



## National Situation Report 2017

# Organised Crime 2017



**572 investigations against  
OC groups**



**8,317  
OC suspects**



**79.5 % crimes committed  
at international level**



**EUR 209 million  
Losses**



**EUR 145 million  
Criminal proceeds**



**EUR 24 million  
Seized assets**



**Drug trafficking and smuggling**  
more than one third of all OC groups deal in narcotic drugs

**36.2 %**



**Property crime**  
focal points are once again motor vehicle property offences

**16.4 %**



**Economic crime**  
rise in investigations, increasing number of organised frauds  
to the detriment of elderly persons (call centres)

**11.0 %**



**Facilitation of illegal immigration**  
rise in number of investigations  
modified modi operandi identified

**8.9 %**



**Tax and customs offences**  
mainly investigations into smuggling of cigarettes,  
increasingly product and trademark piracy

**8.4 %**

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# 1 Preliminary Remarks

The National Situation Report on "Organised Crime" for 2017 contains information about the current situation and developments in the field of Organised Crime (OC) in Germany.

The report is drawn up by the Bundeskriminalamt (Federal Criminal Police Office - BKA) in co-operation with the Landeskriminalämter (Land Criminal Police Offices - LKÄ), the Zollkriminalamt (Central Office of the German Customs Investigation Service - ZKA) and the Bundespolizeipräsidium (Federal Police Headquarters) on the basis of the working definition of "Organised Crime" developed by the Joint Working Party of the German Police and Judicial Authorities (GAG Justiz/Polizei) in May 1990<sup>1</sup>. Data on OC investigations conducted during the period under review are compiled by applying the same set of criteria throughout the country.

The National Situation Report presents the results of law enforcement activities carried out in the field of Organised Crime. It is a description of the recorded cases, i.e. the crime coming to police notice, but a valid estimation of the possible type and extent of unreported crime cases cannot be deduced from the statistical data. Statements on the development of organised crime are essentially based on the long term monitoring of information relevant to OC.

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<sup>1</sup> Please note the working definition of "Organised Crime" under 3.1.

## 2 Statistical overview

OC investigations	2017	2016
Number of OC investigations	572	563
Initial reports	274 (47.9 %)	275 (48.8 %)
Completed OC investigations	271 (47.4 %)	252 (44.8 %)
Suspects		
Number of suspects	8,317	8,655
Newly identified suspects	3,238 (38.9 %)	3,348 (38.7 %)
Number of German suspects	2,436 (29.3 %)	2,809 (32.5 %)
Number of non-German suspects	5,614 (67.5 %)	5,664 (65.4 %)
Lithuanian nationals	991 <sup>2</sup> (11.9 %)	1,061 (12.3 %)
Turkish nationals	853 (10.3 %)	846 (9.8 %)
Number of suspects whose nationality is unclear, stateless suspects	267 (3.2 %)	182 (2.1 %)
Total number of nationalities	105	108
Number of armed suspects	449 (5.4 %)	401 (4.6 %)
Offender structures		
Heterogeneous offender structures <sup>3</sup>	417 (72.9 %)	424 (75.3 %)
Homogeneous offender structures <sup>4</sup>	155 (27.1 %)	139 (24.7 %)
Financial figures		
Losses	EUR 209 million	EUR 1.01 billion
Identified criminal proceeds	EUR 145 million	EUR 840 million
Provisionally seized assets	EUR 24 million	EUR 61 million
Number of OC investigations resulting in the provisional seizure of assets	146 (25.5 %)	147 (26.1 %)
Number of OC investigations involving money laundering activities	213 (37.2 %)	212 (37.7 %)

<sup>2</sup> Of these, 816 Lithuanian nationals were reported by Baden-Württemberg as suspects in an investigation conducted into crime associated with the business world since 2012.

<sup>3</sup> OC groups whose suspects have different nationalities.

<sup>4</sup> OC groups whose suspects have the same nationality.

Fields of crime	2017	2016
Drug trafficking and smuggling	207 (36.2 %)	204 (36.2 %)
Property crime	94 (16.4 %)	98 (17.4 %)
Crime associated with the business world	63 (11.0 %)	53 (9.4 %)
Facilitation of illegal immigration	51 (8.9 %)	38 (6.7 %)
Tax and customs crime	48 (8.4 %)	57 (10.1 %)
Violent crime	33 (5.8 %)	31 (5.5 %)
Crime associated with nightlife	26 (4.5 %)	20 (3.6 %)
Cybercrime	17 (3.0 %)	22 (3.9 %)
Counterfeiting/Forgery	17 (3.0 %)	20 (3.6 %)
Money laundering	9 (1.6 %)	8 (1.4 %)
Arms trafficking and smuggling	3 (0.5 %)	2 (0.4 %)
Corruption	2 (0.3 %)	2 (0.4 %)
Criminal association <sup>5</sup>	1 (0.2 %)	- (-)
Environmental crime	1 (0.2 %)	3 (0.5 %)

Average OC potential	40.9 points	41.0 points
International crime	455 (79.5 %)	441 (78.3 %)
The Internet as instrument of crime	34 (5.9 %)	54 (9.6 %)
Offences involving more than one area of crime	208 (36.4 %)	178 (31.6 %)

<sup>5</sup> An investigation can be assigned to this field of crime since 2017.

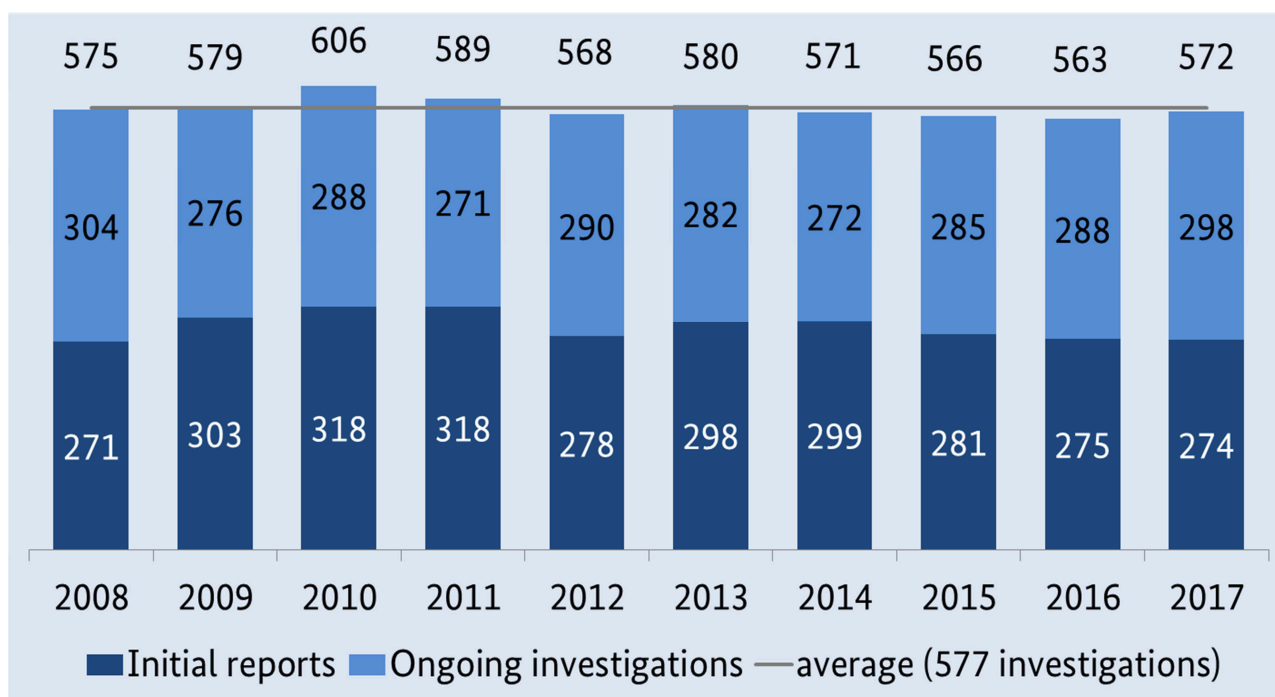
# 3 Description and Evaluation of the Crime Situation

## 3.1 GENERAL DATA ON INVESTIGATIONS

The total number of investigations conducted against OC groups reveals that OC continues to entail an invariably high threat potential in Germany. Unlike in the last three reporting years, the police forces of the Federation and the Länder (German federal states) and the customs authorities determined a slight rise in the total number of OC investigations from 563 to 572 (+ 1.6 %) in 2017.

Over the last ten years, 577 OC investigations were conducted against OC groups on average.

**Development of the number of investigations conducted against OC groups**



The assignment of the OC investigations by the federal authorities to the Länder was based on the location of the public prosecutor's offices leading the respective investigations (figures of the previous year in brackets).

Land	Federal state	Federation	BKA	BPOL (federal police)	ZKA (Customs authorities)	Total	
North Rhine-Westphalia	80	31	6	4	21	111	(107)
Berlin	60	8	1	2	5	68	(61)
Bavaria	55	21	3	14	4	76	(76)
Lower Saxony <sup>6</sup>	49	12	1	3	8	61	(66)
Baden-Württemberg <sup>7</sup>	40	7	1	1	5	47	(49)
Hesse <sup>8</sup>	29	20	5	7	8	49	(35)
Rhineland-Palatinate <sup>9</sup>	24	2	0	1	1	26	(28)
Schleswig-Holstein <sup>10</sup>	20	2	0	2	0	22	(20)
Saxony	18	12	0	7	5	30	(25)
Hamburg	13	6	0	2	4	19	(24)
Brandenburg	12	3	0	1	2	15	(14)
Mecklenburg-Western Pomerania <sup>11</sup>	11	1	0	1	0	12	(10)
Saxony-Anhalt	9	5	1	0	4	14	(16)
Saarland	6	2	0	0	2	8	(15)
Thuringia	6	1	0	1	0	7	(6)
Bremen	5	2	0	0	2	7	(11)
<b>Total</b>	<b>437 (414)</b>	<b>135 (149)</b>	<b>18 (22)</b>	<b>46 (43)</b>	<b>71 (84)</b>	<b>572</b>	<b>(563)</b>

<sup>6</sup> One investigation from Lower Saxony was conducted by a public prosecutor's office in the Bremen.

<sup>7</sup> One customs investigation was conducted by the Federal Public Prosecutor General in Karlsruhe, Baden-Württemberg.

<sup>8</sup> One investigation from Hesse was conducted by a public prosecutor's office in Berlin.

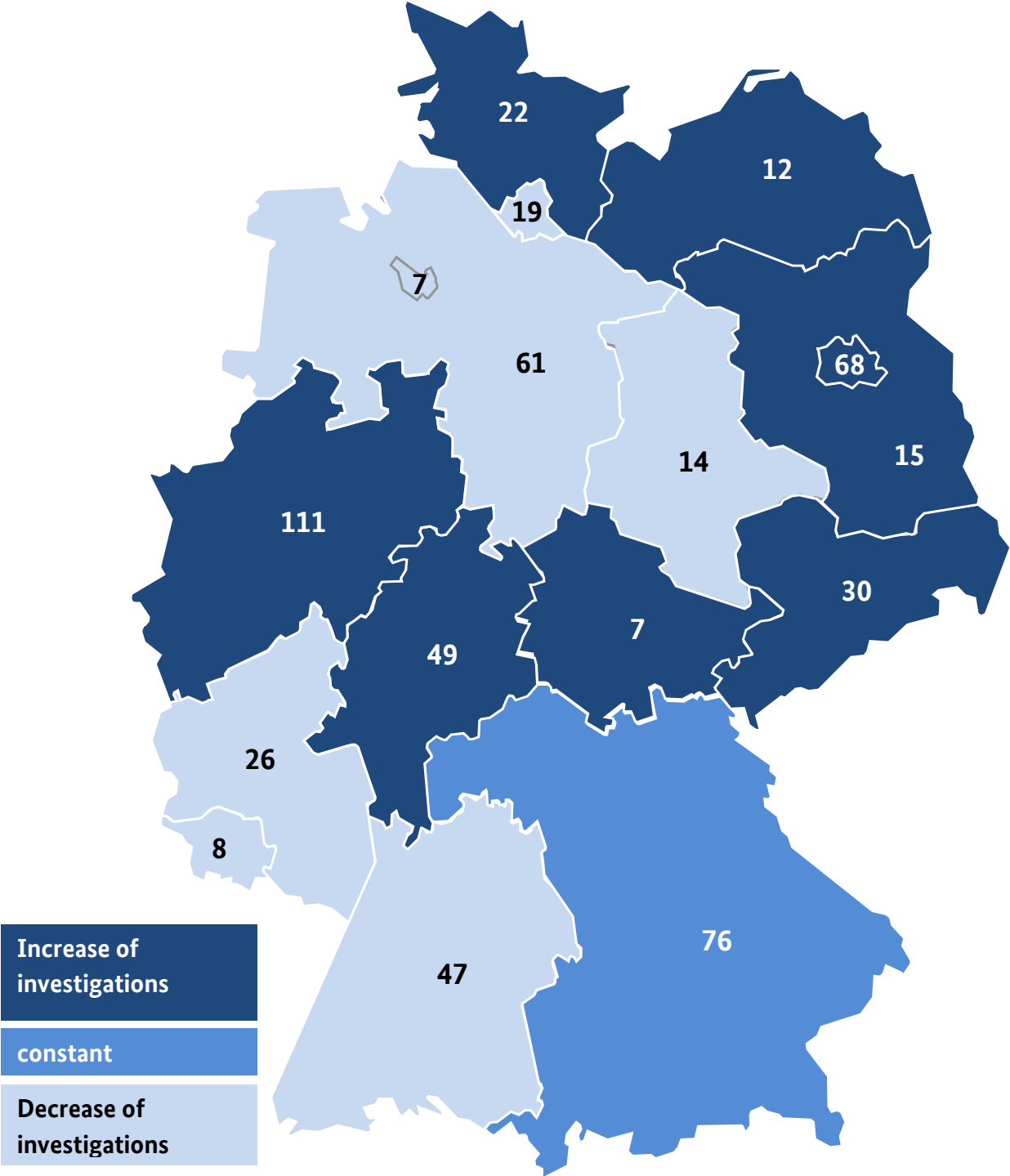
<sup>9</sup> Two investigations from Rhineland-Palatinate were conducted by public prosecutor's offices in Hesse.

<sup>10</sup> One investigation from Schleswig-Holstein was conducted by a public prosecutor's office in Hamburg.

<sup>11</sup> One investigation from Mecklenburg-Western Pomerania was conducted by a public prosecutor's office in Hesse.



Distribution of OC investigations by Land (2017)<sup>12</sup>

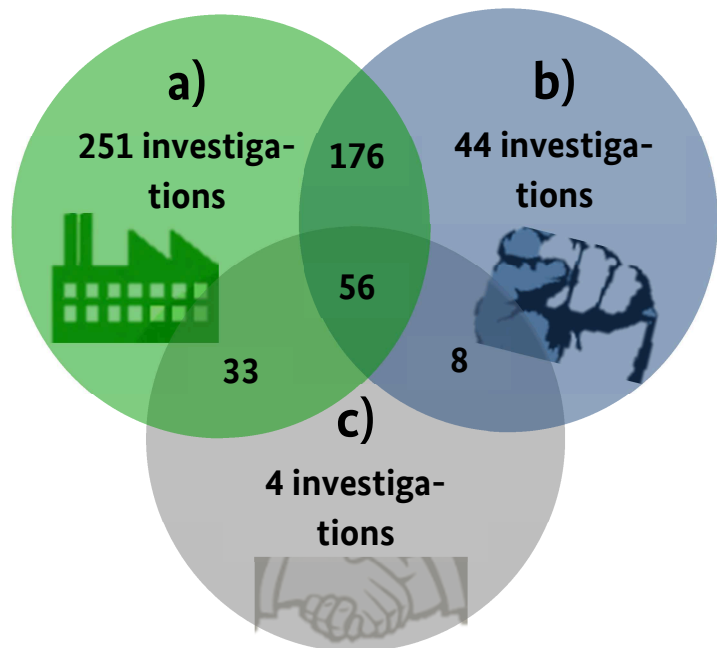


<sup>12</sup> Investigations conducted by the police forces of a Land and by the federal authorities.

All general characteristics and at least one of the specific characteristics listed under a) to c) of the OC definition must be fulfilled for criminal behaviour to be rated as organised crime. Based on the specific characteristics given in the OC definition, the distribution was as follows in the year under review (multiple recording possible):

- 516 OC investigations: alternative a)
- 284 OC investigations: alternative b)
- 101 OC investigations: alternative c)

In 56 OC investigations, all three alternatives were identified.



### Working definition of "Organised Crime"



*"Organised Crime is the planned commission of criminal offences determined by the pursuit of profit or power which, individually or as a whole, are of considerable importance if more than two persons, each with his/her own assigned tasks, 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, the public administration, the judiciary or the business sector."*

*The working definition of "Organised Crime", which was adopted by the Joint Working Party of the German Police and Judicial Authorities (GAG Justiz/Polizei) in May 1990, serves as the basis for the data collection.*

## 3.2 FINANCIAL ASPECTS

### 3.2.1 Losses caused by OC groups

Total losses in the year 2017 amounted to approximately EUR 209 million. Thus, this downward trend has continued since 2013, except for one interruption in 2016.



One reason for the significant decrease in losses from EUR 1.01 billion in 2016 to EUR 209 million in 2017 is that a significantly lower number of OC investigations with high losses were reported in the year under review. In 2017 only three OC investigations involving losses of more than ten million euros were reported for the fields of property crime, tax and customs offences and crimes associated with the business world, which as a general rule are high-volume crimes. By comparison, in 2016 five OC investigations involving losses in the three-digit or high two-digit million euro range were reported for the fields of tax and customs offences and crimes associated with the business world (in total twelve OC investigations involving a loss of more than ten million euros).

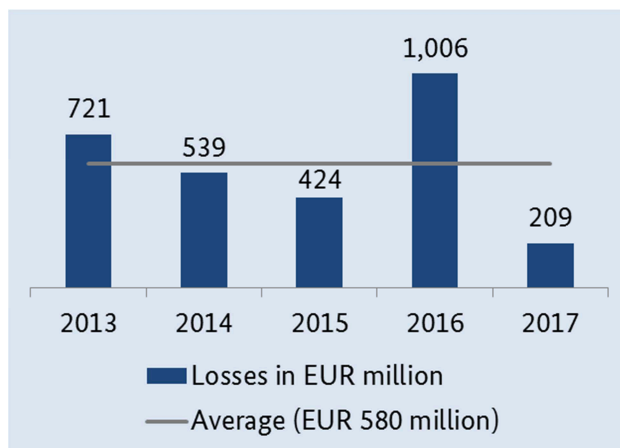


#### Loss

*The basic definition of a "loss" is the monetary value (market value) of the illegally obtained property.*

*In the case of property offences, "loss" means the decrease in value of the property.*

#### Development of identified losses



In the National Situation Report on Organised Crime 572 investigations are recorded. They comprise all crimes known to the police (recorded cases) which involve activities committed by OC groups in Germany. Consequently, the total loss of EUR 209 million determined in 2017 must not be considered as final when it comes to gauging the actual threat and damage potential emanating from OC groups operating in Germany.

The highest loss identified in an individual OC investigation in 2017 was EUR 20 million. This loss was identified in an investigation into tax and customs offences (energy tax).

### Distribution of identified losses by field of crime (excerpt)

Fields of crime	2017	2016
1 Property crime	EUR 63.9 million (30.5 %)	EUR 54.5 million (5.4 %)
2 Tax and customs crime	EUR 63.7 million (30.4 %)	EUR 226.9 million (22.6 %)
3 Crime associated with the business world	EUR 59.8 million (28.6 %)	EUR 684.3 million (68.0 %)
4 Violent crime	EUR 7.3 million (3.5 %)	EUR 2.0 million (0.2 %)
5 Cybercrime	EUR 5.7 million (2.7 %)	EUR 28.7 million (2.9 %)

### 3.2.2 Criminal proceeds generated by OC groups

In 2017, in the course of financial investigations, criminal proceeds to the amount of around EUR 145 million were traced back to 198 out of 572 OC groups.



The most profitable fields of crime for OC groups were drug trafficking and smuggling with criminal proceeds of around EUR 38 million and crime associated with the business world with proceeds of around EUR 33 million. These fields of crime were followed by counterfeiting/forgery, property crime and facilitation of illegal immigration.

The highest criminal proceeds identified in an individual OC investigation amounted to roughly EUR 20 million. This amount was identified in an OC investigation conducted against a group active in the field of forgery/counterfeiting but also involved in facilitation of illegal immigration.

#### "Criminal proceeds"



"Criminal proceeds" are assets which the offender, a participant in the offence or a third person has obtained from or for the offence or which were identified as instruments of crime. The calculation is based on the gross principle, i.e. all proceeds which an offender has obtained from an offence are taken as a basis without deduction of any prior investments or costs incurred.

