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The European Serious & Organised Crime Conference 2013

Winning the fight



Conference Report

28th February 2013 / Renaissance Brussels Hotel

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Executive Summary



The first European Conference on Serious & Organised Crime, brought together representatives of the European Institutions and agencies, major businesses, civil society, national law enforcement authorities and Governments from outside the EU. Participants held a full and open exchange of information and views on the nature of organised crime in 2013 and what steps can be taken to address it, particularly when resources for law enforcement are under pressure and progress is likely to depend on 'smarter' methods of working and enhanced co-operation.

There was a consensus across contributors that organised crime is growing; in scale, in its transnational nature, in its breadth of operations and in its sophistication - particularly through the use of new technologies and electronic communications. It was also widely agreed that the costs that organised criminals' activities impose upon society, both economically (in terms of losses

to national finances and legitimate business) and socially (in terms of the impact of increasing criminality on the social fabric and the direct damage caused to the victims of crime) are uniquely problematic at a time of economic austerity and consequent social uncertainty.

It was noted that criminal gangs frequently operate a range of activities simultaneously: trading in tobacco, drugs, people, armaments, pornography and many other - often counterfeited - goods with high profit potential; operating cybercrime operations to defraud individuals, European funds, national governments and businesses; money-laundering and counterfeiting currency. Participants highlighted the costs of organised crime to their businesses and to society - cigarette smuggling costs EU States €11bn and legitimate cigarette manufacturers €1bn in lost revenues. Counterfeit pesticides cost European manufacturers €1bn

and their use has the potential for negative impacts on both the food chain and the environment. People-traffickers make up to €150,000 a year per child by trafficking children from a poor European economy to a wealthier one for the purposes of begging and benefits fraud. Illicit drugs kill 7,000 European citizens annually.

Free movement of goods, money and people across Europe, together with the growth of electronic communications - all economically and socially beneficial developments - have also enabled criminals to work across borders and develop methods of doing so that are unprecedented in scale and sophistication. It was agreed that, to respond to this new challenge, EU Institutions and Agencies, national states' authorities and the business community must equally work to break down historic institutional, procedural and even legislative barriers, the existence of which facilitate criminals' ability to operate and evade detection and justice.

Information technology provides the means for law-enforcement agencies to use data intelligently to predict, forestall, detect and prosecute crime, allowing resources to be allocated most efficiently both overall and as between diverse crime-prevention priorities. The sharing of information and intelligence between administrations, organisations and jurisdictions is an essential component in countering

the use by criminals of cross-border communication and financial channels. The EU can introduce language in association and trade agreements to ensure action is taken by third countries against serious organised crime and trafficking. Similarly, the cross-border co-ordination of investigations, prosecutions and the seizure and recovery of criminal assets is needed to prevent criminal gangs exploiting the limits of national jurisdictions to escape detection and justice.

While there are already many examples of active co-operation in these areas, yielding very positive results in terms of the prevention and prosecution of crime, there is considerable potential for further joint working. Several initiatives including legislative instruments are being brought forward but historic divergences in legal systems will have to be overcome to maximise their potential. In addition, business needs to make countering organised crime a permanent factor in its decision-making and overcome its natural reluctance to share commercially sensitive information with law enforcement agencies if organised crime is to be successfully countered and the damage it causes to Europe's citizens - economically and socially - is to be arrested and reversed.



Keynote Address



Rob Wainwright, Director of Europol

Following the welcome by Glenn Vaughan, Chief Executive of the British Chamber of Commerce in Belgium, Rob Wainwright opened his keynote address by highlighting the presence of both business and society at the conference as a clear indication that serious and organised crime is now being felt in civil society at large.

He suggested that cybercrime is the number one emerging security issue and that business leaders are becoming increasingly aware of this threat. Citizens, according to a survey commissioned by the World Economic Forum, are also becoming more aware and concerned by the threat by cyber criminality. Cybercrime is estimated to cost \$100 billion per year. Europol estimates that with the current rate of malware production, there will 230 million new unique threats to personal computers by 2015.

Organised crime is experiencing a paradigm shift where the activities of criminals are cross-border by nature,

where they are moving away from the traditional hierarchical disciplined structures to more international, fluid and dynamic organisations. In the Serious Organised Crime Threat Assessment which is to be published in March, Europol identified at least 3000 organised crime groups operating within and across European borders. These groups, in some cases, operate in 35 different countries, contain 60 nationalities amongst their ranks and their impact is far more wide reaching than has been generally understood until now.

