

OCTA

2008

EU ORGANISED CRIME THREAT ASSESSMENT

EUROPOL



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FOREWORD BY THE DIRECTOR



I am delighted to present the third European Union Organised Crime Threat Assessment (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, as its name suggests, a threat assessment of current and expected new trends in organised crime (OC) across the EU. The assessment is based upon existing knowledge and expertise and it is drawn up in order to enable decision-makers to take the appropriate action to counter the anticipated threat.

The OCTA marks a new approach to the way in which Europol and the Member States operate and it is a first step to a change of paradigm in policing. The OCTA fits in firmly with the aim of

'The Hague Programme' to provide a forward-looking approach to fight OC in a more proactive than re-active manner. The OCTA allows the EU to develop complementary measures to countering OC, linking those at the ministerial and political levels with those of practitioners and law enforcement agencies who operate at the front line.

The OCTA as a tool, and the ensuing Council Conclusions based on the OCTA from 2006 and 2007, have already had a significant impact on the law enforcement community throughout Europe in terms of practices and priorities. This is the case, for instance, through the European Police Chief Task Force (EPCTF/COSPOL) framework at the common EU level, the Baltic Sea Task Force, the Operational Inter-organisational Action Plan to Fight Human Trafficking in Greece (ILAEIRA), the Maritime analysis and operations centre – narcotics (MAOC-N) in Lisbon, at Europol and within the individual Member States.

A great number of people and various organisations have contributed to the production of the 2008 OCTA. 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 such as ECB, EMCDDA, Eurojust, Frontex and OLAF. Additionally, a number of

third parties provided valuable assistance in building up the picture of OC as it impacts upon the EU. We are grateful to our law enforcement partners in Canada, Colombia, Norway, Russia, Switzerland and the US as well as to ICPO/Interpol and SECI for their cooperation. 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 cooperation has added significant value to the OCTA. Finally, and perhaps most importantly, the staff of Europol deserve recognition for their efforts

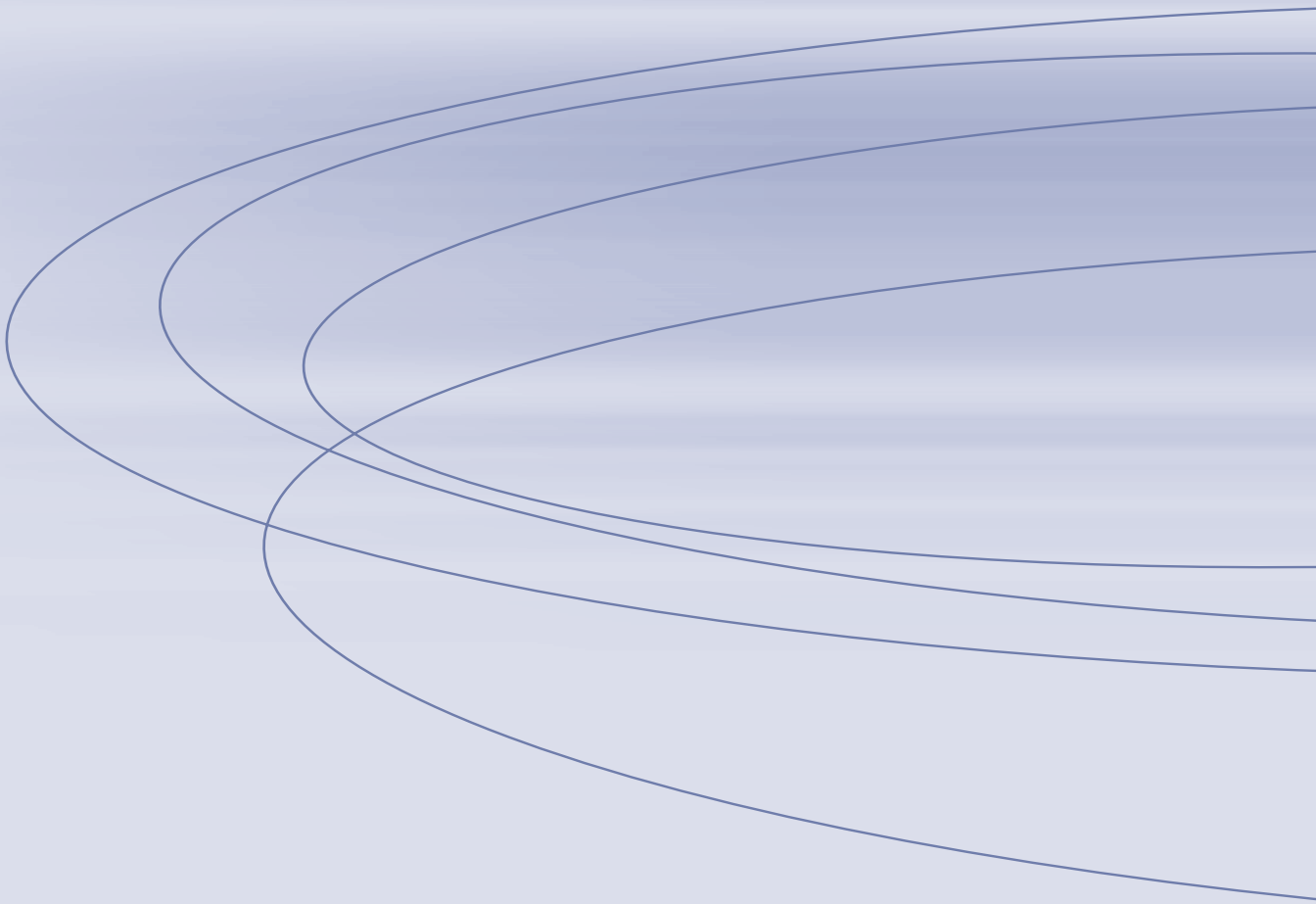
to produce this document. I appreciate and thank them for their on-going efforts in the production and development of this significant and pioneering work.

The 2008 OCTA will be another important step to raise the level of cooperation 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



1. INTRODUCTION

In response to 'The Hague Programme', the first OCTA was introduced and later endorsed by the Council during their meeting on 1-2 June 2006. The OCTA, and the ensuing Council Conclusions based on the OCTA from 2006 and 2007, have already had a significant impact on law enforcement work throughout Europe. This third OCTA will provide an important platform for the evaluation of the Council Conclusions of 2006 and 2007.

The OCTA covers the EU. However, it cannot be neglected that Europe, due to its geography and its cultural, social and historical differences, is not a homogeneous structure and so may also require a regional priority setting. Therefore, although the European dimension is the prime focus, the OCTA also accounts for regional divergences. In order to enhance the understanding of events within the EU, consideration of the international arena is at times necessary.

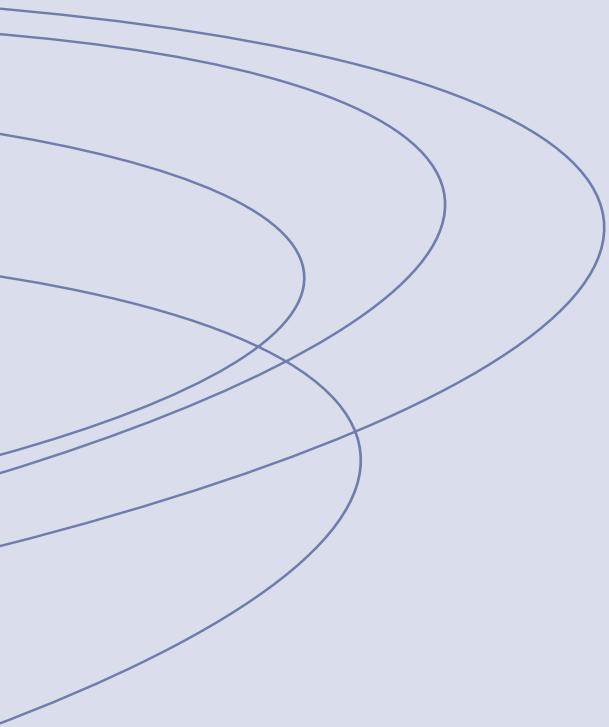
To support decision-makers in the best possible way, the OCTA provides a well-targeted qualitative assessment of the threat from OC. The OCTA is based on a multi-source approach, including law enforcement and non-law enforcement contributions. These include various European agencies as well as the private sector. A specific emphasis is put

on elaborating the benefits of an intensified public-private partnership. The OCTA helps to close the gap between strategic findings and operational activities. The OCTA helps to identify the highest priorities, which will then be effectively tackled with the appropriate law enforcement instruments. The OCTA suggests strategic priorities, but it needs to be realised that the OCTA itself is not detailed enough to pinpoint specific criminal investigations.

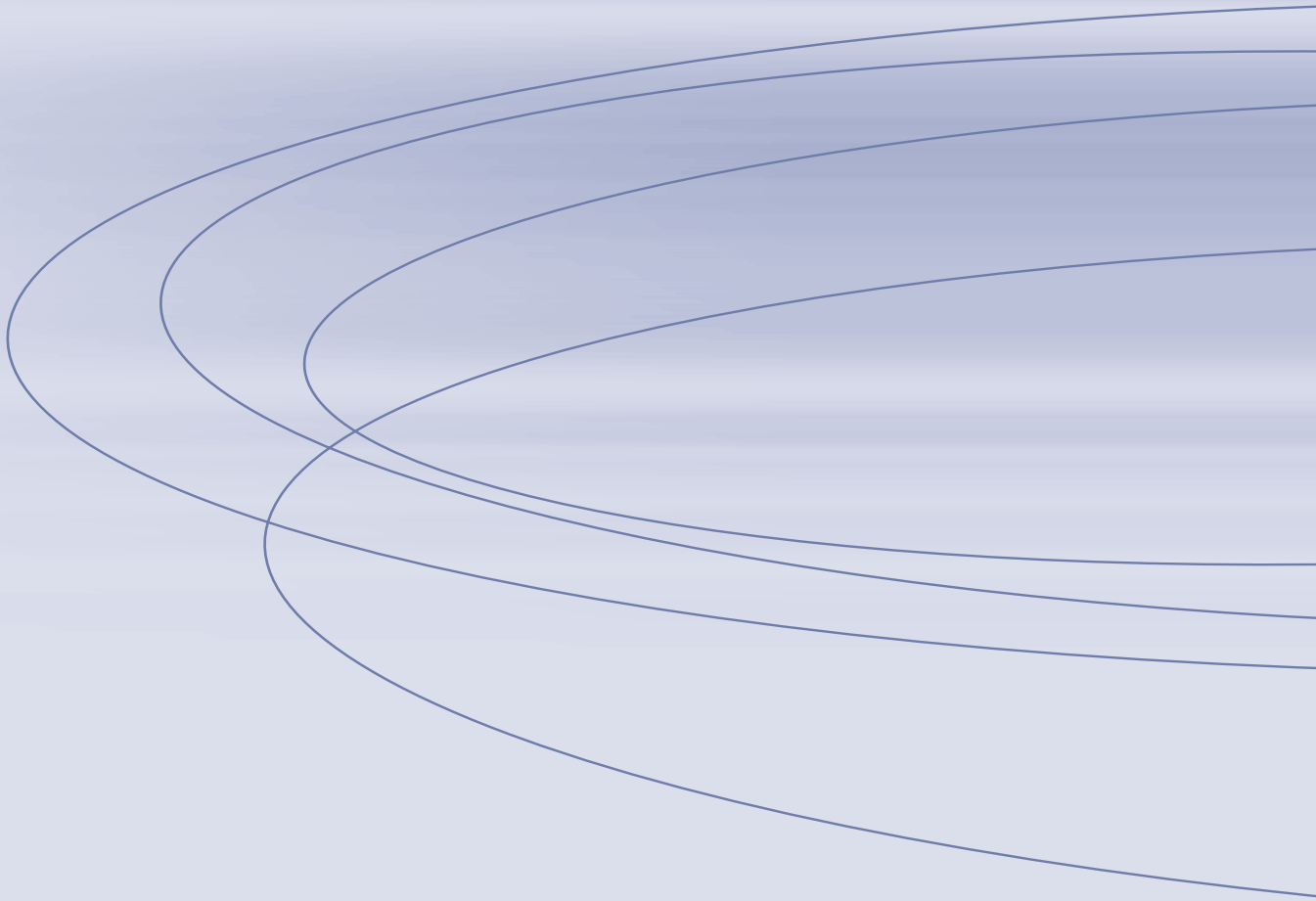
The structure of the 2008 OCTA follows the general conceptual model for the analysis, starting with an assessment of the OC groups, followed by an analysis of the criminal markets and ending with an assessment of the regional dimension of OC impacting on the EU.

