's, Romania's, Sweden's, Turkey's and AWF Cola's contributions to the 2009 OCTA.

Romania can be seen as a significant gateway for the facilitation of illegal immigration into the EU while the role of Bulgaria in certain criminal markets such as synthetic drugs, counterfeit Euros and payment card fraud is also central.¹ Illegal immigrants arriving from the east (the FSU, the Indian sub-continent, Iraq, Iran, Afghanistan and China) through various routes are smuggled into the EU via Romania, often facilitated by Romanian OC groups. The role of Romania as an entry point to the EU has grown since its membership in the EU. International transportation companies based in Romania appear also to facilitate this highly lucrative activity by establishing contacts with falsifiers and recruiters from countries such as Moldova, the Ukraine or different Asian countries (Pakistan, India and Bangladesh).²

The South East is a very active criminal hub both producing various commodities and acting as a busy transit, warehousing and re-packaging zone. There are at least three main feeders and relevant routes directly influencing the South East criminal hub:

- North: the Ukraine and Moldova
 - Origin and transit point for illegal immigrants/victims of trafficking³, cannabis products⁴ and cigarettes⁵. The Ukraine is also a transit point for heroin through the Northern route into the EU⁶ and there are indications of Moldova being used for the processing of cocaine for the EU and Russian markets⁷. According to some sources the overall importance of the Northern route in the import of heroin into the EU is growing.⁸
- Centre (the Balkans): Albania, Kosovo/Serbia, Montenegro and FYROM
 - Origin and/or transit point for cannabis products, illegal immigrants/victims of trafficking, heroin, cocaine, cigarettes, synthetic drugs and precursors, counterfeit Euros and arms into the EU.⁹

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- 1 Belgium's, Bulgaria's, Greece's, Italy's, Hungary's, Romania's and FYROM's contributions to the 2009 OCTA.
 - 2 Romania's contribution to the 2009 OCTA.
 - 3 Hungary's, Italy's, Latvia's, Lithuania's, Poland's, Romania's, Frontex's and Europol's Crimes Against Persons Unit's contributions to the 2009 OCTA.
 - 4 The Russian Federation's contribution to the 2009 OCTA.
 - 5 Italy's, Lithuania's, Romania's, Sweden's, FYROM's and AWF Smoke's contributions to the 2009 OCTA.
 - 6 Greece's, Romania's and FYROM's contributions to the 2009 OCTA.
 - 7 AWF Cola's contribution to the 2009 OCTA.
 - 8 Bulgaria's and Turkey's contributions to the 2009 OCTA; and "2008 World Drug Report", United National Office on Drugs and Crime (UNODC), June 2008.
 - 9 Bulgaria's, Greece's, Hungary's, Slovenia's and FYROM's contributions to the 2009 OCTA.

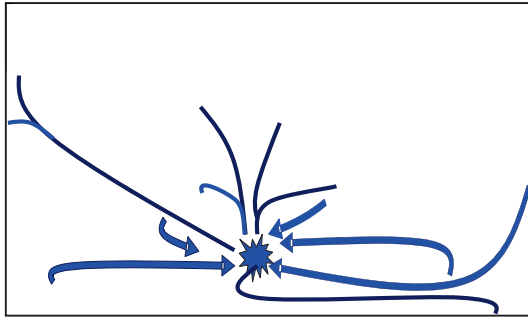
- South: Turkey
 - Trafficking of heroin and transit point for illegal immigrants into the EU; heroin exchanged for synthetic drugs, precursors and cocaine to be trafficked towards the Middle East markets.¹

Trafficking in heroin is a main criminal market affecting the South East criminal hub. Heroin is trafficked from or through Turkey by Turkish groups, often in co-operation with Bulgarian OC groups, via the Balkan route into the EU. This heroin is further directed to the North West criminal hub for secondary distribution controlled mainly from the Netherlands.² Regional distribution in South East Europe seems however still to be in the hands of ethnic Albanian groups, with Albania serving as a pre-gathering and transport centre for the distribution of heroin into the EU.³

The emergence and strengthening of the Near and Middle East drug markets especially in relation to cocaine, synthetic drugs and precursors for heroin are strongly impacting the dynamics of the criminal hub. Criminal groups are already establishing synthetic drug laboratories closer to these markets⁴ facilitated by Bulgarian experts⁵. In this sense the key strategic role of Turkish OC groups who exchange, for different markets, heroin for cocaine, cannabis products, certain precursors and synthetic drugs will grow. The same applies to Bulgarian and Serbian OC groups who have a key role in trafficking synthetic drugs produced in these countries towards the East.⁶ Partly through the Turkish connection the South East criminal hub may expand its influence towards the Middle East and certain parts of Asia (for example Syria, Lebanon, Saudi Arabia, Iran, Georgia and Armenia⁷).

The South East criminal hub is a key entry point to the EU for both counterfeit and genuine smuggled cigarettes. These cigarettes originate from illegal production in the Ukraine and Moldova, the Balkans (Serbia, Bosnia and Herzegovina, FYROM and Montenegro), and the Far East.⁸ Legally produced cigarettes originating from the region are re-diverted to the black markets.⁹

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- 1 Bulgaria's, Greece's, Romania's, Slovenia's and FYROM's contributions to the 2009 OCTA.
 - 2 Bulgaria's, Greece's, the Netherlands', Romania's and FYROM's contributions to the 2009 OCTA.
 - 3 Greece's, Italy's and Croatia's contributions to the 2009 OCTA.
 - 4 Turkey's contribution to the 2009 OCTA.
 - 5 Bulgaria's contribution to the 2009 OCTA.
 - 6 Bulgaria's and AWF Synergy's contributions to the 2009 OCTA.
 - 7 Bulgaria's contribution to the 2009 OCTA
 - 8 Hungary's, Romania's and FYROM's contributions to the 2009 OCTA.
 - 9 Greece's contribution to the 2009 OCTA.



The Southern criminal hub is established around the geographical position of Italy as one of the gateways into the EU and the central role of Italian OC groups with contacts in many countries and regions all over the world.

All main Italian OC groups are again active in drug trafficking while they are in some cases challenged by, but in general co-operating with,

ethnic Albanian, Colombian, Turkish and African criminals.¹ An important feature contributing to the central role of Italian OC groups is their ability to establish contacts with the source of drugs or other commodities to procure them directly from there. It seems that this is still an ability and readiness that most groups wishing to participate in the various drug markets cannot match² and will therefore remain dependent on these procuring groups.

The influence of the Southern hub is mostly felt in the criminal markets of trafficking of cocaine and cannabis products, illegal immigration, smuggling of counterfeit goods and genuine and counterfeit cigarettes, and the production and distribution of counterfeit Euros.³

The connection with the South West criminal hub appears still to be valid for Italian OC in the cocaine trade. While the majority of cocaine arrives in Italy by sea and air directly from the source, it is also to a significant degree forwarded through Portugal⁴, to a certain degree through France⁵, and especially through Germany⁶ where Italian OC has a solid foothold. 'Ndrangheta, the main Italian OC group involved in the cocaine trade with direct contacts with Colombian cocaine cartels, has one of its key logistical bases in Spain. Furthermore, French OC groups have established contact with Italian OC groups to import cocaine into Europe⁷, and Italian members feature in the criminal organisations involved in cocaine trafficking in Portugal.⁸ Cannabis products are directed from North Africa through Spain and/or France to Italy.⁹ Due to law enforcement activities targeting the main trafficking route there are indications of cannabis products arriving directly from Morocco to Italy¹⁰ and being passed on through Italy further to Croatia¹¹.

- 1 Italy's contribution to the 2009 OCTA.
- 2 France's contribution to the 2009 OCTA.
- 3 Belgium's, France's, Hungary's, Italy's, Portugal's, Slovenia's and Croatia's contributions to the 2009 OCTA.
- 4 Italy's and Portugal's contributions to the 2009 OCTA.
- 5 France's contribution to the 2009 OCTA.
- 6 Germany's contribution to the 2009 OCTA.
- 7 France's contribution to the 2009 OCTA.
- 8 Portugal's contribution to the 2009 OCTA.
- 9 France's and Italy's contributions to the 2009 OCTA.
- 10 France's contribution to the 2009 OCTA.
- 11 Croatia's contribution to the 2009 OCTA.

The South East criminal hub also impacts strongly upon the Southern hub. The links between Albania, the Kosovo region and Italy remain strong in trafficking in human beings, heroin, cannabis products and increasingly also cocaine while Romania is an important gateway for illegal immigration from the FSU and China either destined for or transiting Italy.¹ Furthermore Nigerian criminals residing in Bulgaria have contacts with Nigerian OC groups in Italy providing them with cocaine for the Italian market.²

The role of the Southern criminal hub is even more central in relation to cigarette smuggling, the smuggling and distribution of counterfeit products and the production of counterfeit Euros. Euros in this case are produced in Italy, distributed there and further transferred to other euro zone countries such as Belgium, Spain, Germany and Slovenia but also to countries that are still outside the zone such as Hungary and Morocco.³ Camorra often controls their production, or at any rate permits the counterfeiting activities of other criminal players. Concerning the distribution of counterfeit Euros, there are indications that Lithuanian distribution networks have been flexible enough to find new suppliers for counterfeit banknotes after the dismantling of the main printshops in Lithuania.⁴

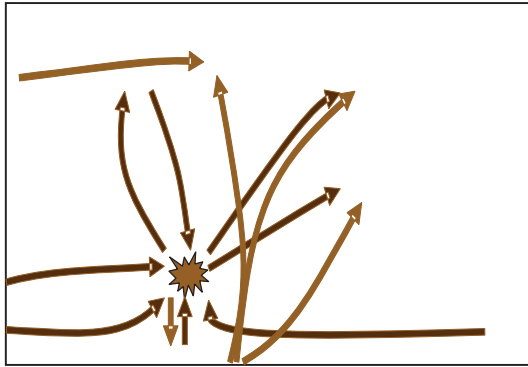
Both Camorra and Apulian OC groups have established extensive contact with Chinese OC in order to produce, transport and distribute counterfeit products.⁵ Counterfeits are in the majority of cases produced in China and other parts of the Far East, but the Mediterranean countries are also a noteworthy origin. Components from the Far East enter the EU at the weakest border crossing points and are often only assembled and provided with counterfeit trademarks there.⁶ This is done most probably to decrease the risk of penalties in case the goods are intercepted on their way: at this point in transit they are still ordinary goods and do not abuse any intellectual property rights. Trade flows from China have steadily increased in the port of Naples which is also a hub for flows of Chinese counterfeit goods. They are subsequently distributed to the other EU countries to be sold door-to-door or by various vendors and even wholesalers.⁷

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- 1 Italy's contribution to the 2009 OCTA.
 - 2 Bulgaria's contribution to the 2009 OCTA.
 - 3 Belgium's, Hungary's, Italy's, Slovenia's and AWF Soya's contributions to the 2009 OCTA.
 - 4 Belgium's contribution to the 2009 OCTA.
 - 5 France's and Italy's contributions to the 2009 OCTA.
 - 6 France's and Italy's contributions to the 2009 OCTA.
 - 7 Belgium's, France's and Italy's contributions to the 2009 OCTA.

Italian OC co-operates with foreign criminal groups to smuggle both genuine and counterfeit cigarettes to the EU and Italy, and the latter's overall position as one of the gateways of smuggled cigarettes into the EU seems to be strengthening.¹ Currently around half of all cigarettes seized in Italy are counterfeits² and there are indications that Chinese counterfeit goods, and especially counterfeit cigarettes, are currently being introduced relatively aggressively into the EU markets.³

The routing of cigarettes is often a complex process which abuses the free movement of goods in the EU and changes constantly. In any case, Greece, Dubai, China and Poland/East Europe play important roles in supplying cigarettes either for the Italian market or through Italy to the other EU countries. These countries do not necessarily produce the cigarettes but are rather used as transit points towards the north of Europe. Community customs procedures can be extensively abused for criminal ends: cigarettes may be imported into the EU and placed in Community transit (VAT to be paid only in the destination country); after this the transit procedure may be changed into export procedure so that the cover load (often consisting of low-value goods such as counterfeit products) is exported but the counterfeit cigarettes stay in the EU; alternatively the cigarettes may be legally exported and then smuggled back into the EU and re-directed to the relevant black markets.⁴

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- 1 Both the seized quantities of cigarettes and number of suspects involved have increased in Italy during the last couple of years. Italy's contribution to the 2009 OCTA.
 - 2 Italy's contribution to the 2009 OCTA.
 - 3 Portugal's contribution to the 2009 OCTA. The Nordic cigarettes market which is normally supplied by genuine cigarettes from Russia and the FSU features now also counterfeit cigarettes from China. Finland's contribution to the 2009 OCTA. In the Netherlands already over 90 per cent of confiscated cigarettes are counterfeits most probably originating from China. The Netherlands' contribution to the 2009 OCTA. The economic downturn will most probably increase the market for cheap counterfeit products. Ireland's contribution to the 2009 OCTA.
 - 4 Greece's and Italy's contribution to the 2009 OCTA.



The South West criminal hub is traditionally formed around the Iberian Peninsula and its role as a south-west gateway into the EU. West and North West Africa as well as other parts of the continent have emerged as significant feeders either for the South West criminal hub or, increasingly, directly to the important markets and distribution centres in the Netherlands, France and elsewhere. The impact of the hub is felt especially in the criminal markets of cocaine,

cannabis products, trafficking in human beings and illegal immigration. Accordingly, Spain remains an important primary distribution centre for certain parts of the EU in these criminal markets.¹

West Africa has a strategically significant position in the logistical chain between South America, the source of cocaine and the EU, one of the major destination markets. This is in turn consolidated by an increasing flow of legal goods between West Africa and the EU², the establishment of important drug trafficking groups in West Africa³ as well as transactions between the Colombian OC groups, the main suppliers of cocaine, and West African OC groups who are also involved in final distribution in the EU.⁴ In addition to this West Africa has a role to play as a transit area for trafficking of heroin into the EU.⁵

- 1 Belgium's, Bulgaria's, Hungary's, Latvia's, Lithuania's, the Netherlands', Sweden's and the UK's contributions to the 2009 OCTA.
- 2 The Netherlands' contribution to the 2009 OCTA.
- 3 The UK's contribution to the 2009 OCTA. Colombian OC groups are established in West and Central Africa and other strategically important points of the trafficking route. Italy's contribution to the 2009 OCTA. Many French OC groups involved in cocaine trafficking are established in West Africa. France's contribution to the 2009 OCTA.
- 4 The UK's, Colombia's and AWF Cola's contributions to the 2009 OCTA.
- 5 France's contribution to the 2009 OCTA.

There are increasing indications that Colombian cartels are using West and Central Africa not only for trans-shipment of cocaine but also for its processing and trading. Furthermore, certain synthetic drug precursors (ephedrine and pseudoephedrine) originating from Asia are increasingly re-routed through central African countries to Mexico, where Mexican drug syndicates produce methamphetamine especially for the US market.¹ The reported widespread corruption and inability of local law enforcement to tackle the drug trade, let alone identify and prevent precursors for the processing of cocaine and synthetic drugs from passing through or to the region², suggest that the abuse of West and Central Africa in the international drug business will both increase, expand (comprise new countries) and deepen (not only storage and transit but also processing, trading and/or production). The decreasing margin for coca cultivation in Colombia and South America also points towards this development.³

The possible criminal infiltration within Chinese communities in central parts of Africa can further facilitate the links between Africa and the trade in methamphetamine: China is a main source of precursors for the production of synthetic drugs in Europe⁴ but there are also indications of Chinese ethnic minority suspects being involved in ecstasy and amphetamine production in the Netherlands⁵, as well as reported large-scale production of synthetic drugs in China.⁶ It can be suggested that Chinese criminals can increasingly exploit Africa in the criminal market of synthetic drugs, but also in relation to counterfeit goods.

The traditional route for importing cannabis products from Morocco, part of the North African feeder, to the EU and especially to the primary distribution centre in Spain is now alternatively, or together with cannabis, used for the trafficking of cocaine from West Africa to the EU.⁷

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- 1 France's contribution to the 2009 OCTA; "2008 World Drug Report", United National Office on Drugs and Crime (UNODC), June 2008; and "West, central Africa seen facing new drugs war front", 27 October 2008, Reuters.
 - 2 Cf. "Cocaine: the African connection Latin American drug barons find havens across the Atlantic to send their cocaine to Europe", 04 December 2008, The Daily Telegraph.
 - 3 The Netherlands' contribution to the 2009 OCTA; and "Cocaine: the African connection Latin American drug barons find havens across the Atlantic to send their cocaine to Europe", 04 December 2008, The Daily Telegraph.
 - 4 Belgium's, Ireland's, Italy's, the Netherlands', the UK's and AWF Synergy's contributions to the 2009 OCTA.
 - 5 The Netherlands' and AWF Synergy's contribution to the 2009 OCTA.
 - 6 Italy's and Turkey's contributions to the 2009 OCTA; and "2008 World Drug Report", United National Office on Drugs and Crime (UNODC), June 2008. See also AWF Synergy's contribution to the 2009 OCTA.
 - 7 France's and the Netherlands' contributions to the 2009 OCTA.

Furthermore, the Southern and South West criminal hubs are both influenced by the re-activation of a smuggling route passing through Libya and Algeria to Spain, Malta and Italy. Libya and Tripoli in particular acts as a feeder for the above-mentioned EU criminal hubs. Criminal organisations based in the country are involved in the facilitation of illegal immigration and trafficking of human beings¹ across the Mediterranean, and recently the use of the route has diversified to include the smuggling of cocaine² and even heroin³ into the EU.

3.2 The interchange between the criminal hubs

The factors affecting the development of the criminal hubs in the EU are mainly the changing patterns of supply and demand in the EU as well as in the neighbouring regions. The North East criminal hub for example is supplied by the Russian Federation, Belarus and the Ukraine, from or through which almost any commodity can be sourced. The most competitive OC groups such as the Lithuanian ones have their finger on the pulse of the criminal markets and can quickly adapt to new products that are in demand and, on the other hand, discard criminal markets which are declining.

A good example is the market for cocaine, which is contracting in the US but growing in the EU and the Russian Federation/the FSU. This may mean that the processing of cocaine will in the future be moved closer to these markets which in turn can suggest the growing importance of Africa not only as a transit zone but increasingly also as the trading and processing centre for this drug of choice.

The role occupied by the Lithuanian OC groups in the North East criminal hub is in certain senses similar to the role of the Turkish OC groups further south and especially in the South East criminal hub. Turkey's role as a major feeder for the EU is further supporting the key role of these groups. An additional factor is the market for synthetic drugs in the Near and Middle East for which the Turkish groups are an important supplier. Synthetic drugs may be produced in the region or due to its proximity facilitated by Bulgarian experts, or the drugs may be smuggled from Western Europe and possibly exchanged by Turkish groups for heroin. The Turkish groups are using Romania and Bulgaria as entry points for heroin into the EU⁴, and are co-operating with ethnic Albanian and Serbian groups who often handle at least certain parts of the final distribution starting from Albania and the Kosovo region and proceeding via Austria into Western Europe.⁵

1 Italy's, the UK's, Frontex's and Europol's Crimes Against Persons Unit's contributions to the 2009 OCTA.

2 Belgium's, Malta's and AWF Cola's contributions to the 2009 OCTA.

3 Malta's contribution to the 2009 OCTA.

4 Bulgaria's, Romania's, Malta's and Turkey's contributions to the 2009 OCTA.

5 Austria's and Germany's contributions to the 2009 OCTA.

As a recent development Colombian cocaine cartels are establishing contacts with Turkey through their foothold in Western Africa.¹ Consequent co-operation patterns between Colombian, West African and Turkish OC groups would further support the strategic position of the last of these as a connector between the various (drug) markets and the relevant criminal players.