### Distribution of the criminal proceeds by field of crime (excerpt)

Fields of crime	2017	2016
1 Drug trafficking and smuggling	EUR 38.3 million (26.5 %)	EUR 77.6 million (9.2 %)
2 Crime associated with the business world	EUR 33.3 million (23.0 %)	EUR 629.9 million (75.0 %)
3 Counterfeiting/Forgery	EUR 21.7 million (15.0 %)	EUR 4.8 million (0.6 %)
4 Property crime	EUR 21.3 million (14.7 %)	EUR 28.0 million (3.3 %)
5 Facilitation of illegal immigration	EUR 10.8 million (7.5 %)	EUR 7.3 million (0.9 %)

### 3.2.3 Assets provisionally seized by the state

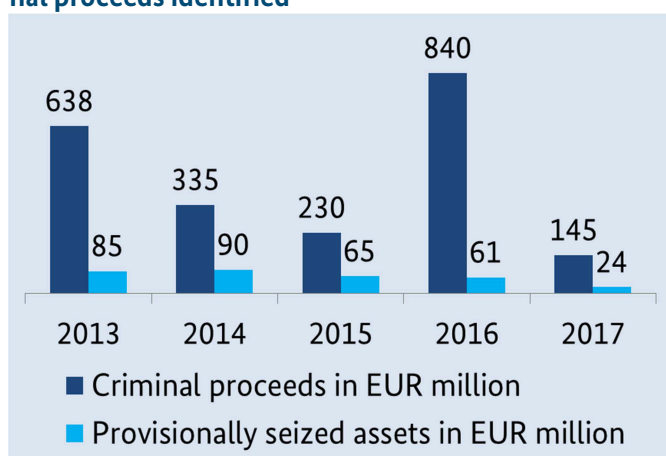
In the reporting year 2017 assets of around EUR 24 million were provisionally seized by the state in 146 investigations into OC groups (2016: around EUR 61 million in 147 investigations), around EUR 21 million of them in Germany (2016: around EUR 58 million).



The highest amount of money seized in an individual OC investigation in 2017 was roughly EUR four million. This OC investigation was conducted against a group who operated indoor cannabis plantations.

The share of the provisionally seized assets in the criminally earned proceeds was 16.6 %. This low share is one indication that it becomes more and more difficult for the police to uncover the camouflage tactics devised by the OC groups, also with regard to their illicit assets. In addition, many of the newly reported OC investigations are still at a stage where losses or illegally obtained proceeds may have been proved but assets have not been seized so far.

#### Total amount of provisionally seized assets and criminal proceeds identified



#### Provisional seizure of assets



*"Provisional seizure of assets" refers to a legal procedure in which assets earned by criminal conduct are provisionally seized by the state in favour of forfeiture or confiscation claims of the state or claims asserted under civil law by injured parties. The provisional seizure is maintained until it is decided with final and binding effect within the framework of court proceedings whether civil claims of persons aggrieved will be satisfied, whether the assets are subject to forfeiture or confiscation or whether they have to be released again.*

On 01/07/2017, the Act reforming asset confiscation under criminal law came into force. This Act closes identified regulatory gaps and aims especially at facilitating the implementation of asset confiscation measures and the confiscation of assets of unclear origin. This Act implements the requirements set by the European Parliament and the Council of the EU with respect to the seizure and confiscation of instruments of crime and proceeds in the EU. At present, we cannot make any statement on the effects the amendment of the Act may have.



## Distribution of the provisional asset seizures by field of crime (excerpt)

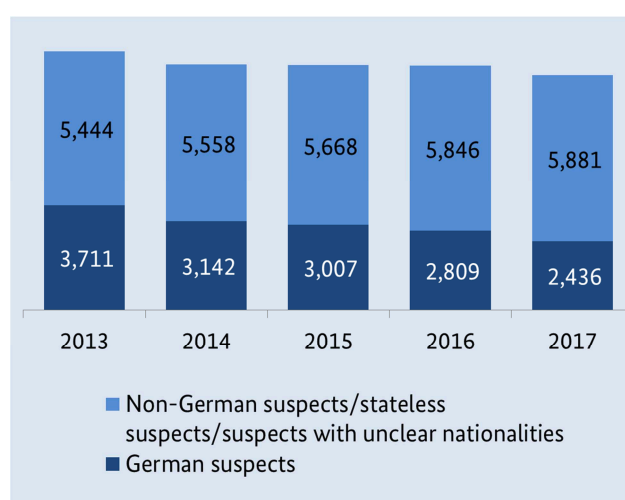
Fields of crime		2017	2016
1	Drug trafficking and smuggling	EUR 10.7 million (44.4 %)	EUR 6.9 million (11.4 %)
2	Property crime	EUR 6.4 million (26.6 %)	EUR 4.2 million (7.0 %)
3	Crime associated with the business world	EUR 3.0 million (12.3 %)	EUR 41.6 million (68.8 %)
4	Violent crime	EUR 1.0 million (4.3 %)	EUR 0.4 million (0.7 %)
5	Tax and customs crime	EUR 1.0 million (4.1 %)	EUR 1.6 million (2.7 %)

### 3.3 SUSPECTS

In the reporting year, with 2,436 suspects German nationals once again constitute the majority among all OC suspects (2016: 2,809). However, the declining trend witnessed over the past few years continued. The ratio of German suspects dropped to 29.3 % in 2017 (2016: 32.5 %). 14.9 % of the German nationals (362) had another nationality at birth.



#### Development of the number of suspects



With a share of 11.9 % in the total number of suspects, Lithuanian nationals dominated the group of non-German OC suspects as in the previous year (2016: 12.3 %). Like in the previous reporting years, this high value traced back to one individual OC investigation in Baden-Württemberg, which has been conducted into crime associated with the business world since 2012 (nuisance calls to the detriment of elderly people<sup>13</sup>). During this investigation 816 Lithuanian nationals were recorded in total.

Nearly unchanged, these suspects were followed by Turkish nationals with a share of 10.3 % (2016: 9.8 %), Polish nationals with 5.1 % (2016: 5.7 %) and Romanian nationals with 2.9 % (2016: 3.3 %).

The nationality of 3.2 % of all suspects remained unclear (2016: 2.1 %).<sup>14</sup>

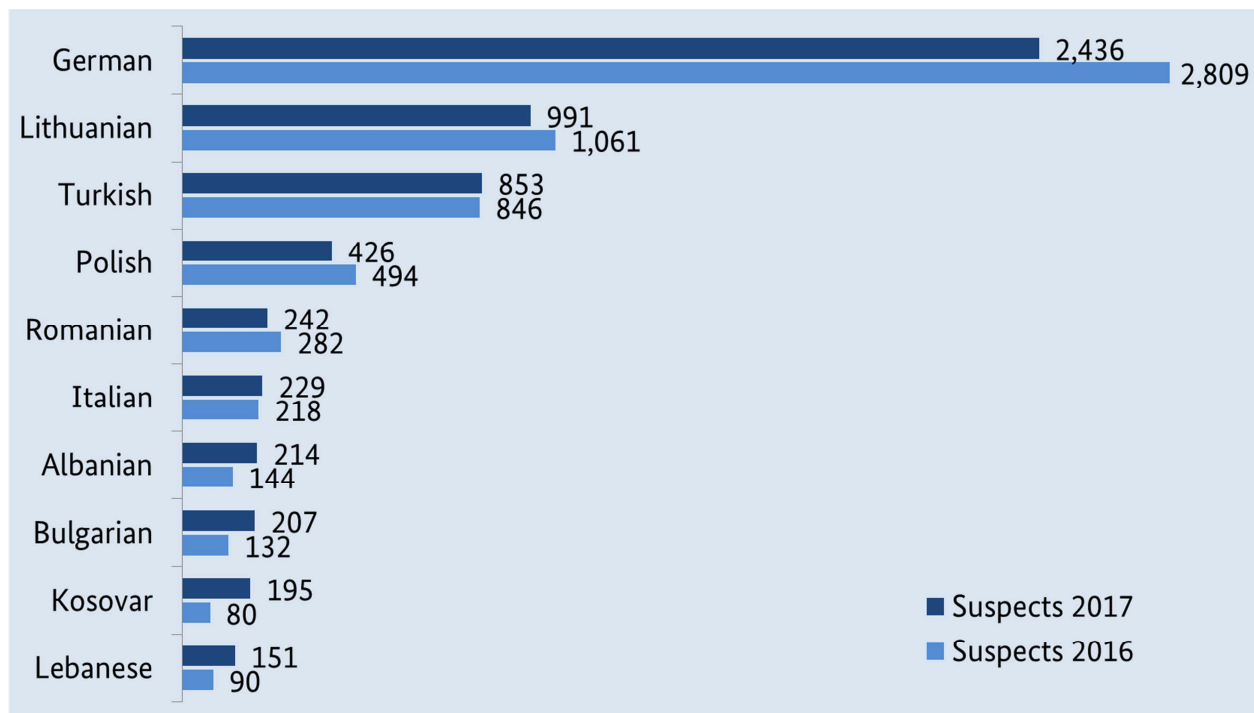
5.4 % of the OC suspects identified (449) were proved to have been armed.

<sup>13</sup> Mainly Russian-speaking suspects were identified in connection with the "nuisance call" phenomenon. The mostly elderly victims stemming from the Russian-speaking area were called by these suspects who pretended that a relative was in an emergency situation such as an accident, and were thus prompted to hand over an amount of money to an alleged "courier" at short notice in order to help their relative.

<sup>14</sup> The unclear nationalities also include stateless suspects and persons of another European nationality.

The following chart shows an extract from the list of suspects reported in the year under review. For a list of all suspects identified please see the annex.

#### Number of suspects by nationality (extract)



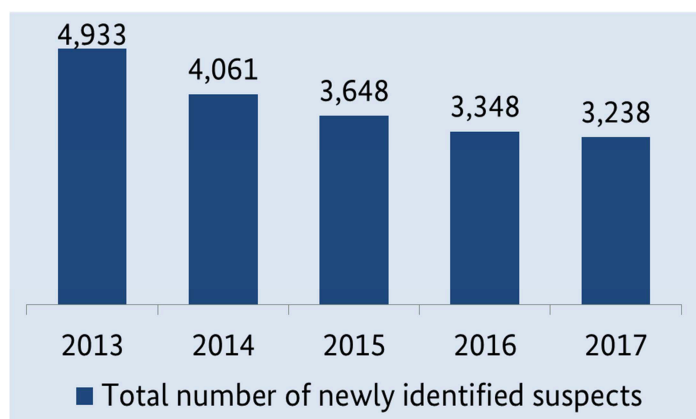
In the year under review, the number of newly identified OC suspects continued its slight decline observed since 2013.

With 28.4 % (2016: 34.3 %), German nationals continued to make up the largest group among all newly identified suspects.

With 10.8 % (2016: 11.1 %) Turkish nationals once again ranked second among the newly identified OC suspects.

Kosovar nationals followed with a ratio of 4.9 % (2016: 1.2 %), their number increasing nearly fourfold in the reporting year (+287.8 %). Of the 159 newly identified Kosovar nationals 130 suspects alone were reported in the framework of three OC investigations conducted in Hesse, all of them into counterfeiting/forgery (criminal services in connection with the arrangement of sham marriages and/or the fraudulent procurement of residence permits).

#### Development of the number of newly identified suspects

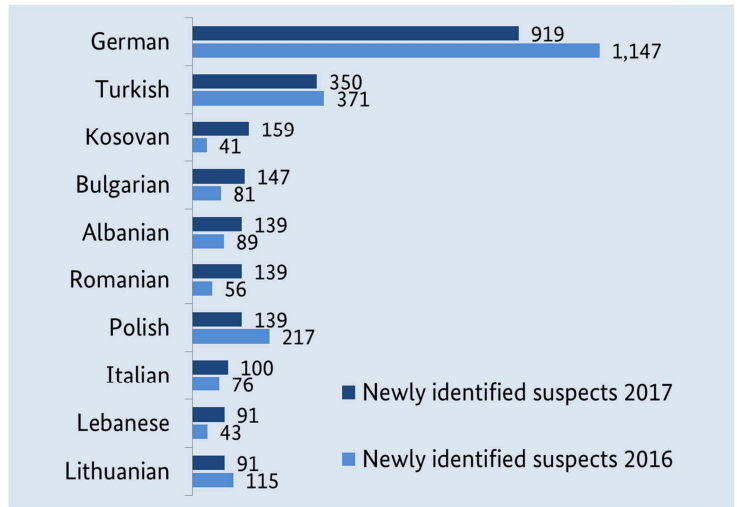


In addition, significant rises in the numbers of newly identified Bulgarian (+81.5 %), Albanian (+56.2 %), Romanian (+148.2 %) and Lebanese (+111.6 %) suspects were also established.

The nationality of 5.3 % of all newly identified suspects (2016: 2.4 %) remains unclear.

The following chart shows an excerpt from the list of suspects newly identified in the year under review. They are listed by nationality. For a list of all newly identified suspects please see the attached alphabetical overview.

**Number of newly identified suspects by nationality (excerpt)**



### 3.4 STRUCTURES OF THE OC GROUPS

On average between 14 to 15 suspects conspired in one OC group. In more than two thirds of the OC investigations, the groups consisted of up to ten suspects (66.8 %; 2016: 60.4 %). In 20.3 % of the OC investigations eleven to 20 suspects (2016: 24.5 %) were recorded, in 10.1 % of the OC investigations 21 to 50 (2016: 12.3 %) and in 2.8 % of the OC investigations more than 50 suspects (2016: 2.8 %). The following chart is an extract from the dominant nationalities established in the year under review. In addition to the groups dominated by German nationals, it represents the Top 10 of the groups dominated by non-German nationals. Please find further facts about the nationalities listed here as well as an alphabetical overview of all groups identified in the annex.

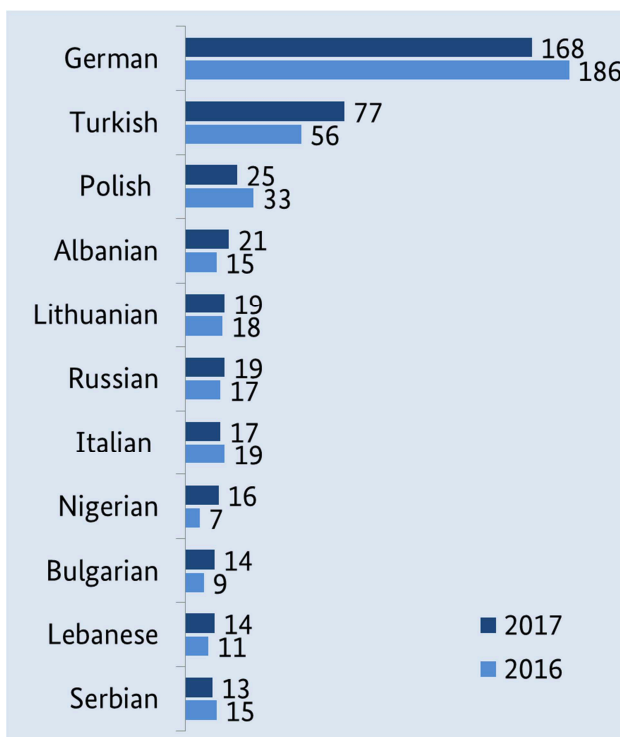


#### **Dominant nationalities**



*For the identification of the dominant nationality of an OC group, the nationality of those persons holding leading positions within the OC groups is decisive. This does not necessarily mean that most group members have this nationality.*

#### **Number of groups listed by dominant nationality (extract)**



In addition to checking all reported OC investigations for OC relevance, OC groups were assessed in terms of their level of organisation and professionalism, which is expressed by the so-called "OC potential". The OC potential is calculated by counting and weighting the applicable indicators taken from the list of "General indicators for identifying OC-relevant cases". In principle, the stages of the offence are evaluated, i.e. preparation and planning of the offence, commission of the offence and use of crime proceeds.

Compared to the previous year, the OC potential on average remained nearly unchanged (40.9 points compared to 41.0 points in the previous year).

There was still a small number of groups with either a very low or very high OC potential. Groups with an average OC potential (between 30 and 60 points) made up the largest share, which is also reflected in the average value.

The increasing immigration to Germany offers potential "fields of activity" for organised crime, such as establishing new OC structures and "business models". In 2017, OC investigations determining links to immigration were conducted into the fields of facilitation of illegal immigration and drug-related crime in particular. 51 out of 572 OC investigations were, for instance, conducted into facilitation of illegal immigration (2016: 38). About a third of the groups identified in this context was dominated by Syrian, Nigerian, Iraqi and Turkish nationals.

In 2017, among the countries of origin producing a large number of immigrants<sup>15</sup>, mostly OC groups were recorded who were dominated by Albanian nationals (21 groups - mainly active in the field of drug trafficking and smuggling). In addition, 16 OC groups dominated by Nigerian nationals (in particular involved in facilitation of illegal immigration, drug trafficking and smuggling and crime associated with nightlife), 13 OC groups dominated by Serbian nationals (mainly involved in drug trafficking and smuggling), 12 OC groups dominated by Kosovar nationals and 12 OC groups dominated by Syrian nationals were identified. The OC groups dominated by Kosovar nationals were active in the fields of property crime, drug trafficking and smuggling and counterfeiting/forgery. The OC groups dominated by Syrian nationals especially came to notice in the fields of facilitation of illegal immigration and drug trafficking and smuggling.

It will be necessary to continue monitoring links to immigration closely in the future in order to prevent or suppress the formation of firm criminal structures.

A subset of the above-mentioned OC groups differentiated by nationality are OC groups consisting of criminal members of extended families belonging to ethnically secluded sub-cultures.

Compared to the previous year, the number of OC groups with this background increased. As we have not yet determined recording criteria, we cannot exactly analyse these OC investigations at this stage. We have however ascertained that these OC groups were mainly active in the field of drug trafficking and smuggling and also came to notice for organised property and economic crime.

Crime committed by extended families of Turkish or Arab descent is generally characterised by an ethnically secluded family structure, whose value system and legal order form their own strictly hierarchical, delinquent subculture in defiance of the prevalent state structures. The development of this phenomenon will remain in the focus of the law enforcement authorities. This also means that - in addition to their intensive suppression - the structured analysis of these groups has to be deepened.

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<sup>15</sup> Most common countries of origin of asylum seekers between 2015, when the so-called wave of refugees began, and 2017 (Syria: 565,063, Afghanistan: 215,014, Iraq: 188,606, Albania: 78,475 Iran: 50,674 Eritrea: 47,320 Pakistan: 36,941 Kosovo: 36,066 Nigeria: 27,136 Somalia: 26,440, Serbia: 26,109).



## 3.5 STRUCTURAL CONSIDERATIONS

Information obtained through investigations, analyses and research related to OC groups proves that their members join up as a result of various motives. OC groups sharing common grounds (e.g. socio-cultural and linguistic features) are now being looked at.

### 3.5.1 Outlaw motorcycle groups

In 2017, 20 OC investigations (3.5 % of all OC investigations) targeted OMCG members. Thus, the declining trend observed over the past few years continued in the year under review (2016: 35).

The following investigations were conducted<sup>16</sup>:

- 17 OC investigations into members of the Hells Angels MC (2016: 28),
- one OC investigation into members of the Bandidos MC (2016: 5), and
- three OC investigations into members of other MCs (2016: 8).

Half of the OC investigations into members of outlaw motorcycle gangs were conducted on charges of drug trafficking and smuggling (ten investigations, mostly in connection with cocaine and cannabis products). Another focus was on OC investigations conducted for violent crime (seven OC investigations, extortion and homicide offences). More than half of the outlaw motorcycle gangs were led by German nationals (eleven groups), five groups by Turkish nationals.

46 investigations (2016: 39) were conducted against OC groups with links to members of outlaw motorcycle gangs.



#### **Outlaw motorcycle gangs**



*In Germany there are about 700 chapters with approximately 10,000 members of outlaw motorcycle gangs. They include local associations of the internationally known outlaw motorcycle gangs (OMCG) Bandidos MC (BMC), Gremium MC (GMC) and Hells Angels MC (HAMC) and their supporter clubs. Moreover, there are motorcycle clubs who for the most part are only active at regional level. Crime committed by members of these groups ranges from drug offences and acts of violence to crime associated with nightlife or the business world.*

<sup>16</sup> Multiple recordings are possible as some OC investigations were directed against several groups.

### 3.5.2 OMCG-type groups

The number of OC investigations conducted against members of OMCG-type groups rose to a total of 22 OC investigations (2016: 15). In this context, the following investigations were pending:

- five OC investigations against members of the United Tribuns (2016: 5),
- five OC investigations against members of Osmanen Germania BC (2016: 4),
- four OC investigations against members of the Guerrilla Nation (2016: 1) and
- eight OC investigations against members of similar OMCG-type groups (2016: 5).

OC investigations conducted against members of OMCG-type structures mainly involved drug trafficking and smuggling and violent offences. Half of the OMCG-type groups were led by German nationals, six groups by Turkish nationals.

Furthermore, 13 investigations (2016: 9) targeted OC groups with links to members of OMCG-type groups.

#### **OMCG-type groups**



*In comparison to real outlaw motorcycle gangs, OMCG-type groups have similar hierarchical structures, have the same self-image and publicly demonstrate their shared identity by means of clothes or symbols. They are active in the same fields of crime and are equally unwilling to cooperate with the police. The difference to outlaw motorcycle gangs is that there is no "obligation" to have a motorcycle. The motorbike only plays a subordinate role for them.*

### 3.5.3 Italian Organised Crime (IOC)

In the year under review, 14 OC investigations (2016: 13) were directed against members of Italian Mafia groups. These OC investigations targeted the following groups:

- 'Ndrangheta: seven OC investigations,
- Cosa Nostra: three OC investigations,
- Camorra: two OC investigations and
- Stidda: one OC investigation.
- One OC investigation was conducted against an IOC group that could not be assigned to a specific organisation without doubt at the time of recording.

These groups were mainly active in the field of cocaine trafficking. Besides, IOC groups were inter alia active in the areas of money laundering, extortion, robbery and motor vehicle property offences. Altogether 169 suspects were reported in these OC investigations, 139 of them being Italian nationals. The remaining suspects had different nationalities, i. e. German, Turkish or Albanian.

Eight of the OC groups identified in Germany in 2017 had links to members of Italian Mafia groups (2016: 8). Links to the 'Ndrangheta, Camorra, Cosa Nostra and an unknown group of the Italian OC were identified.

