



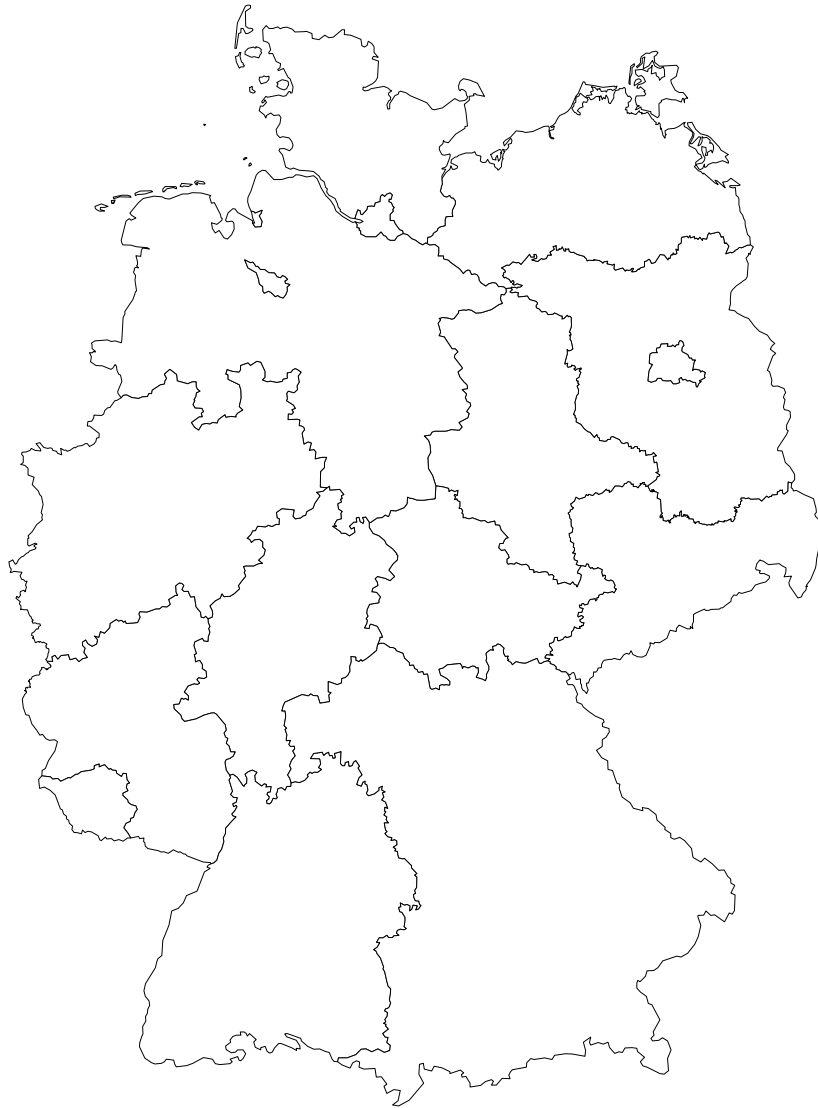
Bundeskriminalamt

2004 ORGANISED CRIME SITUATION REPORT FEDERAL REPUBLIC OF GERMANY - SUMMARY -

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**2004
ORGANISED CRIME
SITUATION REPORT
FEDERAL REPUBLIC OF GERMANY**

- press-release summary -

**Bundeskriminalamt in co-operation with the Landeskriminalämter,
Grenzschutzdirektion and Zollkriminalamt**

BKA - Section OA 11, June 2005

- 1 INTRODUCTION / STATISTICAL OVERVIEW 7**

- 2 SITUATION REPORT..... 12**
 - 2.1 RESOURCES 12
 - 2.1.1 *Officers assigned to the investigations*..... 12
 - 2.1.2 *Investigating authorities*..... 12
 - 2.2 INVESTIGATIONS 13
 - 2.2.1 *Number of investigations*..... 13
 - 2.2.2 *OC relevance of the investigations*..... 14
 - 2.2.3 *Initiation of investigations*..... 15
 - 2.2.4 *Length of investigations* 15
 - 2.2.5 *Losses and profits*..... 16
 - 2.2.6 *Money laundering and confiscation of assets* 16
 - 2.3 OC POTENTIAL OF GROUPS OF PERPETRATORS 17
 - 2.4 SUSPECTS / GROUP STRUCTURES 17
 - 2.4.1 *OC committed by German nationals*..... 20
 - 2.4.2 *OC committed by Turkish nationals*..... 21
 - 2.4.3 *OC committed by Polish nationals*..... 21
 - 2.4.4 *OC committed by Italian nationals* 22
 - 2.4.5 *OC committed by Lithuanian nationals* 22
 - 2.4.6 *OC committed by Russian nationals* 23
 - 2.4.7 *OC committed by nationals of Serbia and Montenegro*..... 23
 - 2.5 FIELDS OF CRIME 24
 - 2.5.1 *Drug trafficking and smuggling* 26
 - 2.5.2 *Property crime*..... 26
 - 2.5.3 *Crime associated with the business world* 27
 - 2.5.4 *Facilitation of illegal immigration*..... 27
 - 2.5.5 *Crime associated with nightlife*..... 28
 - 2.5.6 *Tax and customs offences*..... 28
 - 2.5.7 *Violent crime* 29
 - 2.5.8 *Counterfeiting/forgery*..... 29
 - 2.5.9 *Arms trafficking and smuggling*..... 29

1 INTRODUCTION / STATISTICAL OVERVIEW

Introduction

The Federal Organised Crime Situation Report provides information on the fight against OC in Germany and aims to depict developments and focal points in the field of OC, to sensitise law enforcement authorities throughout Germany to new trends, to provide information for police leadership, to demonstrate the need for action and suggestions for combating measures resulting therefrom and to advise anti-crime policy.

Since German law does not include a specific provision for "organised crime", neither the Police Crime Statistics (Polizeiliche Kriminalstatistik - PKS) nor the Conviction Statistics provide specific figures about the extent of organised crime.

It is intrinsically difficult to obtain confirmed information about a field of crime such as organised crime. In co-operation with the agencies involved in gathering the data for the Federal OC Situation Report, the Bundeskriminalamt (BKA - Federal Criminal Police Office) continuously strives to improve the methods aimed at ensuring consistent quality collection and evaluation of data on OC investigations.

When comparing the number of OC investigations to crime figures in total, OC does not seem to be of particular importance. However, looking at the investigations from a merely quantitative perspective, is not sufficient in view of the actual threat constituted by OC.

Over the last few years, police have used the term "OC suspect" rather extensively. In future, however, only those persons will be counted as OC suspects who are permanently co-operating with an OC group without taking peripheral figures into account. This has not always been done adequately in the past.

The results of the 2004 Federal OC Situation Report show that the OC identified by our police has largely remained the same over the last few years. With a view to undetected OC, it has to be mentioned that OC situation reports reflect the situation of the suppression of OC rather than actual developments in OC in Germany.

The resources available for the suppression of OC significantly influence the number of OC investigations. The overall image of reported organised crime decisively depends on the investigative methods used and on the powers police have to intervene.

By concentrating their efforts on high-crime areas, police show the adequate amount of flexibility to effectively counter organised crime.

