



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.5.2007
SEC(2007) 739

COMMISSION STAFF WORKING DOCUMENT

**ANNUAL REPORT ON THE ACTIVITIES OF THE EUROPEAN FORUM FOR THE
PREVENTION OF ORGANISED CRIME IN 2006**

INTRODUCTION

The European Forum for the Prevention of Organised Crime was set up by the Commission services in 2001, following the adoption of the Communication on the prevention of crime in the EU¹ which developed the concept and the framework for actions responding to challenges posed by organised, trans-border crime in all their forms. It was emphasized that relevant measures should aim at reducing opportunities for crime, avoiding victimisation, promoting good governance and preventing criminal infiltration of the economy and society.

Since the beginning, the Forum has been an effective tool, through its meetings, to achieve the identified objectives by bringing an added value through:

- developing the necessary knowledge to improve understanding of the phenomenon of crime and identification of new trends, analysis of the impact of preventive action and the evaluation and sharing of national experience and practices;
- establishing a partnership to develop cooperation and network those involved in prevention at all levels - European, national and local - with a particular emphasis on exchange of information as well as launching new projects, follow up and dissemination of results;
- taking a multi-disciplinary approach in order to promote the complementarity of instruments with preventive and repressive dimensions (police and judicial fields, social, educational and research policies, etc.)

The meetings held within the Forum in 2006 brought together people who work on the many aspects of preventing organised crime. These consultations have raised awareness of areas with a potential vulnerability to crime. The Forum has also made a positive contribution to building up knowledge, identifying trends in organised crime and thereby leading to the development of new legal instruments or political guidelines and action plans. Moreover, the opportunity to exchange views prompted the development of pilot initiatives and projects with a European dimension.

The Forum has been successful in mobilising significant interest from the private sector and non-governmental organisations, law enforcement practitioners, members of the research and academic community and international fora.

The discussions addressed many areas of crime such as fraud and counterfeiting of non-cash means of payment, trafficking in human beings, in firearms and in cultural goods, crime and terrorism proofing, money laundering, counterfeiting and product piracy, corruption, crime statistics, role of the non-profit sector in the fight against terrorism, Public Private Partnerships to combat crime and terrorism etc. From the end of 2006, experts and stakeholders in certain areas such as statistics and trafficking in human beings began to meet in formalised expert groups established by the Commission decisions. These expert groups contribute to the implementation of the adopted action plans and the achievements of the identified political goals.

Finally, it is to be noted that the discussed matters were complementary to those of the European Crime Prevention Network (EUCPN)² which focuses on juvenile, urban and drug-related crimes, and for which the Commission provides the Secretariat.

¹ COM (2000) 786 final

² Council Decision establishing the European Crime Prevention Network (EUCPN) – OJ L 153, 8.6.2001, p.1

The meetings held in 2006³, the year under review, were devoted to the following subjects:

- 30 January 2006 – Fraud prevention
- 2 February 2006 – Fighting corruption in Public Administration and administrative measures to combat organised crime
- 7 February 2006 – Statistics on crime and criminal justice
- 21 February 2006 – Protection of witnesses and collaborators of justice
- 27 February and 27 March 2006 – Public Private Partnership to combat organised crime and terrorism
- 23 March 2006 – Promoting financial investigation in the EU
- 30 March 2006 – Transparent Non Profit Organisations (NPO) governance
- 26 June 2006 – Data retention
- 28-29 June 2006 – Trafficking in human beings
- 22-23 November 2006 – Identity theft
- 14 December 2006 – Fight against terrorist financing

The thematic section of this Report provides further detail on these topics while the annex sets out the schedule of meetings foreseen in 2007.

³ Their funding was provided by budget line 18.010211.00.02.20.

OVERVIEW OF DEBATES IN SPECIFIC FIELDS

FRAUD PREVENTION

The third meeting of the expert group on fraud prevention, held on 30 January 2006, analysed a survey sent to the National Banking Federations on the structures dedicated to the fight against fraud on non-cash payments. The replies indicated major differences between the Member States in their organisation. Most of them do not have a centralised system to collect valuable statistics but few Member States had set up special units fulfilling a coordinating role. However, the role and resources of these units varies a lot and cooperation at national and international level faces specific problems of coordination in some Member States. Moreover, the survey indicated that in some Member States Public Private Partnerships allowing the sharing of information among law enforcement agencies and private sector are working effectively.