The OCTA is always being enhanced. Methodological and other issues are continuously being addressed in close cooperation with the Member States to allow for the further enhancement of the OCTA. The methodology and procedures for its completion have been amended. 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. GENERAL ASSESSMENT OF THE ORGANISED CRIME GROUPS



2. GENERAL ASSESSMENT OF THE ORGANISED CRIME GROUPS

Organised Crime (OC) groups can be assessed by using a typology based on the OCTA indicators. This typology helps to identify specific types of OC groups in any Member State and also to assess their most threatening aspects. The typology is not a scientific statistical exercise but is created to evaluate and showcase functional differences in the OC groups.

In the 2007 OCTA, much of the analysis was focused on assessing the seven individual indicators related to the OC groups, that is:

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

This focus is built upon in the 2008 OCTA. Based on the indicators, the OC groups reported by the Member States can roughly be divided into three main categories. These are tradi-

tionally indigenous OC groups or *EU-based groups*; traditionally non-indigenous or *non-EU-based groups*; and finally the *intermediary situations* including both second generation OC groups and groups that combine aspects of both non-EU and EU-based groups.

A way of visualising the main types is represented below in Figure 1. The development of the groups along the line of the strategic centre of gravity takes into consideration how the international dimension is used by the group, what structural indications can be discerned and whether there are any apparent changes in these, where the groups' leaders and assets are placed, where and how effectively they use corruption and violence, what are the groups' capabilities to exploit legal business structures, and how well and for which specific purposes they exploit specialists and counter-measures. Another factor in defining the groups' strategic centre of gravity is to consider whether and how the groups hinge on an ethnic community of reference to facilitate their criminal activities.

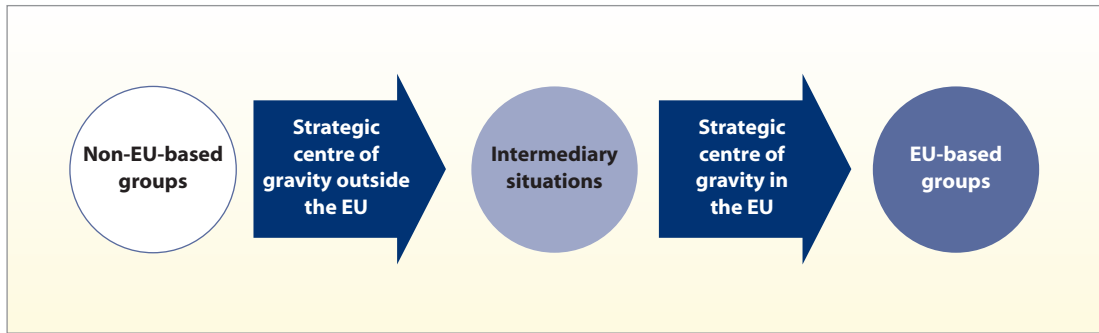


Figure 1: Types of OC groups in relation to their strategic centre of gravity

2.1. Non-EU-based groups

Non-EU-based groups pertain to criminal organisations that have a strong international dimension so that in most cases both leaders and assets of the group are located outside the EU. These groups can be regarded as ‘visitors’; in most cases only cells of the group are present and visible in the EU. Although these cells are in most cases led from outside the EU, the level of organisation of these groups inside the EU is still relatively low. Contacts with the countries of activity are kept to a minimum and the international dimension is used to its fullest extent for shielding purposes and to support the criminal activities.

This category is often represented by hierarchically organised groups. Their criminal activities are normally linked to the use of legal business structures and also the use of high-level corruption against law enforcement or the judiciary,

public administration and politics outside the EU. The use of violence, in most cases outside the EU, is also a strong general characteristic of this type of groups whilst the use of specialists is on a much more basic level.

Non-EU-based groups differ from EU-based groups in one specific aspect: their strategic centre of gravity and interests are mainly outside the EU, and many groups only exploit the crime markets in the EU for profit. These groups are often so-called supplying groups; they either provide people, goods or drugs for the EU markets after which they repatriate the profits to the origin. In some cases they also take care of the final distribution, but may also leave these functions to other groups. This approach often leaves EU law enforcement in the dark of the origin and the organisers of the crime while also making it extremely difficult to identify, re-trace and confiscate the criminal proceeds.

2.2. Intermediary situations

The intermediary situations are among the most interesting types of and developments in OC groups. In general they are relatively independent structures and not only cells of larger OC groups controlled from abroad. The location of the centre of gravity of these groups is to a large extent dependent on their second generation or assimilation process so that in the end the level of presence in the EU grows while the possibility to shield behind the international dimension decreases. In general these groups are developing along the lines and direction of EU-based groups.

The intermediary situations include two main types of groups, *second generation groups* and *groups combining aspects of both non-EU-based and EU-based groups*.

2.2.1. Second generation groups

The second generation groups are in many functional ways flanked by the non EU-based and EU-based OC groups but progressing towards the latter. The defining factor in this development is the assimilation process through which the groups become more ingrained in the societies of their countries of activity.

These groups do not form a homogenous amalgamation. Some of them are still in active contact with the mother group located in the origin country and in some cases procure goods or services from it. In a more progressed stage the group has gradually cut its ties with its mother group and rather hinges on ethnic communities present in the EU for cover, markets and recruitment. In the most advanced intermediary situation the group relies partly

on the exploitation of the ethnic community, but has also become more prepared to use corruption or influence, in some cases also violence, and all in all gain an enhanced access to legal structures in the EU. The group enhances its presence in the EU but simultaneously shields some of its functions behind its international dimension (for instance in the form of language, family ties or values), which guarantees it a sound insulation against law enforcement and other OC groups.

There are indications that certain groups traditionally considered insulated outside the EU and only involved in procuring various commodities to EU-based groups are established in the EU.

2.2.2. Groups combining aspects of both non-EU-based and EU-based groups

The groups combining aspects of both non-EU-based and EU-based groups are comprised of groupings that in their criminal activities combine the insulating features of groups based outside the EU and the level of presence in the EU of indigenous groups. The centre of gravity of these groups can be described to be in every country of activity. They are as such not evolving along the lines of the second generation development.

In most cases these groups are not independent OC groups but more accurately geographically spread networks often involved in trafficking or smuggling activities. These are often made up of several relatively independent and equal groups or cores which activate when a certain type of goods or certain nationality of people or certain country of the trajectory becomes relevant.

2.3. EU-based groups

EU-based groups refer to OC groups that have both their leaders and at least a substantial part of their assets inside the EU. They are in general defined by the use of legal business structures, actively employ specialists in their criminal activities and, in most cases, use corruption inside the EU against low-level representatives of law enforcement or the judiciary. However, the type and level of corruption applied by the groups varies somewhat. Although decidedly fewer groups try to use corruption on a higher level and also against public administration and the political context, these contacts do occur.

The use of violence is in many cases not a defining characteristic of this type since the need for its use is in many cases made obsolete by the ability of EU-based groups to use other, more sophisticated and less conspicuous means to facilitate their criminal business. However, there are important exceptions to this rule.

On an organisational level EU-based groups are efficiently organised and support task diversification and specialisation. These structures are resilient in relation to the outside world. On the other hand, they are not always able to use the international dimension for effective shielding purposes, which can make them relatively vulnerable to law enforcement action.

EU-based groups can comprise several structural types but current data suggests that hierarchically based groups, and certain oriented clusters are typical of this category. The concept of 'oriented cluster' is described in the 2007 OCTA.

Even though modern criminal organisations often invest their assets and launder their criminal proceeds in various locations around the world and are active in numerous countries and even continents, the strategic centre of gravity of EU-based groups is still located in their origin in the EU.

2.4. Functionality as a defining factor of Organised Crime

On the whole the majority of the groups reported by the Member States are located between pure EU-based and non-EU-based groups. This development can be explained by various factors: it is possible that many supplying groups, or non-EU-based groups, want to better safeguard their business interests in the EU and maybe also get more involved in the final phases of the supply chain, namely distribution and money laundering. They may even wish to expand their business into other criminal markets located in the EU. Originally non-indigenous OC may also regard the borderless EU as a good location to invest some of the

immediate criminal proceeds and to get involved in profitable legal business structures, especially if the risk of involvement is dispersed and some parts of the overall interests of the criminal organisation are maintained outside the EU in the origin. Additional information is in any case required in order to confirm these factors.

