Scientific approach to the OCTA report from an analytical, operational point of view

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1. Background

Whilst distinct in its origin, ownership, scope and structure, the current OCTA is a reflection of the uninterrupted continuity of a linear evolution since 1993, when the European Council decided that an annual strategic report should be published to provide an insight into organised crime (OC) within the EU. This decision instituted the production of the *Organised Crime Situation Report* (OCSR); at first, by the Presidency and later by Europol. This decision was formalised in Enfopol 161 as 'a mechanism for the collection and systematic analysis of information on international OC' ([1]).

In Enfopol 35, the Council gave a binding, more solid structure to the OCSR and requested that Member States demonstrate a higher level of commitment ([2]). In 2001, some Member States ([3]), aware of the limited prognostic value of a situation report, proposed to evolve the OCSR into a threat assessment. Europol agreed with the proposal, complementing the document with an empirical assessment of the threat analysis and changing its name to an Organised Crime Report (OCR). However, in order to modify the structure outlined in Enfopol 35, it was necessary to have a new Council document unanimously agreed upon by all Member States.

The painstakingly slow process of agreeing upon and drafting a new Council document was cut short by the sudden eruption of The Hague Programme.

2. The task

The Hague Programme was finalised by the European Council in November 2004, and emphasised the need for a future-orientated assessment of organised crime (OC) to support law enforcement efforts in the EU. The Organised Crime Report (OCR) had therefore to be replaced with the Organised Crime Threat Assessment (OCTA). Whereas the OCR primarily focused on the description of the OC situation in Europe, the OCTA puts an emphasis on the qualitative assessment of this complex and multi-faceted phenomenon. The OCTA, being a forward-looking document, helps decision-makers to identify strategic priority areas in the fight against serious and organised crime and initiate an intelligence process to define operational targets. By doing so, the OCTA also supports the streamlining of law enforcement activities at a European and regional level.

As such, the OCTA is a core product of the intelligence-led policing concept and its drafting is one of Europol's top priorities.

([1]) Document 12247/1/94 Enfopol 161 rev 1.

([2]) Document 6204/2/97 Enfopol 35 rev 2.

([3]) Belgium, Spain and Sweden.

3. Data collection and sources

The sources used by Europol to draft the OCTA are many and varied. The first and foremost are the Member State contributions. Such contributions are drafted in line with precise intelligence requirements (IR) in the form of questionnaires. The transparency of the process lies in the fact that the IR are approved by the Member States' representatives within the OCTA Working Group, by MS central authorities and by the Management Board of Europol.

Other questionnaires, less detailed, are sent to third countries (such as Norway, USA, Switzerland, Colombia, Croatia, Turkey, etc.) and third bodies (for example Interpol, FRONTEX, OLAF, UNODC, etc.), and the resulting contributions provide a much-needed wider perspective to the document.

Another fundamental source is Europol itself, with its experts and the wealth of information — also of strategic value — contained within its AWF's. Specific questionnaires are sent to Europol's experts, AWF project managers and analysts.

A well-developed public and private partnership allows Europol to collect information on a wide array of fields in which public and private sectors can complement and integrate law enforcement findings. Also in the delicate and ongoing methodological phase, the input given by the public and private sectors, and in particular by academia, has been and is of the utmost importance.

The given deadline for all contributions is 31 October.

From 1 November, the drafting of the OCTA begins.

On the basis of structured intelligence requirements, the Member States contribute information on their OC environment.

It was decided to split the subject 'organised crime' into two parts: OC groups and criminal activities, so that the contributions from the Member States focus on these two topics. However, such division was operated with the understanding that, at the end of the analytical process, these two paths must meet in order to reach a synthesis, taking into account all facets of organised crime.

Europol uses this information to develop a complex assessment of the threat from organised crime in the EU that is built upon sub-assessments concerning the structural and functional features of OC groups, the role of facilitating factors and the geographical dimension of crimes and criminals.

4. Criminal markets

The threat from OC, with regard to criminal markets, is assessed in the light of the following horizontal indicators:

- Document forgery and identity fraud;
- Technology as a facilitating factor;
- The misuse of the transport sector;
- The exploitation of the financial sector;
- Globalisation and borders.

These five horizontal facilitating factors present opportunities to OC. Changes within them could change opportunities into threats, as may law enforcement bodies attempts to tackle these issues.

For example, technology is a facilitator in various traditional crime types ranging from fraud to theft and trafficking in human beings, but its abuse has also created completely new forms of crime.

