

Abuse of Legal Business Structures through Criminal Networks



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News

On 18 December 2024, Europol published a report examining how criminal networks abuse legal business structures to strengthen their power and expand their criminal operations. The report titled "[Leveraging legitimacy: How the EU's most threatening criminal networks abuse legal business structures](#)" investigates the following questions:

- Which types of legal businesses are prone to criminal abuse or infiltration?
- Which organised crime activities are enabled by legal businesses?
- How legal businesses enable criminal activity?
- Where legal businesses are mainly abused?

It builds on the report "Decoding the EU's most threatening criminal networks" (→[euclid 1/2024 pp 31-32](#)), which identified 821 criminal networks representing the highest threat to the EU's internal security.

The new report paints a worrying picture, identifying a vast scope for abuse of legal business structures (LBS) for illicit purposes by criminal networks spanning across all business sectors. 86% of the EU's most threatening criminal networks abuse LBS. According to the report, the criminal networks utilise these structures at all levels, from wholly-owned criminal enterprises to legitimate private sector firms that unwittingly facilitate illicit activities. The greatest threat concerns high-level infiltration or criminal ownership of legal business structures tailored to the requirements of the criminal activities and criminal actors. In addition, legal businesses are being misused to support all aspects of criminal operations, from committing and concealing crimes to laundering profits. Legal businesses facilitate criminal objectives across both online and offline environments, affecting all stages of the criminal process. Lastly, almost all criminal networks rely on LBS to sustain and expand their activities.

The report concludes that the misuse of LBS is a borderless phenomenon. In most cases, however, LBS need to be close to operations in order to be effective. Therefore, most of the exploited and infiltrated LBS used/abused by the EU criminal networks are located either in the EU itself, where all EU Member States are affected, or in the countries neighbouring the EU.

To counter the abuse of LBS, the report calls for a comprehensive, multi-layered strategy bringing together law enforcement, regulatory bodies, the private sector, international allies, and initiatives like the European Multidisciplinary Platform Against Criminal Threats ([EMPACT](#)). Reactive measures combined with proactive initiatives, such as the development of risk indicators to identify vulnerable companies susceptible to criminal interference, are seen as key to a successful response.

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