

European Commission
Commission européenne



Council of Europe
Conseil de l'Europe

CARPO Regional Project

English only
PC-TC(2007) 6

Update of the 2006 Situation Report on Organised and Economic Crime in South-eastern Europe

Strasbourg, June 2007

The CARPO project (“Development of reliable and functioning policing systems, and enhancing of combating main criminal activities and police co-operation”) is a technical co-operation project jointly funded by the Council of Europe and the European Union. First, it had an initial duration of 30 months (March 2004 - September 2006) and was extended for a further 9 months until June 2007. The Council of Europe is responsible for the implementation of the project, in partnership with Belgium, Finland, Hungary, Italy, Slovenia, Spain, Sweden and the International Organization for Migration.

For any additional information please contact:

Department of Technical Co-operation
Directorate General of Human Rights and
Legal Affairs
67075 Strasbourg Cedex, France
Tel +33-3-9021-5305
E-mail: jean-charles.decordes@coe.int
Website: www.coe.int/economiccrime

This document has been produced with the financial assistance of the European Union and of the Council of Europe. The views expressed herein can in no way be taken to reflect the official opinion of the European Union or of the Council of Europe.

TABLE OF CONTENTS

1	EXECUTIVE SUMMARY	5
2	ORGANISED AND ECONOMIC CRIME IN SOUTH-EASTERN EUROPE.....	7
	2.1 Purpose and background of this report	7
	2.2 Organised crime and its salient features	9
3	CRIMINAL ACTIVITIES.....	11
	3.1 Illicit drugs.....	11
	3.1.1 Amphetamine- type stimulants (ATS).....	12
	3.1.2 Cannabis products	13
	3.1.3 Opium poppy cultivation and illicit production of opiates.....	15
	3.1.4 Cocaine.....	17
	3.1.5 Overview on Seizures in all project areas	19
	3.2 Trafficking in Human Beings	21
	3.3 Smuggling of persons	26
	3.4 Economic crime	31
	3.5 Money laundering	36
	3.6 Corruption.....	39
4	(BRIEF) RECOMMENDATIONS	43
5	ANNEX: THE CONCEPT OF ORGANISED CRIME.....	44
6	BIBLIOGRAPHY	46
7	ABBREVIATIONS AND ACRONYMS	50

1 EXECUTIVE SUMMARY

Organised and economic crime threatens human rights, the rule of law, state security, economy and democracy in South-eastern Europe and beyond. This situation calls for a substantive and regularly updated analysis of the scope, nature and characteristics of organised and economic crime in the region. Consequently, in the framework of the CARPO regional project¹, three situation reports on organised and economic crime in South-eastern Europe were prepared.

The **2004/2005** situation report was carried out during spring and summer of 2005 and presented to the Ministers of Interior and Security from South-eastern Europe at their High level meeting held in September 2005 in Brijuni (Croatia).

The **2006** situation report was a substantive update of this report which included information for the entire year of 2005 and partly the first quarter of 2006. The report was based on contributions by representatives from various law enforcement institutions from Albania, Bosnia and Herzegovina, Croatia, Kosovo², Montenegro, Serbia and "the former Yugoslav Republic of Macedonia" (hereinafter referred to as "project areas"). Additional information from various international police organisations and bodies³ and reports recently published by governmental, non-governmental and other open sources were considered as well. The report was presented to the Heads of Police and senior officials from South-eastern Europe at their regional meeting held in Sarajevo on 21 September 2006.

The **2007** situation report intends to briefly update the 2006 situation report. As in this early stage all other sources have not yet published, the current report is mainly based on the contributions from the project areas. The report allows a 3-year period overview on the situation of organised and economic crime and will be presented to the Heads of Police from South-eastern Europe at their regional meeting in Belgrade (Serbia) on 20 June 2007.

Based on the findings of 2004-2006, organised and economic crime in South-eastern Europe, as elsewhere, is a dynamic concept which keeps adapting to an ever changing environment. It is increasingly multi-national and heterogeneously structured, very flexible, entrepreneurial oriented, involving a large variety of criminal activities, mainly illicit drugs trafficking, production and dissemination, trafficking in human beings, smuggling of persons and economic crime.

All project areas have implemented legal definitions on organised and serious crime in their national legal frameworks. They are aware of the fact that prevention and repression of organised and economic crime largely depends on a deep knowledge of these transnational phenomena, a sound implementation of national crime policies and strategies in line with European and international standards and a well-established and functioning international law enforcement co-operation.

Key findings of this report are:

- The traditional Balkan drug trafficking routes have been expanded as two-way routes with an increasing volume of trafficking. Mainly heroin and cannabis are moving towards the European Union (EU), but also cocaine, while precursor chemicals and synthetic drugs are moving eastwards, increasingly in form of multi-drug trafficking ('cocktail load').

¹ "Development of Reliable and Functioning Policing Systems and Enhancing of Combating Main criminal Activities and Police Co-operation". This project is jointly funded by the European commission and the Council of Europe, had an initial duration of 30 months (March 2004 - September 2006) and was extended for a further 9 months until June 2007. Further information: www.coe.int/carpo.

² Currently under the interim administration of UNMIK in accordance with the United Nations Security Council resolution 1244 (1999).

³ E.g. Europol, Eurojust, Frontex, EMCDDA, PAMECA, UNMIK, SECI Centre, but also Interpol, ICTY, UNODC and other UN bodies.

- Trafficking in human beings for sexual exploitation has become more clandestine and sophisticated (“micro-brothels”), but seems to decrease. Victims also seem to be receiving a less violent physical treatment (and more money) but also more psychological pressures (threats to families at home). Some project areas have reported trafficking of children (under 18 years of age) for begging or more clandestine purposes.
- Illegal migration is and has been on top of national and international agendas for some time. Law enforcement efforts and a more effective border control management appear to have made a positive change as the figures are decreasing; at least so far organised crime groups are engaged.
- Economic crime, which seriously affects all project areas continues to evolve but remains fussy and unclear. Amended tax legislation improved revenue collection and largely reduced tax evasion. However, some opportunities for illegal trade in the region remain, such as the smuggling of all kind of commodities (cigarettes and weapons). Dissemination of counterfeit money and forgery of documents is increasing. The fight against other forms of economic crime, such as product piracy and cybercrime seem to require more attention.
- As the project areas have recognised the negative impact of serious crime on their economies, they all have set up a Financial Intelligence Unit (FIU) or similar bodies. Financial investigations and intelligence are crucial, as well as using all legal possibilities to seize and confiscate proceeds of crime. However, intelligence is fragmentary.
- Corruption appears to be a main tool for influencing and penetrating political, commercial and law enforcement structures. In all the project areas the corruption-related problems still prevail. However, project areas have established and amended the legislative framework, adopted national strategies, developed Action Plans and required organisational structures have been set up. Increasing figures in some project areas are signs of a positive development.

The measures developed by the project areas within the framework of the CARPO project, but also within other context of co-operation with EU, OSCE, Stability Pact, SECI Centre, UN and the Council of Europe’s monitoring mechanisms such as GRECO and MONEYVAL will help overcome these shortcomings as follows:

- Continuously strengthen information collection, establish a sound reporting system and comparable crime statistics, implement an analysis system in line with EU-standards (ENFOPOL 35) and complete the implementation of legal instruments on privacy and data protection on EU level;
- Target-oriented and prioritised collaboration of law enforcement bodies in the region (inter-agencies and cross-border approach), making intensive use of EU and regional bodies in place (Europol, Eurojust, Frontex, Olaf, Seci Centre, Stability Pact’s initiatives);
- Ongoing training and technical support to strengthen investigation skills in the fields of organised and economic crime, which also has to include significant efforts on language training, to break cumbersome language barriers;
- Monitoring by project areas, on a more systematic basis, of the effectiveness of structures, measures and assistance for the prevention and control of organised and economic crime;
- Further development of SEEPKA to a body with similar functions and authority as the European Union’s Chief of Police Task Force;
- Completion of the process of ratification and full implementation of European conventions and other instruments will finally help project areas make progress and facilitate international co-operation, as well as the adoption and implementation of EU standards and regulations and also the use of supporting programmes⁴.

It is expected that the current report will provide additional guidance to policy makers in Europe and in the region to make a better formed anti-crime public policy and decisions, to pursue consistent action in the fight against organised crime in South-eastern Europe.

⁴ Such as the EU programmes FALCONE, PHARE and the new programme “Prevention of and Fight against Crime 2007 to 2013”, Decision No. 2007/125/JHA, adopted by EU Council on 12.2.2007 and the various Council of Europe technical assistance programmes.

2 ORGANISED AND ECONOMIC CRIME IN SOUTH-EASTERN EUROPE: THE FRAMEWORK

2.1 PURPOSE AND BACKGROUND OF THIS REPORT

Enhanced information exchange between European law enforcement authorities, improved intelligence analysis, and closer international co-operation give rise to growing concerns with organised and economic crime in South-eastern Europe. This, and some of the project areas' prospective accession to the EU, calls for a regular and substantive analysis of the scope, nature and characteristics of organised and economic crime in the region as well as its international networks.

The Council of Europe designed the CARPO regional project to strengthen police capacities against serious crime in South-eastern Europe. One of the expected results of this project is to enhance the understanding of organised and economic crime and of emerging threats. Consequently, within the framework of this project regular situation reports on organised and economic crime in South-eastern Europe were carried out since 2005:

The 2004/2005 situation report was carried out during spring and summer of 2005 and presented to the Ministers of Interior and Security from South-eastern Europe at their High level meeting held in September 2005 in Brijuni (Croatia).

The 2006 situation report was a substantive update of this report which included information for the entire year of 2005 and partly the first quarter of 2006. The report was based on contributions by representatives from various law enforcement institutions from Albania, Bosnia and Herzegovina, Croatia, Kosovo⁵, Montenegro, Serbia and "the former Yugoslav Republic of Macedonia" (hereinafter referred to as "project areas"). Additional information from various international police organisations and bodies⁶ and reports recently published by governmental, non-governmental and other open sources were considered as well. The report was presented to the Heads of Police and senior officials from South-eastern Europe at their regional meeting held in Sarajevo on 21 September 2006.

The 2007 situation report⁷ intends to briefly update the 2006 situation report. As in this early stage all other sources have not yet published, the current report is mainly based on the contributions from the project areas. The report allows a 3-year period overview on the situation of organised and economic crime and will be presented to the Heads of Police from South-eastern Europe at their regional meeting in Belgrade (Serbia) on 20 June 2007.

To avoid duplications, project areas' profiles were elaborated and sent to the respective counterparts but not inserted into this report.

As in this early stage, most of the international police organisations, bodies, inter-governmental initiatives and NGOs have not yet published new reports; this update report is mainly based on the contributions prepared by the project areas following an updated questionnaire which requested more statistical data.

Replies demonstrated some improvements in crime reporting and national analysis and allowed to give a 3-year overview on the development of capacities of both criminals and law enforcement during the life-time of the CARPO regional project:

⁵ Currently under the interim administration of UNMIK in accordance with the United Nations Security Council resolution 1244 (1999).

⁶ E.g. Europol, Eurojust, Frontex, EMCDDA, PAMECA, UNMIK, SECI Centre, but also Interpol, ICTY, UNODC and other UN bodies.

⁷ 2006 and 2007 reports were both elaborated by Mr Uwe G. Kranz (consultant, Germany)

- The first chapter addresses the key findings and recommendations in form of an executive summary;
- The second chapter provides an overview of the framework in which this report was elaborated, the purpose, the background and few general findings on organised crime and its salient features;
- The third chapter analyses a number of crime areas which are judged to be significant for the project areas and attempts to identify relevant developments of the last three years and trends as reported by the project areas;
- The fourth and final chapter concludes the update report and presents the most important and still valid recommendations.

In pursuing its general goal to establish an area of freedom, security and justice, the EU is already strongly focusing also on law enforcement issues in South-eastern Europe and tasked its bodies to closely co-operate with national law enforcement agencies and regional bodies such as Stability Pact's initiatives, SECI or the Black Sea Economic Co-operation. This report will therefore also point at information and challenges on international policing and EU-relevant aspects.

South-eastern Europe has its own particularities with respect to challenges of politics and governance such as the war in the former Yugoslav countries, international sanctions against Serbia, the Albanian state collapse in the 1990s, the independency of Montenegro in June 2006, Serbia's relationship to the EU and ongoing discussions on the future status of Kosovo. However, the key elements of governmental and economic environment have not significantly changed; new figures on economic asymmetries hardly exist.

Background information on these subjects is described in detail in the 2006 situation report on organised and economic crime in South-eastern Europe and can be further studied in there.

It is hoped that this report serves as a basis or model for subsequent reports on organised and economic crime in South-eastern Europe, elaborated on an annual basis by project areas themselves or with assistance from EU, European or other international organisations. However, this should be closely linked to Europol's process in drawing up its specific crime reports and the new "EU Organised Crime Threat Assessment (OCTA)".

2.2 ORGANISED CRIME AND ITS SALIENT FEATURES

Organised crime and other forms of economic and serious crime are likely to remain a priority for European societies, in particular in countries in transition, such as countries in South-eastern Europe. Generally, it has to be underlined that there are many organised criminal societies in Europe⁸.

THE CONCEPT OF ORGANISED CRIME⁹

The old concept of a hierarchical and rigid organised crime group (organised crime group) has shifted to an entrepreneurial concept of organised crime with powerful hierarchical structures to loose and fluid networks, expanding their field of activity across crime types and borders, exploiting legal business to legitimate their criminal activities and employing high technology, particularly for sealing up and encrypting their communications. Organised crime groups are differentiated by their origin, size, sphere of specification and some other parameters, create very flexible, complex international relationships and increasingly seems to mix low-risk and high-risk activities. Organised crime is largely invisible and very often closely linked to legal business.

However, estimates on the number of organised crime groups and cases in South-eastern Europe remain difficult because of partly lacking or inconsistent data collection, statistics or reporting systems.

In general, it seems that the most influential organised crime groups are indigenous, with very strong connections in the region and in some cases in EU countries. However, exclusive ethnicity became less meaningful, even Albanian organised crime groups have created close relationship with Turkish, Macedonian, Serbian and other organised crime groups. Many organised crime groups are reportedly characterised as “fluid”, “flattening”, “cell-structured”, and “networking-like”.

NUMBERS OF OC GROUPS, OFFENCES AND PERPETRATORS

Provided data are fuzzy and differing in project areas, time and crime areas, it is very difficult to estimate the total number of organised crime groups, offences and criminals (organised crime related figures in some years are reported, in some years are not reported; sometimes specific statistics on organised crime were provided, sometimes all crimes were statistically mentioned; sometimes the number of offenders was reported only in some crime areas but not in all; some project areas present figures on organised crime groups, some not, some project areas report only police data, others include tax and border police data and information provided by judicial authorities, etc.).

According to the replies to last year’s questionnaire, the utmost conservative estimate might be that all project areas investigated **in 2005 at least 200 up to 300 OC groups**. As such groups are differing in number of perpetrators (from 3 to 20 and more members have been reported), the number of criminals involved in organised crimes might have to be estimated from **2,000 to 3,000 perpetrators**.

According to the replies to this year’s questionnaire (even if the number of organised crime groups was not always reported): in 2006, Albania, Croatia, Montenegro and Serbia alone investigated some 3,500 cases and **more than 4,000 perpetrators** which means that in all project areas the number of organised acting criminals would be much higher and have risen by 50 and more per cent compared to figures reported in 2005. This also indicates that the number of organised crime groups might be **in 2006 between 400 and 500**.

Taking into account the general weaknesses in the reporting system mentioned above and the fact that reported figures of certain types of “common” crimes usually are committed by organised crime groups (illegal immigration, drugs trafficking, counterfeit of money etc.) but were not as organised crime offences statistically reported, it is more likely that the real figures on organised crime groups,

⁸ European Union Organised Crime Threat Assessment (OCTA) 2006, <http://www.europol.europa.eu/>

⁹ Further information: in the annex to this report

offences and criminals are much higher. To sum up: it seems that law enforcement cleared up more cases and charged more perpetrators but detected less OC groups.

VIOLENCE AND INTIMIDATION

Violence and intimidation continue to be used as typical modi operandi. However, this occurs increasingly on a more calculated and cautious way. Intimidation and violence against victims are intrinsic to robbery, extortion and racketeering. It is also common to drug market as means to solving rivalry claims. Violence is utilised to enforce discipline within an organised crime group or against competing groups. Albanian groups are reported to be among the most violent ones in this respect (even mentioning contract killings in the sphere of economic crime), although violent activities between criminals have also been noted in Bosnia and Herzegovina, Croatia and Serbia. In connection with trafficking in human beings and the exploitation of individuals, violence obviously is replaced by alternative methods for ensuring victims compliance, such as psychological pressures against families back home, forced marriages, providing modest pay and better living conditions as practiced by traffickers in Bosnia and Herzegovina and Kosovo.

SHIELDING PRACTICES

All project areas report shielding practices which have become an important modus operandi of organised crime groups. The most common shielding practices are aimed at screening potential members of the gang, corrupting law enforcement officials to get information on investigative measures of law enforcement agencies and protecting all kind of communications between criminals, e.g. largely used GETAWAY communications and mobile phones with disposable SIM cards, as well as changeable means of communication and their frequent variation, coded oral and written messages, data encryption and even counter-surveillance.

3 CRIMINAL ACTIVITIES

3.1 ILLICIT DRUGS

The UNODC 2006 World Drug Report¹⁰ and, more Europe oriented, the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)¹¹, highlight some weak elements in the global drug control system, most notably extremely increasing heroin supply from Afghanistan, cocaine demand in Europe, and cannabis supply/demand everywhere. Expanding Europe seems to be the most profitable drug market in the world. Proximity to such a market, the importance of the well established 'Balkan Routes' and increasing seizures of drugs by law enforcement from the project areas indicate that on the one hand, the large-scale production and trafficking of drugs remain the most common form of crime among criminal networks. On the other hand, there are some 40 million, mostly young people in the European countries, who had recent drug experiences and represent a huge market of drug demand, increasingly also in South-eastern Europe.

After so many years of drug control experience both worldwide and, more specifically, EU-wide, it is well known that only a coherent and long-term strategy can reduce drug supply, demand and trafficking. Therefore, it was essential for all project areas to implement at national and regional level internationally proved law enforcement policies such as those identified in the international drug control system, which is based on three United Nations drug conventions¹², the two EU Strategies and associated Action Plans on Drugs¹³ and the common Action Plan on Drugs between the EU and the Balkans adopted by the Council of the EU in June 2003 in order to establish close co-operation in the region and Europe-wide. Similar national Anti-Drugs Strategies and associated Action Plans were established in all project areas, which also amended their national legislative framework and established sound organisational structures and working methods to address these crime phenomenon. From all crime areas the drugs related crime reporting system is the best one functioning.

