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## Organised Crime: New Challenges and Response Addressing Them

At the political level, organised crime has long been regarded as a threat to national security. However, real urgency of this threat has not been defined. Why is this issue “securitised”? Or, in general, should it be included in the list of the most prominent threats? Maybe this phenomenon should be considered as a typical problem that would be resolved by usual means? The article aims to find answers to these questions. Organised crime is analysed by comparing the perspectives of both Lithuania and the European Union. It is sought to evaluate its impact on economic and social values. In this work, the author examined the European Union and national strategic documents identifying the threats posed by organised crime, assessed organised crime groups, their spheres of activity, impact on social security, the factors determining the peculiarities of organised crime development, and revealed the link between organised crime and other threats. The objectives of this article are: 1) to analyse threats posed by organised crime from the Lithuanian and European Union perspectives; 2) to examine structures of organised criminal groups, areas of illicit activities, so-called ‘engines of crime’, and the main ‘crime enablers’ influencing the evolution of criminality;<sup>1</sup> 3) to assess new challenges and propose specific measures of response towards organised crime as a threat to national security. The author applies systematic evaluation, comparative methods, and analysis of documents and judicial practice. The information derived from interviews with civil servants and operational officers is presented as well.

### Introduction

Organised crime started to be discussed at the international level back in the nineteenth century, yet only after the restoration of independence did this topic begin to be examined more broadly in Lithuania. Organised crime in our country also existed during the Soviet occupation, but at that time, one would avoid talking about that issue and the information was available only

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\*\* This article presents the author’s evaluations, which, under no circumstances, are not an official position of the Ministry of the Interior.

<sup>1</sup> ‘Engines of crime’ - cross-cutting horizontal criminal threats that facilitate other types crime; ‘Crime enablers’ - factors fostering the development and evolution of crime.

to security structures.<sup>2</sup> After 11 March 1990, criminologists, law enforcement officers, and journalists started analysing the actual state of crime in Lithuania. Whilst organised crime has been often identified by authorities as a threat to national security this particular aspect was little researched. Although in 2000, Dr. Kęstutis Šimkus put forward the question of the features of international organised crime posing the biggest threat to national security,<sup>3</sup> one hardly finds any scientific works into this topic. The novelty of this article is to be evaluated through the research object – that is, the factors influencing the threats posed by organised crime and the means of creating and implementing an efficient policy of dealing with this phenomenon. The key task of the research is to evaluate the influence and impact of organised crime on public security and economy at the social, legal, and political levels by referring to today's relevant issues. During the research, while analysing the scientific literature and legal acts of the European Union and Lithuania, and bearing in mind the author's long-term experience in combating international organised crime, a wide spectrum of such factors was taken into consideration – including social changes – that affect the dynamics and development of organised crime.

Nowadays, organised criminal groups operate according to the model of a legal business that pursues pre-planned constant proceeds. The damage they cause influences human, economic, and social factors. The Constitutional Court of the Republic of Lithuania designates that “if organised crime was not prevented and organised crime groups were not persecuted, the constitutional values, *inter alia*, the rights and freedoms of the person, the legal bases of the life of society entrenched in the Constitution, the state, [...] and the entire society would be under threat”.<sup>4</sup> Intelligence services gather information about the members of criminal groups and their activities, however it is not always possible to “transform” this material to the pre-trial proceedings, disintegrate these groups, and sentence their members. Some countries (the Netherlands, the United Kingdom) make up the so-called lists of the top 100 most prominent criminals, allocate enormous investigative resources, yet it often happens that the gathered information does not suffice to bring suspects to justice. Sometimes, it is even acknowledged that leaders are invulnerable. Observing

<sup>2</sup> The Soviet LSSR Criminal Code did not include the definition of organised groups.

<sup>3</sup> Šimkus K. (2000), „Organizuotas nusikalstamumas kaip grėsmė nacionaliniam saugumui“, *Jurisprudencija* 15 (7), p. 143-152.

<sup>4</sup> Lietuvos Respublikos Konstitucinis teismas (2004), *Nutarimas dėl Lietuvos Respublikos Organizuoto nusikalstamumo užkardymo įstatymo 3 straipsnio (2001 m. birželio 26 d. redakcija), 4 straipsnio (2001 m. birželio 26 d., 2003 m. balandžio 3 d. redakcijos), 6 straipsnio (2001 m. birželio 26 d. redakcija) 3 dalies ir 8 straipsnio (2001 m. birželio 26 d. redakcija) 1 dalies atitikties Lietuvos Respublikos Konstitucijai*, <http://www.lrkt.lt/lt/teismo-aktai/paieska/135/ta277/content>, 2017-12-03.

how influential criminal groups are, these facts make one feel worried.

The article comprises three parts. In Part I, organised crime is analysed through the prism of the threats facing Lithuanian national security. In Part II, organised crime is evaluated from the perspective of the European Union; the structure of criminal groups, their activities, and evolution are disclosed. In Part III, the relationship between organised crime and terrorism and other threats is assessed; the insights of why organised crime cannot be treated as a typical phenomenon and requires specific attention are presented.

## 1. Threats to National Security

In order to have a good understanding of organised crime, it is indispensable to examine the strategic legal acts that identify the problem and present ways of resolving it. In 2017, the Seimas of the Republic of Lithuania approved the National Security Strategy (hereinafter: the Strategy) of a new edition. It embraces 15 threats, dangers, and risks, which “must be given particular attention by national security institutions”.<sup>5</sup> One of them is organised crime: “The dissemination of this phenomenon to and its penetration into the national economy and financial markets may cause a serious threat to public security, have a negative impact on the country’s economic and political life”.<sup>6</sup>

The legislator expressed its political will and obligated the responsible authorities to undertake immediate steps in reducing the threats posed by organised crime. It encourages examining organised crime more comprehensively; as a threat to national security. There are, however, some uncertainties while analysing the Strategy:

- It states that organised crime *may* cause a serious threat to national security. It can be presumed that, at present, such a threat does not exist; crime does not impact the country’s economic and political life.
- Organised crime is identified as threat No. 13. It remains unclear whether the threats are presented randomly, or by their importance, yet it has to be assumed that organised crime *is not* regarded as a priority phenomenon.
- In the previous edition (2002) of the Strategy, organised crime is also described as a *threat* to social stability, negatively affecting public security,

<sup>5</sup> Lietuvos Respublikos Seimas (2017), *Nutarimas dėl nacionalinio saugumo strategijos patvirtinimo*, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/4c80a722e2fa11e6be918a531b2126ab?jfwid=-1fhjp2nto>, 2017-11-26.

<sup>6</sup> *Ibidem*.

and economic development.<sup>7</sup> Comparing Strategies, it can be noticed that both have almost identical provisions on organised crime; hence, it can be concluded that the situation has not changed in 15 years.