Certain Italian groups often maintain a low profile but in reality influence many criminal markets in the Southern criminal hub, the EU and beyond, either independently or through co-operation with other OC groups. Their direct contact with Colombian criminal syndicates as well as the Spanish, French and Portuguese OC groups ensure them a powerful role in the cocaine trade. The role of the Italian OC groups in this market enables them to source the commodity directly and to use and collaborate with other groups for further distribution in the EU.²

West African and Nigerian OC groups in particular are expanding their activities in the EU. They have established themselves in the logistical chain of cocaine trafficked from South America through West Africa to the EU.³ They have also obtained important final distribution roles in relation to cocaine and cannabis products across all EU regions (for example in Finland, Ireland, Portugal, Luxembourg, Bulgaria and Germany).⁴ Moreover, they are in many cases exclusively responsible for the trafficking of Nigerian victims for sexual exploitation.⁵

Moroccan OC groups are sustaining their position due to their ability to divert from and combine trafficking in cannabis products with trafficking in cocaine. The existing routes for the smuggling of cannabis products from North Africa mostly via Spain to the EU are also nowadays used for cocaine.⁶ Moroccan OC groups are also involved in trafficking in human beings for sexual exploitation, especially in the North West criminal hub⁷, and play an important role in facilitating heroin from the secondary distribution centre in the Netherlands to destination markets in the EU.⁸

1 Colombia's contribution to the 2009 OCTA.

2 France's, Italy's and Portugal's contributions to the 2009 OCTA.

3 The UK's and Colombia's contributions to the 2009 OCTA.

4 Bulgaria's, Finland's, Germany's, Ireland's, Luxembourg's and Portugal's contributions to the 2009 OCTA.

5 See for example France's, Ireland's, Italy's, the Netherlands' and the UK's contributions to the 2009 OCTA.

6 France's and the Netherlands' contributions to the 2009 OCTA.

7 Belgium's and the Netherlands' contributions to the 2009 OCTA.

8 The Netherlands' contribution to the 2009 OCTA.

The key role of Dutch OC groups is among others due to the links of its members to both Turkish and Moroccan OC groups (same ethnic background or other contacts). These links ensure access to the source of certain drugs (heroin, cannabis and also cocaine) and in turn strengthen the role of the Netherlands as a secondary distribution centre. Dutch, Moroccan and Turkish groups are together involved in the production and further distribution in the EU of synthetic drugs made in the Netherlands.¹

The EU is currently flooded by counterfeit goods and especially counterfeit cigarettes, mainly produced in China and elsewhere in the Far East. This may represent a tactic whereby black markets in smuggled and counterfeit cigarettes mainly from the Balkans and the FSU are aggressively challenged by the volume and low price of the current supply from China. This is facilitated by strict action applied by the EU Commission against legal producers whose products have been detected in the illegal markets.² At the moment Chinese counterfeit cigarettes are penetrating the EU markets, but to a different extent and at a separate pace. The North West and Southern criminal hubs are central to this development: in the Netherlands over 90 per cent of seized cigarettes are counterfeits of which the majority are of Chinese origin, and in Italy approximately half of confiscated cigarettes are counterfeits. The “edges” of the markets are only starting to feel the effect: in the Nordic countries black market cigarettes have traditionally been genuine but recently Chinese counterfeit cigarettes have also been introduced in these markets.³

While the dynamics of criminal markets may change relatively quickly, it is safe to suggest that the market in certain synthetic drugs in the Near and Middle East as well as in certain parts of Africa is thriving.⁴ This will affect the functioning of the relevant EU criminal hubs: they are not only directing commodities to the EU but are also forwarding goods to opposite directions. OC groups from countries producing synthetic drugs (for example Turkey, Bulgaria and Serbia) as well as groups involved in trafficking drugs produced elsewhere (for instance in the Netherlands, Belgium, Poland and Lithuania⁵) will grow in importance. This development will underline the impact of groups such as the Turkish OC groups⁶ who can source certain drugs and commodities and, if necessary, exchange them for others.

1 The Netherlands' contribution to the 2009 OCTA.

2 AWF Smoke's contribution to the 2009 OCTA.

3 Finland's, Italy's and the Netherlands' contributions to the 2009 OCTA.

4 AWF Synergy's contribution to the 2009 OCTA; and “2008 World Drug Report”, United National Office on Drugs and Crime (UNODC), June 2008.

5 Belgium's, France's, Ireland's, Italy's, the Netherlands' and Sweden's contributions to the 2009 OCTA.

6 Bulgaria's and FYROM's contributions to the 2009 OCTA.

Another issue impacting across the hubs is the increased domestic cultivation of skunk, a high potency form of cannabis, in various EU MS and beyond. Cannabis factories or nurseries have been known to employ Vietnamese or Chinese “gardeners” who may be illegal immigrants paying off their debts to their facilitators, or victims of trafficking in human beings for forced labour.¹ Vietnamese and Chinese criminal groups are involved in the cannabis cultivation, but based on indications of plant cutters from Eastern Europe being exploited at cannabis factories it is probable that criminal groups from these countries are also active in the cultivation business.² Domestic cultivation moves the production of the merchandise much closer to the final markets and removes arguably the riskiest part of drug trafficking, namely the crossing of national borders. It can also influence prices in the market of cannabis products and change consumption patterns away from the mainly Moroccan-produced hashish towards more readily available domestically cultivated skunk.³

OC can efficiently exploit societal changes. Due to demographic and other social changes the ageing EU societies will be in dire need for new work forces in various areas which require hard manual labour and are not attractive to their own population. This can affect the patterns of trafficking in human beings: while the trafficking of women for sexual exploitation remains stable there are alarming indications of trafficking for forced labour, ranging from construction and asphalt work to begging and labour in illegal sectors such as drug production.⁴ This enables OC groups to supplement certain lagging criminal sectors by creating new ones to satisfy the changing requirements of modern EU societies.

1 Ireland's and the UK's contributions to the 2009 OCTA.

2 There are indications that plant cutters from Romania, Bulgaria and Poland will be used as work force in the cannabis plants. The Netherlands' contribution to the 2009 OCTA.

3 For example, cannabis resin has historically been the most common type of cannabis used in the UK, but law enforcement and open source reporting indicates that skunk is now most widely used in England and Wales. The UK's contribution to the 2009 OCTA.

4 The Czech Republic's, the Netherlands', Poland's, Romania's, Sweden's, Croatia's, FYROM's and Norway's contributions to the 2009 OCTA.

A future challenge for the assessment of the threat posed by OC is the study of the feeders. These areas, whether active forwarders of various commodities or just transit zones passively used and abused for the flow of illegal goods into the EU, play a key part in the overall patterns and dynamics of the EU criminal hubs. Without the influence of these feeders the EU hubs would not exist where they currently are, nor would they function the way they presently do. While the role of Central America/the Caribbean as a transit zone or feeder seems to be slightly decreasing, the importance of West and North Africa as well as Africa in general is in this respect subject to further growth. Turkey, the Balkans, North and central parts of Africa, certain parts of the Russian Federation (especially the port of St. Petersburg and Kaliningrad), Ukraine, Belarus, Dubai and possibly also Moldova have an impact on the EU without which the understanding of the EU criminal hubs is not complete.

4 OC Groups: Typology and General Assessment

4.1 OC Group typology

In this OCTA typology (see INSERT 2), OCGs are classified on the basis of the geographic location of their strategic centre of interest and their capability and intention:

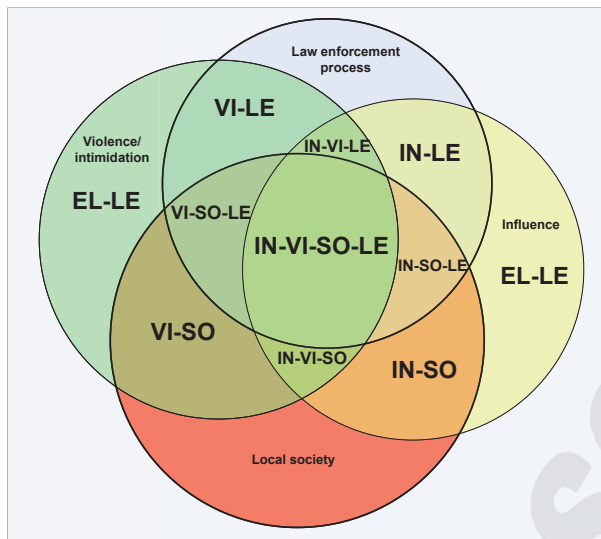
- To use systematic violence or intimidation against local societies to ensure non-occasional compliance or avoid interferences (named VI-SO strategy);
- To interfere with law enforcement and judicial processes by means of corruptive influence (named IN-LE strategy) or violence/intimidation (named VI-LE strategy);
- To influence societies and economies (named IN-SO strategy);

When an OCG does not rely on any of the above mentioned behaviours and focuses on eluding law enforcement attention, it is considered as having an EL-LE profile.¹

1 The rationale determining the names given to the different typologies, which are substituting the Greek alphabet letters used in the projectual phase of the 2009 OCTA, is easy to identify: EL-LE stands for **EL**uding **Law** Enforcement and judicial processes; VI-SO stands for **VI**olence on **SO**ciety; IN-LE stands for **IN**fluence on **Law** Enforcement and judicial processes; VI-LE stands for **VI**olence on **Law** Enforcement and judicial processes; IN-SO stands for **IN**fluence on **SO**ciety.

There is no obvious and direct ranking among EL-LE, VI-SO, IN-LE, VI-LE and IN-SO OCGs, in terms of level of threat to the EU. The assessment of the threat will be based not only on the strategies adopted by OCGs (EL-LE, VI-SO, IN-LE, VI-LE or IN-SO) but also on the context in which they are applied (for example, in terms of opportunities that are exploited) with the aim of identifying situations impacting on all the EU or significant parts of it (the concept of criminal hub). Consequently, it is possible that within certain criminal hubs EL-LE OCGs emerge as crucial, while in other EU hubs VI-SO, IN-LE, VI-LE, IN-VI-LE, IN-SO or IN-VI-SO OCGs play the key role.

The following figure illustrates these concepts (see INSERT 2 for further explanations).



As expected, this typology is the outcome of the 2009 OCTA process and not the tool that was used to collect data (see INSERT 2).

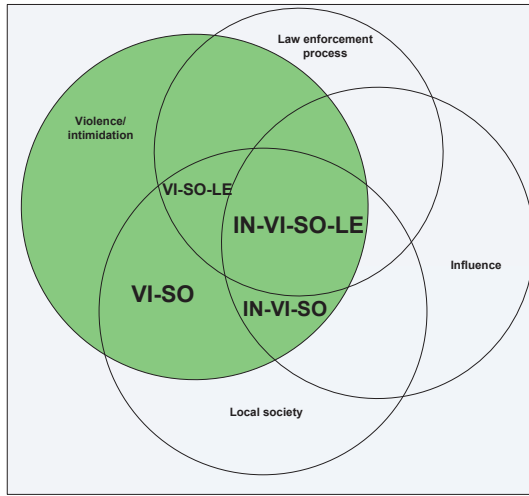
This obviously hinders the use of this new typology in the analysis of available intelligence. Drawing a comprehensive and clear-cut picture of distribution and dynamics concerning these conceptual types of OCGs will be possible when this typology is properly used in the data collection phase. This can be a medium-term objective to be reached within two to three years, in full co-operation with the

contributing MS.

Nevertheless, already during the 2009 OCTA process, efforts have been made to apply the typology to available intelligence. Such effort implied a certain amount of informed guesswork in filling gaps, in interpreting information provided by the MS and, consequently, in classifying OCGs. Nevertheless, such analysis has two important objectives:

- To confirm that this typology is well-grounded and has adequate explanatory power with reference to the whole EU OC environment.
- To exploit available intelligence as much as possible, in order to move, already with the 2009 OCTA, in the right direction in the establishment of EU priorities in this new context.

4.2 VI-SO strategy: Violence - Territory - Brand



OCGs struggle for profit, for power or for both. In this context, power means a capability to influence the behaviour of other persons and societal groups, be those potential or actual competitors or people not pertaining to the criminal environment. Power is vital for durability.

Systematic violence to ensure non-occasional compliance and avoid interferences can be a crucial variable in this equation. It can arouse law enforcement attention, but certain OCGs are prepared to face this.

Some of these OCGs are even able to turn this visibility into a positive factor for their durability because visibility can also facilitate intimidation against local populations. This intimidation expands the body of potential victims and creates clear hindrances for law enforcement and for the judicial process.

As a side-effect, high visibility prompts law enforcement action. This risk of over-exposure is lowered by means of the OCG brand-name. Thanks to the latter, visibility and intimidation are referable to an abstract entity – the OCG as a whole – and not to individual criminals. For these OCGs, their brand-name becomes both the engine of their criminal activities and an effective shield against prosecution.

Enforced authority over territory is essential for the identity and survival of these OCGs. Such a situation can generate clashes with other OCGs for maintaining or expanding territorial control.

In some cases, such developments might bring about another perverse effect: to a certain extent, a local population might feel that this criminal presence has some advantages, because several other criminal phenomena do not occur in the territory controlled by the OCG.¹

When criminals are OMCG members, there are examples of such strategy based on violence - territory - brand. Their activities are reported by Denmark², Finland³, Sweden⁴, Germany⁵ and France⁶. But they are not the only examples.

Instances that may fit with this scheme are also reported, for example, by Ireland⁷, the UK⁸, and Italy⁹. The latter, in particular, is plagued by OCGs that are referred to with brand-names that are known all over the world.

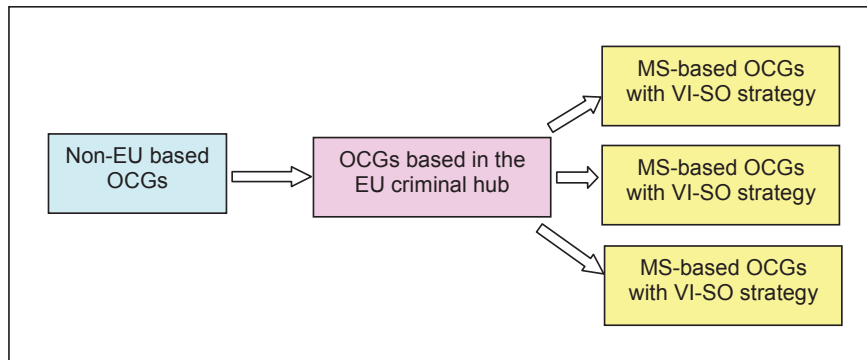
The threat from this phenomenon is made worse by the fact that it can serve to channel in the wrong direction people who feel alienated from mainstream society. It has been noted that some OMC gangs active in France are starting to accept members of North African origin¹⁰. This can give OCGs with OMCG members a new and significant growth potential.

Within this context, an even worse alternative is that concepts such as ethnicity or origin can be distorted and exploited by dangerous criminals in the process of building the above mentioned OCGs' identities and brand-names, at least in the initial phases of such a process. This development seems to emerge in some MS, such as Denmark¹¹, Sweden¹², France¹³, the UK¹⁴ and Italy¹⁵. When these OCGs are mainly based on a certain ethnicity or origin, they can also be facilitated in establishing contacts for certain criminal activities, such as drugs trafficking¹⁶. It should be noted that this phenomenon is strictly inter-linked with the more general one – discussed later – of OCGs trying to impose themselves as points of reference for specific, more vulnerable, communities.

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- ¹ Denmark's contribution to the 2009 OCTA.
 - ² Denmark's contribution to the 2009 OCTA.
 - ³ Finland's contribution to the 2009 OCTA.
 - ⁴ Sweden's contribution to the 2009 OCTA.
 - ⁵ Denmark's and Germany's contributions to the 2009 OCTA.
 - ⁶ France's contribution to the 2009 OCTA.
 - ⁷ Ireland's contribution to the 2009 OCTA.
 - ⁸ The UK's contribution to the 2009 OCTA.
 - ⁹ Italy's contribution to the 2009 OCTA.
 - ¹⁰ France's contribution to the 2009 OCTA.
 - ¹¹ Denmark's contribution to the 2009 OCTA.
 - ¹² Sweden's contribution to the 2009 OCTA.
 - ¹³ France's contribution to the 2009 OCTA.
 - ¹⁴ The UK's contribution to the 2009 OCTA.
 - ¹⁵ Italy's contribution to the 2009 OCTA.
 - ¹⁶ The Netherlands' and Sweden's contributions to the 2009 OCTA.

Even if the global picture is not clear, OCGs adopting this VI-SO strategy seem to have a tendency to couple it with another strategy, be it the VI-LE¹, IN-LE² or IN-SO³ one.

Concerning future developments, these OCGs have a significant potential for growth⁴. The role played by the EU criminal hubs facilitates this. The hubs increase the importance of controlling the destination markets. OCGs no longer need to engage in laboriously building up complex supply networks from other continents, because illicit goods are already concentrated within the hubs⁵. This is an example of how the EU criminal hubs may shape the OC environment not only from the perspective of criminal activities but also from that of OCG types.



The above mentioned growth potential is also due to the fact that a brand-name can be franchised to other criminals, so increasing the power of the overall network and extending its territory⁶. At the same time, the OCG accepting affiliation to the matrix criminal organisation increases its criminal potential. For example, claiming affiliation to the Triads increases the capability of a Chinese OCG based in the UK to intimidate and exploit Chinese migrants⁷. In general, criminals linked to OMC gangs also tend to follow this pattern. It is a win-win situation that may steer future OC developments in the EU.

¹ Denmark's, Finland's, France's, Ireland's and Sweden's contributions to the 2009 OCTA.

² Ireland's and the UK's contributions to the 2009 OCTA.

³ Italy's contribution to the 2009 OCTA.

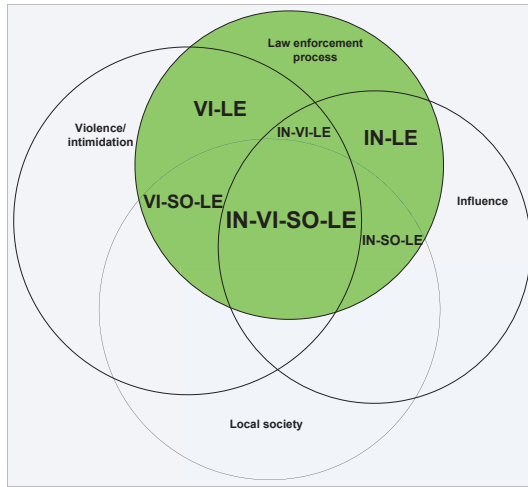
⁴ Finland's, France's and Sweden's contributions to the 2009 OCTA.

⁵ 2007 OCTA.

⁶ The UK's contribution to the 2009 OCTA.

