

IN FOCUS:

INVESTIGATIONS INTO ORGANISED CRIME⁵⁹: A CORE ACTIVITY OF THE EPPO

In 2024, we can confirm that investigations into organised crime are at the core of the EPPO's operational activity.

Through several of our investigations, we have uncovered long-lasting and well-structured criminal networks, allowing organised crime groups to expand their activities beyond their traditional criminal activities, such as drug trafficking, racketeering, or firearms trafficking, into financial criminality. These poly-criminal networks are involved in multiple major crime areas including mafia-style criminal organisations based in the EU, as well as similar organisations headquartered in third countries, especially active in customs fraud and specialised in money laundering services.

It appears that these organisations recognised the criminal opportunities offered by areas such as VAT and excise fraud, as well as customs fraud already several years ago. Notably, they realised that investing profits from other criminal activities would grant them the possibility to launder significant amounts of proceeds into criminal business. In several Member States, these activities were - and still are - poorly detected, scarcely investigated, and rarely prioritised as an important crime area to combat.

Furthermore, these criminal organisations seized the opportunity to enhance their wealth, investing in crime areas that ensured them very high-profit, combining it with very low-risk in terms of potential punishment, and making them extremely difficult to investigate due to their complexity and inherent cross-border dimension.

In addition, these criminal organisations took advantage of the proximity between these criminal businesses with the legal economy - since the traded goods are, per se, perfectly legal. They were able to infiltrate the legal economy, either by rescuing and supporting struggling businesses or by setting-up entire business lines in competition with law-abiding operators. As a result, certain sectors of trade and business now suffer from large infiltration of criminality and criminal investments, where fair competition is at serious risk.

The EPPO's investigation code-named 'Moby Dick' is an excellent example of this consolidated trend. This investigation showed that traditional and different mafia-style organised crime groups, cooperating with one another, invested, controlled, and obtained high-

value profit from huge VAT fraud schemes, establishing their organisation and activities in several Member States, as well as strictly cooperating with other clusters of independent criminal networks active in various European countries and third countries.

The EPPO's investigations show that these criminal organisations do not refrain from using serious threats, weapons and violence, in order to assert their position of power and influence in this relatively new business area.

Furthermore, the EPPO observed that organised crime groups are in fact 'forum shopping'. They carefully select Member States and third countries where certain aspects of their criminal activity go undetected, are silently tolerated, or where investigative units are less skilled, under-resourced, and fragmented, resulting in less effective investigations.

Consequently, they establish in those Member States part of their organisations, and execute part of the criminal activities, knowing that the risk of being detected and investigated is much lower than in other territories.

As regards money laundering, the organised crime groups took advantage of the fact that the profits from the commission of these criminal offences are much easier to launder compared to more traditional crime areas. In fact, proceeds from white-collar crimes, notably from VAT and customs fraud – as well as from expenditure fraud related to EU financed projects – travel through bank and financial accounts, and are deceptively warranted by invoices and other documents showing apparent lawful trade, logistics and transport. This gives the criminal organisations the opportunity to launder the proceeds in a much easier way, since financial transactions and withdrawals of cash are easy to justify.

This is consistent with EPPO's uncovering money laundering schemes based on trade, company investment, and real estate. This pattern often has sophisticated corporate structures.

The role of the professional launderers is crucial. Professional money launderers have established underground financial systems to process transactions quickly and efficiently, providing their services to any organised crime group, regardless of the predicate offences, or territorial operational area.