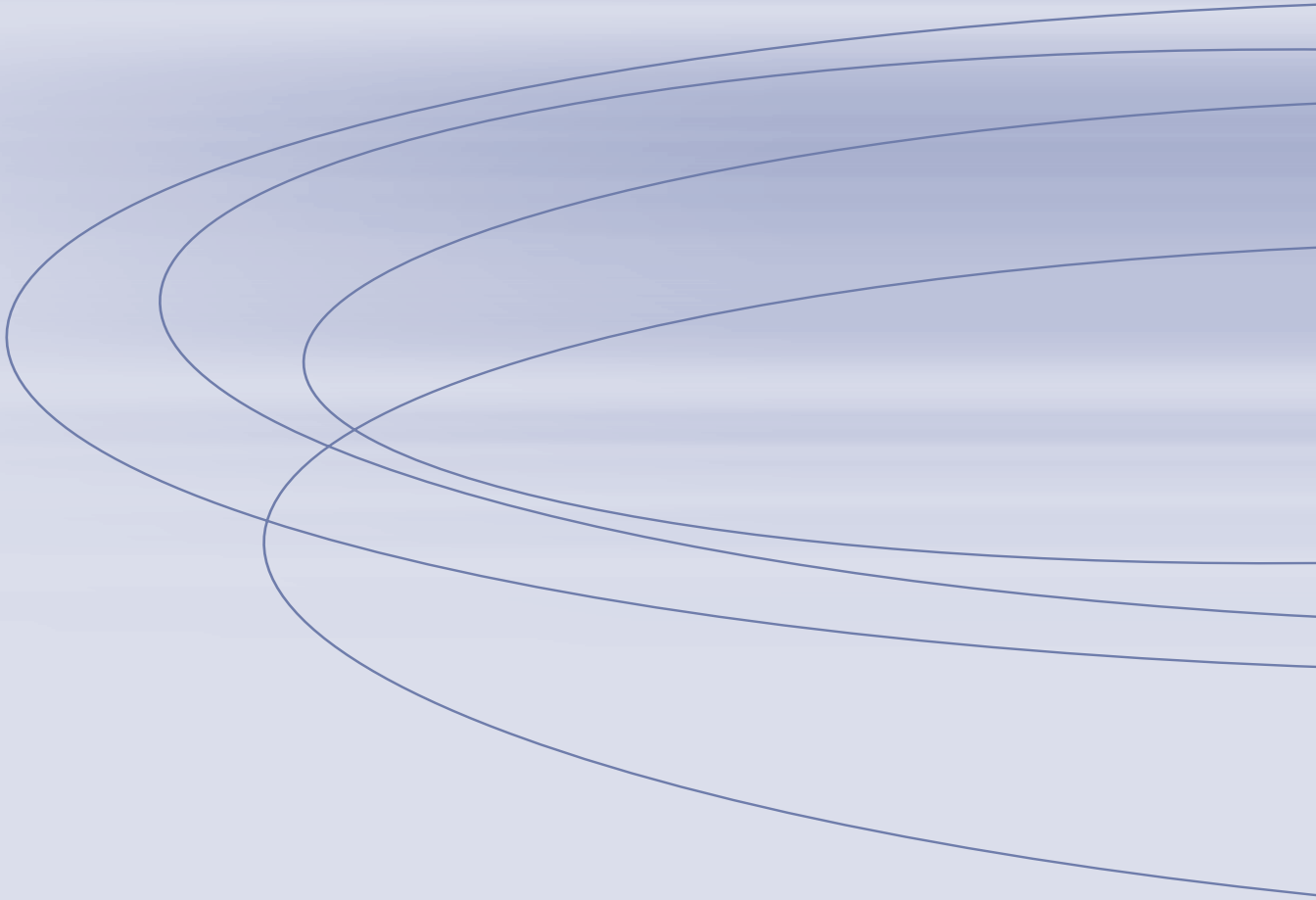
These factors may also explain why certain non-indigenous and originally non-EU-based groups of one and the same dominant ethnicity can be located in different developmental phases. Based on this it can be suggested that the functionalities and strategic interests of a group and the relevant criminal markets in many cases override ethnicity as a defining factor of OC.

2.5. Trends and developments

According to the data contributed to the 2008 OCTA certain trends and developments in relation to OC groups can be emphasised:

- The OC environment in the EU is evolving and dynamic. Some non-EU-based groups seem to be displaying characteristics of intermediary situations while others remain relatively purely non-EU-based.
- Some groups in intermediary situations are increasingly featuring members from a mixed background so that several ethnicities and nationalities, including that of the countries of activity, are represented. Their leaders, probably wanting to safeguard their overall strategic interests, often reside both in the countries of activity and origin.
- The second generation development is an important aspect to be taken into consideration by law enforcement. Some OC groups are already showcasing a significant use of legal business structures both to facilitate criminal activities but also to launder criminal proceeds and to get established in legal business. They are also prepared to use influence and corruption in the EU both in the public and private contexts. This indicates an increasing awareness of the functions of the EU societies of these groups but also reflects their specific zeal and readiness to control any aspect possibly affecting the criminal business.

3. CRIMINAL MARKETS



3. CRIMINAL MARKETS

The first two editions of the OCTA addressed criminal markets through the study of a number of facilitating factors which in various ways have a horizontal effect on different types of crimes, namely:

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

In the 2008 OCTA, the detailed assessment of the facilitating factors themselves is built upon by a thorough analysis of crimes through the same analytical perspective.

The crime types addressed are:

- Drugs trafficking;
- Crimes against persons with a focus on the exploitation of illegal immigration and trafficking in human beings (THB);
- Fraud;
- Counterfeiting, including euro counterfeiting.

Money laundering will be addressed in the ensuing assessment of the horizontal dimension of the criminal markets.

3.1. Drugs trafficking

Large scale importation of **cocaine** into the EU is dominated by Colombian OC groups. They profit from the historic and linguistic links with Spain but also Portugal, as well as from the long coastline of the Iberian Peninsula and well established Colombian communities there. Colombians and Spanish nationals are used to co-operate within this drug market and recently also cooperation with Nigerian groups is frequently reported.

Instead of direct transport towards the EU, OC groups may prefer to go via the Caribbean or recently via West Africa. West Africa is increasingly gaining in importance as a trans-shipment zone. Recently, Colombian OC groups have developed relationships with their Moroccan counterparts in order to make use of the traditional cannabis smuggling routes, thereby enabling the onward transport of cocaine to the EU.

Most **heroin** is originating from Afghanistan. Heroin trafficking towards and within the EU continues to be dominated by Turkish OC groups. Turkey has ties with Afghanistan and with countries such as The Netherlands, Belgium, France, Germany and the UK. The

majority of heroin is still transported via different branches of the Balkan routes, but a considerable amount is trafficked via the Northern Black Sea route which is gaining in importance.

Dutch and to a lesser extent Belgian OC groups still dominate the major production of **synthetic drugs** in the EU, profiting from their knowledge and experience and with trafficking facilitated by major ports such as Antwerp and Rotterdam which also act as important trans-shipment points, for instance for cocaine trafficking. However, large scale MDMA (ecstasy) production continues to spread, in particular in Indonesia, Canada and Australia. In some cases the use or support of criminal expertise from the EU has been observed.

Within the EU, an increase of large scale production sites outside the Dutch-Belgian region can also be noticed.

It is expected that the accession of Bulgaria and Romania will influence the EU market in synthetic drugs. Bulgarian OC groups are producing amphetamine tablets currently trafficked to the Middle East. In this context, there are indications that laboratories are moving towards destination countries in the Middle East. The large transport possibilities (Black Sea harbours and important Pan-European

corridors) can further facilitate the production and trafficking of synthetic drugs and possibly also the trafficking of precursors, from principal source countries such as China and Russia, towards Western Europe.

All these developments might indicate that regions of the world will become self-sufficient in synthetic drug production and distribution. With this in mind, the global dominance of Dutch and Belgian OC groups in relation to MDMA may diminish over time.

The **cannabis market** is the largest illicit drug market so far. Cannabis originating from Morocco enters the European continent via Spain and is often transported to The Netherlands for further distribution. Spanish and Moroccan nationalities are predominant within this activity and cooperation with other nationalities allow successful results. The Netherlands is an important producer of cannabis herb when focussing on the European market. Indoor cultivation of cannabis is also increasing in the Czech Republic by making use of technological skills and equipment originating in The Netherlands. The actual growing of cannabis is sometimes outsourced either to other people who have financial problems and set up a nursery in their own home or to labourers from Eastern Europe who are forced to employ their skills to grow Nederweed.

3.2. Crimes against persons

Facilitation of illegal immigration and trafficking in human beings (THB) are two distinct crime fields requiring specific responses and responsibilities. Nevertheless, there are some overlapping areas concerning facilitating factors and conditions feeding into these crimes and influencing their developments. Moreover, it cannot be ruled out that, in real cases, incomplete information might lead to the classification of victims of THB as facilitated illegal immigrants, or the other way round. The possibility that illegal immigrants find themselves exploited at a later stage by OC groups not involved in their smuggling must be taken into account as well. This last consideration opens up for a wider reflection on how OC can profit from illegal immigrants.

ID fraud and borders will continue to be important factors in THB and facilitation of illegal immigration. Land and sea borders can be crossed clandestinely without resorting to ID fraud. When overstaying the validity period of a legal visa or residence permit, ID fraud is not needed either. Otherwise, stolen or forged travel documents are necessary and this is the main method used when entering the EU by plane illegally. Documents that allow entrance or residence in the EU can also be genuine but obtained on false grounds.

There are some variables that can be regarded as crucial for the future dynamics of THB and facilitation of illegal immigration in the EU.

One of these factors is the pool of potential victims or illegal immigrants in Ukraine, Belarus, Moldova and Russia. Romanian and Lithuanian OC groups will be prevalent in profiting from this situation. In addition, other important actors appear to be the Polish OC groups, which are dominating THB in and via Poland.

Another important variable is the impact of the recent EU accession of Romania and Bulgaria.

Certain OC groups, such as the Romanian, Polish, Lithuanian ones, will continue to profit from their being EU-based and being able to recruit human beings not only from the Member State where they are centred but also from outside the EU. Other OC groups, such as indigenous and ethnic Albanian ones, will continue to try to keep their market position also by exploiting human beings trafficked by the aforementioned OC groups.

The other crucial set of variables includes the dynamics linked to the African continent.

Every year, tens of thousands of Africans attempt to enter the EU illegally. Africa is also being used by larger and more structured OC groups involved in smuggling immigrants from other continents, particularly East, South and Southwest Asia.

The role of Africa in THB for sexual exploitation into the EU seems to be mainly played by Nigerian OC groups. Nigerian criminals usually take care of all phases of the trafficking and exploitation process.

Another crucial variable is illegal immigration from China. Chinese OC networks facilitate the illegal immigration of Chinese people into the EU. There are factors that may generate an increase in the exploitation of forced labour, and lead to an expansion to new forms of exploitation such as for sexual purposes that are more likely to lead to contacts and visibility beyond the limits of the Chinese community.