Mr. Wainwright suggested that the illicit drug market is still a primary

arena for organised crime, with 200-300 million people using illegal and counterfeit substances, resulting in 7,000 deaths in the EU alone, a figure which dwarfs deaths from terrorism in the EU. The lack of adequate regulatory responses to new drug types, such as psycho active substances that are potentially deadly, are areas which are quickly exploited by criminals who distribute these 'legal highs' over the internet.

Mr. Wainwright suggested that the Internet and other mobile technologies are the principal instruments by which criminals are able to organise the distribution of counterfeit goods, an area of increasing concern for Europol. He suggested that the economic crisis has changed the parameters of this problem. Now austerity hit citizens are often tempted into substituting their normal purchases with much cheaper, less safe alternatives as their disposable income drops. Moreover, social acceptance of these types of activities is fuelling this problem further.

Mr. Wainwright ventured that organised crime also has an impact on economic recovery through the distortion of markets by damaging consumer confidence and deterring business investment. Tax fraud deprives member states of revenue at times when they need it most. VAT loss via carbon credit fraud for example has already caused a loss of more than €5 billion in the EU and the 'reverse charge' mechanisms have been introduced in a number

of member states to prevent further losses. Significantly, there are more than 140,000 victims of human trafficking in Europe with an increasing share of these children.

This form of crime generates around 3 billion dollars in revenues globally, while there is an €11 billion tax loss annually due to cigarette smuggling.

Policing in Europe is conducted in the main at a local level, and organising and coordinating national and international police operations is complicated. Wainwright suggested that Europol has unique expertise to offer in tackling organised crime by bringing together experts from various areas who can add real value to national investigations. For instance, the newly opened Cybercrime Centre gathers digital, forensic and child exploitation experts and will serve as a key component in the fight against cyber criminals.

Europol can serve as an information hub with its unique accumulation of operational data. It is already exchanging a quarter of a million intelligence pieces yearly with law enforcement authorities across the EU, all within the highest standards of data security.

Fundamentally, Europol depends on cooperation with national police forces. The information that private business can provide law enforcement agencies is key in fighting serious and organised crime now and in the future.



Session 1: High Level Roundtable Discussion

How does serious organised crime hurt legitimate business and society?



Pat Heneghan, Global Head of Anti-Illicit Trade, BAT

Pat Heneghan began by pointing to figures in the annual EU wide KPMG Project Star study, published in June 2012. The study, which analyses illicit cigarette numbers and trends, found that in 2011, one in ten cigarettes consumed in the EU was illicit. This amounts to about 65 billion counterfeit or contraband cigarettes. EU Member States lost over €11 billion in tax in 2011 alone and legitimate business loses around €1 billion in profits yearly.

Mr. Heneghan suggested that smugglers make profits of around €5 billion due to the huge discounts they are able to offer over legitimate retailers and traders. Illicit tobacco volumes have risen over the past five years and the market is now bigger than the legal market of France and Portugal combined.

The huge price differences in tobacco product prices within the EU and especially between the EU and its neighbours makes cigarette smuggling attractive to organised criminals. Prices differ markedly, starting with as low as €0.92 in Belarus to €9 a pack in the UK and Ireland.

There are cigarettes brands, so called 'illicit whites' that are made with the sole purpose of being smuggled. These brands do not respect nicotine ceilings or health warning requirements, and minors are often both carelessly approached as customers and also used for selling and distribution.

Belarus has a quota for production in cigarettes currently at 33 billion yet the domestic consumption is only 18 billion. With the absence of legitimate exports, the remainder is designated as people's exports sold by individuals abroad to bring in hard currency.

The UK alone is losing £2 billion in tobacco tax due to illicit trade each year. This money could be used to reduce tax bills or increase public services and improve infrastructure. It also undermines legitimate business in other destination countries.

Organised crime is increasingly turning its attention to cigarette

smuggling due to the comparatively low legal penalties, high volume to value ratio and low detection rate. It also uses this 'cash cow' to finance other forms of illicit activities such as smuggling of arms, drugs and people, increasingly including children.

With price differences unlikely to be levelled out in the near future, while the raising of excise duties would do little to prevent the illegal trade and may in fact encourage it, disrupting supply chains and suppressing demand becomes vital, as does ensuring that punishments are appropriate.