⁷ The UK's contribution to the 2009 OCTA.

4.3 IN-LE and VI-LE strategies: manipulating the law enforcement process



These strategies consist in interfering significantly with law enforcement or the judicial process. It can be accomplished through violence (VI-LE) or corruptive influence (IN-LE).

VI-LE behaviour takes place when violence is used against witnesses or victims not pertaining to the criminal environment after they have reported crimes to law enforcement agencies¹. This behaviour shows a higher level of confidence than cases where the OCG tries to prevent victims or witness from contacting police authorities. OCGs adopting the VI-SO strategy previously illustrated are exceptions to this

remark; the reluctance of witnesses or victims to report crimes is not solely the outcome of specific acts of violence or threats (as it is in the VI-LE case), but is linked to a general reputation for intimidation held by an OCG in a local population.

¹ Denmark's, Finland's, Germany's, Hungary's, Ireland's, Latvia's, Lithuania's, Poland's, Portugal's, Romania's, Slovakia's, Sweden's, the UK's and The Netherlands' contributions to the 2009 OCTA. See also Belgium's contribution to the 2009 OCTA. In many cases, it is not clear whether violence or threats were exerted to prevent witnesses from contacting LEA (EL-LE strategy) or during the law enforcement and judicial process when they have already been identified as witnesses (VI-LE strategy).

VI-LE strategy also consists in aggressive behaviour against law enforcement or judiciary personnel¹. There are indications suggesting that such behaviour tends to combine with a VI-SO strategy² or the above mentioned actions against witnesses or jurors³. A peculiar aggressive behaviour is mentioned: accusations against law enforcement personnel⁴. While violence or threats are alarming indicators but are possibilities for which law enforcement should be prepared, this offensive strategy can be even more threatening. This is because, if it is not addressed properly, it may cause distrust, lower morale, and engender a perception of lack of support, thereby having a heavy negative impact on the effectiveness of law enforcement agencies.

IN-LE behaviour consists in focussing on the use of middle level corruptive influence against law enforcement to avoid detection or any low or middle level corruptive influence to hinder an ongoing law enforcement or judicial process⁵. In some cases there are indications suggesting a combination of IN-LE and VI-LE strategies (IN-VI-LE strategies)⁶.

¹ Belgium's, Denmark's, Finland's, France's, Germany's, Ireland's, Lithuania's, Poland's, Slovenia's, Spain's, Sweden's and the UK's contributions to the 2009 OCTA.

² See for example in Denmark's, Finland's, France's, Ireland's and Sweden's contributions to the 2009 OCTA.

³ Denmark's, Finland's, Ireland's, Lithuania's, Poland's, Sweden's and the UK's contributions to the 2009 OCTA.

⁴ Belgium's, Ireland's, Lithuania's, The Netherlands' and Slovenia's contributions to the 2009 OCTA.

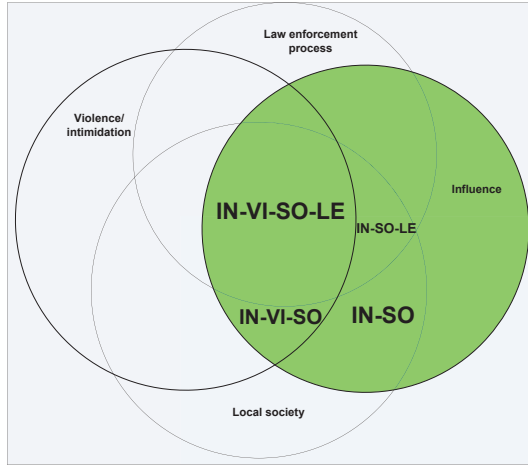
⁵ Czech Republic's, Germany's, Hungary's, Latvia's, Lithuania's, Poland's, Portugal's, Slovakia's and the UK's contribution to the 2009 OCTA.

⁶ Hungary's, Latvia's, Lithuania's, Poland's, Portugal's, Slovakia's contributions to the 2009 OCTA. To be noticed, that in many cases, it is not clear whether violence or threats were exerted to prevent witnesses from contacting LEA (EL-LE strategy) or during the law enforcement and judicial process when they have already been identified as witnesses (VI-LE strategy).

The number of combinations grows if cases with even fainter indications concerning a IN-LE strategy are added, because, for example, generic references to corruption within law enforcement are reported without any specification concerning the level.

There are more indications of a tendency to combine IN-LE and IN-SO behaviours.

4.4 IN-SO strategy: local influence



Influence is the defining factor of the IN-SO profile. It refers to the impact that the OCG can have on the lives of a significant number of people not pertaining to the criminal environment.

OCGs with an IN-SO profile generate widespread effects on local populations by using corruptive influence on high level representatives of national or local Public Institutions, or by infiltrating public expenditure mechanisms or other public decision making processes of general interest¹.

In several cases, there are indications suggesting that IN-SO behaviours may have been combined with IN-LE or both IN-LE and VI-LE behaviours². In some instances, it has been observed that LBS used by the OCGs were having some influence on the general market³.

There are OCGs that are capable of adopting both IN-SO and VI-SO strategies. Some OCGs at the root of the Southern criminal hub are examples of such significant threat. In these cases, the portfolio of LBS controlled by the OCGs also has an impact on local societies and economies⁴.

Hints suggesting the presence of OCGs with an IN-SO profile are reported in many MS, so they can be considered an EU-wide threat.

¹ Czech Republic's, France's, Hungary's, Italy's, Latvia's, Lithuania's, Poland's, Romania's, Slovakia's, Spain's and Sweden's contributions to the 2009 OCTA.

² Czech Republic's, Hungary's, Latvia's, Lithuania's, Poland's and Slovakia's contributions to the 2009 OCTA.

³ Hungary's, Latvia's and Poland's contributions to the 2009 OCTA.

⁴ Italy's contribution to the 2009 OCTA.

Gathering intelligence concerning the use of corruption or infiltration in local societies and economies in third countries is more difficult for EU law enforcement agencies. The available information usually does not allow for a clear identification of the strategies adopted outside the EU by OCGs. Sometimes, only events that might be interpreted as indicators of the use of corruptive influence by OCGs, such as difficulties in international co-operation, deficiencies in law enforcement, poor administration, etc., can be observed. In other cases, the use of corruption in the EU is interpreted as an indicator of even higher levels of corruption outside the EU. In general, lack of information and possible misinterpretation are serious obstacles to a clear appreciation of this issue.

Bearing in mind the above mentioned hindrances to accurate assessments of this issue, there is some suggestion of the adoption of IN-SO strategies by OC based outside the EU¹.

4.5 IN-SO strategy: playing the intermediary role

Influence that is implied by the existence of IN-SO strategy may be confined to specific communities that are not integrated with the surrounding society. These persons are more vulnerable to OC, and this is something on which OC capitalises.

Criminals may try to ascend to the role of points of reference for these non-integrated communities, exerting pressure or providing them with what they desperately need. Such activities can easily bring about exploitative situations or, in any case, a dangerous proximity to organised crime.

Indications of this kind of IN-SO strategy are reported, for example, with reference to immigrants from China. In Italy, Chinese organised crime tends to create small areas in urban districts in which fellow-nationals can be controlled both socially and economically. There is even intelligence concerning possible infiltrations in associations protecting immigrants². An interest in getting involved in the 'immigration advice' business has emerged also in the UK. There, criminals victimise fellow-nationals and also profit from offering criminal services, such as the transfer of migrants' remittances to China³. In France, where there is a significant Chinese community, Chinese criminals also focus on exploiting their fellow-nationals⁴.

¹ Denmark's, Finland's, Germany's, Greece's, Italy's, the Netherlands', Poland's, Portugal's, Spain's, the UK's contributions to the 2009 OCTA.

² Italy's contribution to the 2009 OCTA

³ The UK's contribution to the 2009 OCTA

⁴ France's contribution to the 2009 OCTA.

Repatriation of money is one of the above mentioned areas where a dangerous proximity can occur. In Italy Nigerian OCGs run commercial activities, such as the so-called “African market”, beauty parlours, phone centres, restaurants, discos and other meeting places. In particular, it is worth noting the double function of Internet points/phone centres that often also engage in money transfer activities. These represent both a meeting-point for fellow-nationals and a way to supervise and control remittances to Nigeria¹.

In general, intelligence suggesting possible criminal pressure on the Vietnamese² or other national³ communities is less clear than that concerning Chinese migrants.

Labour exploitation can be a factor contributing to this IN-SO strategy.

For example, in Greece, Pakistani criminals exert influence on the Pakistani immigrant community through control of the labour black market. In addition, they are able to recruit new members from this community⁴. In Greece, Kurdish criminals exert pressure over the Kurdish immigrant community⁵, a phenomenon also observed in Germany⁶.

Pakistani and Moroccan criminals are widely reported also by Spain in relation to labour exploitation of their fellow-nationals.⁷ Criminals engaged in facilitating and then illegally employing Pakistani migrants are mentioned also by the UK⁸. There is no reference to any influence on the local immigrant communities, but it is possible that dynamics similar to those apparent in Greece are or will be present also in Spain or the UK.

¹ Italy's contribution to the 2009 OCTA.

² Czech Republic's, France's, Hungary's, the UK's contributions to the 2009 OCTA.

³ Czech Republic's, France's, Latvia's, Slovakia's contributions to the 2009 OCTA.

⁴ Greece's contribution to the 2009 OCTA.

⁵ *Greece's contribution to the 2009 OCTA.*

⁶ Germany's contribution to the 2009 OCTA.

⁷ Spain's contribution to the 2009 OCTA.

⁸ The UK's contribution to the 2009 OCTA.

Other indications refer, for example, to Ukrainian workers in the Czech Republic¹ or Romanian migrants in Italy or Spain². For the latter it could be that the situation will evolve in a positive direction because they are EU citizens, and this should make them less vulnerable.

In general, the significant pool of illegal or non-integrated immigrants in the EU is fertile ground for the above mentioned dynamics. In this context, there is potential for the establishment of vicious cycles where non-integration and exploitation by organised crime feed each other.

It is difficult to distinguish the above mentioned phenomena from cases where marginalisation is already feeding into pre-existing or new OCGs adopting VI-SO strategies.³

However, non-integration, the spread of VI-SO criminal behaviours and these confined IN-SO strategies appear to be interlinked phenomena with significant impact on future OC scenarios in the EU. The mounting world economic crisis⁴ might favour these possible dynamics. It may prove an additional hindrance to social integration leading to an increase in the number of persons who feel alienated from mainstream society.

4.6 OCG types and destination markets in Northern Europe

Scandinavian countries represent an important destination market placed between the North-West and the North-East criminal hubs.

Easy supply of illicit goods may be one of the reasons for the important role played by VI-SO OCGs in these countries⁵. It is possible that when the ability to ensure difficult supplies is no longer crucial, success factors become increasingly linked to the control of territory. This can be achieved through a VI-SO strategy, which would also explain the aforementioned threatening phenomenon of the emergence of new VI-SO OCGs in some MS⁶.

¹ Czech Republic's contribution to the 2009 OCTA.

² Italy's and Spain's contributions to the 2009 OCTA. There is also some interesting information in the UK's contribution to the 2009 OCTA.

³ Please, see also chapter devoted to the VI-SO strategy.

⁴ Commission of the European Communities, "From financial crisis to recovery: A European framework for action", Brussels, 29 October 2008

⁵ Please, see chapter devoted to the VI-SO strategy.

⁶ Please, see chapter devoted to the VI-SO strategy.

The situation seems to be more complex with reference to another big destination market in proximity with a crucial criminal hub: the UK and Ireland.

There are indications suggesting the presence of OCGs with VI-SO or, at least, IN-LE or VI-LE strategies, based in the UK or Ireland¹. At the same time, there are also indications concerning a significant direct impact and established presence of other types of OCGs.

Criminals based in the UK and Ireland appear to be significantly active in the Western criminal hubs and beyond, leading to a situation where several OCGs can be considered as based both in another MS or third country and in the UK or Ireland. Logistical problems linked to supplies from the continent together with the economic potential of this market are possibly among the reasons for such a situation.

In particular, British and Irish criminals engaged in drug trafficking are active in and, at least partially, based in Spain or the Netherlands².

The heroin market in the UK is ultimately heavily impacted by OCGs based in Afghanistan and Pakistan³. Only 25 per cent of heroin is directly sourced from Pakistan, however, reaching the UK in smaller quantities by courier or fast parcel post⁴. Key suppliers are instead OCGs that are reported to split their strategic centre of interest between the UK and Turkey. Also the territories of the Republic of Cyprus over which the Government of the Republic of Cyprus does not exercise effective control are an important base for these OCGs⁵.

There are cases where OCGs based in Latin America establish networks in the Western part of the EU, including the UK, in order to facilitate onward cocaine sales⁶. These cases appear somewhat similar to the situation reported above concerning OCGs with multiple bases supplying the heroin market, even though, in general, the strategic centre of interest of OCGs supplying cocaine seems to remain in Latin America or West Africa.⁷

¹ The UK's and Ireland's contributions to the 2009 OCTA.

² Ireland's, the Netherlands', Spain's, Portugal's, The UK's contribution to the 2009 OCTA.

³ The UK's contribution to the 2009 OCTA.

⁴ The UK's contribution to the 2009 OCTA.

⁵ The UK's contribution to the 2009 OCTA.

⁶ Spain's and the UK's contributions to the 2009 OCTA.

⁷ The UK's contributions to the 2009 OCTA.

In this context - where the role of suppliers that are based, at least partially, outside the EU or in EU hubs is significant - the activity of OCGs specialised in money laundering emerges. They are based not only in the EU¹ but also in third countries. For example, some OCGs with leaders or activities located in countries such as Iran, Pakistan or the United Arab Emirates provide specialist services that are crucial to the repatriation of criminal proceeds to where the OCGs supplying heroin keep their strategic interests². Similar indications emerge also with reference to the Western criminal hubs.

4.7 OCGs types in the Eastern European criminal scenarios

For a significant proportion of the OCGs based in Romania, there are indications suggesting an IN-SO strategy with influence over the political or mass communication environments³. A similar hypothesis can be made concerning the adoption of IN-LE behaviours⁴.

IN-LE strategies seem to be crucial also with reference to the OC environment in the Slovak Republic. This use of corruptive influence does not appear to be limited to indigenous criminals, but appears also to involve criminals of other nationalities, such as Ukrainians for cigarette smuggling and others in relation to illegal immigration⁵.

There are indications suggesting the possibility that IN-SO strategies have been adopted by OCGs run by criminals with Albanian ethnicity or originating from the Caucasus region.⁶ With regard to the latter, racketeering is mentioned as one the criminal activities.

¹ Germany's and the UK's contributions to the 2009 OCTA.

² The UK's contribution to the 2009 OCTA.

³ Romania's contribution to the 2009 OCTA.

⁴ Romania's contribution to the 2009 OCTA.

⁵ Slovakia's contribution to the 2009 OCTA.

⁶ Slovakia's contribution to the 2009 OCTA.

In the Czech Republic, many OCGs seem to choose an EL-LE strategy, but for an equally significant part there are indications of possible IN-LE behaviours¹. The latter may be adopted also by criminals with non-EU origins, such as Vietnam or Ukraine in relation to migrants' illegal stay and labour exploitation,² or the Kosovo region for heroin trafficking by ethnic Albanian criminals³. Concerning the IN-SO profile there are indications referring to OCGs composed of indigenous criminals and, in one case, of Chechen members⁴. This appears to combine with IN-LE behaviours.

Signs of threatening pressures applied by criminals to local immigrant communities are also reported, in some cases in combination with the above mentioned IN-LE behaviours⁵.

In Hungary also, many OCGs appear to choose an EL-LE strategy. For the majority of the remainder, there are indications suggesting possible IN-SO behaviours⁶, also combined with IN-LE⁷ or VI-SO⁸ indications. One of these possible IN-SO OCGs is led by Russian and Chechen criminals.

Of note, there are indications suggesting possible VI-SO strategy used by several OCGs reported by Hungary⁹.

¹ Czech Republic's contribution to the 2009 OCTA. For some of the OCGs mentioned in the Czech contribution there is no specification that they targeted law enforcement middle level, so the assessment concerning their strategy is more difficult. Anyway, in case the indication that they use corruptive influence against law enforcement without further details is taken as a hint of IN-LE strategy.

² Czech Republic's contribution to the 2009 OCTA. See also chapter devoted to 'IN-SO strategy: playing the intermediary role'.

³ Czech Republic's contribution to the 2009 OCTA.

⁴ Czech Republic's contribution to the 2009 OCTA. For one of the reported OCGs there are no explicit references to use of corruptive influence against high levels or influence on important public decision making processes. Nevertheless, the content of the information seems to suggest this capability.

⁵ Czech Republic's contribution to the 2009 OCTA.

⁶ Hungary's contribution to the 2009 OCTA.

⁷ Hungary's contribution to the 2009 OCTA.

⁸ Hungary's contribution to the 2009 OCTA.

⁹ Hungary's contribution to the 2009 OCTA.

Then, there are cases where 'defense' money is mentioned. It has been interpreted as 'racketeering'. The extent of such activity is unknown. If it goes beyond isolated cases, it would lead to classify these OCGs as adopting VI-SO strategies.

In Poland also, many OCGs seem to adopt an EL-LE strategy. In comparison with the above mentioned MS, indications of a possible VI-LE strategy (based on violence and not on corruptive influence) seem to emerge more often¹.

For a noticeable proportion of the OCGs there are indications suggesting IN-SO strategy², most of the time in combination with IN-LE³ or IN-VI-LE⁴ (IN-LE and VI-LE) behaviours.

All OCGs reported by Bulgaria appear to adopt an EL-LE strategy. This outlines a peculiar situation where no IN-LE, VI-LE, VI-SO or IN-SO OCGs are reported.

4.8 OCG types in the criminal hubs

Western criminal hubs

The dynamics of the South-West criminal hub revolve around a complex combination of non-EU based OCGs, and EL-LE or IN-SO OCGs based in the Iberian Peninsula. Some of these EL-LE OCGs can act as links with other criminal hubs. The latter can even be cells of different types of OCG based in other MS, such as IN-VI-SO OCGs based in Italy.

Concerning drug trafficking, OCGs based in South America or Africa are reported by Portugal as importing cocaine or hashish⁵. Criminals from Latin America or Morocco tend to associate with Spanish criminals,⁶ while OCGs made up of West African criminals seem to be less open in this sense⁷.

EL-LE OCGs based in Portugal also organise transportation from source countries through courier methods⁸. Portugal is also used as transit country by OCGs based, at least partially, in Spain⁹ or other European countries¹⁰, such as Italy and the UK.

¹ Poland's contribution to the 2009 OCTA.

² Poland's contribution to the 2009 OCTA.

³ Poland's contribution to the 2009 OCTA.

⁴ Poland's contribution to the 2009 OCTA.

⁵ The Netherlands' and Portugal's contributions to the 2009 OCTA.

⁶ Portugal's contribution to the 2009 OCTA.

⁷ Portugal's contribution to the 2009 OCTA.

⁸ Portugal's contribution to the 2009 OCTA.

⁹ Portugal's contribution to the 2009 OCTA.

¹⁰ Portugal's contribution to the 2009 OCTA.

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With reference to Spain, cocaine is supplied by OCGs based in South America¹, some of them also taking care of further distribution in Spain².