Methodology

On the background of the OC definition, the Landeskriminalämter (State Criminal Police Offices), Zollkriminalamt (central office of the German Customs Investigation Service), Grenzschutzdirektion (Border Police Headquarters) and the BKA compile data on the OC investigations conducted during the year under review by applying the same set of criteria throughout the country. The data collected include information on OC investigations initiated in the year under review (initial reports) and continuing investigations instituted in previous years (ongoing investigations). The report only takes into account those reports that show all the general and at least one of the specific characteristics listed in sections a) to c) of the OC definition. After plausibility checks by the central agencies, data are anonymised and supplied to the BKA.

The investigations included in the OC situation report have been assessed and also considered relevant to OC by the competent public prosecutors' offices. Thus, the data on which the OC situation report is based reflect both the police and the judicial perspective on OC. The structural analysis based on the data compiled aims at describing the group structures and fields of crime within OC in Germany as accurately as possible. It relates to all the information obtained throughout the OC investigations considering both completed investigations and ongoing investigations.

Statistical Overview

	2004	2003
<u>Number of investigations</u>	620	637
Initial reports	307	327
Investigations completed	315	323
<u>Officers assigned to the investigations</u>	2,584	2,549
<u>Total number of suspects</u>	11,380	13,098
Suspects identified for the first time	4,886	6,788
Total no. of nationalities ¹	109	101
Percentage of German suspects ²	37.1 %	41.3 %
Percentage of non-German suspects	62.9 %	58.7 %
Largest groups of non-German suspects		
• Turks	8.5 %	8.4 %
• Poles	5.1 %	4.8 %
• Italians	5.0 %	5.5 %
• Lithuanians	4.1 %	3.8 %
• Nationals of Serbia and Montenegro	3.2 %	3.0 %
• Iraqis	2.6 %	1.5 %
• Vietnamese	2.3 %	3.1 %
<u>Heterogeneous offender structures</u> (Co-operation between suspects of different nationalities)	79.7 %	79.9 %
<u>Homogeneous offender structures</u>	20.3 %	20.1 %
<u>Armed suspects</u>	3.6 %	4.6 %
<u>Groups operating in more than one area of crime</u>	24.4 %	23.5 %

¹ For all suspects.

² All figures indicating percentages relate to the total no. of suspects.

	2004	2003
<u>Losses identified</u>	€ 758,613,793	€ 521,671,881
<u>Estimated profits</u>	€ 1,337,360,125	€ 467,643,462
<u>Provisionally seized assets</u>	€ 68,250,586	€ 69,150,761
<u>International links</u>	84.2 %	84.3 %
<u>Criterion a) of the OC definition</u> (Use of commercial or business-like structures)	94.5 %	94.0 %
<u>Criterion b) of the OC definition</u> (Use of violence or other means of intimidation)	46.3 %	48.8 %
<u>Criterion c) of the OC definition</u> (Exertion of influence on politics, the media, public administration, judicial authorities or the business sector)	27.4 %	25.0 %
<u>Fields of crime</u>		
• Drug trafficking and smuggling	32.1 %	33.3 %
• Property crime	16.8 %	14.1 %
• Crime associated with the business world	12.3 %	13.5 %
• Facilitation of illegal immigration	11.0 %	10.0 %
• Crime associated with nightlife	8.5 %	9.6 %
• Tax and customs offences	8.4 %	8.8 %
• Violent crime	3.9 %	4.1 %
• Counterfeiting/forgery	3.4 %	3.3 %
• Arms trafficking and smuggling	1.5 %	1.3 %
• Environmental crime	0.2 %	---

	2004	2003
<u>Investigations including:</u>		
Money laundering acc. to Sec. 261 German Penal Code	159	143
Witness protection measures	58	63
Confiscation of assets	150	161
<u>Cases handled by:</u>		
OC investigative teams, joint police/customs investigative groups, special investigation teams	68,4 %	68,3 %
Specialised OC public prosecutor's offices or persons in charge of special OC departments	72,3 %	69,2 %
<u>Average length of the investigations completed</u>	17.0 months	17.5 months

2 SITUATION REPORT

2.1 Resources

2.1.1 Officers assigned to the investigations

In 2004, a total of 2,584 officers were assigned to OC investigations (2,549 officers in 2003). Special and support staff who are not permanently working on these cases are not included in the statistics.



As in the previous year, the average number of officers assigned to an investigation was 4 and in some cases up to 17 investigators.

2.1.2 Investigating authorities

Of the 620 investigations reported in 2004, 300 (48.4 %) were conducted by specialised OC offices, 96 (15.5 %) by other specialised offices and 81 (13.1 %) by joint investigative groups (for instance, customs and police), while 43 investigations (6.9 %) were handled by special investigation teams set up to deal with specific cases.

As regards judicial authorities, 448 investigations (72.3 %) were conducted by specialised prosecutor's offices that focus on OC and/or persons in charge of special OC departments (69.2 % in 2003).

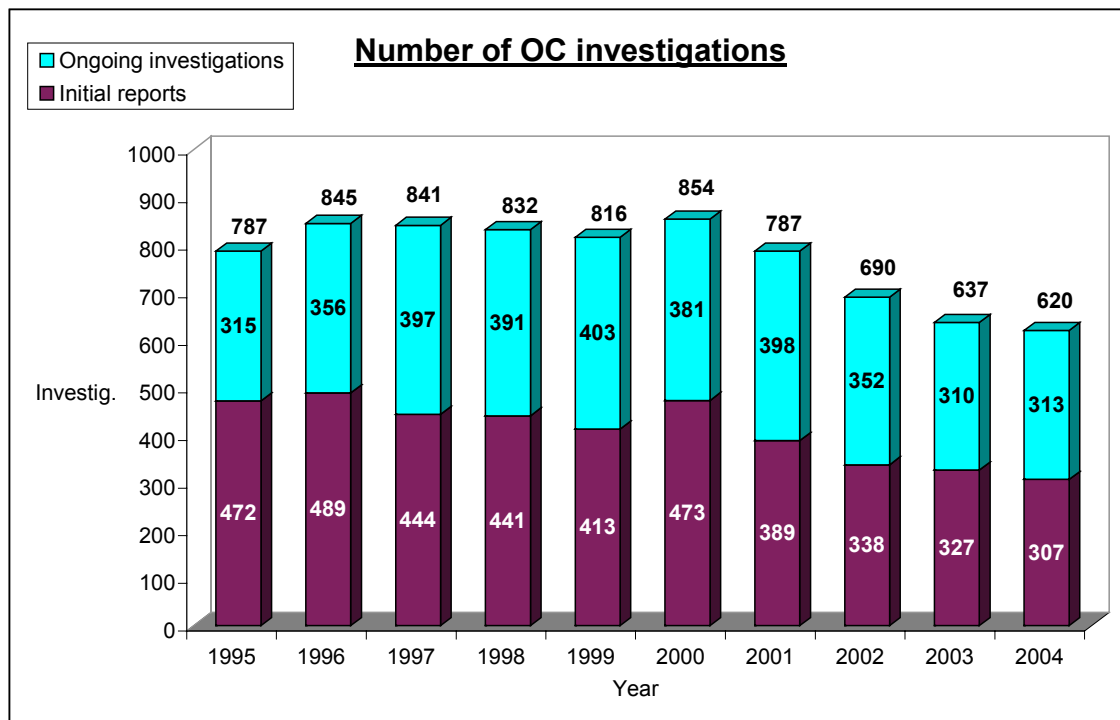
Thus, the percentage of investigations conducted by specialised OC police or judicial offices has remained virtually unchanged over the last five years.

