

Strasbourg, 17 December 1999

PC-CO (1999) 17

EUROPEAN COMMITTEE ON CRIME PROBLEMS
(CDPC)

Committee of experts on criminal law and
criminological aspects of organised crime
(PC-CO)

Report on the Organised Crime Situation
in Council of Europe Member States - 1998

Document prepared by
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CHAPTER I

The organised crime situation

Introduction

1. The Committee of experts on criminological and criminal law aspects of organised crime (PC-CO) was set up by a decision of the Committee of Ministers of the Council of Europe (587th meeting, 1 April 1997). The purpose of this Committee is to analyse, under the authority of the European Committee on Crime Problems (CDPC), the characteristics of organised crime in the member States of the Council of Europe, to assess the counter-measures adopted (including legislation) and to identify means of improving the effectiveness of both national responses and international co-operation in this respect.

2. The second report (1997) has been presented to and discussed by the members and scientific experts of the PC-CO Committee at its third meeting (15-17 February 1999). It then was submitted to the European Committee of Crime Problems (CDPC) at its 48th Plenary Session (7-11th June 1999) which accepted it.

3. The member States² received in March 1999 a new questionnaire concerning the situation report 1998. This new questionnaire contains to a large extent the same questions as the questionnaires related to 1996 and 1997. This was done to obtain as much comparable data as possible. However, some new items were added. These are questions about measures taken against organised crime. The questions on this topic were divided into the following subcategories: (1) Drugs production and trafficking, (2) Fraud, (3) Vehicle theft, (4) Armed bank robberies, (5) Illicit arms trafficking and (6) Traffic in human beings. The purpose was to analyse the measures that have already been taken by member States to combat organised crime and the criteria adopted to penalise membership of a criminal organisation. The questionnaire was divided into the following seven parts: I. Introduction, II. Criteria for identifying organised crime groups, III. Organised Crime Situation, IV. Trends, V. Methodological Appendix, VI. Measures against organised crime, VII. Data of the persons(s) providing the answers.

4. By 8 October 1999, 37 of the member States had replied (see list in Appendix III). No replies were received from France, Georgia and San Marino. As in 1997 some replies were only partially used for the analysis of the organised situation, because they did not provide information on all subjects (e.g. Germany, Liechtenstein, Norway, Slovakia, and Sweden). Some of the member States only answered in cases where there were changes compared to 1997. The difficulty herein is that this also happened in some cases in 1997 compared to 1996. Therefore not all data are updated and related to the 1998 situation. All replies received from member States were used for the compilation of this report. In addition, other sources were used to a limited extent (see the bibliography in Appendix V for details).

5. The following list of criteria of organised crime was used by member States to prepare their replies to the questionnaire. In addition to the minimum characteristics ("mandatory criteria" numbered 1 to 4, at least two of the other characteristics ("optional criteria") needed

² No questionnaire was sent to Georgia, which became a member State after the questionnaires were sent out.

to be present for any crime or criminal group to be classified as organised crime. The questionnaire concentrated on groups that meet six or more of these eleven criteria. This can refer to traditional criminal groups but also to legal entities or professionals engaged in serious forms of organisational or white-collar crime.

Mandatory criteria:

1. Collaboration of three or more people
2. For a prolonged or indefinite period of time
3. Suspected or convicted of committing serious criminal offences
4. With the objective of pursuing profit and/or power

Optional criteria:

5. Having a specific task or role for each participant
6. Using some form of internal discipline and control
7. Using violence or other means suitable for intimidation
8. Exerting influence on politics, the media, public administration, law enforcement, the administration of justice or the economy by corruption or any other means
9. Using commercial or business-like structures
10. Engaged in money laundering
11. Operating on an international level.

Chapter II

Organised Crime Situation

Section 1. Characteristics of groups involved in organised crime

1.1. Structure of groups

6. In the light of the descriptions of the structures of organised criminal groups provided by the responses to the questionnaires, a three-fold categorisation may be helpful. As has been mentioned in previous reports, these categories are open to debate, depending on what view one has about the nature of organised crime. The social harm imposed by organised crime is not necessarily determined by the form or degree of organisation of groups.³

7. Most countries replied that organised criminal groups have a hierarchical structure.⁴ In some cases these are rather simple (e.g. reports from Lithuania, Poland) containing no more than three levels. But there are also more complex hierarchical structures (e.g. reports from the Czech Republic and Italy). The common characteristics mentioned for this first category of groups are: very tight and strict form of organisation, different responsibilities defined at all levels and a strict separation of work and duties. Functions and tasks are not mixed. There is a level where decisions are taken and another level where these decisions are executed. Solidarity between group members is very strong.

8. Different levels of organisation can be recognised, in most cases three or four. The leaders or “bosses” form the top level, in some cases together with other blood relatives. This has not only been reported in connection with specific countries but also in connection with groups which members share the same nationality or ethnic background, such as e.g. groups from “the former Yugoslav Republic of Macedonia”, Turkish groups and groups from Pakistan. It is very unlikely that the leaders participate in the actual commission of crimes. Instead, they stay in the shadow and often behave like legal entrepreneurs. Their purpose is to avoid attracting attention and direct incrimination. They try to keep up a respectable appearance, to establish contacts with the legal upper-world in order to gain respectability and to hide their illegal activities. Regularly they are supported by a network of expert advisors, such as economists, treasurers, lawyers and computer specialists.⁵ Leaders are sometimes selected as a result from national authority, for family relations, physical force but also because of friendships resulting from imprisonment.

9. “Bodyguards” in some cases also are part of the leadership level, or they are just underneath this level. Their task is to ensure the security of the highest boss and his relatives. Furthermore their duty is to protect properties and buildings owned by the group. They have some decisive power. They give instructions to and supervise ordinary group members.

³ So M. Findlay, “The globalisation of crime”, Cambridge 1999.

⁴ There is however also a trend to restructure criminal enterprises in response to market changes and their regulations, so Adamoli et al. 1998, p.10.

⁵ These professionals often are not external consultants, they may be full members of the group. Adamoli et al, 1998, p.10.

10. The middle level is responsible for carrying out single criminal offences. At this level members enjoy a certain amount of autonomy in the organisation of criminal activities and are entitled to take simple strategic decisions as well. They have however no decisive power in financial matters and lack the assistance of an advisory network. The actual commission of criminal offences is to be found at the bottom level of the organisation. Membership might fluctuate at this level, according to the needs of the group and the current situation.

11. Mafia type organisations as can be found in Italy, might serve as an example in this respect. Whether this is also the case for organised criminal groups, generally referred to as “the Russian Mafia” is questionable. The history, development and actual behaviour of the latter differs in many ways from the Italian Mafia type organisations. Therefore attention should be paid in using the Mafia label for Russian groups. Also in the Italian case the use of the term Mafia is a sort of simplification of reality since not all organised crime in Italy is committed by Mafia type organisations. The Mafia traditionally originates from Sicily. Due to a certain lack of state powers, an organisation with its own strict and strong rules developed.⁶ Several criminal groups, called “families”, constitute it. Out of these, a pyramid-like structure, called “Cosa Nostra”, developed. The Cosa Nostra is considered to be the most important Mafia type organisation in Italy.⁷ It is characterised by “patronage”, strong and strict behaviour codes, hierarchy, perseverance and especially a strong code of silence (omertà). Characteristics that differ from those of other Mafia type organisations are: the high number of affiliates, its structural features and the ability to set up unitary strategies. The main criminal activities of Cosa Nostra are drug trafficking, illicit investments in the building sector, trafficking in arms and counterfeiting.

12. Another Mafia type organisation, traditionally described as being hierarchically structured is Apulian organised crime. Notwithstanding attempts in the past to create a pyramid like structure, this organisation has a horizontal structure and therefore belongs to the second category. The most important among these groups is called “Sacra Corona Unita”, which collaborates when necessary with other groups like Cosa Nostra, “Camorra” and “Ndrangheta”. Since large, monolithic and hierarchical structures are a relatively easy target for law enforcement it is likely that groups that are organised in this way will adapt their structure in order to reduce the chance of being caught.

13. A second category consists of groups using different kinds of more fluid or horizontal structures. Also in these groups members belonging to the same family can be found, but relations can also be based on friendships. Strong loyalty is an important feature. These groups are usually rather small and very flexible. Personal contacts are often used on an ad hoc basis for the duration of a specific criminal activity. Examples can e.g. be found in Italy, (“Camorra” and ‘Ndrangheta), Belgium, Andorra, Denmark (organised street gangs) and Iceland. Hungary reported in 1997 a trend in favour of cell-wise structured groups. It seems however that in 1998 there was a clear reversal of this trend towards hierarchical structures.

14. A third category consists of groups operating in loosely knitted networks of individuals. Usually the members do not know many other group members. Especially organised criminal groups focusing on drugs trafficking seem not to be organised in a

⁶ Pieth, 1995, p.80.

⁷ Adamoli et al, 1998, p. 45.

pyramidal way. According to some sources, each transaction can be regarded as a separate project and for each of these projects new structures of co-operation are established.⁸ By doing so the risk of getting caught is reduced.

15. From the 21 countries of which data on this topic are available, 17 member States (Albania, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Hungary, Ireland, Italy, Lithuania, Latvia, “the former Yugoslav Republic of Macedonia”, Poland, Romania, Slovenia and Turkey) reported that they have mainly hierarchical organised criminal groups. In 5 member States (Andorra, Iceland, the Netherlands, Portugal, Moldova) criminal groups are mainly organised in a different way. It seems that especially in the Baltic States and Central and East European countries groups are hierarchically structured. Their size and fields of criminal activity may however vary.

1.2. Composition of the groups

16. From the replies it can be concluded that in most cases rather young people are involved in organised crime. Most members are between 20 and 45. Compared to the reports of previous years there is a slight increase in age. Probably there is also a relation between age and the functional level members have in the group. Ordinary group members are most of the time between 20 and 30, whereas leaders tend to be between 30 and 45. Three countries report also younger group members, e.g. in Denmark 15 (in organised street gangs), in Estonia 12, and in Malta, 18 year olds are participating.

17. Only very few replies contain information on age and gender. Those who did report on this topic states that mostly males are involved in organised crime. The participation of women seems to be rare.

18. Not much can be said about the participation of family members i.e. relatives. Exceptions can be found in Italian Mafia type organisations, where family ties are important. At the top level of organised criminal groups from “the former Yugoslav Republic of Macedonia”, Cypriot and Turkish organised criminal groups family connections are found as well.

19. Sharing the same ethnic background is also believed to be an important feature for some groups.⁹ Having members who share their ethnic background gives a possibility to keep the group closed to “outsiders” and it reduces the risk of infiltration. It can also facilitate to establish international contacts with people having the same background in other countries. Since most member States report intensifying contacts and collaboration at the international level between organised groups the importance of this feature might decrease.

1.3 Origin of the groups

20. In most countries groups with different origins are found. Domestic groups have mainly nationals as members. This can also be second or third generation immigrants. This category of groups have their home basis in the country. Foreign groups have mainly foreigners as members. The home basis of groups belonging to this category is, most of the time, in an other

⁸ Fijnaut, 1997, van Duyne et al, 1990.

⁹ A differing opinion is represented by Findlay, 1999. According to him a myth has grown around organised crime that focuses on issues as ethnicity.

country, although in some cases an additional or new basis is created in the country where they operate. Mixed groups have both nationals and foreigners as their members.

21. Although 23 member States provided information related to this topic, very few answers included whether groups have a domestic or a foreign origin. The majority of groups have a domestic nature. In 14 countries most groups have a foreign origin. Only Spain reports to have mainly groups with a mixed origin. These are categorised in the table below as both domestic and foreign. The origin of organised criminal groups operating in three countries is unknown. Compared to the 1997 report, the origin of the majority of groups in three member States has changed. The Czech Republic and Malta now report to have mainly foreign groups. In the case of Malta it should be noted that according to the reply it can be doubted whether these groups meet the criteria for organised criminal groups. Moldova reported to have mainly domestic groups.

Table 1. Origin of the majority of organised criminal groups.¹⁰

Country	Domestic origin	Foreign origin
Albania	X	
Andorra		X
Austria		X
Belgium	X	
Bulgaria	X	
Croatia	X	
Cyprus	X	
Czech Republic		X
Denmark	X	
Estonia		X
Finland	X	
France	X	
Germany		X
Greece		X
Hungary	X	
Iceland	X	
Ireland	X	
Italy	X	
Latvia	X	
Liechtenstein		

¹⁰ In cases where a reply to the questionnaire was received, but no information was given specifically related to this topic, it is assumed that the answer to this question did not change during 1998. The answers to the 1997 questionnaire are in those cases therefore repeated.

Country	Domestic origin	Foreign origin
Lithuania	X	
Luxembourg		X
Malta		X
Moldova	X	
Netherlands	X	
Norway		X
Poland	X	
Portugal	X	
Romania		X
Russian Federation	X	
San Marino		
Slovakia	X	
Slovenia		X
Spain	X	X
Sweden		X
Switzerland		X
"The former Yugoslav Republic of Macedonia"	X	
Turkey	X	
Ukraine		
United Kingdom	X	

22. It is likely that there is some kind of relation between certain criminal activities and the nationality of the people committing these crimes. One might e.g. think of the involvement of Turks (including Kurds) in drug related crimes. This can historically be explained by their long involvement in drug smuggling through the Balkan route. Most domestic and foreign groups have contacts with other criminal groups of domestic and foreign origin. The majority of member States report co-operation between fellow nationals at national and international level.

23. According to most member States, groups originating in Central and Eastern Europe influence and exercise criminal activities. The most reported European countries of origin are Albania, Bulgaria, Russia¹¹, "the former Yugoslav Republic of Macedonia", Romania, and Turkey. Nationals from countries in Central and East Asia, such as China, Pakistan, Vietnam are reported to have established criminal activities in member States. Most of these groups have their home basis in the country where they originate. Fewer have established a new basis in a member States.

¹¹ Often the term Russia is used. This does not necessarily refer to the Russian Federation. In many countries there is no further distinction made in the statistics.

24. In some cases an ethnic community in a member State is used as bridgehead by a foreign criminal organisation. Some groups of ethnic minorities are reported to use this feature, like the Colombians in the United Kingdom, the Turks (*inter alia*) in Germany, France and the Netherlands, and individuals from Surinam and the Netherlands Antilles in the Netherlands. Such ethnic contacts points can provide for the necessary contacts and trust and provide the needed infrastructure.

25. In most replies organised crime is reported to be committed in busy, urbanised parts of the countries. Some member States have reported in previous years to be attractive to organised criminal groups because of their geographical position. Other reasons are e.g. well developed financial systems and investment opportunities, and infrastructure regarding airports and seaports.

26. Some criminal groups are reported to be largely involved in other countries than those where they originate. This can partially be explained by the increasing internationalisation of activities, contacts and co-operation between groups. In this context the situation is in many aspects comparable to the description in 1997 and the following groups are reported by most of the member States:

Mafia in other European countries

27. The Italian Mafia has also a position in some other European countries, such as Germany, France and the United Kingdom.¹² In Germany, the Mafia is not only involved in drugs-related crime but also in other criminal activities like extortion, counterfeiting, vehicle theft, prostitution, illegal gambling and illegal firearms trading.¹³ Regarding the development of the Mafia in Germany, some important factors can be mentioned. The first one is the relatively wealthy position of Germany. The second is the pressure Italian police and justice officials put on the Mafia in Italy. Third is the fact that in many of the larger German cities, a well-established Italian community exists. At the beginning, these communities could be used as a refuge for Mafiosi on the run from the Italian police, before they started committing criminal activities in Germany. Nevertheless, the approach and aims of Mafia in Germany are not entirely the same as in Italy. In Germany there is a greater tendency to co-operate with other criminals, including people from other nationalities. The reason might be that their primary concern is to remain unnoticed by law enforcement authorities, in order to divert their illegal profits safely and hide the fugitive members. Mafia activities in Italy also aim at gaining and maintaining territorial rules in their home regions.

28. The Mafia in France is no longer active only in the southern part of the country, but has spread also in other parts of France, especially in the environment of Grenoble. The main activities are drug trafficking and illegal gambling.

29. The development of the Mafia in the United Kingdom seems to be comparable to the development in Germany.¹⁴ Italian communities in the United Kingdom were first used as hiding places and later became a new operational basis for criminal activities. The most important activities are extortion and trafficking in drugs and illegal firearms.

Albanian organised criminal groups

¹² cf. Arlacchi et al., 1994; Savona, 1993 and Paoli, 1994.

¹³ Fijnaut, 1997.

¹⁴ NCIS, 1993.

30. In recent years, there have been two waves of immigration of Albanians, especially to Italy.¹⁵ The first took place during spring and summer 1991 and the second in 1997 following the collapse of pyramid schemes in which a great part of the Albanian population had invested. These groups are considered as Mafia type organisations, which are based on the strong Albanian traditions of loyalty to the extended family and clans. These are known as “fares”. Furthermore, there is an absolute respect for verbal promises in these groups. Given the similarities between Italian and Albanian Mafia type organisations (clan structures and loyalties, respect for verbal promises, code of silence and distrust of formal justice) it might not be surprising that some of these organisations work together.

Russian organised criminal groups

31. Organised criminal groups in the Russian Federation are reported to have mainly hierarchical structures and the level of organisation is increasing. After they consolidated their regional position during the eighties and early nineties, there now seems to be a tendency towards a more international operating scale. Domestic groups are establishing more and more contacts with groups in neighbouring as well as other countries. As a result, more internationally operating organised criminal groups are also involved in committing crimes in Russia and groups of the Russian Federation are also becoming active in other countries. An example can be found in the United Kingdom where criminal groups of the Russian Federation allegedly invest huge amounts of money in expensive properties. Whether and to what extent they launder their ill-gotten money through the United Kingdom banking system cannot be said with any certainty at this moment. Not only the amount of criminal activity, but also their use of violence is increasing. Among the main activities are drugs trafficking, illegal firearms trade, trade in human beings, prostitution, but also theft of artefacts, vehicle theft and trade in environmental waste. Officials of customs and tax offices are often bribed to facilitate criminal activities.

Chinese Triads

32. Many member States reported increasing involvement of Chinese organised criminal groups in crimes in their country. Nevertheless it is unclear how large this influence really is. It is likely that in these cases there is a connection with Chinese triads, perhaps the oldest Asian crime organisation. The word "triad" derived from triangle. The three points of the triangle represent heaven, earth and man. Being first idealistic revolutionary groups, the triads became substantial criminal enterprises between 1840 and 1912, though they also kept many of their social functions.

33. The structure of the majority of the triads is of a non-hierarchical and informal character. They are divided into “factions”, each of which has its own autonomous area boss. The factions are not dependent on the parent organisation for matters of planning and execution of criminal activities. The triads operate internationally and are linked throughout China, Hong Kong and Taiwan. There is reason to believe that the triads have established a certain position in Spain, the Netherlands, the United Kingdom, Italy, Austria, Belgium and Portugal. The main activities of these groups are drug trafficking, illegal immigration, prostitution, illegal gambling and extortion.

1.4 Number of organised criminal groups

¹⁵ Silj, 1997.

34. Many member States may not have precise statistical data yet on the number of organised criminal groups. Some member States reported the number of cases that have been investigated without giving information regarding the number of groups that are involved in these cases. In cases where no new information was given, it is assumed that the reply provided for 1997 concerning this question is still valid. Because some replies did not contain exact numbers but only a rough estimate, a distinction into 5 broad categories was made.