Drugs' trafficking involves chiefly indigenous organised crime groups composed of nationals from source or transit countries. However, project areas increasingly report close ties between indigenous and non-indigenous organised crime groups, both in drugs transportation and distribution and, increasingly, drug traffickers' involvement in a framework of "multi-drug trafficking" where shipments are called "cocktail loads" and include precursors, chemicals and synthetic drugs as well as several other illicit activities, e.g. trafficking in human beings and smuggling.

In the past, most of the project areas seemed to be only transit countries. In the meantime, investigations and seizures made evident, that domestic consumer markets are growing, particularly in synthetic drugs (Bosnia and Herzegovina, Croatia, Kosovo and Serbia), cannabis products (rather all project areas), cocaine (Croatia, Kosovo) and heroin (Albania, Kosovo, Serbia).

¹⁰ UNODC World Drug Report 2006; However, only three countries of South-eastern Europe (Bosnia and Herzegovina, Montenegro and Serbia) provided data to UNODC).

¹¹ The European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), Annual Report 2005.

¹² These are the Single Convention on Narcotic Drugs (1961), the Convention on Psychotropic Substances (1971) and the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988).

¹³ EU Strategy 2000 - 2004 (adopted by the Council of EU, Document 9283/00, CORDROGUE 32, Brussels, 7. June 2000) and associated EU Drugs Action Plan (200-2004), adopted by the European Commission, Document COM(2001) 301; EU Strategy 2005-2012 (adopted by the Council of EU, Document 15074/04, CORDROGUE 77, Brussels, 16.-17. December 2004 and associated EU Drugs Action Plans (2005-2008), adopted by the European Commission, in June 2005 (CORDROGUE 25) and subsequent EU Drugs Action Plan (2009-2012).

3.1.1 Amphetamine- type stimulants (ATS)

The group of amphetamine-type stimulants (ATS) encompasses amphetamines (amphetamine, methamphetamine), ecstasy (MDMA and related substances) and other synthetic stimulants. Amphetamine-type stimulants are mostly produced in China, Myanmar, the Philippines, but also in Poland. The global ATS production is currently close to 480 metric tonnes¹⁴, three quarters of which is either methamphetamine or amphetamine and one quarter of which is 'ecstasy'. The production process, involving chemical acquisition, synthesis, tableting, packaging and waste dumping, is invariably separated between different locations, often involving cross-border co-operation between organised crime groups. Amphetamine and 'ecstasy' production of varied scale is reported across the EU, in particular the Baltic States and Bulgaria. Increasingly frequent seizures in the EU from 2004 to 2006 of large amphetamine consignments up to 500 kg¹⁵ (one seizure in Serbia) indicate an escalation of this market, also in South-eastern Europe, and of the production of amphetamine.

European methamphetamine production continues to be largely limited to the Czech Republic and, to a lesser extent, neighbouring Slovak Republic, some of the Baltic States and Moldova. The number of dismantled methamphetamine laboratories in the Czech Republic has increased considerably over the last decade, from 188 in 2003 to 248 in 2004. Large numbers of dismantled laboratories were also reported from Moldova (136 in 2004), followed by Slovak Republic (from 3 in 2003 to 12 in 2004). The Netherlands, Poland and Belgium, followed by Lithuania and Estonia, Bulgaria and Germany are frequently cited as main sources of amphetamine. The number of amphetamine laboratories seized in West and Central Europe increased from 25, on average, over the 1995-99 period to 35 over the 2000-2004 period (47 in 2004) and accounted world-wide for 77 per cent of all such laboratories over the 2002-2004 period. The increase has been even higher in Eastern Europe (Belarus, Moldova, Russia and Ukraine) where reported laboratory detections increased from 11, on average, over the 1995-99 period to 94 over the 2000-2004 period (141 in 2004)¹⁶.

Globally, reported seizures of ecstasy increased by 87 per cent in 2004 and reached a new record of 8 tonnes expressed in kilogram equivalents out of which 51 per cent were seized in Europe, topping even peak levels recorded in 2002 by 20 per cent. The importance of the Netherlands and Belgium, traditional source countries for ecstasy appears to be declining, as production in other European countries is growing¹⁷.

These data and recent seizures indicate that there is a significant gradual shift of amphetamine production towards Eastern and South-eastern Europe. Considering the spread of methamphetamine use cannot be ignored in South-eastern Europe and remains an important area for vigilance¹⁸ as data demonstrate:

Albania stated that synthetic drugs do not represent a problem. In 2004-2006 no appreciable seizures were reported (except 10 pills in the possession of one offender in 2004), but two investigations were mentioned for 2005, were considerable amounts of ephedrine from China and the United Kingdom were seized.

Bosnia and Herzegovina reports for 2005-2006 the seizure of only 7.2 kg amphetamine and a growing domestic user market (data for 2004 are not available).

Croatia also reports a growing user market for synthetic drugs and more aggressive forms of supply and detected increasing "reverse trafficking" (from South-east/East to West). In the years 2004-2006,

¹⁴ UNODC, World Drug Report 2006

¹⁵ Europol Drugs Report 2006.

¹⁶ UNODC, World Drug Report 2006.

¹⁷ UNODC, World Drug Report 2006.

¹⁸ This has to be seen in line with the recent report from the Ministry of Interior of the Republika Srpska (Bosnia and Herzegovina) indicating "that the imported quantities of substances meant for industrial production exceed industrial needs and that, not in rare cases, their trafficking is illegal"

Croatia seized in total 31.1 kg amphetamines (with slight variations over the years), some 77,000 pieces of ecstasy (in 2006, the decrease of seizures was 50 per cent) and about 100 LSD doses (about 60 per cent in 2006).

Kosovo reports a domestic market for amphetamines but has no information on its significance. Kosovo, however, reported the seizure of 25.0 kg amphetamine in 2006 and for 2004-2005 additional 25.12 kg. Also ecstasy seizures skyrocketed in 2006 (189 pieces), compared to 56 pieces in 2004 and 39 pieces in 2005. LSD was not reported in the period of time.

Montenegro has only little information on synthetic drugs and seized in 2006 some pieces of ecstasy, only.

Serbia reports the most powerful market for synthetic drugs: Over the years 2004-2006 the seizures mostly are constantly increasing, such as amphetamines with 33.5 kg (more than 75 per cent seized in 2006) and ecstasy close to 36,000 pieces (53 per cent seized in 2006). Seizures of LSD, which increased from 102 doses in 2004 to 1,013 doses in 2005, were not reported for 2006. In addition, in 2005, police detected a trade in chemical precursors imported from France, Czech Republic and Romania, which were then smuggled to Bulgaria and Turkey and discovered several illicit laboratories for ecstasy production and seized 2 million pills of ecstasy as well as 20 tons of acid.

“the former Yugoslav Republic of Macedonia” had rather no seizures of amphetamines (2005: 1.8 kg) and close to 4,200 pieces of ecstasy for the reported period of time (2005-2006) and smaller amounts of various other narcotics (methadone, procaine, caffeine, paracetamol etc.).

3.1.2 Cannabis products

Production of cannabis basically comprises three different products: cannabis herbal (marijuana), cannabis resin (hashish) and cannabis oil.

Global cannabis production has been rising and is estimated at 45,000 metric tonnes¹⁹. Both estimates of the number of cannabis consumers globally and the quantities of cannabis seized by law enforcement have increased in the past decade. Europe is the world’s largest market for cannabis resin, accounting for more than 70 per cent of global resin seizures in 2004. Despite slight declines, Morocco is still the main source country²⁰, followed by Pakistan and Afghanistan. Other countries cited as important sources of cannabis resin are Albania and the Netherlands.

According to EMCDDA, resin seizures and consumption estimates suggest that the long-term trend is towards a growth in global production to 50,000 – 55,00 metric tons (based on the fact that as many as three million people, mostly young males, may be using cannabis on a daily basis in Europe).

In addition, according to surveys of Canada, the USA, the Netherlands and EMCDDA, for instance, the potency of cannabis products, the average THC²¹ content significantly increased²².

Therefore, there is a growing concern in Europe, the world’s largest resin market generating annually an estimate of EUR 10 billion, about the negative impact of cannabis use.

¹⁹ UNODC World Drug Report 2006

²⁰ According to EMCDDA Report 2005, Spain, Italy, Denmark, Finland and Ireland reported that almost all of the cannabis resin originated in Morocco. According to Europol, Morocco continues to supply more than 80% of all the resin consumed in Europe (2005 EU Organised Crime Report, October 2005)

²¹ Tetrahydrocannabinol (THC), the primary active constituent.

²² In 2003, in countries from which data is available, cannabis resin was reported to have an average THC content that varied from less than 1 per cent (Poland) to 25 per cent (Slovak Republic), while herbal cannabis’ potency ranged from 1 per cent (Hungary, Finland) to 20 per cent (home-grown produced in the Netherlands) or even to 25 per cent (Slovak Republic). Only Montenegro reported in 2005 that cannabis trafficked from Albania is “considered to be of high quality (high degree of THC)”, no further information available.

The production of herbal cannabis (marijuana) is extremely dispersed and also most project areas report some cannabis cultivation (except Montenegro and Serbia). In total, project areas destroyed in the period of time more than 614,000 cannabis plants:

Albania, which continues to be the only country in the region largely producing cannabis products for the export (hashish, marijuana and hashish oil). As the government gave top priority to the fight against drugs production and trafficking, remarkable results were reached in destruction of cannabis cultivation areas (2004: 74,000 plants; 2005: 333,000 plants; 2006: 74,052 plants), as well as poppy plants (2004: 695, 2006: 580). Criminals do not yet use greenhouse techniques in Albania. Only few cultivation areas are still known in the regions of Vlora, Gjirokastra, Shkroda and Fieri, where cultivation areas are hidden in the mountains and forests, thus enormously complicating detection and subsequent destruction measures.

Bosnia and Herzegovina destroyed in 2005 about 2,000 and in 2006 close to 10,000 cannabis plants.

Croatia reports for 2006 to have destroyed a smaller amount of cannabis plants (about 2,700).

Kosovo continues its consequent activities. In 2004: Kosovo Police Services and UNMIK destroyed already 12 cannabis fields (about 8,000 plants), in 2005 the figure rose to more than 31,500 cannabis plants and in 2006, Kosovo reports the destruction of more than 75,800 cannabis plants.

“the former Yugoslav Republic of Macedonia” destroyed about 3,077 plants in 2005 and 545 seeds in 2006. No further information available.

However, the project areas are rather transit countries along the Balkan Routes and through their ports. The import of marijuana is mainly organised by criminal groups from Colombia, Jamaica, South-Africa, Nigeria, and increasingly Albania, which has developed into a major provider for herbal cannabis.

Marijuana arrives by sea through international smuggle channels mainly to Italian, Slovenian, Albanian, Croatian and, more presumably, also Montenegrin ports (concealed in vehicles and containers) and from there, mostly by trucks, onwards to neighboring project areas such as Bosnia and Herzegovina, Kosovo, Montenegro, Serbia, “the Former Yugoslav Republic of Macedonia” and West European countries. Countries of destination of hashish and marijuana from Albania are mainly Greece and Italy, but there have been reports on trafficking to Kosovo, Montenegro, “the former Yugoslav Republic of Macedonia” and, in few cases, to EU Member States, in exchange to heroin.

Seizures of cannabis products, mostly marijuana, in the project areas are significantly increasing in 2004-2006:

Albania, which does not distinguish between hashish and marijuana, reports steadily increasing figures of seizures (4,544 kg in 2004, 6,332 kg in 2005 and 6,754 kg in 2006, when also a first seizure of a small amount of hashish oil occurred).

Bosnia and Herzegovina reports only small-scale seizures of hashish in 2005 (about 12 kg) but more than 137 kg in 2006. Seizures of marijuana were rather constant in 2005 (about 318 kg) and 2006 (about 336 kg). No further information available.

Croatia reports only small-scale seizures of hashish over the years 2004-2006 (6 kg, 54 kg and 13 kg), but larger seizures of marijuana (428 kg, 938 kg and 202 kg). Comparing the significant low and decreasing figures with Croatia’s statement in 2005, that marijuana arrives directly from large-scale producers of South-American countries to Croatian sea ports, should be questioned.

Kosovo seized only very small quantities of hashish in 2004 and 2005 (in total about 1.2 kg), but in 2006 the amount decreased to 0.38 kg. A similar development is visible in marijuana, where in 2004 (23.29 kg) and 2005 (55.30 kg) in total 78.5 kg were seized, but 66.64 kg were reported for 2006, unfortunately without further explanation or information.

Montenegro reports for 2005 only the seizure of 10.5 kg of hashish and in 2006 no seizures at all. However, seizures of marijuana were increased from 367.5 kg to 1,114 kg, which are considered to be of high quality (high THC concentration, no further information available on the percentage).

Serbia seems to be most affected by cannabis products and seized in the period of time increasingly and remarkable large amounts of hashish: 3,350 kg in 2004, 8,020 kg in 2005 and 60,355 kg in 2006. A similar development can be seen in seizures of marijuana: 3,901.9 kg in 2004, 1,142 kg in 2005 and 1,817.3 kg in 2006.

“the Former Yugoslav Republic of Macedonia” presented figures from customs administration and police. Both institutions together seized in 2006 in total 640 kg marijuana, the Ministry of Interior reports for 2005 additional 203 kg (no further information to customs administration). As provided case studies demonstrate, 75 per cent of marijuana seized by the police in 2006 was seized in three investigations of trafficking of marijuana from Albania. Hashish seems to play a minor role, only 3.3 kg were seized over the reported period of time (2005-2006).

As said: in terms of demand, Europe is probably the most profitable cannabis market in the world. Proximity to such a market and the importance of the ‘Balkan Routes’ indicate that drugs trafficking will need to continue being a focus of law enforcement in the future requiring accurate data collection and analysis.

3.1.3 Opium poppy cultivation and illicit production of opiates

In 2005, experts observed several positive developments: the total area under opium poppy cultivation declined in the three main source countries²³. As did global opium production, whilst global seizures of opiates (heroin, morphine and opium) increased, particularly in South-Eastern Europe. Global opium production was estimated at 4,620 metric tons. Afghanistan, which in 2005 shares the biggest part of global production (with 4,100 metric tons rather 89 per cent), increased its production in 2006 to 6,100 metric tons.

Opium poppy cultivation continues to spread in Afghanistan, financing Taliban’s war activities and support to Islamic terrorists. Drug control efforts by the international community have still not been sufficiently successful. As many as half a million people are believed to be involved in the trade in Afghan opiates, turnover in which is estimated at USD 45 billion per year.

UNODC estimates that 72% of opium is converted into heroin in Afghanistan. In 2005 about 410 metric tons of heroin were produced, the bulk going to Europe and Russia²⁴ and will be at least about 500 metric tons in 2006. Some 10,000 tons of chemicals, including 1,000 tons of acetic anhydride are needed for this process.

The Tajik Drug Control Agency estimates that there are more than 400 heroin laboratories in Afghanistan²⁵. Most of the heroin consumed in Europe is based on opium from Afghanistan (90%). Turkey remains, due to its geographical position, the main corridor for heroin trafficking along the ‘Balkan Routes’, which continue to be the main channels for opiates trafficking towards the EU. This market continues to be dominated by Turkish and associated criminal groups, mainly Albanian organised crime groups²⁶. Whilst awaiting onward transportation into Western Europe, heroin is often stockpiled in countries along the ‘Balkan Routes’. The dual use of the ‘Balkan Routes’ for smuggling heroin to and ecstasy from the EU is noteworthy²⁷.

Albania is one of the most important transit countries for trafficking of heroin and wholesale distribution from Afghanistan via South-eastern Europe, notwithstanding increasing or decreasing figures of heroin trafficking (2004: 91 cases with 152 offenders; 2005: 67 cases with 116 offenders;

²³ Afghanistan, Myanmar and Lao People’s Democratic Republic (Lao PDR).

²⁴ UNODC World Drug Report 2006.

²⁵ Europol Drugs Report 2006.

²⁶ In this context “Albanians” are considered to be persons who identify themselves as such based upon their culture, history, language, traditions or descent, irrespective of whether they live in Albania, Kosovo, Montenegro, Serbia or elsewhere.

²⁷ Europol Drugs Report 2006.

2006: 90 cases with 196 offenders). Albanian criminals import heroin in close co-operation with Turkish, Macedonian and Kosovar traffickers. Usually, transports are organised with trucks, buses, and cars via the two land routes, either Turkey-Bulgaria-“the former Yugoslav Republic of Macedonia”-Albania, or Turkey-Bulgaria-“the former Yugoslav Republic of Macedonia”-Kosovo-Albania. Most of the heroin finds its way to Greece, Italy and onwards other project areas to the markets in the northern EU. Only a small portion of heroin remains in Albania for the increasing domestic market. For the entire period of time, Albania reports mid-size confiscations of heroin amounting to about **317 kg** (2004: 165.0, 2005: 40.9 and 2006: 120.0 kg). Albania is the only project area which reports the destruction of poppy plants (2004: 695 and 2006: 580).

The confiscation of 34 tonnes of acetic anhydrite (a chemical precursor for heroin), reported by **Bosnia and Herzegovina** in 2005 testifies the existence of a trade in chemical precursors used for drugs production crossing South-eastern Europe. However, crime data on heroin trafficking were not reported (cases, charges, offenders). Seizures of heroin are on rather low level and amount to about **78 kg** (2005: 68.53 kg in 2006: 9.24 kg) in the reported period of time. The adoption of the national “Strategy of Preventing Abuse of Narcotic Drugs” and the establishment of an “Independent Drug Commission” within the Council of the Ministries are still in the pipeline and are hoped to be implemented in 2007.

Croatia points at its geographical position and the ‘Balkan Routes’ crossing the country, most important to heroin traffickers. Croatia reports, that ethnic Albanian organised crime groups (from Albania and “the former Yugoslav Republic of Macedonia” acting in close co-operation with Turkish organised crime groups dominate organised heroin smuggling. However, crime data on heroin trafficking were not reported (cases, charges, offenders), seizures are varying and amount in the period of time in total to about **163 kg** (2004: 114.4 kg, 2005: 27.1kg and 2006: 21.6 kg).