The members and/or supporters of IOC use Germany as a sphere of activity in the fields of drug, counterfeiting, property and economic crime. The individual groups of IOC display a high degree of organisation and professionalism. This is also due to the fact that in Germany IOC can fall back on personal links that have been built-up and established here since the seventies.

13 of the 17 OC investigations dominated by Italian nationals were assigned to IOC without any doubt. The other four OC investigations at least had clear connections to Italian Mafia groups.



### 3.5.4 Russian-Eurasian Organised Crime (REOC)

Besides the common cultural background, the Russian language is the unifying element of Russian-Eurasian Organised Crime (REOC). Consequently, all OC structures are taken into consideration which:

- are dominated by persons who were born in one of the post-Soviet states and therefore have a corresponding cultural background or
- are dominated by persons who were born outside a post-Soviet state but consider themselves members of an ethnic group of one of the post-Soviet states due to their culture, history, language, traditions or ancestors.

In Germany, this includes especially the so-called "Spätaussiedler" (late repatriates). An essential part of REOC is the ideology of the traditionally so-called "thieves in law", i.e. criminal authorities who have their own system of standards and values and adhere to their own code of conduct. The syndicates that emerged from the local gangs of post-Soviet Russia of the 90ies are closely associated with this ideology. The REOC phenomenon comprises all criminal and related legal and illegal economic activities which are performed under this "concept". A central element is the so-called "obchak" (cash register for thieves). All members or levels of the strictly hierarchically structured organisations, which isolate themselves from both inside and outside, are obliged to pay contributions to it.

In 2017, 29 investigations (2016: 35) were conducted against groups which were found to be linked to REOC (5.1 % of all OC investigations). Thus, the number of REOC investigations conducted dropped by 17.1 % compared to the previous year. In 25 investigations, the suspects acted at international level. In the others they only acted at supraregional level.

#### Post-Soviet States



- Armenia
- Azerbaijan
- Estonia
- Georgia
- Kazakhstan
- Kyrgyzstan
- Latvia
- Lithuania
- Republic of Moldova
- Russian Federation
- Tajikistan
- Turkmenistan
- Ukraine
- Uzbekistan
- Belarus



Nine REOC groups were dominated by Russian nationals, seven were dominated by German nationals and four by Lithuanian nationals. Worthy of particular emphasis is the decline in REOC groups dominated by Georgian nationals (2017: 2; 2016: 5; 2015: 10). This can be regarded as a success of the intensified suppression of property crime in the last few years, which particularly targeted Georgian OC groups.

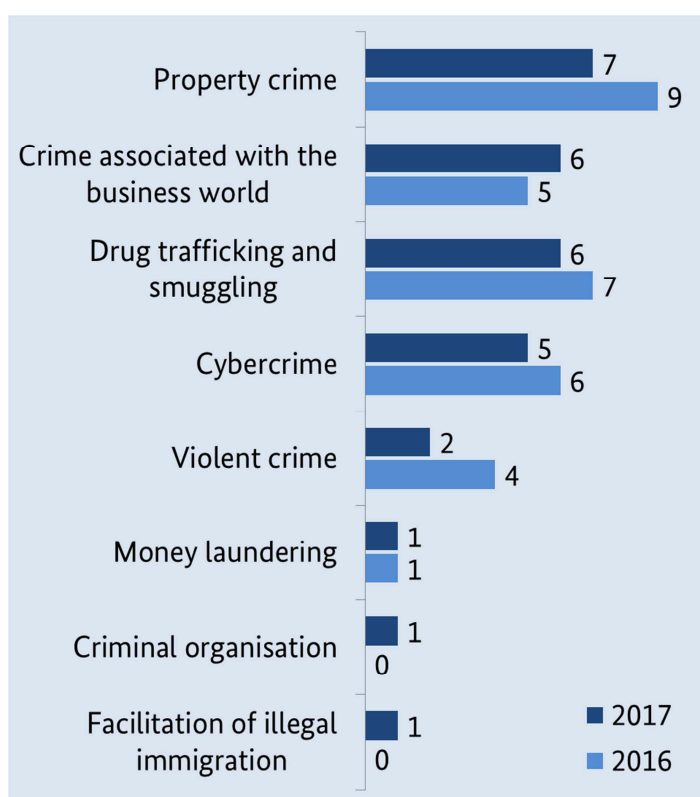
Nearly three quarters of the 1,164 reported REOC suspects were Lithuanian nationals (865 suspects). This high rate can be ascribed to the repeatedly mentioned OC investigation conducted in connection with nuisance calls since 2012. In this investigation alone, 816 Lithuanian nationals were identified. In addition, 107 German and 61 Russian nationals were recorded in all REOC investigations. The REOC groups were mainly dedicated to property crime, drug trafficking and smuggling, crime associated with the business world and cybercrime.

Furthermore, ten investigations against OC groups linked to REOC groups were conducted in 2017 (2016: 10).

**Number of REOC investigations by dominant nationality**



**Fields of crime of the REOC groups**





### 3.6 FIELDS OF CRIME

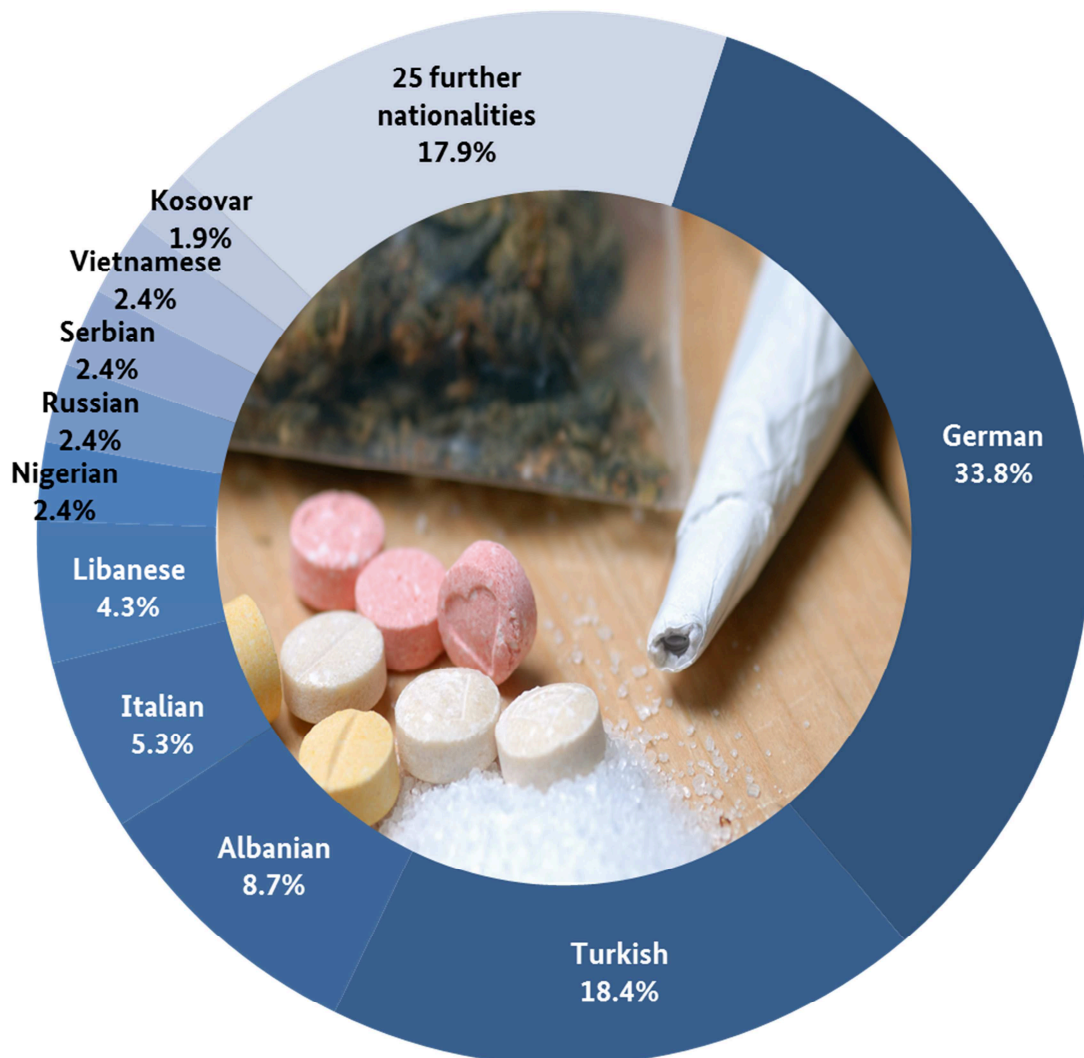
Compared to the previous year, 2017 saw a slight upward trend of OC investigations into drug trafficking/smuggling (+1.5 %). The OC groups were still mainly active in this field of crime (36.2 %). Following the significant rise of OC investigations into property crime during the previous year (+16.7 %), the number of OC investigations dropped by four in 2017, which corresponded to a slight fall by 4.1 % (2017: 94, 2016: 98). Again, these two fields of crime accounted for more than half of all OC investigations reported in 2017. Rank three was occupied by crime associated with the business world, which rose by 18.9 % to 63 OC investigations (2016: 53) and was followed by facilitation of illegal immigration with 51 OC investigations (2016: 38), which corresponded to a 34.2 % rise.

A total of 36.4 % of the OC groups were active in more than one field of crime (2016: 31.6 %). Compared to the groups focusing on one specific area of crime only, they had a clearly higher average OC potential (44.8 points as compared to 38.7 points). The number of OC investigations where the Internet was used as an instrument of crime decreased by 37.0 % from 54 to 34 OC cases in 2017.

213 OC investigations yielded leads suggesting money laundering activities (37.2 %; 2016: 212, 37.7 %). Moreover, in 21.0 % of all OC investigations, inquiries into money laundering were conducted pursuant to section 261 of the German Penal Code (120; 2016: 130, 23.1 %). In addition to investigations solely dealing with money laundering, above all OC investigations concerning drug trafficking/smuggling (36), crime associated with the business world (23) and property crime (15) implied inquiries into money laundering activities pursuant to section 261 of the German Penal Code. Moreover, a total of 564 suspicious transaction reports were filed pursuant to section 11, subsection 1 of the German Money Laundering Act in 100 OC investigations (2016: 108 OC investigations, 869 suspicious transaction reports).

## Drug trafficking and smuggling (207)

The main field of activity of OC in Germany, i.e. drug-related crime, featured a minimal increase by 1.5 %. A total of 207 OC groups (2016: 204) were reported to be active in the field of drug trafficking and smuggling. With 36.2 %, the share of this field of crime in all OC investigations therefore remained at the same level as the year before (2016: 36.2 %). In the area of drug trafficking/smuggling, more than one third of the OC groups were active in more than one area of crime (34.8 %). In this context, mainly extortion and homicide offences, arms trafficking/ smuggling and property crime were identified as secondary activities of these groups. With a good third, OC groups dominated by German nationals continued to prevail in this field of crime (70; 2016: 81, 39.7 %). As in previous years, these were followed by OC groups dominated by Turkish nationals with a slight rise to 38 OC investigations (18.4 %) in 2017 (2016: 33, 16.2 %). Mainly cocaine and cannabis products were trafficked/smuggled. Moreover, the share of OC groups trafficking in various types of narcotic drugs without prioritisation rose by 31.6 % (2017: 50, 2016: 38).



### Example of a specific case: Drug trafficking and smuggling

In 2014, an extensive OC investigation into drug-related crime conducted by the Land Criminal Police Office of Vienna, Austria, had already revealed leads on a courier operating a Quad Event Centre in Bavaria. Subsequently, the Bavarian Land Criminal Police Office (BLKA) took over the investigations in Germany. For the conveyance of the drugs (quantities of up to 300 kg of hashish), the person charged used a trailer for the transport of the quads, which had been equipped with a false bottom. The suspect had already been involved in international drug trafficking for roughly 20 years. Due to the statement made by a crown witness in Vienna, further persons involved in the crime were identified, and the investigations were extended to Spain, France and Italy. The main organiser, a German master carpenter, who had been living in Spain for over 30 years, worked the drugs into wooden plates, which were camouflaged as exhibition furniture and then delivered to exhibition venues and other places by large forwarding agencies. From there, intermediaries collected the wooden plates and took them to the drug buyers. Based on links to Spain, France and Italy, a Joint Investigation Team (JIT) was created by Spain, France and Germany through Eurojust in the fall of 2016. Italy joined the investigations within the framework of legal assistance. The offenders, who acted highly conspiratorially, arranged for the transport of drugs in the multi-digit kilogram range to Germany and Austria. In the course of coordinated arrest and search measures, more than 5 tons of hashish were seized and a total of 23 suspects arrested. Cash amounting to more than EUR 500,000 as well as vehicles and boats were seized. Three of the persons charged have already been convicted to prison terms of 15 years, 13.5 years and 11 years respectively. The other persons charged are currently waiting for the start of their trials.

#### **Brief assessment:**

The perpetrators' way of action is exemplary for the resourceful creation and varied use of hiding places as well as the transport of drugs. In addition, the case illustrates that international cooperation is vital for a successful suppression of such a group.

## Property crime (94)

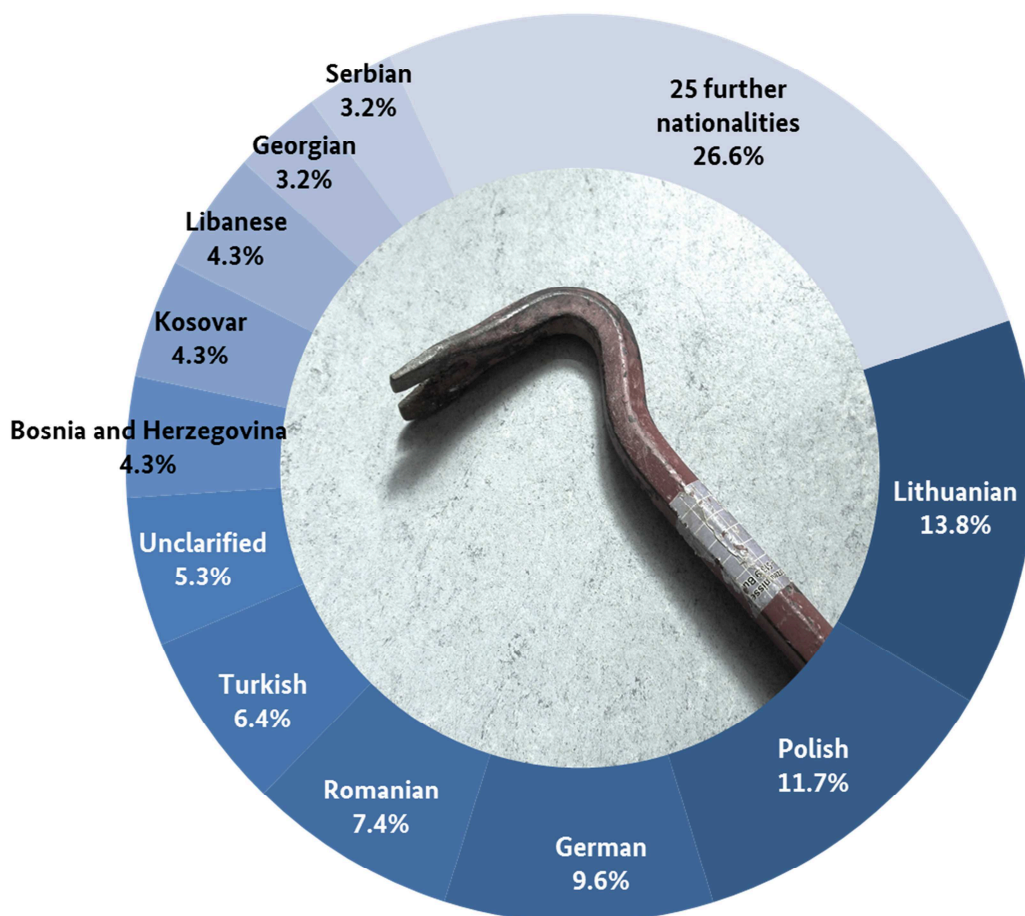
Despite a decrease by 4.1 %, property crime once again ranked second among the fields of crime (2017: 94, 16.4 %; 2016: 98, 17.4 %).

Motor vehicle property offences remained the most frequently recorded type of property crime (47 OC investigations). It featured an increase by 6.8 % (2016: 44 OC investigations) in 2017. These cases were mainly dominated by Lithuanian (13, 27.7 %) and Polish (8, 17.0 %) nationals.

Altogether 30 groups of perpetrators from this field of crime (31.9 %; 2016: 31, 31.6 %) were active in more than one area of crime. As far as the secondary activities of the groups are concerned, counterfeiting and forgery (of vehicle documents) were the most frequent ones.

The suppression of theft by breaking and entering also remained a priority of the law enforcement authorities. Here, case numbers dropped in comparison to the previous year: A total of 38 OC investigations concerned thefts by breaking and entering (2016: 43), which corresponds to an 11.6 % decrease. The downward trend (-23.0 %) in domestic burglary cases in the police criminal statistics for 2017 is also reflected by the national situation report on OC. This underlines the efficacy of the action taken against organised burglary over the last years.

The measures also include the project REWO (travelling burglars), which was created by the Organised Crime Commission (KOK) and aims at identifying and dismantling groups of perpetrators going on organised domestic burglary trips and at spotting current trends with respect to the *modi operandi* applied.



## Example of a specific case: Property crime

In one OC investigation conducted by Berlin Land Criminal Police Office into armed theft, at least three offenders gained access to the Berlin-based Bode museum on 27/03/2017. They managed to enter the exhibition rooms of the museum through a changing room. There, the perpetrators smashed a glass cabinet displaying a 100-kg gold coin (worth approximately EUR 3.5 million) and heaved it onto a wheeled board/platform trolley. The perpetrators threw the coin through the window they had used to enter the building and onto some nearby tracks. Subsequently, it was thrown from there to an adjacent park by means of a wheelbarrow. From there, the offenders fled in a vehicle which had been placed ready for this purpose. The investigations substantiated the suspicion against an employee of the museum who had probably given the relevant hint. The analysis of the traces lifted, the video recordings, the information provided by a confidential informant, the telephone tapping and the surveillance measures all gave grounds for probable cause against several members of a Berlin-based extended family of Arab origin, who are already known to the authorities. Four of the suspects were arrested, and house searches led to the discovery of extensive evidence. The gold coin has not yet been found though. Berlin public prosecutor's office is currently preparing the bill of indictment.

### **Brief assessment:**

This case example shows that such groups are not deterred from committing offences which attract public attention although the risk of detection is high. The perpetrators were only able to take this way of action by relying on family structures, an insider's tip and organised distribution channels.

## Crime associated with the business world (63)

In the field of crime associated with the business world, a total of 63 OC investigations were reported for the year 2017 (11.0 %; 2016: 53, 9.4 %). Consequently, the steady downward trend of case numbers in this field of crime, which had been observed since 2013, was interrupted by an 18.9 % increase during the year under review.

69.8 % of the groups of offenders focused on one specific area of crime (2016: 71.7 %). On average, they cooperated for 4.7 years, which is clearly longer than the average time span of all OC groups (3.0 years). Most of the OC investigations dealt with a variety of fraud offences.

Crime associated with the business world was again largely dominated by German nationals, although they were on the decrease (2017: 47.6 %; 2016: 67.9 %). By contrast, the number of OC investigations directed against groups dominated by Turkish nationals increased fivefold (15; 2016: 3). Ten of these OC investigations were conducted into suspected fraud by means of call centres/call-ID spoofing. The groups of perpetrators mostly acted to the detriment of elderly people and pretended to be police officers in order to deceive their victims.

Due to the wide range of OC investigations associated with the business world it is essential to analyse the different phenomena separately. The KOK project JORDAN, for instance, was one of several projects carried out to suppress fraud offences (CEO fraud). The project targeted groups of perpetrators based in Israel, who were committing CEO fraud by means of so-called "social engineering". Not only were these offender structures dismantled but, thanks to preventive measures, future fraud cases were prevented or their commission was rendered difficult.

### Example of a specific case: Crime associated with the business world

In 2017, an extensive fraud investigation was conducted in Baden-Württemberg against a group of perpetrators stemming from Turkey who pretended to be police officers and caused their victims (women from Southern Germany who were aged between 61 and 86) to lose large amounts of money in this way. The head of the group called the victims from Turkey and pretended to be a police officer while the telephone number of the caller had been manipulated by call ID spoofing. During the telephone conversations, he warned them against Romanian gangs of burglars and bank employees involved in the scheme. The victims were told to withdraw their money and hand it over to his "colleagues" in order to secure the funds. From January to May 2017, a total of seven cases were recorded where cash totalling roughly EUR 340,000 as well as jewellery worth around EUR 13,000 were handed over. In addition, assets worth about EUR 160,000 were obtained in five cases - three committed in Bavaria and two in Baden Württemberg. Due to the intervention of the investigating officers, further handovers of money were prevented in Tübingen and the Rems-Murr district. Following his escape, the head of the group was arrested outside Europe and is currently detained pending extradition. In early 2018, the logisticians, money collectors, drivers and observers, who had been arrested in Germany, were sentenced to prison terms of up to five years by Tübingen regional court.