Table 2. Estimated number of organised criminal groups

Number	1996	1997	1998
< 25	Andorra, Austria, Croatia, Cyprus, Denmark, Estonia, Finland, Greece, Iceland, Luxembourg, Malta, Norway, Portugal, Turkey	Andorra, Austria, Croatia, Cyprus, Denmark, Estonia, Finland, Greece, Iceland, Luxembourg, Malta, Norway, Portugal, Turkey	Andorra, Austria, Croatia, Cyprus, Estonia, Finland, Greece, Iceland, Luxembourg, Malta, Norway
25 – 100	Ireland, Lithuania, Moldova, Netherlands, Slovenia, Sweden	Czech Republic, Ireland, Moldova, Netherlands, Slovakia, Slovenia, Sweden	Denmark, Ireland, Portugal, Slovakia, Slovenia, Sweden, Turkey
100 – 200	Belgium, Czech Republic, Hungary, Latvia, Romania, Spain, "the former Yugoslav Republic of Macedonia"	Hungary, Latvia, Lithuania, Romania, "the former Yugoslav Republic of Macedonia"	Czech Republic, Hungary, Latvia, Lithuania, Moldova, Netherlands, Spain, "the former Yugoslav Republic of Macedonia"
200 – 500	France, Poland, Ukraine, United Kingdom	Belgium, France, Spain, Ukraine, United Kingdom	Belgium, France, United Kingdom
> 500	Germany, Italy, Russia	Germany, Italy, Poland, Russia	Germany, Italy, Poland, Romania, Russia, Ukraine

35. Compared to 1997, nine member States have changed their categories. The estimated number of organised criminal groups in Spain is much lower than in the previous report (169, compared to 264 groups in 1997). No apparent explanation is given in the national report. More stringent criteria might have been used to determine whether or not groups are organised criminal groups. But it might also be that a monopoly has developed in a certain area. In the Czech Republic, Denmark, Moldova, the Netherlands, Portugal, Romania, Turkey and Ukraine more organised criminal groups were found. Probably the police has been more effective in identifying organised criminal groups and gathering intelligence on them. The increasing number of groups in the Czech Republic, Moldova, Turkey and Ukraine could perhaps be explained by the expansion and increasing influence of and contacts with groups of other countries such as the Russian Federation.

36. Compared to last year the Polish situation seems to have improved. From 1996 to 1997 the number of groups grew by 354, almost doubling the number from 377 in 1996. From

731 groups in 1997 the number decreased to 644 in 1998. Romania is listed in the same category as in 1997. The report mentions however that no valid data are available.

37. Although the reports do not contain detailed information, Central and Eastern European countries seem to have more organised criminal groups than the Nordic and western European countries. The country reports do however not contain enough information to draw a conclusion regarding the development of the total number of groups operating in Europe other than that contacts are increasingly international.

1.5 Total number of participants

38. Not all group members are known, organisation structures are not always clear and change also and some countries do not have sufficient statistical data.¹⁶ These are some of the factors that might explain why it is difficult to make a reliable estimation of the total number of participants of organised criminal groups. More countries than in 1997 replied to this question.¹⁷ The number of participants show great variety according to the reports. It could *inter alia* be influenced by the structure of the group, the activities of a group and their way of operating. What also needs to be taken into account is the increasing co-operation between large networks and the division of tasks. For these reasons it was only possible to develop a rough classification (as in previous years). The results are presented in Table 3. Changes in the answers from 1997 to 1998 are in italic.

Table 3. Estimated total number of participants of organised criminal groups

Number	1996	1997	1998
< 500	Estonia, Finland, Greece, Iceland, Norway, Portugal, Slovenia	Estonia, Finland, Greece, Iceland, Norway, Portugal, Slovenia	Finland, Greece, Norway, Portugal, Slovenia
500-2500	Belgium, Hungary, Moldova, Netherlands, Spain, Turkey	Belgium, Czech Republic, Lithuania, Moldova, Netherlands	Belgium, Croatia, <i>Estonia</i> , <i>Iceland</i> , Lithuania, Moldova, Netherlands, Slovakia
2500-5000	Bulgaria, Poland	Bulgaria, Hungary, Poland, Spain, Turkey	Bulgaria, Hungary, Switzerland, Turkey, Ukraine
> 5000	Czech Republic, Germany, Italy, Russia, United Kingdom	Germany, Italy, Romania, Russia, United Kingdom	Czech Republic, Germany, Italy, Poland, Spain, Romania, Russia, United Kingdom

39. Regarding Croatia and Switzerland, no comparable data are available. Four countries have changed their category. In all four cases the number of participants increased, although in

¹⁶ It is possible to combine the data about the estimated number of groups and participants and relate them to the population of member States. A table containing this information can be found as Appendix I. Since the numbers come from different and not always comparable data-sources, their value should not be overestimated.

¹⁷ 16 countries in 1998 compared to 11 in 1997.

some cases the number of organised criminal groups decreased. This might partially be explained by the increase of international contacts.

Section 2. Criminal activities of the groups

2.1 Trafficking in illicit drugs

40. The drugs trade is the single type of organised crime that causes most problems in the vast majority of member States of the Council of Europe. Because of the addictive effects of many drugs, there is a continuous and pressing demand, which leads to the willingness by users to pay very high prices. Under these circumstances, internationally operating criminal organisations are able to realise astronomic profits from trafficking in illicit drugs.

Heroin

41. Opiates are derivatives of the opium poppy. The major consumable forms include poppy straw, raw opium, morphine and heroin. According to the International Narcotics Control Board, the world production of opium in 1998 was significantly less than in preceding years. However, in Afghanistan, the world's second largest producer after Burma and the origin for at least three quarters of the heroin consumed in Europe, the opium gum production probably reached an all time high of approximately 1350 tons. This is 7% more than in 1997 and over three times the amount produced in this country in 1990. Mainly because of political and cultural reasons, poppy eradication programs sponsored by western countries so far have not been successful. The estimated yield of the Afghan poppy fields was convertible to 135 tons of heroin, assuming no losses occurred. Since this is not a plausible assumption, actual production was probably lower than this estimate. However, the fact that the average retail price of heroin on the most important consumer market, the European Union, decreased 20% over the past few years (from approximately USD 130 to USD 105 per gram) indicates a growing supply. According to the UK report, a further increase in the availability of heroin could be expected to manifest itself in a reduction of prices and this may stimulate a change in criminal behaviour, either as an increase in violence as the heroin market becomes more competitive or possibly an increase in criminal co-operation as traffickers attempt to maximise profits. It is evident that for organised groups the heroin trade already is one of the most profitable forms of criminal activity.

42. Nowadays, heroin is easily available for users in most member States, especially in major cities, and there are indications of increased availability in smaller cities and towns. Heroin is more than any other type of drugs the major threat to public health and safety in the majority of the member States of the Council of Europe. In most countries heroin addiction represents a substantial and disproportionate burden in terms of treatment, health-care costs, deaths and drug-related crime. In the European Union heroin use is relatively stable. Countries in East Central Europe and the Balkans have experienced a considerable increase in heroin consumption since the early nineties. Drug use in these countries is predominantly an urban phenomenon. The retail prices of heroin seem to be lower than in Western member States which can be explained by the fact that many countries are on the route from the main source countries in south-west Asia to the European Union. According to many eastern member States, including the Czech Republic, Estonia, Moldova, Romania, Russia, Slovenia and

Ukraine, the trade in illicit drugs still is on the increase and this trend probably will continue in the near future.

43. Heroin and morphine base are trafficked across Afghanistan's borders to Pakistan, Iran and the former Soviet Union States Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Uzbekistan. The situation in the Central Asian Republics in drug trafficking and international organised crime is deteriorating. The political changes which have taken place encouraged the movement of previously existing criminal groups which have extended their networks and capacity for action, while counter measures prove to be inadequate and insufficient. Moreover, due to tensions between Iran and Afghanistan, the volume of trafficking via the Central Asian Republics probably has increased in 1998.

44. In almost a dozen European countries (especially in East European and Baltic member States) poppy straw and heads as well as raw opium and opium extract were seized (see Appendix II, Table 14). The origin is not always Afghanistan; opium poppy is illicitly cultivated also in the southern part of the Russian Federation, in Moldova, Ukraine, Pakistan and Lithuania. A home-made poppy straw extract is used in several member States, including Estonia, Latvia, Lithuania, Poland, Russia and Ukraine. Because it is commonly abused by injection, this has contributed to a spread of the HIV-virus.

45. Besides heroin from Asia and east Europe, nowadays there is also South American heroin. A (until now very) small part of the heroin discovered by the police and customs in Europe originates from Columbia. By far the largest part of South-American heroin is destined for the consumer markets in North America. There is a danger that existing cocaine distribution channels are used for the transport of heroin to Europe as well.

46. Seizures of heroin take place in almost all member States of the Council of Europe. In 1998, the largest amounts were discovered by law enforcement authorities in Turkey (4.6 tons), the Netherlands (2.0 tons) and the United Kingdom (1.1 tons). In total, more than 13 tons of heroin were seized. This is an increase of 16% compared to the preceding year. Since 1990, the total quantity of heroin discovered by the police and customs in member States more than doubled, from 6 to 13 tons (graph 1). Presumably, the growth can partly be attributed to an increase in the supply of heroin from Afghanistan and for another part to an enhanced co-operation between law enforcement authorities.

47. As in former years, most of the heroin is transported to Europe over land by trucks, buses and cars. Turkish TIR-trucks are responsible for a large part, although the proportion of heroin discovered in (mini)buses and (frequently rented) cars is growing. The vehicles use various branches of the "Balkan route" to bring the heroin to the user markets, mainly in West Europe.

48. Several Central and East European countries, including Albania, Bulgaria, Czech Republic, Hungary, Romania and Slovenia, are increasingly being used as storage centres for heroin. In order to avoid losing large consignments, Turkish organisations keep the heroin for some time in storage places located in these countries and distribute the drugs in smaller portions. In general, the transport from these storage countries to Western Europe occurs by personal cars; sometimes the train is used.

49. Turkish criminal organisations traditionally dominate the trade in this type of drugs in Europe. They buy the raw opium in Afghanistan or Pakistan, import and refine it, and distribute the heroin over Europe. Usually, they are not involved in street trafficking. Street sales are left to members of other ethnic groups, who are considered to be more suited for this task (Bovenkerk & Yeçisgöz, 1998). However, in some countries the supremacy of the Turkish crime groups seems to be disputed by other criminal organisations. In Albania for example, there is a tendency to leave out the Turkish organisations. Instead, international drugs trafficking is committed by mixed groups, comprised of individuals from the Yugoslavian Federation, 'the former Yugoslav Republic of Macedonia' and Italy. The Danish report contains information that supports the Albanian hypothesis, signalling that groups with an ethnic background in the former Yugoslavia control the smuggling of heroin to Denmark.

50. Slovenia reports that the use of the ferry from Albania is becoming more popular among heroin traffickers. The Austrian report is in line with this observation: it states that more than 90% of heroin still is smuggled via the "Balkan route". While in former years the trade was dominated by Turkish organisations, it was noted in 1998 that ethnic Albanians have now taken over. They maintain operation bases in various eastern European countries and in some cases closely co-operate with or work on behalf of Turkish organisations. Albanian traffickers are also responsible for a large part of the heroin trade in Austria's neighbouring country, Switzerland.

51. Recently, a new smuggling route for heroin seems to have been developed. This runs from the central Asian countries near Afghanistan right through the Russian Federation to Scandinavia. The fact that in 1998 for the first time a significant quantity (423 kg) of heroin was seized in Lithuania, indicates that the Baltic States also form part of this new route. However, not all heroin found in Scandinavia is transported this way. Finland reports that approximately a half of the heroin is trafficked from Russia and the other half from the Netherlands (where it probably arrived via the Balkans).

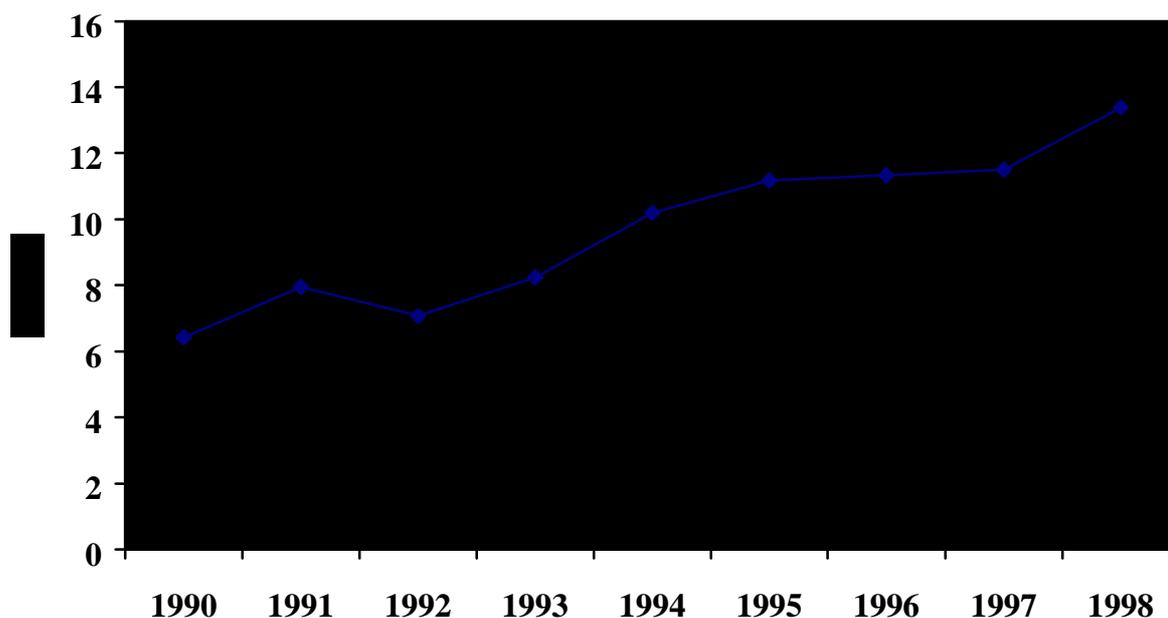
52. Russian criminals are playing an increasingly evident role in the transport of Southwest Asian heroin to Russia, as well as onward to the Baltic region and Western Europe. In the Russian Federation, criminal groups are strengthening their position in the narcotics trade: they are becoming better organised and stepping-up co-operation with similar foreign structures. There is a strong likelihood that the scale of illegal activity by organised drug trafficking groups with strong inter-regional and international links will intensify, along with a corresponding increase in smuggling, at levels that threaten the security of society as a whole. It is expected that the higher levels of illegal production of opiates in Central Asia and the "Golden Crescent" (Burma in particular) will result in more heroin and opium transiting through Russia to the European consumers. The Ukrainian report is in line with this forecast: it states that the principal direction of (domestic) criminal groups' international activities are (among others) the creation of channels through the national territory for drugs trafficking and participation in the creation of an international network for selling hard drugs.

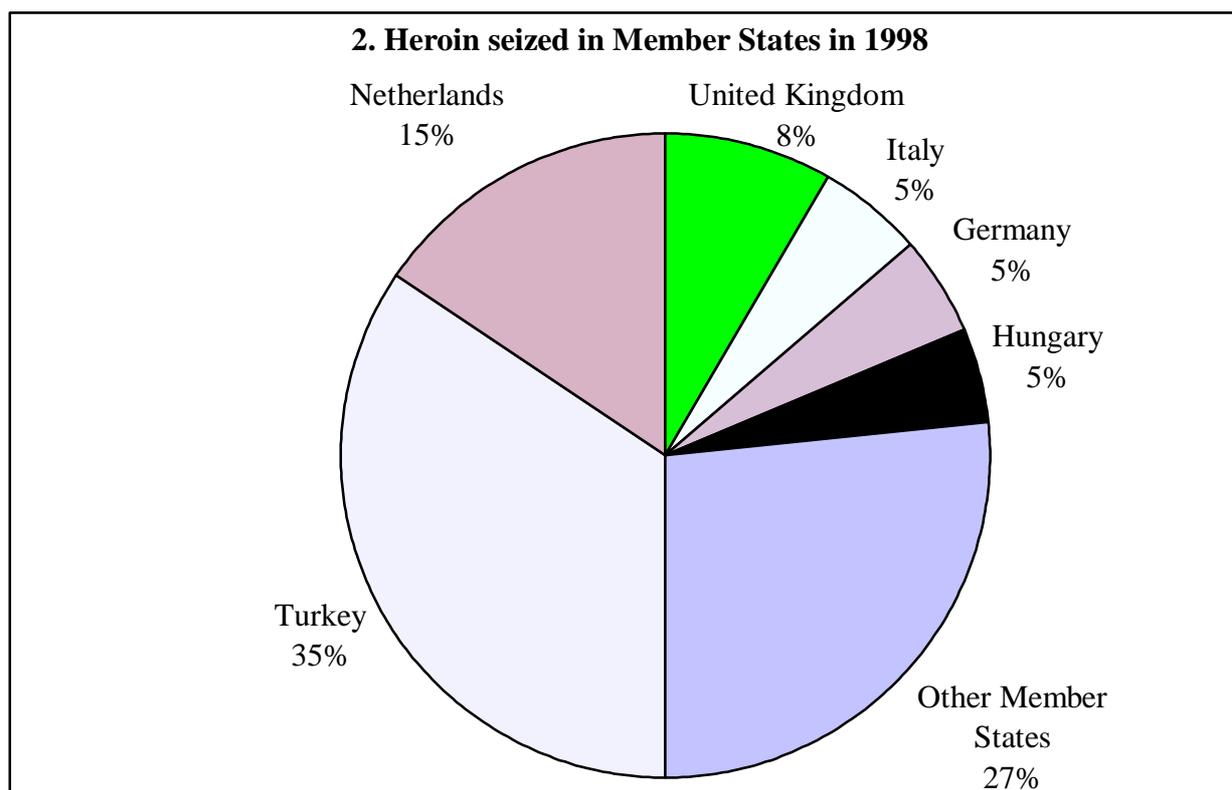
53. According to the Danish situation report, heroin smuggling in 1998 was controlled to a large extent by groups consisting of persons with an ethnic background in former Yugoslavia (including ethnic Albanians). However, as before, other groupings, including Danish and Iranian groups, continue to be involved in supplying the Danish market. Kosovo Albanians are said to be responsible for bringing significant amounts of heroin to Sweden. The upcoming of ethnic Albanian criminal groups can partially be attributed to the displacement of many

Kosovars and other ethnic Albanians throughout Europe, as a consequence of the recent troubles in the region. A fairly large number of refugees went to Scandinavia. In other parts of Europe, Turkish organisations still play a major role in the transport and the wholesale distribution of heroin. Often the local distribution is handled by domestic groups.

54. Heroin originating from Southeast Asia, especially Burma, is frequently transported in small quantities by air to the European countries. In 1998, approximately 230 kilogram of heroin (originating from both Southeast and Southwest Asia) was seized on airports, 23% less than the year before. African criminals play a considerable role in this trade, not only as traffickers but also as intermediaries and organisers of the distribution. The majority of these Africans comes from Nigeria. This country is Africa's most important heroin distribution hub, from where the drugs are transported to Europe as well as to the United States. In a number of cases the heroin is not transported by couriers, but hidden in packages containing books or kitchen articles, that are sent to European addresses by air mail. Because of corruption at nearly all levels of government in Nigeria, it is likely that Nigerian organised crime groups will continue playing a major role in the international heroin trade.

1. Heroin seized in Member States, 1990-1998





Cocaine

55. Cocaine is the most important natural stimulant in the world today. The International Narcotic Control Board reports that the world production of cocaine is decreasing substantially over the last few years, mainly as a result of the eradication of coca bushes in Peru and Bolivia. Virtually all cocaine comes from the Andean regions of Peru, Bolivia and Columbia. Cultivation in Peru has been cut in half since 1995, whereas in Bolivia a reduction by almost one quarter was realised. However, despite eradication efforts, cultivation in Colombia has doubled since 1995. Once in the third place, Colombia has become the premier coca cultivation country, displacing Peru and Bolivia, respectively, in the hierarchy. The concentration of coca cultivation in Colombia appears to be part of a long-term strategy on the part of the Colombian drug syndicates. Rather than rely on a vulnerable supply of coca products of the other Andean growers, the Colombian organisations have gradually moved toward a vertically integrated cocaine industry. Since they already refine 80% of the cocaine feeding world markets, the syndicates apparently want a reliable source of coca leaf.