The group particularly noted the French and British system. An office in the French police is specialised not only in fraud related to non-cash means of payment but also in cyber criminality. The activity of the dedicated unit in the British Police is not only focused on law enforcement but it also produces recommendations, advice, guidance, intelligence and awareness. However, the private aspect of its funding makes it difficult to transfer this model to other Member States.

The participants also discussed the development of training courses in 2006. Their financial support can be assured under a new financial instrument to be implemented from 2007-2013.

FIGHTING CORRUPTION IN PUBLIC ADMINISTRATION AND ADMINISTRATIVE MEASURES TO COMBAT ORGANISED CRIME

The main objective of this expert meeting, held on 2 February 2006, was to make progress in considering additional measures to fight crime, at the disposal of public administration bodies. The process started under the Netherlands Presidency in July 2004 when a two-day seminar was held on the topic.

In practice, some criminal organisations aim at obtaining illegal control over legal markets or try to use society's legal infrastructure. This means that if criminals are to penetrate legal markets, they often do so 'via' the local public administration, for example through the systems for obtaining licences and subsidies as well as through public procurement. At the same time, this very aspect makes criminal organisations vulnerable to an administrative approach to organised crime, which can complement the criminal law approach to fighting criminal activities (e.g. by an appropriate screening of persons and companies who apply for a licence, subsidy or public procurement). This is a relatively new area which has not yet been formalised within the EU.

The participants took note of the extent to which organised crime can use corruption to penetrate legal markets. A presentation on the experience in South-Limburg of putting in place effective administrative practices to prevent organised crime participating in legal activities was considered as valuable and transferable to other Member States. Following the 2004 Directives, the responsibility of public authorities to ensure that tendering procedures are not vulnerable to organised crime is clear. An ethics framework for the public sector can be developed through the EU Public Administration Network (EUPAN).

Finally, the Commission stressed the possibility of financial support for actions developing the administrative approach, within a new financial programme (2007 - 2013) – "Prevention and fight against crime".

STATISTICS ON CRIME AND CRIMINAL JUSTICE

The expert meeting held on 7 February 2006 permitted policy-makers to meet researchers with a view to developing concepts, indicators and tools to measure crime and criminal victimisation. Development of truly comparable EU statistics, is an important challenge. The gathered data should contribute to establishing risk and threat assessments. The statistics, developed together with Eurostat, will allow evaluation of the effectiveness of actions, monitoring and evaluating funding programmes and inform the benchmarking of performance of different actors in the criminal justice area.

The objective of the meeting was to go further in the identification of the methods to collect comparable data of good quality. For this purpose the outcome of an AGIS-funded project IKOC⁴ was discussed. The researchers reviewed various law enforcement data sources on organised crime and academic literature, systemised the existing quantitative and qualitative data on the Organised Crime and achieved a better understanding of the existing crime risk assessment models. Their aim was to develop some practical policy indicators that could significantly contribute to the Commission's activities and be helpful in designing and evaluating prevention policies.

During the meeting another EU-funded project, AOC⁵, was presented, which aims at developing a new approach to assessing organised crime. Their conclusions focus on a new approach giving more importance to individuals and activities rather than structures, combining statistics, intelligence analysis and research.

The meeting was also an occasion for a Europol representative to indicate a new methodology to establish its Organised Crime Threat Assessment. OCTA's aim is to integrate information from multiple sources (national administrations, international organisations, academia, business and NGOs) to form a comprehensive picture of the current state and future trends in organised crime.

Moreover, some examples were given on measuring corruption and trafficking in human beings. Benefits of Eurobarometer surveys were highlighted and the necessity to set up in each MS a centralised, independent structure to gather all the data on trafficking victims. The collection of data including comparable indicators is an important element of a new EU Action Plan on trafficking in human beings, developing common guidelines⁶

A researcher from Cardiff University proposed to change the focus from its "organisational" aspect to the scope of the "harm" that it causes. The "harm" would encompass both specific harms (affecting individuals and private or public establishments, and possible to express in monetary terms) and systemic harms concerning the functioning of institutions and cannot be measured in monetary terms.