2.2 Investigations

2.2.1 Number of investigations

In the year under review, 620 OC investigations were being conducted in Germany, 490 of these by the police forces in the federal states and 130 by federal authorities (Bundeskriminalamt, Bundesgrenzschutz (Federal Border Guard), customs investigation offices). 307 of these investigations were initiated in the year under review (initial reports) and 313 were ongoing investigations instituted in previous years.

315 investigations were completed during the period under review.



The year 2004 was the fourth consecutive year to see the number of reported OC investigations decrease, with the total number of investigations (both initial reports and ongoing investigations) decreasing by approx. 3 % in 2004 (8 % in 2003) and initial reports decreasing by approx. 6 % (3 % in 2003).

The table below illustrates the regional distribution of the OC investigations:³

	State Criminal Police Office	Federal Criminal Police Office	Federal Border Guard	Customs authorities	Total
Berlin	69	1	7	7	84
Bavaria	70	0	4	7	81
North Rhine-Westphalia	56	3	5	14	78
Lower Saxony	52	0	8	12	72
Baden-Württemberg	43	2	3	14	62
Hesse	45	1	3	6	55
Saxony	23	0	2	7	32
Hamburg	28	0	0	1	29
Schleswig-Holstein	22	0	2	1	25
Brandenburg	16	0	3	5	24
Saxony-Anhalt	20	1	0	2	23
Rhineland-Palatinate	16	0	0	0	16
Mecklenburg-W. Pomerania	9	0	3	2	14
Saarland	11	0	0	2	13
Bremen	6	0	0	0	6
Thuringia	4	1	0	1	6
Total	490	9	40	81	620

2.2.2 OC relevance of the investigations

The situation report is based on the following definition of organised crime:

"Organised crime is the planned commission of criminal offences determined by the pursuit of profit and power which, individually or as a whole, are of considerable importance and involve more than two persons, each with his/her own assigned tasks, who collaborate for a prolonged or indefinite period of time

a) by using commercial or business-like structures,

b) by using force or other means of intimidation,

or

c) by exerting influence on politics, the media, public administration, judicial authorities or the business sector."

This definition does not cover terrorist offences.⁴

³ The location of the public prosecutor's office in charge of the investigation is the criterion for the geographical distribution of Customs, Fed. Border Guard and BKA investigations.

⁴ GAG Justiz/Polizei (Working Party of German Police and Judicial Authorities), May 1990

The definition of OC consists of two parts. All general characteristics and at least one of the specific characteristics listed under a) to c) must be fulfilled for criminal behaviour to be considered organised crime.

An evaluation of the OC investigations with regard to the specific characteristics given in the definition of OC for the 2004 situation report had the following outcome (multiple recording possible): In

- 586 investigations: criterion a) applied
("by using commercial or business-like structures")
- 287 investigations: criterion b) applied
("by using force or other means of intimidation")
- 170 investigations: criterion c) applied
("by exerting influence on politics, the media, public administration, judicial authorities or the business sector").

In 2004, verifiable cases of exerting influence in accordance with criterion c) were recorded in 170 (27.4 %) of the investigations. The threshold to reprehensible forms of exerting influence is much lower than that for acts of corruption punishable under criminal law.

2.2.3 Initiation of investigations

The investigations were initiated based on the following initial information:

- 276 (44.5 %) Leads from other proceedings (by the same service or another law enforcement agency)
- 146 (23.6 %) Criminal complaints
- 79 (12.7 %) Information supplied by undercover investigators/confidential informants
- 31 (5.0 %) Preliminary investigations
- 24 (3.9 %) Evaluations independent of investigations or involving more than one investigation
- 22 (3.5 %) Leads from services/authorities other than law enforcement agencies
- 19 (3.1 %) Suspicious transaction reports filed under the Money Laundering Act
- 11 (1.8 %) Anonymous tips
- 8 (1.3 %) Random checks
- 4 (0.6 %) Leads from intelligence services

2.2.4 Length of investigations

A total of 315 investigations were completed during the year under review. The average length of the investigations was 17 months, the longest proceedings took 75 months.

2.2.5 Losses and profits

The total losses⁵ reported for the period under review amounted to approx. € 759 million (€ 522 million in 2003). The increase in comparison to the previous year can be attributed mainly to a single large-scale investigation into cigarette smuggling. As in the previous years, the highest losses were caused by tax and customs offences (approx. € 336 million) and by crimes associated with the business world (approx. € 248 million).

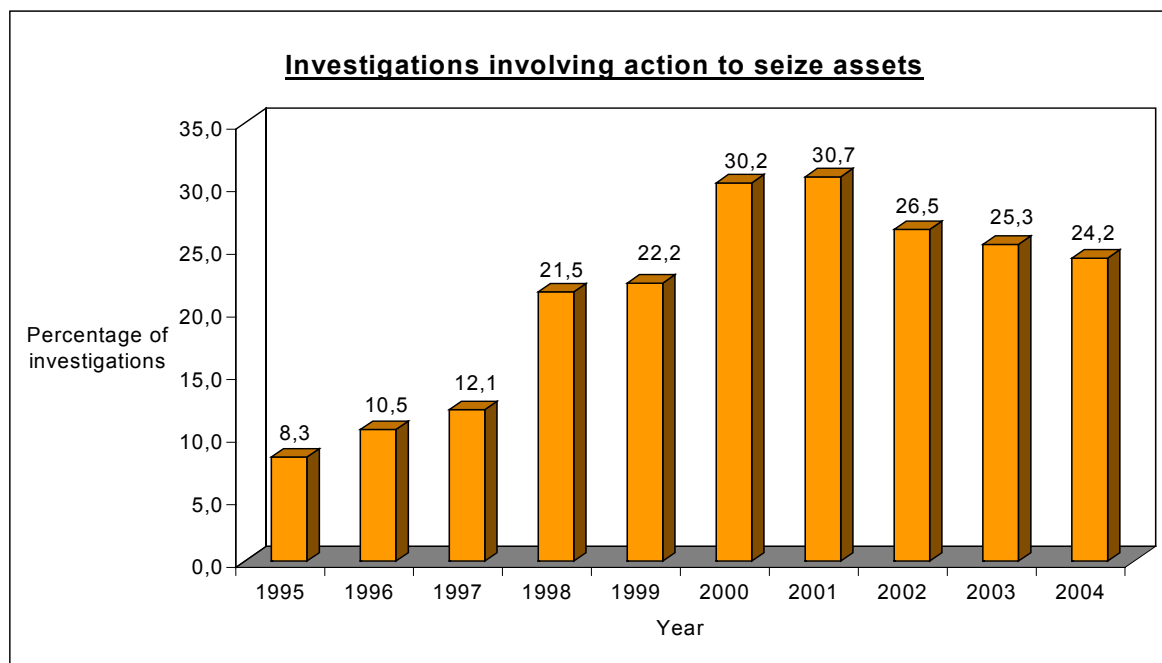
The profit⁶ made by criminal organisations was estimated at approx. € 1.337 billion, which is a considerable increase compared to the previous year (€ 468 million). This increase was heavily influenced by four investigations (into crimes associated with the business world, tax and customs offences as well as drug trafficking and smuggling) accounting for approx. € 900 million of profits.