The Strategy stipulates 18 priorities and objectives of the national security policy. The strengthening of public security is identified as priority No. 11 (still, it is not clear whether the priorities are provided either according to their importance or randomly):

In order to reduce threats posed by organised crime [...], the Republic of Lithuania will: strengthen prevention and control of the organised crime, with a particular focus on organised criminal groups with links to [...] terrorist organisations [...]; ensure credible protection of the external EU border [...] and strengthen prevention and control of illegal migration [...]; develop capacity and capabilities of public security institutions [...] by strengthening coordination of activities of these institutions and [...] cooperation by increasing investment in advanced technologies [...].<sup>8</sup>

Analysing the Strategy scientifically, it is necessary to understand the concept of the term “strategy”. It was Professor Alfred D. Chandler Jr. who presented the first contemporary definition of the strategy in 1962. According to Chandler, the strategy incorporates three main elements: long-term goals, a course of action, and resources for carrying out these goals.<sup>9</sup> It is of overriding importance in strategic planning to define concrete “desirable results which must be achieved within a given period”.<sup>10</sup> Long-term goals and priority areas of a secure state are formulated in the Strategy, however the ways of implementation are roughly outlined only in the final provision: “The provisions of the Strategy are implemented through long-term state programs of the strengthening of national security. The Government of the Republic of Lithuania ensures that the provisions of the Strategy be incorporated into other documents of strategic planning”.<sup>11</sup> To implement the priorities of national security policy, the Seimas, in 2015, approved the Public Security Development Programme

<sup>7</sup> Lietuvos Respublikos Seimas (2002), *Nutarimas dėl nacionalinio saugumo strategijos patvirtinimo*, <https://www.e-tar.lt/portal/legalAct.html?documentId=TAR.2627131DA3D2>, 2017-11-26.

<sup>8</sup> Lietuvos Respublikos Seimas (2017), *Nutarimas dėl nacionalinio saugumo strategijos patvirtinimo*, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/4c80a722e2fa11e6be918a531b2126ab?jfwid=-1fhjp2nto>, 2017-11-26.

<sup>9</sup> Alfred D. Chandler (1962), *Strategy and Structure: Chapters in the History of the Industrial Enterprise*, Cambridge, Massachusetts: Massachusetts Institute of Technology, p. 13.

<sup>10</sup> Kuchalskis K., Gutauskas A. (2009), „Narkotikų prevencijos ir kontrolės politika Europos Sąjungoje: nuo standartų paieškos link unifikavimo“, *Verslo ir teisės aktualijos* (4), p. 122-139.

<sup>11</sup> Lietuvos Respublikos Seimas (2017), *Nutarimas dėl nacionalinio saugumo strategijos patvirtinimo*, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/4c80a722e2fa11e6be918a531b2126ab?jfwid=-15zxvve2ep>, 2017-12-31.

2015–2025,<sup>12</sup> (hereinafter: the Programme), a long-term plan for the strengthening of national security. The Programme provides for specific measures to reduce organised crime and draws attention to the importance of inter-institutional cooperation and to the involvement of communities. One of the goals stipulated in the Programme is: “to create an environment unfavourable for organised crime [...] and reduce the damage that serious and very serious crimes and those perpetrated by organised crime groups inflict on society”.<sup>13</sup> The goal is clear, but the tasks set forth to achieve it are abstract, declarative, cannot be measured, and without implementation criteria:

To create the effective systems of [...] evaluation of serious crimes, establishment of general priorities, and control of organised crimes; [...] to create unfavourable conditions for criminal activities [...]; to develop cooperation and information exchange [...] between law enforcement institutions [...]; to increase [...] the efficiency of money laundering prevention measures; to enhance the effectiveness of the mechanism of identification, freeze and confiscation of assets acquired by criminal means; [...] to reduce the threats linked with illegal [...] receiving and use of international financial assistance [...]; to actively cooperate with the European Cybercrime Centre [...].<sup>14</sup>

It is difficult to evaluate what specifically the Government wants to achieve and how it is going to be achieved by creating “effective systems” and “unfavourable conditions”, “reducing threats” or “actively cooperating”. Only a single criterion for fulfilling the tasks is envisaged – that is, a potential increase of the resolved serious and very serious crimes, provided for in the corresponding articles of the Criminal Code of the Republic of Lithuania. The SMART Methodology<sup>15</sup> seems to have been forgotten. Priority measures are also implemented through the Programme of the Seventeenth Government of the Republic of Lithuania.<sup>16</sup> Although little attention is paid to organised crime in this Programme, the Government aims to contribute to an effective way of overcoming international challenges such as terrorism, migration crisis, and protection of the European Union’s borders, and foresees the measures of reducing corruption.

Organised crime is to be analysed alongside corruption. According to *Transparency International* data, in 2016 Lithuania scored 59 out of 100 on

<sup>12</sup> Lietuvos Respublikos Seimas (2015), *Nutarimas dėl viešojo saugumo plėtros 2015-2025 metų programos patvirtinimo*, <https://www.e-tar.lt/portal/lt/legalAct/ea944da0f95d11e4927fda1d051299fb>, 2017-12-31.

<sup>13</sup> *Ibidem*.

<sup>14</sup> *Ibidem*.

<sup>15</sup> SMART principle: the goals and tasks should be: *specific, measurable, assignable, realistic, time-related*.

<sup>16</sup> Lietuvos Respublikos Seimas (2016), *Nutarimas dėl Lietuvos Respublikos Vyriausybės programos*, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/886c7282c12811e682539852a4b72dd4?jfwid=-1fhjp2mhr>, 2017-11-26.

the Corruption Perceptions Index;<sup>17</sup> that is, Lithuania ranked 38th amongst the list of 176 countries.<sup>18</sup> Among EU Member States, Lithuania takes the 16th position (Denmark scored 90 and tops the list).<sup>19</sup> Currently organised crime is actively penetrating into the sphere of business, trying to legalise illegally acquired funds and investing in real estate, construction, transport, and logistics; it has also sought to manipulate the European Union's structural funds. Criminal groups, using the schemes of bribery, conflict of interest, and influence, try to create easier conditions for conducting criminal acts. In this way, the lawful competition is distorted, and the public trust in state institutions and the system of governance are eroded.

The state's supreme institutions identify organised crime as a real threat to national security and provide the authorities dealing with this phenomenon with a clear mandate for tackling it. The Government of the Republic of Lithuania is expected to produce concrete results in reducing a degree of organised crime and corruption. Inter-institutional cooperation, coordination of actions, information exchange, and stable financing of measures are imperative to achieve these ambitious goals. In order to respond effectively to organised crime, it is necessary to analyse the current situation; to understand the essence of organised crime and its development trends; and to identify the main priority areas for combating this phenomenon. A further analysis of these topics is presented in Part II and Part III.

## 2. Assessment of Organised Crime

Lithuanian organised crime cannot be assessed separately from the situation in the European Union. The issues caused by international organised crime are globally relevant and, therefore, countries must unite and tackle these challenges together. The Pre-Accession Pact on organised crime, between the Member States of the European Union and the applicant countries of Central and Eastern Europe and Cyprus, adopted in 1998, identified organised crime as a serious threat to democracy, human rights, and the rule of law, in that "it penetrates, contaminates, and corrupts the structure of governments, legi-

<sup>17</sup> The corruption level is evaluated by concrete figure numbers using the 100-point scale, wherein 0 indicates that the country is very corrupted, and 100 – very transparent.

<sup>18</sup> Transparency International (2017), *Corruption Perceptions Index 2016*, [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](https://www.transparency.org/news/feature/corruption_perceptions_index_2016), 2017-12-02.

