



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 31 May 2010**

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**EUROPOL 20**

**"I/A" ITEM NOTE**

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from: General Secretariat  
to: COREPER/ Council  
Subject: Europol General report 2009

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1. Article 37(10)(c) of the Europol Decision<sup>1</sup>, reads:

*"Each year the Management Board shall adopt:*

*....*

*(c) a general report on Europol's activities during the previous year including the results achieved on the priorities set by the Council.*

*Those documents shall be submitted to the Council for endorsement. The Council shall forward them to the European Parliament for information.*

2. At its meeting on 19-20 May 2010, the Management Board adopted the general report on Europol activities in 2009 and submitted it to the Council for endorsement. The report is set out in Annex.

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<sup>1</sup> OJ L 121, 15.5.2009, p. 37.

3. On this basis COREPER is requested to take note of the general report on Europol activities in 2009 and to forward it to the Council for it to be endorsed by Council and to be forwarded to the European Parliament for information.



The Hague, 23 April 2010

File no. 1423-25r1

**EUROPOL REVIEW  
GENERAL REPORT ON EUROPOL ACTIVITIES**

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## Foreword

Welcome to the first edition of the *Europol Review - General Report on Europol Activities* which presents an overview of Europol's work in 2009.

2009 was a symbolic year for Europol as the Agency celebrated its tenth anniversary. It was also one of the most productive years in Europol's history. From its founding roots in the early 1990s as the Europol Drugs Unit, the organisation has grown beyond all recognition and developed into an agency of the European Union (EU).

Today Europol is a modern agency occupying a central place in the field of law enforcement cooperation in Europe. It has unique crime-fighting capabilities tailored to combat serious international crime and terrorism. European law enforcement agencies rely on Europol's 24/7 operational service centre. Europol employs some of the best criminal analysts in Europe, produces high quality strategic and operational analysis and coordinates over 10 000 cross-border investigations each year.

As Europol moves into a new decade, the change in its legal basis will consolidate its position at the centre of the new internal security arrangements and information pathways in Europe. This will enable Europol to function even better as a pioneer of change, identifying and responding to new threats, and developing new techniques.

As a stable and prosperous community of 27 democratic states, with nearly half a billion people, Europe is an undeniably attractive target for criminals. Working together and in cooperation with law enforcement partners in Europe and beyond, Europol's main goal in the coming years will be to coordinate a carefully calculated response to these challenges. Using our unique tools and increased powers, we will continue to facilitate the exchange of criminal intelligence between law enforcement services to improve the internal security of the European Union and the safety of European citizens, and therefore have a major impact on reducing serious crime and terrorism.

The publication of this report fulfils Europol's obligation to present annually a general report on Europol's activities in accordance with article 37(10)c of the Europol Council Decision. The *Europol Review – General Report on Europol Activities* is submitted to the Council of the European Union for endorsement. The Council forwards it to the European Parliament for information.

## **1. About Europol**

### **1.1 Mission, priorities and vision**

As the European Union law enforcement agency, Europol's mission is to support European Union (EU) Member States in preventing and combating all forms of serious international crime and terrorism. Its role is to help achieve a safer Europe for the benefit of all EU citizens by supporting EU law enforcement authorities through the exchange and analysis of criminal intelligence.

Large-scale criminal and terrorist networks pose a significant threat to the internal security of the EU and to the safety and livelihood of its people. The biggest security threats come from terrorism, international drug trafficking, trafficking in human beings, counterfeiting of the euro currency and payment cards, fraud, corruption and money laundering as well as other activities related to the presence of organised crime groups in the economy. New dangers are also accumulating, in the form of cyber crime, VAT fraud and other sophisticated crimes which abuse modern technology and freedoms offered by the EU internal market. All these have been declared priority areas by the European Union's Council of Ministers.

Strengthened by a reform to its mandate and capabilities in 2010, Europol is pioneering a new response to these dangers. Europol acquired a new dynamic on 1 January 2010 when it became a fully-fledged European Union agency, through the adoption of the Europol Council Decision. This has meant the implementation of a new strategy and new legal status with enhanced powers. As a result, Europol has become more open and accountable and its new legal framework will spell quicker and less bureaucratic cooperation between partners, which is especially important for police work.

Europol's vision is to contribute to a safer Europe by providing the best possible support to law enforcement authorities in the Member States. It will achieve this by delivering a unique set of operational services for the European Union, developing as its principal:

- Support centre for law enforcement operations
- Criminal information hub, and
- Centre for law enforcement expertise.

## **1.2 Resources and structure**

Europol uses its unique information processing capabilities and the expertise of 662 personnel, including 100 analysts, to identify and track the most dangerous criminal and terrorist networks in Europe. Law enforcement agencies, represented at Europol by 121 Europol Liaison Officers and working in conjunction with Europol's 24/7 high-security operational service centre and its secure databases, have been successful in disrupting many criminal and terrorist networks, arresting thousands of dangerous criminals, recovering millions of euros and rescuing hundreds of victims of crime, including trafficked children.

In 2009, Europol was funded by contributions from Member States according to their Gross National Income. The Europol budget for 2009 was €68.5 million. As Europol's Host State, the Netherlands covers security-related costs. As of 1 January 2010, Europol became an EU agency, financed from the EU community budget. The Europol Management Board, European Commission, Council of the European Union and European Parliament play a role in the establishment of Europol's budget. The initial adopted budget of Europol came to €80.1 million. To facilitate the transition to become an agency, appropriations carried from 2009 to 2010 have been integrated into the 2010 budget. The amount involved comes to almost €12.5 million, making a total amended budget for 2010 of €92.6 million.

## **BASIC FACTS ABOUT EUROPOL (2009)**

**Headquarters:** The Hague, the Netherlands

**Staff:** 662 personnel at Headquarters, including 121 Europol Liaison Officers

**Budget:** €68.5 million

**Servicing:** 27 EU Member States, 500 million EU citizens

**Supporting:** 10 000 cross-border law enforcement investigations.

## **2. How Europol works**

International crime and terrorist groups operate worldwide, making use of the latest technology. To ensure an effective and coordinated response, Europol needs to be equally flexible and innovative, ensuring its methods and tools are up-to-date. Europol maintains state-of-the-art databases and communications channels, offering fast and secure facilities for storing, searching, visualising, analysing and linking key information. The gathering, analysis and dissemination of this information entails the exchange of large quantities of personal data. In discharging these functions, Europol adheres to the highest standards of data protection and data security.

All Europol databases and services are available 24 hours, seven days a week. We also send experts and make our services available via an on-the-spot mobile office, whenever requested by a Member State.

## 2.1 Network of Europol liaison officers

Europol liaison officers ensure and maintain a live link between Europol Headquarters in The Hague and 27 national capitals in the Member States. The Europol National Units are based in these capitals, and are a key part of the national law enforcement services. We have a unique network of 121 liaison officers who play an important role in everyday law enforcement activities by facilitating the exchange of information, as well as providing support and coordination for ongoing investigations. Europol also hosts liaison officers from 10 third countries and organisations who work together with Europol on the basis of cooperation agreements. This network is supported by secure channels of communication provided by Europol. In addition, to foster cooperation and information exchange with the US Federal Agencies, as well as Interpol, Europol has seconded two liaison officers to Washington DC and one to Interpol's Headquarters in Lyon.

### **OPERATION GASOLINE**

Europol has been supporting the development of this target investigation in a proactive manner since 2008. The case came to a successful conclusion in July 2009 and resulted in:

- Arrest of more than 40 suspects
- Seizure of 65 kg of heroin
- Seizure of 5 kg of ephedrine
- Seizure of 1 kg of hashish
- Seizure of 0.550 kg of cocaine
- Considerable number of heavy weapons and ammunition.

This can be seen as a good example of international police cooperation and a valuable result of the COSPOL Western Balkans Organised Crime initiative. All counterparts involved agreed to consider Operation Gasoline as a model and example to be followed in the future when carrying out similar investigations.

## 2.2 Secure communication infrastructure

In order to support its operations and deliver a growing range of operational and strategic services to Member States, Europol needs to constantly maintain and further develop a technically-advanced, reliable, efficient and secure telecommunication infrastructure.

The backbone of Europol's infrastructure is its network, connecting all Member States and a growing number of non-EU States and third parties, with which Europol has established cooperation agreements. During 2009, five new network connections were initiated with Balkan states.

In 2009 the Europol network became linked to non-EU States and third party networks via the secure interconnection, enabling more effective end-to-end communication and information exchange with those partners.

The security of its infrastructure is a primary concern for Europol, since state-of-the-art security is the basis for maintaining trust among all the parties that share information and intelligence with and through Europol. Following a thorough assessment process in 2009, the Europol network received re-accreditation for its security by the Europol Management Board.

Besides being the foundation for the delivery of advanced information analysis, collaboration and exchange, search and retrieval, and knowledge management services, the Europol network provides core secure communication services for use by Member State law enforcement officers to communicate among themselves and with Europol.

## 2.3 Europol Information System

The primary purpose of the Europol Information System is the detection of matches among data contributed by different Member States and third parties (via Europol). The number of matches increased from 140 at the end of 2008 to 241 at the end of 2009. 241 Cross-Border Crime Check events, consisting of 187 on persons and 54 on other objects, were available in the Europol Information System by the end of 2009.

### EUROPOL INFORMATION SYSTEM, DECEMBER 2009

Content:

- 135 489 objects
- 135 154 relationships
- 29 964 'person' objects

Compared to December 2008, the number of objects in the Europol Information System increased by **57%**.

Major crime areas:

- Drug trafficking, 24.09% of all objects
- Forgery of money, 21.51%
- Trafficking in human beings, 19.11%
- Robbery, 7.81%
- Illegal immigration, 5.88%.

Usage:

- 130 313 insertions of new data were performed in the Europol Information System in 2009
- 149 237 searches were run through the system in 2009.

Germany was the main provider of data into the system, followed by France, Belgium, Europol (on behalf of third parties) and Spain. The 10 Member States who use automatic data loading systems provide 81% of the data to Europol.

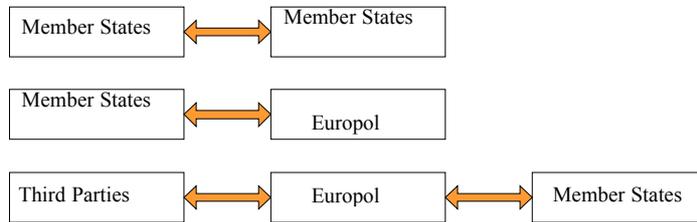
Functional improvements were also made during 2009, according to requirements of Member States. A new version of the system was deployed in early 2010. The changes include, among others, improved handling codes. The full enforcement of these changes will give Member States the opportunity to share more sensitive data while still receiving top level protection for their data.

## **HANDLING CODES**

Handling codes, tailored to the needs of EU law enforcement, are a means of protecting an information source. The codes ensure security of the information and its safe and adequate processing, in accordance with the wishes of the owner of the information, and with full respect to the national legal rules of Member States. The handling codes indicate what can be done with given information and who has access to it in the future. This helps Europol to have effective control over the supply of information, the purpose of transmission and its final use. The codes can be seen as facilitating the process of communicating operational information by using the same terms of reference across the whole Europol system.

## **2.4 Secure Information Exchange Network Application**

The Secure Information Exchange Network Application (SIENA) is a new generation communication tool designed to enable swift, secure and user-friendly exchange of operational and strategic crime-related information and intelligence between Member States, Europol and third parties with whom Europol has a cooperation agreement.