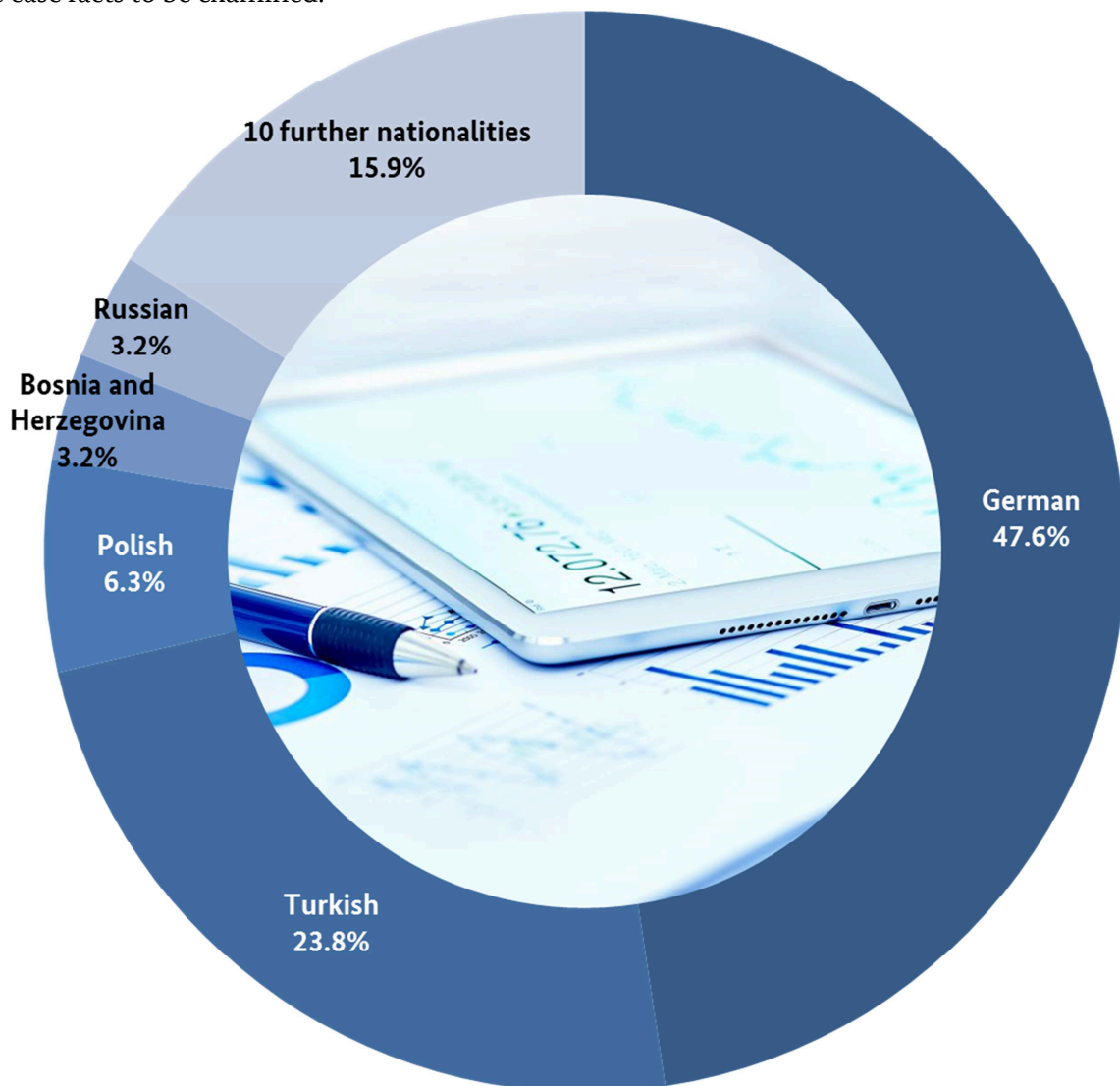
#### **Brief assessment:**

The investigation makes clear that international OC groups are also active in the field of the mass crime "fraud to the detriment of elderly people". Elderly people's trust in the police is specifically abused in this context.



In 2017, losses totalling approximately EUR 60 million (2016: approximately EUR 684 million) were identified in the OC investigations associated with business life, i.e. more than 90% less than during the previous year. This development is based on the fact that, compared to the previous year, fewer damage-prone OC investigations were recorded as initial reports.

Investigations in the field of crime associated with the business world are usually a time and resource consuming task. They are characterised by the complexity and multidimensional nature of the case facts to be examined.





## **Panama Papers**

The example of the "Panama Papers" makes evident how voluminous OC investigations into crime associated with the business world can become.

Since 2017, the BKA has held the whole data pool of the so-called "Panama Papers". These are the data relating to the Panamanian "offshore" service provider Mossack Fonseca (Mossfon). The data pool of the "Panama Papers", which was obtained and technically edited by the BKA, has a volume of 2.78 TB and comprises roughly 41,500,000 objects (folders/files) including internal emails, documents from the customer base, information on customer dialogues, account movements and foundation records. Mossfon supported around 14,000 customers with the foundation of 270,000 "brass-plate companies" in 21 offshore regions (mainly the British Virgin Islands).

The offshore service provider Mossack Fonseca, which was headquartered in Panama City, had 500 staff members as well as 40 representations/partner agencies and was one of the largest providers and administrators of offshore companies throughout the world. Besides the mere foundation of offshore companies, Mossfon also offered an "overall portfolio" (including the management of the accounts). The customers were able to transfer assets to companies founded by Mossfon and to carry out financial transactions via these companies without appearing as their owners, because the law firm appointed its own staff members as nominal directors or provided fiduciary managers if requested.

At present, the data pool is analysed by an investigation team consisting of officers of the BKA and the Hessian fiscal authorities. Their goal is to attribute relevant information from the Panama Papers to known case facts/investigations and to work out relevant links to Germany. To date, the analysis has revealed leads suggesting the following types of crime: OC, child pornography, offences against state security (embargo violations, proliferation, financing of international terrorism) and fiscal offences. So far, data on more than 930 offshore companies and numerous natural persons have been passed on to domestic and foreign authorities.

Previously, i.e. in April 2016, the "Süddeutsche Zeitung" newspaper had reported on the contents of a database belonging to Mossack Fonseca, which they dubbed Panama Papers". The BKA has obtained its data pool independently from journalists or media companies.

## Facilitation of illegal immigration (51)

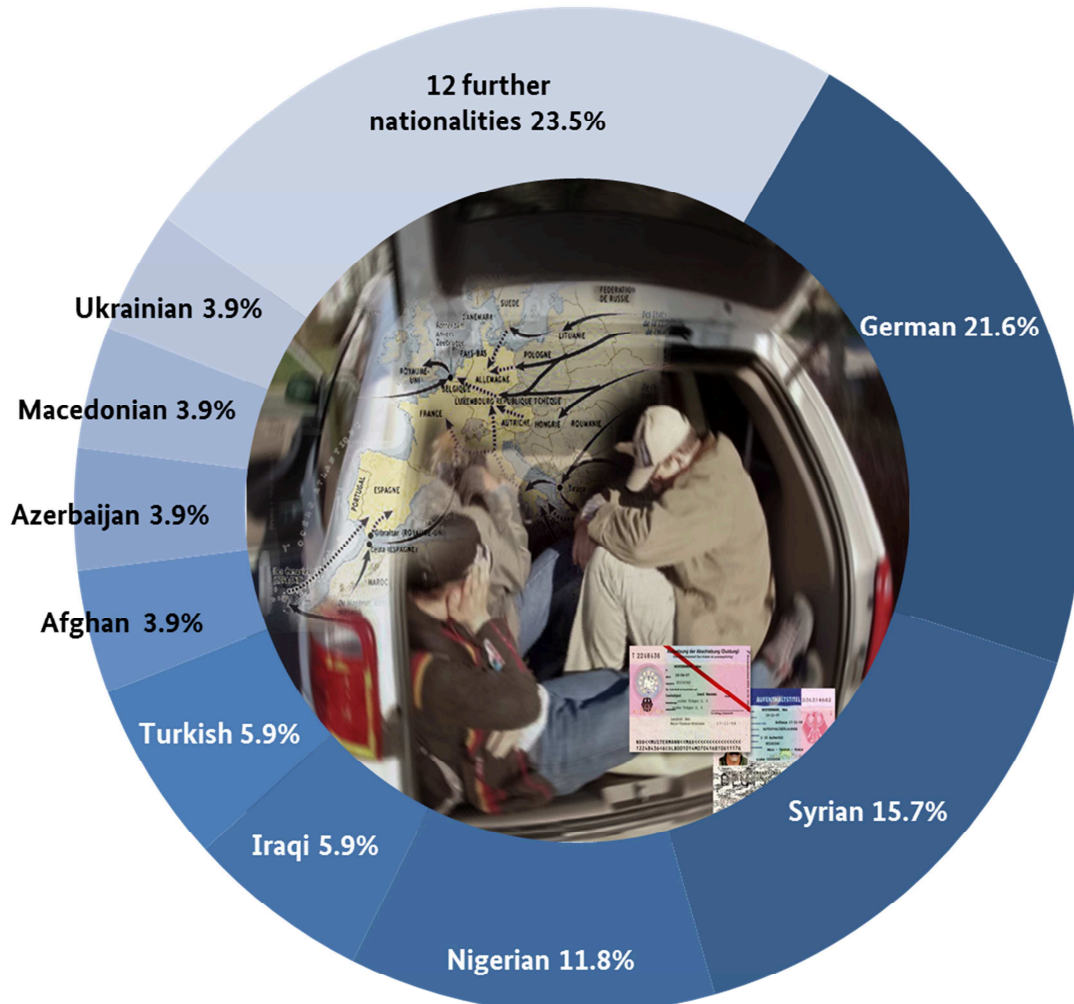
The number of OC groups in the field of facilitation of illegal immigration rose by 34.2 % to a total of 51 in 2017 (2016: 38). This is due to the (30) OC investigations into illegal immigration which were newly instituted in 2017.

The facilitating networks were largely dominated by German, Syrian and Nigerian nationals, who mainly smuggled persons from the crisis regions in Afghanistan, Iraq, Iran and Syria. Furthermore, the Republic of Moldova, Nigeria and Turkey were more frequently identified as countries of origin. In nearly all cases, Germany was the country of destination of the smuggling operations.

During the year under review, nine OC investigations (2016: 4) were conducted which dealt with the smuggling of third-country nationals from East and Southeast Europe who intended to take up employment. In addition, five OC investigations into the arrangement of fictitious marriages were conducted in 2017, which was an increase in comparison to the previous year (2016: 1).

Individual cases also revealed that the OC groups based in Germany did not only engage in the facilitation of illegal immigration but also took advantage of legal fields of business, such as the accommodation of refugees and immigrants or the guarding of refugee hostels.

Due to the "container smuggling" cases established on the Balkan route, the KOK project EUROCONTAINER was implemented during the year under review. As a result, organised groups of perpetrators were identified on the Balkan route, investigations were initiated throughout Europe, container smugglings were prevented and further modi operandi involving dangers to the health or even life of the illegal immigrants were forestalled as well.



### Example of a specific case: Facilitation of illegal immigration

Since January 2016, the Federal Police had been investigating an OC group dominated by Nigerian nationals. The OC investigation targeted a total of eleven suspects in Germany and Italy. They are suspected on probable cause of having used fraudulently obtained credit card data in 4,888 cases in order to book online train tickets of Deutsche Bahn AG for themselves and third parties. This alone caused a loss of EUR 934,000 to Deutsche Bahn. In 59 cases, it was proved that the online tickets were used to enable African, particularly Nigerian nationals, who had entered Italy illegally, to travel onward to Germany by train. To conceal the real purpose of the trips, some of the potential illegal immigrants were also supplied with forged Italian and other travel documents. To this end, the group maintained close contact to a counterfeiting workshop based in the greater Naples area, whose operators are now the subjects of an investigation initiated by Italy. In addition, the persons charged smuggled a total of 42 persons from Naples to Berlin-Schönefeld or Hamburg by air in 24 cases. Upon completion of the investigations, it was proved that the group had smuggled 101 mostly Nigerian nationals into the territory of the Federal Republic of Germany. In four cases, the persons charged here placed smuggled Nigerian women in brothels in the greater Duisburg area, where they had to "work off" the costs of their smuggling trips. For the smuggling from Nigeria to Germany via Libya and Italy, the estimated smuggler's remunerations were EUR 30,000 and more. Even prior to their departure from Nigeria, the women were intimidated by means of country-specific Voodoo rituals. Within the framework of enforcement measures, four residential and business addresses in Germany were searched in May and June 2017 and one arrest warrant was executed. Another European Arrest Warrant was executed in Naples in December 2017.

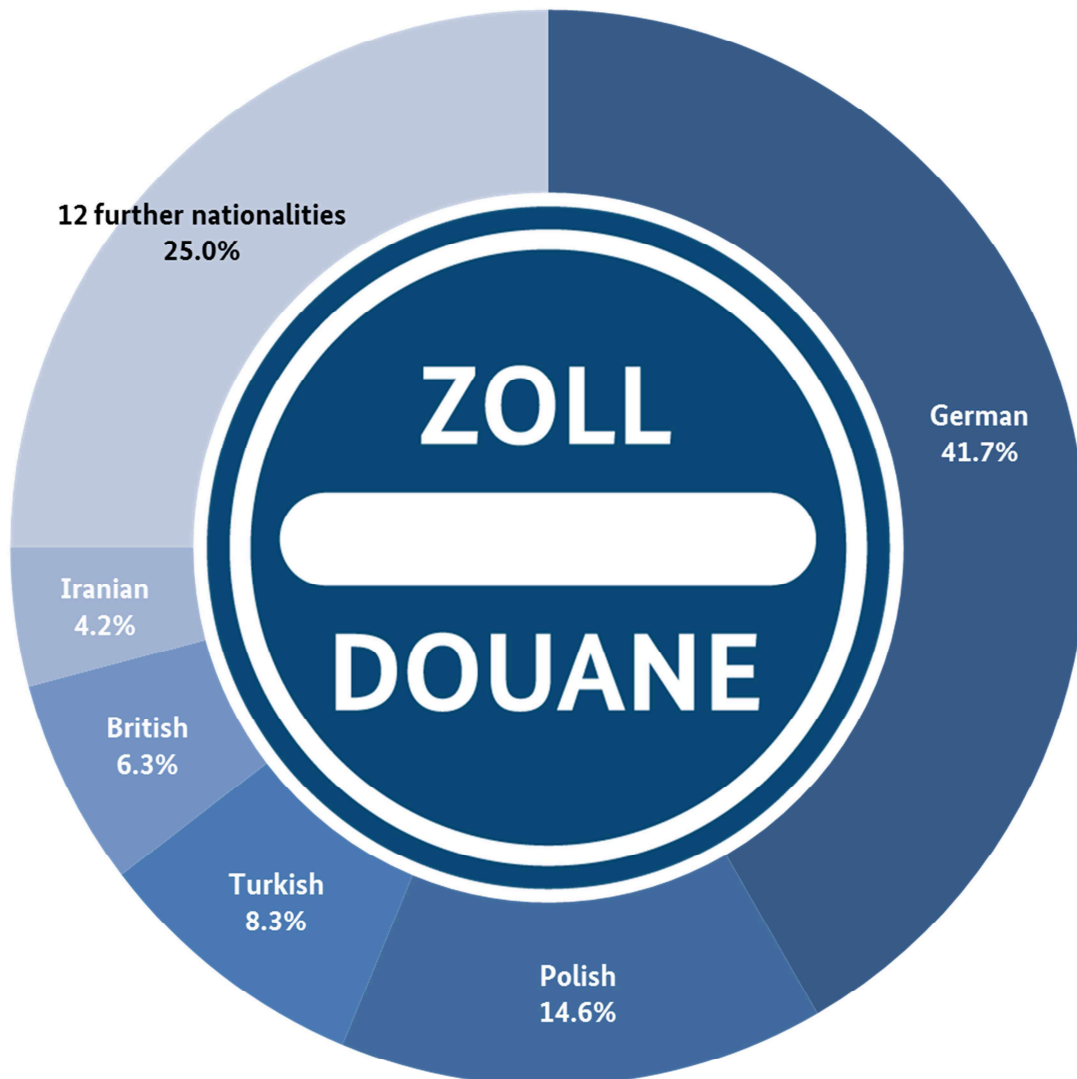
#### **Brief assessment:**

This case example sheds light on the strong efforts in terms of logistics and organisation which the OC groups put forth in order to smuggle illegal migrants into the EU and to exploit them on a continuous basis. In this context, the perpetrators operate internationally and in various areas of crime.

### Tax and customs offences (48)

In the year under review, the number of investigations into tax and customs crimes dropped by 15.8 % to 48 (2016: 57). With a percentage of 8.4 (2016: 10.1 %), this field of crime ranks fifth.

Here, 77.1 % of the OC groups focused their activities on one specific area of crime (2016: 86.0 %). With 41.7 %, cigarette smuggling was once again the main activity of OC groups operating in the area of tax and customs crime. 29.2 % of the OC groups were involved in the smuggling of textiles/counterfeit pieces of clothing.



## Example of a specific case: Tax and customs crime

Since 2015, the Berlin/Brandenburg Customs Investigation Office had been conducting an OC investigation into suspected gang-type evasion of import duties on a commercial basis targeting an internationally operating group of perpetrators. Through a sophisticated system of a non-transparent network of companies, the OC group managed for several years to evade considerable amounts of taxes. Via a company based in Germany, the group bought textile feed-stock in South East Asia and Turkey and shipped it to Germany and Poland. To make it look like a proper and lawful business transaction, the loaded goods were - on paper - sold to a domiciliary company which had been founded especially for that purpose. In reality, however, various Polish companies took over the goods at the ports in order to have them subsequently cleared for free circulation in Germany with subsequent intra-community delivery to Poland by means of counterfeit trade invoices or forged original invoices featuring much lower prices. Subsequently, they were delivered to the factual recipients in the EU, so that taxes were evaded. All in all, tax evasions of roughly EUR 4.6 million were detected in at least 731 cases in the course of the investigations.

### **Brief assessment:**

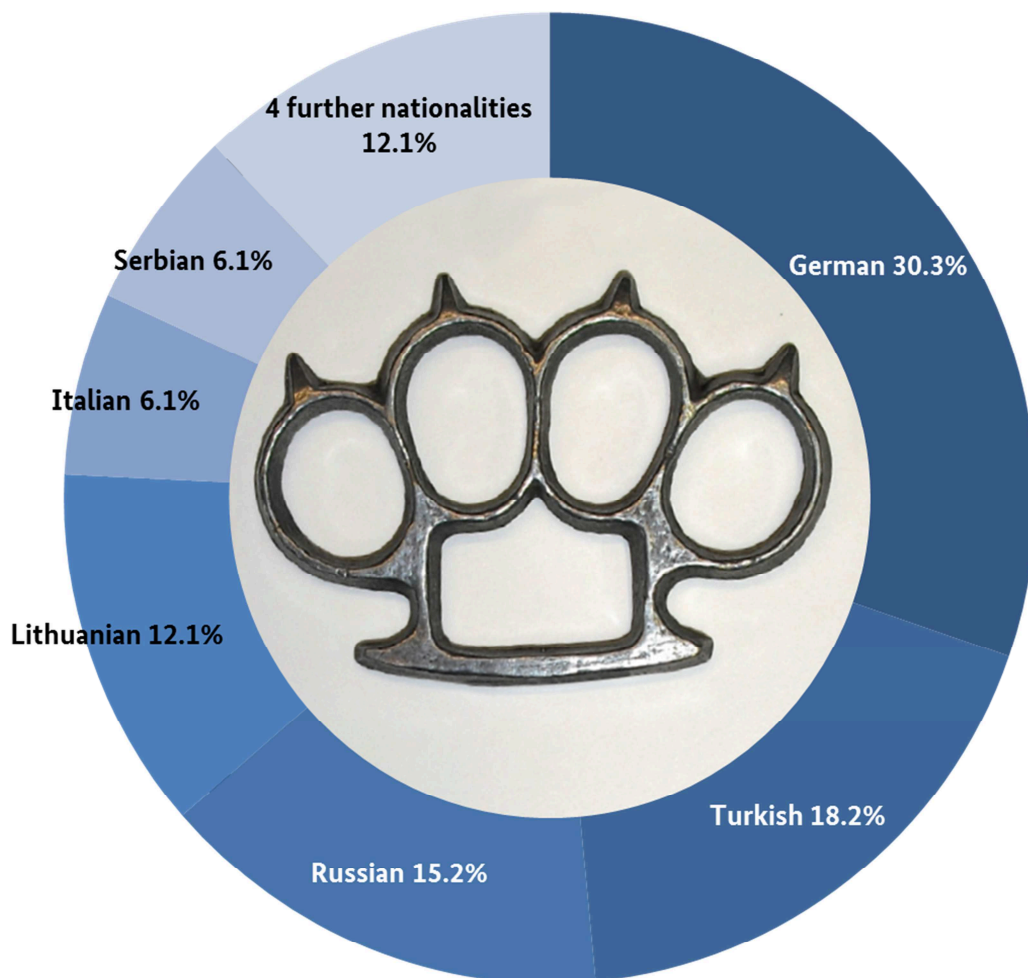
Tax and customs offences are characterised by an especially high loss potential. This case example shows that the internationally operating perpetrators are trying to circumvent the tax system and commit tax evasions by means of complex company networks in order to enrich themselves to a considerable extent.

## Violent crime (33)

The number of OC investigations in the field of violent crime rose again, i.e. by 6.5 % to a total of 33 OC investigations (2016: 31). Just under half of these groups of perpetrators were active in more than one area of crime (48.5 %).

For the most part, the groups of perpetrators were under investigation for extortion and robbery as well as offences against life. In 24 OC investigations (72.7 %) the suspects were armed. In addition, 60.6 % of the OC investigations reported in this field of crime were known to have links to outlaw motorcycle gangs or OMSG-type groups (2016: 61.3 %).