Kosovo where heroin is reported to be the most present drug. Large-scale seizures could take place through internationally concerted and coordinated actions, unforgotten the seizure of 500.4 kg in Austria, Germany, Italy, Switzerland, Serbia, Bulgaria and Albania in connection to investigations in Kosovo in 2004. Crime data on heroin trafficking were not reported (cases, charges, offenders). In total, Kosovo seized in the period of time about **74.53 kg** (2004: 23.3 kg, 2005: 36.5 kg and 2006: 14.65 kg). US intelligence recently informed on an increasing amount of opium grown in the area, and this is a major supply source for several major heroin laboratories run by the Kosovo Liberation Army (KLA/UCK: Ushtria Clirimtare e Kosove), which are operating within the Urosevac area in Kosovo Tuesday, although it is understood that some raw opium may also be fed into laboratories from, or via, Turkey (possibly including some raw opium from Afghanistan)²⁸.

Montenegro reports that heroin on the domestic market usually is stretched and mixed with various substances. Crime data on heroin trafficking were not reported (cases, charges, offenders). In the reported period of time, Montenegro seizures reached some **22 kg** (2005: 17.6 kg and 2006: 4.0 kg).

Heroin is the second most present drug on the **Serbian** market, the majority of it comes from Afghanistan via Albania and “the former Yugoslav Republic of Macedonia”, Bulgaria, Kosovo and is destined Germany, Switzerland, Spain, United Kingdom and Scandinavian countries. About 10 per cent of trafficked heroin stays in the country for local consumers. In the last three years, Serbia seized more than **1,508 kg** of heroin (2004: 469.6 kg, 2005: 342 kg and 2006: 696.6 kg). This is, compared to all other project areas, which seized in the same period of time all together as much as Serbia in 2006, a good result and a clear sign of well-developed heroin markets in South-eastern Europe, well functioning channels across project areas as well as efficient Serbian law enforcement agencies.

“the former Yugoslav Republic of Macedonia” estimates the amount of heroin annually consumed to some 300 kg. Crime data on heroin trafficking were not reported (cases, charges, offenders). In

²⁸ 25 October 2005, American Council for Kosovo, <http://www.savekosovo.org/default.asp?p=4&leader=0&sp=42>

total, the country seized in the reported period of time about **245 kg** of heroin (2005: 69.3 kg and 2006: 151.9 kg – of which 147 kg were seized in two operations at Border Control Points ‘Kafasan’ ‘Novo Selo’ and additionally about 24 kg seized by the customs administration). ‘The former Yugoslav Republic of Macedonia’ is the only project area which reports the seizure of some 3 kg opium in 2006. No laboratories for the production of heroin were detected.

To sum up: In the last three years, more than 1,000,000 kg heroin found their way from Afghanistan via South-eastern Europe to Western Europe. Heroin seizures in the project areas amounted in the last three years to little more than 2,500 kg: Along the most important ‘Balkan Routes’ at most 0.25 per cent of available heroin could be seized.

In addition, domestic user markets are growing. As one consequence, UNODC, for the first time, labeled countries from South-eastern Europe as countries with “some increase” in abuse of heroin and other opiates²⁹. Similar to the new EU Member States, project areas still appear to have experienced heroin problems later and to have a more fluid situation, but at present intelligence is still fragmentary and poor. Experts estimate, that there will be the same development as in Western European countries - which stands for increasing demand markets for heroin and further spiral of supply and demand.

3.1.4 Cocaine

Cocaine is produced from coca leaves cultivated in South America. The area under coca cultivation (159,600 hectares) remained essentially stable in 2005 and 28 per cent below the peak levels recorded in 2000 (221,300 hectares). Most coca continues to be cultivated in Colombia (54 per cent), followed by Peru (30 per cent) and Bolivia (16 per cent)³⁰. Global production of cocaine reached 910 metric tons in 2005. Potential cocaine production in Peru amounted to 180 metric tonnes in 2005 and to 90 metric tons in Bolivia. Almost 25 per cent of the world’s cocaine users (more than 3 million people) are living in West and Central Europe.

Although primarily destined for the North American market, a significant share of cocaine is trafficked from South America to Europe across the Atlantic Ocean ostensibly by air or maritime routes, mainly through Spain and the Netherlands, while cocaine increasingly also comes to South-eastern Europe through the Adriatic Sea ports (in Greece, Montenegro, Croatia and Albania). Trafficking of cocaine using the sea usually involves greater quantities (and higher quality) of this narcotic. Greater cocaine transports are chiefly of transit character, transported on land routes from both North and South by trucks, often packaged in bottles and directed to the EU markets. Smaller amounts of cocaine arrive, mainly by couriers via air routes, hidden in luggage and clothes, by vessels and boats, or by urgent post services.

Fast boats, cargo freighters and container ships remain the most common conveyances for moving the drug through the region but traffickers can also use aircrafts for air droppings into international waters. In 2005, Colombian authorities even reported the seizure of a submarine under construction³¹. Criminal groups involved in cocaine trafficking are well organised and have efficient transports strategies.

Due to better co-operation among law enforcement services and improved sharing of intelligence information, global cocaine seizures increase continuously to 18 per cent in 2004 (588 metric tons), the highest figure ever recorded. Some improvements are also visible in the project areas:

Albania seized in the period of time 9.1 kg of cocaine and only few cases in which cocaine was trafficked to Greece and Italy. To date, in Albania the price for cocaine is about EUR/kg 35,000.

²⁹ UNODC, World Drug Report 2006

³⁰ *ibid*

³¹ Europol Drugs Report 2006; this vessel would have been able to transport 15 tons of cocaine through the Caribbean Sea.

Bosnia and Herzegovina reports only little and a significantly decreasing amount of seized cocaine: 30.9 kg (2005) and 1.6 kg (2006).

Croatia reports a growing domestic cocaine market and a small trafficking problem, Seizures are constantly and significantly decreasing from 17.6 kg (2004) to 9.0 kg (2005) and to 5.6 kg (2006). While in 2005 the only problems were allocated to the air ports, Croatia mentions "more significant and bigger seizures of cocaine are in connection with sea traffic", mainly via "Rijeka harbour's container terminal, harbour Plomin", etc. It might be that harbour administration, specialised customs authorities, General Prosecutor's Office or other bodies have additional figures and data, which were not reported via the channels of the Ministry of Interior.

Kosovo points out that there is a cocaine user market and reported, without additional information, an amazing seizure in of 1.72 kg of cocaine in 2006, while in the two years before seizures were at 10 gram (2004) or 3.8 kg (2005).

Montenegro has basically provided no information and reported only seizures of 30 g (2005) and 300 g (2006). However, according to the International Narcotics Control Report 2007³², Montenegro was involved in a joint action by Serbia and Italy at the end of 2004 and in the first half of 2005 (see below).

Serbia reported that cocaine is present on the local market, but mostly and in larger quantity is intended for the transit. According to Serbia's reply, vessels from South-Africa arrive more and more to ports in Greece, Italy, Albania and Montenegro, from where subsequent transportation occurs by trucks to Serbia. During the last three years Serbia seized about 48 kg of cocaine (2004: 15.5 kg – in one joint investigative operation with other police forces, mainly Italian law enforcement agencies, Serbia seized 10 kg of cocaine and assisted in the seizure of 190 kg in Italy; 2005: 5.3 kg; and 2006: 12.9 kg).

"the former Yugoslav Republic of Macedonia" reports decreasing seizures from 11 kg (2005) to 0.5 kg (2006). Nor further information available.

³² Bureau of International Narcotics and Law Enforcement Affairs, March 2007, INCB Report 2007, Volume I

3.1.5 Overview on Seizures in all project areas (in kilograms and units)

Country	Drug	2000	2001	2002	2003	2004*	2005	2006
Albania	Heroin	47.00	4.50	71.71	114.48	155.93	40.9	120.0
	Cocaine	4.00	0.30	0.00	1.30	2.40	2.80	3.90
	Cannabis (herbal) + plants	6,604.00	6,915.00	13,717.90	7,760.20	4,544.20	8,332.00	6,754.20
	Cannabis (resin)	-	-	-	-	1,185.00		
	+ oil							Marijuana and hashish in on figure + 0.95 ltr
	Ecstasy / u	-	-	-	-	10	-	-
	Amph. / u	-	-	10	50	-	-	-
Bosnia and Herzegovina	LSD/ doses	-	-	-	-	-	-	-
	Heroin	0.38	1.90	3.27	-	5.04	68.53	9.24
	Cocaine	164.40	-	0.24	-	-	30.86	1.61
	Cannabis (herbal) + plants	127.98	467.59	919.55	-	168.19	318.51	336.14
	Cannabis (resin)	-	0.06	-	-	-	11.86	137.38
	Ecstasy / u	-	-	1,212	-	-	3,387	93
	Amph. / kg	-	-	117,00	-	-	4.71	+ 4.72 kg
Croatia	LSD/ doses	-	-	-	-	-	-	-
	Heroin	7.04	19.57	46.36	85.73	114.40	27.10	81.60
	Cocaine	913.13	1.49	3.37	380.77	17.60	9.00	5.60
	Cannabis (herbal) + plants	797.50	737.91	608.07	435.04	428.20	983.20	202,40
	Cannabis (resin)	1.04	4.56	2.11	2.28	5.90	53.40	12,90
	Ecstasy / u	9,979	12,906	11,0632	29,840	27,048	33,601	16,340
	Amph. / kg	2.12	0.93	28.03	3.81	7.20	14.30	11.60
Serbia and Montenegro/ 2006/2007	LSD doses	-	-	-	-	60	21	21
	Heroin	-	62.52	43.46	263.00	469.60	342.01	696.56
	Cocaine	-	3.72	1.96	5.34	15.47	5.32	12.88
	Cannabis (herbal) + plants	-	1,230.22	774.28	1,464.96	3,901.87	1,142.00	1,817.32
	Cannabis (resin)	-	4,534.00	6,814.00	648.10	3,350.10	8,020.00	60,335.00
	Ecstasy / u	-	10,811 +0.08 kg	10,000	76,194	9,260	7,539	18,966
	Amph. /kg	-	0.09	-	113.10	6.10	1.10	26.30
Serbia	LSD/ doses	-	-	-	167	102	1,013	-
	Heroin	-	-	-	-	-	17.60	4.00
Montenegro (since 6/2006)	Cocaine	-	-	-	-	-	0.03	0.29

CARPO Update Situation Report 2007

Kosovo	Cannabis (herbal) + plants						367.5	1,114.00
	Cannabis (resin)						-	-
	Ecstasy/kg						10.50	0.00
	Amph. / u						-	0.33
	LSD / doses						-	-
	Heroin	-	0.82	6.11	46.78	23.28	36.48	14.65
	Cocaine	-	0.04	1.41	8.48	0.01	3.79	1.72
"the former Yugoslav Republic of Macedonia"	Cannabis (herbal) + plants	-	30.72	48.05	30.82	23.29 +7,983	55.30 +31,158	66.64
	Cannabis (resin)	-	-	-	-	0.95	0.21	0.38
	Ecstasy / u	-	4	50	40	56	39.5	?
	Amph./ kg	-	0.03	0.02	-	12.0	13.12	23.8
	LSD/ doses					-	-	?
	Heroin	90.79	110.88	28.57	66.15	242.00	69.30	151.90
	Opium					-	-	2.90
	Cocaine	4.689	5.860	0.342	0.342	0.131	11.0	0.54
	Cannabis (herbal) + plants	1,333.40	99.12	29.23	180.68	550.00	203.20 + 3,077	408.20 seeds
	Cannabis (resin)	427.52	309.85	258.41	423.56	-	3.20	0.16
Ecstasy / u	280	45	18,341	-	-	2,857	1,327	
Amph. /kg	-	-	7.02	-	-	1.80	-	
LSD/ doses						-	-	

*Data for 1998-2004 taken from UNODC World Drugs Report 2005. Data for 2004 taken from U.S. Department of State's *International Narcotics Control Strategy Reports* for 2003 and 2004, partly as well as data for 2005 - 2006 taken from project areas' replies to the 2006 and 2007 questionnaires.

3.2 TRAFFICKING IN HUMAN BEINGS ³³

Globally, there is still an information deficit about the extent of this crime and various researches and reports reveal that sound statistics or figures hardly exist³⁴ and efforts to counter trafficking have so far been more or less uncoordinated and inefficient³⁵, although trafficking in human beings (THB) has occupied the agenda of governments all over the globe for several years³⁶.

Whilst it is inevitable that some THB victims enter a country as illegal immigrants, due to the methods used by the traffickers, THB and smuggling of persons are two very different crime areas³⁷. In contrast to the concept of smuggling of migrants which focuses on illegal border crossings, trafficking in human beings is about the violation of the individual's human rights through exploitation often by organised crime networks. It is thus less an issue of migration policy and more one of the protection of victims and their rights and of the punishment of the traffickers and their associates.

THB is a multifaceted and permanent problem of global scope³⁸ and largely an "underground crime", which has to be addressed with a voluminous package of measures (e.g. implementation and approximation of anti-trafficking legislation³⁹, including higher sentences⁴⁰; demand reduction; strengthening of border control measures; intensification of international law enforcement co-operation and investigations supported by a common target group approach (joint investigations); improvements in search, seizure and confiscation of proceeds of THB; victim and witness protection; assistance for repatriation).

Supported by international and European bodies and programmes, all the project areas focused on these issues rather early, enacted the necessary legislation, agreed to back a regional approach⁴¹, established frameworks for temporary residence permits and victim/witness protection programmes, adopted anti-trafficking strategies and action plans.

The implementation of all these international standards and measures 'on the ground' remains a problem and might also explain difficulties in accurately quantifying the size of this crime area and its detection as organised crime as such. Many law enforcement efforts focus solely on the visible parts of THB, for example on some cases of rape, unlawful detention and imprisonment, grievous

³³ UN Convention against Transnational Organized Crime ('Palermo Convention') and related 'Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children' (adopted and opened for signature 15 November 2000) are ratified in all project areas. See also The Council of Europe 'Convention on Action against Trafficking in Human Beings' (adopted and opened for signature 16 May 2005).

³⁴ UN Centre for International Crime Prevention (CICP) has set up a database including data from multiple sources on global trends, cross national routes and the volume of trafficking in persons and smuggling of migrants, as well as data on victims and offenders of trafficking and responses of criminal justice systems to this criminal activity. This type of database is the first of its kind and is a much-needed mechanism to facilitate development of strategies to combat trafficking both nationally and globally, 5 June 2007: http://www.unodc.org/unodc/trafficking_programme_outline.html

³⁵ UNODC Report on "Trafficking In Persons: Global Patterns", published on 24 April 2006.

³⁶ More comprehensive information: Council of Europe, 2006 Situation Report on Organised and Economic Crime in South-eastern Europe", chapter 3.2, September 2006.

³⁷ Trafficking of Human Beings for Sexual Exploitation in the EU: A Europol Perspective, January 2006.

³⁸ UNODC, Report on "Trafficking in Persons: Global Patterns, 24 April 2006, identified 127 countries of origin, 98 transit countries and 137 destination countries.

³⁹ Further information: Council of Europe's Project LARA on Criminal Law Reform in South-eastern Europe on Trafficking in Human beings, July 2002 - October 2003 and Europol, "Legislation on Trafficking in Human beings and Illegal Immigrant Smuggling", last update October 2005.

⁴⁰ In 2006, Europol reported prison sentences of 18 and 23 years being imposed on convicted traffickers in the UK. Thus, trafficking in human beings is no longer a criminal enterprise that can be associated with 'low risk'.

⁴¹ Conference on Regional Co-operation to combat Trafficking in Human beings, Stockholm, 9 June 2006, McKinley, Director General of IOM, opening speech, in which he underlined, that "this sets an example for some EU Member States".

bodily harm, robbery and theft (of documents), illegal migration etc., largely ignoring the casual and organisational structures that lie behind. Additional problems arise by the fact that trafficked women very often keep silent about traffickers to guard their families at home threatened by organised crime groups.

THB⁴² has been a serious problem in South-eastern Europe for some time. The region has been used as transit route and a place of origin, but also increasingly as a place of destination. Moreover, the proximity to countries of origin, such as Moldova, Romania, Ukraine on one hand and EU entry countries such as Greece and Italy, on the other, allows criminal trafficking networks from project areas to co-operate closely. For that reason, Stability Pact Task Force on THB had called upon the countries of the region to develop comprehensive National Plans of Action against child trafficking and to implement them as rapidly as possible⁴³. Project areas, however, should work also in line with EU standards.⁴⁴ Given the importance of the 'Balkan Routes' for smuggling and trafficking a variety of goods demanded in the European markets, it is no surprise that a large number of trafficked persons, in particular women, transit through this route⁴⁵.

It is till unclear whether there is a real decrease in the number of persons trafficked from or through South-eastern Europe into the EU or a trend change in that there appears to be more 'internal trafficking' in some of the project areas and a more "hidden market". However, based on the replies to the questionnaires and the recently issued comprehensive survey of UNODC, for the project areas the following can be suggested⁴⁶:

Albania reports for the first nine months of **2004** thirteen organised crime groups involved in 74 recorded cases of trafficking of women for sexual exploitation and nine cases of trafficking of minors, committed by 126 perpetrators. For **2005**, police reported three organised crime groups involved in 30 cases of women trafficking and 10 cases of trafficking of minors, committed by 64 perpetrators⁴⁷. In **2006**, Albania reports four organised crime groups involved in 27 cases of trafficking of women and 2 cases of trafficking of minors, committed by 32 offenders. Looking at the period of time (2004-2006) it is insignificant, when these crimes were committed, in total there were at least 20 organised crime groups engaged in THB activities, 131 cases of trafficking of women, 21 cases of trafficking of minors and 222 perpetrators. Taking into account figures provided for the years before, all THB-figures (cases, victims, offenders, organised crime groups) are clearly decreasing.

However, according to UNODC, Albania is firstly a transit country ("very high"), mainly for victims trafficked from Moldova, Romania and Ukraine to Greece, Italy and the United Kingdom. Secondly, it is a country of origin ("very high"), destination countries are mostly Belgium, France, Greece, Italy,

⁴² According to Article 3 (a) of the 'Trafficking Protocol' "Trafficking in persons shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs". However, this report deliberately does not address the issues of illegal adoption of children, trafficking in human organs or child pornography; all of which are aspects of trafficking of human beings.

⁴³ Stability Pact Task Force on Trafficking in human beings, 6th Anti-Trafficking Meeting, Belgrade, 23-24 March 2004 , Conclusions and Progress Report, Portoroz, 7 June 2004.