56. It is estimated that in 1998 230,000 metric tons of coca leaf was harvested, a 26% reduction compared to 1995. From this quantity, 555 metric tons of cocaine hydrochloride (cocaine HCl) can be produced, which is 225 tons less than the estimated potential world cocaine production in 1995. These estimates may be overstated, because they probably do not account for losses that occur within the source countries but that cannot readily be estimated. Data on seizures by law enforcement authorities however are available. In 1998 large amounts of cocaine were seized in the Americas. Most important are those discovered in the United States (120 tons), Colombia (80 tons) and Mexico (23 tons). In comparison, the available

information leads to an estimated quantity of at least 35 tons of cocaine seized by law enforcement authorities in the member States of the Council of Europe. On the basis of these figures, we can derive that probably less than half of the cocaine produced in 1998 reached the consumer markets.¹⁸

57. Between 1990 and 1997, there was a sharp increase in the amounts seized in European countries. This can be attributed to a higher import of cocaine to the European market, which in turn is caused by the decrease in the consumption in the United States in the nineties compared to the second half of the eighties. It is estimated that the number of occasional cocaine users was reduced by a half between 1988 and 1995 (from 6 to 3 million), while the number of weekly users decreased from 3.6 million to 3.3 million. On the basis of consumption data, it is estimated that the quantity of cocaine used in the US fell from over 380 tons annually at the end of the eighties to an average of less than 300 tons in the 1990-1995 period. The reduction in the American cocaine demand apparently led to a strong rise in the amounts of cocaine transported to Europe in an attempt by the Colombian cartels to expand their markets. This is probably the main factor to explain the substantial increase in the quantities of cocaine seized in Europe: from 16 tons in 1990 to 45 tons in 1997. However, the rising trend has not continued in 1998. On the basis of available data, it is estimated that European law enforcement authorities discovered approximately 36 tons of cocaine in 1998, 20% less than the record amount they seized in the preceding year. A possible explanation for this breach of the trend is the decrease in the world cocaine production in 1998, which might have led to a smaller quantity of coke being transported to Europe. This hypothesis is corroborated by the fact that in 1998 the average wholesale price of cocaine in the European Union, where a large majority of European consumers are found, increased 8%, compared to a decrease of 9% the year before. The fact that the average retail price remained on the same level, can be interpreted as a counter argument. However, it is known from the past that cocaine trafficking organisations are keeping stocks, which is a useful instrument to regulate retail prices.

58. Concerning the use of cocaine, there are indications of a modest but steady increase in many member States. Prevalence of use is higher than for heroin, but remains relatively low in comparison with cannabis and synthetic drugs. Most consumers use cocaine on an occasional basis. Normally, this does not lead to serious health problems. This picture changes significantly when cocaine is used in conjunction with heroin or when the drug is consumed in the form of the psychic highly addictive crack cocaine. In contrast to the situation in the United States, the smoking of crack in Europe is still very limited.

59. A large part of the cocaine seized in Europe is shipped over the Atlantic Ocean. Transit countries are Venezuela, Brazil, Ecuador and Surinam. The point of entry in Europe often is found on the Iberian Peninsula and in the Netherlands. In 1998, police and customs in Spain and the Netherlands together were responsible for seizing 23 tons, which is almost two thirds of the total quantity of cocaine seized in member States (graph 4). This high proportion probably can be attributed to the linguistic and historic ties between the two countries on the one hand and the South American States that are heavily involved in the cocaine trade on the other hand. For the Netherlands the exceptional large number of international trade movements by sea and the large number of transport firms are explanatory factors as well. Other countries

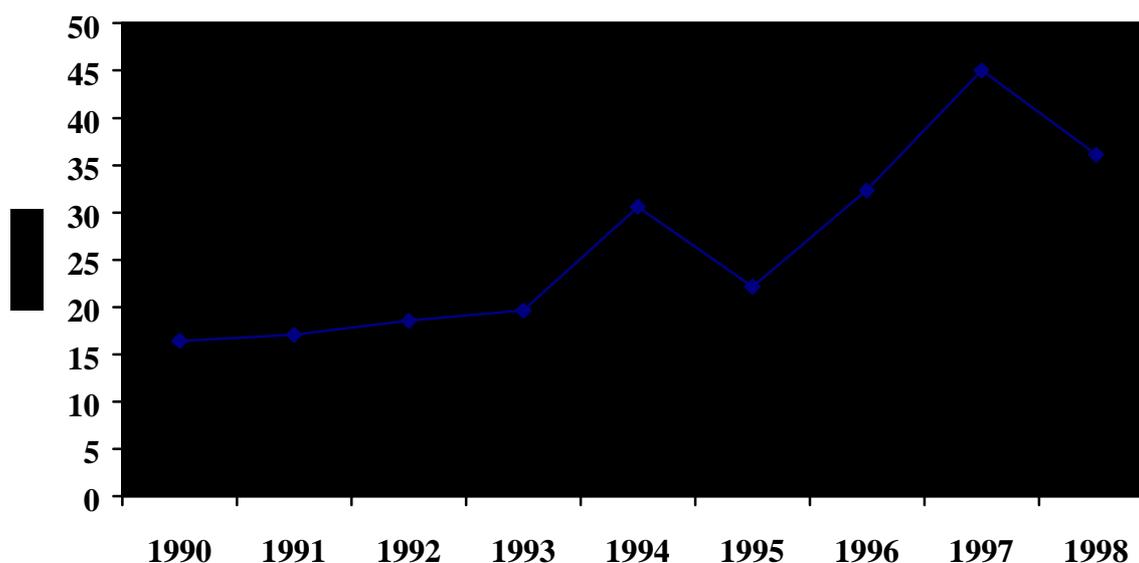
¹⁸ The General Secretariat of Interpol (March 1999) estimates that worldwide in 1998 between 360 and 365 tons of cocaine were seized. If this is correct, only one third of the estimated world coke production would have been used by consumers.

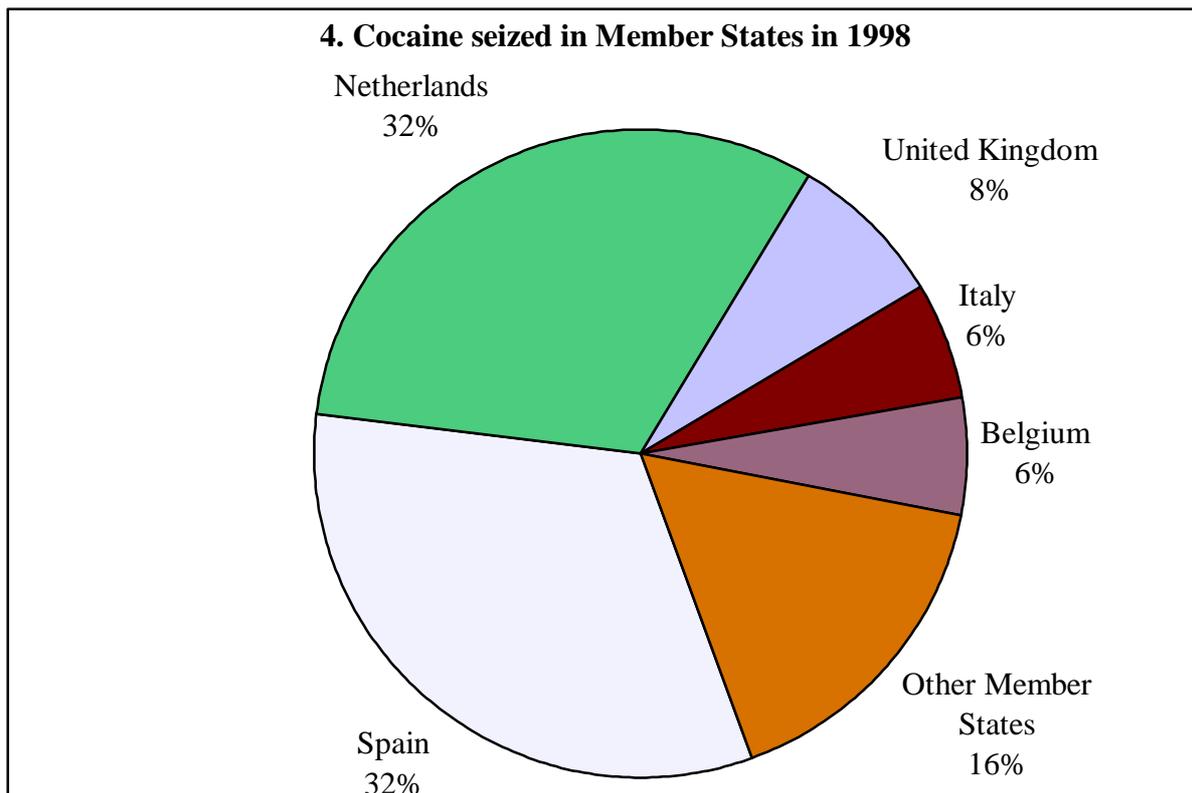
where more than one ton of coke was discovered, are Belgium, France, Germany, Italy and the United Kingdom.

60. Apart from being transported as marine cargo, cocaine finds its way to the European markets through the air. Most frequently couriers are used, although coke is also hidden in air freight. At Amsterdam airport, on average, two couriers a day are caught. In 1998, 2.6 tons of coke were discovered by the customs and police of this airport. At Spanish airports, 1.5 tons was found, especially in Madrid. Couriers are not only South American individuals, but also nationals from member States, such as Austria, Italy, Spain, Turkey, the Netherlands and Albania. In some cases the coke was transported to Europe by Jamaicans and Nigerians. The Czech Republic reports that Nigerian criminal groups are interested especially in the importing both of cocaine from South America and heroin from Thailand. Drugs are destined not only for the Czech market but also for countries of Western Europe. Young Czech nationals, in many cases with criminal backgrounds, are used as couriers. They may be provided with false documents and smuggle from one to five kilos of drugs. A new trend in 1998 was the involvement of young nationals from the Baltic States in the cocaine traffic. The Finnish situation report declares that cocaine, although it is not a significant drug in Finland, would seem to come to this country mainly via the Baltic countries.

61. Nowadays there is large-scale intra-European trafficking of cocaine. The fact that in recent years there have been substantial seizures of cocaine on the Balkans and in East and South East Europe shows that the transit role of these regions is increasing (see Appendix II, Table 13). Colombian criminal groups co-ordinate and monitor the arrival of cocaine and the subsequent transport overland to the main consumer countries in the European Union. The diversion of routes obviously is a tactic used by these groups to lower the risk of discovery of the coke consignments. However, the data on seizures show that this tactic frequently fails.

3. Cocaine seized in Member States, 1990-1998





Synthetic drugs

62. Synthetic drugs are man-made, chemically-based drugs which fall into three main groups: stimulants (e.g. amphetamines), hallucinogens (e.g. LSD) and depressants (e.g. benzodiazepines). Europe is the global centre of the production and consumption of synthetic drugs. According to the General Secretariat of Interpol, seizures in European countries represent 98% of the total amounts of synthetic drugs seized worldwide (Interpol, February 1999). The most important synthetic drugs are amphetamines and their analogues MDA, MDMA ('ecstasy'), MDEA, etc. In 1998, about five tons of these drugs were discovered by law enforcement authorities in member States of the Council of Europe. Although the amount is 25% more than the total quantity seized in the preceding year, the figure is lower than that of 1996 (5.6 tons).

63. Over the last ten years, the use of amphetamines and ecstasy has become very popular among youngsters. The main user groups have been socially integrated adolescents and young adults who visit clubs, discotheques and house parties. Recently, the use of ecstasy seems to stabilise in a number of member States (particularly in the European Union countries), while in most countries the use of amphetamines continues to rise.

64. Since many years the Netherlands are mentioned most frequently as the country of origin for amphetamines as well as for amphetamine analogues. Probably more than 50% of the world production of synthetic drugs can be attributed to organised criminal groups operating in this country. Therefore, it is not very remarkable that large amounts of synthetic drugs are discovered by Dutch law enforcement authorities. In 1998, 1.9 tons of

amphetamines, ecstasy and other synthetic drugs were confiscated and 35 laboratories were dismantled.

65. Dutch criminal groups also play a role in the international distribution of the synthetic drugs, especially on the wholesale market. Local distribution is often handled by domestic groups. According to the Danish national report, a major part of amphetamine and ecstasy smuggling in Denmark is controlled by foreign groups living in Holland and Belgium, and Danish groups with links to the rocker community. Reliable information indicates that the Russian mafia also is an actor in the smuggling of synthetically produced drugs. As a rule, amphetamine is trafficked to Finland from Estonia. Drugs production is still limited in Denmark, because the criminal groups prefer to smuggle in finished drugs, which may be due to cultivation conditions as well as the considerable risk of detection involved in smuggling the necessary chemicals etc. and establish and run an illegal laboratory. Austria reports, that MDMA (ecstasy) users in this country are supplied by Austrian groups, while producing organisations mainly operate from the Netherlands. However, amphetamines, of which more and more are smuggled into the country, mostly originate in Poland and Hungary; smuggle and trade was organised by Polish and Hungarian-Austrian rings.

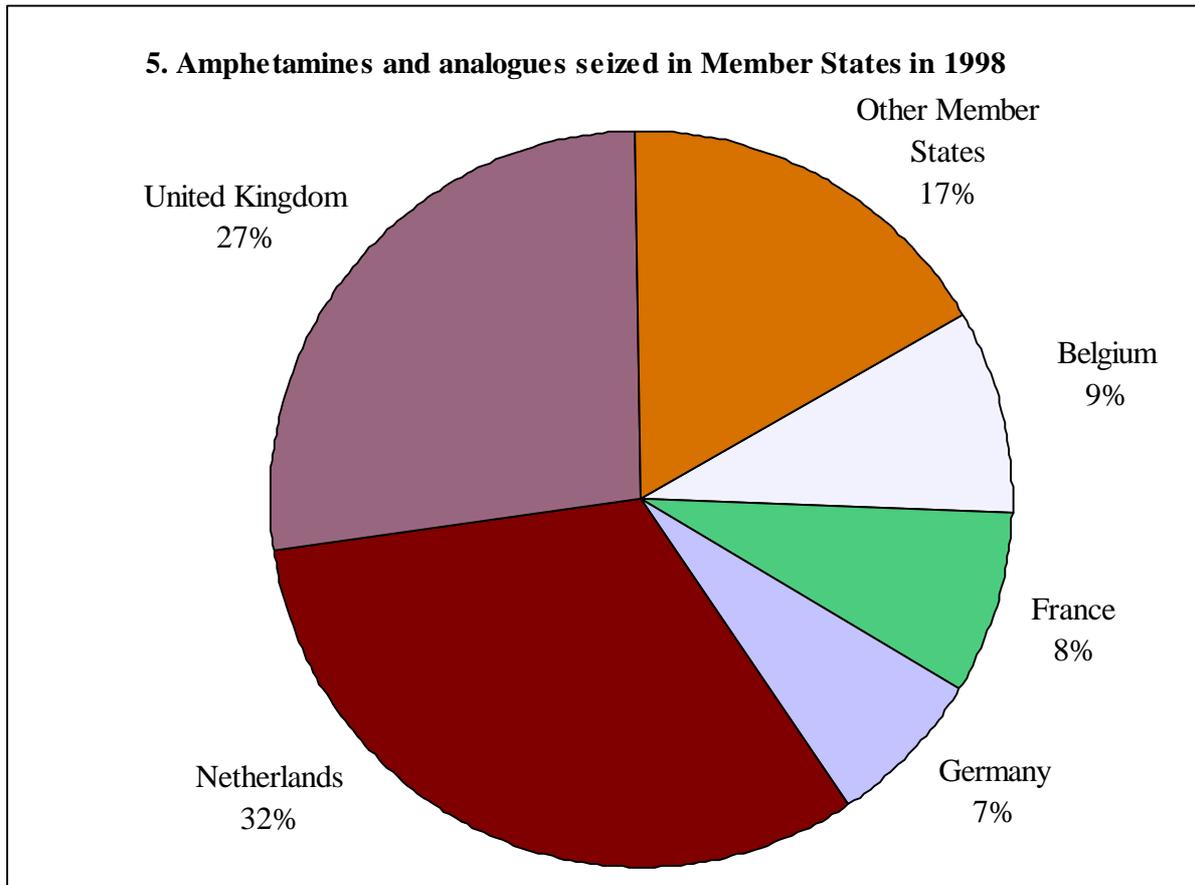
66. Since 1990 Poland has become one of the most important European producers of synthetic drugs, first of all amphetamine. It is estimated that about 50% of amphetamine seized in Sweden is of Polish origin. In Germany this share is smaller and amounts to about 20%. On average something between 10 and 25% of the amphetamine sold in Europe is of Polish origin.

67. Germany is also a producing country for synthetic drugs. In 1997, nine amphetamine and three ecstasy laboratories were discovered. Although the United Kingdom does not have the name of being a main producing country for synthetic drugs, large amounts are seized by British customs and police. The demand for these drugs is higher than in other European countries. Most amphetamines and analogues are discovered while they are brought into the country from the Netherlands. Under these conditions, it is not unlikely that organised criminal groups will try and set up synthetic drugs laboratories in the UK. In 1997, four amphetamine laboratories were uncovered. According to the British report, a rise in the level of production of new 'designer' drugs (e.g. 4MTA, 2-CB) may also be seen as criminals attempt to add new chemical bonds to existing illegal drugs in an effort to subvert legislation.

68. LSD was a very popular hallucinogenic drug in many western European countries during the seventies. Since then, the use decreased significantly. In the first half of the nineties, LSD peaked once more. Over the last few years, market indicators of LSD declined again. In 1998, in total over 92,000 trips or doses were seized by police and customs in Europe (Appendix II, Table 14). Illustrative of the ease with which these drugs are distributed on an international level is the fact that LSD was found in more than half of the member States of the Council of Europe. The largest quantities were discovered in the Netherlands, Poland, Italy and Germany. As with other synthetic drugs, the Netherlands probably are the main source country for LSD.

69. Seizures of anabolic steroids and other doping substances are reported by several member States, especially by Scandinavian countries (Denmark, Sweden and Iceland). In Poland over half a million capsules of steroids were seized in 1998. Denmark notices, that the Internet provides a large supply of doping substances (anabolic steroids and growth

hormones). The substances are ordered via the Internet and sent to Denmark by mail, preferably from the USA, where certain doping substances can be purchased legally.



Cannabis

70. Cannabis, both resin (hashish) and herbal (marihuana), is the prevalent illicit drug in most of the member States of the Council of Europe. After increases of the use in the early nineties, the consumption seems to stabilise in many countries, especially in the western part of the continent. Both in the eastern and in the western part, the use of cannabis products varies substantially across the nations. In the east, lifetime experience of cannabis is low in Albania, Lithuania, Hungary and Romania. High prevalence rates (15 to 25%) are found among youngsters in the Czech Republic, Estonia and Bulgaria. In the west, lifetime experience of cannabis seems to be higher, ranging from 5 to 7% of the general population in Belgium (Flanders) and Finland to 20 to 30% in Denmark, Spain and the United Kingdom. In general, cannabis use is commonly occasional or intermittent. Some problematic drug users consume it as a secondary drug. People who use cannabis as the primary drug seldom seek treatment. Nevertheless, the regular consumption of cannabis may be one component of a wider range of personal, social and legal problems, including the frequent abuse of alcohol and other drugs.

71. In contrast to poppies and coca bushes, the natural source of hashish and marihuana, *Cannabis sativa*, grows readily in many regions throughout the world. Traditionally, the main source countries for the European market are Morocco for cannabis resin and Columbia for herbal cannabis. Nowadays they still are the main suppliers, whereby Morocco comes in the first place. It is estimated that in 1998 over 500 tonnes of Moroccan marihuana was seized in

Europe. However, cannabis is more and more grown in a number of Central Asian republics and in an increasing number of European countries. In 1998 cannabis plants were seized in the majority of member States of the Council of Europe (see Appendix II, Table 13). The largest number, about 3 million, were discovered in Turkey. Other countries where large numbers of cannabis plants were found are Bulgaria, Croatia, the Netherlands and Italy.

72. In the Netherlands, most cannabis is grown indoors, often in greenhouses. The past few years, the trend has become clearly visible that this cultivation method is being spread to other member States. The growing popularity is understandable, since traffickers avoid the risks involved in importing, transporting and storing cannabis from other continents. Profits are higher because of lower transport costs and because more than one harvest a year is possible. Furthermore, a higher content of THC (tetrahydrocannabinol) can be reached, which makes the cannabis more valuable. In the Netherlands, the wholesale price for the so-called 'Nederweed' is three to five times the one for Columbian marihuana. The high profits attract organised crime. Indeed, in a number of countries, e.g. the United Kingdom and the Netherlands, there are indications that criminal organisations are getting more and more involved in the cultivation and trafficking of domestic cannabis.

73. Traditionally, European organised criminal groups are responsible for the importation of cannabis into the continent. Spanish groups play a dominant role in the trafficking of Moroccan hashish. Large-scale smuggling takes place in lorries, vans and campers, and by sea in trawlers and yachts. International operating criminal groups from several member States have set up bases in Spain to facilitate trafficking towards their countries. In 1998, Spanish law enforcement authorities prevented the record quantity of 428 tons of cannabis to reach the consumer markets. Compared to 1995, the quantities discovered in Spain more than doubled (see Appendix II, Table 13). Almost half of the total amount of cannabis seized in Europe in 1998 was found in this country. In total, over 900 tons of cannabis was discovered by police and customs in member States of the Council of Europe, which is 5% more than the year before. Over the last few years, the quantity discovered by European law enforcement bodies shows a tendency to increase, although not as fast as it used to do in the first half of the decade (graph 6).