Concerning Southeast Asia, intelligence suggests that other nationalities, such as Vietnamese, are emerging in the criminal fields of

facilitation of illegal immigration and THB. This points to the possible growth of a new significant front in the fight against these crimes.

It is also important to monitor the evolving situation in the Black Sea region. Criminal groups active in this area are involved in the facilitation of illegal immigration of nationals from their own regions, but they are also used

as service providers by facilitators from outside the regions. The most serious and immediate risk is posed by the major ports of Odessa, Istanbul, Constanta and Varna. They are used as transport and transit hubs for international shipments.

The security situation in Iraq has a significant impact on illegal immigration from that country to several Member States.

3.3. Fraud

Fraud comprises various differing criminal phenomena ranging from VAT, investment and social security fraud into fraud on EU funds and public tenders. Also intellectual property rights (IPR) issues and cigarettes, alcohol and gasoline smuggling are regarded as fraud due to their direct and indirect financial and tax implications (theft or evasion of revenue). Fraud features more sophisticated and complicated schemes crossing the globe and involving various bogus and real companies, such as trade fraud, but also more straightforward scams orchestrated simply to lure gullible individuals into parting with their monies, such as some forms of advance-fee fraud.

Fraud can be typified and discussed according to its main objective: fraud with direct financial benefits, and fraud with further interests to influence the society and economy (penetration into society, acquiring a legal appearance, strengthening the control over territory through the control of local administrations, establishment of new criminal business, laundering criminal proceeds, etc.). It can be argued that in the end all fraud purports to financially benefit its perpetrator but this is not the sole purpose and *raison d'être* of fraud; OC can use it in a more functional way to attach itself into various legal structures and either exploit or penetrate them. In some cases the blatant money-making aspect of fraud actually misleads both law enforcement and society in general into overlooking it as nothing but.

However, fraud supports financially many threatening forms of OC. It is in many cases the latch that OC can use to penetrate society and

economy almost unnoticed. This penetration can have far-reaching implications especially when it is combined with the use of corruption to influence important political and economic decision-making locally, regionally and nationally. The most threatening aspect of fraud is that it can be used by OC to gain a strong foothold in various sectors from construction to transport aided by cumulative fraudulent practices and subsequent lower prices offered by OC-related businesses.

Thus, fraud has a far-reaching impact on society as a whole that surpasses its direct financial implications. This applies specifically to venture and trade fraud, where fraud on EU funds (public tenders and procurement) is an example of the former, and trade fraud is a main heading for different types of crimes and fraudulent practises that exploit, in various ways, the borders between the buyer, the seller, and the possible intermediaries. These expose certain key vulnerabilities in society and the economy that can be exploited by OC with grave destabilising consequences.

Concerning payment card fraud, OC can exploit the readily available technological expertise and equipment (skimming devices, hackers, phishing kits, etc.) on offer, the fact that payment card fraud is a global problem but that the relevant tools against it are mainly national, and the growing use of the Internet providing new vulnerabilities to be exploited for stealing and abusing data. The main threat in relation to payment card fraud is that OC supported by external experts increasingly gets involved in payment card fraud and, aided by its resources, develops more and more efficient means of stealing high volumes of data.

3.4. Counterfeiting

Counterfeiting is an illegal activity encompassing a wide range of criminal fields. It can be a crime in itself, a specialisation and a facilitating factor for other crimes.

Counterfeiting can be divided in three main categories:

- Currency counterfeiting (banknotes and coins);
- Documents counterfeiting (ID, freight, vehicle, excise, etc.);
- Commodity counterfeiting (intellectual property rights infringements).

Currency counterfeiting, and in particular that of the euro, is reported throughout the EU. The countries most affected during the first ten months of 2007 were France, Italy and Spain, followed by Germany, Austria, The Netherlands and Belgium. The smallest number of euro counterfeits was seized in Denmark, Latvia and Estonia.

Overall, currency counterfeiting is characterised by a strict distribution of tasks between producers, middle-men and distributors, in some cases controlled or, more often than not, tolerated by Mafia-type Italian OC and OC groups from Lithuania, Bulgaria and Poland. Criminals from the itinerant community are among the main distributors in France and Spain. Most of the involved OC groups have a multi-crime profile, and exploit their international dimension and all available trafficking routes to provide to other criminals and to the public a wide range of illegal products and services.

Currency counterfeiting in the EU is a present threat that, for the time being, is under control,

Documents counterfeiting is a major crime facilitator. Counterfeit documents facilitate crimes such as drug trafficking, THB, facilitating illegal immigration, stolen vehicles trafficking, commodity smuggling (including cigarettes and spirits), identity theft and many types of fraud. The transnational nature of modern OC is reflected in the utmost care spent by OC groups in carefully counterfeiting all documents to be used to cross several borders in apparent legitimacy. Forged accompanying documents also facilitate the infiltration of illegal products into the legitimate retail sector, releasing distribution from the clandestine enclosure of black markets, thus increasing the profits of OC groups.

The limitless variety of official or semi-official documents existing throughout the world, combined with the ever-increasing movement of people and goods across real and virtual borders, hampers efficient controls and facilitates illegal operations. The threat deriving from document counterfeiting is therefore to be considered as very serious.

Commodity counterfeiting is a crime which requires special attention. All Member States are affected by it, and an emerging threat is the infiltration of counterfeit goods into the legitimate retail sector.

Thorough exploitation of the transport sector and of state-of-the-art technology, globalisation and borders are the main facilitating factors for commodity counterfeiting, making it a crime in perfect line with the modern nature and structure of international OC.

The threat posed by commodity counterfeiting and IPR fraud is multiple and potentially devastating. The sectors most threatened by it are

health and safety, economy, innovation (scientific and technological) and employment.

A side-effect of commodity counterfeiting is its impact on innovation and research, the core product and added value of intellectual property. Decreasing profits due to unfair competition

by counterfeiters negatively affect innovation and research, slowing progress down.

Moreover, falling profits and shrinking markets unavoidably lead to a necessary reduction of working personnel, with consequent loss of jobs.

3.5. The horizontal dimension of the criminal markets

International OC groups are widening their operational scope and the range of criminal activities they are involved in. In a smaller, globalised world with a growing demand of all goods, smuggling is the quintessential criminal activity, and is passing from a situation of strict specialisation, in which each OC group only trafficked one type of product, to one of multi-offer and, consequently, of multi-crime. One of the most used strategies is to amass funds through a low-risk, high-profit crime such as cigarette smuggling or fraud, later investing them in a highly lucrative criminal activity, for instance drug smuggling.

Modern and sophisticated OC groups seem to realize that instead of robbing citizens, it is better to offer them what is forbidden, rare, too expensive or craved. The control on international smuggling routes, the establishment of strategic alliances with powerful OC groups in source and transit countries, the exploitation of borders and of all related unsolved issues, the misuse of the transport sector, the control over black market and illicit labour, the use of technology and virtual markets, the tolerant attitude of the 'targets': these are all converging facilitators of a criminal trend.

Violent and aggressive crime can be left to more primitive and less structured groups, while the leading syndicates can glide smoothly in the parallel economy with the aim of satisfying their clientele, thus realizing the ultimate goal of the top-level criminals: that of being considered successful entrepreneurs.

In general, the main OC groups are transnational, multi-ethnic and poly-crime oriented, and they can offer an ample variety of products

and services. This wider dimension may give them the possibility to run the whole production and distribution processes of entire criminal markets, optimising their profits and cutting out local and minor OC groups, which will be forced to resort to other or limited criminal activities. That could lead to a harsher impact on the territory by local OC groups, while major international OC groups may increase their revenues and infiltrate more and more the commercial, economic and social sectors, thus posing a greater, more powerful threat.

There are several factors which have led to the present situation and which will continue to be important in the future. However, two emerge above the others.

The first is the exploitation of globalisation and borders. Without borders there would be no smuggling, and modern OC is nothing more than smuggling brought to its highest level.

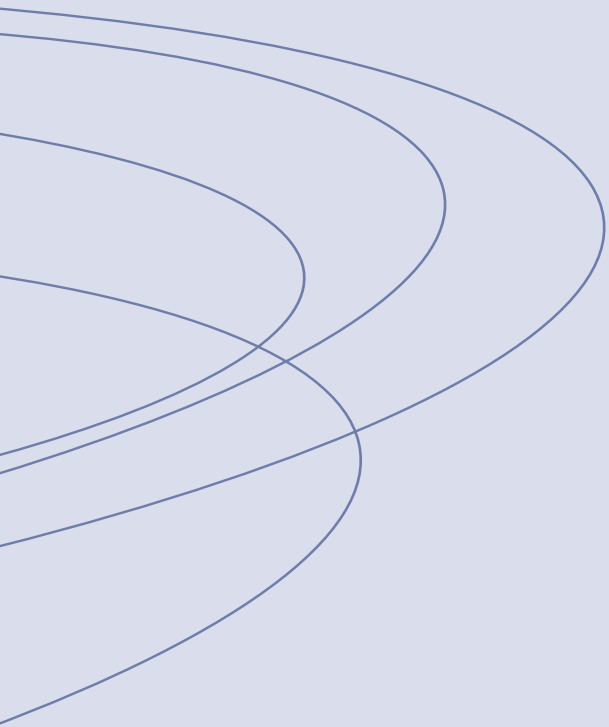
The second is less definite but more disturbing: it is the human factor. Social tolerance is one of the facilitators taken into consideration by the OCTA. Organised criminals are particularly able in sensing these and other weaknesses, and to transform them into money.

On the illegal market, OC groups remain unchallenged by any credible competition, and in line with their new commercial approach they can venture in previously unexplored criminal fields. A notable example is provided by child pornography.