⁴⁴ Council of EU Framework Decision, 'Trafficking in human beings and on combating sexual exploitation of children and child pornography', 19 July 2002, Council of EU Directive on short term residence permits for trafficked victims, and, more recently, Communication from the Commission - Towards an EU strategy on the rights of the child, COM (2006) 367, 13.2.2007

⁴⁵ Therefore, European Union's Chief of Police Task Force tasked Europol already in 2002, to draw a generic Action Plan on THB as well as a specific Action Plan on THB from an identified problem-country (Bulgaria).

⁴⁶ UNODC Trafficking Report 2006.

⁴⁷ For the same period of time, the General Prosecution Office of Albania (GPO) reported 409 cases of women trafficking with 439 perpetrators.

the Netherlands, and the United Kingdom and, to a lower degree, Germany. Thirdly, Albania is a destination country ("medium") for origins of Moldova, Romania and Ukraine. Finally, official figures are questionable, according to figures of the General Prosecutor's Office and NGOs the dark number might be at least as high as reported cases.

Bosnia and Herzegovina (BiH) reports increasing figures and mentions in addition that sexual exploitation is said to have become more clandestine and sophisticated (private apartments, escort services, Internet). The number of pending and new investigations rose constantly from 40 (2004) to 68 (2005) and 90 (2006). The number of victims correlates to this development (54, 66,71), there is a clear change towards domestic victims (constantly increasing since 2004, in 2006: 44 per cent) or victims from neighbouring project areas, seem to be receiving a less violent treatment and better living conditions and are currently mainly servicing a domestic market. In 2006, in total 77 perpetrators of THB and included crimes were investigated (2005: 59). Perpetrators involved in trafficking of human beings are increasingly citizens of BiH, often owners of night clubs or have business connections with other bar owners. No figures were provided on involvement of organised crime groups.

According to UNODC, BiH is firstly a country of transit ("high"), mainly for victims from Bulgaria, Moldova, Romania, Ukraine to Italy and other Western European countries. Secondly, it's a country of destination ("high") for victims coming from Bulgaria, Moldova, Romania, Ukraine, but also from Belarus, Kazakhstan and the Russian Federation. Finally, BiH is a country of origin ("medium"), victims are trafficked to Croatia, Germany, Italy, the Netherlands, Spain and the United Kingdom. Victims are mainly women and girls for sexual exploitation.

Croatia reported that its trafficking market is small and this crime phenomenon is focusing on younger women and their subsequent sexual exploitation. In 2004, there were 4 cases with 11 perpetrators involved and 19 victims. In 2005, in total 5 cases of trafficking in human beings were investigated with 8 offenders and 6 victims. Only one case was related to organised crime groups. In 2006, in total 6 cases were investigated with 18 offenders and 13 victims. Two cases were related to organised crime groups. In the period of time most of the victims came from Croatia and neighbouring project areas or nearby countries of South-eastern Europe. Small figures, nationality of traffickers and victims and only 3 cases with involvement of organised crime groups suggest that there are no large international organised crime networks - but also the existence of a larger dark number of THB cases.

According to UNODC, Croatia is generally ranked only "medium", as a country of destination (for victims from Ukraine), of transit (for victims from Bulgaria, Moldova, Romania, Ukraine and other Central and South-eastern European countries to the wide range of EU countries) and of origin (particularly for Austria, Italy and Spain).

Kosovo updated its reports. In 2004, 85 cases were reported with 70 offenders and 58 victims. In 2005, the figures decreased to 70 cases with 92 offenders and 55 victims. In 2006, figures increased again to 78 cases with 97 offenders and 64 victims. Although the number of Kosovar victims was reported to decrease significantly, most of offenders (far more than 50 per cent) and victims were Kosovar or Albanian (in 2006, 15 were minors, under 18 years of age, the youngest 13 years of age), came from neighbouring project areas or nearby countries of South-eastern Europe. Information on involvement of OC groups was not provided. Lately, most of victims have valid documents and employment contracts, a growing trend in voluntary prostitution can be observed and it seems generally, that traffickers provide better living conditions and payment.

UNODC classified Kosovo firstly as a place of transit ("high") for victims from Belarus, Moldova, Romania, the Russian Federation and Ukraine to be trafficked onwards to Albania, Bosnia and Herzegovina, Italy and other Western European countries and Montenegro, Serbia. Secondly, Kosovo is a place of destination ("high"), victims being trafficked from Moldova, Romania, Ukraine, but also Bulgaria and the Russian Federation. Finally, Kosovo is reported as a place of origin ("medium") for victims trafficked to Italy and Austria, but also to the United Kingdom.

Montenegro reports that THB is decreasing. While for the period of time from 2000 to 2004 in total 10 cases with 31 perpetrators apparently acting in seven organised crime groups were reported, in 2005, only three cases with three single perpetrators trafficking 23 victims were counted. In 2006, Montenegro reports only one case again with only one (female) offender.

UNODC Trafficking Report was issued in April 2006; therefore no analysis related to Montenegro was done.

Serbia reported already for 2003⁴⁸ a total of 17 trafficking cases with 49 victims committed by 106 perpetrators composing 16 organised crime groups. The phenomenon of domestic, internally trafficked victims, minors especially, seems to be growing. In 2004, about 10 organised crime groups with approximately 100 members were involved in THB. No figures on THB of women for sexual exploitation were reported for 2005. In 2006, there were again 37 cases committed by 77 offenders. Therefore, it can be suggested, that in 2005, where no figures have been reported, a certain number of cases was investigated which might have been between 20 and 30. Serbia reports that most of the cases have been committed with involvement of organised crime groups.

According to UNODC Trafficking Report, Serbia and Montenegro were, firstly, countries of transit (“high”) for victims from Central and South-eastern Europe to Bosnia and Herzegovina, more specifically from Moldova, Romania and Ukraine to Italy and other Western European countries. Secondly, they were reported as countries of destination (“medium”) mainly for victims from Ukraine and, to a smaller extent, Moldova, and as countries of origin (“medium”) for the Netherlands and Spain.

“**The former Yugoslav Republic of Macedonia**” reported on the one hand that between 2,000 and 4,000 women are trafficked through the country generating an annual criminal profit of some EUR 30 million. On the other hand, however, it reported only 21 cases for **2004**, involving 13 criminal groups with 52 perpetrators. Figures are also small in **2005** where 12 cases with 40 perpetrators were reported. In 2006, figures dropped again to three cases with four perpetrators, two of them forcing in one of the cases a juvenile mother to sell her 7 months old daughter in Greece. In none of the cases, OC groups came to light.

According to UNODC, this country is firstly a country of transit (“high”) mainly for victims Bulgaria, Moldova, Romania, Ukraine to Albania and partly from there via Italy to France and the United Kingdom, but also from other Central and South-eastern European countries to Kosovo, Montenegro and Serbia. In addition it is on “medium” level a country of origin for victims trafficked to Italy and as a country of destination for victims trafficked from Bulgaria, Moldova, Romania and Ukraine.

The following conclusions can be drawn about trafficking in human beings in South-eastern Europe⁴⁹:

In terms of quantity, THB in South-eastern Europe appears to be declining or at least has become less visible (‘micro brothels’) and increasingly recruitment and trafficking in the first stage takes place in the country of origin or nearby areas. Some experts estimate even that only 5% of victims report their victimisation or come to the attention of government authorities⁵⁰, rather identical analysis exists also in some other EU Member States.

⁴⁸ UNICEF/UNOHCHR/OSCE (2004), p. 116.

⁴⁹ Further and more detailed information: Council of Europe, 2006 Situation Report on Organised and Economic Crime in South-eastern Europe, September 2006.

⁵⁰ Bureau NRM (2005), Trafficking in human beings, Third and Fourth Report of the Dutch National Rapporteur, Den Haag: Bureau NRM (<http://www.victimology.nl/onlpub/national/NL-NRMEngels>); Also: The Fourth Report by the Government of The Netherlands On Implementation of the UN Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), 2000-2004.

Most of the victims are domestic victims or came from neighbouring project areas or nearby countries of South-eastern Europe. This is connected to the findings, that fewer victims return from the countries of the region to their country of origin and more victims return from EU countries to their home countries⁵¹.

However analysis is questionable, as the following table demonstrates. Some project areas mention that figures do not reflect the real situation, some do not inform on organised crime groups involved, some assume that in each case of THB organised crime groups are involved, some do not report constantly over the period of time, some do not present judicial or NGO figures to shed more light upon the dark figure:

Overview on Trafficking in Human Beings in all project areas

Project Area	Albania	Bosnia and Herzegovina	Croatia	Kosovo	Montenegro	Serbia	“The former Yugoslav Republic of Macedonia”
2004							
Cases	83	40	4	85	10 (2000 - 2004)	?	21
Victims*	?	54	19	58	?	ca. 150 since 2002	?
Offenders	126	?	11	70	31	100	52
OC groups	13	?	?	85	?	10	13
2005							
Cases	?	68	5	70	3	?	12
Victims*	40	66	6	55		44	?
Offenders	64	59	8	92	31	?	40
OC groups	3	?	1	70	7	-?	?
2006							
Cases	?	90	6	78	1	37	3
Victims*	29	71	13	64	?	?	?
Offenders	32	77	18	97	1	77	4
OC groups	4	?	2	78	0	?	0

*Only few project areas distinguished between the number of cases and victims in regard to female and minor victims. For better comparison figures of victims have been merged.

⁵¹ This is also confirmed by IOM Germany, which reported only a very small number of women originating from project areas, e.g. arrested in Germany, and resent to their countries (2003/2004: None, 2005: 1 to Albania, 1 to Croatia and 1 to “the former Yugoslav Republic of Macedonia” but 19 to Bulgaria and 23 to Romania).

3.3 SMUGGLING OF PERSONS

Globalisation contributes to considerable increases in the smuggling in persons, whereby smuggling of persons have become major global businesses of organised crime groups⁵² and is a typical low-risk and high-profit crime, comparable trafficking of drugs and arms or product piracy. Migration is a very complex subject both as a societal issue and a criminal problem. The underlying root causes are typical “push factors” for forced population displacement, such as natural disasters, war, religious and ethnic conflicts, political persecution, civil strife as well as poverty, or disastrous economic situation, and motivate migrants to leave their home country. Typical “pull factors”, such as needs for cheap labour forces, comprehensive social security and stable economic situation, at least relative prosperity in the destination countries, democratic governmental systems, political and social stability and, most important, existing diasporas/communities build the criteria for the choice of a destination country which most often is a EU Member State. The smuggling of human beings by criminal syndicates amounts to one of the most serious violations of human rights today - a modern day slave trade.

The UN Convention against Transnational Organized Crime (‘Palermo Convention’) and the related ‘Protocol against the Smuggling of Migrants by Land, Sea and Air’⁵³ addressed this problem and defines the smuggling of migrants as “the procurement, in order to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a State party of which the person is not a national or a permanent resident.” (Article 3, paragraph a).

All project areas have ratified Convention and Protocol, enacted the necessary legislation with almost common levels of penalties and aggravating circumstances⁵⁴ and adopted anti-smuggling strategies and action plans.

Addressing both challenges and opportunities of migration for the benefit of all is one of the major priorities also for the EU at the start of the 21st century⁵⁵. Therefore, migration policy has been on top of its agendas for some time, among other things in connection with recent and possible future EU enlargement, free movement of people and access to labour markets, xenophobia and racism, as well as in regard to economic requirements caused by the decline of EU’s active population⁵⁶, thus tightening up the need for a legal and more controlled economic migration.

The European migration policy builds on the conclusions of the Tampere European Council in 1999, the Hague programme of 2004 and the 2005 EU Council Directive on Asylum Procedures⁵⁷.

Improvement of the management of the European Union's external border on the basis of the integrated border management strategy adopted by the Council in 2006 has top priority, in particular the enhancement of Frontex’ capacities, the establishment of procedures for emergency situations, reinforcing links with the Immigration Liaison Officer Network etc.

⁵² Migrants from Asia can expect to pay more than USD 30,000 for access to Western Europe and USD 60,000 for North America, Interpol, 2006-03, see: <http://www.interpol.int/Public/ICPO/FactSheets/THB01.pdf>

⁵³ The ‘Migration Protocol’ was adopted and opened for signature 15 December 2000 and is in force since 28 January 2004.

⁵⁴ Europol, Legislation on Illegal Immigrant Smuggling, March 2004, Annex II, Comparison of relevant legislation on Illegal Immigration.

⁵⁵ Further information: Communication from the Commission - ‘Strengthened practical cooperation - New structures, new approaches: improving the quality of decision-making in the common European asylum system’: OJ C 67, 18.3.2006; COM (2006) 67; Bull. 1/2-2006, point 1.18.11.

⁵⁶ EU population is expected to drop of around 20 million in the number of workers between 2005 and 2030.

⁵⁷ The Council Directive on Asylum Procedures, was adopted on 1 December 2005, the “milestone” in the common asylum system in the EU.

The European Parliament and the Council are also invited to reach rapid agreement on the regulation on the establishment of rapid border intervention Teams in the first semester of 2007 and to study this model in other border-related functions, such as humanitarian assistance.

Interpol recognises the 'Balkan Routes' to Western Europe to be used for smuggling of migrants from Asian and Middle Eastern countries via Iran, Turkey, and Bulgaria⁵⁸. An increasing number of European countries report on organised crime in connection with smuggling of persons. According to Eurostat, Europol and Frontex⁵⁹, about 500,000 illegal migrants are annually flooding into the EU, in addition to some 300,000 – 400,000 registered asylum applicants, much of which coming via the 'Balkan Routes'.

However, it is hard to describe the real magnitude of smuggling of persons⁶⁰. Estimated figures are mostly based on asylum applications which can only be a rough indication but not a basis for the real size of illegal migration. The asylum figures in the EU are generally decreasing and since the implementation of EURODAC, the fingerprinting database for asylum applicants, which became operational in January 2003, "asylum-shopping" has also decreased. According to more detailed Europol analysis⁶¹, the areas currently of most concern to EU Member States are the still significant numbers of illegal immigrants from the 'Balkan region', the Russian Federation, China, Iraq and the Sub-Saharan countries, India, Afghanistan and Pakistan. Some of the closest EU neighbouring countries are used as major nexus points before the final clandestine leg of the journey into the EU. The geographical proximity and social-cultural relationships between the source, transit and destination countries, the existing legal and illegal transportation systems and existing Diasporas naturally define the main routes used by the smugglers.

The situation in South-eastern Europe has considerably improved in the recent years although still presenting a number of concerns. Nearly two million people have gone back to their countries and homes but some 1.3 million people are still displaced, including 230,000 ethnic Serbs, Roma and other minorities who fled Kosovo. Montenegro, Serbia and Kosovo continue to host 390,000 refugees from earlier conflicts, the largest single refugee community in Europe. Corruption and ethnic hatred are widespread in some areas. The region remains at a very sensitive crossroads and is mainly a transit area for smuggling in persons.

With regard to smuggling of persons and organised crime linked to that the following trends and issues are to be noted⁶²:

Albania, achieved significant success, particularly, in closing down sea routes to Italy and prosecuting a large number of criminals⁶³. The use of land routes has since gained importance, namely the border with Kosovo (174 km long) covering a rather inaccessible mountainous terrain, which remains poorly policed. It seems that the northern and eastern borders of Albania have been particularly used for illegal smuggling, where to overcome Visa-regulations are easy. In the first nine months of 2004, Albanian police⁶⁴ reports 365 cases of border trespassing with 644 perpetrators,

⁵⁸ The North African route is seen to carry the largest volume of illegal immigrants into the EU. Central and Eastern European routes seem to be increasingly of importance, whereas the impact of the Baltic route has declined. The most commonly used transit countries before reaching the external borders of the EU are Russia (Moscow), Ukraine (Kiev), Turkey (Istanbul), and, with a more regional nature, some places in South-eastern Europe Further information: www.interpol.org:

⁵⁹ Frontex is the new European border management agency, adopted by Council Regulation (EC) No 2007/2004 of 26 October 2004, set up in Warsaw, (OJ L349, 25. November 2004).

⁶⁰ See joint ICPD-Europol project "Towards Comprehensive Response to Mixed Migration Flows", Lebanon meeting on 26-28 April 2006 and meeting on 7-9 June 2006 in Brdo, Slovenia.

⁶¹ Europol, Organised Illegal Immigration into the EU, March 2006.

⁶² UNHCR information and replies to CoE's questionnaires.

⁶³ Prior to closure of the sea smuggling route from Albania to Italy, some 100,000 migrants may have used this way to enter the EU, which may have generated between some EUR 60-100 million of illicit proceeds between 1998 and 2002.

⁶⁴ General Prosecutor's Office presented differing figures.

mainly Kosovar. In 2005, figures decreased to 123 cases committed by 259 perpetrators; however, involvement of organised crime groups composed of Kosovar, Macedonian and Serbian was reported in 13 cases. In 2006, there were only 134 cases with 172 perpetrators and involvement of small organised crime groups (3-5 members) in 14 cases.

Bosnia and Herzegovina (BiH) is considered as a transition country where citizens of Albania, China, India, Pakistan and Turkey are being illegally transported to the countries of Western Europe. They enter BiH via Montenegro and Serbia through legal and illegal border crossing in the eastern part of the country. Local criminal groups escort them across rivers or illegal borders into Croatia. In the past, cases of large groups of illegal migrants were reported to have entered BiH as tourists or members of cultural associations. Recently settled Chinese community seem to have connection with organised criminals facilitating migration from China to Western Europe. However, no police figures were provided for 2004 and 2005, but figures from prosecutor's office, which conducted 102 investigations in regards to smuggling of persons, 57 cases from the previous period (unclear if 2004 or 2005 data). In 2006, 63 cases with 126 perpetrators were recorded, only one case with involvement of an OC group. No further information available.

Croatia is a classical transit country on the way to the EU. Rather all smuggled persons came from Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia; only a small percentage came from other countries, such as Turkey, Moldova, Romania and Georgia. Smuggling is organised in close co-operation between Croatian smugglers and smugglers from Bosnia and Herzegovina, Macedonia, Montenegro, Serbia and Slovenia, where a number of shelters were established to host migrants while they are waiting to be transferred onwards to Western Europe. Regardless of these findings, Croatia's intelligence says that well-organised chains of smuggling exist for illegal migrants from Turkey, Pakistan, Iran and even Cuba. Much of migrants' smuggling in Croatia is centred around and goes via Zagreb, organised crime groups are also involved in other criminal activities and that the same channels are used for trafficking of drugs (opiates) and weapons.

In 2004, 194 cases of smuggling of 223 illegal migrants were recorded, 5 OC groups were involved in smuggling of persons. In 2005, 260 cases (+34 per cent) of smuggling of 270 illegal migrants with involvement of 5 OC groups were reported. In 2006, figures rose again to 320 cases (+23 per cent) of smuggling of 358 illegal migrants, involvement of 4 organised crime groups was reported.