Through the said facilitating factors, criminal markets are analysed, in particular the following areas:

- Drugs;
- Illegal immigration and trafficking in human beings;
- Fraud;
- Counterfeiting (documents, commodities and money);
- Money laundering.

5. Regions

The OCTA covers the EU, however, it cannot be ignored that Europe, due to its geography and cultural, social and historical differences, is not a homogeneous entity so it may also require a regional priority setting. Therefore,

although the European dimension is the primary focus, the OCTA also accounts for regional divergences.

Much focus is provided for the geographical dimension of OC in the EU, to complement the relationship between crimes and criminals and provide a context for their whereabouts. Four regions of the EU have been outlined:

- South-West;
- South-East;
- North-East;
- Atlantic.

6. Analysis

The collected information is analysed from the two perspectives outlined above, i.e. criminal markets and regions.

In order to explore OC from the 'criminal markets' perspective the following tools are used:

- Geographical spread of criminal activities;
- OC groups involved;
- Facilitating factors providing opportunities.

In other words, the tools of the OCTA conceptual model are applied to the single criminal markets. This criminal-markets perspective can only provide a partial understanding of the threat from organised crime to the European Union.

The same approach is applied to the EU regions. Four regions of the EU have been analysed: the North-West (or Atlantic), the North-East, the South-East, and the South-West regions. The aim is to highlight their peculiarities through the already-mentioned common lens that are the tools of this conceptual model:

- Criminal markets;
- OC groups active there;

Main facilitating factors providing opportunities.

The information analysed and the tools used are always the same but the perspective is changing (from criminal markets to regions). This allows the

identification of dynamics that would otherwise remain unnoticed or unfocused, thereby improving the understanding of the threat from organised crime to the European Union.

7. The Third Dimension: OC Groups

After having examined the OC phenomenon from the criminal markets and the EU regions perspectives, a third dimension is still missing.

This is the reason that the next OCTA(s) will aim at assessing OC through a third, fundamental perspective: that of OC Groups, their typology and their possible clusters.

As already known, intelligence-led policing mainly focuses on criminals and not on crimes. One of the reasons for this resides in the simple assumption that 90 per cent of crimes are perpetrated by 10 per cent of criminals: while it is impossible to effectively prosecute each individual crime, by focusing on repeat offenders it is possible to dramatically reduce the impact of crime on society.

However, even with such knowledge, for many years OC groups have been examined through lenses more apt to filing OC groups than to fighting them.

Within a general, rough separation in two huge and vague fields (hierarchical structures vs. networks) the most commonly chosen indicator has been the ethnicity of the group.

While ethnicity is certainly an important factor, it cannot be decisive to reach the final objective of police action, which is the dismantling of the OC group.

For the above reasons, the OCTA identifies OC groups using a different set of indicators, which will permit fighting them more efficiently and effectively.

Such indicators are:

- Use of legitimate business structures (LBS);
- Use of countermeasures;
- Influence and corruption;

- International dimension;
- The groups structure;
- Use of specialisation;
- Use of violence.

A first, general typology derives from the international dimension, through which OC groups can be divided in:

- Non-EU-based OC groups;
- OC groups in an intermediary situation;
- EU-based OC groups.

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

The intermediary situations are relatively independent structures and not only cells of larger OC groups controlled from abroad. The location of the centre of gravity of these groups depends on their assimilation process so that in the end, the level of presence in the EU grows while the possibility to hide behind the international dimension decreases. In general these groups are developing along the lines and direction of EU-based groups.

EU-based groups have both their leaders and at least a substantial part of their assets inside the EU. They tend to use legal business structures, to actively employ specialists in their criminal activities and, in most cases, to use corruption inside the EU. The use of violence is in many cases not a defining characteristic of this type as they use more sophisticated and less conspicuous means to facilitate their criminal business. However, there are significant exceptions to this rule.

In the 2009 OCTA, the main effort will be to reach a new and thorough OC group typology, trying to identify the set of characteristics that makes types of OC group more threatening than others.

Such an OC group perspective should help the Council to better prioritise its own and MS actions, in full accordance with the main aim of the OCTA.

That OC group perspective will give the third dimension to the overall OC picture. Through the interaction of criminal markets, EU regions and OC groups it will be possible to identify actual hotspots and criminal centres of gravity, and where to concentrate operational efforts.

8. From regions to hubs

The concept of the 'criminal hub' was introduced for the first time as a development of the 'regional approach', trying to understand the facts that influence the dynamics of OC in the various parts of the EU.

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

The following criminal hubs can be identified: North-West, North-East, South-West, Southern and South-East hubs.