<sup>19</sup> Specialiųjų tyrimų tarnyba (2017), *Korupcijos suvokimo indeksas 2016 m.: Lietuvos situacijos apžvalga*, <https://www.stt.lt/menu/tyrimai-ir-analizes/>, 2017-12-02.

timate commercial and financial business, and society at all levels”<sup>20</sup> Although, since 2015, “the security problems in Eastern Europe have been mitigated by the fight against terrorism and migration crisis”,<sup>21</sup> these issues remain paramount on the agenda of both the European Union and NATO. In 2017, Europol, the European Union’s Law Enforcement Agency, conducted the serious and organised crime threat assessment (hereinafter: SOCTA),<sup>22</sup> wherein a set of recommendations on the major crime threats facing the European Union was provided. The European Union Member States’ discussions on the priorities of combating criminal threats are based on the SOCTA Report.<sup>23</sup> This analysis was prepared as part of the European Union Policy Cycle for organised crime between 2018 and 2021.<sup>24</sup> With reference to the factual data of criminal intelligence, and from the interdisciplinary point of view, the Policy Cycle aims to identify crime threats, approve them at the political level, and implement strategic and operational objectives. It consists of four key steps, which are:

- Policy development: SOCTA. Threat analysis is presented whereon the Council of Justice and Home Affairs Ministers of the European Union define the priorities of combating organised crime.
- Policy formation: MASP – Multi-Annual Strategic Plans are developed to define the strategic goals for combating each priority threat.
- Implementation and monitoring: EMPACT (European Multidisciplinary Platform against Criminal Threats). MASPs goals are achieved through operational action plans (OAPs) developed for each priority threat.
- Review and assessment: Effectiveness and impact of the Policy Cycle on priority threats is assessed, and the experience gained is used in the preparation of the next Policy Cycle.

In preparing the SOCTA, 2,300 questionnaires, 10,000 criminal intelligence contributions, and the information derived from Europol’s databases were analysed. It is important to notice that the analysis was performed accor-

<sup>20</sup> Europos Sąjungos Teisingumo ir vidaus reikalų taryba (1998), *Europos Sąjungos valstybių narių ir vidurio bei rytų Europos šalių kandidačių ir Kipro paktas pasirengimo stojimui laikotarpiu dėl organizuoto nusikalstamumo*, <http://eur-lex.europa.eu/legal-content/LT/TXT/PDF/?uri=CELEX:41998D0715&from=EN>, 2018-01-21.

<sup>21</sup> Lietuvos Respublikos valstybės saugumo departamentas, Antrasis operatyvinių tarnybų departamentas prie Krašto apsaugos ministerijos (2016), *Grėsmių nacionaliniam saugumui vertinimas*, Vilnius, p. 3.

<sup>22</sup> Europol (2017), *SOCTA 2017*, <https://www.europol.europa.eu/socta/2017/>, 2017-12-02.

<sup>23</sup> Europos Komisija (2017), *Komisijos ataskaita Europos Parlamentui, Europos vadovų tarybai ir tarybai*, Briuselis: 2017-04-12, COM (2017) 213 final, p. 5.

<sup>24</sup> The EU Policy Cycle is a system for the fight against organised crime (adopted in 2010). It lasts four years; through its implementation, coordination and cooperation in the area of crime priorities are optimised.

ding to unified methodology,<sup>25</sup> which was reviewed and approved in 2015. On the basis of this methodology, the characteristics of organised crime groups, their activity areas, and specific geographical aspects were assessed, and a general influence and impact of organised crime on society as a whole was analysed. Using a quantitative and qualitative analysis, the SOCTA aims to identify the criminal groups posing the biggest threat as well as their areas of activity. Lithuanian police, analysing the national threats posed by organised crime and providing Europol with information, apply the same methodology. In 2017, the Lithuanian Criminal Police Bureau prepared the national serious and organised crime threat assessment, whose aim is to systematically perform strategic analysis, which should become a basis for the policy development on control and prevention of the most dangerous criminal activities.<sup>26</sup>

The SOCTA recognises that organised crime is a major threat to the security of the European Union and combating this phenomenon should remain one of the main priorities of the European Agenda of Security. Lithuania's situation, in terms of the threats posed by organised crime, is in line with the European Union's approach. The difference is that the European Union Policy Cycle for organised crime clearly outlines priority areas, strategic goals, and operational actions for their implementation, as well as the assessment of the effectiveness. However, we miss this consistency in Lithuania: it is unclear for what period the Strategy is formed; the strategic goals are insufficiently defined, the implementation of certain measures is only partially discussed in the Government programme, and there is almost nothing mentioned about the monitoring and evaluation process.

When analysing organised criminal groups and their structure, it is important to define their scale. The European Union, in 2008, agreed on a uniform definition of a criminal group.<sup>27</sup> A criminal group is considered to be a structured organisation existing over a long or definite period of time and consisting of more than two people who work together and commit crimes that carry a sentence of more than four years' imprisonment, seeking direct or indirect financial benefit and operating at the international level.<sup>28</sup> Although this definition does not fully correspond to the description of an organised group, established in the Criminal Code of the Republic of Lithuania, it also does not

<sup>25</sup> Council of The European Union (2015), *Serious and Organised Crime Threat Assessment 2017 – Revised methodology*, Brussels: 11-12-2015, 14913/15 LIMITE.

<sup>26</sup> A substantial body of the national serious and organised crime threat assessment is restricted, and therefore only public information is presented in the article.

<sup>27</sup> Council of the European Union (2008), *Council Framework Decision on the Fight against Organised Crime*, Brussels: OJ L 300, 11-11-2008, p. 42.

<sup>28</sup> Here is presented a simplified structured definition of a criminal group.



affect the process of gathering and analysing criminal intelligence, in that the task of assessing the threats posed by organised crime is different from the objectives of criminal prosecution: the SOCTA aims to assess criminal intelligence data and put forward recommendations for identifying crime threats.

Organised crime in the European Union involves a great spectrum of offenses that become increasingly complex, and their scale increases each year. Criminal groups generate enormous proceeds, which sometimes compete with well-known international corporations. The majority of criminal groups are flexible, easily adaptable to a changing environment, and have special and technical knowledge and experience. The most dangerous are those which invest substantially in the legitimate economy and in the continuation and expansion of their criminal activities. The Crime-as-a-Service phenomenon is increasingly spreading. Internet-based trafficking in illicit products and services allows individual criminals to carry out their criminal activities without the conventional “infrastructure” of organised crime. According to the SOCTA, there are more than five thousand international organised crime groups operating in the European Union.<sup>29</sup> The Lithuanian Criminal Police Bureau provided Europol with information on international criminal groups operating in our country that meet all of the above criteria, but the exact number was not disclosed.<sup>30</sup> According to Rolandas Kiškis, Head of the Lithuanian Criminal Police Bureau, “Several dozen organised crime groups operate in Lithuania, and their highest concentrations are in Vilnius, Kaunas, and Šiauliai.”<sup>31</sup>

Organised crime will further be analysed according to the following characteristics:

- Types, structure, and international dimension of organised criminal groups.
- ‘Crime enablers’ and ‘engines’ of organised crime.
- The most dangerous activity areas of organised crime.

## 2.1. Organised Criminal Groups

The SOCTA provides a rather concrete number of organised criminal groups; that is more than five thousand. For comparison, in 2013 Europol

<sup>29</sup> Europol (2017), *SOCTA 2017*, <https://www.europol.europa.eu/socta/2017/>, 2017-12-02.