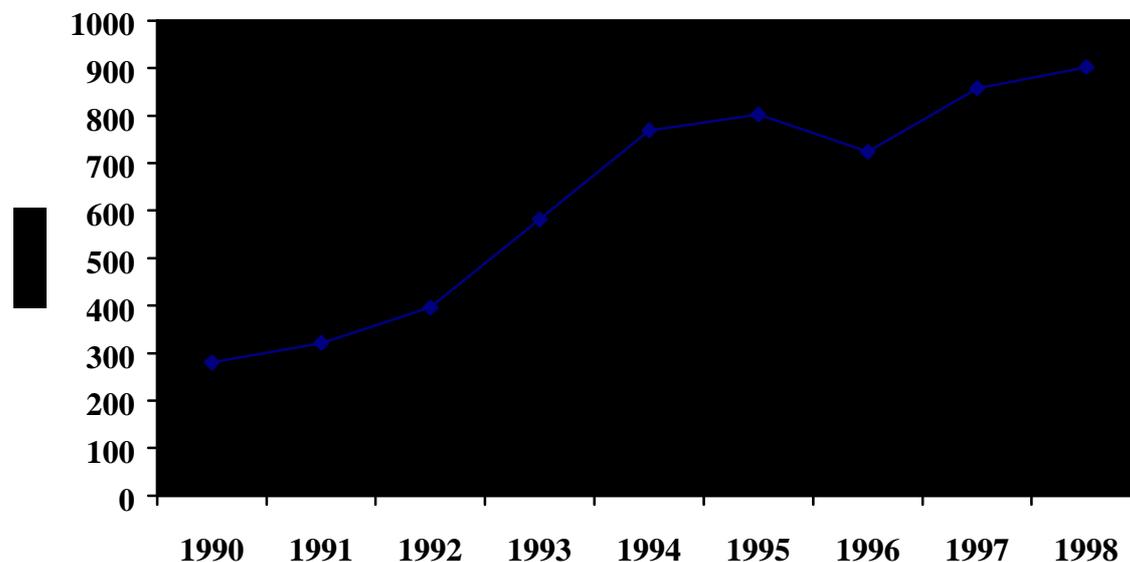
74. The Netherlands are an important distribution centre for cannabis particularly for South American marihuana. Most of the time, the drugs are shipped in containers. Since 1995, there has been a strong decline (-80%) in the quantities seized in the Netherlands. But in 1998 118 tons of cannabis was discovered, an increase of 80% compared to the year before. Other member States where quantities of 50 tons or more were seized, are the United Kingdom, France and Italy (graph 7).

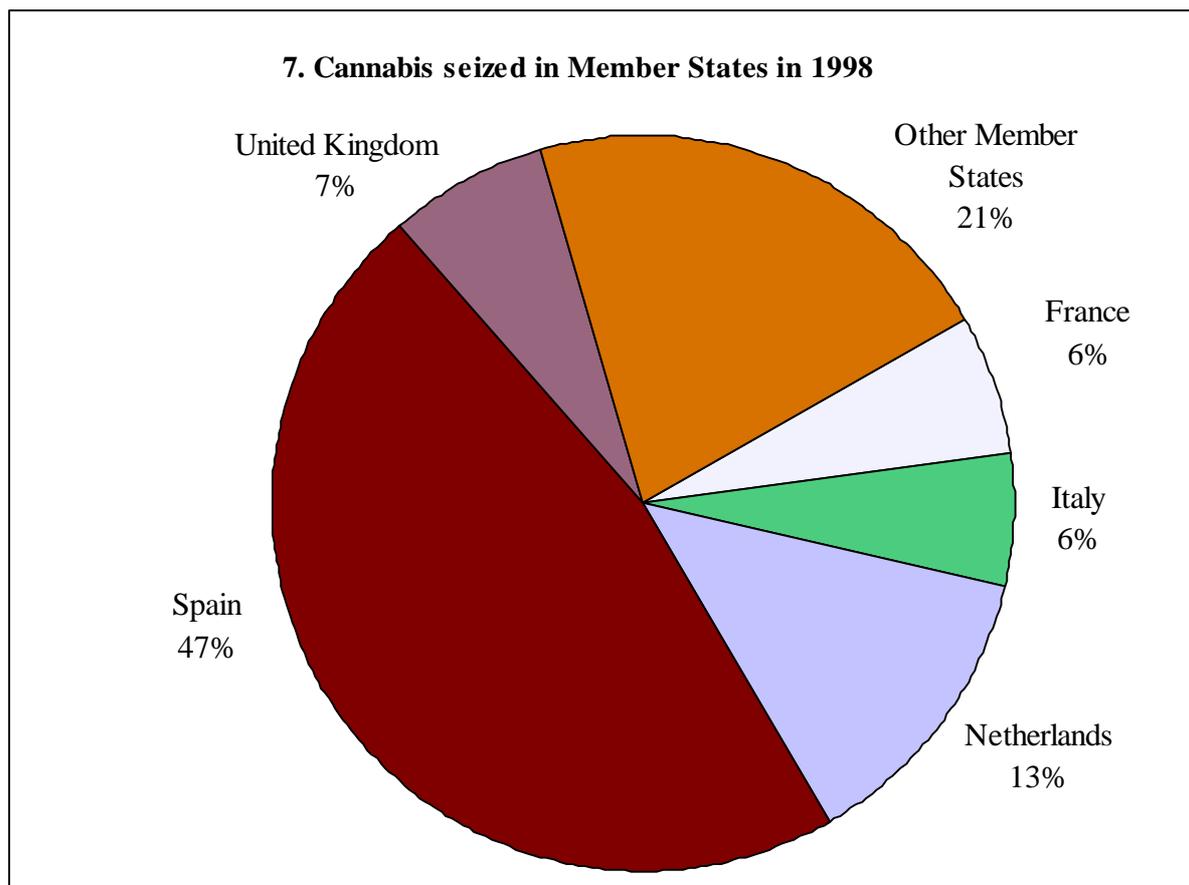
75. Although most of the cannabis found in western Europe comes from Morocco and Columbia, there are also drugs of the same type stemming from other sources. Examples are discoveries of Afghan and Pakistan cannabis resin consignments in Germany, Belgium and the Netherlands, and the seizures of Ghanaese marihuana in Italy, South-African marihuana in the United Kingdom, and Indian and Nepalese cannabis in Denmark. The flow of cannabis from south-east Asia decreased substantially in 1998. According to Interpol (1999), only law enforcement authorities in the United Kingdom seized consignments of Cambodian and Thai cannabis. The quantities involved were much smaller than they used to be in earlier years.

76. Although the use of cannabis in eastern and south-eastern European countries is lower than in the western part of the continent, substantial quantities (over 10 tons) are found in the

region, e.g. in Russia, Croatia, Greece, Slovakia and Ukraine. Often they are on route to consumer markets in the west. The origins of the cannabis are diverse. Part of the cannabis found in the region is stemming from south-west Asia (including Afghanistan and Pakistan), part from sub-Saharan Africa (e.g. Uganda and South-Africa), part is grown in South America (as indicated by two consignments of Colombian marihuana, weighing 20 tons together, hidden in containers and seized in Croatia) and another part is cultivated in the region itself (including countries like Azerbaijan, Bulgaria, Turkey and Albania). Albania is a source country of increasing importance for herbal cannabis found in Greece and Italy. The fact that Albanian cannabis was discovered in Austria and Slovenia indicates that the trafficking organisations are heading for markets in the north west of Europe. International drugs trafficking is committed by mixed groups, involving not only Albanians but also criminals from “the former Yugoslav Republic of Macedonia”, the Yugoslavian Federation (Montenegro and Kosovo) and Italy. According to the Austrian report, ethnic Albanian criminal organisations managed to build a Europe-wide network and hold monopolies in urban areas. They maintain operational bases in Austria, Bulgaria, Czech Republic, Germany, Hungary, Poland, Romania, Slovakia, Switzerland, United Kingdom, and in the Nordic countries. In a number of cases, the “Balkan route” is used for transporting cannabis, the same as it is for smuggling heroin. In a number of cases, couriers from the consumer countries in the north and western part of the continent are employed in order to avoid detection by law enforcement.

6. Cannabis seized in Member States, 1990-1998





2.2 Fraud

77. Barriers to entry into frauds may be thought of in terms of the

- Technical problems they present, including the need for corporate fronts;
- Initial capital investment required;
- Need to have dishonest professionals such as accountants, bankers, lawyers and real estate surveyors involved; and
- Need to have a network to acquire the tools of crime (e.g. credit cards) and to transform them into property and/or cash.

78. For some organised crime groups in some countries, these present serious difficulties. Credit card fraud and bankruptcy fraud are relatively easy, but the development of more sophisticated schemes may take imagination and social confidence greater than that possessed by many professional and organised drugs traffickers. On the other hand, those involved in more elite circles have ready access to these skills, and since the 1960s, there has been increasing interest in corporate vehicles for assisting smuggling of legal and illegal goods and persons. It is then a modest move into some VAT and tax scams. Furthermore, in countries with exchange control, front companies and transfer pricing of genuine or fictitious business have to be used as a way of transferring money out of the country: once learned, these skills can be applied in other contexts of economic crime.

79. Fraud risks involve components of victim behaviour – individual, corporate and governmental - and offender behaviour. The percentage of fraud cases reported to the authorities and recorded by them as crimes is low; and the proportion that are cleared up is extremely small, making it difficult to estimate what proportion are attributable to organised crime or not¹⁹. Consequently, many national reports concerning the situation of organised crime in 1998 reasonably do not distinguish organised from less organised frauds. It is an arguable point whether fraud committed by organised crime groups is worse than that committed by others, but it is worthwhile to know the extent to which frauds of different types are being committed by organised crime groups, since it can be a measure of their penetration into the upper world and therefore of their political and social power. To the extent that credit card frauds provide a staple diet of income for such crime groups, it also serves as a capital source for other types of crime. E-commerce particularly serves to present risks.

80. A particular growing generic problem is the manufacture of false identity documents to enable other crimes to take place and to circumvent money-laundering customer identification requirements, discussed later. Illegal immigrants often falsify documentation and access to printers may be used to generate counterfeit currency also, despite the prevention efforts. Albanians were viewed as increasingly likely to move into this form of activity, in a number of countries including Greece. In Greece, most detected fraudsters were domestic, but there was frequent falsification of travel documents and temporary residence permits, especially by people coming from former Soviet Republics. The availability of counterfeit currency also rose substantially in countries such as Switzerland.

81. The role of offshore corporate vehicles in the perpetration of fraud (as opposed to simply money-laundering) was highlighted in several reports, such as that from Austria, which reported that recorded frauds cost some 10 million Schillings in 1998, the most frequent frauds being telemarketing, advance fee, financial futures and payment instrument fraud. In the case of futures and other investment frauds, the point was made that a clamp-down on 'boiler room' (stock sales in manipulated investments) frauds in Germany led to some displacement to Austria, generating losses of 50-100 million Austrian Schillings per case. Telemarketing frauds were particularly likely to involve personnel from outside the countries, mostly by Germans, and to require mutual legal and police assistance. Interestingly, there were differences in reactions to intervention, with South Germans shielding themselves from investigation and other foreigners simply being disrupted and leaving. Offshore investment companies use reputable sounding names, for example including the word 'Zug', creating the impression that they are Swiss, while actually being registered in the Caribbean. (In Switzerland itself, there was a rise in recorded fraud of 13 per cent over 1997.) In a quarter of the Dutch investigations sampled, fraud was mentioned as the principal activity, sometimes accompanied by forgery. The usual array of frauds was discovered, ranging from credit card fraud to false pretences of investment in Surinamese forests. Typically, the organisations involved are flat rather than deeply hierarchical in structure, though in half the cases, there was some hierarchy (which may mean only that there were 'front men' and organisers) and in some there was even a cell structure. In almost half the cases in which fraud is the main activity, all main offenders were Dutch: this is a consistent pattern over time. Most forgeries are of identity documents, and tend to come from the places of destination.

¹⁹ See M. Levi and A. Pithouse (in press), *White-Collar Crime and its Victims*, Oxford: Clarendon Press.

82. Organised crime involvement in tax fraud, including smuggling of tobacco, was noted as a rising trend in several high-excise tax countries such as Denmark, though it was also prevalent in Bulgaria, where 23 preliminary investigations were instituted for VAT fraud. The Netherlands noted the involvement of organised crime groups in VAT and EU frauds. The complexity of association with criminality is illustrated by the fact that although Luxembourg was associated with some large cases of commercial piracy, in one case, some electronic kit was purchased in Germany while the distribution was in Luxembourg and Belgium, while in another, the production of CDs occurred in Ireland, Israel and the Czech Republic, and Luxembourg supplied the corporate base. In Malta, the only identified connection with organised crime is when Nigerians or Russians are involved.

83. In the table, we give figures for large frauds over \$1 million. However, it should be appreciated that

1. many countries do not keep such cost data in the appropriate band;
2. the *cumulative* effect of several frauds by the same group may take the group, but not the individual crime, over that threshold, but this will not show up in the table; and
3. the number of convictions is unlikely to relate to the actual cases investigated that year, because of the attrition of time delays in the process. This observation applies also to money laundering and many serious drugs trafficking cases.

Country	Recorded fraud over US\$1 million	Arrests/Convictions for large frauds	Counterfeiting
Andorra	-	-	-
Austria	89 (105 in 1997)	-	8 investigations
Bulgaria	20 (approximate) ²⁰	-	
Croatia	None	-	-
Cyprus	2	-	
Czech Republic	30	60-80 (60-80)	-
Estonia	1919 frauds total	-	-
Germany	- ²¹	-	-
Greece	296	-	-
Hungary	7 (over 200 m. HUF) 419 computer-related	16 arrested (no conviction data)	92 bank cards; 160 phone cards
Iceland	None	None	-
Ireland	10	21 (2)	-
Italy	-	-	-
Latvia	None	None	-
Liechtenstein	-	-	-
Lithuania	662 (but no large)	None	1,362
Luxembourg	-	-	-
Malta	209 ²²	-	142 local/foreign plus 37 product counterft.

²⁰ In Bulgaria, there were 2,646 recorded frauds and extortion cases: the two are not separated in their crime records. The total losses were some US\$ 60 million.

²¹ There were 9,122 frauds recorded in 1998, but the total losses were not classified above DM 100,000.

²² There is no information about size. In addition, there were 149 worthless/bounced cheques, 23 stolen/forged cheques, and 9 cases of plastic card fraud recorded. There were 2 further cases of computer hacking.

Country	Recorded fraud over US\$1 million	Arrests/Convictions for large frauds	Counterfeiting
Moldova	180 (very large cases)	-	1
Netherlands	-	-	-
Norway	441	-	-
Poland	4,422 loan frauds ²³		
Portugal	22	12	-
Rumania	4 ²⁴	2 (2)	2,876 (32 groups) ²⁵
Slovakia	None	-	-
Slovenia	2 ²⁶	10 charged	2,139
Sweden	-	-	-
Switzerland	- ²⁷	-	3,398
“The former Yugoslav Republic of Macedonia”	None ²⁸		
Turkey	10	15	2 serious (13 arrests)
Ukraine	648 serious embezzlement ²⁹	-	-
UK	94 ³⁰	-	

2.3 Vehicle theft

84. Vehicle theft seems to be a very serious problem in all member States. It seems also that this kind of criminal activity is nowadays very often connected to the activities of organised criminal groups. This activity has also clear international character as stolen cars are moved across the Europe, and countries and places where cars are stolen most often do not correspond necessarily with the countries and places where they are sold. It seems that most car thefts are committed in the countries of Western Europe, but most significant markets for stolen car are in Central and first of all Eastern parts of the continent.

85. Data provided below have to be treated with the due caution. First of all they are general data on vehicle theft and not necessarily on such theft involving organised crime structures. There are plenty of cases of stealing cars or other vehicles which are absolutely individual acts. This is especially true in cases of the so called joy-riding. Independently of the fact whether legal system treats such cases as any other kind of theft or provides special provisions (usually providing for milder punishment), national statistics usually do not differentiate between joy-riding and cases of „real” theft. However, it may be assumed that,

²³ Plus 23,763 simple fraud cases. No data on large frauds are available separately.

²⁴ In Addition, there were 482 frauds recorded.

²⁵ The face value of this counterfeit currency was, respectively, 353.2 million Lei, US\$238,430, DM28,050.

²⁶ 3,805 (all recorded frauds).

²⁷ There were 8,581 recorded frauds, a rise of 13 per cent over 1997, but no cost data are available.

²⁸ In “the former Yugoslav Republic of Macedonia”, there were recorded seven smaller frauds, generating DM 237,166, from a variety of credit and insurance frauds.

²⁹ In Ukraine, during 1998, there were 2,448 cases of recorded bribery (a rising trend); 750 crimes in the financial system; 573 crimes involving commercial structures; 59 involving privatisation; and 133 involving international economic activity.

³⁰ These are the number of cases handled by the Serious Fraud Office in 1998-99. Previous research – see M. Levi (1993) *The Investigation, Prosecution and Trial of Serious Fraud*, London, HMSO – suggests that the fraud losses from ‘ordinary’ Crown Prosecution Service cases may be as great, but the number of large cases over \$1 million may not be as high: there are no more recent figures than this, however, and the pattern may have changed.

probably most recovered cars involve cases of joy-riding or similar and not necessary organised thefts for the purposes of selling cars illegally. In the former case recovery constitutes namely relatively easy task for the police, as stolen cars are often just abandoned by the perpetrators. In latter case stolen cars are „processed” in a professional manner to make recovery difficult, what means that recovery is here certainly much less frequent. In such case however ratio of cars stolen to recovered may constitute rough but useful measure of assessing the extent to which professional and organised forms of car theft dominate in the given country. If such recovery rate is high it may indicate that joy-riding and other similar cases dominate. If such recovery rate is low it may indicate that involvement of organised crime in car theft is high in the given country (this is true of course under assumption that effectiveness of the police in recovering cars is in all member States approximately the same, what is not always the case). Nevertheless, the table below contains such ration for the countries which provided data making its computation possible.

86. One has also to consider vast differences in the reporting systems in the member States. Some of the reports mention that data include all kinds of motor-vehicles, i.e. not only private cars, but also trucks, lorries, motorcycles or even motorboats. Other provide just general data on cases of vehicles theft without specifying what sorts of such vehicles are included. Not all countries provide also data on the numbers of cars recovered. Some of them mention rather data on clearance rates in such cases, although it is clear that clearing up the case (i.e. finding the perpetrator does not have to mean necessarily that the stolen car has been recovered. Finally significant differences in the numbers of cars stolen in the member States result not only from a different numbers of cars registered (what is obvious). They result also from the differences in reporting patterns, first of all between Western and Eastern Europe. It seems that at least in some Central and Eastern European countries motor-vehicle theft (as many other offences) may be underreported. This results from the fact that many of cars in that part of Europe are not insured. And possibility of claiming insurance coverage constitutes the main factor contributing to the fact that in Western Europe probably almost 100% of car thefts are reported to the police, what is not always the fact in Eastern Europe.