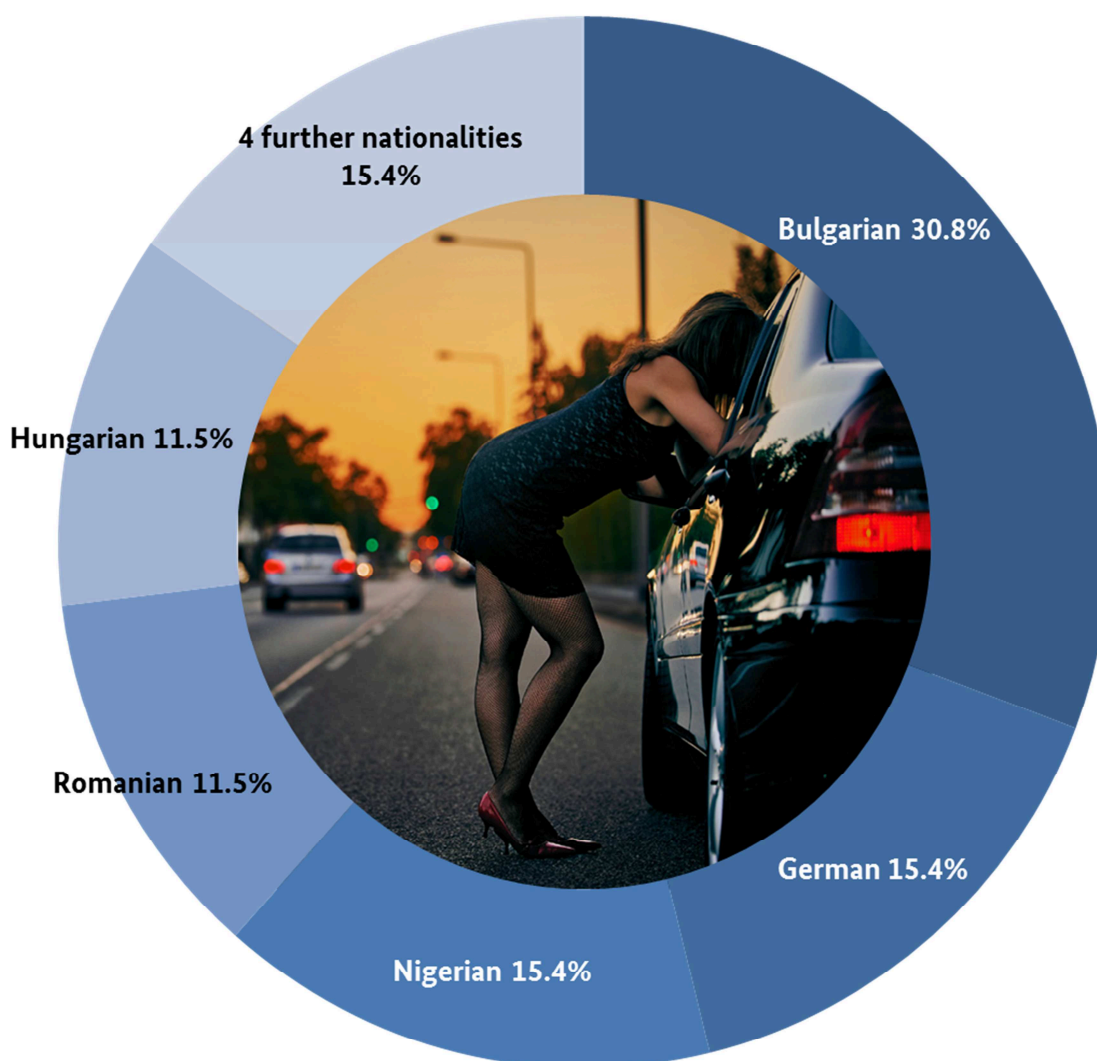
In an OC investigation conducted into a series of armed robberies, a financial loss of approximately EUR five million was identified. EUR 805,000 of this money was provisionally seized during the year under review.





### Crime associated with nightlife (26)

The number of OC investigations in the field of crime associated with nightlife has again risen considerably, i.e. by 30.0 % to 26 investigations (2016: 20; 2015: 15). 92.3 % of these OC investigations concerned human trafficking for sexual exploitation, exploitation of prostitutes or forced prostitution. In this context, please note that the wording of the penal provisions on human trafficking and the individual exploitation offences were amended extensively in 2016.



### Example of a specific case: Crime associated with nightlife

In an OC investigation conducted into human trafficking for sexual exploitation and exploiting prostitution, the criminal investigation department (Zentrale Kriminalinspektion) of Hanover investigated two brothers of Lebanese origin and further family members. The main offender is suspected of having tricked several victims into working as prostitutes and of having exploited them in this way. He pretended to the victims to have fallen in love with them, gave them attention, compliments and affection and made them emotionally dependent on him. At the same time, he alienated the suggestible women from their friends and family. Ultimately, his goal was to make them work as prostitutes (so-called "loverboy method"). Subsequently, he controlled the women and also threatened, extorted and injured them for the purpose of keeping them in prostitution and other reasons. The victims were forced to work as prostitutes in various brothels run in flats throughout Germany, and in one case also in a massage parlour in Dubai, and to hand over all their earnings to the main defendant. The main offender had been applying this modus operandi for approximately ten years already, sometimes to several women at the same time. When committing the offences, he was supported by family members (his wife, his brother and the latter's girlfriend). The weekly income of EUR 3,000 - 4,000 per victim enabled the family members to adopt a luxurious lifestyle. The main offender rendered the clarification of the offences difficult, for example by arranging and paying lawyers for potential witnesses in order to prevent direct statements with regard to the matter on hand. The arrest and search measures led to the discovery of evidence substantiating the witness statements and the results of the police investigations. In addition, all persons charged were unlawfully receiving considerable social benefits. An attachment in rem in the amount of EUR 650,000 was ordered.

#### **Brief assessment:**

The investigation shows that OC groups in the field of human trafficking also make use of the so-called "loverboy method" while operating all over Germany and even throughout the world.

## Cybercrime (17)

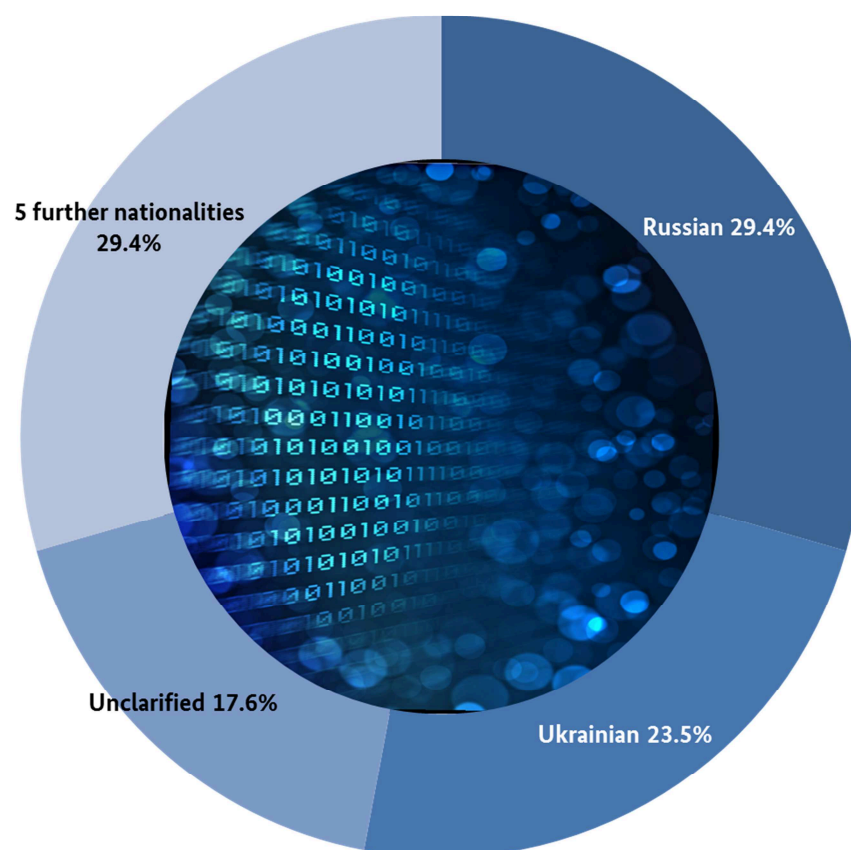
The number of cybercrime OC investigations dropped by 22.7 % to 17 (2016: 22). Most cyber OC groups were dominated by nationals from the Russian Federation and the Ukraine. The groups mainly committed digital extortions (29.4 %) and attacks on online banking (23.5 %).

Due to the common use of the Internet, especially virtual-cryptographic means of payment (such as bitcoins) have been widely spread and accepted at international level. The advantage of decentralised crypto currencies is that they are based on a self-regulatory system and promise more anonymity than traditional currency systems due to the lack of a central supervisory authority. Crypto currencies will continue to play an essential role in future payment transactions. This is shown by the already existing possibilities of using crypto currencies (e.g. for paying trips, visits to restaurants etc.) and the current efforts of the banking sector to accelerate and safeguard the payment flows in this area. Crypto currencies will also gain importance in other fields of crime, because they can be used for paying illegally traded goods via Internet underground markets and offer an anonymous means of payment in cases of extortion or for money laundering activities.



### **Crypto currencies**

*Crypto currencies or virtual currencies are any means of payment that are available exclusively in digital form and are usually not issued by any central or regulating authority. Instead, a decentralised network system is used for recording transactions and generating new currency units. Cryptography is used for preventing forgeries and fraudulent money transfers. Generally, a regulation by banks or supervisory bodies does not take place. Despite a publicly accessible transaction register, the settlement of the payments is anonymised or pseudonymised.*



### Case example of cybercrime:

An OC investigation conducted by the BKA into suspected computer fraud on a commercial basis and other offences targets a group of perpetrators who are held responsible for the distribution and use of malware. By professional encryption methods, the malware is altered until it is no longer recognised by antivirus software. However, the group itself does not encrypt and distribute the malware, but is using the services of other persons and groups of a cyber community, which is strictly secluded. Consequently, the encryption and distribution of malware is done via automated servers and botnets, which are operated by other groups of the community.

#### Brief assessment:

This case example stresses the increasing threat posed by cybercrime. The threat potential of this field of crime is proved by the increasingly professional and organised crime commission, especially since the preparation and implementation of the criminal activities are offered as a "service" and carried out by task-sharing. In particular, it is completely irrelevant if an offender himself has the full cyber knowhow to realise a plan or not because it is now possible to buy or "outsource" individual acts constituting the offence (crime as a service).

## Crime as a Service

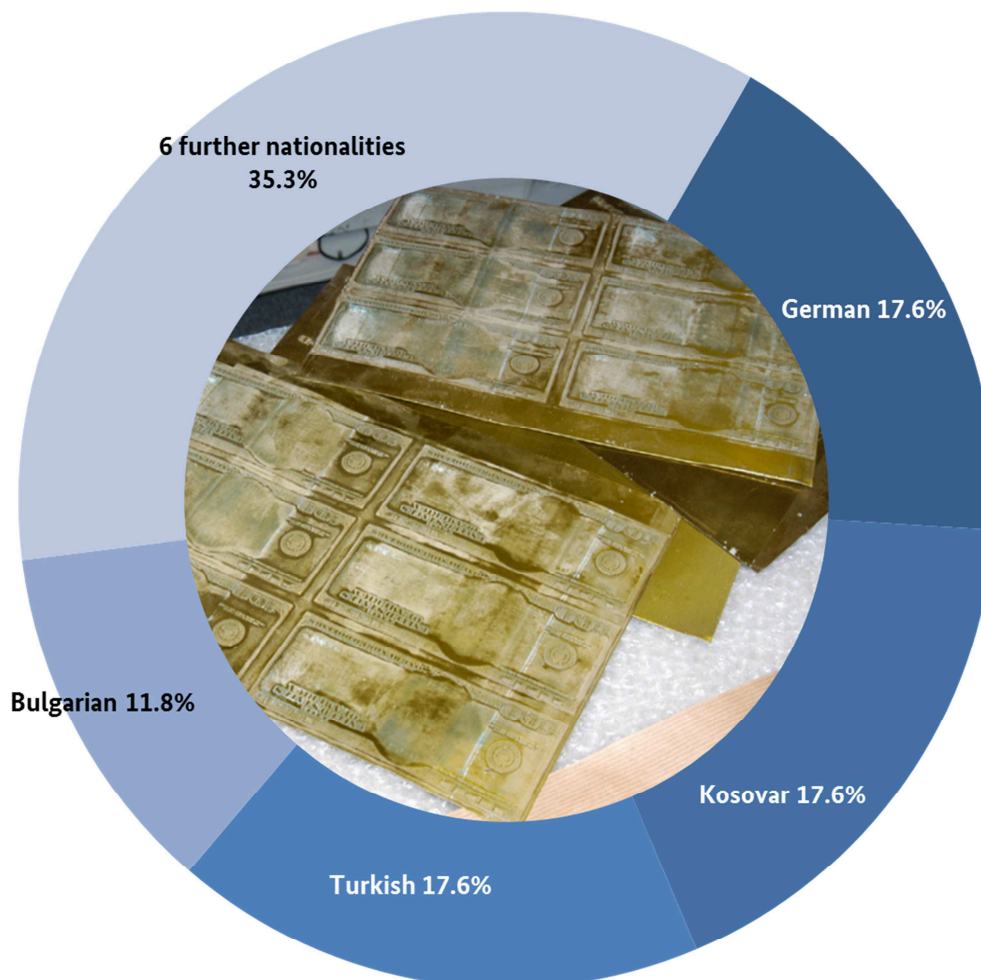


"Crime as a Service" includes criminal service provision in the IT field, IT tools (such as malware), instructions from the area of information technology etc., which are made available within the underground economy in the freely accessible internet or the Darknet for the commission of offences, some of them serious.

## Counterfeiting/forgery (17)

In the field of counterfeiting/forgery, the number of OC investigations dropped by 15.0 % to 17 (2016: 20). Mainly identity documents/driving licenses and cash (false Euros) were counterfeited/forged.

In 2017, three OC groups dominated by Kosovar nationals were identified in the newly reported OC investigations. The OC investigations concerned criminal services in connection with the procurement of fictitious husbands/wives or with the obtaining of residence permits by fraud.



### Money laundering (9)

The field of money laundering saw a slight increase to a total of nine OC investigations in 2017 (2016: 8). OC groups active in the field of money laundering were again largely dominated by German nationals.



### Arms trafficking and smuggling (3)

The number of OC groups in the field of arms trafficking and smuggling rose to three OC investigations in 2017 (2016: 2). The OC investigations concerned illegal trade in war weapons and firearms. The leadership positions within these OC groups were occupied by Bulgarian, German and Lebanese nationals.



### Corruption (2)

In 2017, two OC investigations were conducted into corruption (2016: 2). Both OC groups were dominated by German nationals.



### Criminal organisation (1)

Through the amendment of section 129 of the German Penal Code on 22/07/2017 its scope of application has been expanded considerably. Therefore it is now easier to conduct extensive OC investigations against criminal organisations and hence also against OC groups. It also had implications for the recording of the OC situation. For the first time, an OC group was recorded as a subject of investigations into "formation of a criminal organisation" pursuant to section 129 (new) of the German Penal Code. In this context, Russian nationals have taken the lead and were classified as belonging to the Russian-Eurasian Organised Crime category.



### Environmental crime (1)

Only one OC investigation concerning environmental crime was reported (2016: 3). It was dominated by German nationals. This OC investigation was conducted for illegal production and distribution of food products and pharmaceuticals.





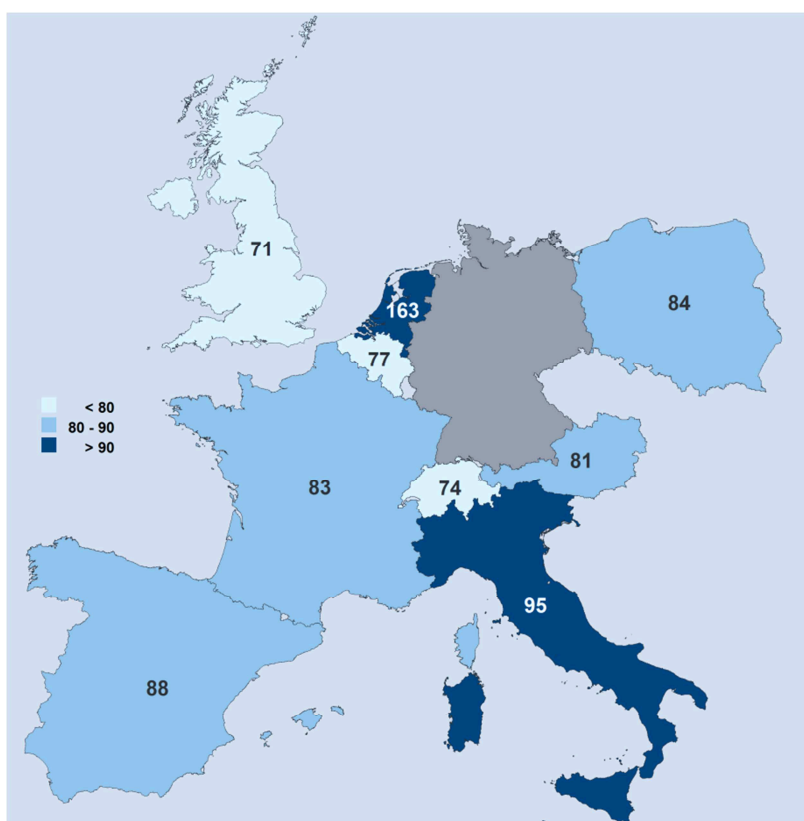


## 4 International aspects of Organised Crime

In 2017, 455 OC investigations (2016: 441) with links to foreign countries were reported. Connections/links from Germany to a total of 128 different countries (2016: 125) were established. These figures prove the international nature of Organised Crime.

There were 163 OC investigations with links to the Netherlands, far more than to any other country. Most of these OC investigations were conducted on charges of trafficking in/smuggling of narcotic drugs. This clearly shows the unchanged significance of the Netherlands as a country of origin and transit of drug deliveries to Germany and proves the status of the Netherlands as an important base of internationally operating OC groups predominantly engaged in the field of drug trafficking.

The large number of OC investigations with links abroad requires close cooperation with the police authorities in other European countries. International cooperation in police matters has been constantly improved through numerous bilateral and multilateral agreements, the initiation of parallel proceedings and the setting up of joint investigation teams (JIT). For example, a task force exclusively engaged in the suppression of organised property crime was created at the Albanian state police with the assistance of the BKA and of several police authorities of the Länder. Within the framework of an OC investigation in the field of economic crime ("CEO-Fraud"), the BKA closely cooperated with Austrian and Israeli authorities as well as with Europol. Furthermore, a JIT was set up between France, Austria and Germany with the aim of cooperating with Israel in a specific case. Co-operation is additionally strengthened by the close contact between the BKA liaison officers and the national security agencies abroad.





As an initial step to fight the greatest criminal threats to the European Union in the field of Serious and Organised Crime, the EU adopted the "Policy Cycle". The basis of the EU Policy Cycle is the "European Union Serious and Organised Crime Threat Assessment" (SOCTA), which is drawn up every four years. The SOCTA is an analysis of the current and future threats which, in the assessment of Europol, emanate from Serious and Organised Crime. The report expresses recommendations for setting priorities in crime control. Furthermore, coordination and cooperation in the prioritised fields of crime are to be optimised within the four-year cycle.

The fields of crime most recently assessed by the European countries as the focus of their common fight against Serious and Organised Crime include cybercrime, drug-related crime, organised property crime, trafficking in human beings and facilitation of illegal immigration.

With more than 5,000<sup>17</sup> OC groups operating in Europe, the threat potential of Serious and Organised Crime at European level is considered to be elevated. The European police authorities combat Serious and Organised Crime with joined efforts and with the assistance of Europol, by conducting coordinated measures and operations on a strategic as well as on an operational level.

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<sup>17</sup> Europol: European Union Serious and Organised Crime Threat Assessment 2017, p. 14

### Example of a specific case: International networking of Organised Crime

During recent years, 50 to 60 thefts of solar panels and inverters from solar farms in the Land of Brandenburg (BB) were committed per year on a regular basis. The damage caused by the completed thefts usually amounted to at least EUR 50,000 per case. At the beginning of 2015, the Brandenburg Land Criminal Police Office launched investigations against five Polish gangs suspected of raiding solar farms in the Land of Brandenburg and throughout Germany. Apart from operating on the basis of a structured division of tasks, the offenders behaved extremely secretive and isolated themselves. For instance, they rented crime vehicles from German and Polish car rental services at short notice, used forged freight documents and set up fictitious companies to utilise the stolen property. Some targets were also spied out by means of drones. When the thefts had been accomplished, receivers in Poland sold the stolen items to Eastern Europe or offered them for sale on the Internet. The damage caused by the groups of perpetrators amounts to approximately EUR 3.6 million. In August 2016, an operational linked series investigation team was formed, involving the Brandenburg Land Criminal Police Office and the relevant counterpart agency in Poland. In cooperation with the Polish police, a total of 29 Polish suspects have so far been arrested and committed to prison. It is worth mentioning that, subsequently, the number of solar farm raids in Brandenburg decreased from approximately 60 cases committed in the years 2015 and 2016 respectively to three cases in the year 2017.

#### **Brief assessment:**

The aforementioned case clearly shows that effective suppression of internationally linked OC groups requires an equally international cooperation of law enforcement/prosecution agencies.

## 5 Overall assessment

Compared to the previous year, the number of OC investigations increased slightly in 2017. The threat potential stemming from Organised Crime still remains high. The OC groups identified operated in all crime areas and, as in previous years, predominantly in the field of drug trafficking/smuggling.