SIENA has been in use from 1 July 2009, when the first version was released, replacing the information exchange application (Info-Ex) that had been in use since 1996.

In the design and functioning of SIENA, significant emphasis was put on data protection and confidentiality, to ensure compliance with all legal requirements. Equally, security is deemed vital and all necessary measures have been taken to enable the secure exchange of restricted information. Furthermore, best practice in law enforcement information exchange has been taken into consideration, like the reliability and use of handling and evaluation codes specifying the conditions for use.

In subsequent stages, the functionalities of SIENA will be expanded and availability extended to competent authorities and cooperation partners, like Eurojust, Norway, Switzerland, Australia, Canada, USA and Interpol. Currently, third parties do have indirect access to SIENA through Europol's 24/7 operational centre.

#### **INFO-EX (THE PREDECESSOR OF SIENA) AND SIENA, DECEMBER 2009**

- 10 487 new cases were initiated, monthly average: 874  
→ Increased by 25% compared to 2008
- 26% of the new cases were drug related, followed by forgery of money (15%), fraud and swindling (11%), terrorism (7%), and illegal immigration (7%)
- 303 613 operational messages were exchanged, monthly average: 25 301  
→ Increased by 7% compared to 2008.

## 2.5 Analysis system

Analysis constitutes a cornerstone of all modern intelligence-led law enforcement activities and is crucial to all of Europol's activities. Our analytical capabilities are based on advanced technology adjusted to the needs of law enforcement. Analysts employed at Europol use state-of-the-art methodology and techniques which help identify missing links in many ongoing cross-border investigations within the European Union. Operational information is processed within the Europol system using Analysis Work Files (AWFs), which are focused on a given area of crime. Analysts working on these files provide information to ongoing operations being conducted by law enforcement officers in EU Member States and this information is often a break-through for many international investigations.

The Europol analysis system is the operational information system hosting data contributed by Europol's stakeholders.

The different components of the analysis system offer the following benefits:

- Centralisation and management of information
- Customised text-mining solutions
- Analytical capacities through a wide range of analysis tools.

The Europol systems are interconnected which means that all information inserted in one system can be also identified in the others.

## **SOCIAL NETWORK ANALYSIS (SNA)**

Europol has adopted state-of-the-art Social Network Analysis (SNA) as an innovative way to conduct intelligence analysis and support major investigations against organised crime and terrorism. The valuable expertise and experience gained so far has produced excellent operational results.

Intelligence analysts are now able to deploy mathematical algorithms to map and measure complex and/or large data sets and quickly identify key players, groups of suspect targets and other hidden patterns that would otherwise remain unnoticed. SNA is a valuable approach that complements conventional link analysis techniques, enhances the quality of intelligence reporting and helps to prioritise investigative work.

## **OPERATION MOST**

On 14 April 2009, 27 persons suspected of being part of a counterfeit euro distribution network, were arrested in Poland with the support of Europol, the *Brigada de Investigacion Del Banco de España* (BIBE), the *Mossos d'Esquadra De Catalunya*, as well as *Guardia di Finanza* from Italy.

The Polish investigation was an offshoot of an extensive exchange of information which originated in 2007. Europol and Spanish police officers were present at the location, supporting the operation with a mobile office which allowed direct access to Europol databases.

Operational analysis carried out at Europol identified links to other EU Member States where the criminals were also active in distributing 50 and 100 euro counterfeit banknotes. The SNA tool allowed Europol analysts to identify 25 key suspects from one million international call records transmitted by Poland. As a result, in total 65 suspects were arrested, including 25 main targets identified by Europol.

Strategic analysis is yet another important dimension of Europol's analytical activities. The Organised Crime Threat Assessment (OCTA) is the most important strategic analysis document drafted by Europol. Commissioned by The Hague Programme in November 2004, the OCTA was first produced in 2006 and has now reached its fourth edition. It is the document on which the Council of the EU bases its priorities and recommendations on the fight against organised crime in Europe. Drafted in adherence to intelligence-led policing principles, the OCTA is acknowledged as a pioneering project, and in its short life has introduced innovative concepts – such as the criminal hubs and organised crime group typology – which have been accepted and adopted at political, law-enforcement and academic levels.

### **ORGANISED CRIME THREAT ASSESSMENT ON WEST AFRICA (OCTA-WA)**

In October 2009, a Europol Organised Crime Threat Assessment on West Africa (OCTA-WA) was delivered. This report acknowledges the growing threat of organised crime from West Africa and particularly its impact on the internal security of the EU. It identifies the principal features of the threat and offers an insight into its effective combating. In doing so, the report assesses the main organised crime activities that link the criminal situations in West Africa and the EU, in particular in the fields of drug trafficking, trafficking human beings, illegal immigration and fraud. It also describes the main types of organised crime groups in West Africa and their links to organised crime dynamics in the European Union.

## **RUSSIAN ORGANISED CRIME THREAT ASSESSMENT (ROCTA)**

The Russian Organised Crime Threat Assessment (ROCTA) was first drafted in 2008. This specific Threat Assessment explores current and expected threats from Russian organised crime across the European Union. When producing specific threat assessments, Europol implements the European Criminal Intelligence Model (ECIM). Under this model Europol drafts specific threat assessments on topics which OCTA identifies as priorities or as significant intelligence gaps. The findings of these specific threat assessments are then translated into operational projects both at EU and national levels.

## **EU TERRORISM SITUATION AND TREND REPORT (TE-SAT)**

In 2009, Europol produced its third annual EU Terrorism Situation and Trend Report (TE-SAT). The report aims to inform the European Parliament and the Council on the phenomenon of terrorism in the EU from a law enforcement perspective.

The TE-SAT is an unclassified document and is available on the internet to inform the public. Member States have all contributed information from criminal investigations on terrorist offences conducted by their law enforcement organisations. Eurojust has contributed information on prosecutions and convictions. The TE-SAT categorises terrorist organisations by their source of motivation, i.e. Islamist, separatist, left-wing, right-wing, and single-issue terrorism.

Thanks to products such as OCTA, ROCTA, OCTA-WA and TE-SAT, more support is given to decision makers who can identify specific priorities in the complex area of organised crime. Based on political guidelines, law enforcement officers can then tailor their operational work nationally, regionally and locally. They can also use existing regional cooperation mechanisms embodied by Europol, the Baltic Sea Task Force or the Southeast European Cooperative Initiative (SECI).

### **Analysis training**

During 2008 Europol established a new training concept which was intended to both harmonise and raise the level of knowledge in the field of analysis and the necessary IT tools, in order to enhance our ability to carry out our daily work and to produce accurate and timely analysis for the Member States. The outcome of this training concept was a completely redesigned, two- week analysis training course called Operational Integrated Analysis Training.

In addition to internal requirements for harmonisation, the Member States requested increasing levels of analysis training, delivered in their own countries, which could not be fulfilled with the available resources at Europol.

As a result of this agreement the analytical training team developed two separate versions of the Operational Integrated Analysis Training, one with the ‘Train-The-Trainer’ concept in mind, and one for analysts and specialists working at Europol. The trainings were especially designed for potential trainers in Member States, to cover the essential elements of the intelligence cycle and to especially focus on analysis.

During 2009, Europol delivered four courses to a total of 46 trainees from 22 different countries. Several Member States have already used the material, methods and exercises from the Operational Integrated Analysis Training to develop and deliver their own operational analysis courses in their countries.

## **TRAINING PROVIDED BY EUROPOL, 2009**

331 internal or external training sessions took place during 2009 provided by Europol staff. The audience were staff members as well as participants from Member States.

## **2.6 Central platforms for law enforcement knowledge and expertise**

### **2.6.1 Witness protection**

Witness protection is one of the cornerstones in the fight against organised crime and terrorism. The sophisticated and entrepreneurial skills of organised crime groups require effective and professional investigation tools. Europol is dealing with this special area of law enforcement and responds to the challenges facing law enforcement agencies across Member States and beyond.

#### **Europol's key documents which are integrated into the majority of witness protection programmes in Europe:**

- Basic Principles of European Union Police Cooperation in the Field of Witness Protection
- Common Criteria for Taking a Witness into a Witness Protection Programme.

Elements of Europol's witness protection services include harmonisation of different national programmes, development of new witness protection units and programmes, the standardisation of processes such as the relocation of witnesses, and the education of witness protection officers.

Europol's network on witness protection is the biggest one worldwide.

## **PLANNED DEVELOPMENTS**

### **Europol platform for witness protection experts**

Europol will provide an internet-based platform, within a closed user group (designated experts in Europe and beyond) which will aim to provide legislative advice, details on new trends, and good and bad practice. Furthermore, the user group will have access to an online discussion forum to address issues with Europol or other European witness protection units.

### **Cooperation with Russia**

Europol will support the establishment of a witness protection programme and witness protection unit by providing training and education to Russian authorities.

### **Higher education course on witness protection**

This UK-Europol project aims to provide, for the first time, a standardised education programme for witness protection, on a European level. The two-week course will be established in autumn 2010.

## **2.6.2 Informants, cross-border surveillance and controlled deliveries**

The informant is a crucially important aspect of police activities. Involvement of an informant early in the criminal intelligence gathering process is likely to result in a successful outcome for the investigation. The quality of the intelligence gathered is directly proportional to the quality of the informant.

Serious organised crime is not restricted by national boundaries so informants may provide intelligence to support law enforcement in a number of countries.

The current legal situation within the EU is not uniform with regard to using informants, although cooperation with informants is a common and widespread practice. To support Member States, Europol has provided some tools, such as details on best practices for informant handling and protocol on international informant payment.

The use of covert surveillance is one of the key modern investigative tools for obtaining important and decisive information on criminal structures and how criminal proceeds are disposed of. However, due to the transnational nature of modern organised crime groups, law enforcement authorities are increasingly confronted with cases of cross-border observation and surveillance which create issues at both legal and operational levels.

Europol is a member of the Cross-Border Surveillance Working Group, whose purpose is to encourage international cooperation and provide a forum for the discussion and development of safe and effective law enforcement surveillance techniques for use against serious and organised crime.

Another key investigative tool for obtaining important and decisive information on criminal structures, and the disposal of their criminal proceeds, is the deployment and systematic operational use of covert surveillance areas in conjunction with controlled deliveries. A CD-ROM compilation of the different Member States' legislation on controlled deliveries is made available to inform experts about the problems that might occur in cross-border cooperation.

**Europol is creating expert platforms for:**

- Informant experts
- Cross-border surveillance
- Controlled deliveries experts

which will be equipped with internet-based tools for these closed user groups consisting of designated experts from Europe and beyond. The aim is to provide details on new trends, legislation, obstacles, as well as good and bad practice. Furthermore, the user groups will be able to discuss current issues through an online forum.

## **Europol Homicide Working Group**

In 2009, the UK proposed that Europol establish a focal point for homicide matters. This proposal was supported by the Heads of Europol National Units in 2010. The working group will be the expert authority on strategic homicide-related issues and will be based on extensive practitioner involvement, using a linked network of European homicide investigators. Another important part of the proposal was to establish a central repository for knowledge on defined homicide-related subjects. The focus will primarily be on:

- Serial killers
- Homicide in relation to organised crime
- Specific *modi operandi* in cases such as honour or school killings
- New trends in the field and new investigation techniques.

These objectives will be reached by developing a technical solution to support web-based networks for the exchange of information, best practice, and communication amongst the experts. The Europol platform for experts, currently in development, will also become a tool for the Europol Homicide Working Group to enhance the effectiveness of their network.

Expected products include, among others:

- Europol manual for murder investigations
- Intelligence notifications on various topics related to the above
- Other documents created in close cooperation with Europol and made available through the Europol platform for experts.