As a solution to this problem, the new European Commission Action Plan aimed at tackling the illicit tobacco trade in the EU is very much anticipated by affected industries. Discussions are on going in the Parliament on two dossiers that would support efforts to tackle cross-border crime, including appropriate sentencing. Inclusion of the obligations to tackle the problem of illegal cigarette trade and production in negotiations and agreements with third countries would be beneficial. Inclusion of all types of cigarette smuggling in the upcoming review of the EU's internal security priorities would also be a significant step forward in tackling the issue he said.



Myria Vassiliadou, EU Anti-Trafficking Coordinator, European Commission

Myria Vassiliadou stated that, based on UN statistics, profits to traffickers in human beings are estimated to be \$32 billion (€24 billion) per year.

The buying and selling of people is perhaps the darkest side of organised crime. According to the International Labour Organisation, in 2012, there were 880 thousand victims of trafficking in Europe. 14% of these victims are in the area of labour exploitation, but also benefit fraud, organ harvesting and illegal adoptions as well as direct engagement in criminal activity.

There is EU criminal law in place that harmonises the definition of this crime as well as the EU Strategy for Eradication of Trafficking in Human Beings. Priorities of this strategy focus on the protection of victims



and increasing prosecutions in the area. This is in addition to enhanced cooperation and coordination across national and international agencies, as well as increasing knowledge and education about human trafficking.

Dr. Vassiliadou said that criminals involved in human trafficking do not limit themselves to one area of criminality. As a result, cigarette smuggling, arms trafficking and people smuggling are very much interlinked. The Internet plays an important role in the recruitment of victims of trafficking online, further broadening the concept of cyber crime.

One element of the aforementioned EU strategy is to enhance private sector involvement through a European Business Coalition that will be established in 2014. The private sector is invited and indeed encouraged to provide input and to engage in discussion as to how best to clean up supply chains.

It is clear that the black market violates human rights and hurts legitimate business and their employees.



Tom McHale, Chair of ECPA Anti-Counterfeit Expert Group, DuPont

The crop protection industry is innovative to its core – Tom McHale stated in his opening remarks. The crop protection industry typically invests nearly €200 million for the development of a single pesticide. The reason for such high investment is because of the number of safety procedures that must be followed and stringent requirements that must be met before the registration of new products can be acquired. Pesticides are carefully tested over a period of 10 years covering research and development through to the final authorisation process ensuring the highest level of safety to human health and the environment.

Unlike the illegal and counterfeit pesticides products that are sold untested and unauthorized putting human health, the environment and farmer's livelihood at significant risk.

Europol estimates in a policy brief from November 2011 that up to 10% of the global annual pesticides market which is worth approximately €44 billion, are illegal. ECPA estimates that counterfeit and illegal pesticides generate over €1 billion a year in Europe and constituting an estimated 8 to 10 % of the total EU market.

The trade of illegal and counterfeit pesticides is coordinated by global sophisticated criminal networks that have successfully developed complex supply chains. Illegal networks are only

profit oriented and have little regard to human health. Mr McHale presented a case study from 2009 where an illegal shipment from China to Europe of one ton of counterfeit pesticides with the low flash point of 25C was intercepted in a passenger plane. The consequence of such hazardous actions would be detrimental. Therefore ECPA advocates that fake pesticides need to be tackled at entry; coordinated action is required from the side of customs, phytosanitary and law enforcement authorities. We need to see customs authorities empowered while providing legal certainty to stop the entry of illegal products into Europe.

Mr. McHale concluded that companies, authorities and other relevant stakeholders must act together to safeguard the EU internal market and to combat these illegal activities. For instance the EU should close one of the legislative loopholes to have declared goods in transit actually leave the EU and to ensure that they do not end up on the EU market place.

Current penalties and fines are not sufficient to deter criminal organisations from engaging in this area as risks are low and profits are high. Mr. McHale stated that realistic penalties are therefore needed to address the problem in the interest of public health and protection of the environment.

The crop protection industry is highly committed to partner and cooperate with relevant authorities and stakeholders to combat counterfeit and illegal pesticides.



Michael Rauschenbach,
Head of Serious and
Organised Crime, Europol

Michael Rauschenbach used his opening remarks to outline the role Europol has played over the last few years coordinating actions which led to the dismantling of criminal networks involving several EU Member States, dealing with counterfeit and illicit products such as medicines, cosmetics, washing powder and cigarettes.