A significant role in this cocaine market is also played by EL-LE or IN-SO OCGs based in Spain and dominated by Spanish criminals with some South American members facilitating contact³ or by EL-LE OCGs based in Spain but mainly composed of South American criminals⁴.

The above mentioned IN-SO OCGs are reported to be in contact with OCGs based in other MS, such as The Netherlands, France and Italy, for further distribution.⁵ In addition, OCGs based in Italy, the UK and, in some cases, Greece are active in Spain for the purpose of obtaining supplies.⁶

It is interesting to note that, in analogy with the UK, for Spain also there are indications concerning the activity of OCGs based outside the EU, specialising in money laundering⁷. There are also cases of specialised OCGs based in The Netherlands⁸ or, at least partially, the UK⁹.

The situation concerning hashish trafficking – the other key engine of the South-West criminal hub – is similar. In this case, the prevailing non-Spanish nationality is Moroccan and the source country is Morocco¹⁰.

In general, it must be stressed that it is difficult to set the exact boundaries between a situation where, for example, criminals based in South America or Africa are loosely co-operating with criminals based in the Iberian Peninsula but are part of the same OCG, and a situation where criminals based in South America or Africa are closely co-operating with another OCG based in the Iberian Peninsula.¹¹

¹ Spain's contribution to the 2009 OCTA.

² Spain's contribution to the 2009 OCTA.

³ Spain's contribution to the 2009 OCTA.

⁴ Spain's contribution to the 2009 OCTA.

⁵ Spain's contribution to the 2009 OCTA.

⁶ Spain's contribution to the 2009 OCTA.

⁷ Spain's contribution to the 2009 OCTA.

⁸ Spain's contribution to the 2009 OCTA.

⁹ The UK's contribution to the 2009 OCTA.

¹⁰ Portugal's and Spain's contributions to the 2009 OCTA.

¹¹ Portugal's and Spain's contributions to the 2009 OCTA.

With reference to the North West criminal hub, in The Netherlands OCGs are often present in multiple illegal markets simultaneously. This is probably due to their role as crucial liaison points between the various criminal markets and as links in a series of transport routes, cash flows and people. Consistently a number of OCGs are active both in The Netherlands and in a neighbouring country. At the same time, OCGs which are active at the geographical cores of other EU hubs, such as Spain and Italy, are also active in The Netherlands.¹

With regard to money laundering, there are a relatively large number of OCGs operating in The Netherlands with suspects from outside the EU. Making reference to global amounts of suspicious transactions in 2007, Turkey, Surinam, Netherlands Antilles and the Dominican Republic are the main destination countries. Nevertheless, apart from a few exceptions, there were hardly any OCGs involved in money laundering who were based exclusively abroad while operating in The Netherlands. At the same time, money laundering was the sole primary activity for only 2 OCGs but was one of the primary activities for at least 10 per cent of all OCGs reported by The Netherlands.²

As already mentioned, there are several OCGs based in another MS and active in the South-West criminal hub in order to obtain supplies of illicit goods. Available information seems to point in the same direction with reference to the North-West hub³, so this may be identified as a peculiarity of both Western criminal hubs. In the Eastern and Southern criminal hubs the opposite mechanism applies: OCGs based in the hubs bring illicit provisions to OCGs based in the destination markets.

Ultimately, the Western criminal hubs mechanisms appear to be characterised by non-EU based OCGs interacting with EL-LE OCGs based in the geographical centre of the hub and, directly or through them, with OCGs based in other MS but active also in the geographical centre of the hub for the purpose of obtaining supplies.

This implies that the main OCGs in this scenario will keep a low profile and focus on their lucrative criminal businesses rather than engaging in a struggle for control of territory. Visibility is for them a matter of extreme concern.

As a corollary to this reasoning, sophisticated money laundering activities are vitally important. The more stringent anti-money laundering controls are, the more these services are needed to avoid visibility when re-investing their criminal profits. The above mentioned existence of OCGs specialising in this activity or having it among their primary activities supports this assessment.

¹ The Netherlands' contribution to the 2009 OCTA.

² The Netherlands' contribution to the 2009 OCTA.

³ Belgium's, Denmark's, Finland's, The Netherlands' and Sweden's contributions to the 2009 OCTA.

Please, see also chapter on OCGs types in the Northern Europe destination markets, with specific reference to the activism of British and Irish criminals.

These OCGs pose a double-sided threat. Firstly, they facilitate the growth of other OCGs - for example OCGs with or evolving towards VI-SO profiles - in the destination markets. Secondly, in the MS or third countries where they are based, they can silently evolve from an EL-LE to an IN-SO profile in cases where they are successful in re-investing their criminal proceeds.

Eastern criminal hubs

The North-East criminal hub is a two-way hub. Opportunism and dynamism are its key characteristics.

Basically all OCGs active in Lithuania, Latvia or Estonia are based there. The low magnetism of these destination markets combined with the structural and functional features of these OCGs are the likely reasons for this.

Furthermore, this is another example of how the Western criminal hubs can shape the illegal markets. There is no need for OCGs based outside the EU to build long logistical bridges to reach all potential markets. They can deliver in the Western hubs; then other OCGs based in the relevant destination markets or, as in this case, in other hubs will activate to take care of the next steps in the distribution chain.

OCGs based in Latvia or Estonia seem to play a role that is different but complementary to that played by OCGs based in Lithuania. These differences will also be reflected in the prevalent OCG types.

Many OCGs reported by Latvia seem to adopt an EL-LE strategy. Nevertheless, for a significant number of OCGs, there are indications suggesting IN-LE behaviours¹. These EL-LE or IN-LE OCGs seem to play a crucial intermediary role between the Russian and the EU OC environments, lessening the need for direct contact between the two.² Geographical position and the significant presence of Russian criminals in these OCGs may explain this role.

¹ Latvia's contribution to the 2009 OCTA. In some cases, the level achieved is not explicitly mentioned.

² Latvia's contribution to the 2009 OCTA.

When indications pointing to IN-SO strategies emerge, OCGs based in Latvia seem to have a more limited range of direct action towards western criminal markets, while criminals originating outside the EU tend to play important roles. Another interesting peculiarity of these OCGs is their impact on local economies¹.

As for Latvia, so also for OC based in Estonia is contact with Russian OC quite natural. Russian speaking criminals represent a significant part of Estonian OC². At least with reference to OCGs targeting other MS, a rising significance of EL-LE OCGs can also be inferred from an increasing shift from group-based to project-based activities and the loose nature of their structures³.

OC environment in Lithuania appears quite different. It is dominated by a number of multi-crime oriented clusters⁴, where suggestions concerning combinations⁵ of IN-SO⁶, IN-LE, VI-LE⁷, and VI-SO⁸ strategies regularly emerge.

Their role in the North-East hub dynamics seems to be crucial and based more on their capacity for criminal presence in the Western EU⁹. This capability also draws on their structural and functional profiles. Links with the Russian OC markets are crucial and can be facilitated by Latvian OC or go via the Kaliningrad region¹⁰.

The above mentioned hypotheses put the North-East criminal hub in an intermediate position between the Western hubs – that can be defined as ‘activity-based’ – and the Southern hub – that can be defined as more ‘OCG-based’.

¹ Latvia's contribution to the 2009 OCTA.

² Estonia's contribution to the 2009 OCTA.

³ Estonia's contribution to the 2009 OCTA.

⁴ Lithuania's contribution to the 2008 OCTA.

⁵ Lithuania's contribution to the 2008 OCTA.

⁶ Lithuania's contribution to the 2009 OCTA.

⁷ Lithuania's contribution to the 2009 OCTA.

⁸ The oriented cluster structure of most of the OCGs mentioned in the Lithuania's contribution to the 2008 OCTA is compatible with a sort of brand-name strategy. In the Lithuania's contribution to the 2009 OCTA, it is reported that, due to long term activity, some OCGs represent a strong example and this gives them the opportunity to recruit new persons. In the Lithuania's contribution to the 2008 OCTA, there are references to property extortion (also against Lithuanians residing in Spain).

Lithuania's contribution to the 2009 OCTA.

⁹ Lithuania's contribution to the 2009 OCTA.

¹⁰ Lithuania's contribution to the 2009 OCTA.

An understanding concerning the main types of OCGs in Romania or Bulgaria is crucial in interpreting the development of a possible South East hub.

As mentioned, a significant part of OCGs based in Romania may have enough potential to lead such development. The peculiar situation concerning Bulgaria, which reports only EL-LE OCGs, has been outlined above.

Nevertheless, this development may be hindered by the current setup of the criminal markets. For example, the heroin market is dominated by established OCGs that, in general, are not based in Romania or Bulgaria, and that rely on these countries merely as transit points where local OC may sometimes be involved, but only in marginal tasks; there are no significant signs of change in this respect.

In addition, Ukraine and destination markets surrounding the South-East hub probably do not have the same potential as Russia and the Scandinavian or North-West European markets.

5 Horizontal Organised Crime: Money Laundering

Money laundering (ML) is the common denominator of all organised criminal activities. It is the necessary interface between licit and illicit markets, through which profits generated by criminal activities are funnelled into the legitimate economic sector for business investments or for sustaining the lifestyle of OC groups' members.

As efficient ML techniques maximise the disposable share of illicit profits, OC groups tend to invest a great deal of energy and resources in developing varied ML methods, from the simple and primitive purchase of gold and luxury items¹ to multi-layered transnational schemes of extreme complexity and very difficult detection. Organised criminals know no limits in devising new techniques and in exploiting existing weaknesses, including the lack of scruples of some advisors, specialists and other professionals.²

¹ Belgium's, Finland's, Germany's, Hungary's, Ireland's, Italy's and Romania's contributions to the 2009 OCTA.

² Estonia's, Hungary's, Ireland's, Italy's, Luxembourg's, Poland's, Portugal's, Slovenia's, Sweden's and AWF Sustrans' contributions to the 2009 OCTA.

Of the three phases of ML (placement, layering and integration), placement is undoubtedly the most risky, as it marks the passage of crime profits from illicit to licit economy and requires all controls and security features of the latter to be overcome. Criminal proceeds inserted into the legitimate financial market in the placement phase are overwhelmingly in cash.

Cash is the main product from criminal activity. Cash is anonymous and, where anti money laundering regulations do not preclude it, cash is widely accepted, easily portable, convertible, concealable and preservable. It is the principal and ultimate bearer instrument. Payment in cash involves neither the identification nor accountability of the buyer. In a world where plastic (debit or credit card) trade transactions are increasingly and satisfactorily used, in order to better cover and make untraceable their illicit activities organised (and non-organised) criminals still resort to *non olens* cash. But there is a limit to the use that criminals can put to cash. They cannot make use of it in longer term strategies or extend the quality of their criminal lifestyle; nor can they improve their status in society or legitimise themselves with cash derived from criminal proceeds.

Anti-money laundering regulations have forced criminals to smuggle cash across several jurisdictions in order to place it securely in accessible facilities. OC groups use their international dimension to move cash to countries where they can more readily and easily manage it.¹ They attempt to influence on the banking sector or exploiting legal loopholes, insufficient or unapplied legislation or crime-friendly financial institutions. Alternatively, OC groups invest in cash-rich legitimate business (such as supermarkets, bars, restaurants, fashion outlets, IT and telephone outlets, travel agencies, amusement parks, fast foods, video rentals, car parks, and gambling clubs), subsequently camouflaging crime profits with and within the vast and constant flow of cash generated by these legitimate activities, and falsifying their accounting accordingly.²

¹ Belgium's, Lithuania's, Spain's, the UK's and AWF Sustrans' contributions to the 2009 OCTA.

² Belgium's, France's, Hungary's, Italy's, Latvia's, the UK's and Croatia's contributions to the 2009 OCTA.

Real estate and related activities, ranging from construction and restoration to property investment companies, real estate agencies and the purchase of immovables, are an economic domain habitually used for laundering money.¹ For example, OC groups employ controlled construction companies to restore acquired property – often no more than mere ruins – with crime-generated money. As soon as buildings or estates are reconstructed to perfect conditions they sell them, laundering the invested money and making a profit on it.² That modus operandi reflects an extremely profitable, double-layered ML technique. In facts, a significant amount of criminal proceeds can be used in the reconstruction phase, purchasing building material also on the black market and hiring irregular workers. Such behaviour shifts on others the burden of cash placement while splitting considerable amounts of illicit profits into small fragments that are far more difficult to detect. Then, the fully refurbished and often prestigious end product is sold on the real estate market for an allegedly legitimate and well-deserved profit.

In this framework, due consideration must be given to OC groups adopting an IN-SO strategy confined to non-integrated communities, which are brought to make use of both their criminal and non-criminal services.³ Among the former are – for example – underpaid, illicit labour; black market; illegal family reunification (with relatives to be mercilessly exploited once arrived); gambling; prostitution; drugs pushing and money remittances. Non-criminal services range from ethnic shops, bars and discos to phone centres. Phone centres are frequently used to run alternative remittance systems. That way, OC groups can get information on the financial conditions of members of their community, making it difficult to escape their control.

In all illicit services criminal cash is – by definition – the normal currency, running in a closed circuit totally separated from the legitimate market of the hosting MS. The isolation of that system is such that, theoretically, national currencies of the involved ethnicities, even shells, necklaces or baseball cards could be used to fuel that underground economy. However, the high profits generated by it require that OC groups develop refined placement skills to facilitate further laundering, should they wish to expand their activities beyond their community of reference. Increasing ML capability can therefore be a sign of a planned extension of interests, both criminal and geographical.

¹ Belgium's, Bulgaria's, Czech Republic's, Finland's, France's, Greece's, Hungary's, Italy's, Latvia's, Lithuania, the Netherlands', Poland's, Portugal's, Romania's, Slovenia's, Spain's, Sweden's, the UK's, FYROM's, Croatia's, the Russian Federation's and AWF Sustrans' contributions to the 2009 OCTA.

² Belgium's contribution to the 2009 OCTA.

³ See chapter 4.5 for examples and detailed references.

Domestic OC groups exerting an IN-SO or an IN-VI-SO strategy are facilitated in their ML activities by their penetration into the local political, economic and social fabric.¹ Direct or indirect influence on commercial or financial activities eases the placement phase, which can even be skipped when illegal gains are drawn from certain types of fraud or from rigged tenders. High proficiency in ML schemes further increases the influence of IN-SO or IN-VI-SO OC groups, allowing them to inextricably intertwine their licit and illicit activities, making the dismantlement of the OC group a source of potential economic and social crisis at a local level.

Among the OC groups most proficient in ML are those based within criminal hubs and pursuing an EL-LE strategy. There is good reason for this, namely that one of the characteristics of a criminal hub is that of receiving and distributing illicit goods. All foreign OC groups willing to draw commodities from these redistributors need to cut agreements with those domestic OC groups which control the hub. That ideal position allows domestic OC groups to keep a very low profile, as they can afford to be content with their “gatekeeper” role and live with the revenues that such a position brings. However, in order to keep their low profile and maintain their position, they need to be extremely skilful in reinvesting their profits, leaving the limelight and LEA’s attention to more aggressive or pervasive OC groups. Some OC groups reach such a high level of proficiency in ML that they make it their only criminal endeavour, serving other OC groups for a fee. Leaders or activities of these OC groups are located not only in the EU but also in third countries such as Iran, Pakistan and the United Arab Emirates.²

OC groups owing their high-level ML capability to their influence on the financial sector have the potential to escalate to an IN-SO strategy.

¹ See chapter 4.4 for examples and detailed references.

² The UK’s and Germany’s contributions to the 2009 OCTA.

6 Relevant side issues: two instances

6.1 OC and West Africa: Threat Assessment

Introduction

West Africa is considered to be highly influential in relation to the OC situation in the EU. Morocco is a major source of **cannabis** for the EU consumer markets.¹ While **cocaine** enters Europe by a number of routes, trafficking via countries in West Africa has dramatically increased and West Africa now acts as a key transit zone, due to its strategic location between the cocaine producing countries and Europe the world's second largest cocaine market.² **Illegal immigration** is regarded as a significant and increasing problem, as countries in West Africa are not only points of origin, but also points of transit, for illegal immigrants from many regions outside West Africa destined for the EU.³ As regards **THB** for the purpose of sexual exploitation, Nigerian OCGs are instrumentally involved in the supply and coordination of markets across the EU.⁴

In this assessment, the concept of West Africa includes: Morocco, Western Sahara, Mauritania, Cape Verde, Senegal, Gambia, Guinea Bissau, Guinea Conakry, Sierra Leone, Liberia, Ivory Coast, Ghana, Benin, Togo, Nigeria and Cameroon. In analysing the OC threat in relation to this vast geographical expanse, two areas are identifiable as being distinct from one another in terms of the sets of OC activities affecting them.

¹ Denmark's, France's, Italy's, the Netherlands' and AWF Cola's contributions to the 2009 OCTA.

² The UK's, AWF Cola's and the EMCDDA's Cola's contributions to the 2009 OCTA.

³ Finland's, France's, Greece's, Ireland's, Italy's, the UK's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

⁴ Belgium's, Germany's, Ireland's, Italy's, Luxembourg's and the UK's contributions to the 2009 OCTA.

First, the area approximating **Morocco**, which maintains its influential role as a major source country for **cannabis**.¹ For **cocaine** trafficking, it principally acts as a transit zone between Sub-Saharan Africa and Europe.² As a transit zone in the trafficking of all kinds of illegal commodities to the Iberian Peninsula, this region has also been highlighted in relation to the trade in **precursors** and **counterfeit tobacco**.³ Morocco is also targeted as a distribution market for **counterfeit Euro** banknotes supplied by EU OCGs indigenous to the Southern criminal hub.⁴ **THB** from Morocco is primarily organised for the purpose of labour exploitation in the EU South West region.⁵

Second, the area approximating the **Gulf of Guinea**, which currently enjoys a highly influential role as a logistics centre for **cocaine** from South America destined for the European market.⁶ It also serves as a major source in supplying the EU regions with victims of **THB** for the purpose of sexual exploitation.⁷ **Indigenous OCGs** from this region, in particular of Nigerian origin, maintain a position of influence within the wider criminal landscape by interlinking OC activities in West Africa and Europe.⁸

Accordingly, this analysis explores these geographical areas as two separate entities; i.e., the area approximating **Morocco** as a **North West African (NWA)**, and the area approximating the **Gulf of Guinea** as a **West African (WA)**, nucleus of OC activity. This distinction is maintained in the analysis of **NWA OCGs** and **WA OCGs**; whereby the former category includes OCGs that originate from Morocco and Western Sahara and the latter includes OCGs that originate from the variety of countries along the coastline between Senegal and Cameroon. In analysing the involvement of other OCGs in relation to the West African OC situation, the concept of **EU OCGs** includes groups based in the MS that are dominated by members of Moroccan origin.

¹ Belgium's, Denmark's, France's, Ireland's, Italy's, the Netherlands' and AWF Cola's contributions to the 2009 OCTA.

² Belgium's, the Netherlands', the UK's, AWF Cola's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

³ France's, Portugal's, the Netherlands' and FYROM's contributions to the 2009 OCTA.

⁴ AWF Soya's contribution to the OCTRAWA.

⁵ Spain's and Europol's Crimes against Persons unit's contributions to the 2009 OCTA.