## **EUVID**

EuVID is an operational tool for law enforcement which facilitates the identification of vehicles and vehicle documents. Austria, France, Germany, Italy, Sweden and Europol participate in the EuVID project.

EuVID currently holds information on 83 different vehicle brands and types, information on genuine vehicle documents from 55 countries, a catalogue on vehicle keys and a guideline on how to investigate motor vehicle crime.

EuVID is made available for joint operations organised by Frontex and Interpol and used as a basis for vehicle identification training. The EuVID products are only available to law enforcement agencies.

## **2.7 Data protection**

Europol has one of the most robust data protection regimes in the area of law enforcement. The Europol Data Protection and Confidentiality Unit ensures legal compliance with the data protection framework including the processing of data related to Europol staff. The main task of the unit is to create a tailor-made policy framework which serves the needs of the operational units and at the same time protects the fundamental rights of the data subjects.

Amongst other achievements, the Data Protection and Confidentiality Unit has considerably contributed to the successful replacement of Info-Ex by SIENA. Data protection and security related requirements were taken into account from the start of the development phase. Both internal and external stakeholders have valued this approach as a role model for the successful establishment of future systems.

The unit enforced the link between data protection principles and data security requirements. When personal data are processed by Europol the data security requirements have been integrated into the system, in accordance with the new confidentiality rules.

## **MAIN ACTIVITIES**

- Response to over 300 data subject requests for access
- Integration of Check the Web portal to the Analysis Work Files system
- Implementation of rules for the Data Protection Office
- New Security Manual to harmonise the systems of protection for classified information at Europol and the Council
- Establishment of Compliance Officer function
- Positive Report issued by the Data Protection Supervisory Authority
- Positive Report issued by the Council Security Office.

### **3. Europol operational activities**

#### **3.1 Terrorism**

Nearly 10 years after the attacks of 11 September 2001 in New York, terrorism continues to pose a serious threat to EU Member States. Extremist and terrorist groups, such as al-Qaeda, ETA and others, are active in the European Union and impact the lives of its citizens in various ways. Therefore, the fight against extremism and terrorism remains a top priority for the European Union and Europol.

Europol assists law enforcement services in the Member States in conducting successful investigations by providing the following products and services:

- analysis and analytical products such reports, threat assessments, missing links for ongoing international investigations
- information exchange and access to Europol's databases and exchange systems
- expertise through Europol's mobile office which enables on-the-spot assistance
- other tailored products and services such as Modus Operandi Monitor, First Response Network, European Explosive Ordnance Disposal Network, EU Bomb Data System and more
- Europol produces the EU Terrorism Situation and Trend Report (TE-SAT) annually, which defines and monitors major terrorist threats facing the EU.

In 2009, terrorist activities took place in several states, while law enforcement agencies undertook investigations and adopted preventative measures.

### **3.1.1 Modus Operandi Monitor**

The Member States' commitment to exchanging sensitive intelligence on terrorist activities with Europol allows for a better assessment of new *modi operandi* and has resulted in the development of more efficient counter-measures. The Modus Operandi Monitor is a means of developing an overarching activity model that continuously assesses terrorist events/investigations which affect the security situation in the Member States, by focusing on specific elements of the terrorists' modus operandi. Additional value is given by the fact that the outcome is linked to other Europol intelligence products and aims to provide real-time expertise and intelligence to the Member States' relevant agencies.

### **3.1.2 First Response Network**

The First Response Network is a tool developed by Europol which enables law enforcement agencies to respond to a terrorist attack in Europe in a timely way. Based on a decision by Europol's Director and the Head of the competent authority of the affected Member States, a team of Europol and Member State counter-terrorism experts can be immediately mobilised to assist the affected Member States in all operational and technical matters. In such cases, this team will use Europol's operational centre to ensure efficient information exchange with all involved parties.

In addition to offering support in a crisis situation, the First Response Network also aims to provide high-level terrorism experts with strategic advice, tailored to the evolving *modus operandi* of an attack.

In 2010, in its first year as an EU agency, Europol will actively participate in the activities of the Inter-Service Group "Community Capacity in Crisis Management", which is led by the Secretariat-General of the European Commission, with the participation of several Directorate-Generals and other EU agencies.

The First Response Network will also participate in the EU Emergency and Crisis Coordination Arrangements (CCA) activities and, more specifically, will be tested during a CCA exercise in 2010.

### **3.1.3 European Explosive Ordnance Disposal Network**

The European Explosive Ordnance Disposal Network is a network of experts providing a platform for the exchange of knowledge about the disposal of explosive materials. The network contributes towards identifying best practices and organises training in partnership with EU Member States and third parties. It also keeps Explosive Ordnance Disposal units up to date concerning the latest developments relevant to the sector.

The European Explosive Ordnance Disposal Network is open to all Explosive Ordnance Disposal units that deal with explosives (police, government and military). Training sessions, as well as a set of other activities, are carried out by the network.

### **3.1.4 EU Bomb Data System**

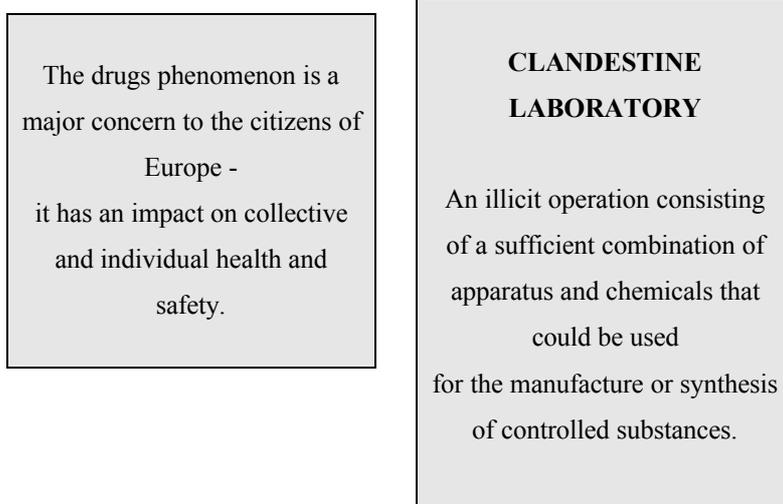
The EU Bomb Data System (EBDS) is to provide a platform for Member States to share timely and relevant information and intelligence on explosives, incendiary and explosive devices, as well as chemical, biological, radiological and nuclear materials (CBRN). The EBDS is an EU instrument enabling competent governmental bodies, both at EU and Member State level, to share technical information and intelligence on this issue, such as analysis, technical reports and assessments.

The EU Bomb Data System also comprises incident databases, for explosives and CBRN, as well as libraries and experts' forums. It is planned to be fully operational in 2010.

## 3.2 Drugs

### 3.2.1 Synthetic drugs

The European Union is a significant region for the illicit production of synthetic drugs, particularly amphetamine and ecstasy. Each year around 60 to 90 large-scale production sites are identified and dismantled. Storage sites for potentially dangerous precursor chemicals used in the drug manufacturing process are often discovered during the course of investigations in Member States



Major synthetic drug production across the world is based on historic, current knowledge and technical expertise, as well as trading and logistical positions with regard to the acquisition of precursors (ingredients), essential chemicals, materials and equipment. The market and demand also play a key role.

Principal synthetic drug precursors and essential chemicals are traded worldwide in large quantities for legitimate purposes. Their production requires heavy infrastructure and as such they are rarely produced by the criminal networks that use them for the manufacture of synthetic drugs. Criminals tend to either smuggle main precursors into the European Union or divert essential chemicals from lawful EU trade.

The operational support Europol offers is on the increase. This support includes the coordination and initiation of criminal investigations plus on-the-spot assistance to law enforcement agencies in Member States when they're dismantling illicit synthetic drug production facilities. Both the quality and quantity of information received and disseminated has improved, which is largely due to the direct contact between Europol and operational law enforcement teams in the Member States.

**If you find a clandestine laboratory →GET OUT!**

1. DO NOT touch or handle anything
2. DO NOT operate light or power switches
3. If you become contaminated, immediately flush with water for 20-30 minutes
4. Call for help as soon as possible
5. Secure the area and wait for help.

**Europol experts** support EU and non-EU Member States in the secure dismantling of illicit production units and collection of evidence.

Europol experts also carry out technical investigations on custom-made and industrial equipment seized from production and storage units.

Member States' investigations, some of which were initiated by Europol via its Illicit Laboratory Comparison System, indicate that there are a limited number of criminal facilitators play a crucial role in supplying precursor chemicals, equipment and tableting powders for synthetic drug production, often to different producers at the same time.

Since 1999, Europol has provided regular training on combating illicit synthetic drug production to numerous European Union and global partners. The training is very popular and requests for participation were received from countries in the European Union and beyond. Since 1999, more than 23 training courses were provided to over 600 participants from all Member States, plus third parties such as:

- Serbia
- US Drug Enforcement Agency
- Russian Federation
- Australian Federal Police
- Royal Canadian Mounted Police
- South American and Caribbean countries.

#### **OPERATION ANDROMEDA**

In December 2008 Eurojust provided Europol with information about an investigation in the early stages of development. This was originally an Italian inquiry carried out by the *Guardia di Finanza* of Pisa under the direction of the Anti-Mafia District Directorate (DDA) of Florence. It concerned suspected organised criminals of Albanian origin, located in Antwerp (Belgium), and involved in the trafficking of drugs (cocaine) into several EU countries (Italy and the UK). Three different coordination meetings were held at Eurojust during 2009, which paved the way to a joint initiative.

Police activities carried out in several European countries corroborated elements stemming from technical investigations. The investigation and action produced the following results: 48 877 kg of cocaine, 10 kg of heroin, 6000 ecstasy pills, two guns, five false ID documents, €43 000 in cash, 15 people arrested red-handed.

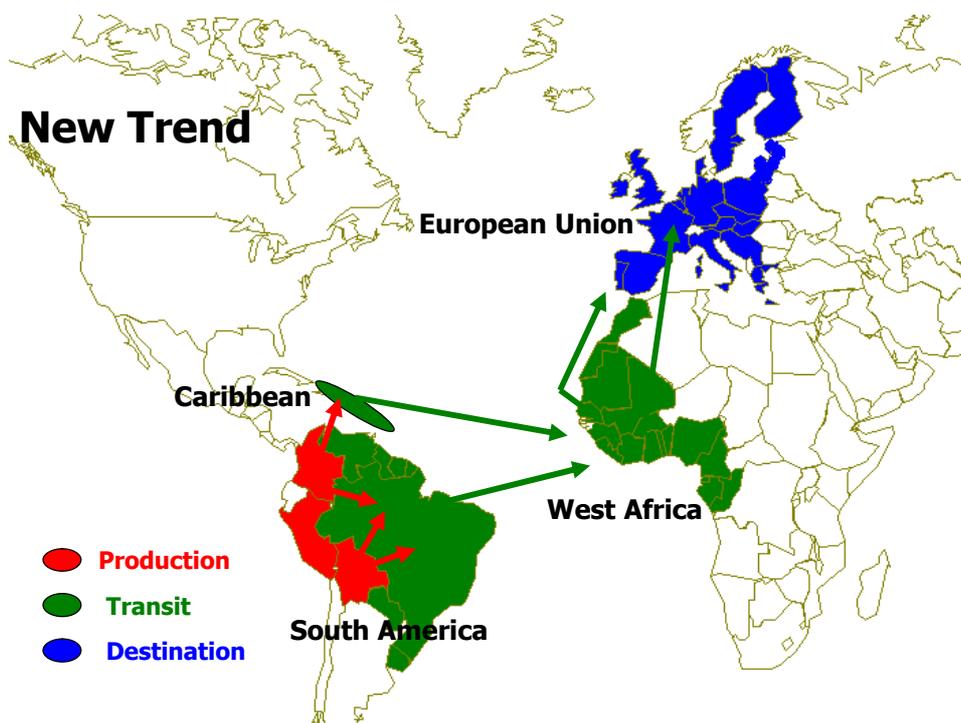
The execution of European Arrest Warrants and official requests for Mutual Legal Assistance in Criminal Matters against 42 suspects led to the arrest of 30 individuals and the seizure of: 2 kg of hashish; 100 g of cocaine and €127 000 in cash. The operation was finalised in December 2009.