Kosovo reports a profitable smuggling market, whether by organising the smuggling activities or by support to smugglers (e.g. travel agencies, temporarily hosting or provision of false identity documents). Most of the smugglers are Kosovars who closely worked together with offenders from the countries of origin.

In previous reports, smuggling of persons is estimated for 2004 to several thousands/year, for 2005: 105 cases (Border Police) or seven with 27 perpetrators and migrants from Bangladesh, India and Pakistan (International Prosecutors working with UNMIK Department of Justice). According to this years reply, in 2006, there was only one case of organised smuggling of persons with 12 perpetrators who smuggled 26 illegal migrants, again from Bangladesh, India and Pakistan, which indicates well-established smuggling channels.

Montenegro liberalised its regional visa regime, thus obviously decreasing the number of illegal migration and smuggling of persons, which is true especially for the smuggling from Albania. A stricter visa regime requiring visa for Albanian and Kosovar citizens when entering into Bosnia and Herzegovina and Croatia, on the other hand, has inadvertently created a demand for smuggling across the border. Most of the perpetrators are Montenegrin and Albanian.

However, for the first nine months of 2004, a total of 372 cases were classified as illegal border crossing. It was not reported how many of these cases were qualified as having been committed by an organised crime group. In 2005, there were no charges in relation to organised smuggling of persons. In 2006 Montenegro reports seven cases of organised smuggling of illegal migrants (mostly

Albanian), but as the number of offenders in each group was reported to range from **two** to six, not all seven cases might be 'organised' smuggling of persons.

Serbia reports smuggling of persons as an expanding criminal activity, which serves as a substitute for drugs trafficking with low risk and high profits. Serbian organised crime groups are well organised and mainly involved in taking over smuggled illegal migrants and the organisation of subsequent transportation to Croatia and further to Western Europe. The main organisers are coming from Kosovo, Montenegro and Croatia. Serbian intelligence says, that smuggling channels are also used trafficking of drugs, weapons and excise goods, and illicit profits amount to millions of Euro. Serbia also reminded a member of the Islamic terrorist group responsible for the Madrid terror attack, who illegally entered Serbia.

In **2004**, 27 organised crime smuggling cases, involving 16 OC groups consisting of 64 perpetrators. In **2005**, the figures clearly increased: 37 offences of smuggling 219 illegal migrants, committed by 87 perpetrators, mostly Serbs (73), but also Chinese (5), Bosnians (4), Macedonians (3) and others. No information was provided on the number of organised crime groups. In **2006**, only 6 charges were reported, but all charges are related to 'organised' smuggling of persons with 46 perpetrators (mostly Serbian or former YU citizens and Albanian), engaged in smuggling of 434 illegal migrants.

"the former Yugoslav Republic of Macedonia" suggests that its country is mainly a transit country; findings are similar to Serbia or Croatia. Albanian illegal migrants are transported to Greece; Turkish illegal migrants are passing through the country on their way to Western European countries. Asian illegal migrants are mainly coming via Serbia to the country and then transported to Greece.

In 2003, 8 cases of organised smuggling of persons were recorded, involving 4 groups with a total of 12 suspects. No data were reported for **2004**. In **2005**, 35 registered cases with 61 perpetrators were reported; two of them classified as organised crime with 23 perpetrators. In one case an organised 31-member group (domestic perpetrators, but also others coming from Albania, Montenegro and Serbia) smuggled through nine different activities some 100 persons via the Macedonian-Greece borders, partly supported by three employees from the Macedonian Border Police. In **2006**, there were criminal charges filed for 23 cases, committed by 54 perpetrators (Macedonians and Albanian, each 50 per cent), smuggling 101 illegal migrants. In three cases OC groups with 21 perpetrators were involved. Most of the smuggled migrants were Albanians, Macedonians, but also Chinese, Serbs, Hindus and Moldovan, only 9 migrants were female.

The following conclusions can be drawn about smuggling of illegal immigrants in or via South-eastern Europe:

Despite ostensible small, partly even declining number of cases (except Croatia) and greatly differing statistics, intelligence suggest a strong role of organised crime groups with growing sophistication in the means, as well as a well-established co-operation between different local criminal groups along the smuggling routes and with global players in Asia and Eastern Europe.

Reporting systems improved. Figures from 2003 and 2004 were often 'polluted' by figures of illegal migration without smuggling support of third persons or involvement of organised crime groups. Not all project areas reported the number of organised crime groups. In **2004**, only Croatia and Serbia reported involvement of organised crime groups (5 and 16). In **2005**, figures were provided by Albania (13 organised crime groups), Croatia (5 organised crime groups) and **"the former Yugoslav Republic of Macedonia"** (2 organised crime groups), in total 20 organised crime groups. In **2006**, only Kosovo did not provide figures an organised crime groups. Increasing figures were reported by Albania (14 organised crime groups, Bosnia and Herzegovina (1 organised crime group), Croatia (4 OC groups) Montenegro (about 5 organised crime groups), Serbia (6 organised crime groups) and **"the former Yugoslav Republic of Macedonia"** (3 organised crime groups), in total 33 organised crime groups. Project areas, which report the number of smuggled illegal migrants suggest, that there also might be an increase in all project areas (Croatia: 223 - 270 - 358; Serbia: ? - 219 - 434).

Higher-level groups are in force, which can secure logistic assistance to the migrants in the country of final destination, usually relying on the links with communities of the same ethnicity or nationality based in that country. While THB networks operating in South-eastern Europe are mainly rooted in Eastern Europe, smuggling networks originate as far as Bangladesh, Pakistan, India and China. This 'Asian trend' has to be pursued carefully, as in some project areas ostensibly not being affected intelligence nevertheless mentions hidden existence of such Asian smuggling structures. The trend noted by the project areas, that organised crime groups involved in smuggling of persons also move to trafficking of drugs and weapons and other goods in parallel and even sometimes together using the same channels and 'contacts', has strengthened.

On international level, several time an inherent link between immigration and the institution of asylum on the one hand, and international terrorism on the other hand was denied⁶⁵. Measures taken in the context of entry screening and border control may only have a little impact on the prevention of terrorism, as other policy areas are much more important (e.g. intelligence co-operation, freezing of assets, etc.). However, as several investigations and also terrorist events have demonstrated, terrorists rather often have used asylum application as a shelter practice to pave the way for preparing terrorist attacks or, after such attacks, to hide in secure environment (area of rest).

⁶⁵ For example: ICMPD, Secretariat for the Special Session of the Budapest Process on the role of immigration and border control in the combat of terrorism, 22 February 2002.

3.4 ECONOMIC CRIME

Economic crime, as described in the Council of Europe Recommendation R (81)12 from 1981⁶⁶ has been of major concern to European societies for decades. The recommendation is based on the assumption that economic crime causes losses to public revenue, has an adverse impact on society at large in that it distorts the national or international economy, and works to diminish trust and confidence in the economic system. In sum, it undermines democracy, the rule of law, human rights and economic and social progress⁶⁷.

The drafters of the Council of Europe's Recommendation (2001) 11 concerning "Guiding principles on the fight against organised crime" pointed at the "strong correlation between organised crime and economic crime, in particular corruption, money laundering and fraud"⁶⁸. Organised crime groups create criminal enterprises (and even banks) for the purpose of committing crimes and invest in the legal economy. Economic crime, on the other hand, uses legal enterprises for legal business, while relying on fraud, cartels, monopolies, and corruption to stay competitive in a legal market. Both utilise similar skills and techniques, are performed by organised structures and thrive on collusion and corruption. The integration of financial markets, mergers of transnational companies and neo-liberal market strategies (fiscal austerity, privatisation, market liberalisation and reduction of trade barriers) multiply the opportunities for economic crime as seen in various international scandals⁶⁹.

The countries of the region were faced with these new forms of organised crime related to privatisation and emerging banking and financial sectors, accompanied with capital flight, tax evasion, customs fraud, and bankruptcy fraud, fraud related to financial credit, corruption and money laundering. Economic crime has accelerated and poses a particular concern to these countries because of its obvious volume, huge losses and economic impact, which is largely visible to the public in the countries themselves.

Consequently, all project areas have signed and ratified all international conventions and agreements in this field, enacted and amended the national legislative framework, adopted national strategies, action plans and programmes, established organisational structures similar to those existing in the EU Member States, set up special bodies (such as Financial Intelligence Units - FIUs), exchanged good/best practises and carried out peer reviews. Despite that, still little is known about the real dimension and effects of organised and economic, methods for assessing the losses and impact are lacking and in regard to the co-operation between FIU allocated to Ministries of Finances and law enforcement agencies, allocated to Ministries of Interior or Justice there is some space for enhancement. It seems that replies to the questionnaire do not address 'organised' economic crime but all kind of economic crime.

⁶⁶ The Council of Europe's Recommendation R(81)12 from 1981 on Economic Crime (adopted by the Committee of Ministers on 25 June 1981) lists specific and non-specific 16 offences which are considered economic crimes.

⁶⁷ Council of Europe, "Organised Crime Situation Report 2005", Focus on the Threat of Economic Crime, December 2005, presents a comprehensive and detailed overview in a topical chapter.

⁶⁸ See par. 18 of the Explanatory Memorandum to Council of Europe's Recommendation (2001) 11. However, a clear distinction between organised crime, terrorism and economic crime poses certain problems, as a number of Council of Europe's Conventions - Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS 198), Cybercrime (ETS 185) and the 2nd additional Protocol to the Convention on Mutual Legal Assistance in Criminal Matters (ETS 182) as well as similar EU Directives and Framework Decisions have demonstrated.

⁶⁹ Such as the Parmalat, Enron, Flow-Tex or Elf Aquitaine scandal or, more recently, WorldCom, Tyco International, VW and Siemens.

Such a fuzzy picture of economic crime⁷⁰ causes large difficulties and therefore, the analysis on economic and financial crime within this report doesn't claim to be historically accurate, and can only be confined to recent developments and figures delivered by the project areas as follows:

Tax and customs crimes

have been reported by all the project areas as a major field of crime. The key in this chain of activities is the production of false documents and invoices. Customs duties are evaded by under-reporting the value of the imported goods, claiming transit through the country while selling the goods in local "black market" and smuggling of goods across the border. The smuggling of oil and cigarettes in the region, prominent during the sanctions against Serbia, is still ongoing, but at lower scale. The success in establishing controls over tax evasion by introducing VAT varies from country to country.

In most of the project areas **smuggling** is an important market for organised crime. Although the scale of smuggling has decreased due to the gradual normalisation of the region⁷¹, the smuggling networks established in the 1990s are still very much active. The border service and customs reforms implemented in the region, led to better border control and closure of illegal border crossings. However, corruption of customs and border officers is still a key to smuggling activities. According to estimates of World Bank, IMF, OLAF, Europol, Eurojust, Frontex, and other bodies the impact of cigarette smuggling from and in South-eastern Europe still continuous to have worrying proportions, particularly as recently Turkish organised crime groups seem to be involved in the traffic of cigarettes together with heroin⁷².

OLAF, the European Anti-Fraud Office, already warned in its 2004 Report to the Council and the European Parliament⁷³ that cigarette smuggling causes considerable damage to the EU and Member States' budgets. OLAF presented in its 'Annual Report 2006'⁷⁴ the successful operation "Fake" of May 2005 (a container operation targeting the smuggling of counterfeit goods from Asia, which led to the seizure of 140 air freight consignments and of 60 deep sea containers). Another specialised joint police-customs operation in Bulgaria led to the seizure of contraband cigarettes and prevented the smuggling of a total of more than 8,5 million pieces of cigarettes (Super Kings) from China via Turkey to Greece, the damage to the EU budget would have amounted to approximately EUR 3,1 million⁷⁵). Most recently, in February 2007, OLAF operation "Diabolo" was closed, a joint international customs operation of the 27 EU Member States, with participation of Interpol, the World Customs Organization and Europol, which, led to the seizure of 67 containers with illegal consignments, nearly 135 million counterfeit branded cigarettes and 557,000 other counterfeit products originating from Asian ports (In cigarettes alone, the operation helped to avoid potential losses of approximately EUR 220 million in customs duties and taxes for the European Community and Member States' budgets⁷⁶).

Albania reports in its updated contribution for crimes in the field of customs in **2004** 163 cases, the number decreased in **2005** to 125 and rose again in **2006** to 170 offences. However, corresponding numbers of offenders in the period of time (224-174-205) indicate that there could be only very few cases with involvement of organised crime groups. The same is true for reported crimes in the field of taxes (**2004**: 66 cases with 71 offenders; **2005**: 33 cases with 31 offenders; **2006**: 17 cases with 25 offenders). However, based on police data it seems that at least in the field of tax crimes figures are

⁷⁰ Although project areas were instructed to orient on the 16 offences of the 'Council of Europe's Recommendation R (81)12.

⁷¹ Currently established VAT regimes and more liberalised trade between the countries will work to reduce - but not entirely abolish - dependency on excise revenue and customs.

⁷² EU Organised Crime Report, 2005, Europol.

⁷³ COM (2005)323, published on 19 July 2005.

⁷⁴ OLAF, Annual Report 2005, 13.7.2006.

⁷⁵ http://ec.europa.eu/comm/anti_fraud/budget/2005/bg.pdf

⁷⁶ Europol's participation aimed at cross-checking the intelligence gathered during the operation for the involvement of organised crime networks. <http://www.europol.europa.eu/index.asp?page=news&news=pr070419.htm>

decreasing and tax organisations improved upon control of public revenue. Some operations, carried out by customs organisations in 2005 are also promising, such as the seizure of cigarettes, coffee seeds and mobiles telephones and other commodities with a total value of close to EUR 4 million and one special police operation, dismantling one organised crime group, who was suspicious of having smuggled 11 containers of cigarettes into the country. Similar cases studies were not reported for 2004 and 2006. Utmost important for further development will be the move aiming at creating a friendlier investment climate and making the economy more competitive, by approval of the fiscal package end of May, that includes a 10% flat tax – the lowest level in Southeast-Europe.

This ‘fiscal revolution’⁷⁷ will encourage the legalisation of the shadow economy and simplify tax collection. Economic activity and honest reporting of income is hoped to increase, while tax evasion shall drop. An issue of concern remains as law enforcement data are not congruent, not even as nearly high as figures from General Prosecutor’s Office, which, for example, reported in 2005 close to 9,700 cases while the number presented by the police was about 1,000 cases.

Bosnia and Herzegovina reports that economic crime thrives due to the fragmented economic space, jurisdictional division⁷⁸ and general globalisation. In 2004, the Federation of BiH qualified 1,187 legal entities as unavailable, fictitious or parallel⁷⁹. The Republika Srpska tax authorities reported for the same year 464 unavailable, 73 fictitious and 21 parallel companies. Reported statistics and information over the years did not match to the questionnaires. However, in 2005, the Federation of BiH reported 54 cases of tax *evasion*, and, “in the field of customs”, at least 580 cases. In 2006, there were 11 cases of tax *fraud*. Crimes in the field of customs were not explicitly reported. The Brčko District BiH reports for 2005 five cases of tax fraud and in 2006 further nine cases, no information available on crimes in the field of customs. Republic of Srpska reported so far only general figures. Thus, a sound comparison with previous years and analysis was not possible. None of the jurisdictions provided information on the involvement of organised crime groups.

Croatia counts evasion of customs control to the most frequent crimes. In an overview of more than 60 crimes believed to belong to economic crime, evasion of tax and other levies (art. 287 CC) is decreasing from 98 cases (2005) to 68 cases (2006), while avoiding customs control (art. 298) is on constant high level with 632 cases (2005) and 621 cases (2006). No further information available, no information was provided on involvement of organised crime groups.

Kosovo reports for 2004 some 5,000 cases of economic crime but only three cases which were clearly linked to OC groups⁸⁰. No figures were provided for 2005, for 2006 there were five cases of tax evasion and two cases of smuggling of goods. No further information available, no information was provided on involvement of OC groups.

Montenegro views economic crime as one of the major threats although in recent year’s economy became more stable and ‘grey economy’ was efficiently suppressed. As a typical country of transit it faces a considerable potential for various forms of smuggling and still “suffers poorly developed control mechanism”. In 2005, six charges were brought against 36 perpetrators composing organised crime groups and committing for 54 criminal acts among others 15 cases of smuggling. In 2006, 107 cases smuggling were reported, no further information available and no information was provided on involvement of organised crime groups. For the entire period of time, no information was provided for tax crimes.

⁷⁷ <http://www.albania.de/alb/index.php?p=974>, 4 June 2007.

⁷⁸ Bosnia and Herzegovina has four jurisdictions in the criminal justice system: state level, two entity levels (Republika Srpska and the Federation of Bosnia and Herzegovina) and the Brcko District.

⁷⁹ Companies are ‘unavailable’ when they register a non-existing address or use false registration documents; ‘fictitious’ companies use false identification documents; companies are ‘parallel’ when using copies of registration documents but change the name of owners.

⁸⁰ Council of Europe, Organised Crime situation report 2005, Focus on the threat of economic crime, Strasbourg, December 2005, p.88.

In **Serbia**, smuggling of excise goods is slightly decreasing it is still one of the most prominent forms of organised crime⁸¹. According to figures reported from the tax police, total tax evasion skyrocketed from about EUR 48.2 million in **2004** to EUR 108.7 million in **2005** and EUR 226.1 million in **2006**. However, rather all cases were committed by one or two persons. This indicates that the percentage to which organised crime groups are involved in tax evasion seems to be a on-digit percentage of all 1,938 reported crimes. Although there are some good results (Serbian law enforcement agencies seized in the last three years smuggled commodities with a total value of about EUR 5 million), organised crime groups permanently adjusted the smuggling practices to new conditions. No further information was provided on more detailed figures or crimes in the field of customs or involvement of organised crime groups.