⁶ France's, the UK's, Colombia's and AWF Cola's contributions to the 2009 OCTA.

⁷ Belgium's, Germany's, Ireland's, Italy's, Luxembourg's and the UK's contributions to the 2009 OCTA.

⁸ Belgium's, Finland's, France's, the UK's, AWF Cola's, Europol's Crimes against Persons Unit's and FRONTEX's contributions to the 2009 OCTA.

Threat of Organised Crime Groups in relation to West Africa

West African Organised Crime OCGs (WA OCGs)

WA OCGs, often boasting Nigerian identities, are notably involved in trafficking and distributing **cocaine** in many MS and, in isolated instances, **cannabis** or **heroin**.¹ Concerning **heroin**, although these OCGs also manage imports into Europe, they are predominantly used for intra-EU trafficking.² Similarly, Ghanaian OCGs and criminals of Cameroonian, Nigerian and Senegalese origin are used in the distribution of **counterfeit Euro** banknotes supplied by indigenous OCGs from the EU Southern criminal hub.³ OCGs of predominantly Nigerian and, to a lesser extent, Ghanaian and Cameroonian origin are also notably involved in the smuggling of **illegal immigrants** and **THB** for sexual exploitation.⁴ In the area of **fraud**, particularly mass-marketing mail fraud, WA OCGs are operating on an international level, with huge profits and in the knowledge that penalties for fraud are far less severe than for most other forms of OC such as drug trafficking.⁵ In order to sustain and expand on their activities in the EU, WA OCGs have invested in legitimate business structures such as import/export companies, phone shops, internet cafés, carwashes, restaurants and hotels.⁶

In assessing the **future threat** that may be associated with **WA OCGs** based on the available information and continuation of current policing practices, it is expected that the growth of these OCGs' influence on the OC situation in the EU will continue in the medium term. The increasing investment of foreign OCGs in infrastructures for cocaine trafficking across the entire African continent and direct shipments from South America to the EU may result in a long term decline in the role of WA OCGs in that particular criminal market.⁷ However, in the medium term, as gatekeepers for exploiting vulnerabilities in the WA region, local OCGs are expected to sustain their role in international cocaine trafficking.⁸ Without a significant reduction in the vulnerability of legitimate systems in the West African countries, the long term threat of WA OCGs is expected to stem from the other OC activities they are engaged in and the systems they maintain for interlinking activities at home and within the EU.

¹ Austria's, Germany's and Luxembourg contributions to the 2009 OCTA.

² Austria's, Finland's, Italy's and Eurojust's contributions to the 2009 OCTA.

³ AWF Soya's contribution to the OCTRAWA 2009.

⁴ Finland's, France's, Italy's, FRONTEX's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

⁵ The UK's contribution to the 2009 OCTA and Europol's Financial Crime Unit's contributions to the OCTRAWA 2009.

⁶ Belgium's, Denmark's, France's and Italy's contributions to the 2009 OCTA.

⁷ Bulgaria's, Ireland's, the UK's and AWF Cola's contributions to the 2009 OCTA.

⁸ France's, Italy's and AWF Cola's contributions to the 2009 OCTA and Colombia's contributions to the OCTRAWA 2009.

To this effect, the four fundamental characteristics distinguishing WA OCGs are their:

- role as gatekeepers to legitimate systems in West Africa as a result of their local knowledge and by way of their capacity to exploit vulnerabilities, also exerting a corruptive influence;
- access to an informal remittance system that is being managed by Nigerian OCGs;
- use of an efficient transcontinental communication and info-exchange system; and,
- capacity to produce and gain access to a comprehensive selection of high-quality forged or fraudulently obtained genuine documents in West Africa and in the EU.¹

WA OCGs are crucial market coordinators in THB for sexual exploitation, due to their EU-wide networks for moving victims from one MS to another and for bringing in new victims from West Africa, depending on changes in demand.² Due to the nature of information sharing between WA OCGs and the quality of their false documents, they can continuously adapt to new policing practices, and exploit any weaknesses in the EU immigration systems for the facilitation of illegal immigration and THB.³ The most significant law enforcement challenge associated with WA OCGs relates to their propensity to create 'legends' of multiple identities, whereby the ability to fraudulently obtain genuine documents in West Africa hinders the effort to prove the legitimacy of an avowed identity.⁴ This capacity is exploited by WA OCGs in continuing to expand their criminal portfolios into all kinds of OC activities.

¹ Belgium's, Finland's, France's, the UK's, AWF Cola's, Europol's Crimes against Persons Unit's and FRONTEX's contributions to the 2009 OCTA.

² Greece's, Luxembourg's, the UK's, Norway's, Eurojust's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

³ Denmark's, and France's Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

⁴ Finland's, Ireland's, the UK's, Europol's Crimes against Persons Unit's and FRONTEX's contributions to the 2009 OCTA.

North West African Organised Crime OCGs (NWA OCGs)

NWA OCGs of mainly Moroccan origin control the production and wholesale supply of **cannabis** in Morocco.¹ In markets across the EU, NWA OCGs are also engaged in the trafficking and distribution of cannabis as shipment and market coordinators.² They share these roles with EU OCGs who tend to invite persons of Moroccan origin into their ranks to gain access to wholesale suppliers in Morocco.³ **Counterfeit Euro** banknotes produced by Italian OCGs from the EU Southern criminal hub are frequently seized in Morocco, and the role of Moroccan OCGs in their distribution is not proven but probable.⁴ In addition, NWA OCGs are involved in facilitating **illegal immigration**, **THB** and, in some instances, **cocaine** and **heroin** trafficking through the NWA region to the EU Western regions.⁵ In the EU South West region, they are also participating in **labour exploitation**.⁶ In the NWA region, the indigenous OCGs are supporting foreign OC groups to smuggle all kinds of illegal commodities into Europe; for instance, **counterfeit tobacco** and **precursors**.⁷

In assessing the **future threat** that may be ascribed to **NWA OCGs**, it is expected that these OCGs will not significantly progress beyond the roles they currently occupy as market coordinators for cannabis, and facilitators in illegal immigration and cocaine trafficking towards the EU Southern regions.⁸ In feeding the EU Western regions with cannabis, Moroccan OCGs demonstrate a high degree of organisation and know-how in maximising their profits by controlling many of the parameters that influence this process.⁹ However, in the majority of activities in which they are involved, they tend to be devoted to a single OC activity. for instance in THB for labour exploitation in the EU South West region, where NWA OCGs rely on local OCGs to carry out the actual exploitation of workers.¹⁰ In the NWA region, they are not able to act as gatekeepers to legitimate systems, due the fact that EU OCGs with members of NWA origin also exert corruptive influence directly in this region.¹¹ In addition, there are no indications that indigenous OCGs are planning to widen their portfolio of OC activities using those infrastructures set up to sustain their present criminal markets within the NWA region.

¹ Belgium's, Denmark's, France's and AWF Cola's contributions to the 2009 OCTA.

² Belgium's, Denmark's, Germany's and France's contributions to the 2009 OCTA.

³ Belgium's, Denmark's, Germany's and Spain's contributions to the 2009 OCTA.

⁴ AWF Soya's contribution to the OCTRAWA.

⁵ Italy's, Luxembourg's, FRONTEX's, AWF Cola's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

⁶ Spain's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

⁷ France's, the Netherlands' and Portugal's contributions to the 2009 OCTA.

⁸ France's and FRONTEX's contributions to the 2009 OCTA.

⁹ France's contribution to the 2009 OCTA.

¹⁰ France's, Spain's and FRONTEX's contributions to the 2009 OCTA.

¹¹ Denmark's, France's and Ireland's contributions to the 2009 OCTA.

European Union Organised Crime Groups (EU OCGs)

EU OCGs are increasingly active in purchasing cocaine in West Africa for importation into the EU.¹ OCGs mainly originating from the EU Western regions are also notably involved in the trafficking of **cannabis** and, in some cases, **heroin** from West Africa to the EU markets.² Throughout Europe, cooperation between EU OCGs and WA OCGs in **THB** for sexual exploitation is widespread.³ In the EU South West region, the indigenous EU OCGs cooperate with NWA OCGs in THB for the purpose of labour exploitation.⁴

In assessing the **future threat** that may be ascribed to **EU OCGs** in actively shaping the West African OC situation, it is expected that these OCGs will play a considerable role in influencing the future of cocaine trafficking via West Africa. In considering the increasing presence and investment in logistic bases across many countries in the WA region, it is apparent that EU OCGs have committed to using this region as a transit zone for cocaine trafficking in the medium term.⁵ With the gradual expansion into other countries across the entire African Continent and the limited investments in criminal infrastructures in the NWA region for the purpose of cocaine trafficking, EU OCGs are not expected to contribute to an increased role for the NWA region. And, while EU OCGs are directly exerting a corruptive influence in the area approximating Morocco, they primarily do so for the purpose of cannabis trafficking via the Iberian Peninsula; an activity in which they rely on local NWA OCGs to acquire and to store wholesale quantities of cannabis.⁶ In line with the development of the Balkan Route for trafficking cocaine from the WA region into the EU, the increasing involvement of EU OCGs from the South East criminal hub in this activity is also to be expected.⁷

¹ The UK's contribution to the 2009 OCTA.

² France's, Ireland's, the Netherlands' and the UK's contributions to the 2009 OCTA.

³ Italy's and Eurojust's contributions to the 2009 OCTA.

⁴ France's and Spain's contributions to the 2009 OCTA.

⁵ France and Ireland's contributions to the 2009 OCTA.

⁶ Denmark's and France's contributions to the 2009 OCTA.

⁷ Austria's, Bulgaria's and Estonia's contributions to the 2009 OCTA.

Other Organised Crime Groups (not of EU, North West African or West African origin)

In assessing the **future threat** that may be ascribed to **Latin American OCGs** in actively shaping the OC situation as regards West Africa, it is expected that these OCGs will maintain their dominant role in using West Africa as a transit zone for the trafficking of cocaine in the medium term. They control multi-ton shipments of cocaine from South America to the WA region that are destined for markets across Europe.¹ In addition to their investment in logistic bases to control cocaine trafficking and in legitimate business structures to conceal their OC activities in the WA region, Latin American OCGs are building relationships with indigenous OCGs that would enable them to recreate a similar situation in the NWA region.² However, with the variety of options available to Latin American OCGs due to their global cocaine trafficking networks, it is expected that the recent increase in policing efforts devoted to the Iberian Peninsula will contribute to sustaining the current role of the NWA region.³ To this effect, it is worth monitoring the development of clandestine cocaine processing facilities in the EU and the transportation of chemicals and equipment to countries in West Africa for the purpose of converting coca into cocaine.⁴

In addition, **Russian OCGs** are noted for their involvement in trafficking **cocaine** from the WA region to the EU and, in relation to transshipment via the NWA region, the involvement of **Chinese OCGs** in **precursors** trafficking, and of **Turkish OCGs** in **counterfeit tobacco** or **heroin** trafficking, have also been noted.⁵ However, more information is required on these OCGs, before it is possible to provide an assessment of their current role or the future threat they may pose.

¹ The UK's, Colombia's and AWF Cola's contributions to the 2009 OCTA.

² Italy's, the UK's and AWF Cola's contributions to the 2009 OCTA.

³ France's, the Netherlands' and AWF Cola's contributions to the 2009 OCTA.

⁴ AWF Cola's contribution to the 2009 OCTA.

⁵ The Netherlands', Sweden's and Turkey's contributions to the 2009 OCTA.

Conclusions: the threat of transit zones and criminal hubs in West Africa

In terms of the **emerging threats** associated with **cocaine** trafficking via West Africa, a noteworthy development is the use of the Balkan Route through the Black Sea to Romania and the Mediterranean Sea to ports in Slovenia, Croatia and Montenegro.¹ Trade liberalisation in the Balkan region, its geographical position in relation to Europe, and the presence of pre-established transnational OCG networks are strong facilitators in this development.² Smuggling via the Balkans has long since proven to be a low-risk route into the EU, Constanta harbour being a major gateway to the EU, also via the Rhine-Main-Danube corridor.³ Today, WA OCGs historically involved in trafficking heroin are using this route to feed EU markets with cocaine.⁴ Lithuanian, Bulgarian, Ukrainian and Russian OCGs have become engaged in the trafficking of cocaine from South America into the EU, and captains of large vessels from the Black Sea region are being recruited to traffic cocaine directly from South America.⁵ However, alliances between indigenous OCGs from the Balkans and Nigerian OCGs have also been formed for the purpose of trafficking cocaine from West Africa.⁶ In targeting the Balkan Route, OCGs can exploit existing networks in countries such as South Africa, Mozambique and Kenya for maritime shipments from the WA region through the Suez Canal, before heading towards the Black Sea.⁷ With countries in Central Africa also linked to cocaine smuggling, OCGs can use aircraft departing from the WA region via transit zones across the African continent en route to the EU Southern regions.

¹ Austria's, Slovenia's, Sweden's and AWF Cola's contributions to the 2009 OCTA.

² Bulgaria's and AWF Cola's contributions to the 2009 OCTA.

³ Sweden's contribution to the 2009 OCTA.

⁴ Austria's, Denmark's, Hungary's and Sweden's contributions to the 2009 OCTA.

⁵ Bulgaria's and AWF Cola's contributions to the 2009 OCTA.

⁶ Bulgaria's contribution to the 2009 OCTA and Colombia's contribution to the OCTRAWA 2009.

⁷ Colombia's contribution to the OCTRAWA 2009; and, the Netherlands' and the UK's contributions to the 2009 OCTA.

In terms of developments in *modus operandi* that warrant monitoring, the use of light aircraft for trafficking **cocaine** and observed increase in sophistication towards larger airframes and jet aircraft enables OCGs to target destinations across Europe via a series of refuelling points in Africa.¹ The use of light aircraft for intra-EU cocaine shipments and of airstrips throughout West Africa for refuelling and stockpiling en route to the EU has already been detected.² Light aircraft such as helicopters are also used in combination with 'go-fast' road convoys to smuggle **cannabis** into the EU Western regions from the NWA region.³ This activity is dominated by EU OCGs with members of Moroccan origin who serve as a bridge to wholesale suppliers and couriers.⁴

Another noteworthy development relates to the use of drug couriers. The global interconnectivity of passenger airlines affords OCGs a wide variety of routing options to directly target local markets throughout the EU.⁵ In exploiting this means, OCGs are using the method of Transit-Point-Stacking (TPS), in which they implement a flight plan consisting of multiple sequential flights in an effort to hide the initial origin of couriers.⁶ The problems associated with TPS are compounded by the fact that intestinal transport methods are increasing in sophistication; with packages that remain durable for 10-12 days and support quantities in excess of 1.5kg.⁷ OCGs are also moving considerable quantities of drugs in the so-called 'shotgun method', in which the attempt is made to overwhelm customs controls by having multiple couriers on a single flight; in one instance, 28 couriers were detected on the same flight.⁸ The OCGs involved in this activity are frequently using EU citizens as drug couriers,⁹ whilst the NWA region also represents an intermediary target for TPS between countries in the WA region and the EU.¹⁰ WA OCGs, particularly of Nigerian origin, are not only misusing the legitimate aviation industry to smuggle cocaine, but also victims of THB through commercial airports across the EU regions.¹¹

¹ The UK's and AWF Cola's contributions to the 2009 OCTA.

² The UK's and AWF Cola's contributions to the 2009 OCTA.

³ France's and Spain's contributions to the 2009 OCTA.

⁴ Belgium's, Denmark's and the Netherlands' contributions to the 2009 OCTA.

⁵ Austria's, Belgium's, Ireland's, Luxembourg's, AWF Cola's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

⁶ Belgium, Italy's and AWF Cola's contributions to the 2009 OCTA.

⁷ Estonia's contribution to the 2009 OCTA.

⁸ Italy's and AWF Cola's contributions to the 2009 OCTA.

⁹ Belgium's, Bulgaria's, Italy's and AWF Cola's contributions to the 2009 OCTA.

¹⁰ AWF Cola's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

¹¹ Austria's, France's, Ireland's, Luxembourg's, AWF Cola's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

A West African (WA) criminal hub

Today, the area approximating the Gulf of Guinea plays an important role as a transit zone for **cocaine**, a major source of victims of **THB** for sexual exploitation, and the origin of OCGs that have carved out a significant role for themselves within the EU's criminal landscape. For shipments to Europe via the WA region, countries along the entire coastline between Senegal and Cameroon act as consolidation points or centres for command and control.¹ Although bulk shipments from the WA region mostly enter through the EU South West criminal hub, cocaine is also arriving at destinations across the EU regions by sea and air.² To a lesser extent, Togo, Benin and Nigeria are used as transit points in the trafficking of **heroin**, and Ghana is a minor source of **cannabis** for the EU markets.³ Nigeria, Cameroon and Ghana are the main origins of **illegal immigrants** destined for Europe through the EU Southern regions and direct flights to airports across the EU.⁴ Nigeria is a key source country in **THB** for sexual exploitation throughout the EU regions and a coordination point for activities related to all kinds of **fraud**, such as mass-marketing mail fraud, for which countries in the EU Western regions are both target markets and rerouting centres for targets located outside Europe.⁵

¹ Belgium's, France's, the Netherlands', the UK's and AWF Cola's contributions to the 2009 OCTA.

² Austria's, Belgium's, Luxembourg's, Ireland's, the UK's, AWF Cola's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

³ France's and the Netherlands' contributions to the 2009 OCTA.

⁴ France's and the Netherlands' contributions to the 2009 OCTA.

⁵ The UK's contribution to the 2009 OCTA.

In assessing the **future threat** that may be ascribed to the **WA region**, it is expected that the activities of OCGs in the area approximating the Gulf of Guinea will result in the further formation of a **WA criminal hub**. In the medium term the key drivers are the recent developments in international **cocaine** trafficking, which have seen Central and West Africa steadily matching Spain and Portugal as transit areas for cocaine from South America.¹ As a result of the significant investment in relationships and the required infrastructure to sustain cocaine trafficking via this region, its role is expected to continuously gain in importance.² In the long term it will remain difficult to identify one specific centre of gravity for cocaine trafficking, due to the diversification of routes across the entire African Continent.³ It is expected that the WA region will be linked to activities throughout Africa as Nigerian OCGs, for instance, are also active in South Africa, which is seen as a major nucleus of West African criminal activity.⁴ Overall, cocaine trafficking alone will not sustain the area approximating the Gulf of Guinea as a criminal hub. What will determine the future of a WA criminal hub are the activities and capacity of indigenous WA OCGs of mainly Nigerian origin that have carved out a significant role for themselves in the criminal landscape of the EU and WA region. To this effect, criminal clusters in the area approximating the Gulf of Guinea feature information bazaars for facilitating all kinds of OC activities in relation to the EU.⁵

¹ Bulgaria, France, Italy's and AWF Cola's contributions to the 2009 OCTA.

² Austria's, France's and Italy's contributions to the 2009 OCTA.

³ The Netherlands' and AWF Cola's contributions to the 2009 OCTA.

⁴ The UK's contribution to the 2009 OCTA.

⁵ Belgium's, the Netherlands', Sweden's, AWF Cola's and Europol's Crimes against Persons Unit's contributions to the 2009 OCTA.