Europol produced seven reports on acknowledged cross-matches and a comprehensive analytical report depicting the identified criminal network. The work carried out by Europol on huge quantities of data required one analyst dedicated to the case and, at times, a second analyst to help with data processing. Support was also provided with real time cross-checking of entities, coordination and assistance via the mobile office deployed at the place of operations and an operations room running at Europol.

### **3.2.2 Cocaine**

The Andean region remains the main area for coca bush cultivation in the world. Most coca paste, cocaine base and cocaine hydrochloride is processed in Colombia, Bolivia and Peru. According to UN figures, 2008 saw an estimated output of 845 tonnes of cocaine in 2008 - a decrease of some 15% on the previous year. This was a result of a significant reduction in output in Colombia, which was not matched by increases in production in neighbouring Peru and Bolivia.

Europe's share in global cocaine seizures remain relatively stable having decreased from 14% in 2005, down to 11% by 2008. This reflects the rapidly growing trafficking flows and spread of cocaine use in Europe. Next to the United States, the European Union remains the second largest consumer of cocaine in the world. An estimated 250 tonnes of cocaine enter the EU annually via maritime shipments, air freight and couriers.



Map: Production, routes of transit and final destination of cocaine

In recent years, there has been an increase in the number of conversion laboratories discovered within the European Union. Law enforcement authorities in France, Greece, the Netherlands and Spain have all carried out actions resulting in the dismantling of illicit laboratories. In order to minimise the risk and to maximise their profits, criminal organisations are increasingly importing cocaine in a variety of different forms instead of the traditional manner (e.g. cocaine brick).

Outside of the Iberian Peninsula, in recent years laboratories have been discovered in France, Greece and the UK. The Netherlands, known for many years as being significant in terms of synthetic drug manufacture, has also seen a rise in the number of cocaine laboratories seized. Recent reports to Europol from Member States have revealed that in excess of 38 cocaine conversion laboratories of all sizes were seized in the European Union during 2008. It also seems that non-EU Member States are not immune to this phenomenon with countries such as Albania and Moldova being utilised by criminal organisations to set-up cocaine conversion laboratories.

At Europol, cocaine-related organised crime networks are the responsibility of a dedicated project incorporating an Analysis Work File (AWF). Analysts and experts within the AWF collect intelligence associated with the activities of suspected criminal organisations and networks involved in the production, processing or trafficking of cocaine, including intelligence about precursor chemicals and cutting agents. The project provides operational support to live investigations in participating Member States. It also seeks to enhance the strategic intelligence picture by providing insights into criminal groups of all nationalities whose activities impact upon the trafficking of cocaine as well as providing expertise and knowledge in this area.

### **3.2.3 Heroin**

The European Union is a significant global consumer market for many types of illicit drugs including opiates. Although demand and supply of opiates, namely heroin, is relatively small when compared to synthetic drugs and cannabis, the social, economic and health problems associated with its use are significant and it remains a major threat to the security and health of European society. Even though heroin consumption is stable or slightly decreasing in some Member States, it is increasing in others, and particularly in some of the newer Member States and parts of Eastern Europe. According to the United Nations Office on Drugs and Crime, an estimated 100 tonnes of heroin are needed annually to supply the EU heroin market, while approximately eight to fifteen tons are seized annually by its law enforcement authorities.

The Europol project on heroin seeks to identify opportunities to disrupt criminal organisations engaged in heroin production and trafficking, and supports Member States in their investigations to do so. A number of successful sub-projects coordinated within the project have helped Member States achieve their objectives in countering this phenomenon and more are planned during 2010.

## **OPERATION MELISSA**

Since 2007, a number of uncoordinated investigations in various countries had been conducted against an international drug trafficking network. This network was active in the production of synthetic drugs in the Netherlands, the import of cocaine from South America and large scale poly-drug trafficking within the European Union and beyond (e.g. to the Russian Federation, Iceland and Australia). In January 2009, Europol's Project Synergy took the initiative for cooperation and coordinated analysis, launching Operation Melissa.

Twelve suspects were arrested in Ecuador, Germany, Latvia and the Netherlands; 61.2 kg of amphetamine, 10 000 ecstasy tabs, 50 kg cannabis and 2.5 tons of cocaine plus a large quantity of money were seized in Ecuador, Germany, Iceland, and Latvia.

Europol's contribution included operational analysis; facilitation and coordination of operational meetings; financial investigative support provided by coordinating asset tracing requests from several AWF members' jurisdictions; and offender financial profiling.

### **3.3 Trafficking in human beings**

Trafficking in human beings (THB) for sexual and labour exploitation is a crime which affects all EU Member States. Men, women and children are exploited by both individual criminals and organised crime groups on a daily basis throughout the EU. Globally it is estimated that trafficking generates criminal profits in excess of US \$31 billion every year.<sup>1</sup>

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<sup>1</sup> *Forced labour and human trafficking: Estimating the profits*, International Labour Organization, 2005.

In 2009, the main nationalities of identified trafficked victims, according to the data recorded in the Europol system, were from:

- the South East criminal hub
- West Africa
- Asia.

Trafficking of human beings remains a growing crime due to a combination of elements, referred to as ‘push’ and ‘pull’ factors. ‘Push’ factors refer to conditions in source countries which encourage victims to leave. ‘Pull’ factors refer to relatively attractive conditions in destination countries.

**PUSH FACTORS:**

- High unemployment
- Labour market not open to women and gender discrimination
- Lack of opportunity to improve quality of life
- Sexual or ethnic discrimination
- Poverty
- Escaping persecution, violence or abuse
- Escaping human rights violations
- Collapse of social infrastructure
- Other environmental conditions including conflict and war.

### **PULL FACTORS:**

- Improved standard and quality of life
- Better access to higher education
- Less discrimination or abuse
- Enforcement of minimum standards and individual rights
- Better employment opportunities
- Demand for cheap labour
- Higher salaries and better working conditions
- Demand for workers within the sex industry, with higher earnings potential
- Established migrant communities/diasporas.

The main forms of exploitation in the EU remain sexual exploitation through forced prostitution and labour exploitation in the construction, manufacturing, agriculture and service sectors. Domestic servitude is also likely to be an area where many vulnerable people are exploited but the levels are not known due to its very ‘hidden’ nature. Whilst many victims continue to be trafficked across borders, either legitimately or otherwise, the levels of internal or domestic trafficking have increased and this includes EU nationals being trafficked within the European Union.

Operational support for Member States’ people-trafficking investigations is provided by a project team who work closely with 22 EU Member States and three other supporting countries. During 2009 the team focused on Romanian and Nigerian trafficking networks, child trafficking and labour exploitation.

The use of children by the traffickers is now seen, **not only as a means to earn money, but also to ensure that police investigations are hampered by the involvement of child suspects and witnesses.** Additional measures need to be taken in order to deal with these particularly vulnerable people. In many instances the children have been ‘trained’ not to cooperate with the authorities.

Europol’s operational support for Member States’ investigations is most obviously delivered by the deployment of the mobile office.

#### OPERATION LONGSHIP

In August 2009, in the framework of a Joint Investigation Team (JIT) between the United Kingdom Metropolitan Police Service and Romanian authorities, Europol supported an operation carried out mainly in London, to identify and rescue young victims of trafficking who were being exploited by an organised crime group for begging and street crime offences. In the course of the operation, based around a series of house searches, as well as achieving the primary objective, a significant amount of evidence was uncovered regarding large-scale organised benefit fraud. The operation brought the following results:

- 24 addresses visited
- 214 individuals encountered and checked
- 27 nominals identified and interviewed
- 5 primary victims identified
- 12 'hearings' conducted by the Romanian authorities
- £1,500 cash seizure
- 4 children placed in police protection as possible victims of THB.

On-the-spot assistance was provided by the Europol mobile office, allowing real-time access to Europol databases and the development of tactical intelligence for investigators dealing with suspects, witnesses and victims alike.

## **OPERATION BLACK LEAVES**

Since 2008 Europol has supported Operation Black Leaves - a large-scale investigation into a Nigerian organised crime group responsible for trafficking of numerous young Nigerian women for the purpose of sexual exploitation in eight European countries. Following a request from the Italian *Carabinieri*, in June 2009, Europol set up a coordination platform for the arrest phase of the operation.

On 24 June 2009, the Black Leaves investigation was concluded with the arrest of 34 main suspects in Italy. Additional arrests were made in France, Germany, Greece, the Netherlands, Republic of San Marino and Spain. Europol provided a secure venue to meet and discuss operational issues and on the day of action, a Europol officer was in place at Europol HQ to provide real-time support throughout the duration of the operation.

The law enforcement response to people trafficking across the EU is becoming more effective and is apparent in the increased number of cases being identified and referred to Europol for support and assistance. Areas where a more effective response would be productive are victim identification, the development of transnational trafficking investigations, financial investigations and the tackling domestic trafficking. Europol supports many external partners with training and awareness raising for law enforcement officers and the judiciary.

**In 2009 Europol worked closely with several key organisations, such as:**

- International Organization for Migration (IOM)
- International Centre for Migration Policy Development (ICMPD)
- United Nations Office on Drugs and Crime (UNODC)
- Organization for Security and Co-operation in Europe (OSCE)

**Common projects delivered in 2009 for police officers and prosecutors from:**

- Belarus
- Georgia
- Moldova
- Russia
- Turkey
- Turkmenistan
- Ukraine
- Western Balkans.

### **3.4 Facilitated illegal immigration**

In general, organised crime groups involved in the facilitation of illegal immigrants tend to be structured in loose networks of smaller groups, and most of them have ethnic or other cultural connections to the illegal immigrants they are facilitating. The organised crime groups involved in illegal immigration generally display a high degree of adaptability and a strength for collaborating well across borders, regardless of ethnic differences - also in regions where there is a tradition of ethnic conflict. The facilitators are quick to detect and make use of various changes in society, such as law enforcement responses, changes in legislation or regulations, as well as the opening of new or cheaper transport routes or new border crossing points.

The involvement of legitimate business structures in relation to facilitated illegal immigration has grown in importance. For example, organised crime groups use travel agencies to arrange travel packages including the procurement of visas. Employment agencies, shipping agencies and marriages of convenience are other frequently abused routes.

The term **‘facilitated illegal immigration’** covers a number of different serious crimes, all aimed at assisting, for financial gain, the entry into or residence in a country, in violation of the country’s laws. Facilitated illegal immigration thus covers the production and procurement of falsified travel documents or permits obtained under false pretences, and the provision of clandestine transportation or other assistance, in order to obtain illegal entry or stay - often connected to a number of other criminal activities.