Among the investigations reported throughout Germany, other crime areas primarily concerned were property crime, crime associated with the business world, facilitation of illegal immigration and tax and customs offences. Although fewer OC group activities were identified in the areas of violent crime, crime associated with nightlife, counterfeiting/forgery and cybercrime, these forms of crime are also prosecuted with intensity within the framework of the suppression of Organised Crime.

The typical fields of Organised Crime - i. e. Italian Organised Crime, Russian-Eurasian Organised Crime and outlaw motorcycle gang crime - continue to be in the focus of the German police authorities. Concerning Italian OC, a slight increase of investigated cases was recorded in 2017 with the total number being relatively low. It has to be assumed that there is unreported and unrecorded crime in this context as the offenders adapt to social and technological changes. Their methods and behaviour are orientated accordingly, which minimises their risk of being discovered by the police authorities. These practices can also be observed in all other crime areas where OC groups operate.

Transnationality is one of the distinguishing marks of OC; borders are perceived but do no longer present an obstacle. In approximately 80 % of the OC investigations conducted in Germany in 2017 it was established that the offence was committed at international level and by co-operating with OC groups abroad. The international links identified in most OC investigations require close cooperation with the foreign police authorities and Europol.

The use of encrypted communication and of the Internet as an instrument of crime renders the enquiries more difficult. Nearly all criminal groups now use the Internet before, during and after committing offences - also for the purpose of encrypted communication. In the Internet market place, particularly in the so-called "Darknet", where providers and customers remain virtually anonymous, trafficking in illicit merchandise, such as drugs, arms or counterfeit currency, is increasing. Due to anonymization and ever-larger amounts of data being seized, investigations are becoming more personnel-intensive and time demanding. On the whole, the police is facing bigger challenges which also have to be considered in police training.

With the Act reforming asset confiscation under criminal law, which came into force on 01/07/2017, the law enforcement/prosecution agencies have been provided with an instrument that is supposed to facilitate the seizure or attachment of illegal funds and, in this way, contributes to accomplishing an important goal in the fight against Organised Crime. It is only by depriving the OC groups of their criminally obtained proceeds, i. e. their economic basis, that they will be successfully dismantled on a long-term basis.

The German police have reacted to the challenges unfolding in the suppression of Organised Crime: Within the framework of the Organised Crime Commission's prioritisation process, focal points are identified on the basis of a structured collection of information from the police forces of the Federation and the Länder and the Customs authorities and agreements on project-related cross-Länder co-operation are concluded. Furthermore, there is close cooperation with foreign police authorities

and with Europol, because links abroad are discovered on a regular basis. Depending on the links the investigations reveal, transnational Joint Investigation Teams (JIT) may, for instance, be created. Besides this, the liaison officers of the Bundeskriminalamt, who are deployed abroad, promote a fast bilateral exchange of information.

Special attention should be given to new developments within Organised Crime: Considering the OC investigations established in 2017 involving immigration, it is important to recognise these links with immigration at an early stage and to prevent or combat the formation of solid criminal structures.

Also with regard to organised economic crime, further efforts should be made to fight this phenomenon, especially in view of complex investigations (such as the Panama Papers) with transnational impact. One of the "keys to success" is a close cooperation between the police and the tax authorities.

# Annex

**Overview of further data relating to the groups dominated by the following nationalities for the year 2017 (figures of the previous year in brackets)**

Dominating nationality		Number of groups		Average OC potential in points <sup>18</sup>	Average Cooperation in years <sup>19</sup>
1	German	168 (186)	↘	40.4 (41.9)	3.4 (3.7)
2	Turkish	77 (56)	↑	45.0 (44.8)	2.1 (2.2)
3	Polish	25 (33)	↘	44.4 (42.7)	4.2 (2.9)
4	Albanian	21 (15)	↑	45.9 (41.0)	2.8 (4.0)
5	Lithuanian	19 (18)	↗	42.8 (47.2)	4.1 (2.8)
6	Russian	19 (17)	↑	34.3 (39.3)	3.9 (5.2)
7	Italian	17 (19)	↘	47.9 (42.4)	2.4 (1.7)
8	Nigerian	16 (7)	↑	43.5 (37.2)	3.0 (5.0)
9	Bulgarian	14 (9)	↑	39.3 (35.9)	2.7 (3.1)
10	Lebanese	14 (11)	↑	48.5 (48.8)	2.2 (2.8)
11	Serbian	13 (15)	↘	33.0 (36.3)	2.3 (2.4)

<sup>18</sup> The average OC potential of all OC groups amounted to 40.9 points (previous year: 41.0 points).

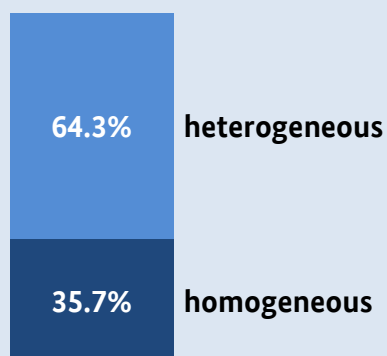
<sup>19</sup> The average duration of cooperation amounted to 3.0 years (previous year: 3.1 years).

## OVERVIEW OF DOMINATING NATIONALITIES (EXTRACT)

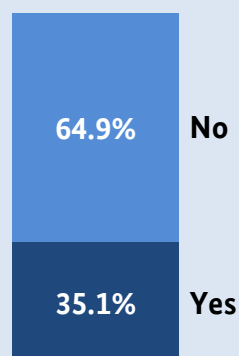
### 1) Groups dominated by German nationals (168)

Fields of crime			Change compared to the previous year: <b>-9.7 %</b>
Field of crime	Number of cases	Percentage	
Drug trafficking and smuggling	70	41.7%	Average duration of the cooperation: <b>3.4 years</b>
Tax and customs crime	30	17.9%	
Tax and customs crime	20	11.9%	Average OC potential: <b>40.4 points</b>
Facilitation of illegal immigration	11	6.5%	
Violent crime	10	6.0%	
Property crime	9	5.4%	
Money laundering	6	3.6%	
Crime associated with nightlife	4	2.4%	
Counterfeiting/forgery	3	1.8%	
Corruption	2	1.2%	
Arms trafficking and smuggling	1	0.6%	
Cybercrime	1	0.6%	
Environmental crime	1	0.6%	

#### Offender structure



#### Active in more than one area of crime?



#### Financial aspects

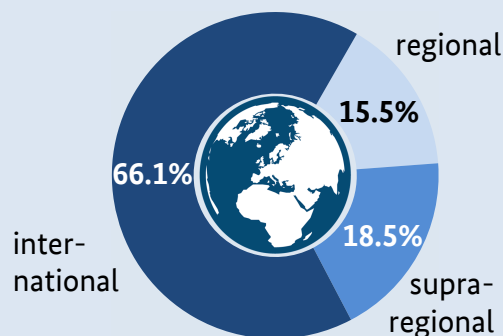
**Losses:** EUR 74,643,356  
(average per case EUR 444,306)

**Criminal proceeds:** EUR 51,586,034  
(average per case EUR 307,060)

**Seizure of assets:** EUR 13,706,539  
(average per case EUR 81,587)

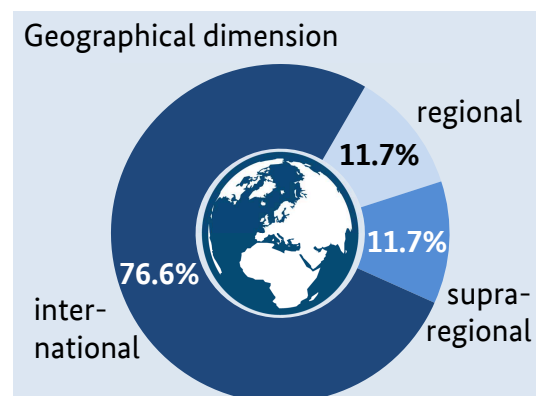
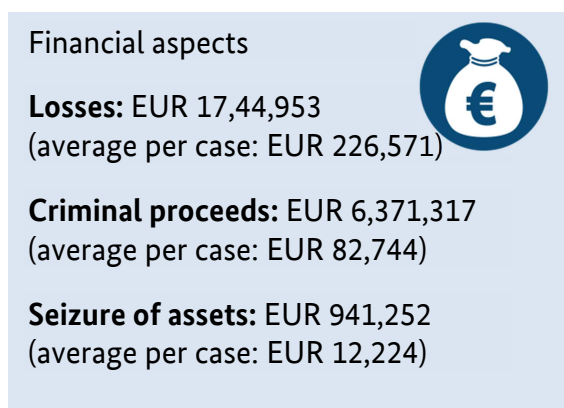
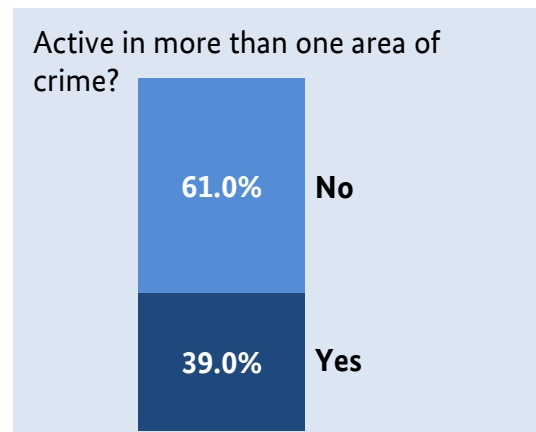
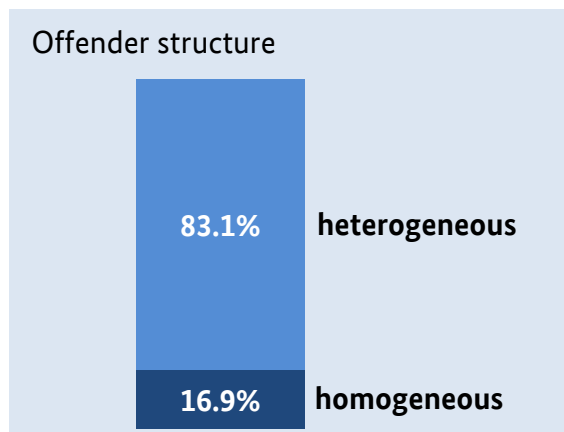
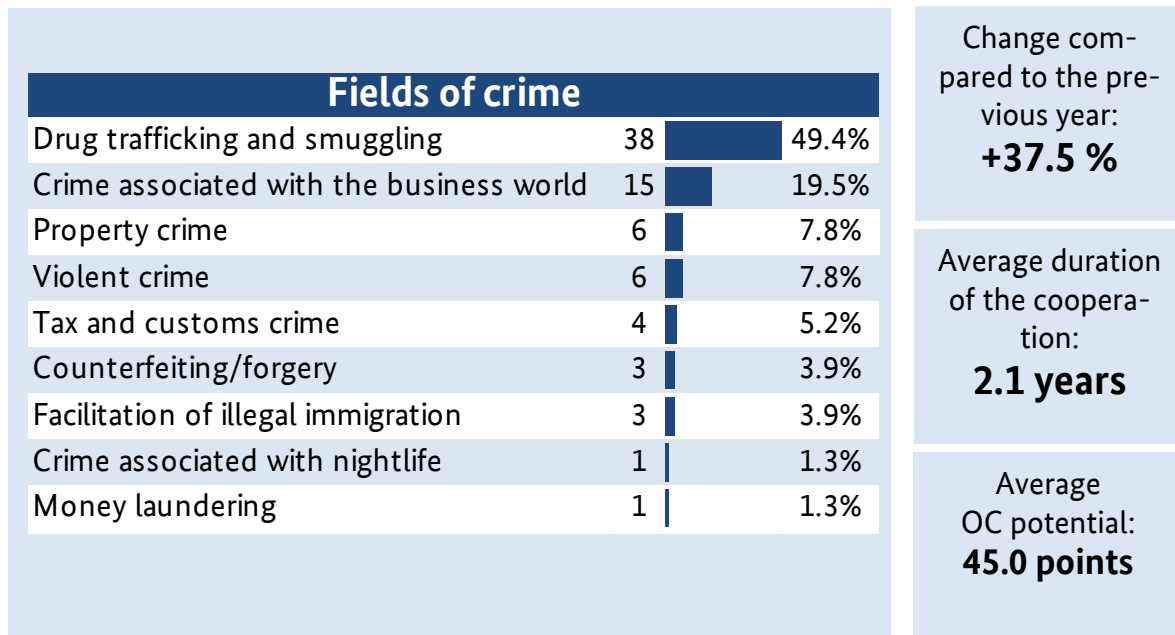


#### Geographical dimension

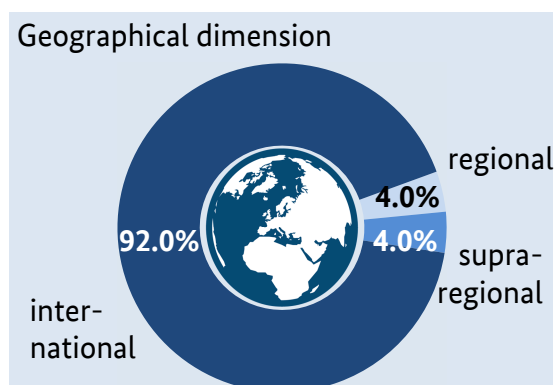
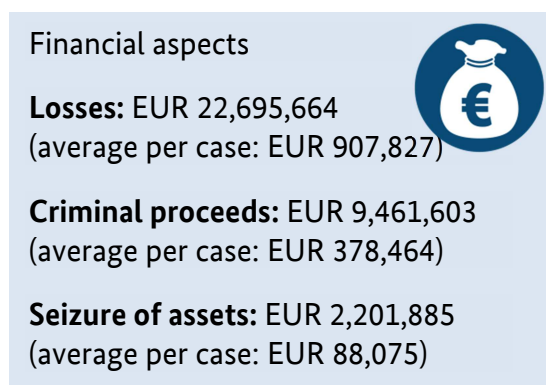
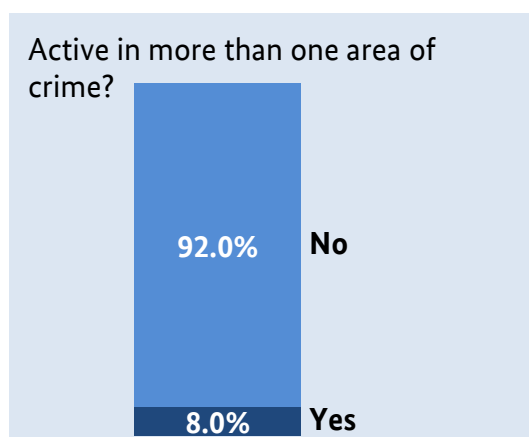
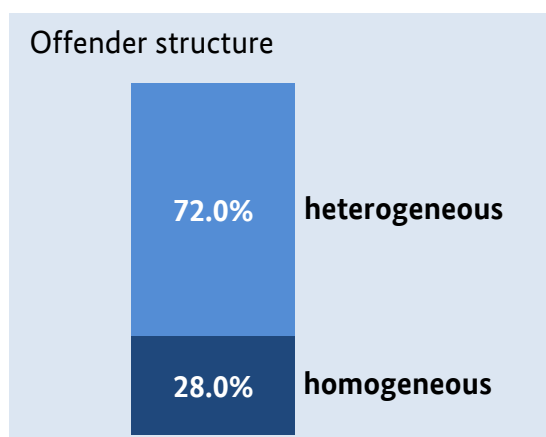
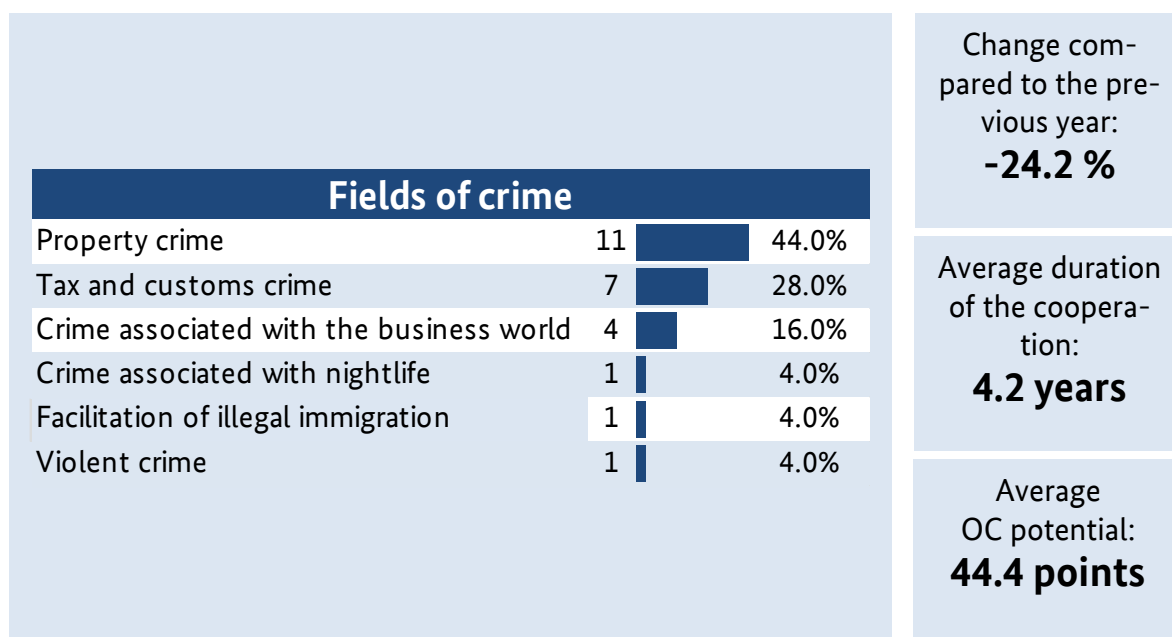




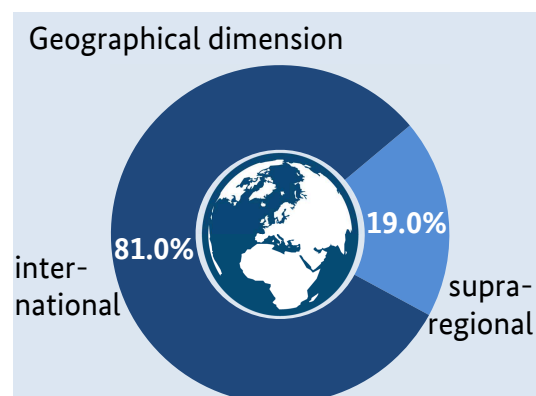
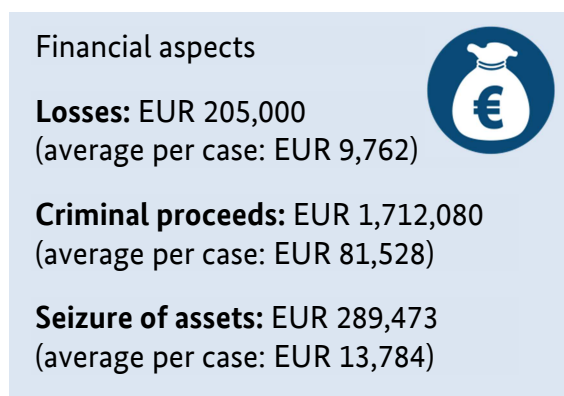
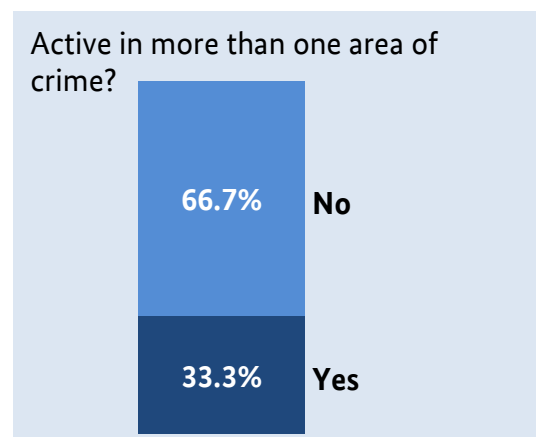
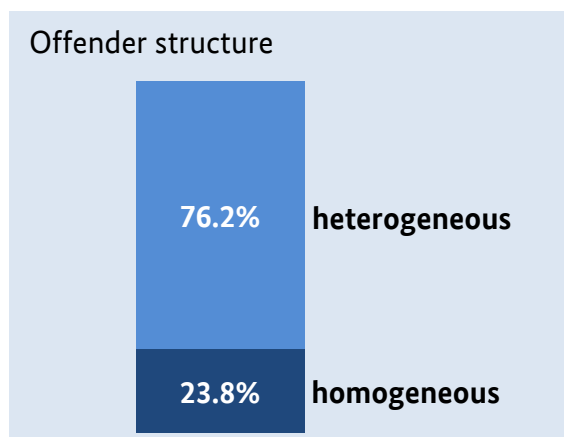
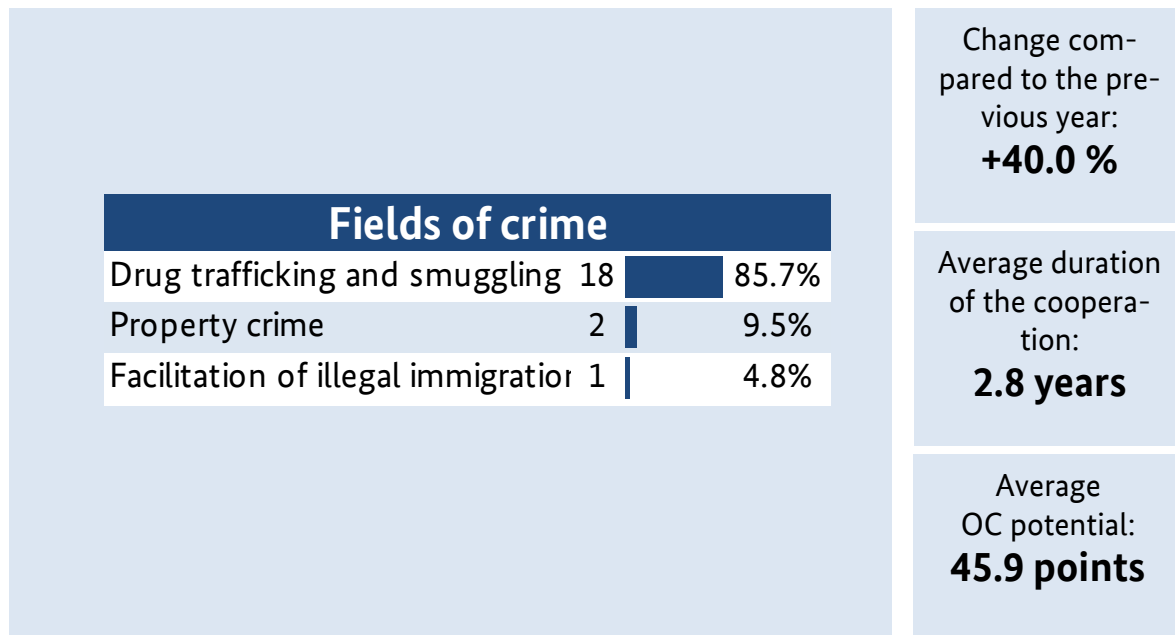
## 2) OC groups dominated by Turkish nationals (77)