Mr. Rauschenbach said that cybercrime has the potential to diminish overall consumer confidence at a time when it was important for economic growth that such constraints were avoided. In November 2012, Mr. Rauschenbach continued that over 133 domain names use to sell counterfeit goods were seized. The significance of the threat posed by cybercrime also became obvious when looking at credit card fraud. As a case from December 2012 illustrates when 105 fraudsters were arrested. This particular group was able to make over €1.5 million per month.

Discussion



The implications of organised crime go far beyond the interests of the particular sector that happens to be affected.

Countries are becoming increasingly aware of the practices of organised crime groups, in the main due to tax loss. Outside of Europe for instance, the Chinese are becoming increasingly active and aware of the economic implications of cigarette smuggling from Malaysia and other South-East Asian countries. The lost revenue to European governments due to cigarette smuggling is a significant problem both in terms of public health and in terms of fiscal goals. It should therefore be a fiscal policy priority.

Against the backdrop of reduced resources, the crime fighting authorities must focus on:

- consistent database sharing across borders and jurisdictions
- better education and awareness raising around the harmful substances contained in illicit cigarettes and pesticides
- well-structured multi-agency international task-force partnerships
- closer EU agency cooperation for more coherent outcomes such as in the area of anti-human trafficking and training for public officials.

Keynote Address



Algirdas Šemeta, EU Commissioner for Taxation, Customs, Statistics, Audit and Anti-Fraud

The Commissioner opened his keynote by stating that the fight against serious and well equipped organised crime cannot be done through boosting staffing levels in law enforcement due to current budgetary constraints, and that very reason makes the issue all the more pertinent.

Fraud involving the financial interests of the EU is clearly linked to organised crime and this fact has been acknowledged by EU leaders since the 1995 Convention on the Protection of the Communities' Financial Interests.

In protecting the Union's financial interests, special emphasis has to be put on criminal organisations whose activities are manifold yet tend to focus on areas with the highest return, lowest risk and low penalties. The EU is therefore undertaking steps to protect some specific

sectors from criminal activity where both definitions of and penalties for the relevant offences need to be improved.

A particularly popular activity among criminals is cigarette smuggling which causes a yearly damage of around €10 billion. A new comprehensive strategy to fight cigarette smuggling in the EU will be proposed by Commissioner Šemeta before the summer to tackle the increasing volume of cigarettes being smuggled. Part of the strategy should be improved cooperation



among EU agencies, enhanced data sharing but also innovative supply chain monitoring mechanisms in line with the recently adopted illicit trade protocol under WHO's FCTC.

VAT fraud is another popular fraudulent activity. It is difficult to estimate the total impact of VAT fraud. However, according to our approximate calculations the VAT gap for the EU would be close to 12% of the theoretical VAT liability. This is equal to approximately 107 billion euro. The VAT gap is the difference between the theoretical net VAT yield for the whole economy and the actual VAT receipts. A considerable part of this gap relates to carousel fraud. New areas for improvement are enhancing cooperation with third countries, creation of a quick reaction mechanism and the improvement of the tax collection system itself. Tied into this is money laundering that has been addressed in a new directive proposed by the Commission, which will facilitate cooperation between tax and judicial authorities. Further improvement could be made by the harmonisation of definition of money laundering offences across the EU and related sanctions. A specific proposal addressing this area will be tabled towards the end of 2013.

Currency counterfeiting is also seriously harming the Union's financial interests. It is typically operated by criminals in cross border structures often with links to drug trafficking and other activities. Low sanctions make this area particularly

attractive. Specific legislation addressing this area is currently discussed in the Council and the Parliament.

Besides these sector specific initiatives, the need to protect the EU's financial budget holistically drove the Commission to propose a directive for the Protection of the Union's financial interests by the means of criminal law. Both defining and punishing criminal activities in similar manner across the EU will prevent criminals from exploiting weaknesses of certain Member States. The ability to prosecute criminals across borders and thereby deal with criminals in an integrated manner will be further enhanced by the forthcoming proposal by Šemeta and Reding for the establishment of the European Public Prosecutor's Office.

Adoption of the outlined proposals would significantly improve the tools at the disposal of Member States and EU bodies such as Europol, Eurojust and OLAF.

Session 2: How can technology facilitate police cooperation and stop criminals and terrorists?