Since 2007 Europol has received a steady increase of reports and requests relating to the facilitated illegal immigration of Iraqi and Vietnamese nationals. During common action days within the EU, Europol supported three main operations which led to the arrest of 76 suspects in Belgium, France, Germany, Greece, Hungary, Italy, the Netherlands, Switzerland and the United Kingdom. Europol delivered on-the-spot support at the operational centres by sending analysts and experts, and deploying a mobile office. That way, our experts and analysts are able to use all available online analytical resources as if they were based at Europol HQ. Europol’s Analysis Work File team supported the investigations teams with analytical and expert knowledge.

## **OPERATION SEBEKE**

Operation Sebeke focused on a group of mainly Iraqi suspects smuggling Iraqi and Afghan nationals from Iraq / Afghanistan via Turkey into Europe. The criminal group had been active at least one year.

On 19 November 2009 a total of 22 arrests were made and several house searches were carried out in the countries mentioned. Seven illegal immigrants were found in one house in the United Kingdom.

The arrests and house searches were supported by the Europol team and intelligence was shared with other Member States.

The main suspects and new criminal links were discovered in close cooperation with national experts after in–depth analysis. Four operational meetings were held at Europol and several other meetings within the Member States. Various intelligence reports were produced and disseminated to the participating countries. During the action day, a coordination centre was set up at Europol.

Organised crime groups gain a lot of money from facilitated illegal immigration. For instance, immigrants pay between €700 and €2000 for a trip from Paris to the UK or Sweden. Transport in a truck costs between €700 and €1000 and in a car with driver, around €2000. Organised crime groups charge between USD \$4000–\$8000 to smuggle people to Italy. The money is usually paid via wire transfer. The journeys of the illegal immigrants are conducted in very difficult conditions, sometimes lasting as long as 10 months and may result in the deaths of people en route to their destinations.

Besides the dangers to the individual immigrant, the facilitating of illegal immigration also has a negative effect on the regular democratic system of migration. Money transfer systems are abused for transferring financial gains from the crimes, visa application systems are abused and travel documents falsified. The whole regular and legal migrant movement is undermined.

By dismantling this international criminal network of illegal immigration facilitators, Europol has proved its effectiveness in assisting European law enforcement agencies. New operations or investigations of these international criminal networks are foreseen, working in cooperation with EU Member States, Interpol and Eurojust.

### **OPERATION GARNET**

Operation Garnet, a joint enforcement operation between UK Borders Agency, Serious Organised Crime Agency and the Italian State Police, supported by Europol, started in November 2008, and has resulted in the breaking up of an international organised criminal gang facilitating the arrival of Chinese illegal migrants by air to the UK. Since the start of the operation, the number of Chinese nationals arriving in the UK illegally without valid travel documents has been cut by 75% and continues to fall. In the first two months of the operation, 53 persons involved in criminal facilitation were arrested by the Italian State Police with a further 49 arrested in 2009. Six further arrests were made in the first few weeks of 2010.

This joint enforcement operation has resulted in the dismantling of a significant criminal gang operating in Italy and other EU Member States, which were also linked to wider criminal operations in China, and were facilitating the travel of Chinese illegal migrants from China to the UK on counterfeit identity documents for a fee of €17 000 per migrant.

The UK Borders Agency stated that Operation Garnet represents a significant success for the Italian State Police in Florence, Europol and the UK in tackling a well-organised criminal gang engaged in the exploitation of Chinese migrants for financial gain.

Europol's contribution to this complex investigation has been instrumental in creating the right synergy among the various law enforcement agencies in Europe (especially France, Ireland, Italy and the United Kingdom), in particular by means of analytical support. Europol analysed all collected data helping to identify links between the different EU investigations, and issuing seven analytical reports.

### **3.5 Child sexual abuse**

The production and distribution of illegal content depicting the sexual exploitation of defenceless children is mainly facilitated by the improper use of the internet. The apparent anonymity offered by this means of communication makes it very difficult to successfully locate and identify offenders and save the child victims from further exploitation. It must be emphasised that the discovery of illegal material is only part, and possibly the beginning, of an investigation into the actual sexual exploitation of a child (e.g. rape, sexual assault).

The internet as a mass medium is used extensively for the distribution of sexual material. Not only for the sale and purchase of adult pornographic material, sexual devices and advertising contacts for explicit sexual purposes, but also for distributing child sex abuse content and providing a platform for online grooming<sup>1</sup> of innocent children, unaware of the dangers facing them. Once the abusive material reaches the internet, it constitutes a permanent re-victimisation of the depicted child.

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<sup>1</sup> Online grooming is the proposal by an adult to meet a child who has not reached the age of sexual consent under national law, with the purpose of engaging in sexual activities with the child.

## **CURRENT TRENDS**

- There is an increasing involvement of criminal networks who offer pay-per-view websites from which huge profits are made. The obvious interest of paedophiles and/or child sex offenders in receiving new material has possibly led, and will lead to, the production of new material, which implies that there is ongoing exploitation of victims and new victims
- Child sex offenders and their networks make more and more use of sophisticated software in order to try to protect their anonymity, to make use of online storage and to use advanced encryption techniques to counteract digital forensic examination executed by the police
- Child sex offenders travel to specific countries where children are offered by their families or other facilitators in order to be sexually exploited and to produce illegal material that is distributed for commercial or non-commercial purposes
- Sometimes, the illegal material is self-produced by teenagers or children who underestimate the risks of distributing their images or movie files. In some other cases they are convinced or coerced into producing the material by child sex predators through a grooming process on the internet.

### **3.5.1 Analytical and operational support**

An Analysis Work File (AWF) was created in 2001 to support the participating Member States in preventing and combating the activities of criminal networks involved in the production, sale or distribution of child sexual exploitation material, and the associated forms of crime within Europol's mandate. This activity has had great success and will continue. In 2009, the AWF supported several international investigations.

## **OPERATION TYPHON**

One of the cases supported by the AWF called Operation Typhon was concluded on 10 December 2009 in 19 countries. The investigation was led by the Austrian Criminal Intelligence Service (.BK) who detected an internet service provider that was being misused by child sex offender groups to distribute illegal content on the internet. Log files collected by the BK were sent to Europol together with the abusive images of children. After structuring and analysing the content, Europol provided intelligence packages and analytical reports to the EU Member States and those countries with a Europol cooperation agreement. The analysis performed by the AWF team was concluded at the beginning of 2009 but national enquiries had been ongoing for around 1.5 years. The Operation Typhon case led to the identification of 221 suspects, 115 arrests and five child victims were identified and rescued in four different countries.

Overall, this Analysis Work File has so far supported 23 international operations and contributed to the identification of around 1600 suspects belonging to different criminal networks – but all involved in offences related to the online distribution of child sexual exploitation material.

### **3.5.2 Internet Related Child Abuse Material Project**

Europol supports the COSPOL Internet Related Child Abuse Material Project (CIRCAMP) which promotes the use of a filtering technology in EU Member States which blocks users' access to commercial child abuse websites. The filter is currently in place in Denmark, Finland, Italy, Norway, Sweden and the UK. The data originating from the blocking activity of the Member States' filters is sent to the AWF team for analysis purposes.

### **3.5.3 Funnel Web**

A project called Funnel Web has recently been finalised to deal with requests coming from the registrants of websites that are wrongly blacklisted by the CIRCAMP filter in the Member States mentioned above. Europol, in partnership with CIRCAMP, has set up a reporting mechanism for owners of blocked domains. This system aims to centralise the complaints and requests for revision of domain statuses in order to guarantee that the requests can be processed in all countries where the domain is blacklisted.

Europol facilitates contact between the owners of domains and competent law enforcement agencies. However, it is at the discretion of the Member States to decide upon possible judicial consequences induced by revision requests.

### **3.5.4 European Financial Coalition**

Europol is a member of the steering, legal and law enforcement working groups of the European Financial Coalition, formed by EU law enforcement agencies, banks, credit card companies, other financial intermediaries, Microsoft, NGOs (such as Missing Children Europe), Eurojust, and others. The aim of this coalition is to fight the proliferation of commercial child abuse websites on the internet.

### **3.5.5 Training**

The annual Europol training course, 'Combating the sexual exploitation of children on the internet' - which is aimed at law enforcement officers and the judiciary - develops and increases the participants' knowledge, expertise and ability to combat and dismantle child sex offender networks, and also increases the potential to help save the children involved. So far Europol has provided 10 training courses. Around 400 law enforcement officers and 30 members of the judiciary from EU and non-EU countries attended and benefited from these courses.

### 3.6 EU VAT fraud

Missing Trader Intra-Community Fraud (MTIC) is a form of organised, sophisticated tax fraud carried out by criminals who attack the VAT regimes of all EU Member States. The basic model of transnational intra-community VAT fraud involves at least two Member States.

INSERT CHART: Single Missing Trader Intra-Community Fraud

The fraud schemes make use of structures spreading their activities over several Member States at the same time, in order to exploit the different particularities and weaknesses of the national tax systems and to disguise the real links between participants.

In practice, Missing Trader Intra-Community Fraud is carried out by organised criminals who put in place a structure of linked companies and individuals. Those involved in VAT fraud schemes, who are initially responsible for the tax damage - the so-called 'missing traders' - only operate for a short time, sometimes only weeks, before disappearing.

The schemes are based on either virtual or real 'carousel' transactions where the same 'goods' are sold and resold several times. This is commonly referred to as VAT carousel fraud.

However traditional goods-based Missing Trader Intra-Community Fraud is no longer the sole concern. Recently, a clear mutation into service-based MTIC fraud has been experienced, as fraudsters have extended their criminal activities into the environmental or energy markets.

INSERT CHART: Carbon credit fraud

2009 was a milestone in this respect as major fraud scandals surfaced which showed the possibility for large-scale VAT fraud in the trading of emission allowances or European Unit Allowances (EUAs).

## **OPERATION BEIJING**

Members of the Europol Missing Trader Intra-Community Fraud (MTIC) project team deployed their mobile office at the headquarters of the Hungarian Customs and Finance Guard (VPOP) in Budapest, to provide support during a large-scale operation targeting Asian organised criminals in Hungary.

The Hungarian Customs and Finance Guard launched a coordinated operation against several criminal networks involved in the fraudulent import of goods to the European Union which were causing substantial losses in customs duties and VAT. More than 200 officers, including special arrest teams of Hungarian customs and police, searched 64 premises in Budapest and several locations across the country.

Ten people of Chinese, Vietnamese and Hungarian nationality were arrested and based on the evidence found during the searches further national and international (European) arrest warrants were issued against four Chinese and one Hungarian national. Cash equalling the amount of about €250 000 was seized by the authorities.

Cross border, or transnational, VAT fraud does not only affect the financial interests of the European Community but also has an impact on lawful businesses which find themselves unable to compete on a level playing field in those sectors affected by significant VAT fraud. Non-competitive businesses risk going bankrupt, which in its turn may cause a negative impact on employment levels.

The scale of the revenue losses attributable to Missing Trader Intra-Community Fraud since EU borders were opened to free trade in 1992 may never be precisely quantified. According to different sources the level of harm caused by MTIC fraud varies. For example, the European Commission estimates that VAT fraud costs the Member States around €60 billion annually. However, according to an estimate from Eurocanet (the European Carousel Network - a project of the European Commission in Brussels), between June 2005 and June 2006, the combined MTIC losses from the five biggest Member States – France, Germany, Italy, Spain and the United Kingdom - totalled almost €21 billion.

Europol estimate that the loss to carbon credit fraud between June 2008 and December 2009 was approximately €5 billion.

Moreover, the profits from VAT fraud may finance other types of criminal activity, for example cigarette smuggling or drugs trafficking, which has a further negative impact on the EC and national budgets, as well as on the operation of the internal market and on honest businesses.