In conclusion, the participants agreed on the need to continue with the development of the methods and indicators to measure crime and criminal justice. The dialogue between academics and practitioners should be reinforced to achieve the adopted objectives.

WITNESS PROTECTION

⁴ IKOC-Improving Knowledge on Organised Crime – project led by Università Cattolica del Sacro Cuore, Italy

⁵ AOC – Assessing Organised Crime – project led by Freie Universität Berlin, Germany

⁶ On December 2005, the Council adopted the EU plan on best practices, standards and procedures for combating and preventing trafficking in human beings (OJ C311, 9.12.2005, p. 5)

The aim of the meeting, organised on 21 February 2006, was to exchange views in the field of protection of witnesses and collaborators of justice between Member State experts on the basis of the recent work carried out by the Council of Europe, the joint project of Europol-ISISC⁷ - OPCO⁸ and the AGIS study prepared by the University of Ghent. Following the discussions, the Commission intended to gather sufficient information for the starting of future legislative work at European Union level.

Presentations were made by the respective representatives on the work carried out by Council of Europe on the protection of witnesses and collaborators of justice, with special emphasis on the latest Recommendation Rec(2005)9; on ISISC-Europol jointly developed minimum standards on witness protection and on the results of the AGIS project “EU standards in witness protection and collaboration with justice”.

On the basis of the presentation an open discussion among the experts and the speakers was held. Among the many controversial issues on the protection of witnesses, the question of whether future EU level legislation would have any added value was raised. There were many interventions for and against such legislation, without a clear majority for either option. Nevertheless, it was stressed by several delegates that defining a general framework or a set of minimum standards on witness protection regimes at EU level would improve efficiency in witness protection. An instrument in the JLS sphere should focus on special issues of witness protection, notably those having cross-border implications and international co-operation aspects.

PUBLIC PRIVATE PARTNERSHIP (PPP) AGAINST ORGANISED CRIME AND TERRORISM

The Meeting of the Steering Group held on 27 February 2006 focused on the detailed content of the planned Communication with an Action Plan on Public Private Partnerships.

The main part of the discussion concerned the question on the approach to be developed, whether the Communication should concentrate on horizontal questions or if particular pilot projects should be included in the Action Plan. The dominant opinion favoured the first option.

Moreover, the discussions also concerned the issue of the attractiveness of partnership for private sector. Many participants underlined the importance of clearly indicating in the Communication the need for mutual interest and advantages for both parties. In addition, the participants agreed that national plans to set up PPP structures are complementary to EU approach and should be cautiously encouraged.

The main part of the discussion concerned the exact role of the EU Platform on PPP. It was underlined that any structure should not impose anything on specific sectors. PPP projects at national and local level should be encouraged, but never imposed. The Platform should be used to give coherence to existing and future projects and to give an unofficial strategic endorsement to individual projects. It should be used as a light framework for all existing and future Public Private Partnership projects.

It was especially underlined that the planned EU Platform and Action Plan are not supposed to interfere with existing national, regional or EU-level sectorial PPP work. The idea is rather to create an umbrella structure for all EU-level Public – Private Dialogues.

⁷ ISISC – International Institute of Higher Studies in Criminal Sciences

⁸ OPCO – Monitoring Centre on organised crime

The meeting held on 27 March 2006 with larger audience involving representatives from private sector focused on the modalities of the functioning of the Platform and of the subgroups in specific areas. Moreover, a representative of the European Economic and Social Committee underlined the role of civil society in the prevention and fight against crime and terrorism. No consensus was reached on the requirements regarding the Membership in the Platform and its links with a Council working group. The Horizontal Action Plan in the Communication should be seen as a starting point of the work of the Platform.

FINANCIAL INVESTIGATION

A special experts meeting devoted to the development of common minimum standards in the financial investigation training in the EU was organised on 23 March 2006.

The overall purpose of the project was threefold:

- to promote the use of financial investigation as a law enforcement technique throughout the EU;
- to help generate the necessary financial investigation skills and expertise among Member State law enforcement services and
- to facilitate the ability of Member State financial investigators to cooperate and exchange information effectively.