<sup>30</sup> An interview with the operational officer on 11 March 2018

<sup>31</sup> DELFI, *Kriminalinės policijos biuro viršininkas: patys stebėjomės, kad dar gali būti tokių nusikaltimų*, 2017 m. spalio 27 d., <https://www.delfi.lt/news/daily/lithuania/kriminalines-policijos-biuro-virsininkas-patys-stebejomes-kad-dar-gali-buti-tokiu-nusikaltimu.d?id=76185151>, 2018-01-13.

identified 3.6 thousand groups. However, this significant increase does not necessarily mean a sharp rise in the level of organised crime. The author believes that this is more influenced by a better collection of criminal intelligence data and more detailed analysis.<sup>32</sup> The structure of criminal groups, their size and scale, are very diverse: 76 per cent (or about 3,800) of criminal groups consist of six or more members.<sup>33</sup> It is estimated that more than 40,000 criminals can operate in the European Union. It is hard to evaluate whether that is a large number (742 million citizens live in the European Union), but we will see later that after having examined the profits generated by this population – 0.005 per cent, the figures are alarming. The members of organised criminal groups “represent” more than 180 nationalities, 60 per cent of whom are citizens of the European Union.<sup>34</sup> Seven out of ten groups operate in three or more countries (10 per cent of criminal groups are active in seven or more countries);<sup>35</sup> this reveals an international dimension of organised crime and a high degree of mobility of criminal groups. In the past, they tended to operate based on a particular specialisation; for example, while some criminal groups were involved in robberies or drug trafficking, others were producing synthetic drugs. In the modern world, these trends are rapidly disappearing. More and more criminal groups (about 45 per cent) are engaged in so-called poly-criminality; they do not care what crime to commit, the aim is to gain more profit. The migration crisis has contributed to the spread of such phenomenon. A considerable need for illegal smuggling services has made it possible for organised crime to adapt and retrain. Some of the criminal groups – formerly involved in other crimes – have entered this area, which is profitable and does not require much experience.

The structural composition of criminal groups is also changing. Although the majority of them still operate on the basis of a hierarchical structure, the number of criminal groups formed on the horizontal basis (from 30 to 40 per cent), as well as those gathered for a short period of time to commit a specific crime (up to 20 per cent), are increasing.<sup>36</sup> The structure of criminal groups depends on the nature of crimes they commit. For example, the organizers of illegal migration are particularly hierarchical, as this makes it possible for them to monopolise this illegal business and eliminate smaller

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<sup>32</sup> In 2013, the first assessment of organised crime threats was produced according to the conception of the European Union's policy cycle of combating organised crime and to the methodology of data collection and analysis.

<sup>33</sup> Europol (2017), *SOCTA 2017*, <https://www.europol.europa.eu/socta/2017/>, 2017-12-02.

<sup>34</sup> *Ibidem*.

<sup>35</sup> *Ibidem*.

<sup>36</sup> *Ibidem*.

competitors. Large and hierarchical criminal groups, consisting of up to 100 members and with a solid structure, control the large-scale drug trafficking. Mafia-type criminal organisations exclusively composed of the representatives of one nationality – especially Chinese, Colombian, Russian, and Italian – can have up to a thousand members worldwide. Outlaw motorcycle gangs are operating almost throughout the entire territory of the European Union. These are groups with a strong hierarchical basis and a clear leadership – president, vice president, secretary, treasurer, sergeants, logistics captains, and other members. Motorcycle gangs are usually involved in drug trafficking, rape, racketeering, and trafficking in human beings. Their manifestations are also visible in Lithuania. Cyber criminals, on the contrary, do not create structured groups but assemble on an ad hoc basis to commit certain types of crime (e.g., online drug trafficking, fraud) or help other criminal groups in terms of providing them with some specific technical or mechanical knowledge. Such high-level professionals can simultaneously assist several criminal groups, who do not know that these facilitators work for their competitors, too. Some criminal groups operate “on demand”; that is, they become active when new opportunities for profit-making emerge, and it does not matter what type of crime they will have to commit.

Organised crime groups have a large number of income streams, so it is very difficult to calculate, even roughly, their potential proceeds. According to the data of the United Nations, the turnover of criminal activities constituted two trillion euros in 2009.<sup>37</sup> In the European Union, the drug business alone generates about 24 billion euros per year.<sup>38</sup> For comparison, Lithuania’s gross domestic product (GDP) was about 36 billion euros in 2016.<sup>39</sup> In the European Union, Europol estimates that the average criminal group of 6–10 members annually reaches a profit of around 1.5 million euros. Illegal profit varies depending on the nature of criminal acts, however, criminal groups engaged in certain types of fraud are able to generate billions in revenue.

With the rapid development of technology, organised crime groups undertake countermeasures against law enforcement actions in an attempt to compromise criminal investigations. This requires good knowledge of law en-

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<sup>37</sup> United Nations Office on Drugs and Crime (2011), *Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Organised Crime*, [https://www.unodc.org/documents/data-and-analysis/Studies/Illicit\\_financial\\_flows\\_2011\\_web.pdf](https://www.unodc.org/documents/data-and-analysis/Studies/Illicit_financial_flows_2011_web.pdf), 2017-12-03.

<sup>38</sup> European Monitoring Centre for Drugs and Drug Addiction, Europol (2016), *EU Drug Markets Report – In-depth Analysis*, p. 23, <http://www.emcdda.europa.eu/system/files/publications/2373/TD0216072ENN.PDF>, 2017-12-03.

<sup>39</sup> Trading Economics (2017), *Lithuania GDP*, <https://tradingeconomics.com/lithuania/gdp>, 2017-12-03.

forcement techniques, tools, tactics, and technical capabilities. The key factor is to know the particularities of a legal framework and police interoperability in different countries, which is especially relevant for mobile (“traveling”) criminal groups. To protect communication between the members of criminal groups, the following innovative and communicative methods are utilised: encrypted channels, satellite telephones, foreign SIM cards, coded language, slang, and specially designed software for mobile phones.<sup>40</sup> Financial transactions are often carried out by using hidden methods: cryptanalysis, alternative banking services, or non-formal money transfer systems (e.g., Hawala, Hundi).<sup>41</sup> The use of such countermeasures is closely linked to corruption. Criminal groups are trying to find connections within the operational services, the public prosecutor’s office, and in the courts. Lawyers, financiers, and engineers are often employed.

Twenty or more years ago, organised crime was unimaginable without violence, which members of criminal groups demonstrated almost openly, with the aim of frightening people: businessmen were harassed and cars and buildings were burnt. Modern-day criminals, on the contrary, avoid violence as it may attract law enforcement attention, which is absolutely not needed for those organisations that “make profit” illegally.

In Lithuania, according to the level of danger (assessed in 2016), 30 per cent of criminal groups scored very high, 28 per cent – high, and 40 per cent – average. Criminal groups were mainly concentrated in Vilnius and Kaunas counties (where 51 per cent of all the criminal offenses were registered in 2016). Most of them have a hierarchical structure and commit crimes in different areas. About 70 per cent of criminal groups are active at the national level (activities are not limited to one county; they have links to other groups), and about 30 per cent of them operate internationally.<sup>42</sup> Most often, their members have criminal ties or commit crimes in Scandinavian countries, Germany, Spain, the Netherlands, and Russia.

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<sup>40</sup> A criminal group used a special software application allowing communicating after having turned on an airplane mode. Thus, law enforcement services were not able to determine their actual place.

<sup>41</sup> *Hawala* or similar service providers – money transfer systems related with specific geographical regions or ethnic groups that carry out transactions and make cash withdrawals. Money transfer does not usually require any physical or electronic money movement.