Europol provides high quality and dynamic investigation support to EU law enforcement, and also worldwide on behalf of EU law enforcement, in the field of VAT carousel fraud and related spheres such as combating money laundering and tracing the proceeds of crime.

**The Europol Analysis Work File on Missing Trader Intra-Community Fraud (MTIC)** is the only EU-level database for storing MTIC-related criminal information. This is why it has become the principal source of reference for law enforcement operations. The knowledge and data stored within Europol enables the development of a solid picture of this area of crime and identifies the most prominent criminal targets.

Europol has become a centre of excellence for fighting cross-border MTIC fraud and related offences.

Europol renders support to the Technical Assistance and Information Exchange Instrument (TAIEX) managed by the European Commission in organising seminars with the aim to enhance experience and good practice between law enforcement officers and prosecutors from EU Member States and neighbouring countries. Cooperation with third countries is essential in fighting VAT fraud as the fraudsters often launder their ill obtained profits outside the EU. By promoting the exchange of information and best practice the participating law enforcement agencies in these TAIEX workshops hope to become better in eradicating MTIC fraud and related money laundering.

### **OPERATION TULIPBOX**

On 19 August 2009, UK HM Revenue and Customs (HMRC) officers executed 27 premises searches, 24 in the UK and a further three were carried out in New Zealand - nine people were arrested. Approximately €3 million was restrained in a New Zealand bank. Those arrested are believed to be members of a criminal network heavily involved in MTIC VAT fraud related to emission allowance trading (also known as carbon credit fraud).

Europol provided analytical support and deployed its mobile office at the premises of the investigators during the operation.

## **OPERATION BEEHIVE**

An organised crime group involved in tobacco smuggling organised containers of cigarettes to be manufactured in China and transported to the EU via deep sea vessel. A 40-foot container with cigarettes inside was identified bound for the European Union after departing from China on 16 October 2009. Intelligence indicated that if successful, the organised crime group would attempt numerous further importations on a weekly basis. If not stopped this would have caused the destination Member State an annual revenue loss that ran into the millions of euros.

On 14 January 2010 French authorities seized 8.5 million Marlboro cigarettes from the Chinese container in the port of Le Havre. The intervention has prevented at least €592 000 in tax losses. Five members of the organised crime group have been identified.

Europol enhanced the initial intelligence contribution by identifying the vessel transporting the container. Once the ship was located, we were able to identify the destination port and provide an accurate date and time of arrival to the interested parties. This crucial support allowed further operational work to be conducted.

### **3.7 Money laundering**

Europol supports Member States in preventing and combating criminal money-laundering activity, particularly that which relates to analysis of suspicious transactions and any other financial intelligence.

The Europol Criminal Assets Bureau (ECAB) assists Member States' financial investigators to trace the proceeds from crime, when assets have been concealed outside the investigators' jurisdictional boundaries, within the European Union.

### **The Camden Assets Recovery Inter-Agency Network (CARIN)**

Europol hosts the permanent secretariat for CARIN. CARIN is an informal network of judicial and law enforcement asset recovery experts. CARIN currently has 55 registered member jurisdictions, including all 27 EU Member States and nine international organisations. One law enforcement and one judicial contact have been nominated from each jurisdiction, to assist in cross-border cooperation in relation to tracing, freezing, seizing and confiscation of criminals' assets. These contacts assist with general questions about asset recovery in their own jurisdictions, but also provide operational support via available legal channels.

The term 'boiler room' refers to an offshore entity which is not authorised or exempt from the Financial Services and Markets Act 2000 (FSMA). Boiler rooms typically target private individuals ('investors') to encourage them to buy shares. The types of shares promoted tend to be those for unlisted companies at a pre-Initial Public Offering (pre-IPO) stage, high-risk shares or shares in newly-listed companies. When sold to investors, the shares are, at best, significantly overpriced and, at worst, worthless or untradeable.

A boiler room transaction typically begins with an unsolicited or 'cold call' from a salesman to an investor. The salesman seeks to persuade the investor to buy shares in a company and typically promises a substantial increase in the share price within a relatively short period of time, thereby claiming to offer a rapid return on the money invested. The illegally obtained proceeds in the offshore entity are generally controlled by the money launderer who transfers them to the accomplices involved in the boiler room scheme.

## **'BOILER ROOM' INVESTIGATION**

Since April 2009, Europol has been providing support to the investigation of an international 'boiler room' fraud scheme and related money-laundering activities. The case, which was led by the UK Financial Service Authority, also involved Austria, Cyprus, Ireland, Malta, Slovakia, Spain and Switzerland.

The boiler room case that Europol coordinated targeted a UK-based criminal group operating internationally who have been charged with conspiracy to breach the general prohibition, defraud and launder criminal proceeds. The organised crime group was the beneficiary of £28 million of provable criminal assets, stolen from thousands of victims (7500 just in the UK), plus many other victims in New Zealand and the Nordic countries. The operation was supported by the Europol team which also established investigative leads, and it was coordinated by Eurojust. On 8 April 2009 an operational meeting took place at Eurojust with representatives from Europol and all involved jurisdictions. Priorities and operational loopholes were identified with a view to arresting the main targets.

The Europol network was mainly used to exchange intelligence and conclude the first phase of the operation.

On 6 May 2009 UK authorities arrested seven members of the organised crime group. Assets worth £8 million were identified and restrained. Based on the evidence collected, further measures will take place in the coming months. These activities will be coordinated by Europol's specialised unit, working with Eurojust. The implementation of a reliable international network able to quickly exchange information and expertise was crucial for the positive outcome of this complex boiler room fraud and money laundering enterprise.

Europol supports and provides training regarding money laundering. The most recent examples include: TAIEX Seminar held in Banja Luka, Bosnia and Herzegovina and the Financial Crime Conference held in Stockholm, Sweden. Active participation since the preliminary phase of the training programme has also been ensured to the CEPOL training on Money Laundering Common Curriculum held in Portugal.

## **DEPLOYMENT OF THE MOBILE OFFICE**

### **Operation Monet V**

Under the remit of Operation Monet V, live analytical support was provided via the mobile office to Spanish law enforcement authorities in Gran Canaria. This support was given following a request from the Spanish Guardia Civil. One Europol analyst was present throughout the operation, which targeted cash couriers within high-risk destination environments. As a result of the operation, the Guardia Civil seized €402 090, 1.2 kg of cocaine, as well as other illicit products.

### **Operation Atlas**

In October 2009 the Europol team deployed the mobile office at the World Customs Organization (WCO) to support the Joint Customs Operation Atlas. Europol analysts performed approximately 400 searches on persons, locations, identity documents and organisations.

This Joint Customs Operation was led by US Immigration and Customs Enforcement with the support of the Operational Coordination Unit at the World Customs Organization in Brussels. The main aim of this operation is to promote international cooperation to combat transnational illegal cash couriers and bulk cash smuggling. The operation has been conducted worldwide and has involved the customs authorities of most European Union Member States.

### **MOBILE OFFICE**

At the request of Member States, a live connection to Europol's centralised databases and expertise platforms can be provided on-the-spot by way of a Europol mobile office. Manned by designated Europol officers, the mobile office is a valuable support tool for ongoing investigations or events.

### **OPERATION ROSA**

Four jewellery shop robberies took place in Paris. Another robbery in a jewellery shop took place at Boulevard Barceló (Brussels, Belgium). Austria also suffered six jewellery shop robberies, committed in Vienna and Salzburg by suspects from Estonia and with similar modus operandi.

On 31 March 2009 Europol organised a preparatory meeting on Operation Rosa which was attended by Austria, Belgium, Estonia, France and Germany. A joint police operation was carried out in Estonia.

This operation led to the identification and arrest of eight suspected members of an Estonian-based criminal organisation, believed to be responsible for a series of armed robberies of high-class jewellery shops in Austria, Belgium and France, during 2007 and 2008.

During the operation, all the suspects were arrested and house searches were carried out at their residences. Many cellular phones, SIM cards, notes and other records were seized. Europol analysed this data to identify further international links. Physical evidence linking the suspects to the robberies has also been found.

Europol has been actively supporting these investigations since 2007. The data received from countries involved was constantly analysed and several reports were issued to the concerned Member States. On the day of action, arrests and house searches were supported by Europol team: one specialist and one analyst were present at the coordination centre set up in Tallinn. A mobile office was used to support the operation on-the-spot.

### 3.8 Intellectual property crime

Intellectual property rights (IPR) infringement refers to the violation of two main categories of recognised and protected rights. The first one is related to industrial property which covers various fields such as distinctive signs (trademarks), patents, designs and models (counterfeiting). The second refers to copyright of literary and artistic works such as film, musical work and software programmes (piracy).

According to the latest figures, in 2008, **178 million counterfeit and pirated articles** (79 million in 2007), involving 49 000 cases in 2008 (43 671 in 2007), were detained by customs at EU borders.<sup>1</sup> These figures do not take into account ‘intra-EU seizures’ and do not consider activities conducted by customs services that have the capability to control and to investigate within their respective national territory. Nor do the figures include activities by other law enforcement agencies, including police and other bodies such as Drug Regulatory Agency who are also active in this area. Additionally, it does not take into account the detection of counterfeit products manufactured within the EU nor the seizures which are made by border police.

<sup>1</sup> Figures published by the European Commission’s Taxation and Customs Union, 7 July 2009.

According to the World Health Organization, trade in counterfeit medicines represents 10% of the trade of legal medicines around the world, with huge differences between the regions. It could be less than 1% of sales in developed countries, rising to over 10% in developing countries.

Counterfeiting is no longer limited to luxury products but is now a global problem affecting all types of goods including a large range of commodities from cigarettes to clothing, accessories and also products which could affect health and safety such as electronic equipment, beverages, foodstuffs and medicines.

The widespread use of the internet is a factor which may affect this phenomenon and may be a facilitator for helping this illicit activity to develop under an anonymous umbrella. The internet can easily be used for advertising counterfeit products, taking orders and paying for purchases. The internet also potentially increases our exposure to piracy, due to the advances in technology and ubiquitous use of computers, making it much easier for pirated software, CDs, DVDs and other types of intellectual property to be widely and easily distributed.

Europol participates in the Interpol Intellectual Property Crime Training Seminar. Since the beginning of this initiative, Europol has contributed and taken part in four training seminars which were hosted by the *Guardia di Finanza* (police academy) in Rome, where nearly 130 officers from various countries and several continents benefited from the courses.

Europol organises an annual workshop on intellectual property crime which has been delivered to intellectual property crime experts from EU Member States, and Europol partners, with support from the Belgian authorities.

Europol supports other initiatives in close coordination with TAIEX, such as cooperation with the Russian Federation in this field. In 2009, high level representatives and intellectual property crime experts from police and customs took part in a week's study visit on intellectual property crime at Europol.

## **OPERATION DIABOLO**

Europol contributed to the joint customs operation Diabolo II which took place in September 2009, targeting counterfeit goods, including cigarettes. This operation saw cooperation between customs authorities from the 27 EU Member States and 16 Asian countries under the auspices of the European Anti-Fraud Office (OLAF). It resulted in the seizure of more than 65 million counterfeit cigarettes and 369 000 other counterfeit items (shoes, toys, cameras, headphones, hats, caps, gloves, handbags, etc), representing over 20 different trademarks. Europol and Interpol reported that 89 individuals or companies involved in criminal organisations were identified by cross-checking the information provided by customs authorities.

Thanks to 88 missing links generated by the various Europol analysis work files, the operation also resulted in further potential international investigations into criminal activities.