The Director General of DG Justice, Freedom and Security gave an overview of the Commission / Europol initiated project to promote financial investigation as a law enforcement technique through common minimum training standards. The developed skills are required to identify and trace criminal assets and generate the evidence needed in court in confiscation proceedings. It was also a vital element in providing additional opportunities for the investigation and successful prosecution of serious crime. In terrorist investigations, the use of financial investigation could generate significant new intelligence about terrorist networks and methods.

To financially support the projects in the area were also indicated the funding opportunities in the security area which would exist in the 2007-2013 period. The budget of a new programme "Prevention of and Fight against Crime" would be approximately € 597 million. This would mean an enormous increase of financial interventions in the security area, which will require major efforts both in the Commission and the Member States.

Many participants emphasised the importance of financial investigation in the fight against organised crime. Financial investigation produces financial intelligence which allows criminal investigation by induction i.e. to start investigations based on intelligence for use in the detection of crime. This offers opportunities to break into and disrupt the criminal process.

While the representative of the UK Assets Recovery Agency gave an overview of the ARA's role in financial investigation and related training, the representative of the Gendarmerie Nationale outlined a number of policy and legislative developments in France designed to address the financial aspects of organised crime.

TRANSPARENT NON PROFIT ORGANISATIONS (NPO) GOVERNANCE

The Round Table meeting, held on 30 March 2006, provided an occasion for joint discussion between the services of the European Commission, representatives of the non-profit and public sectors on a highly complex and sensitive subject, the vulnerabilities of non-profit organisations to financial criminal abuse. The discussions referred to Commission Communication COM(2005) 620 and the Interpretative Note of the Financial Action Task Force to Special Recommendation VIII on the misuse of NPOs for terrorist financing

purposes. It was considered that non-profit organisations applying more transparent and accountable governance will strengthen their reputation and increase their "competitiveness". While transparency is a crucial issue for NPOs, it is necessary to find the balance between enhanced transparency and effectiveness of non-profit activity.

The European Commission is committed to pursuing an enhanced dialogue on this issue. The policy has to be considered in the context of its general public-private partnership approach: greater transparency in NPO governance can not be achieved without the partnership of the non-profit sector. The framework for this enhanced dialogue is expected to be provided through a Contact Group composed of non-profit and public sector experts coming from different social sectors.

The participants discussed also the feasibility of a future European NPO Code of Conduct or identifying possible common actions and measures at the European level. There was consensus that further consideration has to be given to finding the right balance between self- and statutory regulation. Self-regulation could play an important role in enhancing NPO transparency, but there remains uncertainty concerning the right form of self-regulation.

DATA RETENTION

The roundtable discussion organised on 26 June 2006 was devoted to the implementation of the data retention Directive 2006/24/EC. The main issues discussed concerned the difficulties in the implementation process, the extent of the directive's scope and the time requirements.

The analysis of each article of the Directive gave an opportunity for a wider discussion as to whether the directive represented a minimum or maximum level of harmonisation and whether Member States could go beyond the Directive. One of the raised questions concerned liability – claims from customers over a breach of confidentiality – regarding data accessed by law enforcement authorities and the need for an accompanying 'paper trail' as cover.

The participants also discussed how to ensure cost-effectiveness by avoiding data retention duplication. In relation to periods of data retention, some Member States emphasised the need for uniformity when matching time period to category of data. A study should help to clarify the distinction between categories of data on cost grounds.

At the end of the meeting, it was agreed that a further meeting, involving all the stakeholders, should be held to examine the technical and political aspects of implementing the directive, while also addressing the concerns of civil liberties groups and explaining the provisions to service providers.

TACKLING TRAFFICKING IN HUMAN BEINGS

The experts' conference on the implementation of the EU Plan on Trafficking in Human Beings", organised in cooperation with the Austrian presidency on 28-29 June 2006, brought together 150 delegates from the law enforcement community, civil society, and political organisations. The stakeholders discussed many aspects of this complex phenomenon, composed of different forms of violence, abuse and exploitation. Every type of trafficking must be tackled by targeted means. To meet this objective, the Council adopted the EU plan on best practices, standards and procedures for combating and preventing trafficking in human beings.