<sup>42</sup> Lietuvos kriminalinės policijos biuras (2017), *Sunkaus ir organizuoto nusikalstamumo nacionalinis grėsmių vertinimas*, Vilnius, p. 19.

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## 2.2. Factors Influencing the Development of Organised Crime

Criminality is rapidly developing in this age of technology. The main driving force is the financial benefit, regardless of whether it will be obtained in the event of theft or smuggling of prohibited goods. Criminals are adapting well to the geopolitical situation, are flexible, quickly change their ways of committing crimes, and exploit the networks of organised crime. Crime is evolving alongside society and concentrates in territories where welfare is the greatest since it is easier there to commit crimes. Identifying societal needs and ways in which one can make a profit, criminals quickly deliver goods and services (including prohibited ones) which the market lacks. The main ‘engines’ of organised crime are: document fraud, money laundering, and the trafficking of illegal goods and services online. These threats incorporate and facilitate all other forms of organised crime. The business models of organised crime, which cover a whole range of serious criminal offenses, often depend on the possibility to use counterfeit documents and success in the legalisation of illicit money. Law enforcement interventions in dismantling such schemes greatly reduce the potential of a criminal groups’ opportunities for growth and expansion of their illegal businesses, as well as their penetration into legal business.

Money laundering allows criminal groups to invest money obtained from illegal activities into a legal or illegal economy. Almost all criminal groups are forced to “launder” their money. Law enforcement services find it difficult to trace illegal money flows, in that the transactions carried out within legal financial systems are disguised; it is almost impossible to link them to the criminals or to their criminal activities. Money laundering is a major technical challenge to law enforcement, since criminals are increasingly using cryptocurrency and anonymous payment methods. The emergence of new online platforms and non-traditional money transfer systems are often unregulated by law and operate underground or are “on the edge of legality”. Cash smuggling is also conducted, in particular by using the postal service. Small and medium-scale money laundering is a means of investing in higher value goods, real estate, or gambling. For this purpose, legal business structures, professional accountants, and financial services are used. Criminal groups engaged in large-scale money laundering utilise sophisticated, innovative schemes. They make extensive abuse of banking systems by opening new accounts and creating transfer chains between cover enterprises and offshore companies. Often corruptive ties are used. The largest organised crime groups involve syn-

dicates that specialise exclusively in money laundering. For a fee of five to eight per cent, such syndicates – by using complex money laundering chains – do the whole job, that is, legalise a huge amount of criminal proceeds.<sup>43</sup> According to Rob Wainwright,<sup>44</sup> director of Europol, Europol identified 400 professional money launderers who illegally earn billions by legalising the proceeds generated from drugs and other criminal activities through the banking system.<sup>45</sup>

The counterfeiting of documents has become one of the main tools for carrying out serious and organised crimes and contributed significantly to the organisation of terrorist attacks. This phenomenon was particularly widespread as a consequence of the migration crisis. Fraud is when one uses fraudulent or illegally obtained authentic documents. Criminal groups employ highly skilled professionals, who are able to produce the highest quality documents for various purposes. In most cases, they produce fraudulent personal or travel documents (identity cards, passports, visas, invitations to enter the European Union), documents of origin (birth, marriage certificates), customs declarations, certificates, and licenses. With the Governments having implemented a complex personal document security system, it is becoming more difficult for criminal groups to make high-quality documents. Therefore, they are increasingly striving to acquire original documents (by overlaying photos or manipulating biographical information). It has been noted that the number of lost or stolen documents has significantly increased recently. In Lithuania, about ten per cent of ID cards and five per cent of passports are lost, on average, annually (this amounts to approximately 37.5 thousand missing documents annually).<sup>46</sup> Some of these invalid documents are still used successfully in committing crimes. Fragile situations and military conflicts allow criminals – functioning on the outskirts of the European Union – to purchase blank original forms from these regions, which can then be manipulated.<sup>47</sup> Another phenomenon is the increased number of false birth and marriage certificates and employment contracts. In the absence of any other personal documents, the purpose is to legalise with a false identity. Organised crime groups exploit legal

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<sup>43</sup> An interview with the operational officer at Europol on 15 February 2018

<sup>44</sup> Rob Wainwright was in charge of Europol in the period 2009–2018. Catherine De Bolle succeeded Europol from 01 May 2018.

<sup>45</sup> Politico, *Europe is losing the fight against dirty money*, <https://www.politico.eu/article/europe-money-laundering-is-losing-the-fight-against-dirty-money-europol-crime-rob-wainwright/>, 2018 m. balandžio 2 d., 2018-04-08.

<sup>46</sup> An interview with the operational officer on 04 December 2017.

<sup>47</sup> At the beginning of the Syrian conflict, it was easy to obtain thousands of original blanks of Syrian identity documents which helped to carry out illegal migration operations and relocation of radicalised individuals in the European Union.

business structures by falsifying employment contracts for visas or residence permits in the European Union. Falsifying these less protected documents is much easier and more difficult to control.

Since more sales and services are now being transferred to cyberspace, illegal business is growing online. This phenomenon fully reflects the peculiarities of the development of legal economy and trade. Legitimate business – where the internet has significantly changed trading habits and consumer expectations and when, without leaving home, one can have a new product coming from the rest of the world within a few days – has adapted to the new situation, so has crime. It is likely that this domain will be further developed and expanded in the future, and various online platforms will become the main tool for distributing illegal goods. Illegal products and services are advertised and distributed on both the open and “dark web”, depending on the severity and size of possible law enforcement sanctions. For example, drugs or weapons are sold exclusively on the “dark web”, which is increasingly decentralised, making it even more difficult for law enforcement to investigate.<sup>48</sup> On the contrary, various new “semi-legal” psychoactive substances, psychotropic drugs, anabolic steroids, or counterfeit clothing can be purchased on the open internet. Street-level drug dealing is moving rapidly into online mode. This gives the buyer excellent conditions to obtain drugs without meeting the seller “face-to-face”, hence significantly reducing the opportunity to draw the attention of law enforcement. Special smartphone applications have been developed in some US states that can be used to order marijuana and it will immediately be delivered to a designated location, similar to pizza delivery or taxi reservations. It is practically impossible to assess and control the volume of illegal online sales. Firstly, what law enforcement is able to see online is just the tip of the iceberg since a large part of deals are carried out on the “dark web”; secondly, it is still a new domain for both law enforcement and policy-making institutions; thirdly, organised crime allocates huge resources – of which, unfortunately, law enforcement services cannot boast – to carry out their activity. There is no detailed research on the extent of using the “dark web” to commit crimes; however, some studies showcase that eight of the analysed “crypto-trades” generate monthly from 10.6 to 18.7 million euros in revenue from drug trafficking (not including prescription drugs, alcohol, and tobacco).<sup>49</sup>

Further, organised crime ‘enablers’ will be examined, including not only crime-facilitating determiners but also those of vulnerability in society, which

<sup>48</sup> According to the SOCTA-2017, 57 per cent of all illegal products offered on the “dark web” are drugs.