The Europol mobile office was used to: detect links with data currently stored in Europol databases; explore all follow-up opportunities; update information concerning the main maritime routes used when importing counterfeit goods; and to gather data for analysis work files affected by the hits generated.

## OPERATION KUSSEN

*Guardia di Finanza*, supported by Europol, has disrupted a huge criminal network involved in the massive illicit production and distribution of counterfeit commodities. The investigation has been going on for two years and has focused on counterfeit clothing originating from Turkey and Italy. The clothes were distributed throughout the EU via a criminal network linked to Chinese, Italian and Turkish syndicates.

The case, which was presented in Italy earlier this month, resulted in:

- The discovery and dismantling of 16 illicit factories in Italy where the majority of the counterfeit products were manufactured
- The arrest of 12 suspects in Italy and France
- A successful controlled delivery organised between *Guardia di Finanza Bolzano* and the French Customs Investigative Service, Marseille
- The seizure of 3 million counterfeit items in Italy, Germany and France affecting more than 10 different brands representing a value of more than €150 million
- The collection of evidence which linked the transnational organised crime groups to other criminal groups from Belarus, Canada, Israel, Mauritius and San Marino.

Besides generating huge profits for the criminals, the illicit actions also fuelled the establishment of black markets, illegal immigrants operating the production centres and knock-on crimes such as customs and VAT frauds.

Our operational success was based on teamwork and was achieved thanks to close cooperation between law enforcement agencies and judicial authorities from Austria, Belgium, France, Germany, Italy, Luxembourg, the Netherlands, San Marino and Spain under the effective guidance of *Guardia di Finanza*, supported by Europol, Eurojust and Interpol.

The partnership developed with the private sector, in particular with Intelligence and Investigation Services through the United Kingdom liaison bureau at Europol, was also important in establishing the links to the companies behind the brands primarily affected.

## **OPERATION GOMORRAH 1**

In the field of combating intellectual property crime, Operation Gomorrah I targeted Italian organised criminal networks that were trafficking unsafe counterfeit commodities such as power tools and generators.

This operation involved actions in several EU Member States, which included the following results:

In June 2009, French Customs and Gendarmerie deployed 350 officers nationwide resulting in the arrest of 9 criminals and the search of 98 warehouses where counterfeit products were seized.

Evidence indicated that 748 tonnes of such items, representing an estimated value of 11 200 000 euros, were sold through these outlets since 2007. Close French cooperation with German Police led to a further simultaneous arrest in Germany.

In September 2009, 130 German police officers were involved in the arrest of 19 criminals and 30 premises searches where more than 30 tonnes of illicit products were seized. Evidence was also simultaneously gathered in both Italy and Austria.

On both occasions, actions were coordinated by Europol and Eurojust, with technical on-the-spot support provided by Europol.

### 3.9 Payment card fraud

Payment card fraud is a growing global problem. Financial transactions worldwide are migrating from cash into non-cash and electronic means of payment, and forgery of these methods of payment within the European Union (EU) causes huge financial losses. Simultaneously, these losses constitute assets for organised crime groups and illegal income is invested to develop other forms of criminal activity for the organised crime groups.

The damage in 2009, caused by skimming alone in the EU is estimated to exceed **€350 million**.

**"Skimming"**: The copying of a payment card's magnetic strip without the knowledge or consent of the cardholder - generally happens when a payment card is used at a genuine Automatic Teller Machines or Point of Sale terminal by the cardholder. The data is then written (cloned) to new cards followed by illicit cash withdrawals, commonly done outside the cardholder's country of residence.

The safety of non-cash transactions in the EU is important for card users and the banking industry (banks, payment institutions, clearing and settlement infrastructures, card processors and card schemes).

Europol responds to the needs of law enforcement agencies across the European Union. It assists Member States in combating payment card fraud by putting Europol's organisational, technical and legal capabilities at the disposal of law enforcement agencies. The vast experience and knowledge of Europol's officials has proven to bring additional value to investigations carried out in the European Union.

Europol, as a centre for assisting law enforcement agencies at an EU level, along with a network of assigned liaison officers from non-EU countries, is also able to facilitate cooperation of law enforcement agencies on a global level.

Most Member States are affected by card fraud and face specific problems related to this phenomenon. Based on intelligence received from Member States, Europol prepares analytical reports and threat assessments on this criminal activity. Joint Investigation Teams are also applied to combat payment card fraud on an EU level.

In 2009, Europol supported many EU law enforcement investigations aimed at disrupting international criminal structures dealing with payment card fraud. Europol also provided specialised technical and forensic support and dispatched forensic reports to assist payment card fraud investigations. Europol forensic mobile tool kit is ready to be deployed on-the-spot in any country.

Europol regularly organises expert meetings on forensic examination of skimming devices. The last one took place at the forensic laboratory of the *Institut de Recherche Criminelle de la Gendarmerie Nationale* in France.

## **ATM CASH WITHDRAWALS**

### **PROTECT YOURSELF:**

**Be aware of others around you.** If someone is behaving suspiciously or makes you feel uncomfortable choose a different machine.

If you spot **anything unusual** about the cash machine do not use the machine and report it to the bank or police immediately.

**Be alert.** If someone is crowding or watching you, cancel the transaction and go to another machine.

**Stand close** to the cash machine.

Always **shield the keypad** with your spare hand and your body to avoid anyone seeing you enter your PIN.

## **DISRUPTION OF ILLEGAL SKIMMING DEVICE PRODUCTION SITES**

Europol have supported cooperation between law enforcement agencies from Bulgaria, Poland and Austria, resulting in the disruption of two illegal skimming device factories on Bulgarian territory and the arrest of 10 criminal gang members. The skimming devices seized in these factories were ready to be fitted to many different types of ATMs (Automatic Teller Machines) used all over Europe. Hundreds of counterfeit payment cards, raw card data, skimming devices, electronic equipment (micro cameras, PIN pads), and tools used for the production of counterfeit credit cards were also seized during the final raid. With this operation, law enforcement prevented significant financial losses, which could have amounted to several thousand euros per illegally cloned payment card.

## **OPERATION FJORD**

In 2008 as a result of a joint operation between the Payment Card Section, Garda Bureau of Fraud Investigation and Irish Customs, a Romanian suspect was arrested in Dublin in relation to the possession of ATM skimming equipment. The individual had arrived in Ireland as part of an organised crime gang with the intention of using the equipment to illegally acquire card information and PIN numbers from unsuspecting ATM customers. The card data and PINs would then be scanned and videoed by the criminals' sophisticated equipment as the customers used the ATMs. The gang then planned to use the details scanned from the cards to clone the customers debit or credit cards and then withdraw cash illegally from the victims' bank accounts.

Codenamed Operation Fjord, the successful operation culminated in the arrest, prosecution and conviction of an organised crime gang member and the disruption of the gang. It is estimated that the seizure of ATM card skimming equipment would have cost the gang up to €15 000 to acquire.

The information and shared intelligence in this case initially originated from Romanian law enforcement authorities. By use of the Europol Information Exchange channel, Garda & Irish Customs Liaison Officers based at Europol, in conjunction with various Member States law enforcement agencies that included Denmark, Sweden and Norway, were able to track the movements of the suspects as they travelled across Europe before reaching their ultimate destination in Dublin. The equipment seized was technologically advanced and had never before been encountered in Ireland or by Europol experts.

This is another example of the level of cooperation possible between law enforcement agencies based at Europol to effectively target and disrupt transnational organised crime gangs and bring perpetrators to justice.

In this case the 'skimming' crime was committed by the perpetrator placing a device over the card slot of an ATM which reads the magnetic stripe as the users pass their cards through it. These devices are often used in conjunction with a pinhole camera to read the users' PIN code at the same time. Details of copied payment cards are then used for illegal cash withdrawal.

## OPERATION CREIEUR

An operation against a large international skimming network, coordinated from the Europol operational centre, led to 24 arrests in September 2009. Eurojust coordinated the judicial part of the operation, which involved Belgium, Ireland, Italy, the Netherlands and Romania.

Italy's *Polizia di Stato*, which led the investigation, considered this its biggest operation against a payment card fraud gang. So far the network is suspected of skimming at least 15 000 payment cards in the EU, with over 35 000 fraudulent transactions in total and losses amounting to around €6.5 million.

From the Europol operational centre, police officers, judges and prosecutors from the Member States concerned coordinated the joint operation via video link. Direct communication with prosecutors and police officers in the Member States during the three-day joint operation resulted in a total of 24 persons arrested: eight in Italy, twelve in Romania, two in the Netherlands and two in Belgium. In several house searches illegal equipment, counterfeit payment cards, drugs, weapons and a large sum of cash were seized.

During the operation two of the offenders were traced in Belgium and arrested red-handed. The arrestees had been targets of the Dutch Police for some time. The quick communication provided by the Europol liaison officers' network facilitated the short-term involvement of the Belgian Police, who succeeded in arresting the wanted persons. The suspects had made fraudulent withdrawals of €20 000 and were in possession of hundreds of duplicated bank cards.

The operational analysis carried out at Europol identified links to criminal offences in Belgium, France, Germany, Ireland, Italy, Moldova, the Netherlands, Spain, Sweden, Switzerland and the United Kingdom.

Criminals continuously develop more sophisticated techniques to compromise payment card data, therefore further proactive measures are needed to tackle this problem. Europol strongly supports forensic experts in developing their skills and we exchange best practices on the forensic examination of skimming devices.

### **3.10 Central Office for combating euro counterfeiting**

Europol has the mandate to prevent and combat the forgery of money, in particular the euro. Europol has been designated as the European Union's Central office for combating euro counterfeiting. This legal status qualifies Europol to act as a worldwide contact point for combating euro counterfeiting.

To fulfil this central office function, Europol offers a wide range of products and services to EU Member States and other partners. Europol actively supports law enforcement authorities by facilitating the exchange of information, gathering, analysing and disseminating criminal intelligence, as well as providing other expertise and knowledge to support investigations. That also includes participation in Joint Investigation Teams and granting financial support and on-the-spot assistance when requested. Moreover, Europol provides forensic support to law enforcement agencies. Forensic support aims to determine the origin of materials and devices used for the manufacturing of counterfeits. Additionally, Europol provides technical support and training on tactical and technical issues related to protecting the euro from counterfeiting.

Europol cooperates closely with European Union Member States, the European Central Bank, European Commission, the European Anti-Fraud Office (OLAF), Interpol and other partners.

## **EURO COUNTERFEITING TRENDS, 2009**

A comparison with previous years demonstrates an increasing trend in the quantity of counterfeit euro banknotes being produced. However the total value of counterfeit euro banknotes detected in 2009 was reduced, when compared to 2008. This is attributed to the reduction in the number of high-denomination counterfeits, on the one hand, and growth in the number of counterfeits of 20 and 50 euro denominations. A noteworthy decrease has been observed of the quantity and total value of counterfeit coins.

## **DISMANTLING OF A PRINT SHOP IN BULGARIA**

ON 10 MARCH 2009, A JOINT INVESTIGATION TEAM (JIT) WAS SET UP AT EUROPOL. SPAIN AND BULGARIA DECIDED TO CARRY OUT A JOINT INVESTIGATION INTO AN ORGANISED CRIMINAL GROUP PRODUCING AND DISTRIBUTING COUNTERFEIT EUROS. THE JIT WAS SUPPORTED BY EUROPOL AND EUROJUST.