The delegates worked in smaller breakout sessions to give in-depth consideration to the following issues:

- EU coordination and cooperation mechanism on preventing and combating trafficking in human beings;

- best practices on identification of victims of human trafficking; stocktaking of criteria;
- networking and cooperation between actors at regional, national, international and EU level focussing on support for and reintegration of trafficked persons

As a result, a list of actions was adopted. The national experts underlined the need to address in a more comprehensive way the relation between migration issues and those linked to trafficking in human beings. This involves developing a comprehensive migration management policy addressing labour needs for skilled and unskilled employment. The Member States should establish national Rapporteurs as required in the Hague Declaration of 1996.

Another recommendations adopted at the meeting is to make effective use of the EU Forum for the prevention of crime as an EU platform for information exchange between Member States. At the same time, it was emphasised that strengthening networking and cooperation of responsible authorities, NGOs and local social service providers with counterparts in the countries of origin could be a useful measure.

IDENTITY THEFT

A large, high level conference on "Maintaining the integrity of identities and payments: two challenges for fraud prevention", was organised on 22-23 November 2006. The meeting was a key action in the EU Fraud Prevention Action Plan 2004-2007 and is part of the awareness initiatives undertaken by the Commission services in this area.

The Conference brought together around 170 participants, including policy makers. It was attended by representatives of the governments and the private sector of 22 Member States and several third countries, as well as civil society and the press. It delivered significant contributions from the speakers and interactive panel discussions.

The participants agreed on the need for a common definition of identity theft across the EU, irrespective of the modus operandi and technical means used to compromise personal data. Support was expressed for new EU penal legislation providing that the specific behaviours which combine to commit identity theft (including phishing and other forms of cybercrime) are criminal offences in all EU Member States. Many speakers highlighted the need to intensify cooperation and exchange information between the public and the private sector and strengthen public awareness and education on payment fraud and other cyber crimes. Moreover, it is crucial to increase the security of merchant websites and information security in general.

During the discussions, the participants stressed also the need for training for judicial and law enforcement services. A pan-European training programme for financial investigators should be developed as a priority. The involvement of the retail sector in strategic fraud prevention decisions was also considered as one of the main objectives of action in the field.

FIGHT AGAINST TERRORIST FINANCING

The meeting held on 14 December 2006 focused on the outcome of an EU funded study assessing the EU efforts in the fight against terrorist financing in the context of the FATF's nine Special Recommendations and the EU Counter Terrorist Financing Strategy of December 2004.

It was highlighted that the counter terrorist financing policy and actions should not be considered as the central solution to the terrorism threat and should be treated and analysed in the wider counter terrorism context along with other important aspects such as the prevention

of violent radicalisation. The discussions focused also on identifying the basis on which counter terrorist financing measures should be determined, whether they should either be set by an intelligence-led approach or be regarded in a financial crime context, two approaches which are at the same time separate but closely intertwined.

While agreeing on the necessity of efficient coordination at national level in preventing and fighting terrorist financing, participants questioned the need to increase the role of Europol and Eurojust in EU level counter terrorist financing efforts. An idea of creating dedicated structures, "Clearing Houses", in each Member State was discussed. One participant stressed that the coordination function can be carried out through existing bodies (e.g. FIU) or even could be of virtual nature. Some Member States have set up good structure for coordination, in some cases a good structure emerged, but in other cases a strategic concept is missing from the coordination.

The participants stressed also the need to promote financial investigation training standards and the need for specialised units in the FIU to develop "clever" use of data. "Twinning projects" among Member States were also considered as an important mean of the cross-fertilisation of expertise.

ANNEX

PLANNED MEETINGS IN 2007

<u>Topic</u>	<u>Date</u>
Witness protection	March 2007
Illicit trafficking in firearms	March 2007
Fraud and counterfeiting of non-cash means of payment	March 2007
Money laundering	April 2007
Confiscation of criminal assets	May 2007
Counterfeiting	June 2007
Corporate malpractice	June 2007
Law enforcement and cyber crime	June 2007
Terrorist financing	September 2007
Trafficking in cultural goods	September 2007
Promoting Financial Investigation in the European Union	October 2007
Fraud and counterfeiting of non-cash means of payment	October 2007
Cyber crime - public private cooperation	October 2007
Identity theft and fraud of non cash means of payments	October 2007
Prevention of public order in major events	November 2007
Confiscation of criminal assets	November 2007