The North West African (NWA) transit region

At present, the area approximating Morocco mainly serves as a source for **cannabis** and victims of **THB** for labour exploitation, and a transit zone for trafficking **cocaine** and facilitating **illegal immigration**, to the EU Western regions. Morocco in particular plays an important role as a major cannabis supplier to European consumer markets and a transit area, due to its geographical proximity to the Iberian Peninsula.¹ The majority of cannabis is still shipped to the EU South West criminal hub, before being distributed further to markets throughout the EU.² The Northern African Route via the Maghreb coast and the Canary Islands from Mauritania, Senegal or Western Sahara remain the main embarkation points in the facilitation of **illegal immigration** by boat to the EU Southern regions.³ In feeding the EU South West region, Morocco is also a key source country in **THB** for labour exploitation.⁴ Those routes originally established for illegal immigration and cannabis towards Southern Europe are also used to traffic **cocaine** via Morocco, Cape Verde or Mauritania.⁵ In rerouting the supply of **precursors** to the EU, the role of African countries as a springboard for shipments from China has also been detected.⁶ The NWA region is also used as a transit zone to feed the EU South West regions with **counterfeit tobacco** from China and, more recently, from Africa.⁷ Morocco is also targeted in the distribution of **counterfeit Euro** banknotes that are supplied by the EU Southern criminal hub.⁸

¹ France's, Italy's and AWF Cola's contributions to the 2009 OCTA.

² Belgium's, Denmark's, Germany's, the Netherlands' and Sweden's contributions to the 2009 OCTA.

³ France's, Italy's, UK's and Europol's Crimes against Persons Unit's the contributions to the 2009 OCTA.

⁴ Europol's Crimes against Persons Unit's contribution to the 2009 OCTA.

⁵ Belgium's, the Netherlands', the UK's and AWF Cola's contributions to the 2009 OCTA.

⁶ The Netherlands' contribution to the 2009 OCTA.

⁷ France's, Portugal's and FYROM's contributions to the 2009 OCTA.

⁸ AWF Soya's contribution to the OCTRAWA 2009.

In assessing the **future threat** that may be ascribed to the **NWA region** based on the available information and continuation of current policing practices, it is not expected that the area approximating Morocco will achieve the status of a mature criminal hub. However, in its role as a major source country for cannabis and a viable option for the illegal trafficking of all kinds of commodities in the North African transit zone, the NWA region is expected to remain a significant threat to states throughout the EU regions in the medium term. As a major source country in THB for labour exploitation, Morocco is also expected to remain a threat to states in the EU South West region.¹

6.2 Reflecting on the economic crisis

The current crisis in the global economy has relevance for scenarios in which OC operates.

Current lack of knowledge concerning **the real magnitude and duration of this crisis** and concerning the **dynamics governing its impact on criminal and non-criminal players** prevents accurate and reliable assessments of its effects on the OC threat to the EU.

Although intelligence concerning these effects is not yet available for analytical assessment, this issue is, however, worthy of initial consideration. Therefore, the following thoughts are proposed as **a non-exhaustive list of factors** that may provide opportunities for criminality.

A first assumption may be made with reference to possible consequences for **black markets**. Markets for counterfeit or smuggled products may broaden, in a possible attempt by operators to maintain levels of consumption or profit in a situation where less purchasing power is available.

It should be taken into consideration that the potential for this increase is also influenced by the **correlation between wealth available to individual ‘customers’ and their demand for certain goods**. In cases where this correlation is high, people might even reduce their consumption altogether, with the result that also the demand for OC supplied goods would at best remain static and at worst would even decrease.

¹ France's, Spain's and Portugal's contributions to the 2009 OCTA.

The employment of **irregular or undeclared labour** may also have a role to play. Increasing pressure to cut costs may in turn engender increasing pressure on entrepreneurs to employ irregular or undeclared labour. OC can benefit from this by providing irregular workers to otherwise legal enterprises or by exploiting such workers more directly in the production of cheaper goods.

Concerning the **flow of illegal migrants or trafficked human beings to the EU**, it is possible that the slowing pace of the EU economy will not be matched by a proportional decrease in movement. The effects of the crisis outside the EU, for instance, may contribute to keep this flow high. At the same time, the potential for the crisis to have varied degrees of impact within the EU may result in an increase in internal movement that could also feed irregular labour and exploitative situations.

If black markets and irregular or undeclared labour are subject to growth, this will also represent **an additional obstacle for law-abiding entrepreneurs and citizens trying to recover from the crisis**, since unfair competition will further deprive them of business.

With regard to illicit goods or services in general, if one assumes that in some cases the above mentioned correlation between wealth and demand is relatively low - for example, in the drugs sector as a result of addiction – this **rigidity might give criminals an opportunity** to keep profits high during the crisis. By the same token, insufficient rigidity may cause losses, but it must also be taken into consideration that the same or other OCGs may benefit from possible related increases in the demand for **cheaper surrogates**, for example in the sphere of recreational drug supply.

In addition, there are **criminal activities**, such as fraud or crimes against property in general, **where the supply/demand paradigm is not so easily applicable**. The assumption may therefore be made that the impact of the economic crisis on these criminal fields will be less direct.

In general, it should also be taken into consideration that some **entrepreneurs struggling for survival on the market might become victims of OC**, for example in the field of usury, the ultimate aim of which is often to gain control of legitimate businesses, thereby infiltrating the legitimate economy. In addition, the possibility that some entrepreneurs in serious trouble might become **more open to some sort of co-operation with OC** cannot be discarded.

Another assumption is that the economic downturn may **increase the number of persons who feel alienated** from mainstream society and make the continued integration of immigrants, and marginal groups in general, **more difficult**.

This may afford **growth potential to OCGs adopting VI-SO strategies** or to those attempting to establish themselves as points of reference for non-integrated communities (**'confined' IN-SO strategy**). Labour exploitation can be a factor of the latter behaviour. Non-integration, and the spread of VI-SO criminal behaviours and confined IN-SO strategies would seem to be interlinked phenomena with significant potential impact on future OC scenarios in the EU, and the mounting global economic crisis may favour these possible dynamics.

OCGs at the core of the EU criminal hubs tend, by definition, to be characterised by significant levels of adaptability and initiative, so it can be expected that they will be able to face the coming challenges. The existence of the criminal hubs may even prove to be a factor that will enable other less flexible OCGs across the EU to absorb negative impacts and to profit from new opportunities.

In the hypothesis that OC may be able to continue to make high profits as legitimate operators experience increasing difficulties, the possibility that OC may make use of this availability of resources to try to further **penetrate the legitimate economy cannot be ruled out**. On the other hand, it must be taken into consideration that many OCGs may also now be **suffering similar losses and difficulties**, according to the extent to which their assets are already integrated into the legitimate economy.

The notion of further penetration by OC as a result of the economic crisis is very complex and linked to so many variables that, at this stage, any attempt to predict the final outcome would be superficial and of limited value. Nevertheless, it is necessary to prevent such an eventuality by ensuring that **authorities and economic operators keep a high and ever-increasing guard against money laundering and reinvestment of illicit profit**, and by targeting investigations on **identifying and confiscating the assets** that are accumulated by OCGs. In this context, **homogeneity in approaches** among different jurisdictions in the EU and all over the world **is crucial**. In the absence of such homogeneity certain jurisdictions might naturally become the preferred targets of OC.

7 Conclusions

A key conclusion of the 2009 OCTA is the OCG typology.

The threat from OCGs to society is not to be confused with impact of criminal activities on society. Of course, they are linked but mixing these two analytical contexts will inevitably lead to increasing confusion.

Intelligence-led policing implies proactive targeting of OCGs that are assessed as the most threatening to the EU community. It can be argued that threat should be assessed on the basis of the structural and functional characteristics of OCGs and on the basis of the criminal activity in which they are engaged. Aside from considerations concerning multi-crime OCGs, merging these two bases (structural/functional features and criminal activity) can only be a possible second step to be explored after conclusions in the two linked, but separate, analytical contexts have been reached.

Consistently, the OCG typology represents an instrument to reach conclusions with reference to the OCGs structural and functional features, one of the above mentioned analytical contexts. It brings in focus certain behaviours that, apart from exceptions, may be adopted by any OCG somewhat independently from the criminal activity in which they are engaged. Of course, complete isolation is not possible, but this has been one of the driving concepts in shaping the typology. Risking oversimplification, it can be said that the focus shifts from 'what OCGs do to make money' to 'how OCGs interact with local societies'.

In concrete terms, OCGs in this OCTA typology (see INSERT 2) are classified on the basis of the geographical location of their strategic centre of interest and their capability and intention:

- To use systematic violence or intimidation against local societies to ensure non-occasional compliance or avoid interferences (named VI-SO strategy);
- To interfere with law enforcement and judicial processes by means of corruptive influence (named IN-LE strategy) or violence/intimidation (named VI-LE strategy);
- To influence societies and economies (named IN-SO strategy);

When an OCG does not rely on any of the above mentioned behaviours and focuses on eluding law enforcement attention, it is considered as having an EL-LE profile.

Notwithstanding problems linked to the fact that this typology is the outcome of the 2009 OCTA process and not the tool that was used to collect data, efforts have been made to apply it to the available information. This has confirmed that the typology is well-grounded and has adequate explanatory power with reference to the whole EU OC environment. This means that it can be adopted by all MS in their national intelligence cycles to fix national priorities in the fight against OC.

Some general conclusions concerning OCGs types can already be drawn:

- A significant threat is represented by OCGs adopting a VI-SO strategy based on Violence – Territory – Brand. The threat from VI-SO OCGs is made worse by the fact that they can serve to channel in the wrong direction people who feel alienated from mainstream society. Within this context, an even worse alternative is that concepts such as ethnicity and origin can be distorted by dangerous criminals in the process of building these OCG identities and brand-names, at least in the initial phases of such a process.
- VI-SO OCGs have a significant potential for growth for the aforementioned reasons and because the criminal hubs increase the importance of controlling destination markets. In addition, growth potential results from the fact that a brand-name can be franchised to other criminals, generating a win-win situation for the franchiser OCGs and the OCG accepting affiliation.
- OCGs can also adopt IN-LE or VI-LE strategies, which consist in interfering significantly with law enforcement or judicial processes. A peculiar aggressive behaviour is mentioned, namely accusations against law enforcement personnel. While violence or threats are alarming indicators but are possibilities for which law enforcement should be prepared, this offensive strategy can pose even more of a threat. This is because, if it is not addressed properly, it may cause distrust, lower morale, and engender a perception of lack of support, thereby having a heavy negative impact on the effectiveness of law enforcement agencies.
- Hints suggesting the presence of OCGs with an IN-SO profile are reported in many MS, so they can be considered an EU-wide threat. There is some suggestion of the adoption of IN-SO strategies also by OC based outside the EU.
- Criminals may try to ascend to the role of points of reference for communities that are non-integrated with the surrounding society. This is achieved by exerting pressure or providing them with what they desperately need. Such activities can easily bring about exploitative situations or, in any case, to a dangerous proximity to organised crime.

Labour exploitation can be a factor contributing to this confined IN-SO strategy. The need in the EU for new work forces in various work areas which require hard manual labour, and indications of trafficking for forced labour, must be assessed with due consideration for the potential they give to the growth of this type of OCG.

In general, the significant pool of illegal or non-integrated immigrants in the EU is a fertile ground for the above mentioned dynamics. In this context, there is potential for the establishment of vicious cycles where non-integration and exploitation by organised crime feed each other. Non-integration, the spread of VI-SO criminal behaviours and these confined IN-SO strategies appear to be interlinked phenomena with significant impact on future OC scenarios in the EU.

When it comes to the second analytical context mentioned above - criminal activities - there are at least two other issues to be considered:

- Risk and harm to societies are central components in assessing criminal activities and fixing general priorities with reference to them. The OCTA is a threat assessment. Even if there is a debate going on about exactly what this entails, in OCTA terms this means that focus is primarily placed on the OC groups. In general terms, risk and harm are not main components of the threat assessment.
- Apart from exceptions, the assessment of harm to local society from different criminal activities is linked more to national values and political choices than to the assessment of the threat from different types of OCGs.

That is why criminal activities enter the OCTA conceptual model mainly through the criminal hubs concept. In this way, the focus remains on complex situations that have wide-spread effects reaching beyond national borders and shaping criminal markets in large parts of the EU. Such complex situations are based on considerations which appreciate criminal activities in terms of geographical flows and facilitating factors, and OCGs in terms of intentions and capabilities (assessed through the typology).

With regard to the analysis of available information, the existence of five criminal hubs with a wide influence on criminal market dynamics in the EU is confirmed.

The role of the North West criminal hub as a distribution centre for heroin, cocaine, synthetic drugs and cannabis products will persist. Its influence extends to the UK, Ireland, France, Spain, Germany and the Baltic and Scandinavian countries. Several OCGs active in the North West hub in order to obtain supplies of illicit goods but based in another MS will maintain their activities.

In the Netherlands, OCGs are often present in multiple illegal markets simultaneously. This is probably due to their role as crucial liaison points between the various criminals markets and as links in a series of transport routes, cash flows and people, which is consistent with the main features of the North West hub. The key role of Dutch OC groups is due, among other reasons, to the links of its members to both Turkish and Moroccan OCGs (same ethnic background or other ties). These links will ensure access to the source of certain drugs and in turn strengthen the North West hub. In addition, Dutch, Moroccan and Turkish OCGs will be together involved in the production and distribution in the EU of synthetic drugs made in the North West hub.

The North West criminal hub appears also to be influenced by a feeder possibly located in the Middle East, more specifically formed around Dubai. The latter is a key financial and business centre but also a logistical hub where OCGs make contacts and deals, launder illicit proceeds and regulate shipments to transit or destination markets. Indications of the growing role of Pakistan in the international trade in opiates (including processing in heroin) raise the possibility that this country will intensify its role as feeder, not only for the British Isles but also for the European market as a whole.

The South West criminal hub is traditionally formed around the Iberian Peninsula and its role as a south-west gateway to the EU. The impact of this hub is felt especially in the criminal markets of cocaine, cannabis, trafficking in human beings and illegal immigration.

West and North West Africa as well as other parts of this continent have emerged as significant feeders for either the South West criminal hub or, increasingly, directly to important markets and distribution centres in the Netherlands, France and elsewhere. Intelligence leads to the hypothesis that the abuse of West and Central Africa in the international drugs business will both increase, expand (comprise new countries) and deepen (not only storage and transit but also processing, trading and/or production).

The dynamics of the South West criminal hub revolve around a complex combination of non-EU based OCGs, and EL-LE or IN-SO OCGs based in the Iberian Peninsula. Some of these EL-LE OCGs can act as links with other criminal hubs. The latter can even be cells of different types of OCG based in other MS, such as IN-VI-SO OCGs based in Italy.

For example, with reference to Spain, cocaine is supplied by OCGs based in South America. A significant role will continue being played by EL-LE or IN-SO OCGs based in Spain and dominated by Spanish criminals with some South American members to facilitate contacts, or by EL-LE OCGs based in Spain but mainly composed of South American criminals. Such IN-SO OCGs are reported to be in contact with OCGs based in other MS, such as The Netherlands, France and Italy, for further distribution. In addition, OCGs based in Italy, the UK and, in some cases, Greece are active in Spain for the purpose of obtaining supplies.

With reference to Spain, there are indications concerning the activity of OCGs based outside the EU specialising in money laundering. There are also cases of specialised OCGs based in The Netherlands or, at least partially, the UK.

In general, criminals based in the UK and Ireland appear to be active to a significant degree in the North West and South West criminal hubs and beyond, leading to a situation in which several OCGs can be considered as based both in another MS or third country and in the UK or Ireland. Logistical problems linked to supplies from the continent, together with the economic potential of this market are possibly among the reasons for this. In this context also the activity of OCGs specialised in money laundering emerges. These are based not only in the EU but also in third countries, and will provide specialist services to repatriate criminal proceeds to locations in which the OCGs keep their strategic interests.

Ultimately, the mechanisms of the Western criminal hubs appear to be characterised by non-EU based OCGs interacting with EL-LE OCGs based in the geographical core of the hubs and, either directly or through them, with OCGs based in other MS. The latter are active also in the geographical core of the hub where they come for the purpose of obtaining supplies.

This implies that the key OCGs in this scenario will keep a low profile and focus on their lucrative criminal businesses rather than engaging in a struggle for control of territory. Visibility is for them a matter of extreme concern. As a corollary, sophisticated money laundering activities are vitally important.

These OCGs pose a double-sided threat. In the event that they succeed in re-investing their criminal proceeds in the MS or third countries where they are based, they can silently evolve from EL-LE to IN-SO profile, so further strengthening their resistance to attempts to dismantle them. In the EU destination markets, meanwhile, they can facilitate the growth of other types of OCGs.

For example, Scandinavian countries represent an important destination market placed between the North West and the North East criminal hubs. Easy supply of illicit goods may be one of the reasons for the important role played by VI-SO OCGs in these countries. This can be because the hubs increase the importance of controlling the destination markets. OCGs no longer need to engage in laboriously building up complex supply networks from other continents because illicit goods are already concentrated within the hubs. VI-SO behaviour is a means of obtaining control of a destination market, so these OCGs have a significant potential for growth. Indications of the adoption of VI-SO strategies based on violence, territory and brand are reported by several MS and their general growth potential has already been stressed.

The North East hub is and will continue being strongly influenced by feeders and transit zones located just outside the eastern EU borders (the Russian Federation/Kaliningrad, the Ukraine and Belarus). Illicit flows may be traced from the East towards the West (women for sexual exploitation, illegal immigrants, cigarettes, counterfeit goods, synthetic drugs precursors and heroin) but also vice versa (cocaine and cannabis products).

St Petersburg is an important logistical nexus, feeding the North East hub. It ammasses various commodities, which are then re-directed to the Russian, Nordic, Baltic and Western European markets. Kaliningrad appears to have a similar but more limited role, especially in relation to cigarette smuggling and importation of heroin into the EU.

Keeping the North East hub in focus, it can be noted that basically all OCGs active in the Baltic countries are based there. The low magnetism of these destination markets combined with the structural and functional features of these OCGs are likely reasons for this. This may also be an effect of the Western criminal hubs: supplying OCGs can deliver to these hubs, while other OCGs based in the relevant destination markets, or in this case in the North East hub, will activate to take care of the next steps in the distribution chain.

EL-LE or IN-LE OCGs based in Latvia appear to play a crucial intermediary role between the Russian and the EU OC environment. Contacts with the Russian OC environment are quite natural also for OC based in Estonia, where a rising significance of EL-LE OCGs can be inferred, at least with reference to OCGs targeting other MS.

The types of OCGs based in Lithuania and playing an important role in the dynamics of the North East criminal hub are quite different. There is a dominance of multi-crime oriented clusters, where indications of IN-SO, IN-LE, VI-LE and VI-SO strategies regularly emerge. Their participation in the hub's dynamics appears to draw more on their capability of being criminally present in Western EU and on their structural and functional profiles. Links with the Russian OC markets are crucial and can be facilitated by Latvian OC or go via the Kaliningrad region.

This puts the North East hub in an intermediate position between the Western hubs – that can be defined as ‘activity-based’ – and the Southern hub – that can be defined as ‘OCG-based’. This is at the basis of their coexistence and interrelation.