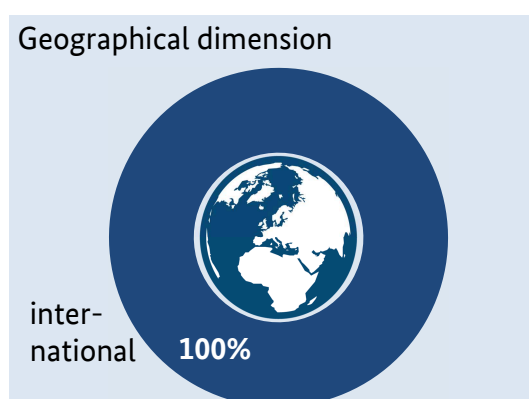
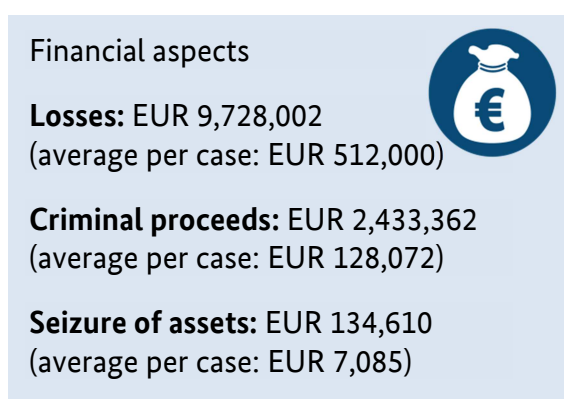
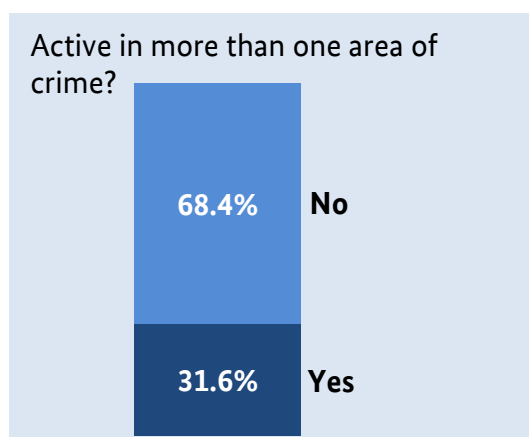
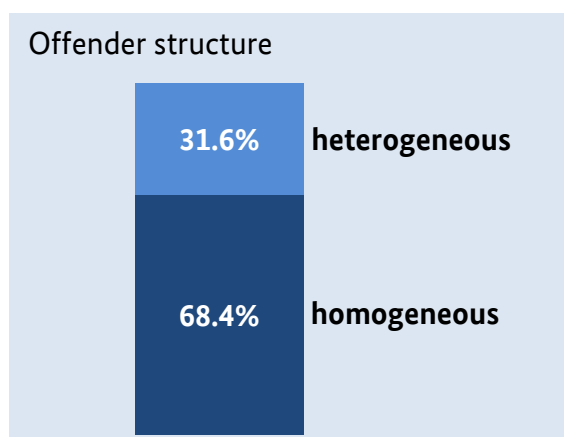
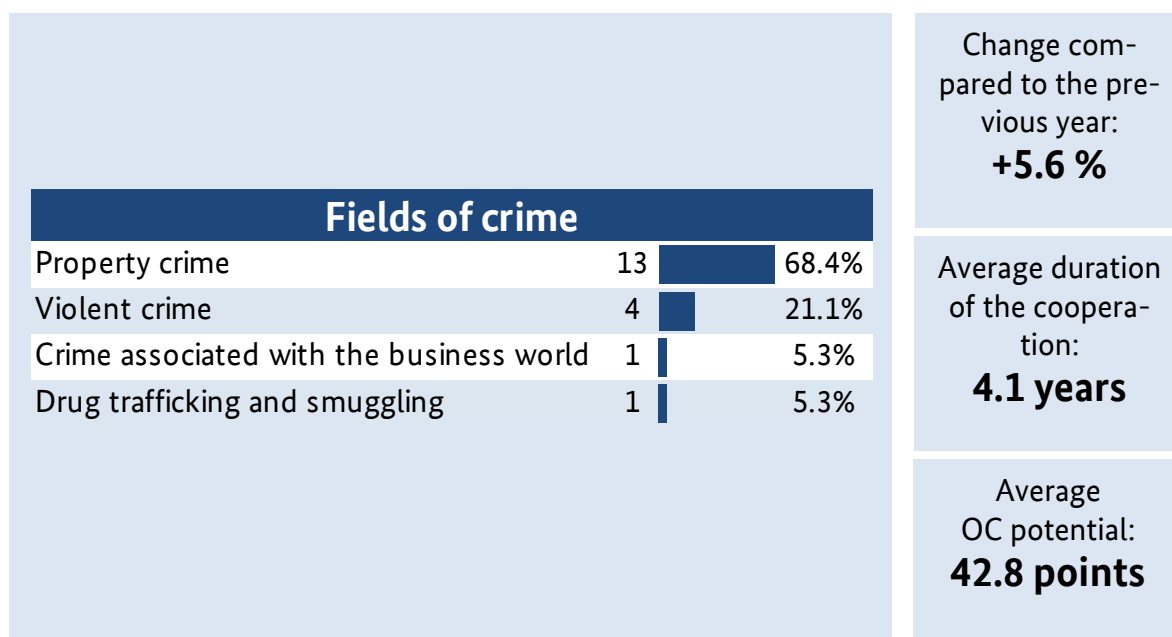
### 3) OC groups dominated by Polish nationals (25)



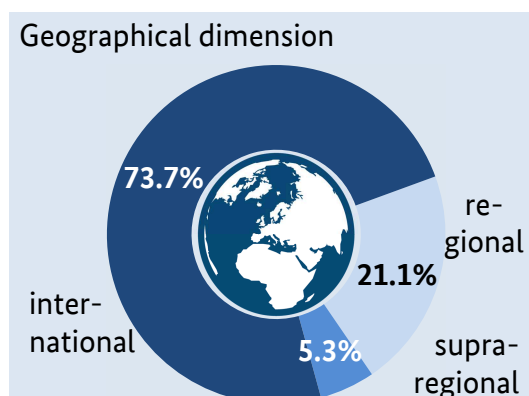
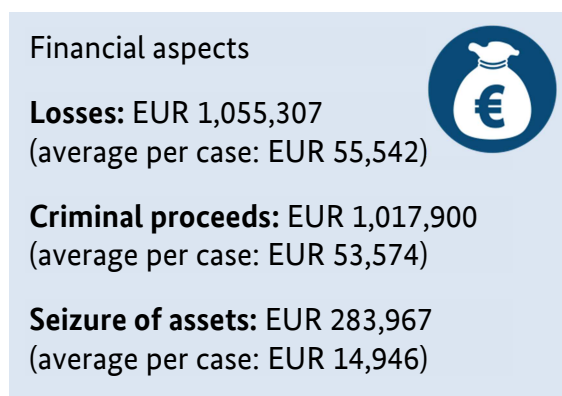
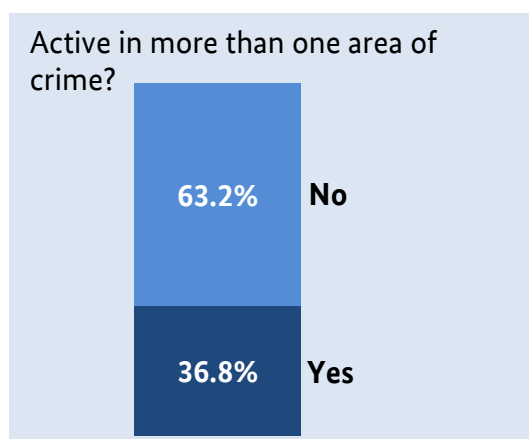
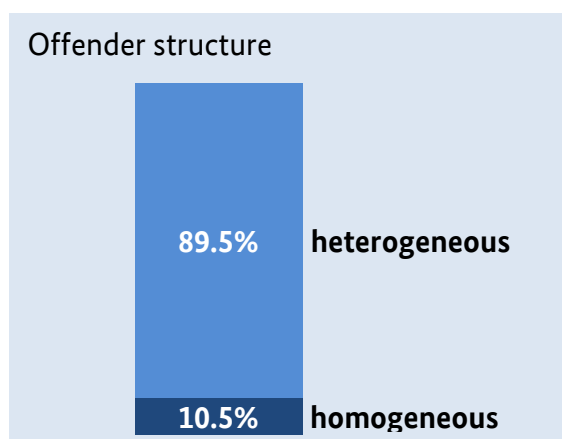
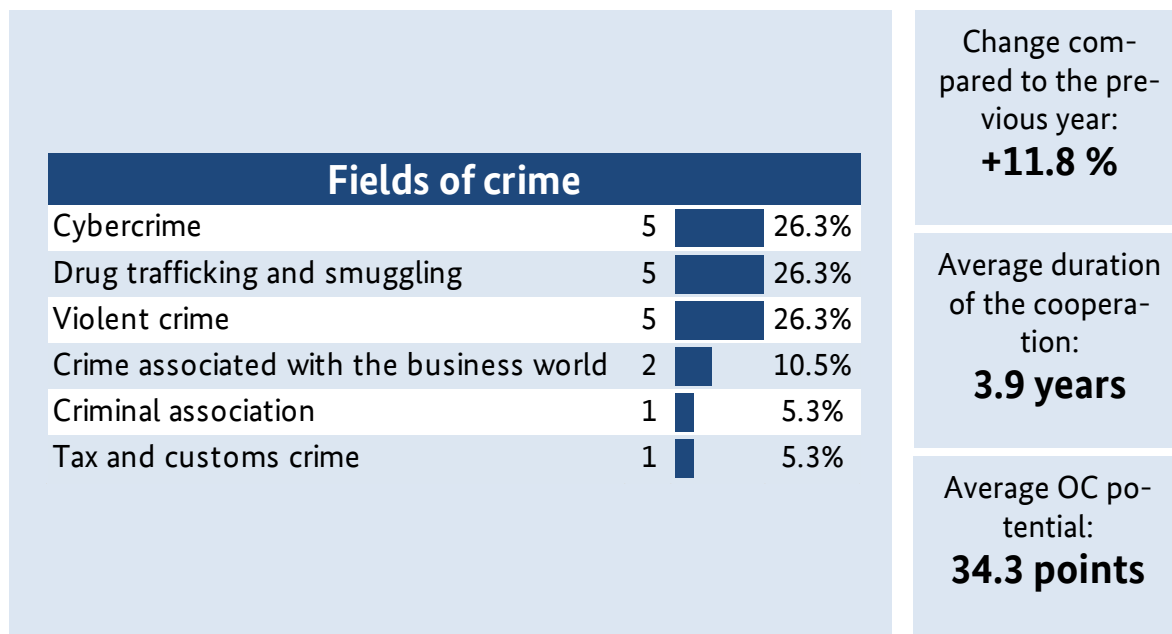
## 4) Groups dominated by Albanian nationals (21)



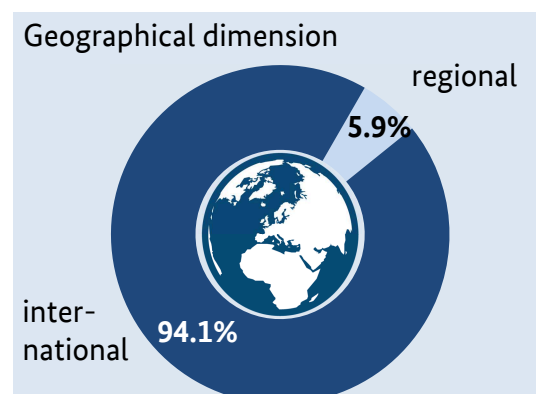
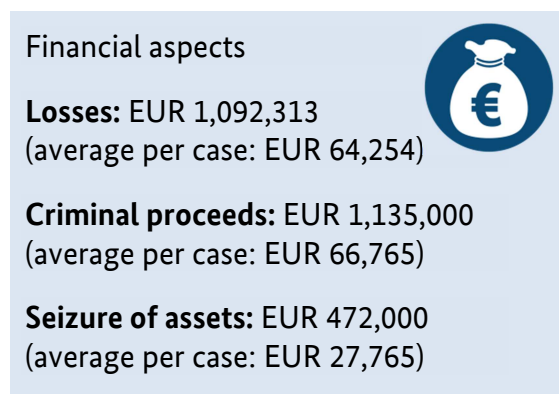
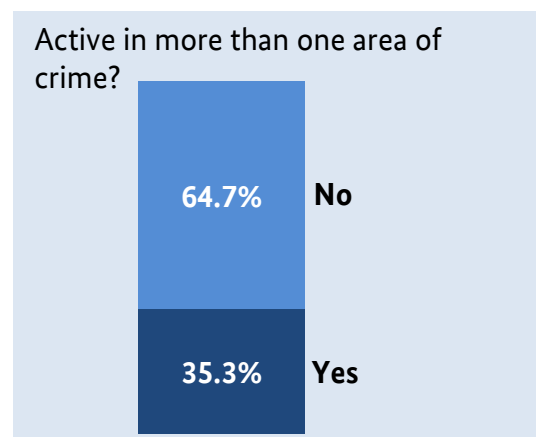
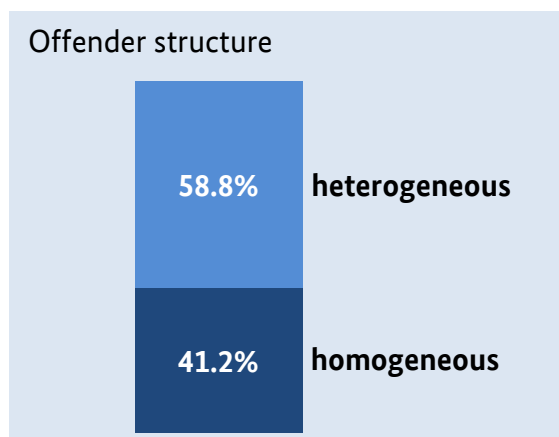
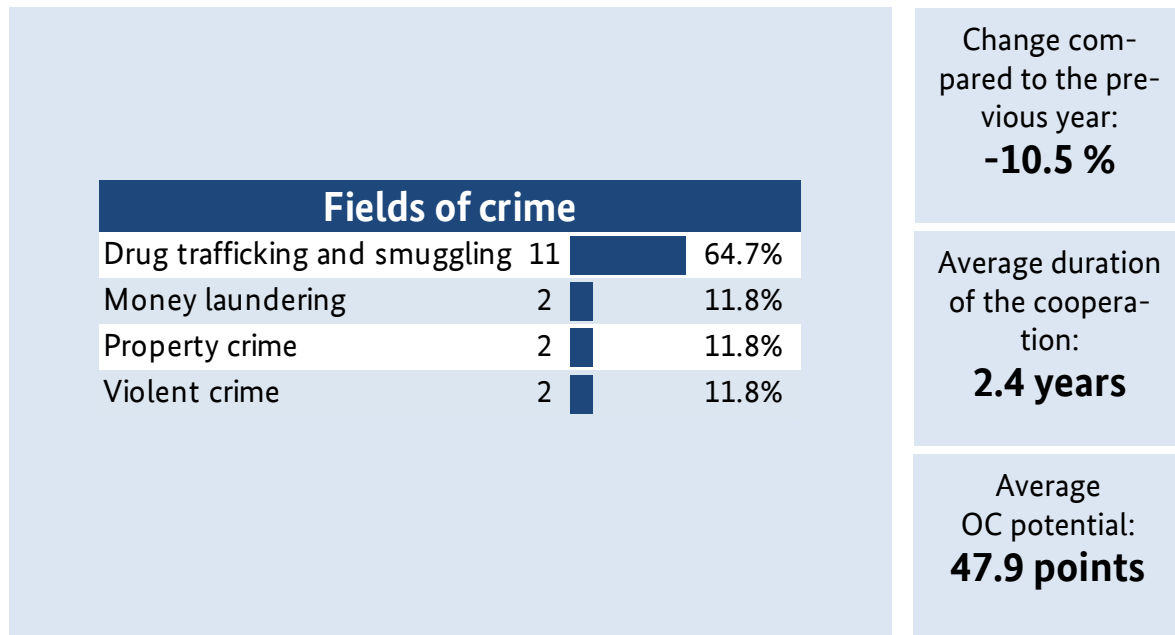
## 5) Groups dominated by Lithuanian nationals (19)



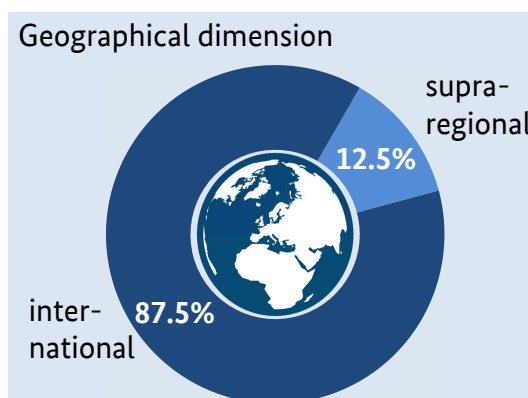
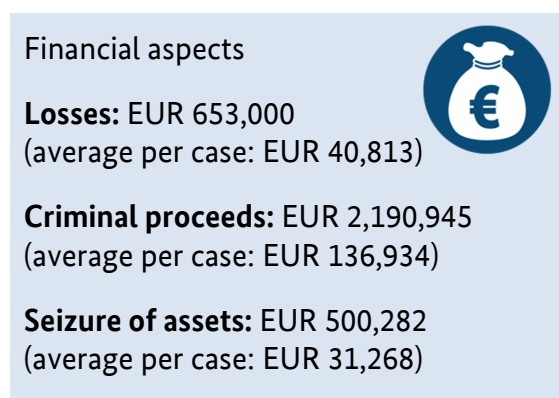
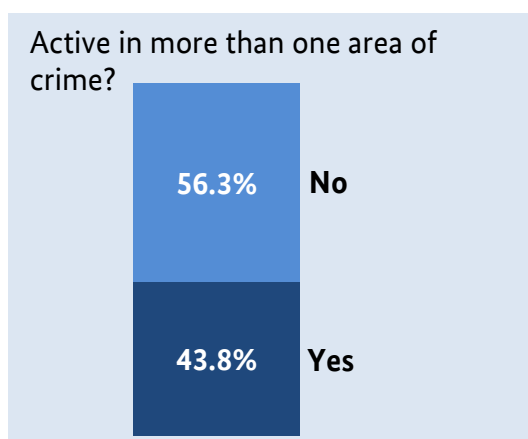
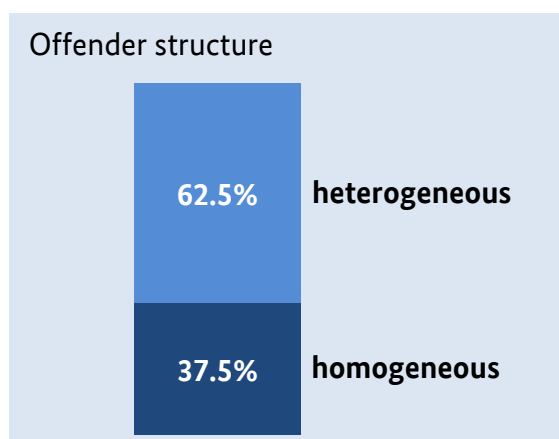
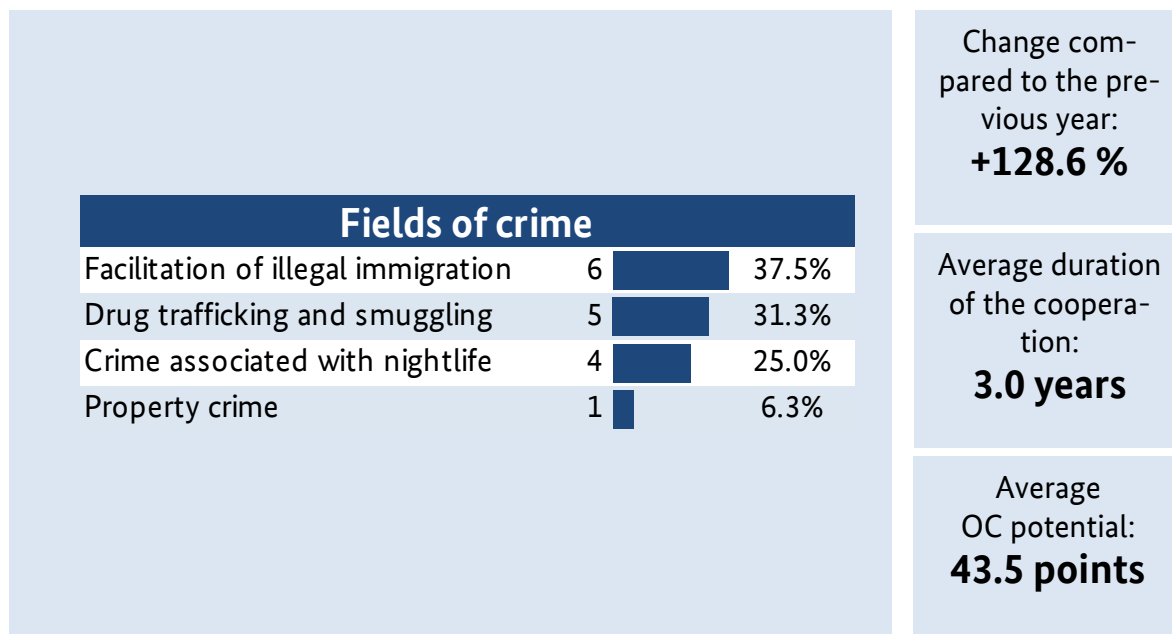
## 6) Groups dominated by Russian nationals (19)