The largest profits were achieved by crimes in connection with the business world (approx. € 603 million), by drug trafficking and smuggling (approx. € 344 million) as well as tax and customs offences (€ 243 million).

2.2.6 Money laundering and confiscation of assets

Confiscation of assets

In 150 investigations (24.2 % of all investigations) action was taken to ensure that assets could be confiscated. The total value of these provisionally seized assets amounted to approx. € 68 million (€ 69 million in 2003).



⁵ For 207 investigations, losses were recorded in accordance with the Police Crime Statistics guidelines. Losses as defined by the Police Crime Statistics guidelines are the illegally obtained monetary value (market value). For import duty and tax evasion and for subsidy fraud in connection with the marketing regulations of the European Union, losses are defined as the amount evaded or the unjustly received subsidies.

⁶ Profits were estimated for 340 investigations.

Money laundering activities

In 204 investigations, information was obtained relating to money laundering offences (in criminological terms). There were 159 investigations into money laundering in accordance with section 261 of the German Penal Code. In 84 investigations, 269 suspicious transaction reports pursuant to section 11 subsection 1 of the Money Laundering Act were filed.

2.3 OC potential of groups of perpetrators

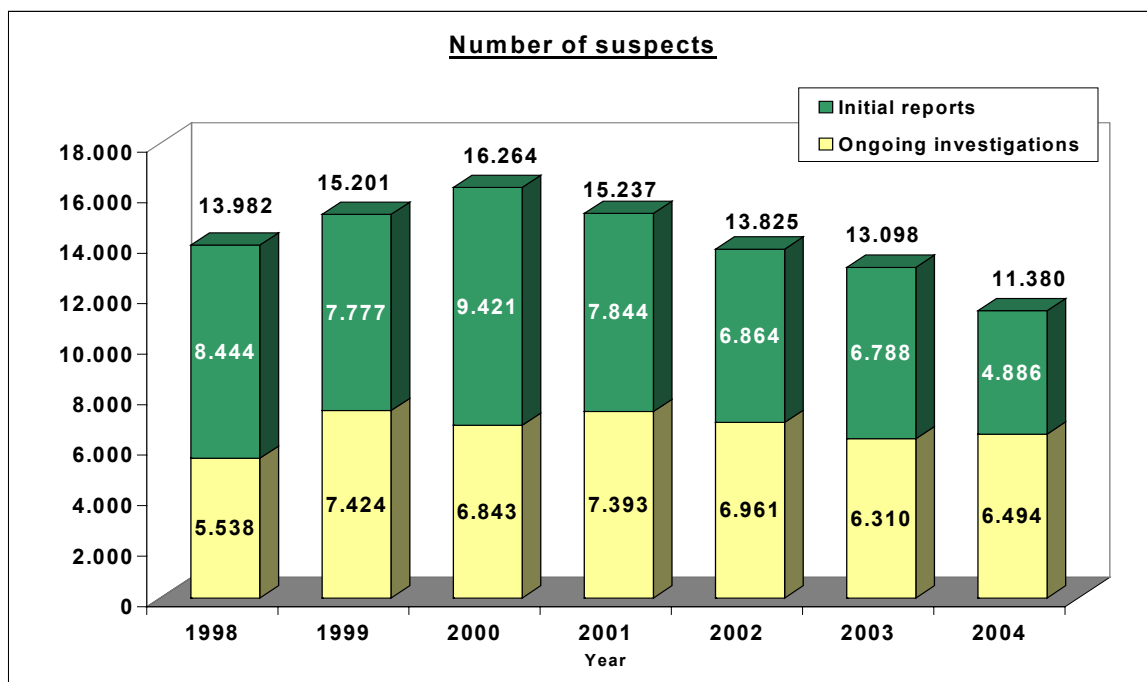
The term "OC potential" is used to express the level of organisation and professionalism of the groups of perpetrators. The OC potential is calculated using a system of weighted OC indicators and is portrayed on a scale from 1 (= very low) to 100 (= very high). This makes it possible to show the significance of the individual phenomena of organised crime in relation to each other.

The average OC potential of all groups of 41.3 points was virtually unchanged from the previous year (41.5 points). The distribution was similar to that of the previous years.

As in previous years, the percentage of groups that had a relatively high OC potential of more than 60 points due to their sophisticated group structures and highly professional modus operandi was relatively low at approx. 12 % (approx. 13 % in 2003; approx. 12 % in 2002; approx. 10 % in 2001).

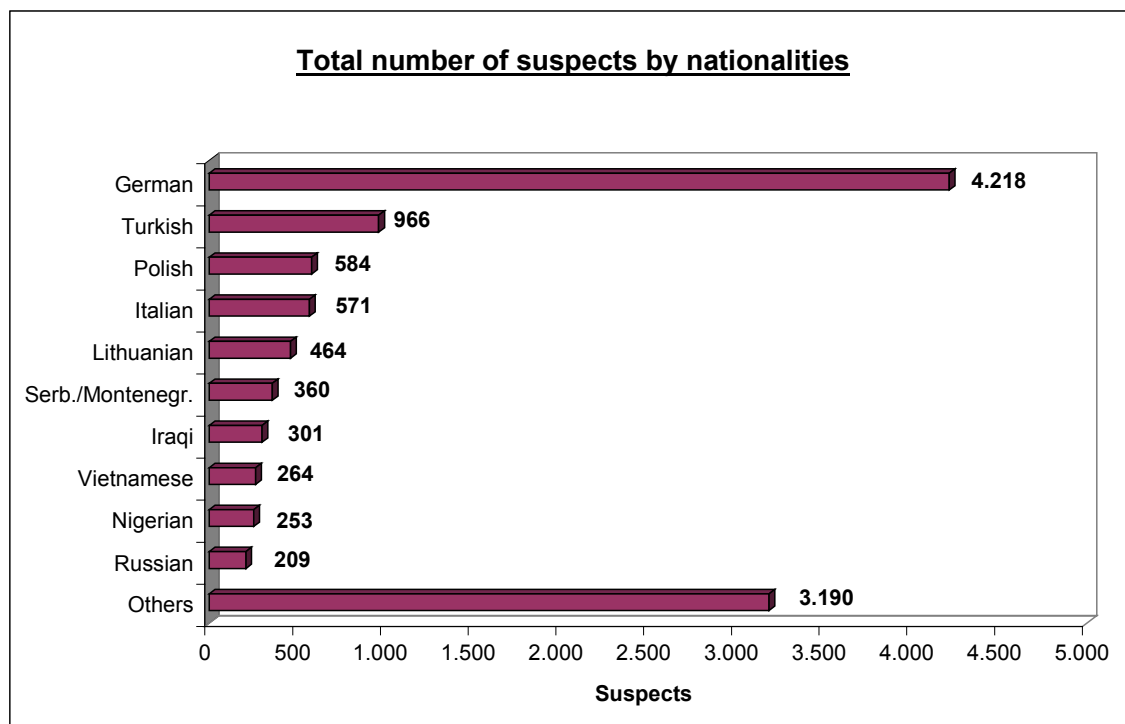
2.4 Suspects / Group structures

Suspects



During the year under review, a total of 11,380 suspects (13,098 in 2003) were investigated, 4,886 of these suspects (6,788 in 2003) were new to the statistics.⁷

The suspects were from a total of 109 nations (101 in 2003).⁸ German nationals continue to make up the largest group (37.1 %) among the total number of suspected offenders (41.3 % in 2003).⁹ As in the previous year, they were followed by Turkish, Polish and Italian suspects. Particularly noteworthy is the total of 301 Iraqi suspects. However, this figure is strongly influenced by a single investigation into the facilitation of illegal entry involving 157 suspects.