<sup>49</sup> RAND Europe (2016), *Internet-facilitated drugs trade - An analysis of the size, scope and the role of the Netherlands*, [https://www.rand.org/pubs/research\\_reports/RR1607.html](https://www.rand.org/pubs/research_reports/RR1607.html), 2017-12-17.

greatly contributes to the expansion of crime opportunities. Crime develops together with society. The most important factors shaping the nature of criminality, influencing its prosperity, and stimulating crime activity are as follows: technological innovation, geopolitical situation, local concentration of transport and logistics, public attitude, legal framework, and conflicts and crises in the vicinity of the European Union.

Innovations in communications, logistics, and finance provide opportunities for crime to be committed anonymously – wherever and whenever – without participating physically, as usual, in crime scenes. Since transport and logistics infrastructures increasingly rely upon online systems and automatic remote management, organised crime groups use them to manipulate transportation routes, exploit supply networks, and collect important and sensitive information. Virtual currencies and online payment platforms provide excellent conditions for disguising illegal money transfers and operations related to the legalisation of illegally acquired property, thereby severely impeding law enforcement counter-measures.

The situation of serious and organised crime in the European Union is substantially affected by geopolitical factors. The crises in Libya, Syria, and Ukraine have a direct impact on organised crime in Europe. Military conflicts are a key factor in the rise of the migrant crisis, in the increase of the manifestations of terrorism and radicalisation, as well as in the intensification of firearms trafficking. Crisis-torn countries become a great shelter for organised crime groups to coordinate their actions. International agreements, such as visa liberalisation, the Schengen Agreement, and free-trade agreements, facilitate transportation of illegal goods or people. Free movement of people works well in the context of organised crime, reducing the possibility of being identified: criminals can move “without borders”, rapidly commit crimes in different countries, and reside in any European Union Member State. For law enforcement officers, such free movement is still severely constrained. There are situations where certain activities (e.g., new psychoactive substances) are legal in one country and prohibited in another. Organised crime, making good use of such legislative gaps and ineffective law enforcement cooperation, is able to adapt quickly or even anticipate future legislative changes. The author’s personal experience has revealed how an international criminal group, which supplied psychoactive substances from China, monitored the legislative changes in the European Union Member States. As the laws evolved dynamically – the lists of controlled substances were supplemented by new preparations, and the transportation from China took several months – the criminal group had



to plan very carefully to which country it was safe to deliver the merchandise, and in which country that substance, possibly after a few months, would become illegal, posing a risk to the whole “semi-legal” business.

In order to conceal its criminal activities and profits, organised crime extensively exploits transport companies and import-export business structures. Criminals often set up business firms to carry out illegal activities. Similarly, they corruptly hire companies for illegal operations or simply infiltrate them. In this case, it is worthwhile mentioning the shadow economy, which, according to various estimates, ranges from 25<sup>50</sup> to 30 per cent<sup>51</sup> in Lithuania and is the largest in the European Union alongside Bulgaria and Romania. One of the ‘engines’ of organised crime is the public attitude towards a particular problem. Extensive social tolerance, justification for risky behaviour or just too little information about a certain issue can create a favourable environment for crimes. Smuggled cigarettes, illegal alcohol or fuel, and counterfeit jewellery are just some of the examples of the highest level of social tolerance. Rarely does the public view these actions in a bad light; they are treated as “innocent crimes” that pose little risk to the consumer. According to police data, 62 per cent of Lithuania’s population tolerates shadow trade.<sup>52</sup> The findings of the empty pack survey conducted by Nielsen revealed that smuggled cigarettes in Lithuania account for 17.5 per cent of the market.<sup>53</sup> In order to teach society to recognise and not tolerate – that is, not to use smuggled goods offered in everyday life – modern interactive tools are needed to show people what the situation is like; how it can be dealt with; and what a person can do so as to create a better life in Lithuania.

The internet and technological innovations have greatly changed the influence of geographic circumstances on crime. Criminals are no longer constrained by territorial limits. Therefore, in today’s world, it is almost impossible to link criminal groups to any specific regions or centres of crime. Some areas, however, remain the key driving ‘engines of crime’. These are well-developed transport and communication infrastructures used for global distribution of illicit products. Such high activity areas are where there is a high demand for illegal goods or services, a convenient geographical location – proximity to the country of their origin and destination, good access to business or investment; 75 per cent of goods between the European Union and other countries are

<sup>50</sup> Lietuvos laisvosios rinkos institutas (2016), *Lietuvos šešėlinė ekonomika*, <https://www.llri.lt/wp-content/uploads/2016/12/LSE-2015-versija-internetui.pdf>, 2018-01-14.

<sup>51</sup> Viešoji įstaiga “Lietuva be šešėlio” (2017), *Statistika*, <http://www.beseselio.lt/statistika>, 2018-01-14.

<sup>52</sup> An interview with the operational officer on 17 March 2018.

<sup>53</sup> Baltic News Service, *Kontrabandinės cigaretės Lietuvoje užima 17,5 proc. rinkos – tyrimas*, 2018 m. sausio 11 d., <http://www.bns.lt/topic/1912/news/51691229/>, 2018-01-21.

transported by sea: about 400 million passengers use the European Union's water transport annually.<sup>54</sup> In Europe, there are many developed seaports with excellent infrastructure and endless volume. Not surprisingly, they are becoming transit zones for illegal goods and are the most important drivers of organised crime. Criminal groups make good use of weaknesses in port control systems: false declarations, hidden compartments in legal containers, misleading sailing flags. The author's personal experience has revealed a unique fact that in the port of Antwerp, an organised criminal group, having broken into the control system, manipulated the information and changed the data of a container with large quantities of cocaine in order to prevent Customs from tracking it. Criminals also exploit an increased number of flights, small airports with a weaker inspection system, and low-cost airline companies. Smuggling is more often carried out using parcels and postal services. It is, virtually, impossible to control and detect illegal goods in a huge stream of parcels sent by conventional methods. There are cases in which criminals themselves set up parcel expedition companies to transport smuggled goods without any risk.

### 2.3. Organised Crime Activity Areas

Evaluating the criminogenic situation in Lithuania, it can be observed that the number of crimes reduced in 2014–2016; however, in 2017, the number of registered criminal offenses increased significantly: from 5 thousand to 61 thousand, compared to 2016.<sup>55</sup> The criminogenic background of serious and very serious crimes has maintained a steady downward trend since 2014 (2.1 thousand such crimes were registered in 2017). In 2016–2017, drug-related crimes were most prominent; robbery and fraud occupied the second and third positions, respectively. Furthermore, the number of brutal killings increased, and therefore it is believed that the general criminogenic situation in the area of dominant crime remains a threat and requires constant political and operational attention. The following is an overview of the priorities of the fight against organised crime in the European Union for 2018–2021. The conclusions of the Council of the European Union embrace ten priority areas for fighting against serious and organised crime:<sup>56</sup>

<sup>54</sup> Europol (2017), *SOCTA 2017*, <https://www.europol.europa.eu/socta/2017/>, 2018-01-14.

<sup>55</sup> Herein it is referred to the crime statistics performed by the Information Technology and Communications Department under the Ministry of the Interior of the Republic. <https://www.ird.lt/lt/paslaugos/nusikalstamu-veiku-zinybinio-registro-nvzr-paslaugos>, 2018-01-21.

<sup>56</sup> Council of the European Union (2017), *Council conclusions on setting the EU's priorities for the fight against organised and serious international crime between 2018 and 2021*, <http://data.consilium.europa.eu/doc/document/ST-9450-2017-INIT/en/pdf>, 2018-03-05.