The Southern criminal hub is shaped by the central role of certain OCGs based in Italy and clearly adopting IN-VI-SO strategies. These are capable of developing important synergies with OCGs based outside the EU. The latter keep a subordinate position in this co-operative dynamic and in Italy tend to adopt EL-LE behaviours, while remitting their criminal proceeds to third countries where they are based, and where other - more impacting - strategies can be adopted.

The role of the Southern criminal hub is central in cigarette smuggling, the smuggling and distribution of counterfeit products and the production of counterfeit Euros.

The South East criminal hub is based upon its geographical location between Asia and Europe, and hinges on its role as an important gateway to the EU. Logistically, the importance of the Black Sea and the related waterways define the hub and will create opportunities for both legal trade and organised crime.

Romania can be seen as a significant gateway for the facilitation of illegal immigration into the EU, while the role of Bulgaria in certain criminal markets such as synthetic drugs, counterfeit Euros and payment card fraud is also central.

The South East criminal hub is very active in both producing various commodities and acting as a busy transit, warehousing and re-packaging zone. There are at least three main feeders and relevant routes directly influencing the South East criminal hub: North (the Ukraine and Moldova), Centre (Western Balkans) and South (Turkey).

The significance of the port of Constanta in the cocaine traffic is growing, and cocaine seems to be increasingly arriving in the EU through Turkey and/or the Balkans. This may be due to the increased involvement of Turkish and ethnic Albanian groups in the cocaine distribution chain, but may also be the effect of the already well-established role of West Africa as a transit zone.

In general, the increasing role of West Africa may support the development of the South East criminal hub. Colombian cocaine OCGs have recently been establishing contact with Turkey through their foothold in Western Africa. Consequent co-operation patterns between Colombian, West African and Turkish OC groups would further support the strategic position of the last of these as a connector between various (drug) markets and the relevant criminal players.

The emergence and strengthening of the Near and Middle East drug markets, especially in relation to cocaine, synthetic drugs and precursors for heroin, is also having a strong impact on the dynamics of the South East criminal hub. The key strategic role of Turkish OC groups who exchange, for different markets, heroin for cocaine, cannabis products, certain precursors and synthetic drugs will grow. Partly through the Turkish connection, the South East criminal hub may expand its influence towards the Middle East and certain parts of Asia (for example Syria, Lebanon, Saudi Arabia, Iran, Georgia and Armenia).

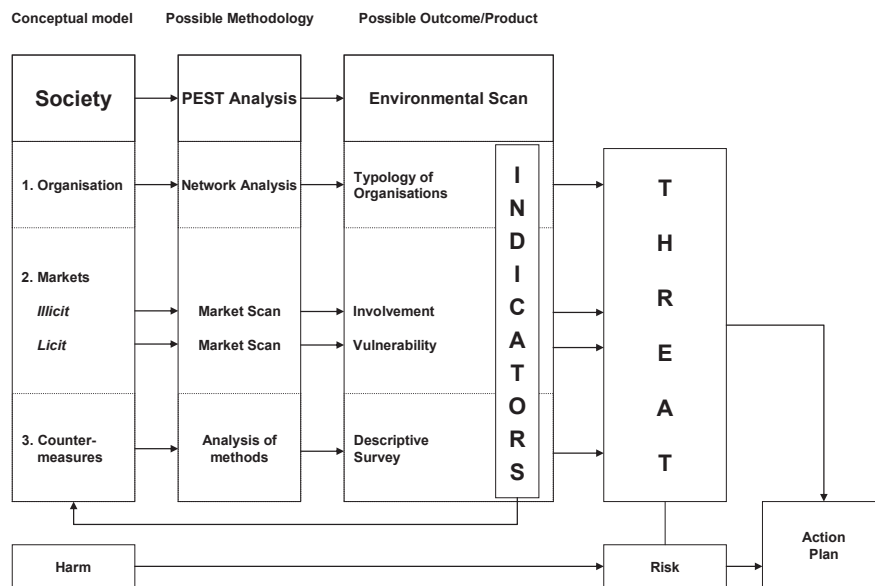
Eastern Europe criminal scenarios suggest a noticeable presence of IN-SO or IN-LE OCGs and such strategies are not confined to OCGs composed of indigenous criminals.

In comparison with other Eastern European countries, the use of violence or intimidation seems to be more frequent in Poland – where there are indications suggesting that VI-LE behaviours might emerge more often – and Hungary – where there are indications suggesting possible VI-SO strategies for several OCGs.

INSERT 1 – 2009 OCTA: The Methodology

Introduction

The work pursued during the Swedish and Belgian Presidencies resulting in Crimorg 133, 2001 has been the starting point for the process that has led to the current OCTA conceptual model.¹ The conceptual model that was proposed by the Belgian Presidency is shown below.



The OCTA methodology views OC as organisations active in both illicit and licit markets and using countermeasures to be able to continue their activities. The OCTA particularly looks at certain features of the model, asking one key question: what does it take for an OC group to be successful without being caught? In formal terms, it tries to study in detail OC groups from the perspective of their efficiency and durability, therefore widening the scope to involve, for instance, market conditions, whilst keeping in focus the relationship between OC and law enforcement

The OCTA is not in the position to address all the aspects of the conceptual model described in Crimorg 133, nor is it the intention that it should. There are two main caveats.

¹ Doc. 14959/01 CRIMORG 133 (2001), 'Proposed Action Plan to study organised crime on European level'.

Firstly, the OCTA is a threat assessment. Even if there is ongoing debate about exactly what this entails, in OCTA terms this means that focus is primarily placed on the OC groups and then on their criminal activities. In general terms, risk and harm are not main components of the threat assessment. However, such aspects are addressed when necessary, especially when assessing vulnerabilities.

Secondly, similar to Crimorg 133, the OCTA fulfils a clearly defined function: it exists to support political and law enforcement decision-makers: therefore the OCTA has a very clear law enforcement focus. The aim is to enable the dismantling or at least disruption of the activities of OC groups. This puts OC groups in focus which, to a certain extent, differs from the approach outlined in Crimorg 133.

The 2009 OCTA is a milestone that has been reached after a consistent development process that started in 2005.

With the 2006 OCTA, seven key indicators were selected: International dimension, Group structures, Use of legitimate business structures, Specialisation, Influence, Use of violence, and Countermeasures. In order to build sound grounds for meaningful outcomes, the 2006 OCTA focused on describing and exemplifying such key indicators. Such effort was crucial to consolidate a common understanding among MS concerning the 'operational' meaning of otherwise vague references. It was deemed necessary in order to obtain more detailed, focussed and homogeneous information referring to these key indicators.

With regard to the criminal activities, for the 2006 OCTA the decision was taken to develop the 'facilitating factors' tool-set. A number of facilitating factors were selected also on the basis of their horizontal nature. These can be considered as horizontal enablers (or disablers) having significant influence on a number of criminal activities. As for the OC groups, the 2006 OCTA focused on describing and exemplifying such facilitating factors.

Although the European dimension is the prime focus for the OCTA, it was felt that Europe might also require a regional priority setting, due to its geography and its cultural, social and historical differences. Hence a first attempt was also made to get to grips with the regional dimension.

Thanks to the outcome of the 2006 OCTA process, a major improvement in the data collection for the 2007 OCTA was possible. With this second OCTA, the focus was on taking the analysis of the single key indicators further and investigating relationships among them, with the aim of proceeding in the direction of a typology of OC groups. With reference to criminal activities, further research concerning the facilitating factors was conducted.

For the 2007 OCTA the concept of the criminal hubs was developed in order to focus on the dynamic relationship between the regions. The 'criminal hub' is an entity that is generated by a combination of factors such as proximity to major destination markets, geographical location, infrastructures, OC group types and migration processes concerning key criminals or OC groups in general. A criminal hub receives flows from a number of sources and spreads their effects across the EU, thus forging criminal markets and creating opportunities for the growth of OC groups able to profit from these dynamics. These hubs can be seen as 'routers' attracting and re-directing flows. Clearly, this ability to connect diverse international hotbeds of criminality with EU illicit markets must be considered as a major threat.

Ultimately, for the 2007 OCTA a complex conceptual model based on the above mentioned key indicators (OC groups perspective), facilitating factors (criminal markets perspective) and criminal hubs was devised.

The 2008 OCTA process represented a further step forward, whereby the devised conceptual model was fully applied for the assessment of the threat to the EU from organised crime. In other words, there was a shift of focus from developing the conceptual model to applying the conceptual model in order to experience its full explanatory potential.

With the 2009 OCTA, the OCG typology has been further developed (see Insert 2) and applied to the analysis of the threat with the aim of fully integrating the OCG dimension into the practical implementation of the conceptual model.

Conceptual model

The current conceptual model can be described as illustrated in the following picture.

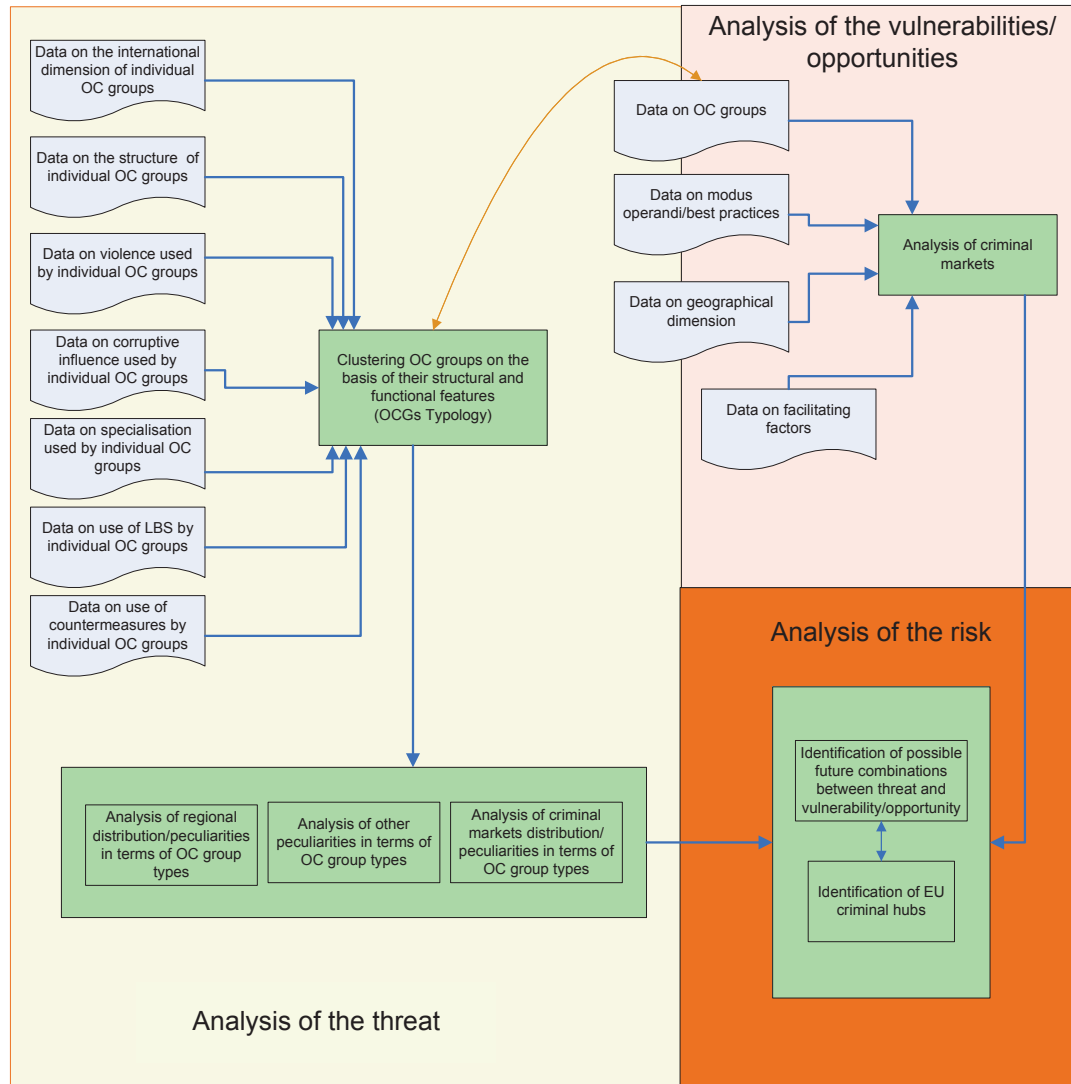
The threat is always directly linked to the OC groups' capabilities and intentions, so that analysis of the threat is focused on the OC groups' structural and functional features. This analysis starts from a clustering of the OC groups on the basis of the OCG typology.

When the criminal markets are the subject of the analysis, focus shifts to the vulnerabilities, which from the criminals' perspective are opportunities.

When looking at OC from the criminal market perspective, facilitating factors are clearly elements in the vulnerability/opportunity assessment. In this context, data on the geographical dimension (for example routes) and modus operandi are also taken into consideration. This information can be useful to put into context the threat, and to assess vulnerabilities and opportunities.

A projection into the future of the threat requires consideration for the surrounding environment, because changes in the capabilities and intentions of OCGs are often adaptations to vulnerabilities/opportunities in the surrounding environment.

A small step into the risk analysis environment is therefore necessary. The criminal hub concept refers both to vulnerabilities (infrastructures, geographical proximities, etc.) and threats (OC group types and their roles in certain criminal dynamics/markets). For this reason, the criminal hub concept can be seen as the aforementioned step towards a risk assessment.



Data collection

The collection for the 2009 OCTA is based on three questionnaires. The first addresses the OC groups and the second individual criminal activities. A third questionnaire has been developed for a specific criminal activity: money laundering. As for previous OCTAs, the focus is more on qualitative than on quantitative aspects. This double perspective (criminal groups and criminal activities) is necessary to put into focus the complex and multifaceted phenomenon of OC in the EU.

The 2006, 2007 and 2008 OCTA data collection plans were based on individual OC groups. The main reason for such an approach was to study the functional and structural features of the OC groups that were selected as most threatening by the MS. The ultimate aim was the development of an OCG typology capable of providing a new way of clustering OC groups.

In view of the 2009 OCTA, MS, instead of reporting on individual OC groups, have been called to identify separate clusters and report on them. A cluster is a set of OC groups sharing functional and structural features.

In order to avoid excessive heterogeneity, preliminary clustering criteria were discussed with the MS. As a consequence, the latter committed to take inspiration from these criteria, maintaining the possibility of adapting them in relation to the ultimate aim of providing a fair view of their OC environments.

Such flexibility was key to reaching the main expected outcome of the 2009 OCTA: the development of the OCGs typology (see Insert 2). Variety in approaches and MS peculiarities were expected to be crucial inputs in this process. The agreed criteria for streamlining the clustering exercise were not intended to be self-fulfilling prophecies in relation to the final typology, but as practical tools to avoid unmanageable heterogeneity.

For the 'criminal activities' questionnaire some criminal activities have been selected as mandatory. This means that every MS reports on them. In addition, MS have been required to report on other criminal activities and phenomena that they assess as the most threatening at national level, or as having an actual or potential impact on other MS or the EU.

The main functions of the ‘criminal activities’ questionnaire are:

- To provide a context for a better assessment of the OC groups reported in the ‘OC groups’ questionnaire and their criminal activities;
- To establish the evolution of certain criminal markets (mandatory contributions) and provide warnings about phenomena that are assessed as particularly threatening by certain MS (spontaneous contributions).
- To provide information concerning opportunities/vulnerabilities that are or could be exploited by OC groups.

Analysis

The overall assessments in the OCTA are based on two complementary tools: PEST and SWOT analysis. Both PEST and SWOT analysis aim at establishing patterns and trends with regard to criminals (SW), crimes and criminal markets (OT) or the criminal context (PEST).

In practical terms, within the OCTA process, the first step in the analysis of the threat is the exploration of capabilities and intentions of the OC groups. Such analysis is carried out through the OCG typology, based on the structural and functional features of the OC groups themselves (see Insert 2).

In this context, analyses should focus on:

- Outlining the geographical distribution or identifying regional peculiarities, in terms of OC group types;
- Identifying peculiarities, in terms of OC group types involved in certain criminal activities or exploiting certain facilitating factors;
- Identifying other peculiarities, in terms of OC group types

Another part of the analysis refers to the criminal activities, which are explored in terms of their geographical spread, the OC groups involved in them and the main facilitating factors providing opportunities.

The same approach is applied to identify eventual regionalisation in certain criminal dynamics, in terms of the main facilitating factors providing opportunities, active OC groups and criminal markets.

The criminal hubs approach then brings together all these findings concerning the OC groups and the criminal markets.

The fact that the OCG typology defined in the 2009 OCTA (see Insert 2) was not the tool used for gathering data obviously hinders the aforementioned analysis. A clear and exhaustive implementation of the conceptual model illustrated above will be possible when this typology will be properly used in the data collection phase. This can be a medium-term objective to be reached within two to three years, in full co-operation with the contributing MS.

Nevertheless, already during the 2009 OCTA process efforts have been made to apply the OCG typology to the available intelligence. This involved a certain amount of informed guesswork in filling gaps, in interpreting information provided by the MS and, consequently, in classifying OCGs. Nevertheless, such analysis has two important objectives:

- To confirm that this typology is well-grounded and has adequate explanatory power with reference to the whole EU OC environment.
- To exploit the available intelligence as much as possible in order to move, already with the 2009 OCTA, in the right direction in the establishment of EU priorities in this new context.

Evaluation of information

The OCTA reflects a holistic approach to sources. This does not mean that all available sources are used, but rather that none is immediately discarded. The exception to this rule is evidently unreliable sources, tabloid press articles or similar. The main sources for the OCTA are the reports from the Member States, third states, Europol, EU agencies such as ECB, EMCDDA, Eurojust, Frontex and OLAF, and law enforcement agencies such as Interpol, together with government reports, reports from IGOs and NGOs, and scientific studies. Contacts with external experts are also invaluable, for instance scientists, government officials and other specialists. Conference records, minutes from meetings and internal reports are also used when available.

Such a wide variety of sources to draw upon helps to ensure the highest quality of the OCTA by ensuring a broader understanding of OC and enhancing the reliability of the information. Whenever possible and necessary to maintain a high quality in the information used, sources are cross-checked with one another. Such cross-checking is made to ensure factual consistency and avoid factual errors. Biases in reporting are avoided by using complementary sources supporting the factual reporting on a particular issue. By focusing on the factual aspects of the reports which are used, the analyst can avoid skewed judgements and assessments. In methodological terms, this ensures a higher degree of reliability and validity of the information used.

However, at times reporting from complementary sources is not readily available. When this is the case, confirmation is sought from partners in the OCTA process, mainly the Member States; the issue is highlighted as tentative, or the reporting is disregarded.

Reference to sources

When reference is made to a particular source or combination of sources, it is not always the case that the assessment draws literally on what is stated in the reference material. The material to which reference is made often forms the basis of the assessment but is not the assessment itself. This is of course the meaning of analysis, where hypotheses are formed which go beyond what was already known.

INSERT 2 – 2009 OCTA: OC group Typology

In order to build a practical and sensible typology, it is necessary to undertake a fine-tuning process concerning:

- Key variables to be focused upon ('typology variables');
- Definition of categories in which values concerning the above mentioned variables are to be grouped.