Table 4. Vehicle theft in the member States of the Council of Europe in the year 1998

Country	Number of the recorded cases of vehicle thefts	Number of the vehicles recovered	Ratio of cars recovered to stolen (in %)	Remarks on the content of the national report
1	2	3	4	5
Albania				No statistical data available , although report mentions this phenomenon as a serious problem
Andorra				No data provided in the report.
Austria	10 304	6 889	66,8	
Belgium				No numbers provided in the national report.
Bulgaria	8 039	3 609	44.8	Report mentions slight decrease in this kind of crime as compared to the year 1997.
Croatia	1 678	788	46.9	Numbers in column 3 refer to „persons reported” (suspected) and not arrested
Cyprus	1 252	589	47.0	
Czech Republic	28 000	5 000	17.9	
Denmark	5 000			The number in column 2 refers to cars

				smuggled out of Denmark and not stolen there.
Estonia	618			No statistics available on col. 3.
Finland				No numbers provided in the national report.
France				Report missing
Greece				No numbers provided in the national report; it mentions only increase as compared with the previous year
Georgia				Report missing
Germany	168 600	85 272	50.5	Numbers include thefts of all kinds of motor-vehicles, including motorcycles.
Hungary	16 205	5 865	36.2	Numbers in col.2 and 3 refer to all kinds of motor-vehicles including motorcycles.
Iceland				No data provided.
Ireland	13 793	12 293	89.1	
Italy				No data provided.
Latvia	3 068	1 506	49.1	
Liechtenstein				No data provided.
Lithuania	6 946	1 368	19.7	In col. 3 data on cases cleared.
Luxembourg				Report provides no statistical data
Malta	1 202	596	49.6	
Moldova	901	500	55.5	
The Netherlands	32 496	18 133	55.8	
Norway	17 716	15 922	89.9	
Poland	61 151	6 176	10.1	Data in col.3 refer to cases cleared.
Portugal	1 048			No data on col. 3 provided.
Romania		406		No data on col.2 provided.
Russia				No data provided.
San Marino				Report missing
Slovakia	7 682	1 649	21.5	Data in col.2 and 4 refer to cars and motorcycles.
Slovenia	1 016	394	38.8	
Spain	143 544	98 043	68.3	
Sweden	48 227	44 318	91.9	
Switzerland	80 386			No data on col.3 provided.
FYROM	227	54	23.8	
Turkey				No data provided.
Ukraine				No data provided.
United Kingdom				No data provided

2.4 Armed bank robberies

87. Armed robberies of banks are treated in all legal systems as very serious offences and linked very often to the activities of organised criminal groups. However, it is necessary to underline that not all such offences are committed by the members of organised criminal groups or in any organised manner. Unfortunately, in almost all countries, law enforcement and criminal statistics do not differentiate between „regular” and „organised” armed bank robberies. Most national reports indicate, however, that typical armed bank robbery still

constitutes hold-ups committed by one or two perpetrators acting on their own and not for organised groups. Only the German report contains data which permits to assess of the proportion between „organised crime” bank robberies and „individual” bank robberies. This proportion in the year 1998 was “1223”, as opposed to “77”, which means that “organised crime” armed bank robberies constituted there only 5,9% of all bank robberies, as a matter of fact a small minority of them. Of course, in countries with more serious organised crime problem this proportion may be somehow, although probably not radically, different.

88. It is interesting to note the differences with respect to the number of armed bank robberies between Western and Eastern parts of Europe. It seems that that type of crime is still characteristic for West-European countries, although Eastern Europe recorded significant increases in this area, especially compared to the fact that before 1990 bank robberies were almost non-existent in that part of the continent. This difference between west and east may be partly due to the still underdeveloped state of the banking system (smaller number of branches what means less potential targets), although security measures (technical and procedural) are sometimes much less developed in Eastern Europe. However, countries making greater progress in market reforms (Czech Republic, Hungary, Poland) have usually a much higher rate of armed bank robberies (Slovenia constituting here an exception) than other former communist countries (Albania, Bulgaria, Romania, Slovakia).

Table 5. Armed bank robberies in the member States of the Council of Europe in the year 1998

Country	Number of armed bank robberies	Remarks on the content of the national report
1	2	3
Albania		No data available
Andorra	0	
Austria	30	
Belgium	207	
Bulgaria		No data available
Croatia	28	
Cyprus	3	
Czech Republic	47	
Denmark	131	
Estonia	4	
Finland	21	
France	677	
Greece	116	
Germany	1300	
Hungary	33	
Iceland	0	
Ireland	68	
Italy	3 144	
Latvia	8	
Liechtenstein		No data available
Lithuania	12	

Country	Number of armed bank robberies	Remarks on the content of the national report
1	2	3
Luxembourg	5	
Malta	2	
Moldova		No data available
The Netherlands	175	
Norway	20	
Poland	40	
Portugal	67	
Romania		No data available
Russia		No data available
Slovakia	2	
Slovenia	5	
Spain	946	
Sweden		No data available
Switzerland	30	
FYROM		No data available
Turkey	31	
Ukraine		No data available
United Kingdom	256	

2.5 Kidnapping

89. Only four countries mention kidnapping as an activity of organised criminal groups. In most cases businessmen and/or their relatives are kidnapped in order to get a ransom. One country mentioned that kidnapping was the main activity of an organised criminal group. There are some cases where members of groups involved in drugs trafficking are kidnapped by rival groups. No information was given on the number of cases or the amount of money that is involved.

2.6 Extortion

90. Most of the thirteen member States that reported about extortion say that the number of groups engaging in this crime is growing and that there is a division of tasks. The cases involve businessmen who are forced to pay "protection" money. The victims are often entrepreneurs and individuals in the catering industry, shops, petrol stations. One country describes that there is a relation between extortionist groups and private security firms because the latter seem to be actively participating in this crime. A relation between extortion of people involved in drug related criminal offences is described also by only one country. In most cases the police cannot put charges unless a complaint is filed. Out of fear many victims are however reluctant to come forward.

2.7 Traffic in human beings and illegal migration

91. Due to differences in legislation, it is not always possible to make a distinction between cases of traffic in human beings and illegal immigration. Also in the statistical data of many

countries such a distinction is often not made, which makes it still almost impossible to analyse this phenomenon.³¹ Furthermore it needs to be stressed that this type of crime tends to be very secretive. The victims of such crimes often do not really count on the assistance of law enforcement agencies and out of fear for their lives and security of their friends and families they prefer to keep silent.³² In most cases illegal immigrants are taken across the borders at their own request. Expecting that they will find a better life in the country of destination they want to leave their country of origin. But very often the trafficked people are pushed into criminal markets, such as those of drugs related crime, prostitution, begging or theft. Traffickers may force illegal migrants into criminal activities in order to receive their payment.³³

92. The networks involved are very flexible. They are composed of members of different nationalities, from the country of origin but also from transit and destination countries. This might be one of the factors which makes it difficult to dismantle a trafficking network. Another complicating factor in this respect is that they keep using new couriers who do not gain insight into the criminal organisation they work for.

93. The groups contain travel agents, document forgers, escorts, transporters, and people arranging accommodation. In general these networks are capable of reacting rapidly to police measures by immediately replacing drivers, physical smugglers, accommodation providers as well as regional under-bosses. The aim is to bring as many people as possible, and at a minimum risk, into another country. In general borders are crossed illegally with the use of false or forged residence and travel documents. The immigrants have to give the passports they are given back, after which these passports are returned to the falsifiers. As soon as they are "adjusted" such passports can be used again. The quality of the forged documents has improved considerably.

94. Turkish illegal immigrants often seem to be Kurds. They are brought to the Austrian border and from there to Germany and other western European countries. The prices to be paid vary from DM 7.000-10.000. Migrants from Romania also form a large group. This concerns mostly young men willing to work hard. They come to western Europe via Hungary and Austria, but also via the Czech Republic. In some cases the migrants themselves are used for driving the lorries that transport them. The destination countries for illegal migrants from CIS countries are in most cases Germany (55%).³⁴ The current financial crisis in Russia, has exacerbated the problem of human trafficking there, which began with the collapse of the Soviet Union in 1991.³⁵ The women who are trafficked often have a high school or university level education. This seems to be a key distinction between the victims of trafficking in South Asia and victims in the former Soviet Union and other east European countries. Russia and Ukraine are among the main source countries from which women are exported and exploited.

³¹ This follows not only from the country reports, but also from literature sources. See in this respect for instance Savona, Di Nicola, Da Col, "The dynamics of Migration and Crime in Europe, new patterns of an old nexus", Paper prepared for the ISPAC conference, Courmayeur, October 1996.

³² Shelley, Organised Crime Watch Russia, February, 1999.

³³ Di Nicola, "Trafficking in immigrants: a European perspective", paper prepared for the Colloquium on Cross-border Crime in Europe, Prague, Sept. 1999.

³⁴ IOM News Release, July 1999.

³⁵ Shelley, Organised Crime Watch Russia, vol 1, nr 2 February 1999.

They are forced into a number of activities such as prostitution, but also the creation of pornography. Men often become slave labourers.³⁶

95. The criminal organisation chooses the route and escorts the vehicle. The migrant passengers are carefully instructed by the smugglers what to say and to do in case they get stopped and checked. Various methods of hiding are used. In Finland a bus coming from Greece heading for Germany was stopped. In a space under the floor of one row of seats 21 people were found. The row of seats could be lifted up and the small side-wall beside the aisle could be turned down. This allowed people to crawl and hide under the row.³⁷ In another case people were hiding under the floor of a bus. In Slovenia the police found 42 people hiding in the fuel tank of a truck.

96. Various routes are used by the traffickers. One is what used to be called the "Balkan route". Due to the situation in "the former Yugoslav Republic of Macedonia" this route changed. So is it possible to go via Bulgaria, Romania and Hungary to Germany. Or to go via Albania to Italy and from there to other western European countries. The second route that seems to be used quite often is going through the Baltic States. Although it might start in Asian countries, it goes through Russia, then the Baltic States towards the Nordic countries and western European countries. As far as Central European countries are concerned Poland, Romania and Hungary are often reported to be used as transit countries.

97. For organised criminal groups this is a very profitable crime and the risk of being caught is low. The following example illustrates the potential profit. A woman was brought into the US for \$ 15.000.³⁸ As usual she was accompanied by an escorting person who received several thousand dollars for delivering her to the brothel in the US. The woman signed an agreement with the pimp for a salary of about \$ 40.000 for three months during which she must perform 10-15 sexual acts per day.

2.8 Prostitution

98. An interdependency between illegal migration, traffic in human beings and prostitution can be recognised. Victims in many cases are women coming from Central and Eastern European countries, but also from the Dominican Republic and Columbia. Asian organised criminal groups seem to bring girls from their countries for the needs of their communities. Most of these women are lured into the "Golden West" under false pretences and are afterwards forced into prostitution, sometimes with the help of drugs.³⁹

99. In some cases the women are brought out of a country with regular documents but forged visas. After passing the border these documents are taken away. Many of them are personally and economically dependant. This together with fear for revenge prevents them from going to the police. Many of them fear to loose their job, which is their only means of survival and chance to escape the poverty in their country of origin. From some descriptions it

³⁶ Repetskaya, Organised Crime Watch Russia, vol 1, nr 2 February 1999.

³⁷ INTERPOL, Illegal Immigration Newsletter, April 1999.

³⁸ In cases concerning Chinese people much higher prices have been reported according to the INTERPOL organised crime bulletin, March 1999. Prices for passage to Germany vary between DM 14.000-18.000, for going to the US the price might even be DM 30.000.

³⁹ A method that is often used is to recruit women via advertisements, in which they are offered jobs as models, hostess or waitress.

follows that some victims buy their freedom from the perpetrators after they have earned enough money. Due to the lack of further perspectives and maybe even attracted by the possible profit that can be made, they sometimes choose to become a “madame”. They then “order” girls and women via organised criminal groups.

2.9 Illicit traffic of arms

100. The smuggling of firearms, explosives and other strategic goods in Europe clearly is concentrated in the Balkan region. At the end of the conflict in the former Yugoslavia there have been attempts to smuggle arms from the crisis regions to Austria and/or Germany. In some instances Austria served as transit country for arms smuggling from the countries that used to be part of Yugoslavia or from Hungary towards Germany or the Netherlands. In an investigation in the Netherlands illegal firearms trade was mentioned as the main activity of the criminal association in question. This group imported automatic firearms, ammunition and explosives from Montenegro to the Netherlands to sell in them there. Moreover, its members used pistols and revolvers themselves to support the trade.

101. Albania reports that the recent problematic situation in the region once more caused an increase in the trafficking of arms. Criminal gangs managed to gather different types of arms, a number of which were sold abroad. The illegal trafficking of arms seems to have been increased, especially in the north of the country. Law enforcement authorities in Bulgaria discovered three channels for the smuggling of arms and two channels for the smuggling of strategic goods. They all have been broken down in 1998. In “the former Yugoslav Republic of Macedonia” the illicit trafficking of firearms is predominantly taking place in the western and northern parts of the country, near Albania and the Yugoslavian Federation, where the largest proportions of ethnic Albanians can be found. In many cases, ethnic Albanians living in different parts of the region, but belonging to the same family, are responsible for the arms smuggling. Greece reports a similar trend: among the great number of Albanian immigrants who entered the country illegally, there are prison fugitives who smuggle guns that they had previously removed from military depots during the uncontrollable 1997 riots in Albania. The weapons are used by Albanian criminals in the commission of various crimes in Greece.

102. In the Czech Republic there are large supplies of firearms of different models and origin on the black market. These include arms and military materials that are to be re-exported into a third country. Licences are often obtained with the help of false documents, in most cases a false end user certificate. Transactions are organised by an international network of dealers with arms and military materials originating from the countries of the former Soviet Union and Yugoslavia. The illegal trafficking in explosives represents another lucrative activity of criminal groups. The main sources are stolen explosives such as Semtex, Pentritol and other industrial explosives normally used for demolitions.

103. The illicit arms trade is not always an activity perpetrated by criminal groups. The Austrian report says that shipments of illicit firearms are partly organised by individuals, partly by organisations. In the Czech Republic, persons involved in illicit arms trafficking can be divided into the following categories:

- persons who within their collecting activities are involved in illicit arms trafficking of arms that do not have historical status. For this purpose different army shops are used as well as specialised markets;

- persons who have/had an access to arms or armament material of the army within their working activities. It concerns soldiers, civilians employed in the army, employees of both armament factories and army repair shops;
- persons whose legal business activities concern legal trafficking in arms, however, these activities are occasionally misused for illicit trafficking;
- persons who serve as middlemen.

104. In many cases there are indications of involvement of criminal organisations. A majority of the Czech experts consulted expressed the opinion that organised groups indeed are involved in the trafficking of illicit arms and explosives. In Lithuania the recently established Service of Special Investigations disclosed two organised groups whose scope of interest was illegal trade of explosives. In 37 investigations against criminal organisations in Germany, authorities discovered that the groups were also active in the trafficking of firearms. Hungary reports that 19 organised criminal groups are involved in the illegal firearms trade. In Russia, the smuggling of arms and ammunition is taking alarming proportions, as is the flow of such items obtained from military bases, manufacturing plants and areas of military conflict. At the same time, modern weapons of western manufacture are being smuggled into conflict zones in the Commonwealth of Independent States, e.g. in the Caucasus region. Domestic criminal organisations are probably responsible for a large proportion of these activities. In Denmark, there has been information about smuggling of firearms headed by persons with links to the biker milieu. The police have uncovered several depots of firearms, bombs and explosives attributable to the biker milieu.

105. The concentration of arms trafficking in the Balkan region also manifests itself in the quantities of firearms and explosives that are seized by law enforcement authorities in this region. In comparison to other countries, the largest numbers of firearms and explosive devices were found in 1998 in member States in the Balkans region and in the Czech Republic. In Croatia for example, 2,334 firearms were found, including 446 automatic guns. Moreover, 171 kg of explosives was discovered. In “the former Yugoslav Republic of Macedonia” 133 kg explosives and 1,274 arms (including 53 automatic or semi-automatic guns) were discovered. Slovenia reports the seizure of 823 firearms (including 222 automatic ones), 45 explosive devices (rocket launchers, mines, pipe bombs, etc.) and 222 hand grenades. In Romania the authorities found 33 firearms and 3 kg explosives in 1998. Police and customs in the Czech Republic seized, among others, 216 kg Semtex, 104 kg TNT, 96 detonators and 11 submachine guns.

106. Other member States that reported seizing substantial quantities of firearms and explosives are Ireland (726 firearms, including 30 automatic guns, and 3,350 kilograms of explosives), Moldova (587 firearms, including 9 automatic pieces, and 123 explosive devices), Lithuania (14 mines, 6 grenades and over 408 kg of explosives), Turkey (722 firearms, including 71 automatic guns, and 68 hand grenades, gas bombs and other explosive devices), Poland (110 kg of explosives and 14 explosive devices) and Norway (735 firearms, including 33 automatic guns). In the United Kingdom, with its strict arms control, firearms are now in common use by criminal groups and are widely available from sources like importation, reactivation, theft of lawfully held weapons, and the illegal trade by firearms dealers. Some criminal groups are prepared to use firearms in order to protect and enforce drug related and other criminal activities. They are also prepared to use intimidation and violence to deter the criminal justice process.

107. Firearms and explosives are, among other things, used by organised criminal groups to commit criminal offences or in conflicts with other groups. In 1998, the Czech Republic observed 30 criminal offences connected with explosions. Poland recorded 194 bombings compared to 118 such incidents in the preceding year. 19 persons were killed by these explosions. (For further information see the paragraph on violence).

2.10 Smuggling of contraband goods (e.g. cigarettes, liquor)

108. The illegal production and smuggling of excise goods is a serious problem in about a dozen member States of the Council of Europe. In most cases alcohol is the main product. The smuggling of alcohol seems to be concentrated in the north (Scandinavia, the Baltic Countries and Poland) and in the Balkans region.

109. Denmark and Finland report that the smuggling of contraband goods, particularly alcohol and spirits, mainly from the Baltic States and Russia, either in the form of re-import or ordinary smuggling, is on the increase. This is in line with the Estonian and the Lithuanian reports, which state that domestic organised groups are engaged (among other things) in illegal vodka traffic. Alcohol and cigarettes are also smuggled from Western Europe through Poland to other countries like Belarus, Ukraine, Baltic States and Russia. Polish organised criminal groups, but legal businesses as well, engage intensively in smuggling into Poland on grand scale alcohol and cigarettes, mainly from Western Europe. Since custom duties and excise for these goods are high in the member States mentioned, such activities offer enormous profit.

110. Latvia also experiences a boom in the smuggling of excise goods, such as tobacco, alcohol as well as oil products. Smuggling is based on the principle that fictitious export or re-export documents are made to non-existent companies outside the country or to companies abroad created with this specific purpose, while the goods actually remain in the country and the fictitious export documents are completed at the borders. In Latvia, the smuggling of wood is no less important. It is usually carried out by purchasing wood illegally, by stating a smaller amount of export than it actually is, or by carrying out export operations without the completion of proper documents. A similar malpractice, though with other types of goods, is reported by Iceland. Customs regulations are violated frequently by forging receipts of cars that are bought abroad and imported to the country. It is not known to what extent organised criminal groups are involved in this malpractice.

111. In the South Eastern part of the continent, Albania observes a clear increase in the production of alcoholic and non-alcoholic drinks by unauthorised persons. The financial damages are considerable. This partly can be attributed to corruption. The corruption among customs officers and the connection of public officials with criminal groups causes the weakening of the economy and of state organs. On the other hand is the weak functioning of the customs and other state organs one of the causes for the increase of smuggling, especially of cigarettes.

112. In Bulgaria, in 1998 a large business enterprise was found to be involved in the piracy manufacturing and internationally organised illegal trade of compact discs. Furthermore, it was discovered that companies associated with this firm have imported over a quarter of a million tons unrefined sugar without paying customs duties, charges and taxes due for more than five years. In another major case, ethyl alcohol was illegally imported.

113. In “the former Yugoslav Republic of Macedonia”, fraud is committed with all kinds of merchandise, most often cigarettes and alcohol and other common consumer goods by groups that are organised on an international level with members of neighbouring countries. They usually commit the fraud by preparing fictitious customs documents.

114. Customs authorities in Greece investigated and prosecuted ten cases of illegal smuggling bearing the hallmarks of organised crime. The main goods smuggled were motor vehicles (6 cases) and alcohol (3 cases). Furthermore, Greek police directorates bordering on Albania, “the former Yugoslav Republic of Macedonia” and Bulgaria were concerned with the smuggling of cigarettes. In many cases businessmen seemingly running lawful companies co-operate with traffickers originating from Greece, Georgia, Russia, Bulgaria, “the former Yugoslav Republic of Macedonia”, Albania and Iraq. The smuggling of excise goods is also one of the main activities of organised criminal groups in Ukraine. It is expected that the smuggling will increase.

115. Russia reports that there has been an increase in the scale of illegal export operations involving fuels, especially oil and other strategic raw materials and supplies. It is not only Russian organisations that are involved in activities detrimental to Russian interests, but also their foreign partners.

2.11 Illegal gambling

116. Reports from 11 countries contained information about illegal gambling. It appears from these responses that the involvement of organised crime in illegal gambling is relatively frequent and well established. This is particularly the case in countries of central and eastern Europe. Bulgaria for example reported that its authorities conducted in 1998 85 investigations for the non-payment of excise duties by illegally operated gambling institutions and seized 496 slot machines. It is unclear whether these cases are all directly linked with organised criminal groups. Croatia clearly identifies the organisation of “hazardous games” as one of the activities controlled by organised crime. The situation is similar in Cyprus where organised crime is said to be heavily involved in the gaming industry, particularly in the area of Larnaca. Out of 34 gambling establishments, some are considered as directly or indirectly controlled by organised crime groups.