Brian Donald, Head of the Office of the Director, Europol

Brian Donald's remarks focussed on the role of technology and the benefits that collaboration with private business can bring.

Europol is the information hub at the centre of the law enforcement effort in the EU supporting national authorities on issues that transcend national borders. National agencies can rely on Europol's expertise and conduct more targeted actions and intervene more effectively.

Secure information exchange among Member States is essential and much of Europol's resources are devoted precisely to this aspect of cooperation. A secure communications network is at the disposal of Europol and is a very useful tool for police across the EU in providing practical and useful data.

Experts from a very wide range of backgrounds are available to offer their unique expertise in areas such as Euro counterfeiting or document fraud. Both of which are important tools for criminals to move between jurisdictions undetected.

Business is therefore encouraged to share intelligence while recognising the commercial sensitivity of it. The scale of organised crime and its impact however warrants that certain information is indeed shared with Europol to make sure that the intelligence reaches those who need it and can actually use it to make a difference in the fight against organised crime.



Colin Carswell, Chief Inspector, Operation Golf, Joint Investigation Team – UK and Romania, London Metropolitan Police

Colin Carswell opened his presentation by discussing how in 2006, an investigation of a single child trafficking case started by the UK Serious Organised Crime Agency and the Romanian police, led to a Europol investigation that managed to identify a child trafficking network. This network was responsible for moving a staggering number of children from Romania to the UK. As many as 1087 children had been removed from one single town in Romania. Some of the children were later linked to various forms of crime conducted in the UK, including begging, benefit fraud, metal theft, distraction theft or shoplifting.

He went on to explain how children in this case were used as a commercial commodity with the very aim of being exploited. However when it came to the dismantling of parts of the

gang in the UK, the highest sentence given was 18 months. Yet, according to the gangsters themselves, each child's potential earning solely from begging is £40,000 (€46,000) per quarter.

The level of organisation of the gang became even more apparent once the money-flow back to Romania was traced. It identified the same set of 42 individuals sending various amounts of profits from the UK, Spain and Italy.

This operation culminated in 2010 and using Europol's database and expertise in terms of determining strategy were instrumental for disrupting the operation of the gang. In addition to this, they received essential funding from the European Commission without which neither the Romanian nor the UK police would have had the resources to fund the operation. Money transfer as well as telephone data exchange facilitated by the Joint Investigation Team set up by Europol, Eurojust and UK and Romanian police were central to this case. Raids saw 18 of the main gang members arrested, arms secured and vast properties seized, one of which had a torture chamber. This operation sent a signal to the organisation that their activities are no longer low risk.



Ron Fellows, Global Lead for Crime Analytics, IBM

Ron Fellows used his remarks to outline how technology and crime related intelligence management systems are helping to cope with the huge amount of information that is thrown at the law enforcement community.

The cost of crime and corruption, for example in China, costs \$2.7 trillion (€2 trillion). Based on recent research taken from various international bodies and brought together in an IBM report, the cost of crime to an average UK household is believed to be £3,000 (€3,500) while the social cost of crime in Italy is reaching 2.6% of the country's GDP.

Law enforcement officials are at various stages of developing joined-up operational capabilities and are in the early stages of transformation usually recognise shortcomings in performance management as the most burning issue. Given the wide spread budget cuts and the cost of the problem, engagement of smart

technologies is necessary to be able to simply do more with less.

Similar systems as the one used by the New York Police Department's real time crime centre, which turns data collected on the streets around the US into actionable information for patrol officers, commanders and analytics could be used on the EU-wide scale in immigration, border control and management. Social media analytics enabling agencies to identify and extract subjective information can also contribute to efforts of law enforcement in fight against crimes such as drugs trafficking.

Discussion

The EU 'Harmony Policy Cycle' against organised crime 2011-2013, which is currently being reviewed, is designed to identify areas where coordinated EU action adds real value to crime prevention. In particular, it sets out an operational action plan in areas such as cigarette smuggling and human trafficking to name two examples.

Participants were keen to reinforce the positive notion of business and EU crime prevention agency cooperation, particularly in the areas of information and knowledge sharing. Barriers identified to such cooperation include overly bureaucratic systems and a lack of education and knowledge on the benefits of sharing.



Keynote Address



David O'Sullivan, Chief Operating Officer, EEAS

David O'Sullivan started his keynote by explaining how in many countries of the world, organised crime is a significant threat to everyday life, sometimes even to the stability of society and the state. The 2003 European Security Strategy has already identified organised crime as one of the key threats to European security.