- Cybercrime. This is a global phenomenon. Cybercrimes are committed “without borders”. Society has become more digitalised than ever, and criminals have learned to adapt technological innovations to new criminal business models. Every year, 400 billion euros are lost due to cyberattacks;<sup>57</sup> in 2017, 2 billion private data records were subject to cyber threats. Attacks against information systems, non-cash payment fraud, and dissemination of child abuse material were among the most serious threats.<sup>58</sup> It should be noted that Lithuanian criminal groups are actively involved in fraud of non-cash means of payment. Cybercrime threats are likely to be relevant in the future as well.
- Drugs. Illicit drug trafficking remains the biggest criminal area: 45 per cent of criminal groups in the European Union are involved in drug production and distribution.<sup>59</sup> This activity generates huge profits, which later finance other criminal activities. The production of synthetic drugs on an industrial-scale in the European Union has made the region the main source of such substances throughout the world. Criminals are investing in new technologies to get higher drug yields and generate more profits at the same cost. Europol recorded the increase in organised crime groups in Lithuania in the areas of heroin and synthetic drug trafficking. Drug production, transportation, and trade will remain a major threat in the future.
- Illegal migration. The unprecedented increase in migration flows has made illegal migration one of the most profitable and widespread areas of organised crime that it can be compared to drug trafficking. It is feared that the migration crisis could become a catalyst for human exploitation of various forms. Large groups of migrants become potential victims – vulnerable due to their illegal stay in the European Union. In order to reach Europe, 90 per cent of migrants pay the traffickers in human beings. Although the problem of migration was partially managed by mutual efforts of the countries – its scale decreased considerably in 2017, due to military conflicts and poverty in certain regions – this area is predicted to further attract organised crime and remain a major threat.
- Organised property crime. For some time, these crimes have not been treated as a threat. A number of such crimes, especially committed by highly mobile organised groups operating across the European Union, have recently increased. By making use of the lack of interoperability of cross-border surveillance tools, such groups carry out organised thefts and burglaries.

<sup>57</sup> Europos vadovų taryba (2017), *ES kova su organizuotu nusikalstamumu*, <http://www.european-council.europa.eu/lt/policies/eu-fight-against-organised-crime-2018-2021/>, 2018-03-10.

<sup>58</sup> Europol (2017), *Internet Organised Crime Threat Assessment*, p.10.

<sup>59</sup> Europol (2017), *SOCTA 2017*, <https://www.europol.europa.eu/socta/2017/>, 2018-01-14.

Developed online sales have made it easier to sell stolen goods. Lithuanian criminal groups are seen as one of the most active. It must be acknowledged that, notwithstanding accelerating activities of highly mobile organised crime groups, it is not a priority in most countries to investigate the afore-mentioned crimes; they are not regarded as serious acts.

- Trafficking in human beings. The different economic development of the countries has become the main driving force of trafficking in human beings. The annual worldwide profit of all forms of human trafficking is 29.4 billion euros.<sup>60</sup> Organised crime groups target more vulnerable people in the area of sexual and labour exploitation, which contributes significantly to the growth of the shadow economy, reduces wages, and diminishes economic growth. In 2017, labour exploitation included victims of 58 nationalities.<sup>61</sup> Obviously, there were more victims than official figures presented; therefore, one of the most significant problems for law enforcement services remains the identification and protection of victims.
- Fraud. Financial fraud deprives the European Union and its Member States of significant revenues, which could be invested in infrastructure projects and regional development: “Every year, criminal groups abuse the system of VAT on cross-border transactions and steal 60 billion euros.”<sup>62</sup> The biggest loss is caused by excise fraud (shadow tobacco industry, smuggling of alcohol and fuel) and Missing Trader Intra-Community fraud. In the case of excise fraud, Lithuanian criminals, as well as other criminal groups, are active.
- Trafficking in firearms. Illicit trafficking of firearms greatly increases the risk of terrorist attacks, and this domain has become particularly important in recent years. The recent jihadist attacks in the European Union were executed using illegal weapons. It is getting fairly easy to purchase firearms on the internet, further complicating the activities of law enforcement. Apart from organised criminal groups, an increased number of single individuals purchasing weapons is observed. An increasing number of armed clashes among criminal groups – in which innocent people often become victims – just confirms the trafficking of firearms as a high-risk factor for the European Union.
- Environmental crime. Such crimes have become one of the most profit-

<sup>60</sup> Europos Komisija (2017), *Komisijos komunikatas Europos parlamentui ir tarybai: Prekybos žmonėmis panaikinimo ES strategijos įgyvendinimo ataskaita ir konkretūs tolesni veiksmai*, Briuselis: 2017-12-04, COM(2017) 728 final.

<sup>61</sup> E. Forte, T. Schotte, S. Strupp (2017), „Serious and Organised Crime in the EU: The EU Serious and Organised Crime Threat Assessment (SOCTA) 2017i“, *European Police Science and Research Bulletin* 16, p. 13-26.

<sup>62</sup> Europos vadovų taryba (2017), *ES kova su organizuotu nusikalstamumu*, <http://www.european-council.europa.eu/lt/policies/eu-fight-against-organised-crime-2018-2021/>, 2018-03-11.

able activities of criminal organisations globally. They affect not only the environment but the society and the economy as a whole. The biggest problems are caused by criminal organizations being engaged in wildlife and illicit waste trafficking. Corrupted links to local authorities and legal business structures contributes significantly to the successful development of such activities (manipulation in municipal competitions or in public procurement owing to waste management). This is a new priority area requiring greater law enforcement input and closer cooperation between countries.

- Financial crimes. The main purpose of criminal activity is to gain profit. Innovations in financial services, such as virtual currency and anonymous, prepaid cards, have provided new opportunities for those dealing with financial crimes. According to Europol, 0.7 to 1.2 per cent of the total gross domestic product of the European Union can be attributed to dubious financial activity; some suspicious financial flows account for over 29 billion euros annually, and more than 4 billion euros obtained by criminal activity are washed out with the help of virtual currencies.<sup>63</sup> The main objective of law enforcement is to confiscate funds and disclose criminal groups that provide money laundering services. This area is treated as one of the “vehicles” of criminal activity and, therefore, cannot be explored separately from other areas of organised crime.
- Document fraud. The security of travel documents is important in the 10. fight against terrorism and organised crime and contributes to better border and migration management. The European Union seeks to combat criminal organisations that falsify documents and provide them for other criminals. This kind of fraud is believed to be one of the fastest-growing criminal “markets” and should be considered as one of the greatest threats. This area of crime is horizontal, facilitating other offences of organised crime.

Summarising the threats posed by organised crime, it can be concluded that there is comprehensive information to impartially demonstrate the scale of this phenomenon, embracing the turnover related to financial activities, the structure of criminal groups, the areas of criminal activities, and the impact on economic and public security. In particular, those crimes that pose the biggest threat to the European Union are described in the policy documents. Most of them are also relevant to Lithuania. The major challenge for the authorities, and the whole society, is to find an appropriate response to criminal activities, hence considerably reducing these threats.

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<sup>63</sup> An interview with the operational officer at Europol on 15 February 2018.