“the former Yugoslav Republic of Macedonia” mentions tax evasion as one of the most frequently detected criminal offences. In **2005**, police reported 114 cases of tax evasion committed by 178 perpetrators and, in general terms, that VAT fraud and smuggling continues to be a key problem, particularly smuggling of cigarettes, alcohol, textile, computers, mobile telephones and food across the country, which was said to be the *‘smuggling hub’* in the region. The Public Prosecution Office in charge with organised crime and corruption reports for **2006** investigations (in different stages) against more than 100 perpetrators (related to tax evasion) respectively more than 60 (related to smuggling of goods). Police reports for **2006** 35 cases of tax evasion and 164 cases of smuggling with 212 perpetrators. First, for **2006**, accurate figures were provided on the involvement of organised crime groups in these crime areas: In 20 cases organised crime groups (sized from three to seven members) were dismantled, composed by about 80 criminals, mostly male citizens from the country, Serbia and Bulgaria. In two cases, two organised crime groups were smuggling large-scale medicaments, alcohol, cigarettes from Serbia to the country. **“the former Yugoslav Republic of Macedonia”** presents detailed information for 2006 on smuggling cases, smuggled goods, values, smuggling routes, warehouses, new developments, control mechanism and seizures (e.g. 25 million cigarettes and other goods amounting to evaded taxes of EUR 2,416 million).

Counterfeit of money and falsification of documents

have been of significant importance in the project areas, especially counterfeit of money is growing in the region. The number of counterfeit Euros increases year after year. Europol analysis says that most of good quality Euro banknotes are believed to be produced by criminals in South-eastern Europe (chiefly Bulgaria) and Baltic regions⁸² and puts counterfeiting of Euro under those criminal markets which should attract more and more attention in the coming years⁸³.

Albania reported in the period of time about 2,500 cases of false documents and increasingly counterfeit of money (27 – 36 – 51 cases). **Bosnia and Herzegovina** listed under the most significant criminal acts of economic crime dissemination of counterfeited money (in total about 350 cases). **Croatia** reports increasing cases of counterfeit of money (**2005**: 15 cases, **2006**: 27 cases) and large numbers of forgery of all kind of documents (**2005**: 1,287 cases, **2006**: 1,180 cases). **Kosovo** reports only small figures of counterfeit of money (six cases in 2006) and forgery of documents (in total about 20 in 2006). **Montenegro** reported only three cases of counterfeit of money in **2005**, but 108 in **2006** and in the same year a significant increase in forgery of documents (more than 450 cases). **“the former Yugoslav Republic of Macedonia”** reported in **2005** the seizure of a 195 forged banknotes but no information was provided for **2006**.

Some of the project areas reported overall crime statistics (crimes in the field of private companies, bankruptcy, theft of property, fraud, abuse of authority of power etc.), some sent detailed information on certain types of crime, and some made more general statements. Therefore, data could not be exploited in a sound analysis.

⁸¹ ibidem.

⁸² EU Organised Crime Report, 2005, Europol.

⁸³ EU Organised Crime Threat Assessment 2006.

However, on the basis of data presented in the period of time, the following assertions can be made:

Economic crime in South-eastern Europe is essentially **regional in nature** and, despite project area-specific differences, thrives on previously close regional connections. All countries believe that economic crime constitutes a major threat to their economy and society. However, it continues to be unclear, whether economic crime is increasing or decreasing. Information available at tax, customs or judicial authorities' level does not always find its way to crime statistics provided by police agencies. Weighing up all replies to both questionnaires and comparing the results with other international surveys, economic crime seems to increase.

Forgery of documents and counterfeit of money

are increasing. Proximity to producing centers (Bulgaria) is crucial for future development. The necessary technology becomes cheaper and more easily available and the strength of the Euro and its broad acceptance as a mean of payment, especially in South-eastern Europe, makes it more attractive for counterfeiters than the US Dollar.

Economic crime itself causes significant **losses of public revenue** and distorts legal market. Only few project areas (Albania, Serbia and "the former Yugoslav Republic of Macedonia") reported losses of millions of Euro, mainly in the fields of tax evasion and smuggling. In the light of this, the regional economy and public budgets will continue to suffer losses⁸⁴. Therefore, the establishment, as early as possible, of Anti-Fraud Coordinating Structures (AFCOS) is essential. These central contact points for the coordination of all legislative, administrative and operational aspects of the protection of the EU's financial interests have already been established in the EU-accession countries: Bulgaria and Romania⁸⁵.

Product piracy and Cybercrime

Crimes against intellectual and properties rights fraud (IPR) and cybercrime have probably the most significant impact on States in terms of tax losses and employment⁸⁶ and have also become a growing criminal market in South-eastern Europe.

Police of **Albania, Bosnia and Herzegovina, and "the former Yugoslav Republic of Macedonia"** did not provide figures or information on this type of crime. **Croatia** improved its capabilities, established a specialized unit and reports for such kinds of crime in **2004** 936 cases, for **2005** 1,090 cases and for **2006** even 2,032 cases, with low-leveled but significant increases in child pornography. **Kosovo**, first reports in 2006 to these forms of crime. FIU discovered one of the most powerful networks of cybercrime in the project areas, composed by 12 offenders (Kosovo Albanians) in co-operation with offenders of neighboring countries, acting in co-operation with perpetrators of further 36 nations. This network succeeded in building false internet sites of large companies, thus enabling 'phishing' of bank data etc. and subsequent withdrawing from money from those bank accounts (via ATM or Western Union). **Montenegro** reports only 2 cases with 4 perpetrators, committing 7 crimes, however with large profits (EUR 800,000) and small profits. **Serbia** piracy thrived in the late 1990s. In reply to the first questionnaire, Serbia reported seizures of over 60,000 video cassettes and CDs and of large quantities of video and audio equipment used for recording of audio and images, as well as computer software, in **2004** 680 charges were made against 816 offenders who committed 8937 crimes; in **2005** figures increased significantly to 1,118 charges against 1,170 offenders who committed 1,489 crimes and in **2006** figures decreased to 720 charges against 743 offenders who committed 1,054 crime, which however have been reported to be singular cases with no involvement of organised crime groups. Taking into account Serbia's experience in the 'pay-toll

⁸⁴ See Centre for the Study of Democracy's report *Corruption, Contraband and Organised Crime in Europe* (2003), pp. 8.

⁸⁵ AFCO meeting in Bucharest, 1 June 2006, where OLAF and anti-fraud experts and investigators from the ten EU Member States who joined the Union in 2004 shared their operational experience with their colleagues from EU accession States Romania and Bulgaria and with EU candidate states Croatia and Turkey which will also be represented as they themselves consider the establishment of their own AFCOS in their preparation for future EU-membership.

⁸⁶ Europol, 2005 EU Organised Crime Report.

mafia' (where computer experts have been hired by organised crime groups), doubts remain on the absence of involvement of organised crime groups.

"the former Yugoslav Republic of Macedonia", particularly the customs administration improved its efforts against the misuse of intellectual property. Although no clear crime figures were provided for the years **2004** and **2005**, a detailed overview on current trends and patterns was presented. In 2006, there were 22 charges against 25 perpetrators for committing IPR crimes and additional 7 cases of cybercrime with involvement of organised crime groups composed of 3-5 members, 20-31 years old, mainly in 'phishing activities, generating an illicit profit of more than USD 2.6 million. In addition, in the fight against product piracy, the State Market Inspectorate seized more than 77,000 samples from natural and legal entities and officials from the Ministry of Culture seized additionally about 14,700 different items. However, no information was provided to involvement of OC groups ("reasonable doubts for organized forms of crime").

3.5 MONEY LAUNDERING

Combating money laundering is one of the most effective means of opposing organised crime since the common denominator to all organised and serious crimes is the pursuit of profit. The soundness, integrity and stability of credit and financial institutions and confidence in the financial system as a whole could be seriously jeopardised by the efforts of criminals and their associates either to disguise the origin of criminal proceeds or to channel lawful money for terrorist purposes. Ill-gotten gains may be reinvested in the crime business or legal business, consumed or hidden away. To prevent their seizure and confiscation, the proceeds are laundered so they become indistinguishable from legitimately earned money. Money is being laundered in many ways, increasingly facilitated and by electronic banking and payment methods.

Money laundering is usually carried out in an international context so that the criminal origin of the funds can be better disguised. Measures adopted solely at national or even Community level, without taking account of international coordination and co-operation, would have very limited effects. In order to avoid European States' adopting measures to protect their financial systems which could be inconsistent with the functioning of the European markets, joint and common actions in this area are necessary - in all frameworks. The Council of Europe has developed a three-pronged approach to deal with this problem (setting Europe-wide standards, monitoring the situation through MONEYVAL and providing technical assistance and expertise). FATF 40 Recommendations and 9 Special Recommendations on the Financing of Terrorism may not be treaty-based, but they have been endorsed by 175 national jurisdictions worldwide and therefore represent the global reference for the prevention of money laundering. Money laundering is an offence which seems to be committed by all organised crime groups in order to legitimate the illegal funds and poses globally an ever greater challenge, especially in regard to financing terrorists. In European countries most investigations of organised crime are drug-related, and one would assume that most laundering is detected in connection with drugs. However, reported information on laundering of proceeds of other crimes, such as trafficking in human beings or smuggling of persons, the "complementary crime"⁸⁷ of money laundering is of growing importance. Additionally, given the importance of economic crime in the project areas, laundering connected with reported main areas of (organised) economic crime might possibly be of the same prominence. Consequently, such "complementary crimes" and economic crime related money laundering might have to make up a bulk of financial investigations in the future.

Theoretically, a rather watertight anti-money laundering system to observe and trace this type of crime has been created since the early 1990s⁸⁸. Within such an excellent framework reporting of

⁸⁷ Europol, 2005 EU Organised Crime Report, 25 October 2005.

⁸⁸ United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988); Council of Europe Convention on the Laundering, Search, Seizure and Confiscation of Proceeds from Crime of 1990 (ETS 141); Recommendations of the Financial Action Task Force (FATF) (1990 and 2004); UN Security Council resolution 1617

suspicious financial transactions throughout Europe has increased in the past few years which may possibly reflect not only an increase in money laundering activities itself but also vigorous activities in tracing finances for terrorism after September 11th, an extended list of reporting entities and improved anti-money laundering systems were established in many European countries with more active financial intelligence units.

Influenced by this momentum, South-eastern European countries have also embarked on setting up anti-money laundering framework and financial intelligence units. In all project areas international conventions are ratified, national legislative framework is amended and financial intelligence units are in place. However, financial investigations as an essential tool for tracking the proceeds of crime have yet to be put in practice. As a consequence, in addition to anecdotal evidence and observations from law enforcement agencies in the project areas, only little official data have been reported about whether and how anti-money laundering systems operate.

The methods for money laundering in South-eastern Europe may be somewhat less sophisticated than in European and other countries with better developed financial markets⁸⁹. Although most European countries report that the investment of criminal proceeds in legal businesses has become a regular part of the modus operandi of organised crime groups (and has a significant impact on social, economic and democratic development in all states), as reflected among other things in the increasing number of investigations, prosecutions and convictions for money laundering, such practice has yet to be emulated by South-eastern European countries⁹⁰.

The project areas have reported occurrence of all three stages and have provided examples of money laundering characteristics specific to the region:

In **Albania**, a significant amount of “dirty” money originates from crimes committed by Albanian organised crime groups abroad. The most dominant sector seems to be the construction business, while coastal and urban areas are the most attractive as they offer potential to earn good returns on the initial investment. One of the main obstacles to a sound research on economic crime and money laundering is the lack of data and its varying nature. Statistical data provided are poor and fragmentary: Albanian authorities reported only two cases of money laundering in 2003, six in 2004, and no data for 2005.

The country improved in tracing money laundering systems, as its organised crime groups routinely invest illicit profits of crime into the legitimate domestic economy but also abroad, supported by the wide range of ethnic Albanian Diasporas. In **2004**, the Financial Intelligence Unit (FIU), which was established in the Ministry of Finance, reports six cases of money laundering, however without involvement of organised crime groups. In **2005**, four cases were recorded, however only one case ‘on behalf of third parties’ and no information was provided on the involvement of organised crime groups. In this years reply those reported cases do not appear in the statistic. In **2006**, only one case with one offender was reported. In regard to the reports on crime areas during the period of time,

(2005); Council of Europe’s Convention on the Laundering, Search, Seizure and Confiscation of Proceeds of Crime and on the Financing of Terrorism (CETS 198, 2005); EU Council Directive on the Prevention of the Use of the Financial System for the Purpose of Money Laundering and Terrorist Financing (2005); For more details see Council of Europe, “Organised Crime Situation Report 2005”, Focus on economic crime, December 2005, p.45 .

⁸⁹ The Financial Action Task Force indicated the following trends in money-laundering and its possible links to financing terrorism: “wire transfers”, “misuse of non-profit organisations” (which may be a specific serious terrorist financing problem), “vulnerabilities in the insurance sector”, “VAT-carousel fraud”, “casinos and gambling”, “shell companies and off-shore banks”, “Gatekeepers”. In June 2006, FATF issued a special report on “trade-based money laundering” focusing on the vulnerabilities in the import and export operations, in March 2007 followed a special report on “VAT-carousel Fraud” and in November 2007 a special report on “New Payment Methods” (prepaid cards, Internet payment systems, mobile payments, and digital precious metals). A new report on “real estate” is in the pipeline. Additionally, Europol informed on “alternative remittance systems (ARS)” such as ‘hawala’ or ‘hung fei’.

⁹⁰ A regular evaluation of effectiveness in combating money laundering is undertaken through Council of Europe’s monitoring mechanism MONEYVAL www.coe.int/moneyval.

efforts to detect and investigate money laundering and to confiscate proceeds of crime need improvement.

Bosnia and Herzegovina (BiH) reports that the key element of money laundering scheme is the inter-entity division between the Republika Srpska and the Federation of BiH, with separate law enforcement, banking, tax, and registry systems. Sums over EUR 15,000 are broken into smaller deposits to avoid detection and are distributed over several bank accounts, using paid couriers for this purpose. In **2004**, BiH reported 16 cases (+ 100 per cent compared to 2003). The amount of money that was laundered amount to approximately EUR 26.5 million (of which approximately EUR 1 million was qualified to have come from tax evasion). In **2005**, the state police, the Prosecutor's Office and the court were given jurisdiction over money laundering. According to the reply from BIH, in 2005, only two cases of money laundering were recorded from the Federation of BiH. However, in a press release, State Investigations and Protection Agency (SIPA) reported 27 transactions of laundering as much as EUR 58 million by 52 offenders. In **2006**, the Federation of BiH reports in the police statistic one case of money laundering. However, the Financial Intelligence Department (FID) filed 23 criminal reports to the Prosecutor's Office for laundering about EUR 27 million, involving 40 perpetrators.

Croatia, reported for 2004 and 2005 average EUR 1,5 million of annual proceeds of crime, significantly increasing in 2006 to EUR 5,4 million, mostly generated by trafficking of drugs, embezzlement and other economic crimes. In terms of integrating illegal proceeds, the Croatian sea coast seems to be most profitable (companies and real estate) and attracts both Russian and domestic investors. On average, 50 notifications on suspicious transactions (STRs) were reported to authorised bodies.

In the period **1999-2004**, the Croatian police investigated 42 criminal acts of money laundering, perpetrated mostly by Croatian citizens, with predicate crimes mostly linked to drugs and tax fraud. During this period there were two verdicts related to the money laundering resulting in confiscation of EUR 2.5 million made in the drugs business. In the **2004 - 2006** statistical overview, there were low-scaled cases of money laundering mentioned (5 - 15 - 27 cases) and only in 2006 in one case a 23-member OC-group was involved. In **2006**, Croatian FIU analyses 281 cases and forwarded in 81 cases information on suspicious transactions to the competent authorities.

Kosovo's Financial Intelligence Centre (FIC) reported first for the time from March to December **2006** 65 suspicious financial transactions indicating money laundering activities. In 50 cases information was provided to competent authorities. No information on involvement of OC groups was provided.

Montenegro reported the most vulnerable sector to money laundering the coast, which is particularly attractive to Russian illegal capital, while coastal area bordering Albania and surrounding town Ulcinj seem to attract Albanian illegal capital. For **2005**, Montenegro only reported a total of two charges against 7 perpetrators laundering money in organised crime structures and one additional case. In **2006**, police reported in total 10 cases of organised money laundering, committed by 41 perpetrators, mainly Montenegrin and Russian. However, APMU, the Montenegrin FIU, received in the first nine months of **2006** over 100,000 CTRs, analysed 106 transactions and referred 20 cases to other responsible government agencies for further action. In **2005**, Montenegro blocked a total of USD 10.9 million, during the first eight months of **2006**; this figure had increased to USD 23.4 million⁹¹.

Serbia reports, that financial crimes involving money laundering and corruption is considered particularly harmful to the country. Large quantities of illegal proceeds appear to come from tax and customs evasion, as well as drugs, human trafficking, and violent crime. Proceeds are laundered in privatisation process, and through purchasing of real estate and movable goods, using bank accounts in country and abroad (off-shore). In **2005**, there was only one charge against 3 bookkeepers, who

⁹¹ Bureau of International Narcotics and Law Enforcement Affairs, Control Report on Montenegro, March 2007.

assisted an organised crime group in money laundering activities. In addition, five investigations were conducted, in one of the cases the predicate offence was kidnapping. In 2006, 16 charges were brought in money laundering activities, e.g. a 14-members OC group establishing fictitious companies for laundering about EUR 250,00, one OC group related to a tender sale of concrete company Novi Popovac laundering about USD 2 million and a third, significant case, in which another OC group tried to launder EUR 400,000 using fictitious companies.

“the former Yugoslav Republic of Macedonia”, considers that the initial opportunity for money laundering was provided with the Euro change in 2000. Since then, significant amounts of cash from Kosovo were deposited, with which, at that time, the country did not have electronic banking connections. In 2006, money laundering was mostly detected to tax evasion, smuggling of medicaments, fictive invoices, procurement of mobiles, misuse of official position and authorisation, fraud, etc. In total, 20 cases were reported with the involvement of “several OC groups” and committed by 63 perpetrators at the age of 30 – 50 years, all of them Macedonian, except one Nigerian and one Greece. The financial damage for “the former Yugoslav Republic of Macedonia” is said to be as high as EUR 2,6 million. Additionally, Financial Police reports in 2006 43 charges, out of which 7 were presented with involvement of OC groups. Financial losses would have been EUR 3,830 million. The Money Laundering Prevention Directorate (FIU) forwarded in 2006 20 CTRs to responsible government agencies for further investigation and blocked more than EUR 2.9 million.

3.6 CORRUPTION

Corruption is not a special issue for South-eastern Europe. It is as old as our species⁹² and as wide as our planet⁹³.

However, the economical discrepancy between the countries of the region, the EU Member States and other European countries may create pressures which could easily play in favour of organised crime groups if left unaddressed. In countries in transition or in crisis, corruption appears to have permeated most structures of public life, including law enforcement and criminal justice systems. Low salaries, unemployment, insecurity and poverty and often the example set by senior officials, make public officials vulnerable targets and reliable partners of organised crime groups. The greater the penetration into the legal and governance sector the greater the flexibility for organised crime to adapt to new situations and change their modus operandi. Corruption breeds long-term relationships which are more sustainable and reliable than those based on violence and intimidation. Corruption is also an important shielding practice for organised crime activities. Organised crime groups using corruption to infiltrate the state, legal economies, law enforcement and politics are said to more powerful and to some degree safeguarded.