Global proceeds of transnational organised crime were estimated by UNODC to amount to €650 billion in 2009 or 1.5% of global GDP.

Technology gives criminals a comparative advantage over law enforcement agencies that are constrained by limited budgets. Cross border use of modern law enforcement techniques is essential

at this time.

The EU has invested significant amounts of money and effort to help countries reform their judicial systems, security sectors and police forces. This assistance is often accompanied with providing expertise, from relevant EU agencies, such as Europol or Frontex, and facilitating political dialogue at one end, and

complemented by provisions on the fight against organised crime in bilateral agreements at the other.

The EU is also taking a comprehensive and balanced approach to tackle the global illicit drug market that continues to pose serious risks for global stability. This is in cooperation with Interpol, UNODC, the World Customs Organisation and agencies from EU Member States. The fast growing area of cybercrime will also be addressed in the next two years by EU funded pilot projects. These will help European law enforcement agencies tackle cybercrime in third countries, in collaboration with the Council of Europe and in line with the Cybercrime Convention. The EEAS is currently reflecting on a more joined up, EU-approach in a number of priority countries and regions, to tackle trafficking in human beings under the guidance of the EU Anti-Trafficking Coordinator.

Illicit small arms and light weapons are an important tool and source of revenue for criminal groups and considerable effort is exerted together with Interpol to trace these weapons. Cigarette smuggling has become almost exclusively the domain of organized crime; it generates financial profits that are used to fund other forms of serious crime and terrorism, interfering with government objectives. An important milestone to this end has been the adoption of the protocol to eliminate illicit trade in tobacco products under WHO's FCTC. Cooperation on

the fight against the smuggling of cigarettes and other illicit goods, was intensified further in the framework of Eastern Partnership as well as the Southern Neighbourhood.

The EU's relations and negotiations with these countries which are often places of origin and transit for illicit goods must dovetail and reinforce EU's actions against cigarette smuggling. The Association Agreement with Ukraine for example includes provisions on the approximation of excise duties on tobacco with the EU. Such provisions will also be included in the association agreements that are currently being negotiated with Moldova, Georgia, Armenia, and Azerbaijan.



Session 3: Legislative and practical priorities for the EU and business



Salvatore Iacolino MEP, Rapporteur, Special Committee on Organised Crime, Corruption and Money Laundering

The Special Committee of the European Parliament of Organised Crime will present policy recommendations this autumn on addressing organised crime in the EU.

Mr Iacolino, the rapporteur of the Committee on this report, will present the interim report in March. For the purposes of this, he has collected information about laws that are already in force.

Mr Iacolino informed the delegates how organised crime in some places in Europe is very strong and considerable police and judicial cooperation is needed to deal with it. Mafia-type organisations are like

profit driven organisations so they must be attacked through financial means.

Revenues of organised crime are estimated to be 3.6% of the global GDP while money laundering accounts to 2.6% of the global GDP. Additionally, corruption in the EU is estimated to be €120 billion. Cigarette smuggling, weapon smuggling, trafficking in human beings, drug smuggling, and counterfeiting are well known factors which provide a good picture of a phenomenon that is widespread and disturbing at the same time.

Cooperation must be enacted from the legal point of view so to enable magistrates across Europe to act in a similar fashion against perpetrators. Judicial practitioners must also be able to work together across Member States' borders. They must also be technically ready and procured with expertise while focusing on the assets of criminals. In this regard, a single European juridical definition of mafia and mafia crime is also needed and this will be recommended in the interim report.

The forthcoming report will also highlight the need to work with business and will suggest including the chambers of commerce in the fight against organised crime and money laundering. Also, issues such as effective exchange of criminal

records must be facilitated, so that companies accused of being involved in mafia activities will not be allowed to participate in tenders in other Member States.

A light and agile European Public Prosecutor's Office is also recommended, whose role will be to coordinate member States and European Institutions, such as OLAF and EUROJUST, to fight criminal organizations more efficiently.

Finally, the creation of a European Coast Guard, which will provide more stringent controls on the borders.



Jakub Boratynski, Head of Unit, Organised crime and relations with EMCDDA, European Commission

According to Jakub Boratynski, the EU has made good progress in developing its criminal law, such as the directives against trafficking in human beings and sexual exploitation of children. Although the Member States still retain the primary responsibility of fighting

crime, the added value of EU level approach is undeniable.