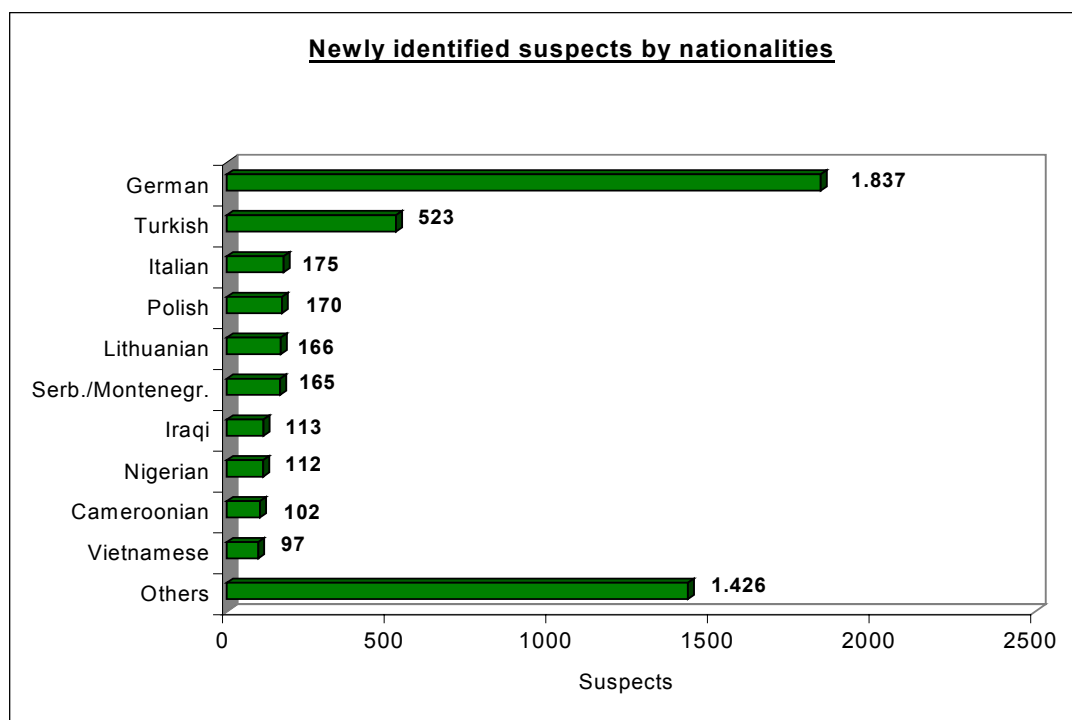


⁷ The total number of suspects in OC investigations has only been recorded since 1998.

⁸ As of 2004, the evaluation refers to the total number of suspects. (Previously, newly identified suspects were counted).

⁹ For further information on the percentage of German nationals who were nationals of another country at birth, please refer to page 21.

Broken down by nationalities, the distribution of the newly identified suspects was similar to that of the suspects in general for the year under review:



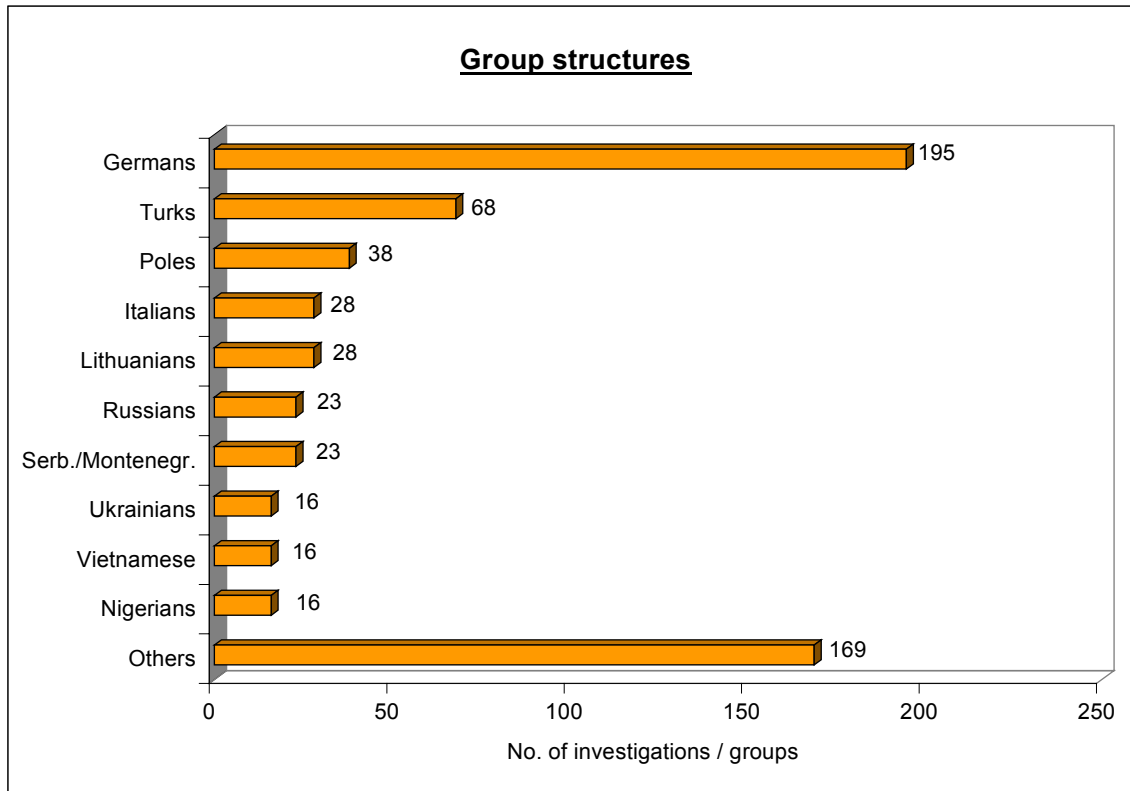
The number of suspects per investigation ranged from three to 372 persons and averaged 18 persons. The OC groups' size can be classified as follows:

- Up to 10 suspects 290 groups
- 11 to 50 suspects 296 groups
- 51 to 100 suspects 26 groups
- More than 100 suspects 8 groups

Compared to the previous years, the percentage of groups that comprised suspects of only one nationality remained at the same level with 20.3 % (20.1 % in 2003, 20.2 % in 2001). Of these groups, 71 comprised German suspects only, 11 exclusively consisted of Turkish and 7 of Polish nationals.