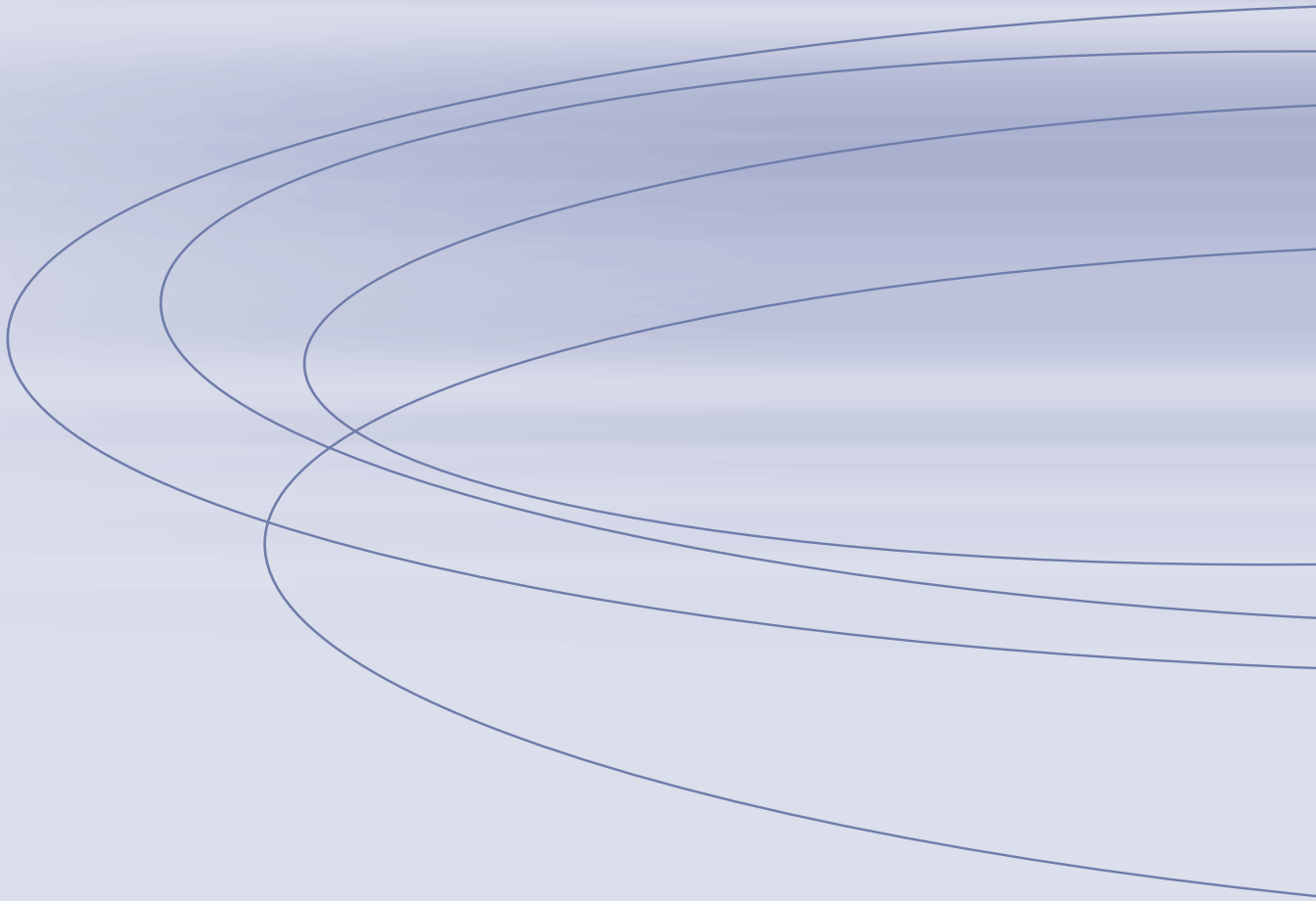
OC groups perform other criminal activities using the whole world as a stage, the most international of them all being the ultimate organised crime: money laundering. And money laundering, being very often perpetrated by OC groups in combination with other

crimes – its predicate offences – is yet another sign of the trend towards multi-crime of modern OC. At the same time, the existence of experts providing their services to other OC groups is evidence of the increasing commercial attitude described above. Many are the methods used by OC groups to launder money, and in the last years technology is becoming

an important facilitating factor. The common denominator of the most complex and effective money laundering scheme is the international dimension. As in other criminal fields, also in money laundering, OC groups display peerless skill in managing the international dimension, while national and international authorities are constantly struggling with it.



4. THE ORGANISED CRIME LANDSCAPE



4. THE ORGANISED CRIME LANDSCAPE

In line with the 2007 OCTA, much focus is provided for the geographical dimension of OC in the EU, to complement the relationship between crimes and criminals and provide a context for their whereabouts. Four regions of the EU will be analysed. This will be followed by an assessment of the dynamic relationship between the regions captured in the idea of criminal hubs.

4.1. The North-West region: The Atlantic region

The Atlantic region encompasses more or less The Netherlands, Belgium, Luxembourg, the UK, Ireland, the north-western part of Germany and the north of France. Specific particularities of the region include the major transport infrastructures, well established ethnic communities of reference, different tax regimes, geographical proximity to various Member States and a flourishing economy which offers possibilities that can and are exploited by OC.

The North-West region, characterised by enormous transport facilities, plays one of the main roles in drug trafficking and even in drug production. The Netherlands is Europe's main secondary distribution centre for both cocaine (originating from South America) and heroin (originating from Turkey) and is together with Belgium the world's primary producer of

ecstasy. The well developed transport network in the Atlantic region acts as the main facilitating factor for drug trafficking and offers possibilities for illegal immigration and THB. World class harbours such as Rotterdam, Antwerp, Hamburg and Dover act as major maritime gateways to the EU while a well developed infrastructure for air, waterborne, rail and road traffic facilitates any kind of transport through this region.

A second important facility for OC within this region consists of the exploitation of well established ethnic communities. During recent decades, Turks have established themselves in



various Western countries and connections have been developed between Turkish OC groups in Western Europe and Turkey. However, the exploitation of Turkish or Kurdish communities in Belgium, The Netherlands, Germany, the UK and France particularly facilitates Turkish OC in the Atlantic region.

The exploitation of Colombian communities in the UK facilitates cocaine trafficking into the EU and an emerging risk in other countries of the Atlantic region may facilitate cocaine trafficking even further. The networks can exploit these communities to disguise their drug trafficking activities

Chinese OC groups involved in several crime domains exploit the existence of a growing Chinese community in the Atlantic region.

Some Moroccan OC groups, well established amongst others in Belgium and in The Netherlands, as well as some groups with Dutch nationals, are specialised in the importation of Moroccan hashish via Spain towards The Netherlands.

The geo-strategic position of the Atlantic region facilitates different forms of OC. The North-West region is not only from a pure geographical point of view an important gateway to the EU but has also essential cultural and historical links with different regions of the world. The countries of the Atlantic region were important colonial powers in history. For example, small overseas possessions in the Caribbean play an important role in transatlantic cocaine trafficking.

The geographical proximity to various Member States in the Atlantic region offers another possibility for OC. Within the continental part in particular, people are free to move within this

extensive area and do not have to deal with controls at the border. Law enforcement on the other hand is still to a large extent limited to operate within its own borders. Itinerant OC groups involved in large-scale burglaries are highly exploiting this situation. Itinerant OC groups originating from the former Yugoslavia are active all over the world but the geographical proximity to various Member States and the well developed transport and road infrastructure makes it even easier in the Atlantic region to cross borders in a limited amount of time. These OC groups are usually non-EU-based.

The UK and Ireland are highly attractive destinations for illegal immigrants and OC groups who facilitate illegal immigration. Both countries are favourite destinations because of a flourishing economy and consequent demand for workers, particularly in low skilled sectors, and the image of easy access to health, welfare and education systems. Ireland, historically a country experiencing high levels of emigration, has only in the nineties become a destination for migrants. Significant numbers of people are now attempting to enter Ireland. Nigerian OC groups for generations present in amongst others the UK and The Netherlands and responsible for various forms of fraud are now also discovered in Ireland.

In both the UK and Ireland, educational establishments gain in importance as facilitating factors in case of illegal immigration. This allows the use of genuine documents instead of falsified documents to apply for access to a school. Recently also bogus schools, established by the OC group themselves, help obtaining the VISA applications by providing the necessary documents.

Different tax levels, attributed to the same type of products encourage criminals to

involve themselves in the lucrative business of tax fraud, and high levels of taxation in Ireland and the UK provides opportunities for smuggling. These suspects are mainly indigenous groups, Irish and UK nationals. Missing Trader Intra Community fraud (MTIC) exploits the free movement of goods between the Member

States. The UK is highly affected by carousel fraud, a particular form of MTIC fraud. The goods involved, typically small and expensive items which can easily be packed and transported in bulk such as mobile phones, computer chips etc. can go round the carousel many times before the fraud is discovered.

4.2. The North-East region: Approximating the Baltic Sea region

The criminal dynamics of the Baltic countries are mostly influenced by their interposition between countries supplying cigarettes and synthetic drugs precursors and significant destination countries for cigarettes, synthetic drugs, cocaine and hashish. The North-East criminal hub identified by the 2007 OCTA presents attractive opportunities to organised crime from the Baltic region but also to non-indigenous OC groups originating from the neighbouring countries such as Russia, Belarus, and Ukraine.

Additionally, an important feature of the region is the existence of borders between the EU and Russia. This border separates two very different types of legislation and makes cross-border law enforcement cooperation sometimes lengthy and cumbersome. Therefore the border can also be seen to facilitate certain OC groups and markets. A further facilitator for trade fraud in this region is the large volume of

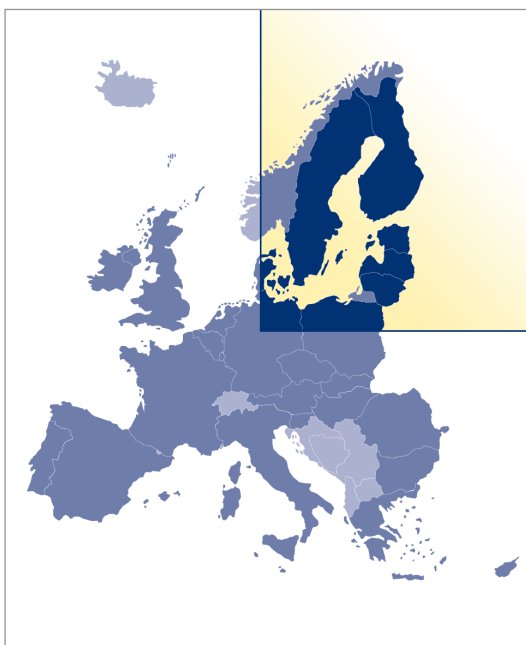
transports across the borders and other vulnerabilities of the logistics sector.

The expansion of the Schengen area into the three Baltic States and Poland will have certain implications on the region especially in the criminal markets of facilitation of illegal immigration, drug smuggling and property crime.

The new Schengen countries will experience a new type of pressure on their eastern borders as they became the external Schengen borders. For example, increased criminal activities in the border areas between Latvia and Russia and Latvia and Belarus are foreseen as well as the creation of new transit channels into the EU.

Oriented clusters are relatively characteristic to the North-East region. Due to the relatively strong representation of EU-based oriented clusters in the region it can be suggested that non-EU-based groups need to either co-operate with local, and in many cases oriented structures in order to access the criminal markets, or develop certain characteristics of EU-based groups by evolving through intermediary situations (that is, the second generation development).