'Criminal hubs' can be seen as 'routers' attracting and re-directing external flows, e.g.:

- Cocaine from South America, coming to the European Union directly or through West Africa;
- Human beings smuggled or trafficked into the European Union from Eastern Europe, Asia and Africa;
- Counterfeit goods from China.

The ability to connect diverse international hotbeds of criminality with EU illegal markets must be considered as a major threat.

In order to clarify the concept of criminal hubs, which is sometimes confused with that of EU regions, it can be

useful to underline the differences between the two concepts.

In describing a region, a list of characteristics pertaining to that area is usually drafted, without in-depth analysis of their mutual relationships: it is a variety of things that are inside a geographical boundary.

On the other hand, a criminal hub is made up of the interaction between all criminal factors having their centre of gravity in the area: OC Groups, criminal markets and the geographical dimension are examined thoroughly. The focus is on the relationship between the things (actors and activities) that are inside and outside the hub's area.

Furthermore, a region is usually outlined with some neat and neutral strokes of pencil over a map, artificially encompassing all realities related to that designated area.

Conversely, a criminal hub is originated by a combination of criminal factors and existing facilitators, so it naturally stems from the field, and is not artificially created from above.

9. EU criminal hubs

Within the EU, five criminal hubs (NW, NE, SW, S and SE) have been detected.

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

The presence of the North-West criminal hub can be noticed with reference to cocaine, heroin, hashish, synthetic drugs and counterfeit goods criminal fields.

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

EU, and towards the East and beyond the borders of the EU.

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

The Southern criminal hub is centred on the role played by the main Italian OC groups and their control over certain social and economic dynamics in some geographic areas. Opportunities are provided by ready criminal markets in the Balkans, the Middle East and Africa. Criminal groups based in Italy have important links all over the world.

The recent eastward expansion of the EU borders to the Black Sea has permitted the detection of a South-East criminal hub in this area. National borders lacking sufficient protection in the South-East region and important waterways (e.g. Bosphorous and Danube rivers) make it very attractive for illegal shipments. Romania happens to be in the most favourable geographic position, making it a point of entry for illicit flows from Eastern Europe and Asia.

10. 2008 OCTA: trends

As for the outcome of the 2008 OCTA, without going into too much detail, it is possible to draw some general trends and threats.

As far as the OC Group typology is concerned, it has been noted that some groups in intermediary situations are increasingly featuring members from a mixed background. That is particularly true for some Nigerian networks, whose characteristic is made by cells manned by citizens of the country in which the cell is active: thereby, in that Nigerian network the Spanish cell is manned by Spaniards, the French one by the French, the Italian one by Italians, etc.

A characteristic of established OC groups is that they are transnational, multi-ethnic and poly-crime.

A disturbing emerging trend is the tendency of OC groups to act as service providers, which is considered more profitable and less dangerous than being aggressive and exploitative towards their victims. For

example, some OC groups involved in THB lately treat their human merchandise — especially in the field of prostitution — in a non-violent, professional way, taking care of visas, transportation, rent and accommodation, clients, protection and even remittance of revenues to the country of origin, and finally of the trip back, ensuring that their victims do not overstay beyond their visas. Such an attitude brings the trafficked women to voluntarily seek the 'services' of that specific OC group again in the future, creating a solid bond between victims and exploiters that presents obstacles to police action.

Another notable trend is the OC group leaders' constant quest for public recognition. The high levels of OC groups are not satisfied in making a lot of money: they want the people to believe they are rich because they are clever and gifted businessmen. Together with their money, they want to launder their image.

11. 2008 OCTA: threats

The immense wealth of high-level criminals is increasing their influence in the economic, social and politic environments.

That situation is facilitated by the modern, subjective interpretation of rights and obligations, following the idea that whatever pleases the individual is inherently right, regardless of ethical values and the common good. Following that trendy notion, normal and self-proclaimed honest citizens have no problem in dealing with OC in order to save some money in their purchases or to obtain illegal, rare or too expensive commodities.

Certainly delays in law-making are not new, also because law-making is frequently reactive towards a new threat and — as all reactions — it comes when something bad has already occurred. However, far too often law-making is needlessly delayed by political skirmishes between government and opposition, where the common good is overtaken by short-sighted partisan agendas.

The infiltration of OC groups into private and former public markets is an increasing and constant trend. A few fields are under serious threat: real estate, power plants and telephone companies are clear objectives of OC groups, which are managing to increase their share in such sectors and are looking for future, vital fields in which to expand.