Group structures

The following chart illustrates the investigations into OC groups broken down by ethnic criteria. The groups were considered under that nationality whose members dominate the criminal activity of the group without necessarily being the majority of group members.



As in the previous years, German OC groups dominated OC in Germany. They were followed by Turkish OC groups, who have been heading the list of non-German OC groups year by year since the Federal OC Situation Report was first published. For the year under review, OC groups from 48 nations were summarised under the category "Others".

2.4.1 OC committed by German nationals

The percentage of German OC suspects decreased again. For the year under review, it dropped to 37.1 % of all suspects (41.3 % in 2003; 44.4 % in 2002). However, the 4,218 German nationals continued to head the list of suspects. Compared to the previous year (38.8 %), their percentage of all newly identified suspects remained relatively constant at 37.6 %.

The number of groups dominated by German nationals (195 groups in 2004) only slightly decreased compared to the previous year (201 groups in 2003).

Although their percentage dropped considerably compared to the previous years (34.3 % in 2003; 38.9 % in 2002), OC groups dominated by German nationals continued to focus on drug smuggling and trafficking (especially cocaine and cannabis products), followed by crimes associated with the business world (in particular investment or credit fraud, fraud in

connection with tenders and insolvency offences) and (nearly exclusively motor-vehicle related) property crime, which increased in comparison to the previous year.

OC groups dominated by Germans caused the highest losses by tax and customs offences (approx. € 232 million) and, in particular, by crimes associated with the business world (approx. € 204 million).

As in the previous year, the major profits made by OC groups dominated by German nationals were found to have been obtained through crimes associated with the business world (approx. € 262 million), as well as drug offences (approx. € 251 million) and facilitation of illegal entry (approx. € 208 million).

In the year under review, 736 German suspects (17.4 %) had been nationals of a different country at birth. Their percentage was thus higher than in previous years (14.8 % in 2003; 12.8 % in 2002; 13.3. % in 2001). As in the past years under review, the Russian Federation, Poland, Kazakhstan and Turkey continued to be the most important countries of origin of these suspects. The German suspects who had been nationals of a different country at birth came from a total of 52 states.

2.4.2 OC committed by Turkish nationals

Turkish nationals continue to head the list of non-German suspects in terms of numbers. Having decreased in 2003, their percentage among all OC suspects rose significantly again reaching the 2001 and 2002 levels. The OC potential of Turkish OC groups, which had increased continuously over the last few years, has reached a relatively high but constant level.

As in previous years, Turkish OC groups in the main were involved in drug trafficking and smuggling. There was a focus on heroin trafficking and smuggling, with trafficking in cocaine and cannabis products ranking next. Heroin was mainly smuggled from Turkey to Germany and the UK via the Balkan route. Furthermore, the illegal import of heroin and cocaine from the Netherlands into Germany played a major role. 20 % of the OC groups dominated by Turkish nationals were involved in trafficking and smuggling more than one type of drug.

The major part of the investigations into crimes in connection with nightlife concerned trafficking in human beings and exploiting prostitution, in general to the detriment of Romanian and Bulgarian women. Only two investigations were into illegal games of chance. Compared to the previous year, it is particularly noteworthy that crimes in connection with the business world dropped from 11.1 % to 4.5 %.

2.4.3 OC committed by Polish nationals

The number of Polish OC groups (38) roughly remained at the same level as in previous years (34 in 2003; 28 in 2002; 38 in 2001). Although the percentage of newly identified Polish suspects decreased slightly from 5.6 % to 3.3 %, as in the previous year (5.25 %) Polish suspects still made up for 5.1 % of the total number of suspects. It is noteworthy that - compared to suspects of other nationalities - a relatively large number of Polish suspects carried arms (7.7 %).

Polish groups largely continued to focus on the same fields of crime as before. Polish OC groups still dominated vehicle trafficking from Germany into Poland and into the successor states to the Soviet Union (in particular via Poland). The investigations into tax and customs offences exclusively concerned cigarette smuggling, in particular from Poland and Ukraine into Germany and the UK. Criminal activity in the field of drug trafficking and smuggling concentrated on synthetic drugs and cocaine (three investigations).

2.4.4 OC committed by Italian nationals

In spite of a contrary development over the last few years (24 investigations in 2003; 29 in 2002; 42 in 2001), the number of Italian OC groups increased again slightly to 28. Five of the groups dominated by Italian nationals had links to the Cosa Nostra, three of them each to the Camorra and Stidde, and two had connections to the 'Ndrangheta.

The percentage of property crime has risen constantly over the last few years. The percentage of drug, tax and customs offences also increased compared to the previous year. On the other hand, crime associated with the business world decreased. The same fields of activity that had been identified in the past (motor vehicle-related property crime and cocaine smuggling from the Netherlands) still predominated. More than 40 % of the groups were active in more than one area of crime.

2.4.5 OC committed by Lithuanian nationals

The number of Lithuanian OC groups dropped to 28 from 36 in the previous year. This means, that the number of Lithuanian groups again reached the 2002 and 2001 levels (27 groups in 2002; 29 groups in 2001). The proportion of Lithuanian nationals among the newly identified suspects was virtually unchanged from the previous years.

The trend recorded in past years toward an increase in the extent of drug trafficking and smuggling continued during the year under review. The illegal import of heroin from the Netherlands and Lithuania prevailed. Furthermore, Lithuanian groups smuggled synthetic drugs from the Netherlands to Sweden and Norway through Germany and Denmark.

In spite of the increase in crimes associated with nightlife recorded over the previous years, this type of crime decreased from 19.4 % in 2003 to 10.7 % in the year under review.

Property crime (vehicle trafficking mainly to Lithuania) as well as tax and customs offences (cigarette smuggling from Lithuania, Russia and Ukraine to Germany and the UK) remained at virtually unchanged levels.

2.4.6 OC committed by Russian nationals

Based on the number of investigations alone, it is difficult to rate the importance of OC groups dominated by Russians to crime in Germany. On the one hand, the number of Russian suspects newly identified in the year under review and the number of identified groups fell sharply. On the other hand, the OC potential of OC groups dominated by Russian nationals increased again reaching the highest average among all the nationalities under review.

The total profits obtained by Russian OC groups were strikingly high in the year under review. However, this was due to two investigations into fraud and breach of trust in connection with money laundering, amounting to € 300 million and € 22.5 million of profits, respectively.

In 2004 a prominent feature of Russian OC groups was the wide variety of criminal activities they continued to engage in. In the year under review, investigations into crime associated with nightlife for the first time topped the list of the major activities of OC groups dominated by Russian nationals. Violent crime as well as tax and customs offences continued to be further important fields of activity. Property and drug crime, however, decreased slightly, while facilitation of illegal entry dropped relatively sharply.