## 7) Groups dominated by Italian nationals (17)

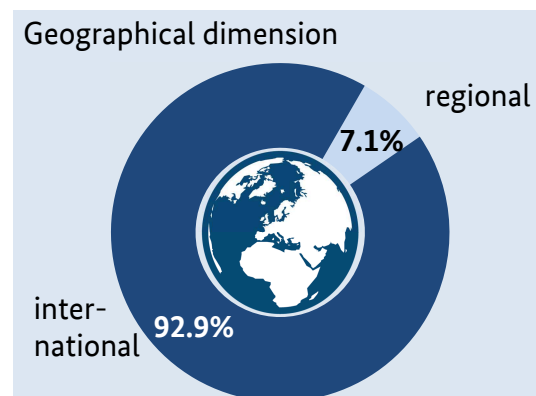
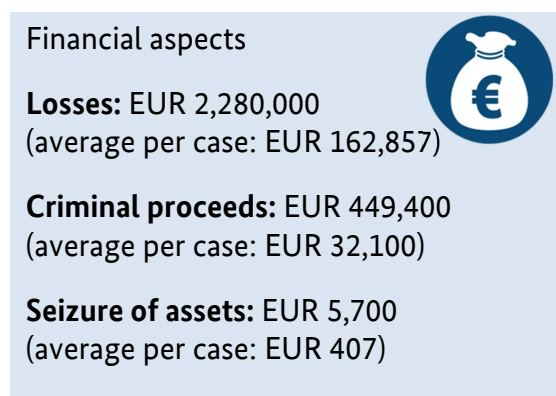
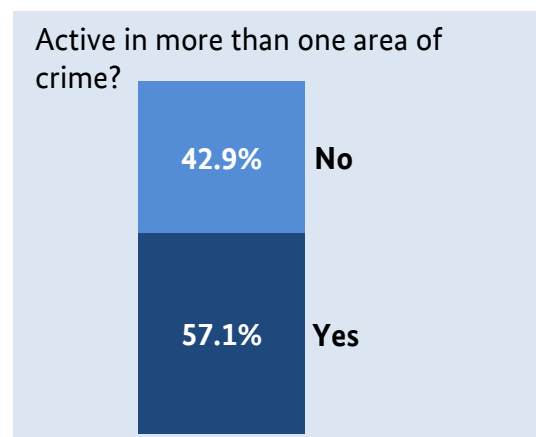
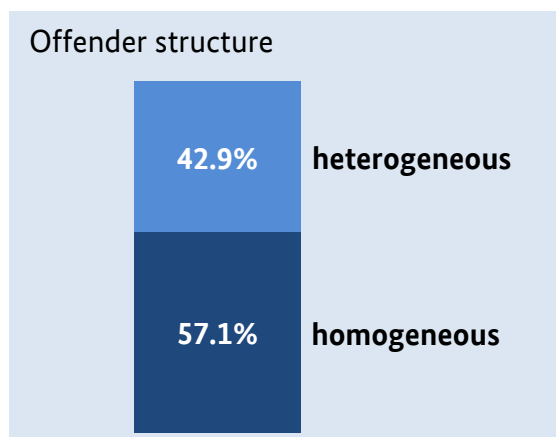
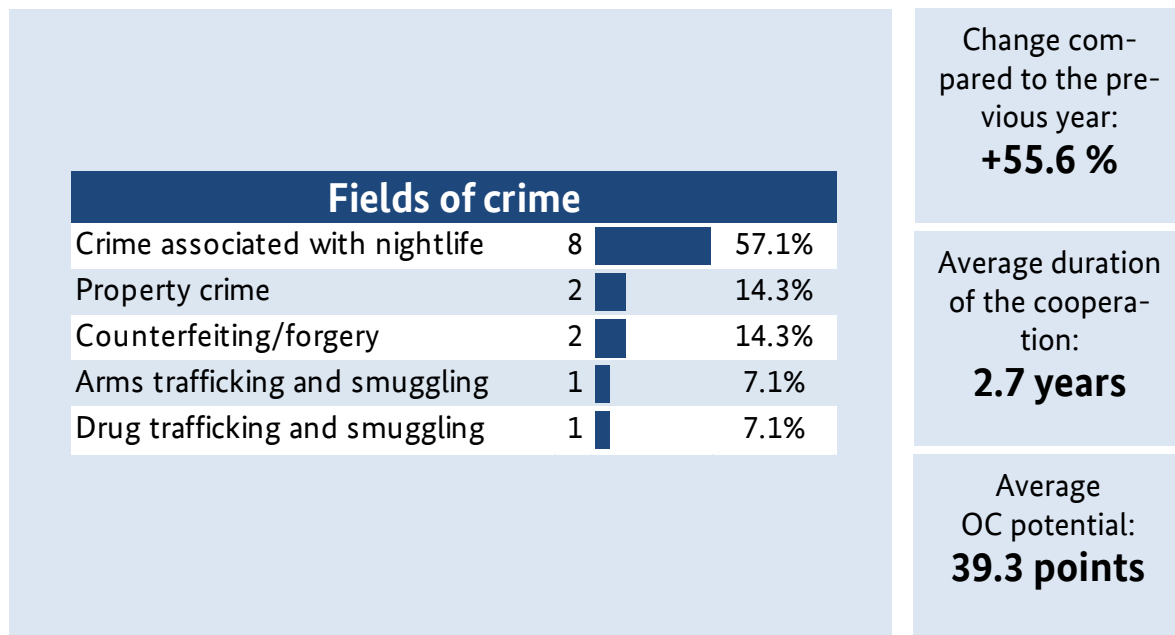


## 8) OC groups dominated by Nigerian nationals (16)

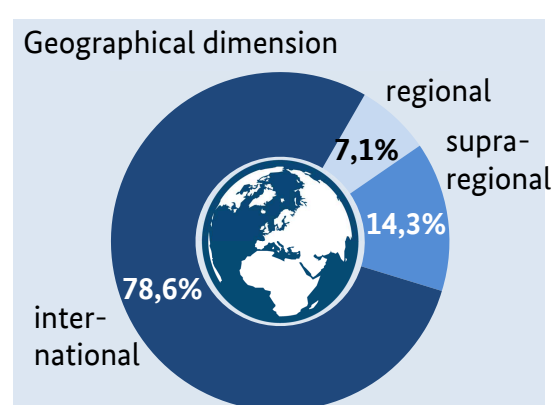
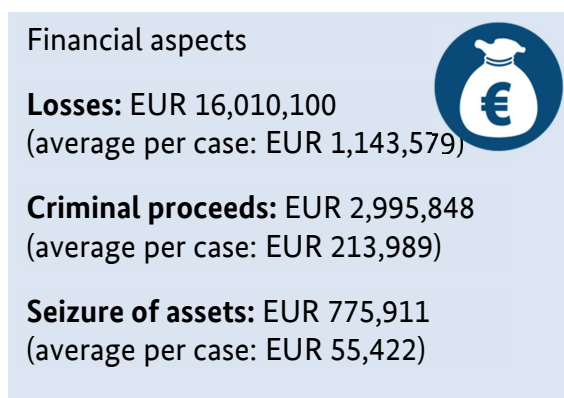
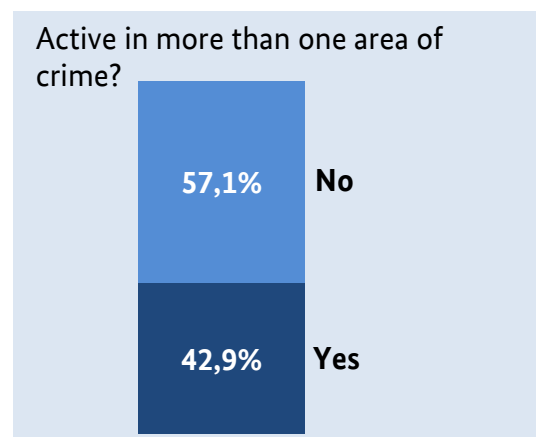
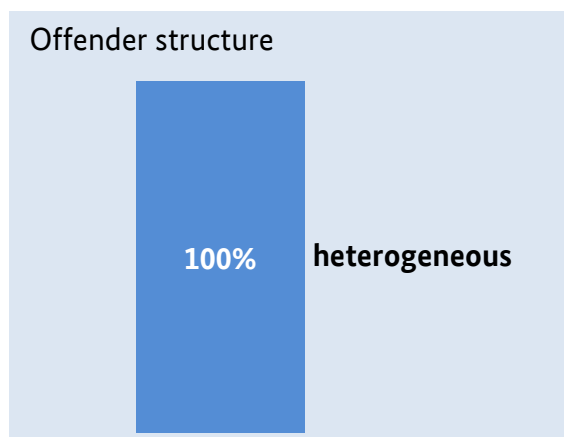
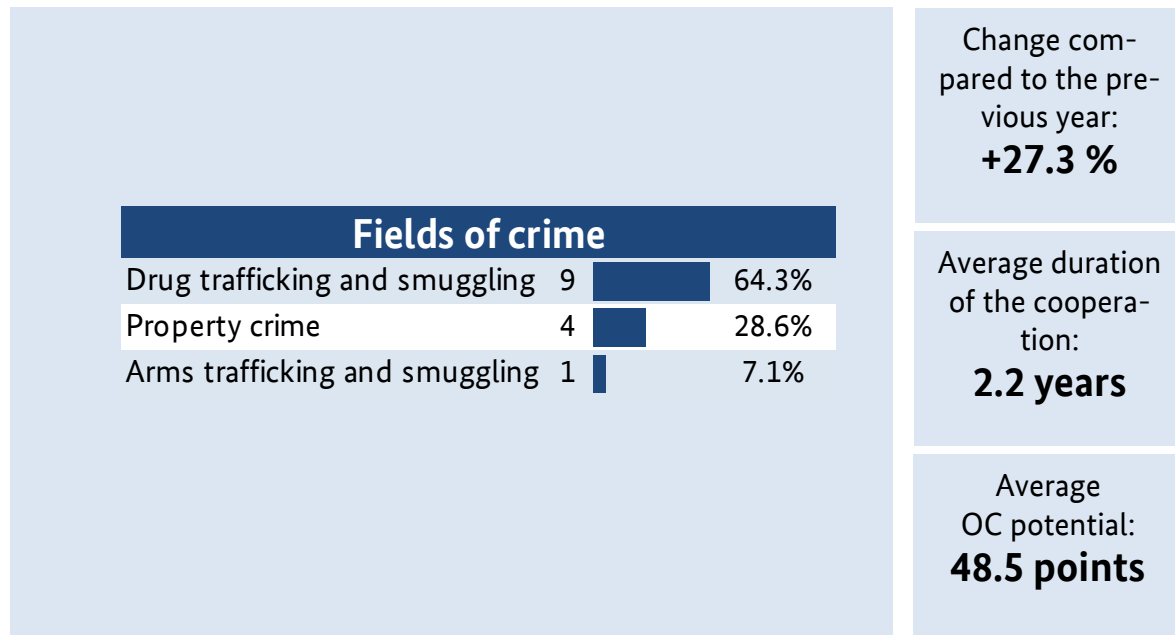




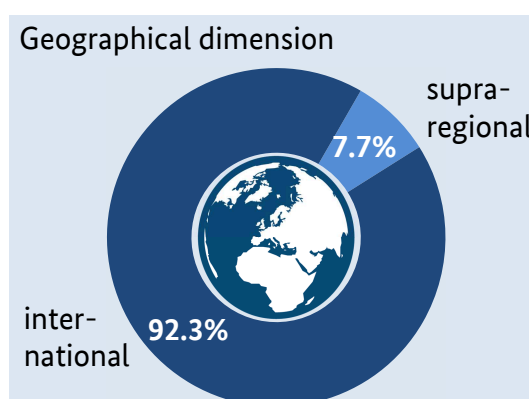
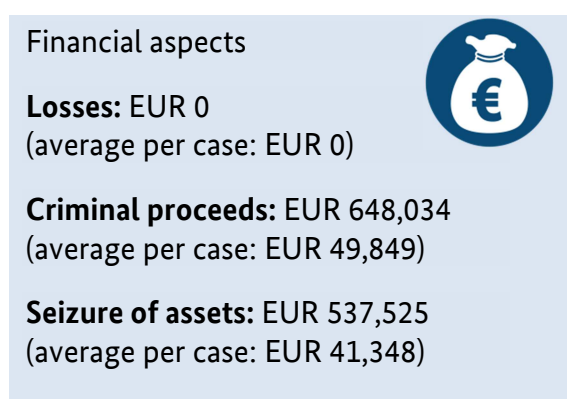
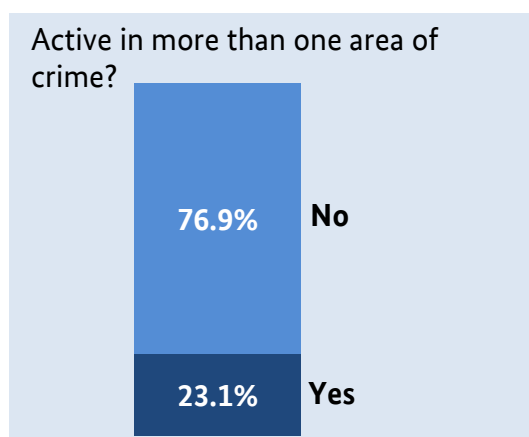
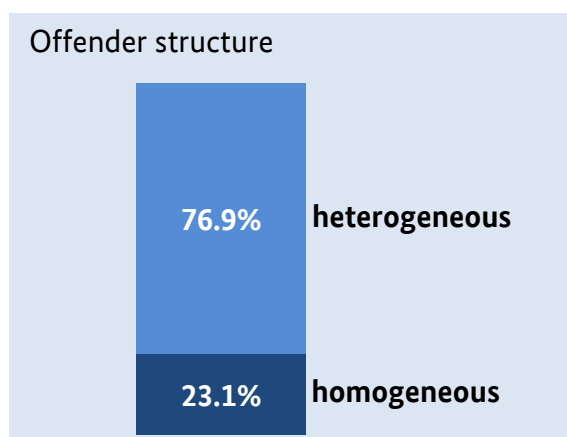
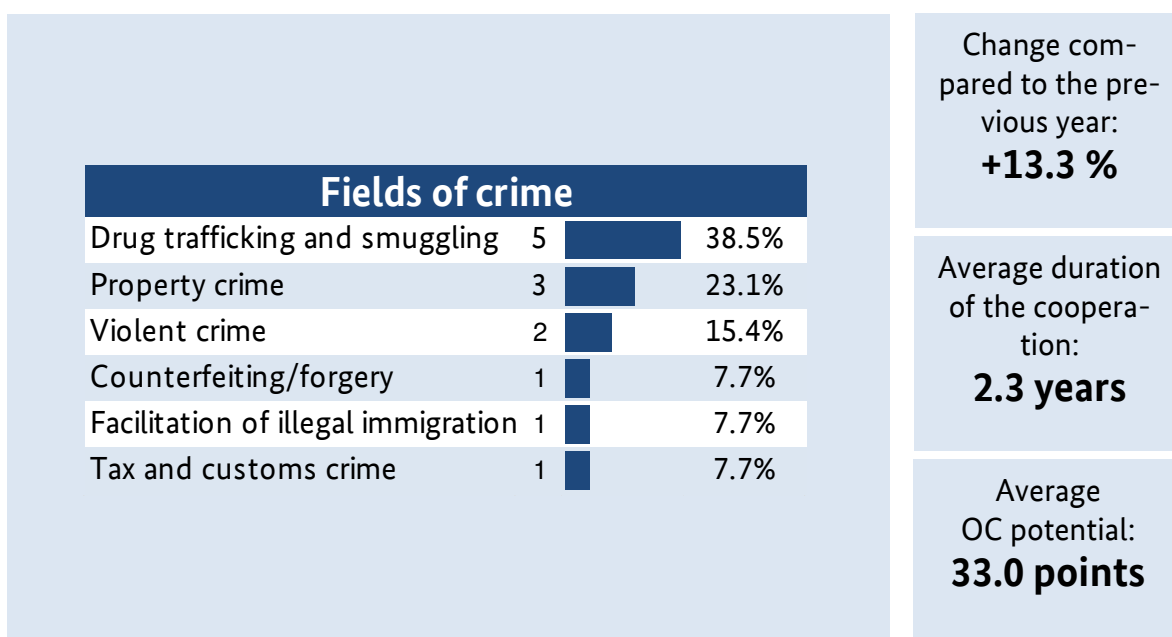
## 9) OC groups dominated by Bulgarian nationals (14)



## 10) OC groups dominated by Lebanese nationals (14)



## 11) Groups dominated by Serbian nationals (13)



## OVERVIEW OF NATIONALITIES IN ALPHABETICAL ORDER

Country	Dom. Grp.	Suspects	Suspects (new)
Afghanistan	3	21	17
Albania	21	214	139
Algeria	1	7	5
Argentina	0	4	1
Armenia	6	38	4
Australia	0	2	0
Austria	2	39	7
Azerbaijan	3	28	13
Bangladesh	0	1	0
Belarus	0	3	2
Belgium	0	26	5
Benin	2	7	2
Bosnia and Herzegovina	9	85	28
Brazil	0	2	1
Bulgaria	14	207	147
Cameroon	1	11	0
Canada	1	7	3
Chile	0	8	0
China	1	9	2
Colombia	3	14	11
Congo	0	1	0
Costa Rica	0	2	0
Croatia	5	93	14
Cuba	0	2	2
Czech Republic	1	53	37
Democratic People's Republic of Korea	1	3	0
Democratic Republic of Congo	0	3	0

Country	Dom. Grp.	Suspects	Suspects (new)
Denmark	0	6	0
Dominican Republic	0	4	2
Ecuador	0	2	0
Egypt	1	4	2
El Salvador	0	2	0
Estonia	1	16	1
Finland	0	5	0
France	1	19	3
Gambia	0	1	1
Georgia	3	40	9
Germany	168	2.436	919
Ghana	2	4	1
Greece	1	56	32
Guinea	1	6	0
Hungary	4	47	12
India	1	9	2
Iran	5	32	16
Iraq	4	66	28
Ireland	0	2	2
Israel	1	7	4
Italy	17	229	100
Ivory Coast	0	1	0
Jamaica	0	1	1
Japan	1	3	3
Jordan	0	4	2
Kazakhstan	1	15	11
Kenya	0	1	0
Kosovo	12	195	159

Country	Dom. Grp.	Suspects	Suspects (new)
Latvia	3	34	9
Lebanon	14	151	91
Libya	0	8	7
Lithuania	19	991	91
Luxembourg	0	2	1
Macedonia	3	27	13
Malaysia	0	1	0
Malta	0	1	0
Mexico	0	3	0
Montenegro	2	21	8
Morocco	4	43	18
Nepal	0	2	1
Netherlands	5	101	42
Nigeria	16	116	74
Norway	0	1	0
Pakistan	1	10	0
Paraguay	1	3	0
Peru	1	3	1
Poland	25	426	139
Portugal	0	3	2
Republic of Korea (South Korea)	0	1	0
Republic of Moldova	4	36	22
Romania	12	242	139
Russian Federation	19	143	62
Senegal	0	1	0
Serbia	13	129	47
Serbia and Montenegro (obs.)	0	2	0
Sierra Leone	1	2	0

Country	Dom. Grp.	Suspects	Suspects (new)
Singapore	1	6	1
Slovakia	1	9	2
Slovenia	0	8	0
Somalia	0	1	1
Spain	1	48	19
Sri Lanka	0	2	0
Sudan	0	1	0
Suriname	0	1	0
Sweden	0	7	2
Switzerland	1	40	8
Syria	12	138	70
Taiwan	0	1	0
Thailand	1	22	13
Togo	0	2	0
Tunisia	0	7	4
Turkey	77	853	350
Ukraine	10	79	15
United Arab Emirates	0	4	3
United Kingdom	3	115	29
USA	1	22	12
Uzbekistan	0	2	1
Venezuela	0	1	0
Vietnam	8	75	18
Not clarified	13	254	165
Not indicated	0	3	2
Other European	0	2	0
Stateless	2	8	6
<b>Total</b>	<b>572</b>	<b>8.317</b>	<b>3.238</b>

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