Certain regional OC groups are becoming 'bridging' groups that procure certain goods or services to specific parts of the regional market in cooperation with or supplied by the Lithuanian OC groups. Estonian OC groups co-operating with Lithuanian OC have a significant role in smuggling certain drugs to Estonia as well as in the production of synthetic drugs and the further distribution of these to the Finnish market. Their Finnish counterparts, Outlaw Motorcycle Gangs (OMCG) and the networks co-operating with them, are responsible for the wholesale and distribution in Finland. Additionally, Lithuanian OC groups have contacts with Russian OC groups supplying BMK facilitated



by the use of bogus companies. Polish OC groups participate in the smuggling of the precursor while Latvian OC groups secure the cross-border shipments.

Immigration processes from Lithuania and Poland to Western Europe will strengthen the creation of ethnic communities, (the fringes of) which can be exploited for support, work force, camouflage, and proceeds (extortion, kidnap, etc.) by Lithuanian and Polish OC groups. This could further strengthen the role of these OC groups in the destination markets of Western European countries.

The North-East region of the EU is both a transit area and an important destination market

for various commodities ranging from smuggled and counterfeit cigarettes to synthetic drugs. Lithuanian OC groups are acting as important traffickers in many criminal markets in various geographical locations, often also beyond the borders of the North-East region. In some cases Lithuanian OC groups co-operate and supply goods to some Polish, Latvian and Estonian OC groups and OMCG and related groups. These groups can then act as 'bridging groups', procuring goods from the global markets for specific sections of the regional market. The Lithuanian OC groups as independent criminal actors, but also as main links to EU and global criminal markets for other regional groups, constitute a major threat.

4.3. The South-East region

A number of factors substantially differentiate the South-East region from the other three. In fact, several southeast European countries are not members of the EU. Furthermore, with the notable exception of Greece, all Member States in the region have joined the EU only recently or very recently. Finally, modern history in the area has evolved with different and unparalleled dynamics compared to Western Europe and, in many instances, also North-Eastern Europe. These factors, combined with the geographical location, substantially affect the OC situation.

The long wave of the liberalisation process that followed the fall of the Iron Curtain, together with the social, political and economic consequences of the Western Balkan conflicts, still influence the OC scenario in south-east Europe.

The strategic control of the Balkan route is a significant strength, maximised by the increasing flows of illicit trafficking between Western

Europe and Asia. Drugs and THB are the most lucrative illicit trades going towards the EU, while in the opposite direction the most trafficked goods are drugs and stolen vehicles. The Balkan route links the OC situation in southeast Europe with that of the three other European regions. In fact, all transnational OC groups in need to utilize the Balkan route have to find an agreement with Balkan OC groups, which gain a double benefit from their position of advantage: a share in the profits, and the possibility to establish high-level criminal alliances through which they can attain new markets and get involved into new types of crime. The central role of the Balkan route is amplified by the fact that all southeast European Member States share frontiers with non-EU countries, thus placing borders among the main facilitating factors of crime in the region.

Another important facilitating factor is the black market. In fact, during the last several decades the black market was the only way for most of the citizens in southeast Europe to get hold of many, often necessary, commodities. OC groups exploit this situation and provide a growing assortment of products and services.

Ethnic Albanian OC groups are active all over Europe, including southeast European Member States, mainly dealing with drug trafficking or THB. Their specialisation in the last stage of THB, namely in the exploitation of the prostitution of women often trafficked by other OC groups, is widely reported. Ethnic Albanian OC groups tend to smoothly gain access to new criminal environments, offering themselves as service providers for powerful and well established domestic groups, often being sub-contracted some criminal activities once they prove their skill and efficiency. However, ethnic Albanian OC groups avoid



establishing tight links with domestic OC groups, preferring to remain logistically and operationally independent.

Romanian OC groups are usually not very big in size, but they are recently displaying a tendency toward expansion in dimension and scope. They are involved, in several Member States, in drug trafficking, THB and in credit and debit card fraud. Access to the EU has facilitated intra-EU movements also for Romanian OC groups, increasing their impact in many Member States. In Italy, their criminal escalation is similar to that of ethnic Albanian OC groups, with a rapid and ruthless acquisition of a growing portfolio of criminal market shares. The possible exploitation of the Constanta port at the Black Sea, which is a major international hub with intense commercial flows very difficult to control, represents another threat posed by Romanian OC groups.

Bulgarian OC groups are particularly proficient – besides drug trafficking – in currency counterfeiting, credit and debit card frauds and THB. In assessing the international dimension of Bulgarian OC groups it is necessary to consider that many OC groups labelled as Bulgarian are actually composed by ethnic Turks or Roma people. A possible explanation for the minor involvement of ethnic Bulgarians in international OC is that, due to social and economic factors, domestic crime is more profitable and less risky.

Turkish OC groups are routinely associated with the heroin trade, but they are involved in

many other criminal fields. In fact, heroin trafficking has made Turkish OC strictly linked with the main international OC groups and perfectly aware of all existing smuggling routes and methods, to be used for all kinds of illegal trafficking, including facilitating illegal immigration.

OC groups from Croatia, Greece, Hungary and Slovenia normally have a local or national dimension, while information is not sufficient to evaluate the threat posed by OC groups from Bosnia, Serbia, Montenegro and FYROM. In the Western Balkans, however, the situation is influenced by several unique factors, in particular the still heavy presence of the international community and the delicate question of the province of Kosovo.

The criminal threat on southeast Europe is not limited to domestic OC groups. The Balkan route and the privatisation process, combined with the recent accession of many southeast European countries into the EU, have raised the attention of several EU and non-EU OC groups. Southeast Europe is seen by these OC groups as a land of opportunities, and the links established between OC groups along the Balkan route have a direct influence on all regions of Europe.

After the first period of general settlement, Bulgaria and Romania will join the political and economic mainstream of the EU, and will possibly switch from source countries to destination countries for illegal immigrants. That will pose new challenges and new criminal threats.

4.4. The South-West region: The Iberian Peninsula and beyond

Criminal activities shaping the South-West region, which includes mainly Spain, Portugal and part of France, are strictly linked with historical, cultural and geographic connections with Latin America and North-West Africa.

The large majority of OC groups in Portugal are mainly composed of persons from the Community of Portuguese Language Countries (CPLP). When OC groups are active at the international level, in most cases, members are from Africa and South America. One of the characteristics of the Spanish crime environment is the important role played by criminals from Maghreb, not only for their dominance in hashish trafficking but also for their activities in synthetic drugs and crimes against property. Another peculiarity is the activities of South American criminals that, besides their involvement in cocaine trafficking, are noticeably engaged in heroin trafficking, express kidnappings, home burglaries and other crimes



against property. In addition, Latin American street gangs are causing great social alarm.

With regard to cocaine trafficking, indigenous criminals from the South-West region maintain a central role in this flow also because South American OC groups engaged in cocaine production are usually not interested in taking care of the delivery and sale in the EU. This brings a high degree of flexibility to this criminal market.

The Iberian Peninsula is still a crucial crossroad for cocaine produced in Colombia and transiting from other Latin American countries, such as Venezuela, Argentina and Brazil, and also from the Caribbean region. Cocaine gets to the Iberian Peninsula in significant amounts by sea through containers or clandestine unloading on the vast Portuguese and Spanish coasts. Also Iberian airports and mail deliveries are misused. West Africa is increasingly used as transit point for South American cocaine aimed at Europe.

As it is argued later on, this growing role of Africa in cocaine trafficking can create a context in which the Iberian Peninsula or OC groups active there are increasingly bypassed by flows supplying the EU.

Concerning the development of cannabis trafficking in the EU, two main factors are the proximity with Morocco and the Moroccan criminal presence in Spain. Opportunities for clandestine unloading using vessels or private aircrafts are very difficult to be fought by the Iberian law enforcement agencies. Furthermore, traffic between Morocco and Spain is so intense that it offers wide possibilities also for smuggling through official entry points. After unloading in Portugal or Spain, hashish is usually stored before further transportation to other EU countries.

In case law enforcement pressure should make a route more difficult, easy alternatives are at hand in the Mediterranean or Atlantic areas, also in relation to increasing capabilities of vessels or aircrafts. It is also possible that Spain will be bypassed. New source or transit countries might increase their role in cannabis trafficking.

Moroccan OC groups will continue to consolidate their position in the cannabis markets with the aim of taking care of all phases of this criminal activity from source to destination. These OC groups could extend their area of interest in the cocaine market, due to the existing transit of this drug from West Africa and, in particular, the exploitation of the cannabis circuit also for cocaine redistribution to the EU.

Concerning the movement of people, Spain will continue to receive a significant number of irregular immigrants coming by air from Latin America, especially from Ecuador and Colombia. Portugal is a priority destination or transit point for migratory flows coming from the CPLP, among which special emphasis goes to the stream coming from Brazil.

Points for illegal boarding towards the Iberian Peninsula, such as Morocco, Western Sahara, Mauritania and Algeria, collect migratory flows coming by land from all West Africa and beyond. Africa is used also by immigrants from Asia. The international human smuggling networks also use Moroccan OC to smuggle immigrants from the Middle East and Asia into the EU in the final phase of the process.

South American and West African nationalities are reported in Spain among victims and criminals related to THB.

Extortion against illegal immigrants by Moroccan OC groups seems to be a peculiar feature that can easily blur the border between facilitation of illegal immigration and THB.

An increase in migratory flows from Africa is foreseeable in the near future, taking into consideration a high number of would-be illegal immigrants on the African continent.

West Africa is currently one of the main destinations for stolen vehicles. Stolen vehicles transiting through South-West Europe, from harbours located on the western bank of the Mediterranean Sea, are mainly bound to the Maghreb countries, at least as a first step. The geographical proximity and intense traffic play again a crucial role. Other parts of Western Africa are directly reached by flows from important harbours in Northern Europe and this route is apparently more structured.

Spanish ports on the Mediterranean coast receive intense commercial flows from Asia. Cigarettes, which are quite often counterfeit and meant for the British market, are smuggled via containers from Asia to the busy Mediterranean ports. Portugal is reporting an increase in transit of smuggled tobacco using then logistics in Spain for further distribution to other EU countries.

Counterfeit products are imported from Asia to Europe also through the South-West region.

The geographical position of Portugal and close relations between this country and its former colonies makes it attractive also for VAT fraud because this gives credibility to the fraudulent transactions.

4.5. Nodes of attraction: Criminal hubs

As introduced by the 2007 OCTA, 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 North-West, North-East, South-West, South-East and Southern criminal hubs are discussed below.

Opportunities given by large airports and harbours, well developed road infrastructures and financial systems contribute to forge **the North-West criminal hub**, which revolves around criminals and OC groups active in the area approximating The Netherlands and Belgium.