2.4.7 OC committed by nationals of Serbia and Montenegro

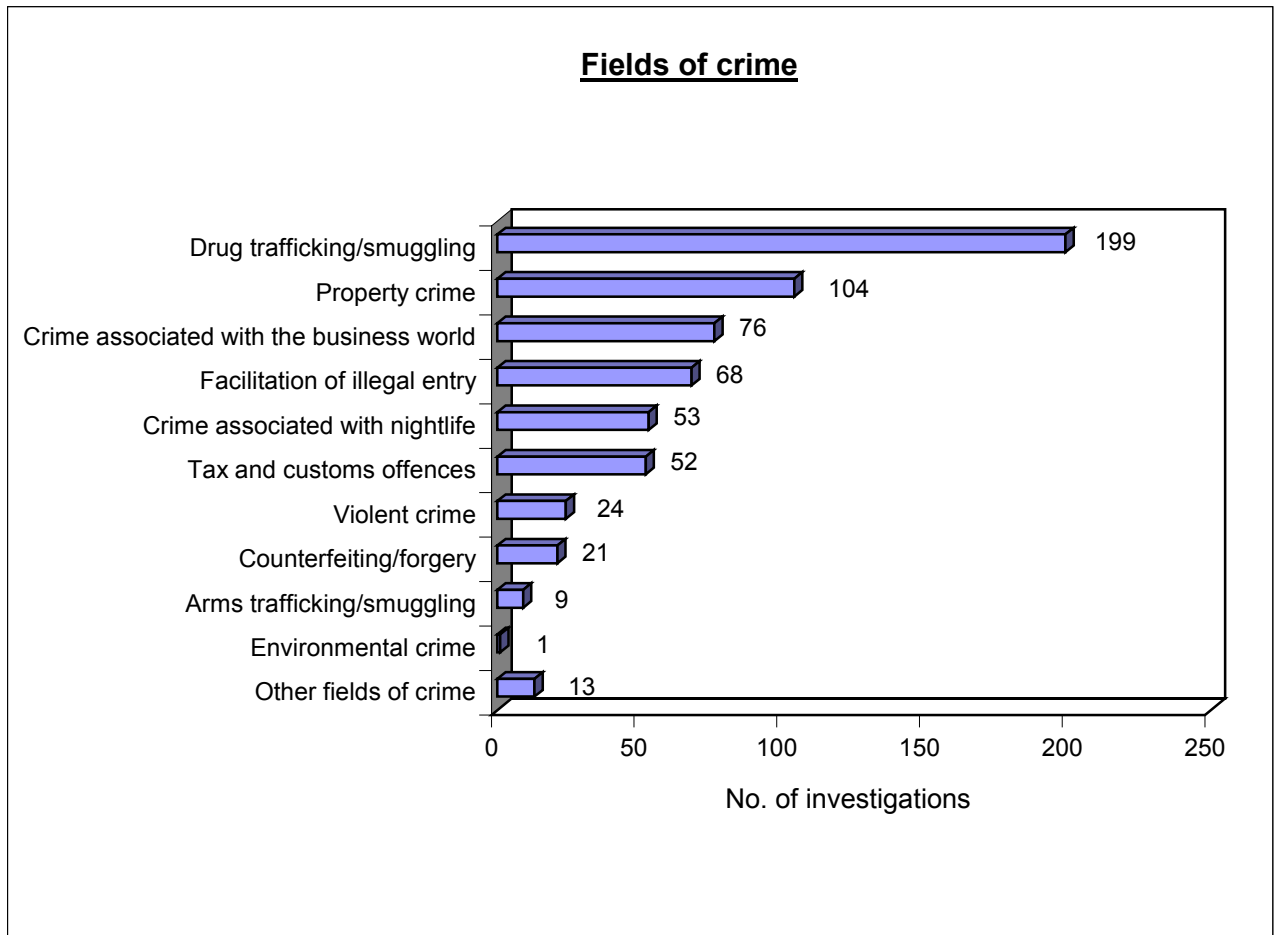
The importance of nationals of Serbia and Montenegro has remained unchanged from the previous year. After the strong decreases of the last few years, the percentage of Kosovo Albanians among the suspects from the Republic of Serbia and Montenegro has now increased to just under 10 %. It has to be remarked that - as with other ethnic groups - ethnic origin has not been recorded for all OC investigations.

The profits obtained by nationals from the Republic of Serbia and Montenegro were still clearly below the average profits for all the investigations recorded.

The distribution of their activities by areas of crime has not changed dramatically. In 2004, the groups continued to focus on cocaine and heroin trafficking and smuggling as well as property crime. While not a single investigation had focused on the facilitation of illegal immigration in the previous year, there were two investigations into this type of crime during the year under review.

2.5 Fields of crime

The groups of perpetrators concentrated their criminal activities on the following fields of crime:¹⁰



In 2004, the foci of criminal activities were largely identical to those recorded for previous years. In spite of having decreased again, drug trafficking and smuggling (32.1 %) remained the major field of activity in organised crime in Germany (33.3 % in 2003; 3.8 % in 2002), and was followed again by property crime (16.8 %), crimes associated with the business world (12.3 %), facilitation of illegal entry (11.0 %), offences related to nightlife (8.5 %) as well as tax and customs offences (8.4 %). Arms trafficking and smuggling (1.5 %) and environmental crime (0.2 %) continue to play a minor role in the field of OC. Due to its minor role, environmental crime will not be discussed here in detail.

¹⁰ The focal points of the criminal activities of the groups of perpetrators are the basis for determining into which OC relevant field of crime the investigations fall.

Modi operandi involving more than one area of crime

In the year under review, one in four groups of perpetrators (24.4 %) was active in more than one area of crime¹¹. As in the previous years, three in four groups of perpetrators had specialised in one area of crime.¹²

Groups active in more than one field of crime continued to display, on average, a higher OC potential (47.7 points) than those focusing on one area of crime only (39.2 points).

International links

522 (84.2 %) of the investigative proceedings analysed show links to other countries, i.e. at least one crime scene was located outside Germany. In 75 investigations, there were supraregional links, while regional links were established in 23 investigations.

There were international connections to a total of 122 countries, the main countries being: the Netherlands (200 investigations), Belgium (105 investigations), Italy (104 investigations), Poland (97 investigations), Spain (95 investigations), France (93 investigations), the UK (85 investigations) and the Russian Federation (73 investigations).

The distribution by states was largely similar to that of the previous years. Due to its major role as a transit country for cigarette smuggling into the United Kingdom, Belgium has become the no. 2 on this list.

¹¹ Modi operandi are classified as involving more than one area of crime if a group of perpetrators intends to make profits in more than one field of crime or individual group members act in several crime areas in the group's interest.

¹² in 469 of a total of 620 investigations

2.5.1 Drug trafficking and smuggling

The criminal activities of the OC groups in Germany continued to be focused on drug trafficking and smuggling, the proportion of which has decreased since 2002 to 32.1 % (33.3 % in 2003; 36.8 % in 2002).

As in previous years, cocaine and heroin trafficking and smuggling prevailed, followed by trafficking in and smuggling of cannabis products and synthetic drugs.

As regards cocaine trafficking and smuggling, the percentage of groups dominated by German nationals decreased, but they still headed the list in this field of crime. The percentage of Turkish and Lebanese groups has remained constant at a relatively high level. The percentage of Nigerian and, in particular, Italian groups, which had been virtually irrelevant in the previous year, has increased. OC groups from the countries of cultivation in South America continue to play a subordinate role in the distribution of cocaine in Germany. The Netherlands are still by far the most important country for cocaine supplies for the German market.

Turkish OC groups continue to dominate heroin trafficking and smuggling in Germany. The percentage of Lithuanian and German groups has hardly changed, while groups dominated by nationals of Serbia and Montenegro as well as Nigerian groups have lost importance. As in previous years, Turkey was the major source country, and the Netherlands the most important transit country for narcotic drugs.