### 3. Organised Crime and Terrorism

Assessing organised crime, it is observed that it often interacts with other threats. This article analyses the interconnectedness of organised crime with corruption, cybercrime, the migration crisis, and instability in the vicinity of the European Union. Hybrid threats are also widely discussed in Lithuania. One of the possible tools of hybrid threats is organised crime and uncontrolled migratory flows. British journalist and security policy expert Edward Lucas discerns twenty of the Kremlin's "toxic tactics," including corruption, cyber-attacks, and organised crime networks targeting decision-makers and public opinion.<sup>64</sup>

It is worth exploring, more closely, the links between organised crime and terrorism. This relationship manifests itself through arms trafficking, financing, document fraud, and the radicalisation processes, especially in prisons. In addition to that, both organised and terrorist groups use the same transport routes (e.g., the Balkans); therefore, to achieve their aims they exploit the same logistics and infrastructure systems. Crimes such as document fraud and firearms trafficking significantly facilitate the process of preparing and executing terrorist attacks. In 2016, a lorry attack at a Berlin Christmas market that killed 12 people was carried out by a Tunisian refugee whose asylum application was rejected and who successfully travelled across Europe by using a variety of documents with different identities. The investigation into the Paris terror attacks in 2015 and in Brussels in 2016 revealed the links between some suspects and organised crime.<sup>65</sup> Terrorist organisations seek to accumulate the proceeds of crime that are later used to finance terrorist activities. Money laundering syndicates are successfully providing services both to organised crime and terrorist organisations. It is not surprising that terrorists took advantage of the migration crisis and, with the help of organised groups, transported part of their trustees to Europe.

The threat of the connection between organised crime and terrorism is twofold. First, using organised crime infrastructure (purchasing weapons or documents and transporting people) can lead to the acquisition of dangerous and deadly weapons for terrorist purposes. Second, the terrorists' involvement in organised crime allows them to generate tangible profits that will be used for carrying out terrorism-related activities. Although only 5.5 per cent of those known to Europol and connected with terrorism have had links to organised

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<sup>64</sup> Edward Lucas (2017), „The Kremlin's 20 toxic tactics”, <https://www.stopfake.org/en/edward-lucas-the-kremlin-s-20-toxic-tactics/>, 2018-03-18.

<sup>65</sup> Europol (2017), *SOCTA 2017*, <https://www.europol.europa.eu/socta/2017/>, 2018-03-18.

crime,<sup>66</sup> this phenomenon is becoming a matter of great concern, especially in terms of radicalisation. It is often the prisons where people become involved in terrorism. Knowing the modern criminals' flexibility and quick adaptation to new situations, this issue will become more relevant in the future. Having ties to terrorism is one of the most important indications that organised crime is not simply harmful to society. It must be viewed as a phenomenon that threatens national security. Although we do not have many examples of organised crime and terrorism threats in Lithuania, a well-known occurrence – when the representatives of the Lithuanian criminal world sought to supply weapons and explosives to the Irish terrorist group the Real Irish Republican Army (RIRA)<sup>67</sup> – succinctly illustrates the existence of such opportunities and encourages intelligence and operational services to treat similar phenomena as a matter of utmost concern.

Without overestimating a growing scale of interconnectedness, it is worth noting that organised crime and terrorism still pursue different goals. The clear nature of organised crime groups' profit-seeking is incompatible with terrorism that is predicated on religious beliefs and aims to kill as many people as possible. Organised crime does not, in any way, want to destroy the prosperous Western society from which it derives daily profit. Another point is that modern organised crime groups try to stay unnoticed and avoid any attention, whereas terrorists seek to attract much attention from media and law enforcement. However, despite relatively limited links between organised crime and terrorism, such phenomena must be closely monitored and analysed by law enforcement and security agencies.

## Conclusions

Having analysed the situation in Lithuania and the European Union, there is no doubt that organised crime is not just a standard issue. Observing how international organised crime penetrates into legal businesses, the scale of the generated proceeds, its impact on the economy and social development of the countries, its connection with other threats (illegal migration, corruption, cyberattacks, terrorism), as well as considering increasingly growing hybrid dangers, it becomes clear that it poses a tremendous and ever-growing threat to national and international

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<sup>66</sup> An interview with the operations officer at Europol on February 15, 2018.

<sup>67</sup> Lietuvos apeliacinis teismas (2017), *Byla 1A-4-398/2017*, <http://eteismai.lt/byla/252918950797792/1A-4-398/2017, 2018-04-09>.

security. It has a negative impact on public security, public health, democratic institutions, and economic stability around the world. Organised crime, as a phenomenon, develops in exactly the same way as society; it is becoming more flexible and dynamic and assumes new forms. These issues, therefore, cannot be resolved by ordinary means; there must be an innovative response to combat international organised crime. The main question is whether our society is ready to discourage all forms of crime, and whether we can become resistant to this threat?

For more than fifteen years, organised crime in Lithuania has been identified as a threat to national security. We can acknowledge that we have a well-developed legal framework, a clear political will, and public expectations. Operational services have sufficiently comprehensive and reliable information on organised criminal groups, their members, and activities. However, it must be admitted that although it is endeavoured to intensify the European Union Member States' response to this issue at the European level within the framework of the Policy Cycle for the fight against organised crime, no specific measures have been taken in Lithuania thus far; in essence, this threat is inertly identified among the major threats, and the methods of dealing with them are simply limited to generic, standard measures (strengthening cooperation, coordinating actions, clarifying crime). In preparation for the assessment of national security, it should be proposed that in the future the Strategy defines threats and crime priorities more clearly. The author believes that the greatest attention in the fight against modern crime should be directed to:

- exchanging information at the national and international levels, especially by ensuring smooth cooperation between law enforcement and intelligence services;
- concentrating on the most serious threats as well as on the European Union priorities for the fight against serious and organised crime. It is necessary to allocate sufficient resources, monitor and assess the process of implementation;
- observing constantly and responding quickly to the links between organised crime and other threats, in particular, terrorism;
- forming a negative attitude of society toward the so-called “innocent crimes,” reducing social tolerance, fighting against the shadow economy, and corruption;
- harmonising a legal system at the European Union level in order to avoid “semi-legal” forms of business by aligning the risk for organised crime to operate across the territory of the European Union.



Organised crime has no borders and has long been internationalised, however countries are still trying to fight this phenomenon on the basis of national decisions. Due to this, the current system hinders a smooth exchange of information and is relatively inflexible in terms of preventing financial crime schemes. All European Union Member States have financial investigation authorities (Financial Crime Investigation Service in Lithuania), whose main tasks are to analyse suspicious transactions and prevent money laundering and terrorist financing. At the national level, these services cope well with their tasks, but they do not regularly cooperate with each other and have no unified database. Europol's study demonstrated that, in 2014, financial investigation services received almost 1 million suspicious transaction reports, and 65 per cent of them were made in just two countries – the United Kingdom and the Netherlands.<sup>68</sup> Another drawback is the European Union's inability to cope with cyber threats. As in the case of money laundering, the European Union Member States usually operate individually. The European Community must radically change its perception and ensure a coordinated and rapid response to these threats. International organised crime cannot be overcome counting upon the endeavours of one service or even one country. Success largely depends on the capabilities of law enforcement agencies to bring together a global network of experts; to ensure reliable possibilities of criminal analysis; and to guarantee proper funding and resource provision.

*March 2018*

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<sup>68</sup> Politico, *Europe is losing the fight against dirty money*, 2 April 2018, <https://www.politico.eu/article/europe-money-laundering-is-losing-the-fight-against-dirty-money-europol-crime-rob-wainwright/>, 2018-04-10.