The presence of the North-West criminal hub can be noticed with reference to the cocaine,

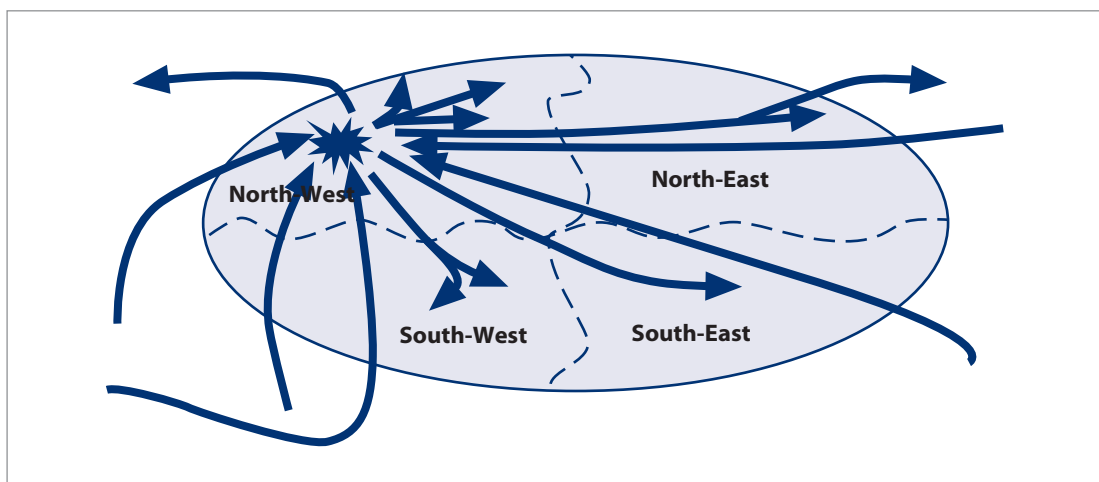
heroin, hashish, synthetic drugs and counterfeit goods criminal fields.

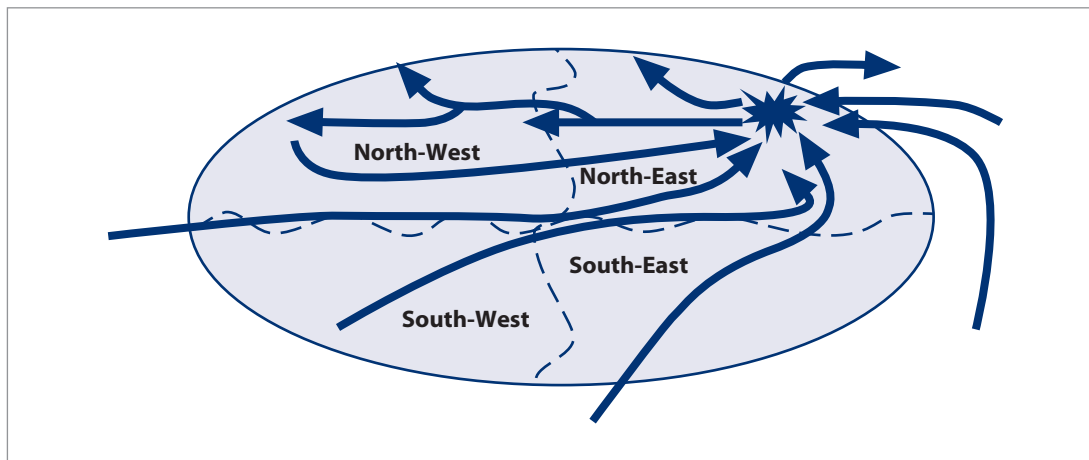
Because of the strict inspection policy adopted by the Dutch authorities, cocaine is increasingly flown to other EU airports. Nevertheless, from there land routes are often used to complete transport to The Netherlands.

With specific reference to the United Kingdom and Ireland, British and Irish criminals based in the North-West hub act as facilitators for drugs deliveries to these countries. This is probably one of the factors leading to multi-commodity shipments. Established Irish OC groups are starting to bypass the criminal hubs and becoming active in the source countries.

As a result of the above mentioned dynamics, the North-West hub will continue to be a major drugs supplier for the Benelux countries, the United Kingdom, Ireland, Germany, France, Italy and Spain. Its influence extends to the Nordic countries, especially with reference to cocaine and cannabis products, and further for synthetic drugs.

In the picture below, the concept of the North-West criminal hub is visualised. The arrows do





not represent precise routes but rather factors shaping the criminal hub.

Criminal groups active in **the North-East criminal hub**, which is located in the Baltic countries, work as a bridge between criminals operating, in particular, in Russia, Belarus and Ukraine and the EU criminal environment. They look both towards the west and the rest of the EU, and towards the east and beyond the borders of the EU.

Criminal groups active in the North-East hub look east beyond the EU borders to get heroin, synthetic drugs precursors and cigarettes. As already mentioned, Ukraine, Belarus, Moldova and Russia represent an important pool of potential victims of trafficking or illegal immigrants and OC in the Baltic region is prevalent in facilitating their illegal entry or trafficking into and within the EU.

Besides towards the Nordic countries and other Member States, OC groups active in the North-East hub look eastward for another important destination market. They tend to play an intermediary role with reference to illegal flows originating in the west, such as ecstasy, cocaine and cannabis products.

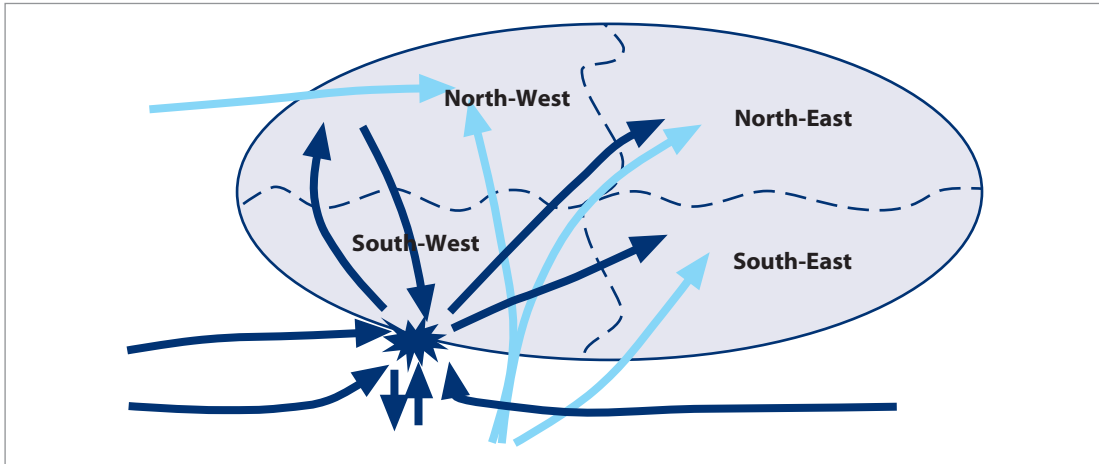
The North-East hub is also used as a transit to Russia for counterfeit goods from Asia.

Although the role of OC groups from other Baltic countries should not be underestimated, it seems to emerge a central role for Lithuania and Lithuanian OC.

The South-West criminal hub is based on links of the Iberian Peninsula with South America and northwest Africa. However, its focus is shifting towards the latter.

West Africa is growing as an immediate source of cocaine for Europe and the direct channel from Latin America and the Caribbean region by air is lively and not limited to the Iberian Peninsula. This might weaken the importance of Spanish and Portuguese direct links with South America.

Within this framework, historical and cultural links (including language) between France, West Africa, Latin America and the Caribbean region may facilitate direct provision by French criminals. In addition, the influence and potential for further development of the role of African networks in supplying directly different Member States' markets from Africa must not be underestimated.

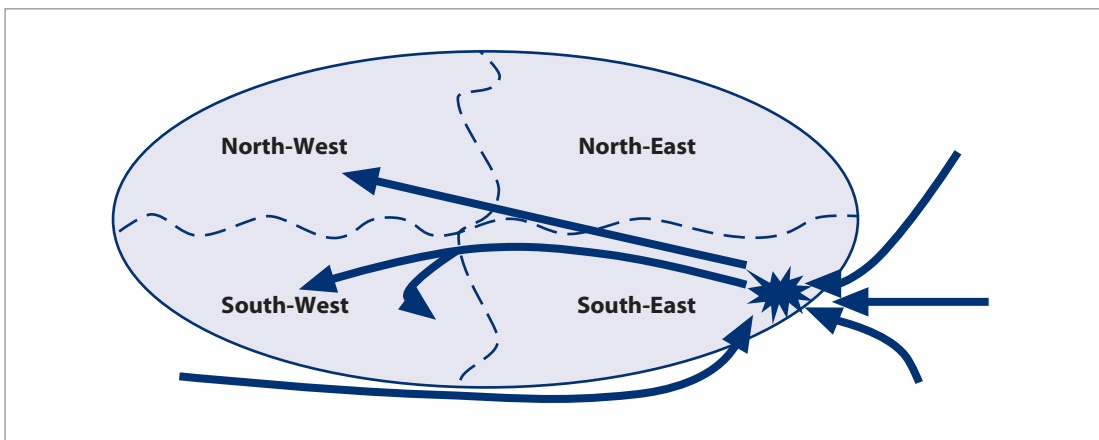


The Iberian Peninsula is likely to keep its level of importance within the South West hub with reference to cannabis trafficking. As already mentioned Moroccan OC groups will continue to consolidate their position in the cannabis markets and could extend their area of interest in the cocaine field.

Another indicator suggesting West Africa as the real focus of the South-West criminal hub comes from the analysis of the migratory pressure on Spain and Portugal. Points for illegal boarding towards the Iberian Peninsula collect migratory flows coming by land from all West Africa and beyond. Africa is also used by immigrants from Asia.

In the end, West Africa will develop into an important criminal hub for the EU, increasingly attracting flows also from the east and not only from the Atlantic side. On the other hand, the intention to diversify points of departure from Africa might lead to an eastward movement of cocaine within the African continent.

The recent eastward expansion of the EU borders to the Black Sea could alter the current equilibrium and could potentially establish a new, **South-East criminal hub** in this area. National borders lacking sufficient protection in the South-East region, as well as inexpensive waterways which connect the Black Sea



with the Mediterranean through the Bosphorus, and with the heart of Western Europe via the Danube, naturally make it very attractive for illegal shipments.

Following this, Romanian criminals might be benefiting mainly from their favourable geographic position, contributing to turn Romania into a point for illegal flows from Eastern Europe and Asia.

Moreover, concerning the evolving situation in the Black Sea region regarding facilitation of illegal immigration and THB, one of the main issues is that this region is an entry gate for significant flows of illegal immigrants from southwest Asia and the Middle East.