As in the previous year, the trafficking in cannabis products was predominantly carried out by German OC groups. An additional role was played by Turkish groups of perpetrators. Overall, this market segment saw investigations drop again.

In the year under review the number of investigations focusing on trafficking in and smuggling of amphetamines and amphetamine derivatives again fell sharply. German OC groups continued to dominate their home market in this sector. The Netherlands are still the main country of origin for amphetamines and amphetamine derivatives.

2.5.2 Property crime

With a share of approx. 17 % of all OC investigations, property offences make up the second largest field of crime. As in the past, by far most property crime involved motor vehicles (approx. 80 % of the investigations). The lion's share of the vehicles were stolen in Germany and taken to Poland, Lithuania, Russia and Ukraine. Furthermore, vehicles stolen in Italy, Belgium, France and the Netherlands were marketed in Germany or trafficked to other countries via Germany.

Polish and Lithuanian OC groups still make up for a disproportionately large part of property crime, in particular of international vehicle trafficking, although a decrease in the percentage of Lithuanian groups has been recorded for the year under review as compared to the previous year (14.4 %).

2.5.3 Crime associated with the business world

With a share of almost 12 % of all OC investigations, crime associated with the business world continued to be the third largest field of organised crime.

In 2004 again, OC groups focused on a wide variety of criminal activities. The most common offences committed by these groups were financing offences (in particular credit fraud) as well as investment and competition-related offences (in particular fraud in connection with tenders). Compared to the previous year, the number of investigations in this field of crime dropped, with financing offences decreasing disproportionately. Insolvency offences, on the other hand, saw an increase.

While activities in other fields of crime largely involved international *modi operandi*, criminal activities in connection with the business world were relatively often limited to Germany (activities at regional or supraregional level).

This field of crime is dominated by German OC groups, whose percentage has risen continuously over the last few years. However, the percentage of Turkish OC groups has decreased. For the first time, there were figures for groups dominated by Cameroonian nationals, which were, however, based on three investigations only.

It is characteristic of OC groups operating in the field of crime associated with the business world to have particularly established group structures (with groups co-operating for nearly five years on average).

2.5.4 Facilitation of illegal immigration

In this field of crime, OC groups provide support for illegal entry and illegal residence by aliens; this support involves gang-type activity on a commercial basis. Furthermore, this term also covers the transport of illegal immigrants through Germany and into other Schengen countries.

The illegal entrants came from 22 countries. Home countries included, in particular, eastern and south-eastern European states (above all Ukraine with 12 investigations as well as Albania, Moldova and Turkey with five investigations each) as well as Asian states (above all China with 13 investigations and Vietnam with seven investigations). The Czech Republic, Poland, Austria and France were the most significant transit countries. France, Spain, the UK and Belgium were, apart from Germany, important target countries of alien smuggling activities.

Alien smuggling was characterised by ethnic variety, which can be attributed to the recruitment of potential illegal entrants in their home countries and activities in the transit countries. Even bearing in mind the fluctuations over the years, the percentage of OC groups dominated by German nationals was rather low in this field of crime.

2.5.5 Crime associated with nightlife

The OC situation report classifies the following offences, amongst others, as "crimes associated with nightlife": promoting prostitution, exploiting prostitution, trafficking in human beings/aggravated forms of trafficking in human beings and illegal games of chance.

As in the previous year, two thirds of the investigations focused on trafficking in human beings/aggravated trafficking in human beings. The number of investigations into illegal gambling (3) was again very low.

The female victims of human trafficking came from a total of 26 states, most frequently from eastern European countries, in particular Ukraine, the Russian Federation, Romania, Lithuania, Latvia, Bulgaria and Poland. Poland was by far the most important transit country.

Nearly always, suspects from more than one nationality co-operated in the OC groups, which can probably be attributed to the international *modi operandi* based on a division of tasks (recruiting women in their countries of origin, transporting them through several states to Germany). Groups dominated by German nationals continued to be most frequent in the field of crime associated with nightlife, the other OC groups were dominated by suspects from 12 different states.

2.5.6 Tax and customs offences

The number of investigations involving tax and customs offences has decreased since they were first recorded separately for the OC situation report (56 investigations in 2003; 60 in 2002; 75 in 2001), although the percentage of tax and customs offences in relation to all OC investigations has remained virtually unchanged at 8.4 %.

As in the previous years, the OC groups' activities in the field of tax and customs offences focused on cigarette smuggling. In the year under review, their activities furthermore included tax carousel fraud (for instance with mobile phones) and alcohol smuggling.

Most of the groups smuggled cigarettes to Germany from Lithuania, Russia and Ukraine via Poland. Alongside these activities, cigarettes from eastern Europe were smuggled via Germany mainly into the UK, where profit margins are particularly high as a consequence of the high tobacco duty. Belgium and the Netherlands played a major role as transit countries. Cigarettes were also illegally imported from Asia. However, all these cigarettes were fakes.

Tax offences cause large-scale losses to the national economy due to the shortfall in tax revenue, enormous profits can be obtained. Due to the differences in taxation between the EU countries, smuggling cigarettes into and through Germany will continue to be an attractive market segment in future.

2.5.7 Violent crime

The category "violent crime" in the situation report covers those OC investigations that focus on offences such as extortion, robbery, offences against personal liberty and offences against life.

As in previous years, most of the investigations revolved around crimes of extortion (11 investigations) as well as robberies (eight investigations), in particular robberies on banks and jeweller's shops. Three of the investigated OC groups focused on offences against life. For the year under review, 19 homicides (incl. attempts) were recorded.

The criminal activities in the field of violent crime were carried out by suspects of a variety of nationalities. OC groups active in this field relatively frequently comprised suspects of one nationality only. Even with an increase by 7.7 % compared to the previous year, the percentage of German OC groups has been very low over the last few years. Compared to their proportion in OC in Germany in general, figures for Vietnamese OC groups in the field of violent crime were disproportionately high.

2.5.8 Counterfeiting/forgery

The field of counterfeiting/forgery comprises the following criminal activities: production and circulation of counterfeit currency, forgery of non-cash means of payment, and falsification of documents.

In spite of the decreases of the last few years, the number of groups remained at the same level as in the previous year (21 in 2003; 29 in 2002; 31 in 2001; 36 in 2000).

The most frequently indicated criminal activities were the production and circulation of counterfeit currency (nearly exclusively counterfeit EUR currency) recorded for 11 investigations and falsification of documents (largely identity and vehicle documents) reported for seven investigations. The counterfeits/forgeries came from eight states, with Bulgaria heading the list by far, followed by Lithuania and Italy.

Compared to their proportions in relation to the total number of OC suspects, the percentages of Lithuanian (16.2 %), Turkish (14.2 %), Bulgarian (10.5 %) and Italian suspects active in this particular field of crime were disproportionately high.¹³

2.5.9 Arms trafficking and smuggling

The number of investigations into this field of crime (9) continued to be low. Groups dominated by German nationals prevailed (seven investigations), the other investigations were conducted against groups dominated by Italian suspects or by nationals of Serbia and Montenegro.

¹³ For a total of 352 OC suspects mainly involved in counterfeiting/forgery.