In South-eastern Europe, corruption was repeatedly identified by the Council of Europe and the European Commission as a serious problem⁹⁴. It is influencing the public administration, politicians, tax and customs administration, border service, the criminal justice system, the media, and the private sector through use of bribery and other means of corruption such as reliance on patron-client relationships, nepotism, favouritism, family ties, ethnic relationships, relations to persons in powerful positions or ‘politically exposed persons’ have been a primary tool for organised crime groups to bridge over to the legal sector.

⁹² According to the Old Testament, it had started in the Garden of Eden when the snake bribed Adam and Eve with an apple.

⁹³ Associated Press, 29 October 2005, quoting Chief UN Investigator Paul Volcker, who presented the final report on Iraq Oil-for-Food Scandal which clearly demonstrates the extent of corruption in the world: The investigators found that companies and individuals from 66 countries paid illegal kickbacks using a variety of methods.

⁹⁴ GRECO’s Sixth General Activity Report relating to 2005. In this context, see also Council of Europe, 2004: The future of Democracy (Integrated Project “Making democratic institutions work”), Strasbourg and EU Commission’s yearly reports in the Progress of Accession Countries.

A tight anti-corruption system is in place⁹⁵, well-known international watchdogs, such as Transparency International (TI), which has years of experience and globally accepted and proofed statistics⁹⁶, and Council of Europe's GRECO (evaluation teams were underway, particularly in Albania, Bosnia and Herzegovina, Croatia and "the former Yugoslav Republic of Macedonia") globally observe this type of crime. The EU's annual assessments of accession states and also the Steering Committee of Stability Pact's Anti-Corruption Initiative (SPAI) is continuously evaluating the project areas and draws up regular assessment reports.

There is a general perception of close links between corruption and organised crime; experts estimate that in South-eastern Europe the whole variety of bribes and all kind of corruptive influence is settled: grassroots bribes, systemic bribes and political bribes. According to its Corruption Perception Index 2005, the project areas are ranked rather low⁹⁷.

Findings of the TI 2005 Global Corruption Barometer, which provides a snapshot of the perceptions and experiences of citizens with regard to corruption in their countries, reflect the general public's mistrust in their national political and justice systems, with political parties, parliaments, the police and the judiciary perceived to be the sectors most affected by corruption. The results at the regional level are slightly different, citizens in South-eastern Europe pinpoint their party system and the police as equally corrupt. The report gives valuable insights about how the frequency of bribery differs across the countries: citizens from Serbia (and Montenegro) reported more often that they have paid a bribe within the last 12 months than citizens from Bosnia and Herzegovina, Croatia, Kosovo or "the former Yugoslav Republic of Macedonia". This matches with the results of citizen's expectations: the ones living in Kosovo (similar to those from Ukraine and Romania) were most positive (one third believing that the situation will get better), on the contrary, citizens in Bosnia and Herzegovina, who were quite optimistic the year before, with 40 per cent believing corruption would decrease, were now the most pessimistic, with 40 per cent expecting that corruption would increase in the next three years. Considering the results elaborated by the GRECO evaluation Teams in the First and Second Evaluation Round in South-eastern Europe, such estimations are more likely.

All project areas have undertaken a variety of measures, to address this criminal phenomenon, they have signed and/or ratified international conventions, taken into account EU-Conventions and regulations, amended national legislative frameworks, established specialised bodies and adopted national strategies and action plans.

However, reliable data and accurate analyses as to the exact connection between corruption cases and organised crime hardly exist:

Albania stated in 2005, that organised crime groups commonly do not perform corruption but may involve intermediaries who usually act on behalf of the persons. International experts still believe, that at least the North and Northeast of Albania is under the sway of "Kanun", a traditional system

⁹⁵ E.g. UN Convention against Corruption, adopted in 2003, signed by 140 states and ratified by 38; Council of Europe Criminal Law Convention on Corruption (ETS 173) and its additional Protocol (ETS 191), Council of Europe Civil Law Convention on Corruption (ETS 174); EU Convention on the Fight Against Corruption Involving Officials of the European Communities or Officials of Member States, OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the OECD Revised Recommendation on Combating Bribery in International Business Transactions and the International Chamber of Commerce (ICC) Rules of Conduct to Combat Extortion and Bribery Business Principles for Countering Bribery.

⁹⁶ For detailed information: www.transparency.org

⁹⁷ Transparency International, Annual Report 2006; Between 2003 and 2005, Albania dropped from 92nd via 108th to 126th position; Bosnia and Herzegovina dropped from 70th via 83rd to 88th place; Croatia dropped from 60th via 67th to 70th place; "the former Yugoslav Republic of Macedonia" has moved from 108th via 99th to 103rd position; only Montenegro and Serbia improved from 109th via 100th to 97th position.

of regulations which is based on honour and individual subjugation to the 'clan'. It is the 'Kanun' m, mostly the "Kanuni i Lekë Dukagjinit (KLD)" which determines the rules of daily life and includes corruptive activities.⁹⁸In 2005, eight cases with 11 offenders and in 2006, 26 cases with 43 offenders were reported, it is said, that none of these cases were related to organised crime groups. Taking into consideration, that in 2004 the General Prosecutor's Office reported 443 suspects of corruption, and the general police assessment, that "corruption has compromised all state institutions and the private sector", police figures have to be questioned.

Bosnia and Herzegovina (BiH) fulfilled in the recent past 16 (of 18) GRECO Recommendations and passed to the second round of the evaluation. The Second Evaluation Round on Bosnia and Herzegovina was adopted by GRECO on the 31st Plenary Meeting held on 4-8 December 2006. According to the BiH Criminal Code the following criminal offences are considered as corruption related criminal offences: Accepting Gifts and Other Forms of Benefits, Giving Gifts and Other Forms of Benefits, Illegal Interceding, Abuse of Office or Official Authority, Embezzlement in Office, Fraud in Office, and Using Property of the Office. For 2005, only the Federation of BiH reported cases (167). In 2006, Bosnia and Herzegovina reports 110 criminal records filed against 159 persons. No further information was provided.

Croatia is the only project area which reports constantly for the entire period of time (2003-2006) figures on corruption: 329 cases (2003), 266 cases (2004), 442 cases (2005) and 430 cases (2006). In 2006, most of these cases were the abuse of official authority and governmental duties (269) and both forms of bribery (139), which together account for more than 90 per cent of all corruption cases. Croatia reported also 2 corruption cases linked with two organised crime groups involving 6 persons. Other corruption cases were recorded, including those of judges and court officials in charge of registry offices issuing title deeds. The Criminal Code was amended in 2004, to punish also bribery in business operations, the entire system for internal supervision is going to be improved and a new organisation is in the pipeline to strengthen the fight against corruption.

Kosovo reported in 2005 only generally on low-level cases (bribing with some EUR 250) while International Prosecutors, working with UNMIK's Department of Justice, reported charges against 177 perpetrators in 62 cases of corruption. Therefore, some doubts remain on the reported three cases for 2006.

Montenegro registered 221 corruptive cases in 2004, none of which indicated links with organised crime, reported 207 corruptive cases in 2005. This year's report shows different figures and distinguishes between the classical type of corruption (giving and receiving a bribe) and other corruptive activities. According to this report, in 2005, there were only six cases of corruption and none of these cases have been committed in an organised manner or were related to an OC group. This is also true for the corruptive activities, namely the abuse of official position (167 cases), abuse of office (32 cases) or dereliction of duty (2 cases). In 2006, two cases of classical corruption, 35 cases of abuse of office and two cases of dereliction of duty, all without organised crime relations. It is questionable of there were really no cases of abuse of official position.

Serbia reports on the bases of its new Criminal Code, which came into force on 1 January 2006 and includes all forms of corruptive activities. While in 2003 18 cases of corruption related to OC groups were reported, which were committed by 4 OC groups composed of 81 perpetrators, no figures were presented for 2004 and 2005, where only "a large number of unreported cases" was reported. In 2006, reporting system improved and detailed figures were presented. 4 cases of corruption linked with organised crime were dismantled. Each of these four cases was linked with one OC group, each with a remarkable size (31, 31, 51 and 60 perpetrators, mostly from Serbia or former YU countries)In addition, crime statistics on giving and accepting bribes (2004: 187 charges against 273 offenders;; 2005: 237 charges against 381 offenders; 2006: 1,813 charges against 2,556 offenders)send signals in both directions: Firstly, corruption is still deeply rooted, widely spread and a noxious manifestation,

⁹⁸ Swiss Agency for Development and Co-operation (SDC), February 2006.

secondly, the new LEA structures and frameworks take effect. The latter is also demonstrated by case studies reported, e.g. “bankruptcy mafia”, “traffic mafia”, “pay-toll mafia” or “customs mafia”, were 18 cases involving 4 organised crime groups were recorded.

“the former Yugoslav Republic of Macedonia” adopted a specific law with a legal definition of corruption⁹⁹ and reported for 2005 536 corruption cases which, however, are said not to be linked to organised crime. Abuse and Misuse of official positions and power stood in the centre of corruptive activities, some shortcomings in the legislation were mentioned. According to this year’s reply, there are only 47 corruption cases with 102 perpetrators, however, only one case with the involvement of one organised crime group composed of 30 members. Taking and giving bribes was counted in 10 cases with 12 perpetrators (none of the cases matches to the criteria of ‘organised crime’),

⁹⁹ Corruption is considered to be the utilisation of the function, the public authorisation the official duty or the position to realise any benefit for oneself or someone else.

4 (BRIEF) RECOMMENDATIONS

All project areas have recognised the negative impact of organised and economic crime on their societies, budget, economy, public health and other segments of public life. The measures developed by the project areas, particularly within the framework of the CARPO regional project helped to overcome a number of the shortcomings which existed three, four years ago. Significant progress has been made by the project areas, particularly in institution building and legislative and political frameworks. Nevertheless, the following is recommended:

- Finalising the ratification and full implementation of European instruments to help project areas make progress and facilitate international co-operation. These include in particular the 2nd Additional Protocol to the Convention on Mutual Assistance in Criminal Matters (CETS 182), the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS 198) and the Convention on Action against Trafficking in Human Beings (CETS 197);
- Intensifying the implementation of relevant European standards on privacy and data protection legislation, particularly to increase credibility, to pave the way ahead to the future EU accession and to allow negotiation of an operational co-operation agreement with Europol;
- Intensifying the adoption of a SECI Convention on its regional centre, to enable information exchange of personal related data between Europol and SECI Centre;
- Continuing enhancement of information gathering and analysis of all phenomena of organised and economic crime as well as terrorism and financing terrorism to improve the knowledge and understanding in the region;
- Raising the collection and analyses of crime statistics to EU-level, use of common terms and definitions, the establishment of a common reporting system in line with the system used by Europol and in the 27 EU Member States (ENFOPOL 35);
- Editing annual organised and economic crime situation reports and threat assessments as well as crime specific reports (THB, drugs etc.);
- Establishing of intelligence-supported mechanisms with pro-active and inter-agencies approaches to initiate and support target-oriented investigative co-operation;
- Enhancing international co-operation including with European or EU bodies (OLAF, Europol, Eurojust, Frontex) and EU-Liaison Officers' network;
- Continuing measures to strengthen investigation skills in the fields of organised and economic crime, including significant efforts in breaking the language barrier by an appropriate training of law enforcement officers;
- Monitoring of the effectiveness of measures for the prevention and control of organised and economic crime on a systematic basis (cost/benefit analysis);
- Establishing regional or national steering committees composed of representatives from the main international supporting bodies and local counterparts to reinforce the seek for synergies and costs savings;
- Continuing enhancement of capacities for financial investigations aiming at the search, seizure and confiscation of illicit proceeds of crime.

5 ANNEX: THE CONCEPT OF ORGANISED CRIME

The oldest multi-national concept of organised crime (1998), officially described in an internationally binding document is the Joint Action definition of a criminal organisation adopted at **European Union** level¹⁰⁰:

“A criminal organisation means a structured association, established over a period of time, of two or more persons, acting in a concerted manner with a view to committing offences which are punishable by deprivation of liberty or a detention order of a maximum of at least four years or a more serious penalty, whether such offences are an end in themselves or a means of obtaining material benefits and, where appropriate, of improperly influencing the operation public authorities.”

However, even if it was adopted as a Joint Action, it was never ratified in none of the EU Member States.

The **Council of Europe**¹⁰¹ adopted a similar definition, however without limiting the scope to transnational offences:

“‘Organised crime group’ shall mean a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes, in order to obtain, directly or indirectly, a financial or material benefit; ‘Serious crime’, shall mean conduct constituting an offence punishable by a maximum deprivation of liberty of at least four years or a more serious penalty.”

The **United Nations Convention on Transnational Organised Crime (UNTOC)** can be considered the most important attempt to date to arrive at a globally agreed upon concept of organised crime. It entered into force in September 2003. By June 2006, it had been signed and ratified by all project areas, by most of Council of Europe and EU Member States (at present 19 States). It is thus the most relevant legal instrument for Europe and the region. UNTOC applies to serious crime, corruption, money laundering and obstruction of justice provided that the offence is transnational in nature and involves an organised criminal group as defined in the convention. According to Article 2:

- a) ‘Organised criminal group’ shall mean a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit;
- b) ‘Serious crime’ shall mean conduct constituting an offence punishable by maximum deprivation of liberty of at least four years or a more serious penalty;
- c) ‘Structured group’ shall mean a group that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure.

The **CARPO** questionnaire requested the following criteria¹⁰² when defining crime or criminal groups as ‘organised crime’:

Mandatory criteria:

Collaboration of three or more people + for a prolonged or indefinite period of time + suspected or convicted of committing serious criminal offences + with the objective of pursuing profit and/or power

Optional criteria:

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

¹⁰⁰ Joint action 98/733/JHA of 21 December 1998 adopted by the Council on the basis of Article K.3 of the Treaty on EU.

¹⁰¹ Recommendation (2001)11 of the Committee of Ministers to member states concerning guiding principles on the fight against organised crime, adopted by the Committee of Ministers on 19.09.2001 at the 765th meeting of the Ministers’ Deputies.

¹⁰² These criteria are rather the same as those used since 1997 within the EU (ENFOPOL 35 Rev 2, 6204/97) for the annual EU Organised Crime Situation Reports elaborated by Europol in the last 10 years.

In addition to the minimum characteristics (the 'mandatory criteria' 1 to 4), at least two of the 'optional criteria' need to be applicable to qualify a criminal group or crime as organised crime.

6 BIBLIOGRAPHY

Amnesty International:

Kosovo (Serbia & Montenegro) – “So does this mean that I have rights?” – *Protecting the human rights of women and girls trafficked for forced prostitution in Kosovo*, London, 2004

Kosovo Trafficked women and girls have human rights, Press release, 5 June 2004 (<http://news.amnesty.org/mavp/news.nsf/print/ENGEUR700122004>)

Kosovo: *International peacekeepers fuelling explosion in sexual exploitation, trafficking and human misery*, 6 May 2004.

Begovic Boris, Mijatovic, Bosko, and Hiber Dragor, *Corruption in Judiciary*, Center of Liberal-Democratic Studies, Belgrade 2004, <http://www.clds.org.yu>

Bosnia and Herzegovina, Ministry of Security: *Report on Security: 1st Quarter, 2004*

British Broadcasting Corporation (BBC, <http://news.bbc.co.uk>):

Bureau of International Narcotics and Law Enforcement Affairs, Control Report on Montenegro, March 2007

Kosovo UN troops 'fuel sex trade', 5 June 2004, news.bbc.co.uk/go/pr/fr/-/2/hi/europe/3686173.stm

Economic crime 'costs UK £40b', 17 October 2004

Ashdown Sacks Top Bosnian Croat, 29 March 2005,

www.newsbbc.co.uk/1/hi/world/Europe/4390635.stm

Black, C., Vander Beken, T., Frans, B., Paternotte, M. (2001): *Reporting on Organised Crime. A shift from Description to Explanation in the Belgian Annual Report on Organised Crime*, Antwerp, Maklu.

Blue Bird Project (Agenda for Civil Society in Southeast Europe: *In Search of Responsive Government: State Building and Economic Growth in the Balkans*, Centre for Policy Studies, Central European University, 2003 (www.cls-sofia.org))

Capps, Robert: *Outside the Law and Sex-slave whistle-blowers vindicated*, from July and August 2002, www.salon.com.

Castells, M. (2003²): *The Rise of the Network Society*. Malden/Oxford/Victoria.

Centre for the Study of Democracy (www.csd.bg/publications.php)

Corruption, Contraband, and Organised Crime in Southeast Europe, Sofia, 2003

Drug market in Bulgaria, Sofia, 2003

Partners in Crime: Risk of Symbiosis between the Security Sector and Organised Crime in Southeast Europe, Centre for the Study of Democracy, Sofia, 2004

Transport, Smuggling and Organised Crime, Centre for the Study of Democracy, Sofia, 2004

Crime Trends in Bulgaria: Police Statistics and Victimization Surveys, Centre for the Study of Democracy, Sofia, 2005

Chossudovsky, Michel: *UN rights chief places part of the blame on EU states for failing to curb rising trafficking in SE Europe*, 26 July 2002, Centre for Research on Globalization, www.globalresearch.ca

Council of Europe:

THB and Corruption (PACO Programme, TP 28 rev), Strasbourg, 2002

THB, Criminal Law Reform in South-Eastern Europe, Project "LARA", Zagreb, April 2003

Organised crime situation report 2004 - Focus: The threat of cybercrime, Strasbourg, 2005

Organised crime situation report 2005 – Focus: The Threat of economic crime, Strasbourg, December 2005

Council of the European Union/ Multi-disciplinary Group on Organised Crime (2003): *The smuggling of manufactured tobacco products in the European Union and its links with organised crime*. Brussels (CRIMORG 90).

European Commission:

Opinion on Croatia's Application for Membership of the European Union: Communication from the Commission, Commission of the European Communities Brussels, 20 April 2004

The Stabilization and Association Process for South East Europe: Third Annual Report, Commission of the European Communities Brussels, 2004

EC Delegation to BiH: *Possible Sugar Fraud*, Press Release, Sarajevo, 02 August 2004, www.delbih.cec.eu.int/en/worddocuments/word271.htm

European Monitoring Centre for Drugs and Drug Addiction (EMCDDA):

Annual report 2003: The state of the drugs problem in the European Union and Norway, Lisbon, 2003

Annual report 2003: The state of the drugs problem in the acceding and candidate countries to the European Union.