117. The Czech Republic also identified among the main activities of organised crime the establishment of business firms, restaurants, casinos and gambling clubs, especially for the purpose of money laundering. One case currently dealt with by the « Financial Analytical Unit » (disclosure receiving agency) was related to a person operating illicit gambling and betting. Owners of gambling houses are often involved in the organisation of high-level prostitution as well. Lithuania also reported that illegal gambling was a traditional activity of organised crime in its territory. As a possible solution, the Government intends to legalise gambling, but it is feared that this would create conflicts among groups for controlling the sector.

118. Malta, Switzerland and Turkey also consider illegal gambling as a traditional organised crime activity. In Malta, this ranges from simple betting to clandestine and illegal lotteries, organised on a national scale (involving street betters and ticket sellers). Such illegal lotteries are said to cause significant revenue losses to local government. The Maltese authorities also

reported that it was rather difficult to infiltrate the organised crime groups operating illegal lotteries, since people know each other. However, 13 persons were charged in 1998 for participation in illegal gambling, possession of illegal gambling machines or organisation of illegal lottery.

119. Interestingly, Ireland mentioned the use of bookmakers for betting as a money laundering technique. Among the responding countries Finland reported that illegal gambling was not a significant organised crime activity, whereas the United Kingdom did not find evidence that organised crime groups were involved in Internet gambling, a new activity which may become a feature in the UK. It considers that the risk of misuse is reduced in this area, given that there are now stricter controls and that electronic signatures are required to identify gamblers .

2.12 Computer crime

120. Reports from 18 member States contained information about computer crime. It should be noted at the outset that there were a variety of acts qualified as “computer crimes” by these reports, ranging from computer hacking and computer fraud (again with various forms), copyright and intellectual property violations committed by means of information technology (including “intellectual piracy”) to the use of the Internet for transmitting child pornography or for circumventing national legislation on doping substances. The Danish report rightly pointed out in this regard that Information Technology crime (computer crime) is often ill-defined both nationally and internationally. The following part of the present report therefore deals with “computer crime” as a broad, non-legalistic category comprising at least four different types of offences and involving various types of Information Technology (stand-alone computers, Internet, telephone networks):

- computer crimes in which the computer is a target (hacking, computer sabotage, damaging of computers);
- computer-assisted crimes in which the computer is a tool to commit traditional offences (such as fraud, forgery, theft);
- « content-related » crimes in which the computer enables the distribution of illegal, harmful or dangerous information (child-pornography);
- traditional offences involving computers as objects (theft and trafficking in computer chips);

121. Concerning the first category of computer crimes, Denmark reported several cases of « organised criminal damage » committed by hacking into computer systems. Malta indicated that two cases of hacking were investigated in 1998.

122. Among computer-assisted crimes, many countries reported an increase of (various types of) computer-fraud. For example, Austria reported numerous investigations concerning fraudulent financial services offered via the Internet (loans, investments) as well as cases of fraudulent Internet banking (operating bogus banks on the Internet). It also reported fraud cases committed by telephone marketing (financial fraud). These cases concern worthless, highly speculative “financial products” offered, brokered and sold by telephone, always with fraudulent intent and often related to complex, organised international fraud schemes. Hungary also indicated that numerous computer-assisted crimes were under investigation in 1998, such as computer-related fraud (419 cases), counterfeiting credit cards (92 cases), counterfeiting

telephone cards (160 cases), violation of copyrights and neighbouring rights (1567 cases). 80 % of these cases were motivated by financial gain. The Hungarian report stressed that the insufficient protection of computer systems and the expanding use of the Internet contributed to the increase of computer crimes, considered there as a growing danger. The Romanian report likewise stated that the increasing use of IT in the banking sector is accompanied by an increase of computer-assisted fraud and embezzlement cases. Malta particularly mentioned plastic card fraud (9 cases) and copyright violations (37 cases). However, these violations also cover “counterfeiting” trade names or brands and piracy of CDs. The Netherlands also reported numerous cases of telecommunications fraud, VAT fraud involving computer components (SIMMs) as well as credit card fraud and forgery.

123. Another increasing trend seems to be the use of the Internet for distributing child pornography images, even if such cases seem not to involve organised crime groups. In this respect Finland questioned whether a pedophile ring could be qualified as an organised criminal group. Even if this is not case, a number of member States reported an increase of child pornography cases. Such an increase may partly be explained by increased law enforcement attention in this area. For example, Austria set up in March 1997 a special police unit that deals with anonymous reports on child pornography on the Internet. Its practice shows that e-mail messages are frequently used to transmit child-pornography material (1997 : 552 reports leading to 78 investigations ; 1998 : 389 reports leading to 174 investigations) Most of the cases involved also other countries. In Denmark, where the possession of child pornography has also been criminalised, the majority of possession cases also involve the use of the Internet (images are downloaded from and exchanged via the Internet). The United Kingdom report also identified the use and abuse of the Internet as the most recent and problematic trend concerning child pornography and paedophilia. The report particularly highlights the high-tech, relatively secure and anonymous nature of the Internet, which contributes to the evolution and diversification of pedophilic activity online. The Finnish report considered that child pornography was not significant, though several people were identified as members of an international pedophile ring during a large-scale international investigation. Similarly, Hungary reported that child pornography as organised crime was not typical, though members of a child-porn club were investigated. Switzerland gave indication about 6 Internet-related child-pornography cases for the first half of 1998 and Malta said that it had no case of child pornography in 1998.

124. Denmark provided evidence of the new possibilities of misuse created by the Internet: it reported about cases of trafficking in illegal doping substances which are ordered via the Internet and sent to Denmark by mail (often from the United States because such substances are legal there). It also indicated that the Internet permitted access to a large variety of such prohibited substances.

125. Another emerging trend mentioned by several member States is the illegal reproduction of copyright-protected material, mostly music CDs. This form of criminality does not involve Information Technology as a target but as a medium for transmitting and illegally reproducing copyrighted material. This is a lucrative market controlled by organised crime for several years in Bulgaria, which reported large-scale illegal manufacturing of and trading in pirated CDs (copyright violation) involving the most powerful industrial group in the country. 27 preliminary proceedings were instituted for intellectual property crimes, 4 were transmitted to the prosecutioj service. Spain equally reported that organised crime was involved in industrial and intellectual piracy, involving mostly groups from China and Eastern Asia. Luxembourg

reported two cases of industrial piracy and copyright violation for 1998. One of the cases concerned the illegal production of computer games (produced in Thailand and distributed in Luxembourg and Belgium), and the other music CDs (importation and distribution by a company domiciled in Luxembourg, production in Ireland, Israel and the Czech Republic).

126. Two countries, Ireland and the Netherlands, also mentioned the theft of computer components - which they do not consider as a computer-related crime. For Ireland, this is one of the typical activities of three major organised crime groups which took advantage of the expansion of computer industry in Ireland. The Netherlands reported smuggling of computer components from Ireland, United States and Belgium.

127. The United Kingdom believes, along with other countries, that if organised crime has become pervasive and international, this is partly due to developments in technology, such as virtual banking and the Internet. It stressed that the importance of computer networks is growing and that a wide range of offences can be committed through such networks. Organised crime realised that it may thus target information with financial value, such as credit card details, insider-trading information and commit commercial espionage or sabotage. Though there have been recorded instances of sophisticated computer-crime, such crimes are still seen by the UK only as a potential threat. Portugal also reported a significant increase of computer crimes compared to 1997, involving organised crime groups. In the Czech Republic, experts estimate that by 2001, computer may become one of the most important activities of organised crime. The Danish report also expects that the use of IT by organised crime will increase and provide new opportunities for misuse. Iceland states that organised crime groups use the newest information technology, whereas Switzerland mentions computer-related crime among the activities organised crime groups activities. Only Lithuania advises that organised crime is not involved in cyber-crime, which it explains by the low-level computerisation of the country. "The former Yugoslav Republic of Macedonia" clearly indicates that the cases of computer crime which occurred in the country, though they caused material damage, were not related to organised criminal groups.

128. Given this increase of the use of Information Technology to commit crime, Austria considered that there was a need for additional international efforts to harmonise legislations at international level and to enable systematic exchange of intelligence about computer crimes. It also stressed the importance of dealing with questions of jurisdiction, which it found difficult to establish in computer-assisted fraud cases.

2.13 Money Laundering

129. Different countries have different approaches to filtering of information: some seek to filter internally within the institution and then send 'suspicious transaction reports' straight from financial and other regulated persons to the investigators, while others (like Netherlands and Spain) first examine 'unusual transactions' to see whether they are truly 'suspicious' before passing them on for formal investigation. This partly reflects preferences for civil liberties.

130. Discussion of money-laundering appears elsewhere in this report in greater detail. The reports generally indicate a growing awareness of the links between financial crime – fraud and tax evasion – and money laundering. This was most marked in the Nordic countries, where tax evasion is given a high priority: in Sweden, for example, 70 per cent of money laundering reports were linked to financial crime, and only 5 per cent to drugs. The Danish dealt with an

increasing number of reports, but three quarters of them were on foreigners, and none on Danish organised criminals. In most Western countries, money-laundering investigations are generated by 'internal' reports from financial institutions or from domestic policing sources. However, in some, especially offshore finance centres, a large proportion of cases are mutual legal assistance ones from elsewhere. During 1998, the Cyprus money-laundering unit dealt with 72 cases, of which almost half were requests for assistance from foreign countries. This sort of pattern would be observable elsewhere, in Switzerland for example. In Ireland, about half the suspicious transaction reports were associated with organised crime (though it may be hard to tell whether some of the others may not also be involved), and their total value exceeded €160 million. The Hungarians noted soft evidence of laundering in one in 8 cases, with purchases of businesses and real estate, and the running of video arcades prominent. A common refrain was the difficulty of getting mutual legal assistance from countries in a state of conflict. Furthermore, lack of transparency meant that the proof of suspected interconnection between politics and organised crime was impossible.

Country	No. of Suspicious Transaction Reps ⁴⁰	No. seizures/ amounts seized	No. charged with money-laundering
Andorra	-	-	-
Austria	254 (239 in 1997)	254 million ATS	17
Bulgaria	-	2	5 (in 3 cases)
Croatia	-	-	-
Cyprus	37	2	1
Czech Republic	956 (U)		
Denmark	357 (309 in 1997)		
Estonia	No legislation	-	-
Finland	186 (no real change)	10 (€1.15 million)	-
Germany	3,543	DM 63 million	-
Hungary	1,010 (over F2 m.)	None	None
Iceland	Under 30	None	None
Ireland	1,202		
Latvia	-	-	-
Liechtenstein	-	-	-
Lithuania	60,000 large transaction reports; 29 suspicious financial operations		3 criminal cases
Luxembourg	108 (up 69% from 1997)	42 (€13 million)	-
Malta	13 investigations	1	-
Moldova	-	-	-
Netherlands	3,993 (an increase) ⁴¹	960 judgements; 64 cases settled €2.8 m.	
Norway	840	676 - NK43.2 m.	
Poland	17 investigations	-	2 indictments
Portugal	106	4 (€740,000)	
Slovakia	321 (107 confirmed)	16 (SK 8.9 m.)	14
Slovenia	69	Unspecified ⁴² (no confiscations)	Not specified but 13 recorded offences

⁴⁰ Some countries have unusual rather than suspicious transaction reporting. The brackets indicate whether the figures are unusual (U) or suspicious (S).

⁴¹ 19,303 unusual transaction reports (2,000 more than in 1997), which are then passed on for investigation. In the latter third of 1998, 5,977 money transfers were reported as unusual, and 192 passed on to the police as 'suspicious'.

Country	No. of Suspicious Transaction Repts ⁴⁰	No. seizures/ amounts seized	No. charged with money-laundering
Spain	869 (734 in 1997) ⁴³		
Sweden	-	SEK 98.6 million inc. tax (up 40%)	
Switzerland	160	-	-
“The former Yugoslav Republic of Macedonia”	-	-	-
Turkey	12		28 investigations

Section 3. Places and regions of criminal activity

3.1 Within national borders

131. The organised criminal groups operating in their own country are reported to choose in most cases an busy, urbanised area, sometimes concentrating on a specific region (Finland in the South, Netherlands in the West). In most cases this is where the group members live and where the most lucrative businesses can be conducted and victims can be found. Although organised crime can also flourish in other areas, the anonymity offered by an urban environment is quite helpful.

3.2 In other European countries

132. Contacts with organised criminal groups in other countries are reported in almost all replies giving an answer to this question. An exception can be found in the reply of Cyprus. In fact these contacts seem to be intensifying. The nature and intensity may depend on the sort of criminal activity and how strong the position of certain criminal groups operating in a certain area is. Groups specialising on traffic in human beings might have contacts with groups trafficking in drugs but those might differ from groups dealing with illegal firearms.

133. Compared to 1997 there is no new information given in the replies on this topic.

3.3 In countries outside Europe

134. From 19 member States information was received on contacts between groups in their country and organised criminal groups operating in outside Europe. In most cases such contacts concern countries in South America (Colombia, Brazil, Dominican Republic), Africa (Morocco, Guinea-Bissau, Nigeria) China, Pakistan and Vietnam. It is likely that these contacts relate to drugs trafficking and illegal migration.

Section 4. Use of violence

135. The use of physical violence, threats and other means for intimidation is very common among organised criminal groups all over Europe. Not surprisingly, there seems to be a higher amount of violence in countries where many criminal organisations are active. In the Russian

⁴² In Slovenia, seized goods totaled DM 684,802; Lit. 1.6 billion; US\$ 65,199; ATS 8,208; GB£13,294; SFr 394,000 and SIT 84.2 million. This shows the diversity of funds involved.

⁴³ There were 39,887 ‘unusual transactions’ reported in Spain in 1998, 10 per cent more than in 1997.

Federation, in 1997 at least 130 people were killed by organised criminal groups. According to the Italian report, there have been 197 attacks and 63 deaths related to mafia associations in 1998. The Spanish authorities calculated that 22% of the groups operating in the country use intra-group, inter-group or outer-group violence. In the United Kingdom, there were 28 reported murders related to organised crime in 1998. There has been an increase of 13% in detected premeditated murders, including 18 by killers, in Ukraine. The report from Cyprus declares that in 1998 three persons were killed by criminal organisations (22 in the last eleven years), while there have been six attempted murders. Only a few member States, particularly small countries, do not report any violence by criminal organisations. In some others, such violence is seen occasionally.

136. Violence perpetrated within the boundaries of the criminal fraternity seems to occur slightly more frequently than outside the criminal world (see Table 6). However, in many countries it is not possible to make the distinction between victims from within and from outside these boundaries. The total number of people killed in member States does not show a clear trend over the recent years (partly due to the lack of data). In some countries (e.g. Slovakia) there is an increase, while in others (e.g. Slovenia) the number of victims in 1998 was less than in preceding years. Anyhow, it is absolutely clear that organised crime is responsible for the deaths of many hundreds of individuals and numerous victims who were wounded. The overt violence by criminal organisations also causes hundreds of thousands of civilians to fear for their lives and property.

Table 6. Use of violence by organised criminal groups

Member State	Inside the criminal world		Outside the criminal world		Number of people killed		
	Intimidation	Physical violence	Intimidation	Physical violence	in 1996	in 1997	in 1998
Albania	X	X	X	X			
Andorra					0	0	
Austria	X	X	X	X		1	1
Belgium	X	X	X	X	15	28	
Bulgaria	X	X	X	X			
Croatia							
Cyprus	X	X	X	X		0	3
Czech Republic	X	X	X	X			
Denmark					3	2	
Estonia	X	X	X	X	±10	2	2
Finland	X	X	X		1	1	1
France	X	X	X	X	33	47	
Georgia							
Germany ⁴⁴	X	X	X		70	44	63
Greece	X	X				4	
Hungary	X	X	X	X		6	3
Iceland							0
Ireland	X	X			6	1	0
Italy ⁴⁵	X	X	X		201	190	63
Latvia	X		X				
Liechtenstein							

⁴⁴ The number of persons killed includes criminal attempts.

⁴⁵ The number of deaths in 1998 only refers to homicides by mafia associations.

Member State	Inside the criminal world		Outside the criminal world		Number of people killed		
	Intimidation	Physical violence	Intimidation	Physical violence	in 1996	in 1997	in 1998
Lithuania	X	X	X	X			
Luxembourg	X	X				0	0
Malta							0
Moldova	X	X	X	X		6	
Netherlands ⁴⁶	X	X	X	X		66	35
Norway	X	X	X	X	1		
Poland	X	X	X	X		20	20
Portugal	X	X	X	X			0
Romania	X	X	X	X			4
Russia	X	X	X	X		>130	
San Marino							
Slovakia	X	X	X	X		30	45
Slovenia	X	X	X	X	8	8	2
Spain	X	X	X	X	10		9
Sweden	X	X	X	X			
Switzerland	X	X	X	X			76
“The former Yugoslav Republic of Macedonia”			X	X			
Turkey	X	X	X	X			
Ukraine	X	X	X	X			18
United Kingdom	X	X					28

137. Concerning inter-group fighting, Albania reports that every week criminal groups fight against each other (and the police are intensively fighting them, too). Romania observes a clear tendency to perpetrate terrorist type actions, such as the hired killings of competitors and rivals. In the battle for criminal domination in Slovenia, contract killings continue, especially in the capital, Ljubljana. People who order such acts are known to the police. However, it is difficult to prove anything since the contractors usually come from abroad, especially from the Federal Republic of Yugoslavia. In Greece, gangs originating from Albania and Russia are settling accounts, sometimes rooted in disputes in their homelands, by using violence. Isolated cases of violence were observed within the ranks of Greek, Russian and Albanian criminal groups because of competition or attempts to control specific places and areas of criminal activity.

138. Violence as a means of eliminating persons endangering the interests of the criminal world constituted during 1998 particular concern in Poland, as there were signs of the intensification of the ‘war of gangs’, i.e. an increasing number of shootings and bombings as a means of settling disputes and a tool in rivalry between certain groups wishing to monopolise certain areas of illegal activities or markets or trying to establish their monopoly and control over certain parts of the territory of the country.

139. In some member States, use of violence against other criminals is rare, at least as far as known by the law enforcement authorities. In Austria, one Austrian national of Ukrainian descent, a cigarette smuggler, was killed by a criminal groups originating from one of the

⁴⁶ The 1998 figure refers to homicides within the criminal world, whereas the number for 1997 also includes other homicides by criminal groups.

Eastern European countries. In Finland, violence most often remains at the level of posing threats. In 1998, there has been one homicide case related to organised crime (i.c. drugs trafficking). The authorities in Luxembourg were notified about one case of intimidation of members of a group by threatening to use firearms and one kidnapping of a group member as a result of an internal conflict.

140. Most of the violence by criminal groups in “the former Yugoslav Republic of Macedonia” is directed against individuals outside the criminal world. It is used in relation to extortion, blackmail and racketeering and to solve conflicts between group members or between groups, especially those involved in the drugs trade. In Hungary, violence can be demonstrated in connection with the operation of 30 groups (24%). 12 groups (9%) use violence within their organisation in order to force operation, control and co-operation and 12 (9%) act similarly towards other groups. Violence towards individuals outside criminal circles can be demonstrated in 20 groups (16%). There have been deaths caused by three groups in the course of their activities. The Netherlands reported “sanctions” within criminal organisations in almost half of the cases investigated in 1998. The sanctions varied from intimidation and the use of physical and psychological violence to fines. A combination of both intimidation and physical violence was found most frequently: 43 cases (29%). In 36 investigations violence or intimidation directed towards individuals outside the criminal world was mentioned in 36 investigations (24%). The use of violence was relatively frequently found in Turkish criminal organisations, and in all of the cases involving suspects originating from the former Yugoslavia and Albania. Violence is often found in connection to the illicit drugs trade, e.g. as retaliation targeted at a group who took possession of several consignments of drugs (‘ripdeals’) and the threatening of buyers who fail to keep their end of the bargain.

141. Law enforcement authorities in Latvia most often encounter threats of violence against an individual, his or her family members or threats of property damage. In some (not most) cases these threats are carried out, for example, by exploding a car, explosions in buildings or offices, murders, etc. In Lithuania, violence is widely used by organised criminals inside and outside of the criminal group with different purposes. Organised criminals use violence that is often expressed by explosions and arson of the property of those persons who are under intimidation. Violence is also used during internal conflicts or conflicts among groups. In 1998, there were explosions in a district prosecutor’s office and a leader of an organised crime group was killed by an explosion.