There is considerable debate in the European Parliament on the 'confiscation of assets directive', largely due to differences in legal traditions across member states. The resulting legislation should go beyond simply being the lowest common denominator of what the Member States are able to agree on in this important field.

There are however, encouraging developments and the EU appears to be on the right track. After Lisbon there is a move away from the adhoc approach to internal security related to changing priorities of six-month long presidencies, towards a more long term approach in the form of the Council of the EU Standing Committee on Operational Cooperation and Internal Security (COSI).

Another innovation stemming from the Lisbon treaty is the establishment of the 'EU Policy Cycle for Organised Crime' which the above mentioned committee is heavily involved in, through gathering Member States security experts to pursue practical cooperation. According to the priorities established for the 4-year period. European Commission is engaged in the process facilitating the discussion on the priorities and evaluating the outcomes of the cooperation. Europol provides a crucial input to the discussion by producing threat assessment.



The CRIM Committee in the European Parliament also sends a powerful signal as it gathers MEPs, who are serious about organised crime across party lines

Peter De Buyscher,



Directorate International Police Cooperation (CGI), Belgian Federal Police

Mr. De Buyscher declared that budgetary restrictions for police services are currently topping the agenda of discussions and police forces must therefore focus on doing the right thing with the resources at their disposal.

With increased efficiency in mind, police are relying more and more on an analysis driven approach rather than a reactive attitude towards criminal offences. This trend is clearly demonstrated in the creation of the mentioned European Policy Cycle for Organised Crime which responded to the growing internationalisation of criminal offences.

Police services must concentrate on innovative methodologies. Only focusing on a repressive approach in the fight against criminal offences is no longer sufficient, but rather following the money trail and determining the asset positions of perpetrators and take preventive action by an administrative approach.

Despite the numerous possibilities that were created in the matter of European Police cooperation in the last decade, the principal of territoriality stays a practical difficulty in the fight against cross-border crime, especially in the field of cooperation between neighboring countries. The European institutions can play an important role in order to take ambitious initiatives motivating the member states to realize a better operational cooperation in relation to cross-border interventions.



**Nick Ilett, Director,
OLAF**

The forthcoming proposal for the European Public Prosecutor's Office that will come out before the summer is a result of 20 years of work. It is set to fill in the gaps in legislative provisions of Member States' that are exploited by criminals. It will be controversial, technically complex and will have to reflect current financial resources as well.

According to Mr. Ilett, the directive on the fight against fraud to the Union's financial interests by means of criminal is an important step in the modernising and updating of provisions in line with constitutional developments and treaty change. It will move on with harmonising minimum penalties and definitions of criminal offences, an area where legislation clearly does not reflect reality.

The illicit trade protocol of the WHO's FCTC is a remarkable achievement,

where multiple stakeholders came together in order to reduce illicit tobacco trade.

Protection of the Euro currency against counterfeiting will also be taken further by means of up-coming EU legislation.



Keynote Address



William E. Kennard, US Ambassador to the European Union

Mr Kennard started his address by stating that transnational organized crime is a common threat to the EU and the US. The key to their ability to coordinate efforts successfully is the continued ability to effectively share information and data. From the experience of US officials, organised criminal rings not only smuggle tobacco and other excisable goods, but also traffic drugs, weapons and contraband, which harm both legitimate business and society.

Criminal enterprises engaging in this activity are increasingly sophisticated and fluid in their operations, often forging new alliances with other networks around the world. These networks and the crimes they commit pose serious threats to vital infrastructure, economies, communications systems, and citizens. Timely transatlantic response is crucial to prevent criminal organisations from simply expanding or diverting their operations to Europe.

The US and the EU already have a number of law enforcement treaties, agreements, conventions, and arrangements that facilitate effective international cooperation and the sharing of information in the investigation and prosecution of transnational crime. The US also expects that the newly created European Cyber Crime Centre will boost shared law enforcement efforts to fight cybercrime.

An area where coordinated investigations have borne fruit is combating mass-marketing fraud, where Europol and the U.S. have actively collaborated for more than five years.

In the area of child sexual abuse online, there are a number of recent examples of child victims being identified and rescued, and where dangerous networks of paedophiles were dismantled, due to international cooperation and the sharing of information. Building on this cooperation, on 5th December of last

year, EU Home Affairs Commissioner Malmström and US Attorney General Holder launched the Global Alliance against Child Sexual Abuse Online here in Brussels.