With regard to Romania, Constanta harbour represents a vulnerability. It is a major European harbour and it will most likely be exploited by OC groups for shipping goods meant for Romania and other Member States.

Although the majority of heroin trafficked by Turkish OC groups is still transported via the different branches of the Balkan route, a considerable and increasing amount is channelled via the Black Sea route. A significant use of the territories of Ukraine and Russia to direct hero-

in towards the EU is reported, pointing to an eastward movement of the Balkan route. In this context, Romania and Ukraine are expected to gain further importance as transit and storage countries.

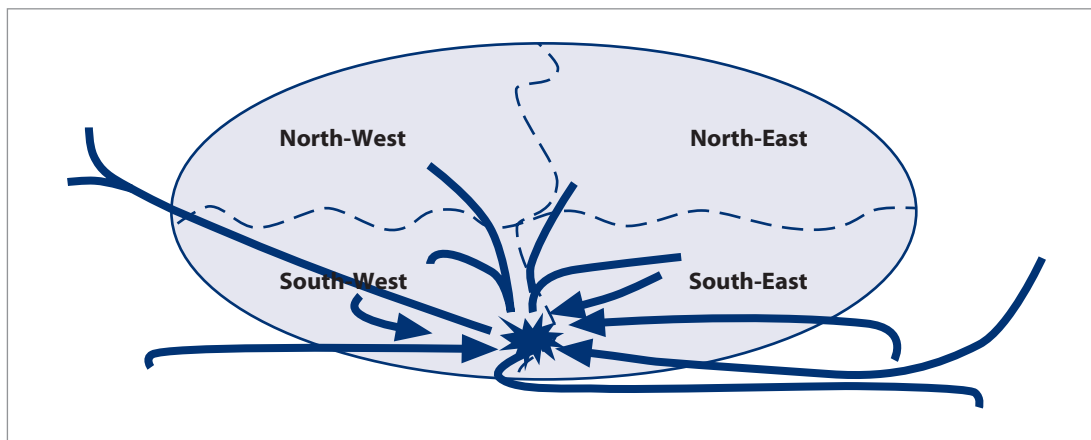
Bulgarian OC groups appear to be the most Middle East oriented. This could be due, at least in part, to the geographic position and the significant links with Turkey.

In the end, the presence of the South-East criminal hub is confirmed. The threat from this hub will grow in the near future.

The Southern criminal hub is centred on the role played by the main Italian OC groups. These highly organised criminal groups tend to take advantage of their pervasive presence to try to control certain social and economic dynamics in some geographic areas. Opportunities are provided by ready criminal markets in the Balkans, the Middle East and Africa.

Certain OC groups based in Italy have the capability of sourcing cocaine and heroin directly from the areas of production or transit.

Criminal groups based in Italy have important links in other Member States in both the



western part of the EU – including Spain and The Netherlands, which are geographically at the core of other criminal hubs – and its eastern part. Switzerland, The United States, Canada and Australia are also reached by the above mentioned links. These links together with the already mentioned contacts in illicit goods producing countries and transit countries provide for the potential to play a role on the world scene.

Italy features among the production countries for counterfeit goods. In addition, many counterfeit products, including cigarettes, are detected within the intense flow of containers from China to Italian ports. In the context of counterfeiting, it must also be stressed that significant amounts of the counterfeit banknotes circulating in France, Spain and Belgium are produced in Italy.

Italy is also a transit point for smuggled tobacco meant for other Member States.

The above mentioned intelligence seems to suggest that the main OC groups based in Italy are not passively dependent on other EU criminal hubs for the provision of drugs and other criminal opportunities, but that they have a more active role in relation to the rest of the EU and beyond.

4.5.1. The interaction between the criminal hubs

In the attempt to better understand the current and future interaction of the European criminal hubs, the following simplified scheme can be used.

The South-West and the emerging South-East criminal hubs are mainly based on their geographical position and links with crucial source countries outside the EU. The North-West hub

is mainly characterised by its centrality and good connections with the richest part of the EU. The North-East hub is heavily dependent on criminal interchanges with Russia and Ukraine and the capability of OC groups active in the hub to attract and manage such flows. The Southern criminal hub is mainly based on the structural and functional features of the OC groups active there.

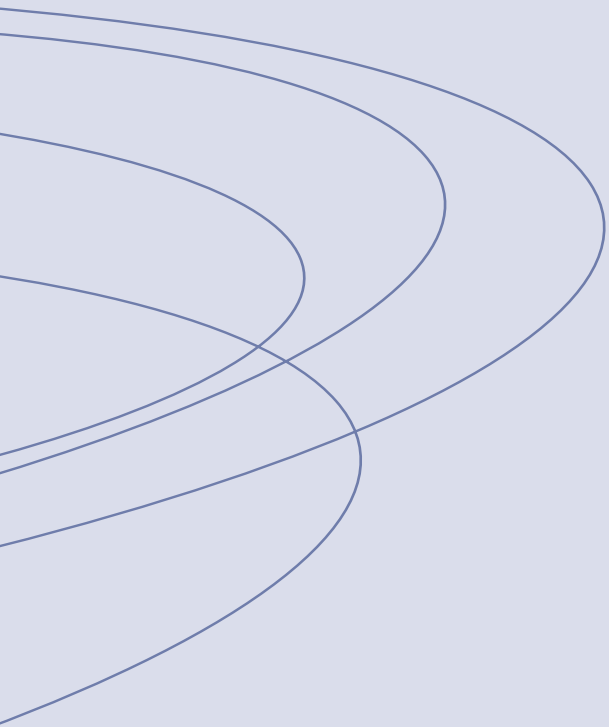
The United Kingdom and Ireland are mainly destination markets similar to the Nordic countries. The Nordic countries and France are also, to some extent, transit areas. The 'transit' feature is more central with reference to Germany, Austria and Poland. Regions revolving around these countries are not part of the listed criminal hubs but are complementary to them, mainly representing destination markets and criminal highways linking the different parts of the EU.

It could be argued that Poland and OC groups active there should be seen as a more integral part of the North-East hub. There they might be or become an alternative focus of the hub itself, undermining the central role of Lithuania and Lithuanian OC groups. This argument only confirms the explanatory power of the criminal hubs model itself, being able of streamlining the discussion on the basis of a common understanding of these complex dynamics.

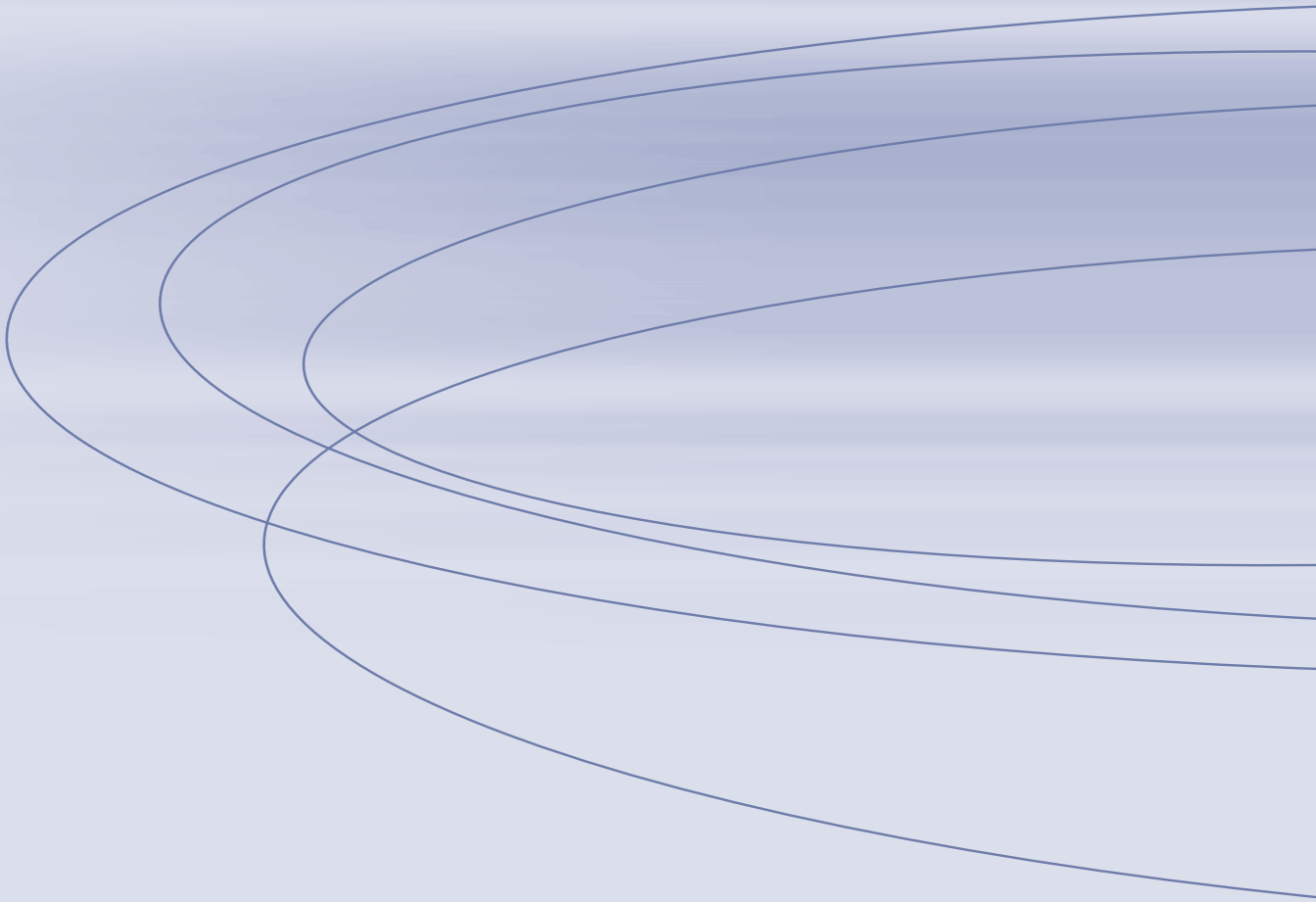
On the basis of such a scheme, The North-East and South-East criminal hubs could be seen as competitors and the growth of the latter may impact negatively on the first. The development of the South-East criminal hub could also affect the role of the Iberian Peninsula within the South-West hub, also taking into consideration that the focus of the latter seems to be moving towards West Africa.

These dynamics are not going to weaken the North-West hub, because the dominance of its infrastructure and its central position within the richest part of the EU are factors that are not going to change in the near future. A similar assessment refers to the development of

the Southern hub, because it is primarily based on the characteristics of the main OC groups that are active there together with their capability of operating worldwide and of creating advantageous synergies with other EU and non-EU OC groups.



NOTES





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