142. Portugal notes that especially groups which are involved in trafficking drugs or in vehicle theft frequently use violence. Drugs trafficking groups use violence in conflicts between members. In one case a person was kidnapped as a measure of revenge. Car thieves use violence against the legal owners of the vehicles that they want to steal. In Ukraine, organised criminal groups (especially domestic ones) also use violent methods to obtain their illegal profits. They do it while establishing “protection” and when committing robberies and assaults. Besides, violence is used to influence the rivals and for the redistribution of the spheres of influence, etc.

143. Poland and Romania observe the establishment of a stable market for drugs traffickers and consumers in the country. The existence and further development of this market creates the preconditions for the use of violence, materialised by confrontations between groups. Especially in Romania it is expected that disputes and confrontations between mafia type groups will intensify in order to obtain or to keep the supremacy over certain areas, such as

drugs trafficking, the smuggling of cigarettes, alcohol and art objects and the trafficking of stolen cars. The United Kingdom also expresses the fear that as potential profits for organised crime become more substantial, protection of the gains can be expected to become more intense and, possibly, more violent.

Chapter III

Trends

General trends

Extent

144. In a number of member States (e.g. Hungary, Ireland, Lithuania, Luxembourg and the Netherlands), no significant changes have occurred in 1998 regarding the organised crime situation. Some countries express the opinion that within their boundaries the combating of criminal organisations by law enforcement bodies has been successful. In Italy, organised crime is weakened by a number of measures by the authorities (including the introduction of several new laws). Bulgaria states that as a result of the overall activities of the authorities, the strategic threat of organised crime to the inner security and the economic reform has been minimised. There is no economic group, connected to criminal structures, that has made claims to argue the legitimacy of the state authority. Until 1998 this has been a typical feature of organised crime in Bulgaria. The combating of Bulgarian crime groups has limited the dimensions of threat to levels that do not endanger the steady development of the country.

145. In some member States, the extent of organised crime clearly grew in 1998. Examples are Moldova and Albania. In Moldova, the situation is getting much worse, because of the growing numbers of serious crimes committed by organised criminal groups. The Albanian report even speaks of a renaissance of organised crime, especially in the north of the country, where the situation aggravated after the arrival of Kosovo refugees.

146. Although quantitative changes in the number of organised criminal groups in most member States do not show a clear tendency, the total number of participants in organised crime generally seems to be increasing. This fact could, partly or completely, be the result of improvements in the registration of data on this subject.

147. But perhaps more important are the changes in the nature of organised crime. There are several tendencies identified in the contributions of member States and by other sources. The most important ones are the increasing international co-operation between organised criminal groups, a growth in the professionalism and the integration of under and upper world.

Internationalisation

148. A key feature of modern organised crime is its international nature. More and more, criminal organisations do not confine themselves to just one country. The operational area of an increasing number of criminal groups extends across national borders. Modern criminal organisations operate in what for them has become a borderless world. Frequently, new links are established between groups residing in different member States, while already existing contacts lead to closer international co-operation. This way, domestic groups become part of an integrated international criminal framework. Internationalisation is a trend reported by many member States, both in the western and the eastern part of Europe.

Sophistication/professionalism

149. Some member States observe an increase in the level of professionalism of criminal structures. For example in Romania organisational principles and ways of working of the western mafias are adopted, perfected and adapted to the specific conditions of the country. In this realm there is a tendency for the intellectual level to increase as a result of the growing involvement of representatives from sectors like finance, commerce, administration, communication technology, logistics and even law.

150. Also evident is the tendency by organised criminal groups to render the structures that fight them out of order, inefficient and paralysed. There is evidence that criminals are increasingly aware of the possibilities for camouflaging their activities and otherwise hampering police investigations and other law enforcement efforts. This trend is observed in several member States, including Poland, Romania and the United Kingdom.

Integration with the upper world

151. A number of member States, including Austria, Hungary, Italy, Lithuania, Romania and Russia, note that organised crime is becoming more institutionalised. There is a close relation between the social, economic and political aspects of society. The Italian report uses the term 'modernisation' to describe the process whereby traditional mafia type groups present themselves more and more as business enterprises so that there is a junction between the criminal and the legal economy. There is also a tendency to form alliances in order to become more profitable and more rational. Also in Hungary, domestic organised crime have reached a stage when the activities of criminal communities have shifted to the legitimate system of the economy. The number of signs indicating links between the social elite and organised crime are ever-increasing. Criminal groups seem to be present in the surroundings of economic decision-making, even though this cannot be proven. Portugal notes that economic and financial crime increases as a consequence of the development of the world economy and the banking system, creating an area favourable for illicit operations, also because of the common use of information systems.

152. In Russia, symbiotic relationships between government officials and criminals are a potent legacy of the Soviet period. The shadow economy that arose to satisfy the unmet needs of the population had flourished parallel to the state economy for many years. This shadow economy could not have existed without the complicity of government officials at many levels. This laid the basis for illicit relationships between officials and criminals. When the USSR collapsed, these unofficial relationships did not break down. In the present transition period, the political-criminal nexus provides the possibility of obtaining enormous financial assets through the control over the privatisation of property that used to be collectively held (Shelley, p. 95). In 1998, a further consolidation of the material, technical and financial base of criminal structures has been observed, together with an increase in their member's professionalism, due to broadened international links. Organised crime is currently moving to a new level. The available data illustrate that criminal formations are seeking to infiltrate the economy even further. Criminal structures are consequently implementing a strategy of building up capital, astutely combining violent crime with various forms of commercial activity. Related to this trend is the consolidation of the nexus between criminal circles and the political world.

153. More or less the same process is seen in the Ukraine, although the privatisation process has proceeded more slowly than in Russia. However, the legal and economic consequences seem to be even more devastating in, because large scale foreign investors have withdrawn from the country, while the expertise and capacity of Ukrainian law enforcement to address the problem are even more limited than in Russia (Shelley, p. 99).

154. The Romanian report uses the term 'political parasitism' to describe the manifestation of a similar, extremely destructive, commercial activity. Already in some important economic areas, such as import, export, tax rating, use of credit facilities, etc., there are indications that decisions are dictated by organised crime chiefs. Many persons situated at the top regions of public life, even at local level, show a luxury and a behaviour that are typical for the mafia. The economic interests of criminal organisations could appear in political decision-making at most in covert, hardly recognisable form, mostly in under the camouflage of lobbies. This is nevertheless a severe source of threats.

Prognosis

155. In general, it is expected that the trends described in the preceding paragraph will continue to manifest themselves in the near future. This development is caused, among other factors, by the growing opportunities to operate economically on an international, if not global, scale, to transport both licit and illicit goods across borders. Organised crime can be expected to become more pervasive and prevalent as the opportunities from making illegal profits present themselves in an increasingly international market place.

156. Organised crime will also use the increasing opportunities provided to communicate with people in other countries through a enormous array of channels and modern devices. As criminals become more sophisticated and knowledgeable in the area of telephony and encryption and as encryption becomes more commonly available, it may become more difficult for law enforcement to monitor criminal communications. Organised criminals can be expected to make ever more strenuous efforts to conceal their illegal activities from investigation, while participation in any activity which offers high returns for minimal risks. Serious attempts to subvert public officials and agencies both to evade detection and assist their crimes can be expected.

157. One of the effects of the internationalisation of organised crime will be, that the phenomenon will also affect member States who, until now, were hardly touched by it. This means, that organised crime becomes more and more a problem of the whole Europe and beyond. Neutralisation of the negative influence on the community is only possible when law enforcement will be greatly intensified and internationally harmonised or at least co-ordinated much better than it is now.

158. Considering the nature of the crimes perpetrated by criminal organisations, the illicit drugs trade is mentioned most frequently as the type of crime that is likely to expand and intensify. This undoubtedly leads to additional income of drugs trafficking groups, who will try to launder this income and invest it in legal businesses. Other types of crime which some countries fear they will increase, are arms trafficking, illegal immigration, traffic in human beings, prostitution, extortion, falsification of money, swindling, armed robberies, murders, vehicle crime, economic and financial crimes (including money laundering). Furthermore,

several member States forecast an increase in the use of corruption and violence by organised criminal groups. Some groups will resort to more sophisticated weaponry - shotguns giving way to automatic weapons.

159. Several member States (e.g. Romania, Russia) expect that the unification process, that is bringing together the organisers and leaders of organised criminal structures in the economic and general criminal spheres, will continue and intensify in the future. In Poland there are some fears about the influence of liberalising the insurances market, which took place on the first of January 1999. Polish police point out to the fact that according to American and German experiences insurance companies may constitute ideal instruments for the purpose of money laundering. In general, the effect of integration of illicit and legal economies could be the capitalisation and both economic and political power of criminal organisations increasing to an extent posing severe threat to the workings of society itself. The continuous development of the underground economy increasingly affects the legal economy. The active consolidation of criminal groups may bring with it control of whole branches of trade, production, transport, small, medium and large businesses and financial operations. This is enhanced by deficiencies of the financial circuits and a general lack of trust in the banking system. Large amounts of cash money in possession of the population risk of being invested in affairs which are highly profitable for organised crime. Organised crime even shows a tendency to buy banks or to obtain a majority package of shares. This makes the illegal export of foreign currency and the recycling of dirty money very easy.

Chapter IV

Measures against organised crime

Drugs

160. In 1998 the member States of the Council of Europe registered about a quarter of a million seizures of drugs (Table 8). The largest number was reported by Russia: almost 183 thousand. Most of the Russian drugs seizures concern cannabis (36%) and raw opium (34%). In one of every ten cases heroin is discovered. Of course the seizure statistics are to some extent influenced by the size of the population. But even if we take this into account, the number of seizures by Russian law enforcement authorities remains relatively high.

161. Other member States where the law enforcement authorities reported many drugs seizures, related to the size of the population, are Croatia, Ireland, Luxembourg, Norway and Sweden. Cannabis is discovered most often. In Sweden, the frequency with which synthetic drugs are found by law enforcement is almost as high as that of cannabis.

162. In general, the pattern in the statistics on arrests for drugs trafficking resembles that in the seizure data. In the basis of available information, we can conclude that in 1998 more than 315 thousand people were arrested for the trafficking of drugs in Europe. Over half of these arrests were realised in Russia. About two thirds of the people arrested for drugs trafficking in Russia were for illegal trade in cannabis (35%) or raw opium (34%). Although the number of people brought before officials for heroin is much lower, the figures are still high in comparison to those of other countries. But the amount of heroin discovered is only 1% of the total quantity seized in member States in 1998. The average weight of seized consignments is much lower than elsewhere: 11 grams. This probably means that the large majority of people arrested for heroin in Russia are users and not traffickers. This explanation is also plausible for the relatively high numbers of arrests observed in Malta and Norway.

163. As regards convictions for drugs trafficking, the data provided are too incomplete to enable us to derive conclusions from them.

Traffic in human beings (including illegal immigration)

164. The information given on this topic does not contain information about the measures that have been taken in this respect. Some member States mention the number of cases they have under investigation but not the number of people involved in these cases. These replies are not included in Table 7. Once more it became clear that the statistical data in some countries do not allow providing this information.

Table 7. Traffic in human beings (including illegal immigration)

Country	Illegal entries	Number of arrests	Number of convictions
Albania			
Andorra	313		
Austria	4.569		
Belgium			
Bulgaria	7.744	949	387
Croatia	2.591		
Cyprus	52	2	
Czech Republic	7.530	70	
Denmark			
Estonia			
Finland			
France			
Germany			
Greece	146.295		
Hungary	18.017	379	
Iceland	16		
Ireland	2.288		
Italy			
Latvia			
Liechtenstein			
Lithuania	483		
Luxembourg			
Malta			
Moldova			
Netherlands			
Norway	5.900	60	9
Poland			
Portugal			
Romania			
Russian Federation			
San Marino			
Slovakia			
Slovenia	13.740	675	
Spain			
Sweden			
Switzerland			
"The former Yugoslav Republic of Macedonia"	6.772		
Turkey		41	
Ukraine	11.820		
United Kingdom			

Table 8 - Seizures, arrests and convictions for drugs trafficking

	Number of seizures					Arrets	Convictions
	Heroin	Cocaine	Amphet- amines & analogues	Cannabis	Total incl. other drugs		
Albania						148	79
Andorra	4	23	3	127	159	227	
Austria						2198	1089
Belgium							
Bulgaria	49	11		91	156		84
Croatia	669	53	271	2806	4849	291	75
Cyprus	7	4	4	237	283	30	10
Czech Republic						1300	1300
Denmark	51						
Estonia	18	35		137	220	531	33
Finland							
France							
Germany						55922	
Georgia							
Greece	180	89				8543	
Hungary	26	13	36	44	129		
Iceland							
Ireland	1012	176	1297	4936	7818		
Italy						33179	1815
Latvia						6	4
Liechtenstein							
Lithuania						414	357
Luxemburg	189	22	27	234	533	112	
Malta	58	11	18	46	157	686	206
Moldova				187	473	111	
Netherlands	797	1167	582	2351	5142		
Norway	2614	206	3073	7421	16736	13600	
Poland						14740	
Portugal	3696	1373	33	2003	7205	7329	
Romania					118		
Russia	18979	184	617	65076	182943	161578	
San Marino							
Slovakia	567	18	49	371	1062		
Slovenia						1166	
Spain							
Sweden	1285	172	4879	4971	15199		
Switzerland							
'The former Yugoslav Republic of Macedonia'	59	3	1	58	125	186	
Turkey	479	51		428	969	6121	
Ukraine	168	5		1294		6632	
United Kingdom							
Total	30907	3616	10890	92818	244276	315050	5052

Illegal arms trafficking

165. In Table 9 statistics are presented on the number of seizures, individuals arrested and persons convicted because of the illegal trade in arms. From the available information it appears that in Norway the highest number of arms seizures has taken place. In the second place comes Slovenia. Concerning arrests, the scarce data show a high number of persons arrested in Austria. The second and third place in the ranking are for Croatia and Albania. Albania and Austria score high on the number of persons convicted for illegal arms trafficking as well.

Table 9. Seizures, arrests and convictions for illegal arms trading in 1998

Country	Number of seizures	Persons arrested	Persons convicted
Albania		524	939
Andorra	1	1	
Austria		1121	845
Belgium			
Bulgaria			
Croatia		670	75
Cyprus	27	41	1
Czech Republic			
Denmark			
Estonia			249
Finland			
France			
Georgia			
Germany			
Greece			
Hungary		59	
Iceland			
Ireland	445	2	0
Italy			
Latvia			
Liechtenstein			
Lithuania			
Luxembourg			
Malta			
Moldova	499	284	
Netherlands			
Norway	± 1500		
Poland		198	
Portugal			
Romania			284
Russia			
San Marino			
Slovakia			
Slovenia	1093	168	
Spain			

Country	Number of seizures	Persons arrested	Persons convicted
Sweden			
Switzerland			
“The former Yugoslav Republic of Macedonia”	527	54	
Turkey		227	
Ukraine			
United Kingdom			
Total	4092	3349	2393

Vehicle theft

Table 10. Arrests and convictions for vehicle theft in the member States of Council of Europe in the year 1998

Country	Number of persons arrested	Number of persons convicted	Remarks on the content of the national report
1	2	3	4
Albania			No statistical data available
Andorra			No data provided in the report.
Austria		1846	Convictions refer to burglary what means that only some minority of them refers to cars
Belgium			No statistical data provided in the national report.
Bulgaria	1 492	380	
Croatia	383		Numbers in column 2 refer to „persons reported” (suspected) and not arrested
Cyprus	34	1	
Czech Republic	4 400	4 400	
Denmark			No statistical data provided in the national report.
Estonia			No statistics available.
Finland			No statistical data provided in the national report.
France			Report missing
Greece			No statistical data provided in the national report.
Georgia			Report missing
Germany			No statistical data provided in the national report.
Hungary	1 998		No data on convictions available yet.
Iceland			No statistical data provided in the national report..
Ireland		1 927	No statistical data on arrests provided in the national report.
Italy			No statistical data provided in the national report.
Latvia	427	658	The number in col.2 refers to the number of cases cleared and not persons arrested
Liechtenstein			No statistical data provided in the national report.
Lithuania			No statistical data provided in the national report.
Luxembourg			No statistical data provided in the national report.
Malta	54	6	
Moldova	196		Data in col.2 refer to persons suspected.
Netherlands			No statistical data provided in the national report.

Country	Number of persons arrested	Number of persons convicted	Remarks on the content of the national report
Norway	1 441	326	
Poland	5 655		Data in col.2 refer to persons suspected; no data on convictions for 1998 available yet.
Portugal			No data on col. 3, 4 and 5 provided.
Romania	69		Data in col.2 refer to the number of members of the dissolved groups engaging in vehicle theft.
Russia			No data provided.
San Marino			Report missing
Slovakia			No statistical data provided in the national report.
Slovenia			No data available yet.
Spain	14 530		No data on col.3 provided.
Sweden			Data on col.2 and 3 for 1998 not available yet.
Switzerland			No statistical data provided in the national report.
“The former Yugoslav Republic of Macedonia”			No statistical data provided in the national report.
Turkey			No statistical data provided in the national report.
Ukraine			No statistical data provided in the national report.
United Kingdom			No statistical data provided in the national report.

Armed bank robberies

166. Statistical data on arrests and convictions for armed bank robberies are hardly available in the most of the member States. The main reason for this is the fact that most criminal codes do not provide for a separate offence of armed bank robbery. They know only armed robbery as an aggravated form of robbery, which includes of course robberies of banks, but also many other kinds of armed robberies, including related types such as robberies of postmen, currency exchange offices, money transports etc. As national criminal justice statistics are constructed usually according to legal categories of criminal codes, separate data on bank robberies and their perpetrators are usually not collected. As a result of this, data in the table below are of very fragmentary character.

Table 11. Arrests and convictions for armed bank robberies in the member States of the Council of Europe in the year 1998

Country	Number of persons arrested because of armed bank robberies	Number of persons convicted because of armed bank robberies	Remarks on the content of the national report
1	2	3	4
Albania	12	-	No statistical data provided in the national report.
Andorra	0	0	
Austria		164	Data in col.3 refer to all convictions for serious robbery.

Country	Number of persons arrested because of armed bank robberies	Number of persons convicted because of armed bank robberies	Remarks on the content of the national report
Belgium			No statistical data provided in the national report.
Bulgaria			No data available
Croatia	9		No data on col.3 provided.
Cyprus	0	0	
Czech Republic			No data on col.2 and 3 available.
Denmark			No data on col.2 and 3 available.
Estonia			No data on col.2 and 3 available.
Finland			No data on col.2 and 3 available.
France			No data on col.2 and 3 available.
Greece			No data on col.2 and 3 available.
Germany			No data on col.2 and 3 available.
Hungary	65		Data in col.2 refer to suspects. No data on col.3 available
Iceland	0	0	
Ireland	26	0	
Italy			No data on col.2 and 3 available.
Latvia			No data on col.2 and 3 available.
Liechtenstein			No data on col.2 and 3 available.
Lithuania			No data on col.2 and 3 available.
Luxembourg			No data on col.2 and 3 available.
Malta			No data on col.2 and 3 available.
Moldova	4		Data in col.2 refer to suspects.
The Netherlands			No data on col.2 and 3 available.
Norway	16	3	
Poland			No data on col. 2 and 3 available.
Portugal	20		No data on col.3 available.
Romania			No data on col.2 and 3 available.
Russia			No data on col.2 and 3 available.
Slovakia			No data on col.2 and 3 available.
Slovenia	3		No data on col.3 available.
Spain	583		No data on col.3 available.
Sweden			No data on col.2 and 3 available.
Switzerland			No data on col.2 and 3 available.
“The former Yugoslav Republic of Macedonia”	2		No data on col.2 and 3 available.
Turkey			No data on col.2 and 3 available.
Ukraine			No data on col.2 and 3 available.
United Kingdom			No data on col.2 and 3 available.

Chapter V

Criteria for identifying organised crime groups – Corresponding provisions in member States' legislation

167. As has been stated in the questionnaires 1996, 1997 and 1998, the Committee PC-CO did not seek to define organised crime. Instead it decided to use the mentioned list of criteria adopted within the European Union concerning organised crime groups, to enable member States to select, along the same criteria, certain criminal groups that could qualify as “organised”.

168. During the years mentioned above the PC-CO received from 29 member States parts of their legislation concerning the criminalisation of membership in organised criminal groups. The aim of this part of the report is to analyse these parts of legislation in order to provide member States with knowledge as to which of the mandatory and optional criteria have been translated into the national laws of the member States, how this has been done and to analyse and explain some of the differences that may exist between these legislations.