Another area where the US and the EU share common goals and values is the protection of privacy and data. Data protection legislation on both sides of the Atlantic is currently being reviewed. These updates should avoid unintended consequences that could have a detrimental impact on long-established and well-functioning agreements and done in a way that does not inhibit or restrict the ability to effectively interact.



CONFERENCE - 28 FEBRUARY

Context

Europe faces serious security challenges that continue to grow in scale and sophistication. The activities of international serious and organised crime are having an ever-increasing negative impact. Criminals are making enormous profits from counterfeit and contraband at the expense of taxpayers, legitimate industry and consumers. An adequate response arguably requires deeper coordination and collaboration between EU policy-makers, law enforcement agencies and the private sector. In tough economic times, how can Europe react to work both harder and smarter to ensure its significant security challenges continue to be met?

08.30 Registration

09.00 Welcome by Glenn Vaughan, Chief Executive, British Chamber of Commerce in Belgium

09.10 Keynote Speech

The scale of the challenge / conference objectives

Rob Wainwright, Director, EUROPOL

09.30 Session 1: High Level Roundtable Discussion - How does serious organised crime hurt legitimate business and society?

Moderator: Nick Ilett, Director, OLAF

09.30 - 09.40 Introduction from Pat Heneghan, Global Head of Anti Illicit Trade, British American Tobacco

09.40 - 10.05 5-minute introductory statements

Panellists:

Myria Vassiliadou, EU Anti-Trafficking Coordinator, DG HOME, European Commission

Michael Rauschenbach, Head of Unit, Head of Serious Organised Crime, Europol

Tom McHale, Chair of ECPA Anti-Counterfeit Expert Group, DuPont, ECPA

Pat Heneghan, Global Head of Anti Illicit Trade, British American Tobacco

10.05 - 10.30 Panel debate

10.30 - 11.00 Q&A

11.00 - 11.20 Coffee

11.20 Keynote Speech

Impact of organised crime on the protection of the EU's financial interests

Commissioner Algirdas Šemeta, Commissioner for Taxation, Customs, Statistics, Audit and Anti-Fraud

11.40 Session 2: How can technology facilitate police cooperation and stop criminals and terrorists?

Moderator: Isabella Chiodi, Vice President of EU Unit, IBM

11:40 -11.45 Introduction from the session moderator

11:45 - 11.55 Setting the scene: Working together to combat (& prevent) crime

Brian Donald, Chief of Staff to Rob Wainwright, EUROPOL

11:55 - 12.05 The role of technology in combating and preventing crime

Ron Fellows, Global Lead for Crime Analytics, IBM

12:05 - 12.25 Case Study: Operation Golf

Colin Carswell, London Metropolitan Police (MET)

12.25 - 12:50 Panel Debate

12:50 - 13.10 Q&A

13.10 Lunch

14.15 Keynote Speech: Global and trans-regional organised crime and EU external relations

David O'Sullivan, Chief Operating Officer, European External Action Service

14.35 Session 3: Legislative and practical priorities for the EU and business

Moderator: Glenn Vaughan, Chief Executive, British Chamber of Commerce in Belgium

14.35 - 14.50 Opening remarks

Salvatore Iacolino, MEP, Rapporteur, Special Committee on Organised Crime

14.50 - 16.00 Roundtable Discussion

14.50 - 15.15 5-minute introductory statements

Speakers

are all the amends.Nick Ilett, Director, OLAF

Jakub Boratynski, Head of Unit of Organised crime and relations with EMCCDA

Peter De Buysscher, Directorate International Police Cooperation (CGI), Belgian Federal Police

Salvatore Iacolino, MEP, Rapporteur, Special Committee on Organised Crime

15.15 - 15.35 Panel debate

15.35 - 16.00 Q&A

16.00 - 16.20 Keynote Speech: US-EU Cooperation in the field of Serious and Organised Crime

William E Kennard, US Ambassador to the European Union

16.20 Commercial Partners' responses to the day's discussions

16.30 Closing remarks by Brian Donald, Chief of Staff to Rob Wainwright, EUROPOL

16.40 Close

The British Chamber of Commerce in Belgium and Europol would like to thank all those involved in the organisation of the inaugural European Serious & Organised Crime Conference 2013.



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