Lisbon, European Centre for Drugs and Drug Addiction.

European Stability Initiative (www.esiweb.org):

The Helsinki Moment: European Member State Building in the Balkans, 1 February 2005

De-industrialization and Its Consequence: A Kosovo Story, March 2002

EUROPOL:

(<http://www.europol.europa.eu/>)

European Union Organised Crime Report, December 2004,

European Union Organised Crime Report, October 2005,

Trafficking of Human Beings for sexual exploitation in the EU: A Europol Perspective, January 2006,

European Union Organised Crime Threat Assessment (OCTA) 2006

Computer-related crime within the EU: Old crimes new tools; new crimes new tools, (2002), The Hague.

EUROPOL/ISISC/OPCO Working Group, *Final Proposal on minimum requirements for potential legislation at European Union Level, Siracusa/Italy*, May 2005,

Financial Times: *Probe into Montenegro's role at illegal cigarette trade*, 9 August 2001;

FOCUS:

"Fauler Geschmack", *report on tobacco smuggling and illicit production of cigarettes in Germany*, No. 20, May 2006

"Weiße Lawine", *report on cocaine seizures in the European Union*, No. 27, July 2006

FIJNAUT, Cyrille and Letezia Paoli, *Organised Crime in Europe, Concepts, Patterns and Control Policies in the European Union and Beyond, Studies of Organised Crime*, edited by Springer, Dordrecht/NL, September 2004

HINA (Croatian New Agency): *Employee of the State Administration in Makarska under Investigation*, Jutarnji List, 12 May 2005

Human Rights Watch: *Hopes Betrayed: Trafficking of women and girls to post-conflict Bosnia and Herzegovina for forced prostitution*, Vol 14, No. 9, November 2002.

Huremagic, Ramiz: *Tackling "The Ghost": Organised Crime and Its Control*, Graduate Dissertation for M.Sc. in Criminology and Criminal Justice, University of Wales, Cardiff, September 2001 (unpublished)

International Commission on the Balkans: *The Balkans in Europe's Future*, April 2005, www.balkan-commission.org

International Organization for Migration (IOM):

Changing Patterns and Trends of Trafficking in Persons in the Balkan Region: Assessment carried out in Albania, Bosnia and Herzegovina, the Province of Kosovo (Montenegro, Serbia), the Former Yugoslav Republic of Montenegro, Serbia and the Republic of Moldova, July 2004, www.iom.int

International Crisis Group:

Serbia: *Spinning its Wheels*, Update Briefing, Europe Briefing No. 39, 23 May 2005, Belgrade/Brussels, www.crisisgroup.org

Serbia's U-Turn, Europe Report N°154, 26 March 2004, www.crisisgroup.org

International War and Peace Reporting (IWPR, www.iwpr.net)

Jovanovska, Svetlana: *EU Ponders New Aid Deal for Balkans*, IWPR, No. 550, 6 April 2005

Barnett, Neil: *Missiles Seized in Albania*, IWPR, No. 533, 16 December 2004

Musta, Suela: *Nano Questioned on Arms Smuggling Claims*, IWPR, No. 528, 19 November 2004

Ahmetasevic, Nidzara: *Bosnia Opposition Urges Anti-Corruption Laws*, IWPR, No 552, 15 April 2005

Jelacic, Nerma: *Mafia Prosecutors Under Fire*, IWPR, No. 542, 18 February 2005

Lasica, Natalija: *Bosnia Struggles With Wave of Drug Addiction*, IWPR, No. 550, 6 April 2005

Jelacic, Nerma and Griffiths, Hugh: *Mafia Prosecutors Under Fire*, IWPR, No. 542, 18 February 2005

Jelacic, Nerma and Griffiths, Hugh: *Will Europe Take on Bosnia's Mafia?*, (IWPR), No. 531, 2 December 2004

Jelacic, Nerma: *Explosive Leaks*, IWPR, No. 458, 05 September 2003

Papic, Srdjan: *BiH Smugglers Find Way Round Border Clampdown*, IWPR, No 425, 25 April 2003

Radic, Renata: *Bosnia's High-Spending Leaders Blow Hole in Budget*, IWPR, No. 511, 12 August 2004

Anna McTaggart and Drago Hedl: *Croatia: A Work in Progress*, IWPR No. 562, 27 June 2005

Dimovski, Sase: *Montenegro, Serbian Courts in Crisis*, IWPR, No. 437, 13 June 2003

Hajrullahu, M., Salihu, A., Xharra, J.: *Kosovo's Wild West*, IWPR, No 542, 18 February 2005

Xharra, Arbana: *Gangs and Red Tape Deter Kosovo Investors*, IWPR, No. 550, 6 April 2005

Sullivan, Stacy: *Special Report: Is Kosovo Up To Standard?*, IWPR, No. 549, 1 April 2005

Sunter, Daniel: *Police Take Over Serbia's Frontiers*, IWPR, No 543, 25 February 2005

Sunter, Daniel: *Police Chief Sacking Seen as "Purge"*, IWPR, No. 512, 20 August 2004

Cvijanovic, Zeljko: *EU Green Light Would Secure Wobbly Government*, IWPR, No. 548, 23 March 2005

Simpson, John and Bojovic, Zelimir: *Serbia Losing Customs Corruption Battle*, IWPR, No. 541, 11 February 2005

Serbia: *EU May Extend Sugar Ban*, IWPR No. 445, 18 July 2003

- Joosens, Luk/Raw, Martin (1998): 'Cigarette smuggling in Europe: who really benefits?' In: Tobacco Control 1998 (7) 66-71.
- Kleinfeld Belton, Rachel: *Competing Definitions of the Rule of Law: Implications for Practitioners*, Carnegie Papers, Rule of Law Series, Carnegie Endowment for International Peace, No.55, January 2005 (www.ceip.org/files/projects/dlr/dlr_home_121002.ASP)
- Krastev Ivan: *Anti-Corruption Rhetoric and Reform Policies*, Centre for Liberal Strategies, 1997 (www.cls-sofia.org)
- Morrison, J. (1992): 'Environmental scanning', in M. Whitely et al (eds.): *A Primer for New Institutional Researchers*, Tallahassee, The Association for Institutional Research.
- National Crime Intelligence Service (NCIS): *UK Threat Assessment: The Threat from Serious and Organised Crime 2003*, www.ncis.gov.uk
- Nelken, D. (2002): *White-collar Crime*. In: Maguire et al., 844-876.
- Nicolic-Ristanovic, V. et al (2004): *Trafficking in people in Serbia*. Belgrade (Victimology Society in Serbia and OSCE).
- Obradovic, Vladimir: *Trafficking in Women in Bosnia and Herzegovina*, Faculty of Criminology Research Centre, University of Sarajevo, Sarajevo, January 2004
- OLAF (European Union Anti-Fraud Office, www.europa.eu.int/olaf):
Olaf gives evidence at the trial on the "Montenegro Connection" involvement in international cigarette trafficking, Press Release OLAF/12/2003, 30 April 2003,
Olaf Investigation into Sugar Imports from Balkan Region, OLAF/15/2003, 29 May 2003,
- Open Society Institute (www.eumap.org):
Monitoring the EU Accession Process: Corruption and Anti-Corruption Policy, OSI, 2002
Monitoring the EU Accession Process: Judicial Capacity, OSI, 2002
- Organisation for Security and Cooperation in Europe (www.osce.org):
Independent Expert's Report to the Secretaries General of the OSCE and the Council of Europe on their Visit to Podgorica (Montenegro, Serbia) from 22 to 24 July 2003, Organization for Security and Cooperation in Europe and Council of Europe joint report, 3 September 2003
Standing and Conclusion of the Government of Montenegro with Regard to the Independent Experts' Report to the Secretaries - General of the OSCE and the Council of Europe on Their Visit to Podgorica (Montenegro, Serbia) from 22 to 24 July 2003, The Government of Montenegro, 16 October 2003.
- Police Restructuring Commission for Bosnia and Herzegovina, *Final Report on the Work of the Police Restructuring Commission of Bosnia and Herzegovina*, December 2004 (www.ohr.int/ohr-dept/rule-of-law-pillar/prc/)
- Radio Free Europe: *Montenegro: Prime Minister Denies Allegations of Cigarette Smuggling*, 7 November 2003
- Regional Intelligence Liaison Office for Western Europe - RILO (2001): *LASSO 2000 - Review on Cigarette Smuggling in Europe*, Cologne/Rotterdam.
- Save the Children UK (Serbia Programme) 2004: *Protecting Children from THB*. Belgrade.
- Savona, Ernesto U. and Curtol, Federica: *The Contribution of Data Exchange Systems to the Fight Against Organised Crime in the SEE Countries: Final Report*, Transcrime (Joint Research Centre on Transitional Crime of Università Degli Studi di Trento and Università Cattolica Del Sacro Cuore), November 2004, www.transcrime.unitn.it
- Skrozza, Tamara: Intervju - Verica Barać: *Vlada je centar korupcije*, Vreme No. 748, 5 May 2005, www.vreme.com
- Stability Pact for South Eastern Europe: *First Annual Report on Victims of Trafficking in South Eastern Europe, Stability Pact Task Force on THB*, September 2003
- TRANSCRIME, the Research Center on Transnational Crime at the University of Trento, January 2003¹ "The Organised Crime Situation in the SEE Countries and the Illicit Activities Perpetrated by Organised Criminal Groups", an assessment for the Stability Pact, elaborated by
- Transparency International:
Global Corruption Report 2005: Corruption in Construction and Post-Conflict Reconstruction, Transparency International, (www.globalcorruptionreport.org)
- Tisné, Martin, and Smilov, Daniel: *From the Ground Up: Assessing the Record of Anti-Corruption Assistance in Southeastern Europe*, Centre for Policy Studies, Central European University, The Soros Foundation Network, 2004
- Anti-Corruption in Southeast Europe: First Steps and Policies*, Centre for the Study of Democracy, Southeast European Legal Development Initiative (SELDI), 2002, www.seldi.net/
- United Nations (UN):
 UNMIK Trafficking and Prosecution Investigative Unit's (TPIU): *End of Year Report 2003*

Trafficking in Human Beings in South Eastern Europe, Joint Report with UNICEF, UNOHCHR, and OSCE/ODIHR, November 2003

Trafficking in Human Beings in South Eastern Europe: 2004 - Focus on Prevention, joint report UNICEF, UNOHCHR, and OSCE/ODIHR, March 2005

UNODC (www.unodc.org)

World Drug Report 2004, Vienna

Drugs and Crime Trends in Europe and Beyond, 2004 (a), Vienna.

Seventh United Nations Survey of Crime Trends and Operations of Criminal Justice Systems, covering the Period 1998 - 2000, United Nations Office on Drugs and Crime/Centre for International Crime Prevention, 2002, Vienna.

U.S. Department of State: *Trafficking in Persons Report*, Office to Monitor and Combat Trafficking in Persons, , 14 June 2004, (www.state.gov/g/tip/rls/tiprpt/2004)

Vander Beken, Tom: *Measuring Organised Crime in Europe: A Feasibility Study of a Risk-Based Methodology across the European Union*, Institute for International Research on Criminal Policy, Ghent University, Maklu Publishers, 2004

Von Lampe, Klaus (2001) *The Illegal Cigarette Market in Germany: A case study of organised crime* (Paper presented at the 1st annual meeting of the European Society of Criminology, Lausanne, Switzerland, 6 September 2001).

Xenakis, Sappho: *The Challenge of Organised Crime to State Sovereignty in the Balkans, An Historical Approach*, 7 January 2001, www.ksg.harvard.edu/kokkalis/GSW3/Sappho_Xenakis.pdf

7 ABBREVIATIONS AND ACRONYMS

ABA CEELI	American Bar Association Central and Eastern Europe Law Initiative
AFCOS	Anti-Fraud Coordinating Structures
AHTU	Anti-Human Trafficking Unit of UNODC
AI	Amnesty International
AIDS	Acquired immunodeficiency syndrome
AISI	Adriatic and Ionic Sea Initiative
ARQ	Annual Reports Questionnaire
ATS	Amphetamine- type stimulants
BiH (BIH)	Bosnia and Herzegovina
BUMAD	EU Programme of Assistance for the Prevention of drug abuse and drug trafficking in Belarus, Ukraine and Moldova
BSCE	Black Sea Cooperation Initiative
CADAP	European Union's Central Asian Drug Action Programme
CAN	Criminal Analyst Network
CARDS	Community Assistance for Reconstruction, Development and Stability (EC)
CEDAW	Convention for the Elimination of all forms of Discrimination against Women
CEE	Central and Eastern Europe
CEI	Central European Initiative
CEPOL	European Police College
CIA	Central Intelligence Agency
CIDA	Canadian International Development Agency
CIS	The Commonwealth of Independent States
CIVPOL	UNMIK Civil Police Unit
CNPA	Counter Narcotics Police of Afghanistan
COE	Council of Europe
CRC	Convention on the Rights of the Child
CPI	Corruption Perceptions Index
DAS	Direct Assistance for victims of trafficking
DFID	British Department for International Development
DG	Direction General (EC)
DOC	Department of Organised Crime
DOS	Denial of Service
EC	European Commission
EU	European Union
EUFOR	European Union Force in Bosnia and Herzegovina
EURODAC	EU fingerprinting database for asylum applicants
EUROPOL	European Police Office
EUROJUST	European Union's Judicial Cooperation Unit
ELCS	Europol Cocaine Logo System
EPLN	European Police Learning Net
EMDCCA	European Monitoring Centre for Drugs and Drug Addiction
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FIC	Financial Information Centre
FRONTEX	Frontières Extérieures, (legally: European Union's Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union)
FSRB	FATF-Style regional body
GAP	Global Assessment Programme
GDP	Gross Domestic Product
GPAT	Global Programme Against THB
GPO	General Prosecutor Office

GRECO	Group of States Against Corruption
HAART	Highly Active Antiretroviral Therapy
HDI	Human Development Index
HIO	High-Impact Operations
HINA	Croatian News Agency
HOPS	Healthy Option Project Skopje
HIV	Human immunodeficiency virus
IDI	Illicit Drug Index
ICITAP	International Criminal Investigative Training Assistance Programme
ICMC	International Catholic Migration Commission
ICMPD	International Centre for Migration Policy Development
ICS	Italian Consortium of Solidarity
ICTY	International Tribunal for War Crimes in Former Yugoslavia
IIPM	Italian Interforce Police Mission
IHRLG	International Human Rights Law Group
ILO	Immigration Liaison Officer (EU Network)
ILO	International Labour Organisation
ILO-IPEC	ILO International Programme on the Elimination of Child Labour
INTERPOL	International Police Organization
IOM	International Organisation for Migration
IPO	International Police Officer
IREX	International Research and Exchanges Board
ISS	International Social Services
KFOR	Kosovo Force (NATO led Force)
KLA	Kosovo Liberation Army
KPS	Kosovo Police Service
LPO	Local Project Officers of Council of Europe's project CARPO
MAPE	Multi-National Advisory Police Element
MARRI	Stability Pact Initiative on Migration, Asylum, Refugees and Repatriation
MoI (MOI)	Ministry of Interior
MOJ	Ministry of Justice
ML/TF	Money Laundering/Terrorist Financing
MONEYVAL	Council of Europe's Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures
MOU	Memorandum of Understanding
NCB	National Central Bureau (Interpol)
NGO	Non-governmental organisation
NHDR	National Human Development Report (UNDP)
NPA	National Plan of Action
NPO	Non Profit Organisation
NRM	Dutch National Rapporteur Against Trafficking in Human Beings
OCTA	Organised Crime Threat Assessment
OHR	Office of the High Representative in Bosnia and Herzegovina
ODIHR	OSCE Office for Democratic Institutions and Human Rights
OECD	Organisation for Economic Cooperation and Development
OLAF	European Union Anti-Fraud Office
OPDAT	Office of the Overseas Prosecutorial Development Assistance and Training
OSCE	Organisation for Security and Co-operation in Europe
OSCE/CPE	OSCE Crime Prevention Centre
OSCE/ODIHR	OSCE Office for Democratic Institutions and Human Rights
PAMECA	Police Assistance Mission of the European Community to Albania
PCU	Precursor Control Unit
PMI	Philip Morris International
PRSP	Poverty Reduction Strategy Papers

PNI	United Nations Crime Prevention and Criminal Justice Programme Network
SALW	Small arms and light weapons
SAA	Stabilisation and Association Agreement
SAP	EU-Western Balkan Stabilization and Accession Process
SCF	Save the Children Fund
SDC	Swiss Agency for Development and Co-operation
SECI	South Eastern Co-operative Initiative
SEE	South-eastern Europe
SEED	Support for East European Democracy (SEED) Act program
SEEPAG	South East European Prosecutors Advisory Group
SEESAC	South Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons
SELDI	Southeast European Legal Development Initiative
SIPA	State Investigations and Protection Agency (Bosnia and Herzegovina)
SIDA	Swedish International Development Agency
SOP	Standard Operating Procedures
SP	Stability Pact
SPMU	Strategic Police Matters Unit of OSCE
SPOC	Stability Pact Organised Crime Initiative
SPTF	Stability Pact Task Force for Trafficking
STI	Sexually transmitted infection
STR	Suspicious Transaction
SWAP	Sector-wide approach
TAXUD	Taxation and Customs Union (European Commission)
TI	Transparency International
TIP	Trafficking in Persons unit of US Department of State
THB	Trafficking in Human Beings
THC	Tetrahydrocannabinol
THBS	Trafficking in Human Beings Service (Kosovo)
TPIU	Trafficking and Prostitution Investigation Unit (Kosovo)
TRANSCRIME	Research Center on Transnational Crime at the University of Trento
UN	United Nations
UNAIDS	United Nations Joint Programme on HIV/ AIDS
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNICRI	United Nations Inter-regional Crime and Justice Research Institute
UNIFEM	United Nations Development Fund for Women
UNINCB	United Nations International Narcotics Control Board
UNMIK	United Nations Interim Administration Mission in Kosovo
UNODC	United Nations Office on Drugs and Crime
UNOHCHR	United Nations Office of the High Commissioner for Human Rights
USAID	United States Agency for International Development
UNTOC	United Nations Convention against Transnational Organised Crime
VAT	Value Added Tax
VOICE	Ad hoc working group of 40+ NGO active in the field of THB
WODC	Research and Documentation Centre (Dutch knowledge centre in justice areas)