Selecting the 'Typology' variables

The starting point for this process is the list of the seven key indicators that have been explored through previous OCTAs:

- International dimension;
- OCG structure;
- Use of legitimate business structures (LBS);
- Use of violence;
- Use of corruptive influence;
- Use of countermeasures;
- Use of specialists.

As a matter of fact, the use of LBS is so widespread among OCGs that including it among the key 'typology variables' would bring little added value. In order to increase such added value, it would be necessary to delve into details concerning the use of LBS (such as purpose, type, modus operandi in obtaining control and misusing, etc.). This is not advisable, because these details may be unavailable and, in any case, it would generate a set of possible combinations too vast to be efficiently managed.

Besides questioning the strategic value of taking into consideration such different combinations, it must be noted that they are often naturally linked with the criminal activity in which the OCG is engaged.

In general, it is advisable to isolate, as much as possible, the analysis concerning the OCGs from the analysis concerning the modus operandi adopted in carrying out criminal activities. Mixing these two analytical contexts will inevitably lead to increasing confusion between threats to society from certain criminal activities and threats from certain types of OCGs.

These reflections lead to discarding the use of LBS as a 'typology variable' and to retrieve it at a later stage in order to describe interesting variations within or among types of OCGs ('descriptive variable').

Similar thoughts can be made with reference to the indicator 'use of countermeasures'. All OCGs use countermeasures to shield their activities. It is implied by the hidden nature of organised crime. In addition, the choice concerning countermeasures is influenced by the criminal activity that is carried out by the OCG.

It must also be taken into consideration that some manifestations of the indicator 'use of countermeasures' can be addressed through other indicators, such as the use of violence or corruptive influence (vide infra).

Nevertheless, the use that OCGs make of countermeasures is an important topic. It is important to identify new effective countermeasures at an early stage in order to adopt remedies as soon as possible and to share this knowledge with the widest number of law enforcement agencies. In order to reach this objective, a horizontal analysis seems to be preferable. This means focussing on the study of all possible countermeasures used by OCGs, rather than trying to link these countermeasures to other indicators in the development of a typology to be used for strategic purposes.

The strategic purpose of this typology suggests discarding also the indicator 'OCG structure'. Knowledge concerning the structures of OCGs can be useful in the investigation phase, because it can help the investigator or the operational analyst in developing hypotheses. But at a strategic level, where the aim is to identify priorities in fighting organised crime, the structure adopted by the OCG is less relevant. In addition, OCG structure may be influenced by OCG criminal activity.

Ultimately, for the indicator 'OCG structure' also a horizontal analysis or its adoption as a 'descriptive variable' seem to be better options.

Links with criminal activity and a lack of added value are considerations leading also to advise against including 'use of specialists' as one of the key 'typology variables'. It seems better to consider it as a 'descriptive variable' to be used at a later stage.

Therefore, this selection process leads to the following ‘typology variables’:

- International dimension;
- Use of violence;
- Use of corruptive influence.

Defining categories for values of the ‘Typology’ variables

The next step consists in the definition of categories in which values concerning the above mentioned variables are to be grouped.

In this process, the following should be taken into consideration:

- ‘Use of corruptive influence’ and ‘use of violence’ are also influenced by the main criminal activity carried out by the OCG. This interference must be isolated, because, as highlighted above, mixing these two analytical contexts (criminal activities and OCG type) will inevitably lead to increasing confusion;
- A balance must be found between optimal and possible, bearing in mind the information that is available now and that would probably be available in the near future;
- The objective is to build a typology instrumental to reach general conclusions in terms of threat to society from different types of OCGs, but also capable of including regional peculiarities.

The categories that are suggested for the selected ‘typology’ variables are illustrated in Tables 1, 2 and 3.

The variable ‘international dimension’ has been converted to the more specific ‘strategic centre of interest’. The latter can be identified with reference, in particular, to the location of the main leaders and main assets of the OCG.

VI-SO profile is based on a specific way of using systematic violence or intimidation:

- Against local societies: this means that the use of violence or intimidation is not only targeted at single individuals. The OCG attempts to affect directly or indirectly a wide range of persons not pertaining to the criminal environment;
- And:
 - To ensure non-occasional compliance: this means that the OCG attempts to subjugate a wide range of persons not pertaining to the criminal environment and that, because of fear, will become vulnerable to requests from the OCG, or

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- To avoid interferences: this means that the OCG attempts to create an ‘atmosphere’ in which, because of fear, a wide range of persons non pertaining to the criminal environment will not oppose the OCG’s activities, for example by reporting events to the law enforcement agencies

IN-LE or VI-LE profiles are achieved in cases where the OCGs aim at interfering significantly with law enforcement and the judicial process:

- VI-LE: the OCG adopts aggressive behaviours towards law enforcement representatives (violence, intimidation, false complaints, etc.) or towards witnesses or victims not pertaining to the criminal environment who have reported crimes to the authorities. In other words, violence and intimidation towards witnesses or victims result in VI-LE only during law enforcement and judicial processes. Violence and intimidation against such persons at an earlier stage, to avoid entry into the law enforcement process, can lead to an EL-LE profile (isolated cases) or VI-SO profile (based on fear affecting a wide range of persons).
- IN-LE: the OCG
 - Uses corruptive influence to avoid law enforcement detection, targeting law enforcement agencies at middle level. In other words, the OCG has the capability to influence law enforcement officers with, for example, co-ordination or supervision roles on lower levels, or
 - Use of any corruptive influence (low, middle levels) to hinder law enforcement and judicial processes once they have been started. In these cases, criminal activity has been detected and reported, but criminals are able to use corruptive influence to avoid conviction. Low and middle levels within any law enforcement or judicial organisations are targeted as part of this behaviour.

<i>Table 1</i> International dimension		
Values	Main factors	Partial classification
Strategic centre of interest in the reporting MS	Location of the main leaders Location of the main assets	A
Strategic centre of interest in another MS		B
Strategic centre of interest outside the EU		C

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<i>Table 2</i> Use of violence	
Values	Partial class.
<p>Focus on avoiding law enforcement attention, without systematic use of violence to ensure non-occasional compliance of local societies.</p> <p>This category includes cases where violence is directed against THB victims, facilitated illegal immigrants, cases of robberies, burglaries, etc.</p> <p>In general, this category:</p> <ul style="list-style-type: none"> • includes cases where violence is inherent to the main criminal activity; • does not include cases where violence is used to get a non-occasional influence on the behaviour of local societies. For example, racketeering is not included in this category, unless it refers to isolated cases. 	EL-LE
Use of systematic violence or intimidation against local societies to ensure non-occasional compliance or avoid interferences, such as reports/complaints to the law enforcement agencies.	VI-SO
Use of violence/intimidation to hinder law enforcement and judicial processes. This category includes aggressive behaviours against law enforcement representatives (violence, intimidation, false complaints, etc.) or against victims or witnesses, after they have reported crimes to the authorities.	VI-LE

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<i>Table 3</i> Use of corruptive influence	
Values	Class.
<p>Focus on avoiding law enforcement attention, without significant use of corruptive influence.</p> <p>In general, this category includes the following cases:</p> <ul style="list-style-type: none"> • When corruptive influence is exerted against low levels (apart from cases in which IN-LE factor emerges); • When corruptive influence is exerted against middle level and it is directly instrumental to criminal activity. This choice is made to avoid criminal activity having excessive weight in classifying the OCG. An exception is made for criminal activities concerning public expenditure or certain public decision making processes (see also IN-SO profile). <p>Low levels are, for example, front-line police or administrative officers with limited and mandatory tasks. In practical terms, it is the lowest functional level the criminal can choose in order to facilitate criminal activity, get information, prevent investigation etc.</p>	<p>E</p> <p>L</p> <p>-</p> <p>L</p> <p>E</p>
<p>Use of corruptive influence to avoid law enforcement detection, exerting corruptive influence at middle level. In practical terms, criminals can exert corruptive influence on LE officers with co-ordination or supervision roles on lower levels (middle level).</p> <p>Use of any corruptive influence to hinder law enforcement and judicial processes once they have commenced. In these cases, criminal activity has been detected and reported, but criminals are able to use corruptive influence to avoid conviction. Low and middle levels within any law enforcement or judicial organisations are targeted as part of this behaviour.</p>	<p>I</p> <p>N</p> <p>-</p> <p>L</p> <p>E</p>

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<p>Use of significant influence on local societies. This category does not include cases where it is known that this influence is mainly due to violence or intimidation (VI-SO profile).</p> <p>OCGs with IN-SO profile have significant influence on local societies. This effect can be pursued through:</p> <ul style="list-style-type: none"> • Corruptive influence on high level representatives of national or local public institutions (including LEA). High levels are officers with decision-making powers or managerial positions in a certain territory. It goes beyond having investigative powers or supportive functions within the decision-making process. For example, judges with responsibility for conviction or acquittal are always to be included in this category; • Re-investment of criminal proceeds. In these cases, the nature and amount of such re-investments must be such as to give criminals the potential to influence the lives of a significant number of people not pertaining to the criminal environment. • Infiltration of public expenditure mechanisms or other public decision-making processes with the potential to affect the lives of a significant number of people not pertaining to the criminal environment. In these cases, the use of corruptive influence at middle and high levels is included. It can refer, for example, to public tendering or management of a territory or, by definition, to politicians. It can also include cases in which LBS controlled by OC participate in public works or supplies. Tax fraud is not included because its effect on local societies, albeit potentially significant, is only indirect (through the negative effects on the national or local budgets), so corruptive influence will substantiate an IN-SO profile only when it is exerted at high levels. 	<p>I</p> <p>N</p> <p>-</p> <p>S</p> <p>O</p>
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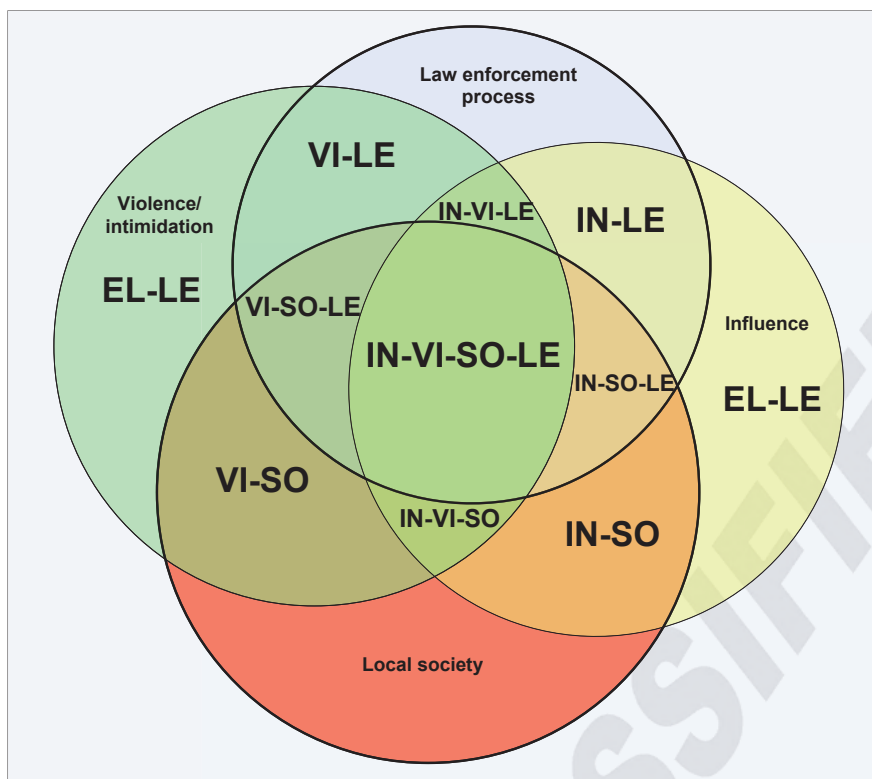
Influence is the defining factor of the IN-SO profile. It refers to the impact that an OCG can have on the lives of a significant number of people not pertaining to criminal environment. When such impact is reached through violence or intimidation, the OCGs have a VI-SO profile. The IN-SO profile emerges when:

- An OCG uses corruptive influence on high level representatives of national or local public institutions. High levels are officers with decision-making powers or managerial positions in a certain territory. This category also includes decision makers or managers from law enforcement agencies and it always includes judges with the responsibility to convict or acquit. In general, this category covers cases in which targets have powers beyond those of investigation;
- Or the OCG is capable of infiltrating public expenditure mechanisms or other important public decision-making processes with the potential to affect the lives of a significant number of people outside the criminal environment. In these cases, the use of corruptive influence at middle and high levels is included. It can refer, for example, to public tendering or management of a territory or, by definition, to politicians. It can also include cases in which LBS controlled by OC participate in public works or supplies. Tax fraud is not included because its effect on local societies, albeit potentially significant, is only indirect (through the negative effects on the national or local budgets), so corruptive influence will substantiate an IN-SO profile only when it is exerted at high levels;

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- Or, the re-investment of criminal proceeds by the OCG, because of the nature and amount, is such as to give criminals the potential to influence the lives of a considerable number of people not pertaining to the criminal environment. This point can be reached, for example, when the OCG invests in companies with a significant share of the legitimate market and active in sensitive sectors, such as health care, real estate or energy.



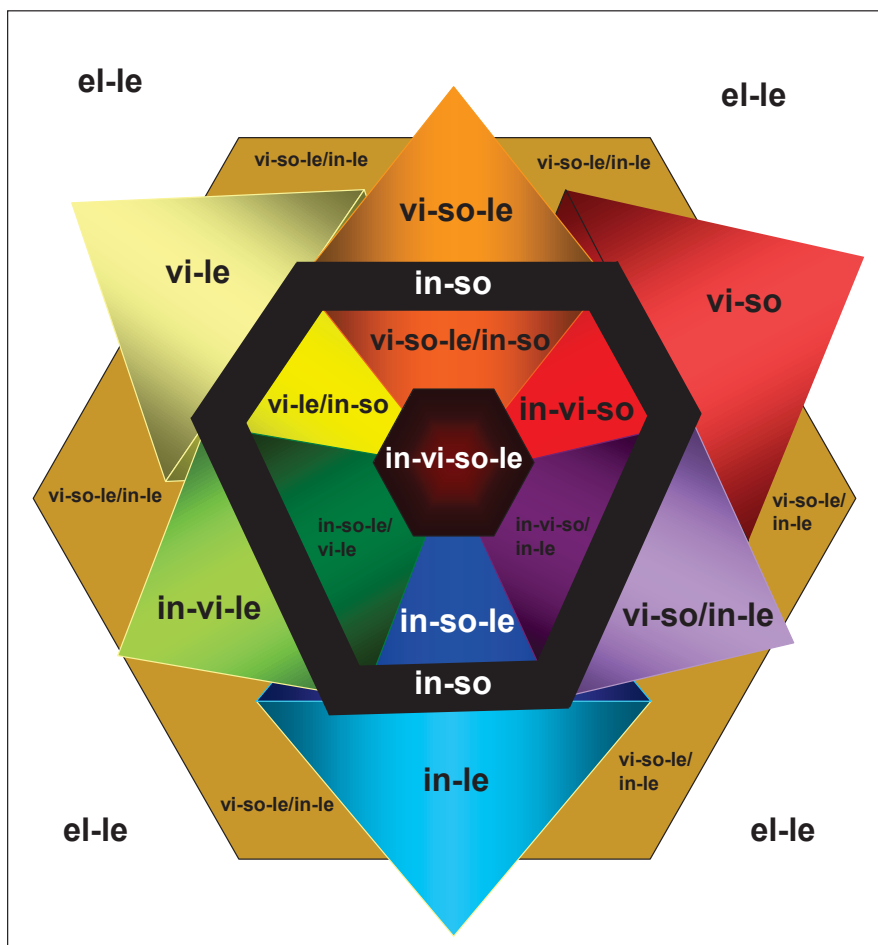
The OCTA typology

Types in the OCTA typology are combinations of:

- Locations of the strategic centre of interest (A, B or C);
- Strategies with reference to the use of violence (EL-LE, VI-SO or VI-LE);
- Strategies with reference to the use of corruptive influence (EL-LE, IN-SO or IN-LE).

All these combination are reported in the following picture.

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The basic strategies are represented by white (EL-LE), black (IN-SO) and the primary colours - red (VI-SO), yellow (VI-LE) and blue (IN-LE).

Interaction between one of the first three strategies (VI-SO, IN-LE and VI-LE) and the IN-SO strategy are represented by the darker side of the respective diamonds (dark red for VI-SO+IN-SO, dark yellow for VI-LE+IN-SO and dark blue for IN-LE+IN-SO).

When there are overlaps between strategies, colours are mixed. The green diamond is the outcome of mixing yellow and blue, that is to say mixing VI-LE and IN-LE strategies. The same goes for orange (VI-SO+VI-LE) and violet (VI-SO+IN-LE). Again, when the IN-SO strategy is also adopted, colours turn darker.

Brown represents cases in which VI-SO, VI-LE and IN-LE are mixed together in the same OCG. When IN-SO behaviours are added, brown becomes dark brown. In that situation, visualised in the centre of the above picture, all strategies are applied.

The picture may be complicated by the fact that different behaviours can be adopted in the location where the OCG keeps its strategic centre of interest and in the MS reporting its activities.

Such a situation can be represented by means of a double set of letters: the first set describing behaviours in the strategic centre of interest and the second set referring to the reporting MS. For example, IN-VI-SO↔EL-LE are OCGs with the strategic centre of interest outside the EU, adopting IN-VI-SO strategies there and EL-LE behaviours in the MS where they are active. In terms of colours, this would be a dark red OCG with an EL-LE behaviour in the EU.

As expected, this typology is the outcome of the 2009 OCTA process. It is based on the analysis of the information available.

This information has been provided on the basis of the data collection plan agreed for the 2009 OCTA. In relation to the ultimate aim of providing a fair view of their OC environments, MS were requested to cluster and describe their OCGs following the agreed intelligence requirements.

In order to avoid excessive heterogeneity, preliminary clustering criteria were discussed with the MS. As a consequence, MS committed to take inspiration from these criteria, maintaining the possibility of adapting them in relation to the ultimate aim of providing a fair view of their OC environments.

Such flexibility was fundamental to the process of developing the typology, because variety in approaches and MS peculiarities were expected to be crucial inputs in this process. The agreed criteria for streamlining the clustering exercise were not intended to be self-fulfilling prophecies in relation to the final typology but to be a practical tool for avoiding unmanageable heterogeneity.

The fact that the typology defined in the 2009 OCTA was not the tool used for gathering data obviously hinders its use in the analysis of available intelligence. Drawing a comprehensive and clear-cut picture of distribution and dynamics concerning these conceptual types of OCGs will be possible when this typology is properly used in the data collection phase. This can be a medium-term objective to be reached within two to three years, in full co-operation with the contributing MS.

Nevertheless, already during the 2009 OCTA process, efforts have been made to apply the typology to the intelligence available.

This involved a certain amount of informed guesswork in filling gaps, in interpreting information provided by the MS and, consequently, in classifying OCGs. Nevertheless, such analysis has two important objectives:

- To confirm that this typology is well-grounded and has adequate explanatory power with reference to the whole EU OC environment.
- To exploit the available intelligence as much as possible, in order to move, already with the 2009 OCTA, in the right direction in the establishment of EU priorities in this new context.