169. Before doing so two points should be taken into account. The first is that it should be noted that the legislative material received by the PC-CO did not always contain the full text of the legislation; in some cases descriptions and/or interpretations were given. Only in one case the PC-CO received explanatory comments and a notification of the Parliamentary debate that took place. The quality of the analysis could therefore certainly be improved by taking more of these comments into account. A second point that should be mentioned is that although most of the mentioned criteria have been used in a criminological way over the past years, the following analysis concentrates on the criminal law aspects of the same criteria. Especially the mandatory criteria found their way into the legislations. The optional criteria refer, however, in most cases to the actual behaviour, for which reason they are not often found in criminal law.

170. Eight members Stated that they do not have a legal concept or definition of organised criminal groups or organised crime. These are Cyprus, Denmark, Estonia, Finland, Iceland, Malta, Norway and Slovenia. From eleven members no information was received on this subject. These are: Austria, Greece, Ireland, France, Liechtenstein, Russia, Slovakia, Sweden, Switzerland, Ukraine and United Kingdom.

Mandatory criteria:

1. Collaboration of three or more people

171. In theory a distinction could be made between those countries that have criminalised the creation of and participation in a criminal organisation or association as a separate criminal offence and those countries that consider this as an aggravation of individual criminal responsibility. From the replies received it seems that only in one member State a further distinction has been made between criminal association and organised group. In this case taking part in an organised group is considered as an aggravating circumstance, whereas the creation of and/or participation in a criminal association is considered as a separate criminal offence.

Collaboration

172. Without having the explanatory comments it is difficult to specify what the term collaboration means exactly. Is it necessary that all group members work together in all instances and do they all have to participate in the actual carrying out of the crimes? The common elements in all (available) definitions are some sort of agreement, the purpose of committing crimes, the preparation of crimes. Not all definitions contain literally the element "organised". This could however be deducted from a term like "sharing of work" which in the meaning of "dividing" refers to a certain degree of organisation.

Three or more people

173. It would be interesting to know, if and by which legal systems and experiences from other countries, legislators are influenced when creating new laws. This can however not be concluded in any way from the material available. Four member States use three or more people as criterion in their legislation. This is the case in Estonia, Croatia, Italy, San Marino and in the draft text of Spain.

174. In nine member States the criterion is more strict, namely two or more persons. This is the case in Albania, Andorra, Belgium, Czech Republic, Hungary, Luxembourg, Latvia, Portugal and Turkey. Over the past years it has been stated over and over again that organised crime poses a serious threat to society, democracy, the rule of law, and social and economic progress. Governments wanting to develop instruments and policies for combating this phenomenon might therefore desire to introduce a more severe criterion because of the threatening effect organised crime has. Another reason could be the gathering of evidence. Four member States chose an individual approach expressed in the wording (...) "A person who...". This can be found in Greece, the Netherlands, Poland and "the former Yugoslav Republic of Macedonia".

175. Only in one case no reference to the number of people was found. This is in Moldova where the legislation says "(...) persons". It is possible however that in this case also two or more persons are meant by applying a grammatical way of interpretation.

2. For a prolonged or indefinite period of time

176. What exactly is meant by a prolonged period of time might vary throughout the member States. Regarding this criterion from eighteen member States no information is available. In twelve member States there is no period of time mentioned. In two cases within this group a reference to the element of time can be deducted from the formulation "(...) *commettre un ou plusieurs crimes*". Even if there is no direct reference to the time element included, it does not necessarily mean that this is not included in the historic development of the legislation. One could argue that a prolonged period of time is a constitutive element for the establishment and collaboration of an organised criminal group. Ten member States refer directly to a period of time by using wordings like "permanent", "constantly", "temporary" or "occasional".

3. Suspected or convicted of committing serious criminal offences

177. The first part of this criterion refers to the members of an organised criminal group. They are either suspected of committing serious criminal offences, or convicted for doing so. But what does the second part mean. What criminal offences are considered as serious? It seems that there is not yet consensus on this point.

178. From nineteen member States information on this topic is available. Fifteen use the following, or an even more general expression: "(...) *Those who commit a criminal act/crimes*". These are: Albania, Andorra, Belgium, Croatia, the Czech Republic, Germany, Italy, Latvia, Lithuania, the Netherlands, Poland, Romania, San Marino, Spain (draft) and Switzerland. Then there are four member States using a description combined with a catalogue of which crimes belong to this category: Estonia, Moldova, "the former Yugoslav Republic of Macedonia" and Spain (draft). Without having more specific information, it is hard to give a valid picture of the mentioned differences. Especially in the first category it is difficult to understand what has to be regarded as serious criminal offences.

179. Another idea is to deduct the seriousness of the offences from the penalties that can be imposed. Where the penalty that can be imposed is deprivation of liberty for a period of five or more years, then this is taken as "serious" in: Estonia, France, Hungary, Italy, Luxembourg, Moldova, Portugal, Poland, Romania and Spain (draft). In some cases a further distinction can be made between group leaders and members, as is the case in: Albania, Bulgaria, Hungary, Italy, Moldova, "the former Yugoslav Republic of Macedonia", Portugal, Poland and Spain. Theoretically leaders and creators of organised criminal groups can be punished more severely than group members in these countries. Whether this is also what happens in practice is not clear and might depend on the specific role an individual has played in the organisation.

From 22 member States no information was available.

Country	Leaders/creators	Members ⁴⁷
Albania	5-15 years	Max 5 years ⁴⁸
Andorra	?	5
Austria	?	?
Belgium	?	?
Bulgaria	1-5 years	3 years
Croatia	?	6 months-5 years
Cyprus	?	?
Czech Republic	?	?
Denmark	?	?
Estonia	?	3-8 years
Finland	?	?

⁴⁷ This category includes legislation where no further distinction is found between leaders and members.

⁴⁸ This means max. 5 years in addition to the sentence given for the crime committed.

Country	Leaders/creators	Members ⁴⁷
France		10 ⁴⁹
Germany		5
Greece	?	?
Hungary	1-5 years	3 years
Iceland	?	?
Ireland	?	?
Italy		3-7 years ⁵⁰
Latvia	?	?
Liechtenstein	?	?
Lithuania	?	?
Luxembourg		1-3 years ⁵¹
Malta	?	?
Moldova	10-20 years	3-10 years ⁵²
Netherlands		5 ⁵³
Norway	?	?
Poland	6 months-8 years	3 years
Portugal	2-8 years	1-5 years
Romania		3-15 years
Russian Federation	?	?
San Marino	?	? ⁵⁴
Slovakia	?	?
Slovenia	?	?
Spain	8-14 years	6-12 years ⁵⁵
Sweden	?	?
Switzerland		5 years ⁵⁶
"The former Yugoslav Republic of Macedonia"	3 or more ⁵⁷	3-5 years

⁴⁹ This is the penalty in cases of *organisation de malfaiteurs* according to art. 450 Code Pénal. This can be combined with a fine of max. 1 million Francs.

⁵⁰ In cases of Mafia type organisations, leaders can be punished from 4 to 9 years and members with 3 to 6 years.

⁵¹ The law says 1-3 years and a fine between 100.000 and 500.000, ou d'une de ces peines.

⁵² Leaders can be punished with imprisonment of 10 to 20 years and confiscation of the proceeds. Members can be punished with imprisonment of 3 to 10 years, with or without confiscation of the proceeds.

⁵³ Or with a fine of the 4th category, which is HFl. 25.000.

⁵⁴ Imprisonment of the 3rd degree and a fine of the 4th degree.

⁵⁵ According to the draft legislation.

⁵⁶ Or a fine.

⁵⁷ Unclear is what the maximum penalty is.

Country	Leaders/creators	Members ⁴⁷
Turkey	?	?
Ukraine	?	?
United Kingdom	?	?

4. With the objective of pursuing profit and/or power

180. The specific intent this criterion refers to is mentioned in the legislation of only five member States but even these countries only refer to the purpose of pursuing “profit”. No reference to power was found in any legislation.

Optional criteria:

181. Regarding these criteria information is hardly available at this stage; only in ten member States references were found. Eight members refer to criterion 5, having a specific task or role for each participant.⁵⁸ In one case criterion 6 was found. Four member States included criterion 7 in their legislation and criteria 8 and 9 were found in three. No references at all were found to 10 and 11.

⁵⁸ According to J. Albanese “The causes of organised crime: do criminals organise around opportunities for crime or do criminal opportunities create new offenders” Lausanne October 6-8, 1999 this is even not a qualifying criterion for organised criminal groups.

APPENDIX I**Table 12. Estimated number of groups and number of participants in organised crime**

	Number of groups			Number of participants			Population in million	Ratio groups	Ratio participants
	1996	1997	1998	1996	1997	1998			
Albania							3.3		
Andorra							0.07		
Austria							8.1		
Belgium		238	285		1978		10.2	28	194
Bulgaria					4000		8.2		488
Croatia							4.7		
Cyprus			2				0.7	3	
Czech Rep.		30-50	180		1500-2000	7500	10.3	17	728
Denmark			25-50			250-500	5.3	> 5 < 10	47-94
Estonia		12	12		500	500	1.4	9	357
Finland	12	16	22		200	200-400	5.1	4	39-78
France							58.8		
Georgia			> 5 < 10				5.1	< 2	
Germany	845	841		8384	8094		82.1	10	99
Greece		17					10.7	2	
Hungary	137	108	70	2000	2927	3592	10.2	7	352
Iceland						50	0.3		166
Ireland	59	76	76				3.6		
Italy		524			19850	19600	56.8	9	345
Latvia		102					2.4	43	
Liechtenstein							0.03		
Lithuania	30	150	30		1066	> 1000	3.6	8	> 278
Luxembourg							0.4		
Malta							0.4		
Moldova	71	65	105			1094	4.5	23	243
Netherlands	44	56	149			2230	15.7	9	142
Norway							4.4		
Poland	377	731	644	4750		5500	38.6	17	142
Portugal		24	> 50			322	9.9	> 5	33
Romania			> 500				22.4	> 22	
Russia	8000			35000			146.9	54	238
San Marino							0.02		
Slovakia		5	52		100-140	590	5.4	10	109
Slovenia	40	40	40	400	400	400	2.0	20	200
Spain	182	264	183	1931	3765	5550	39.1	5	142
Sweden							8.9		
Switzerland			36			2523-4000	7.3	5	346-548
“The former Yugoslav Rep. of Macedonia”							2.0		
Turkey			35				64.6	1	
Ukraine		1079	1157		4392	4836	50.1	23	97
United Kingdom		480	579				59.0	10	

N.B. For calculation of the ratios, the most recent data on numbers of groups and participants were used.
Source of the population figures: CIA Factbook 1998, <http://www.cia.gov/cia/publications/factbook/>.

The population figures are estimates for July, 1998.

APPENDIX II

Table 13 Drugs seized in member States (amounts in kilograms)

States	Heroin				Cocaine			
	1995	1996	1997	1998	1995	1996	1997	1998
Albania								10
Andorra								
Austria	47	81	165	118	55	73	87	99
Belgium	129	140	109	76	576	838	3329	2088
Bulgaria	208	371	415	220		12	2	686
Croatia	38	2	3	51		2	558	6
Cyprus		1			3			
Czech Republic	3	12	84	252	36	27	62	50
Denmark	37	61	38	55	120	32	62	44
Estonia								3
Finland	16	7	2	2		1		2
France	499	617	415	344	874	597	861	1051
Georgia								
Germany	933	900	722	686	1846	1373	1721	1332
Greece	173	190	146	185	9	156	17	283
Hungary	588	316	206	635	19	4	7	26
Iceland								
Ireland	13	11	8	38	22	642	11	333
Italy	954	1270	474	703	2603	2379	1650	2144
Latvia					10			
Liechtenstein		8	17		1			
Lithuania				423	2			10
Luxemburg	13	6	3	4	1	16	9	6
Malta		2	5					
Moldova			10					
Netherlands	351	516	908	2072	4851	9222	11489	11452
Norway	50	74	55	38	4	33	5	93
Poland	67	46	143	67	383	25	16	21
Portugal	66	47	57	97	2117	812	3163	621
Romania	54	112	171	412	16	713	70	1
Russia	15	14	40	193	372	74	248	70
San Marino								
Slovakia	124	11	146	14	26	15	10	16
Slovenia	18	19	30	46	3	1	3	4
Spain	560	537	479	444	6898	13743	18516	11688
Sweden	31	26	14	71	4	20	34	19
Switzerland	213	406	209	404	262	256	349	252
"The former Yugoslav republic of Macedonia"	90	29	15	12		14		
Turkey	4500	4422	4200	4624	76	13	10	605
Ukraine		3	9	3			627	251
United Kingdom	1395	1070	2200	1100	970	1219	2074	2808
Total	11185	11327	11498	13389	22159	32312	44990	36074

Drugs seized in member States (amounts in kilograms)

States	Amphetamines and analogues				Cannabis (herbal and resin)			
	1995	1996	1997	1998	1995	1996	1997	1998
Albania				1				2308
Andorra					3	2		1
Austria	18	10	14	39	697	518	915	1336
Belgium	227	80	240	513	65006	106690	48705	5865
Bulgaria			390		2	13070	127762	1528
Croatia		3		3	39	43	139	20346
Cyprus					35	36	46	130
Czech Republic		20		17	4500	11852	6	7
Denmark	42	32	121	32	2414	1772	467	1573
Estonia						3		5
Finland	21	22	23	26	148	103	210	169
France	189	244	252	451	42270	66861	61116	55698
Georgia						3854		
Germany	248	403	464	415	14248	9355	11499	21008
Greece					1162	3374	19377	17741
Hungary	2		1	11	589	815	2161	50
Iceland	5	3	1	3	11	40	9	15
Ireland	37	13	107	209	16677	1940	1283	2202
Italy	85	41	50	33	15399	11868	60436	54199
Latvia				1	1	1000	23	6
Liechtenstein						25		
Lithuania							2	34
Luxembourg		1		3	12	31	35	7
Malta						7217	2	24
Moldova							362	215
Netherlands	449	1250	1760	1899	332086	103000	65457	118122
Norway	55	10	70	215	278	722	979	1992
Poland			6	2	12308	2808	690	1975
Portugal		2	19		7495	5360	9693	13617
Romania		3	1	1	40	4852	1352	225
Russia	5		18	26	20645	1854	23864	23994
San Marino								
Slovakia				10	4	15	852	15371
Slovenia	2	2	1	2	32	40	3	2774
Spain	228	146	166	226	197024	252129	325669	428236
Sweden	281	130	191	139	527	287	741	496
Switzerland	3	17	22	6	807	4236	123	385
“The former Yugoslav republic of Macedonia”						130	58	60
Turkey		1	5	1	9755	7075	10439	9290
Ukraine				23				10400
United Kingdom	1470	3158	1409	1600	58484	101127	82616	60487
Total	3367	5591	5331	5907	802698	724104	857268	901823

Table 14 Other types of drugs seized in member States in 1998

Category	Type	Unit	Amount	Country		
Narcotics	Opium	grams	1,970	Bulgaria		
			19,200	Estonia		
			755	Latvia		
			101	Lithuania		
			19,984	'the former Yugoslav Republic of Macedonia'		
			13,480	Moldova		
			1,034	Netherlands		
			728	Romania		
			1,804,716	Russia		
	Opium extract	litres	49	Lithuania		
		kg	122	Ukraine		
	Poppy straw and heads	kg	36	Estonia		
			192	Latvia		
			1,525	Lithuania		
			6,872	Poland		
			26,440	Ukraine		
	15,815	Russia				
	Papaverum Somniferum	m ² plants	1,824	Moldova		
	Poppy straw extract	litres	65	Latvia		
			394	Poland		
	Morphine	tablets	359	Ireland		
			17	Romania		
			3	Slovakia		
		grams	3	Iceland		
			3	Estonia		
			4	Ireland		
			500	Portugal		
			20	Switzerland		
			727	Turkey		
			14,960	Russia		
			Ethylmorphine	tablets	759	Slovakia
			Codeine	tablets	2,100	Moldova
	163	Slovakia				
grams	1	Slovakia				
Dihydrocodeine	tablets	124	Ireland			
		77	Malta			
Methadone	litres	16	Ireland			
		1	Luxembourg			
		505	Netherlands			
	tablets	360	Ireland			
		13	Lithuania			
		4,093	Netherlands			
33	Romania					
Other opiates	grams	167,714	Russia			
Cannabis	Cannabis plants	plants	62,742	Albania		
			276	Cyprus		
			3	Czech Republic		
			23,184	Estonia		

Category	Type	Unit	Amount	Country
			2,900	Finland
			81,097	Germany
			9,967	Greece
			1,033	Hungary
			690	Ireland
			190,240	Italy
			222	Luxembourg
			457	“the former Yugoslav Republic of Macedonia”
			5	Malta
			261,895	Netherlands
			300	Poland
			14,453	Slovenia
			3,468	Spain
			8,076	Switzerland
			2,931,322	Turkey
		m ² with plants	360	Bulgaria
			513,100	Croatia
			750	Hungary
			54,300	Slovenia
		kg plants	16	Bulgaria
			1,520	Hungary
			30	Netherlands
			1,903	Poland
			106	Turkey
	Cannabis seeds	grams	6,556	Bulgaria
	Hashish oil	grams	592	France
			500	Germany
			120	Netherlands
			600	Switzerland
			102,856	Russia
			70	United Kingdom
		litres	150	Netherlands
Hallucinogens	LSD	trips/doses	28	Andorra
			2,894	Austria
			321	Belgium
			86	Croatia
			9,183	Germany
			10	Greece
			3,754	France
			3,351	Hungary
			269	Iceland
			798	Ireland
			9,752	Italy
			58	Latvia
			123	Malta
			37,688	Netherlands
			2,757	Norway
			14,902	Poland
			261	Portugal
			63	Slovakia
			19	Spain

Category	Type	Unit	Amount	Country		
			2,704	Sweden		
			1,858	Switzerland		
			55	Ukraine		
			1,530	United Kingdom		
		grams	1,128	Russia		
	Hallucinogenic mushrooms	grams	12	Iceland		
			303	Luxembourg		
			15	Netherlands		
			4,475	Poland		
Depressants	Barbiturates	capsules	1,800	Moldova		
	Nitrazepam	tablets	566	Lithuania		
	Oxazepam	tablets	43	Lithuania		
	Flunitrazepam (Rohypnol)			44,100	Austria	
				5	France	
				4	Germany	
				10	Greece	
				361	Ireland	
				15	Malta	
				25,302	Norway	
				14,880	Slovakia	
				221,720	Sweden	
				capsules	26	Greece
				Diazepam (Valium)	capsules/ ampules	
	2	Slovakia				
	176	Malta				
	28	Norway				
	340	Slovakia				
		tablets		650	Ukraine	
				20	Slovakia	
				223	Slovakia	
				5	Malta	
Temazepam	tablets/capsules		447	Ireland		
			kg	300	United Kingdom	
(Other) benzodiazepines	tablets/capsules		2,077	Ireland		
			97	Norway		
Barbiturates and tranquillisers	grams		7,151	Russia		
Doping substances	Sterides and other doping substances	ampules	527,590	Poland		
		units	220,247	Denmark		
		capsules	2,850	Sweden		
		tablets	12,800	Sweden		
		tablets/capsules/doses	1,713	Iceland		
(Other) Stimulants	Fenmetrazine	grams	149	Sweden		
		tablets	477,250	Turkey		
	Khat	plants	50	Ireland		
		kg	549	Denmark		
			2,865	Germany		

Category	Type	Unit	Amount	Country
			64	Italy
			3,296	Sweden
Other	GHB	grams	15	Estonia
	Ketamine	grams	6	Estonia
	Unspecified psychotropic preparations	tablets	11,244	Latvia
			294,736	Sweden
		units	99,138	Spain
		doses	20,002	Italy
		grams	673,447	Russia
			727	Turkey

APPENDIX III**Replies to the 1998 questionnaire**

Albania
Andorra
Austria
Belgium
Bulgaria
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
Germany
Greece
Hungary
Iceland
Ireland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Malta
Moldova
Netherlands
Norway
Poland
Portugal
Romania
Russian Federation
Slovak Republic
Slovenia
Spain
Sweden
Switzerland
"The former Yugoslav Republic of Macedonia"
Turkey
Ukraine
United Kingdom

APPENDIX IV

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APPENDIX V

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