ON 25 JUNE 2009, THE BULGARIAN POLICE, SUPPORTED BY THE SPANISH *BRIGADA DE INVESTIGACIÓN DEL BANCO DE ESPAÑA (COMISARIA GENERAL DE POLICIA JUDICIAL)*, EUROPOL AND EUROJUST DISRUPTED A CRIMINAL GROUP OF 17 PEOPLE WHO WERE BEHIND THE DISTRIBUTION OF A LARGE QUANTITY OF COUNTERFEIT EURO NOTES. TWENTY HOUSE SEARCHES WERE CARRIED OUT IN THE REGION OF PLOVDIV, BULGARIA, WHERE RAW MATERIAL AND DEVICES WERE SEIZED. THE COUNTERFEIT NOTES OF 100, 200 AND 500 EURO DENOMINATION WERE PRINTED BY THE CRIMINAL GROUP AND MAINLY DISTRIBUTED IN BELGIUM, FRANCE, GERMANY, GREECE, THE NETHERLANDS AND SPAIN. AN ASSESSED FACE VALUE OF THE EURO COUNTERFEITS WAS €16 MILLION. THIS OPERATION WAS AN EXCELLENT INTERNATIONAL POLICE COOPERATION LED BY THE BULGARIAN AUTHORITIES AND A GREAT EXAMPLE OF THE POTENTIAL F JOINT INVESTIGATION TEAMS. EUROPOL ASSISTED WITH OPERATIONAL ANALYSIS, COORDINATION AND INFORMATION EXCHANGE, FORENSIC, TECHNICAL AND OPERATIONAL SUPPORT ON THE SPOT.

### **JOINT INVESTIGATION TEAM (JIT)**

Member States can set up joint investigation teams to improve police cooperation. The teams consist of judicial and police authorities from at least two Member States. They are responsible for carrying out criminal investigations into specific matters for a limited period. Europol and Eurojust can participate in and coordinate the work of JITs.

### **OPERATION PARAISO**

In August 2009, in Gandia (Spain), material and equipment for the production of more than 660 million counterfeit euros was seized, and an illegal print shop producing counterfeit 500 euro banknotes was dismantled near Valencia. Sixteen persons of Spanish and South American origin were arrested. More than 2 tonnes of high quality paper, fake documents, weapons, ammunition and 70 mobile phones were also confiscated. The operation named 'Paraiso' was carried out in collaboration between *Brigada de Investigación del Banco de España* (BIBE), the Judicial Police of Valencia and Europol. At the end of 2008, the Spanish investigations started focusing on an organised crime group dealing with the import of large quantities of cocaine from the Dominican Republic to Valencia hidden in shipping containers. The profit generated by the drugs business was invested into financing of the production of counterfeit euro banknotes.

The criminal group invested more than 400 000 euros in equipment, acquiring the highest quality printing technology on the market. The perpetrators spent years preparing the illegal print shop and changed the layout of the counterfeits several times to improve their appearance. Europol became involved in the investigations after the first international criminal links were detected and supported the investigations on the spot with technical and analytical assistance.

### **3.11 High-tech crime**

The High Tech Crime Centre at Europol provides support to Member States in the general fight against cybercrime. The High Tech Crime Centre is developing a European platform which can service the direct and indirect needs of Member States in this important emerging area of criminal activity.

#### **3.11.1 Cybercrime**

Malicious activity on the internet continued to grow in 2009. Through attacking services on the web, for example through the use of malware (malicious software), end users are increasingly vulnerable to hackers. At the same time the underground economy where cybercriminals trade their illegally obtained information, skills and tools, continues to flourish.

The increasing threat of cybercrime in the EU has led to a situation where cybercrime is now a priority on Europe's agenda and consequently for Europol, too.

#### **3.11.2 Europol Cyber Crime Platform**

In 2009, the implementation of the Europol Cyber Crime Platform (ECCP) began. The ECCP rests on three pillars:

- The Internet Crime Reporting Online System (I-CROS), a European hub in a network of national online reporting points in the Member States, and third parties to Europol,<sup>1</sup> where all offences noted on the internet can be reported and escalated to a European level if necessary. The primary tool that is used to host this information at Europol is the Information System (IS).

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<sup>1</sup> Third parties are the bodies with which Europol has an operational agreement.

- The dedicated Europol Analysis Work File targets internet and ICT driven organised crime aimed at financial gain. The focus is on identifying and eventually dismantling groups active in the cybercrime area. In general, cybercriminal activity is directed towards attacks on computer systems or networks. More specifically, the crimes committed include the development of malware, hacking, identity theft and complicated phishing and e-commerce attacks. The work file is one answer to the request from EU Member States to be able to tackle cybercrime at an international level.
- The Internet FOREnsic EXPertise (I-FOREX) platform consists of a portal-based facility and comprises all information not related to personal/operational data that is in fact included in the two abovementioned pillars. The information contained in this platform will mainly relate to police best practice and training, although it will not exclude other important cybercrime areas in the law enforcement community. This I-FOREX is considered a fundamental tool for Europol in supporting investigations on EU cyber crime and will help investigators to keep their technical skills up-to-date with respect to their cases.

### **3.12 Maritime piracy**

Over the last two years piracy off the coast of Somalia has become a cause for major international concern. Pirates are regularly demanding and receiving million dollar or euro ransom payments. Intelligence has it that piracy could tie in with other criminal phenomena such as the smuggling of human beings, weapons and drugs.

The overall pirate hijacking success rate for 2009 is significantly lower than the average in 2008 of 40%, and is probably due to the increased naval patrols and heightened security practices of the merchant vessels in the Gulf of Aden. Despite the relative decline in the pirate success rate, there is an alarming increase in the absolute number of pirate attacks and an unprecedented expansion of pirate activity in the Indian Ocean.

In May 2009, Europol received a delegation from the Dutch National Crime Squad who were dealing with investigations into two hijacked vessels. The Dutch delegation stressed the fact that there is a need for a common approach by analysing shared information and by looking at a harmonised, coordinated way of dealing with this evolving threat affecting a number of European Union Member States.

In response to the Dutch request Europol hosted an ad-hoc expert meeting to discuss the criminal phenomenon of maritime piracy off the coast of the Horn of Africa. In its conclusions a number of participating Member States committed to engage with Europol in order to open an analysis work file on the subject.

Additionally, an operational meeting took place with the participation of Belgium, Germany and the Netherlands. At this meeting the three participating Member States discussed the information available and which could be shared with Europol. Following this development, the decision was taken to set up a core team within Europol that will deal with this phenomenon. Moreover, Europol received a formal request from the Dutch Head of Europol National Unit to open an analysis work file on piracy. This was formally done, then signed by Europol's Director on 18 January 2010.

Europol's involvement in this phenomenon is focused on the identification of key perpetrators, logistical assets and financial flows linked to this criminal activity. Europol has committed itself to work together with Interpol and the international community at large in order to effectively tackle this issue.

## **OPERATION ATLAS**

On 10 August 2009, Europol received a request to support Operation Atlas, which concerned the hijacking of an Arctic sea ship in Swedish waters. Europol was requested to support an already-established Joint Investigation Team involving Finland, Sweden and Malta. Based on the request, Europol immediately sent an analyst with a mobile office to Helsinki to support Operation Atlas on the spot. A back office was also created where up to five analysts worked and, during the weekend, four analysts were employed to work on the case. On 18 August, another Europol staff member (an expert in kidnapping) was sent to Helsinki.

The information derived from the Joint Investigation Team was provided to the serious crime front office via the SIENA network, and expertise, advice and analytical support were constantly given to the JIT members.

In total 3814 entities were created; 14436 links and 877 Mb of information were stored; more than 40 analysis charts and maps were produced directly to the investigators. A substantial amount of financial information on Russian companies was found and also a lot of maritime information came from Europol. An analysis of all calls also took place.

Europol's quick assistance to the operation was highly appreciated by the Joint Investigation Team members. Europol's analysts and expert were well received and integrated quickly into the JIT team, rapidly contributing to moving the inquiry forward. The operation also proved the viability of using the newly-established environment to provide instant analytical and information exchange support to Member States operations.

## 4. Europol's reach

### 4.1 EU Member States law enforcement agencies



INSERT MAP: EU map containing the number of EU MS law enforcement officers and logos

## 4.2 Europol's external cooperation

Europol cooperates with a number of EU partners, and with third countries and organisations. The exchange of information with these partners takes place on the basis of cooperation agreements.

Two types of agreement determine the nature of cooperation with third parties. Strategic agreements make it possible for the two parties involved to exchange all information with the exception of personal data, while operational agreements also allow the exchange of personal data.

Europol finds its cooperation with the Member States' and third partners' law enforcement authorities on the one hand, and other EU agencies and institutions on the other hand, vital.

Currently Europol cooperates with 17 non-EU countries, 9 EU bodies and agencies and 3 other international organisations, including Interpol, which features in many aspects of Europol's operational work.

Europol collaborates closely with the EU's agencies in the area of Freedom, Security and Justice, namely CEPOL, Eurojust and Frontex. Together they have produced a report which focuses on exploiting their potential more fully by means of bilateral and multilateral cooperation. The report draws up concrete proposals to overcome any shortcomings, and objectives to further improve existing cooperation methods. This streamlined approach will benefit law enforcement and judicial cooperation.

Europol also cooperates with other EU actors such as OLAF (European Anti-Fraud Office), SITCEN (EU Joint Situation Centre) and the European Central Bank. All of these actors are part of the big EU family of institutions and agencies who work together to make the European Union safer.

INSERT MAP: World map containing all third states with whom Europol has operational agreements in place

## 5. Moving ahead: Strategy and goals

Europol is at a key point in its evolution, and is ready to take our place as the central player within the field of European Union law enforcement. For the next five years, Europol's new strategy will be the frame of reference for Europol's daily business in order to ensure the best support for law enforcement cooperation in the European Union.

The strategy has identified the most important challenges ahead. Europol will use its unique strengths, and exploit all opportunities, to address these challenges. The new strategy is both focused and ambitious, and Europol will move on a planned five-year path to implement our main goals by delivering a unique set of operational services for the EU in three main areas:

- **To function as the principal EU support centre for law enforcement operations**

More will be done to maximise the operational value of information held by Europol and to streamline the delivery of analysis and other services. The new Europol strategy will allow for stronger, more effective cooperation and actions between agencies and law enforcement partners, including Eurojust and Interpol.

- **To become the criminal information hub of the European Union**

Coordination between Member States in identifying common information gaps and priorities for the investigation of the most prominent criminal targets is essential and will be strengthened. Europol's unique capabilities provide the opportunity to grow as a central 'information powerhouse' in the EU to address these issues and build an information platform capable of facilitating a more effective operational response to key security threats. Further development of Europol's Secure Information Exchange Network Application (SIENA) will add enhanced intelligence analysis tools to the already efficient and user-friendly information exchange tool.

- **To develop further as an EU centre for law enforcement expertise**

Europol pioneers new techniques based on innovation and best practice as well as providing quality training in key techniques, thereby strengthening the knowledge of specialist areas such as euro counterfeiting, terrorism and dismantling of drug laboratories.

We will address any gaps in knowledge and expertise by developing and promulgating best practice, and assisting Member States through support, advice and research in the areas of training, technical support, crime prevention, technical and forensic methods and analysis, and investigative procedures.

In summary, Europol has great potential which needs to be used more effectively by the EU Member States. At both EU and national levels, a smarter response is needed to fight serious international crime which can be achieved by Europe-wide integration of knowledge, operations and values coupled with an increase in EU law enforcement cooperation, and use of existing capabilities and tools.

These developments will make Europol pivotal in EU security architecture and a stronger Europol means a higher success rate and better protection of EU citizens against the threat of serious international crime and terrorism.

