

Europol Published First Threat Assessment on Financial and Economic Crime



News

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At the beginning of September 2023, Europol [published](#) a threat assessment on financial and economic crime. It is the first Europol threat assessment report in this criminal area. Under the title “[The other side of the coin: an analysis of financial and economic crime in the EU](#)”, the report deals with all financial and economic crimes affecting the EU, such as money laundering, corruption, fraud, intellectual property crime, and commodity and currency counterfeiting.

In the first chapter, the report looks at today’s drivers of financial and economic crimes (e.g. serious and organised crime), the digital acceleration of society, and geopolitical developments. The second chapter analyses the engines of crime, namely money laundering, criminal finances, and corruption. The third chapter explains the world of fraud by giving examples of investment fraud, business e-mail compromise (BEC), e-commerce fraud, tech support fraud, romance fraud, scams, mass mailing, and food fraud; it also explores the range of different fraud schemes against the financial interests of the EU and Member States, such as VAT fraud and fraud schemes linked to sporting events.

Chapter four is dedicated to intellectual property crime (IPC) and counterfeiting, explaining which commodities and factors are most affected by IPC as well as the methods of currency counterfeiting. The final chapter summarises the responses to these threats, including the establishment of Europol’s European Financial and Economic Crime Centre (EFECC), Europol’s Financial Intelligence Public Private Partnership (EFIPPP), and cooperation with other bodies and agencies, such as the European Anti-Fraud Office (OLAF), the European Public Prosecutor’s Office (EPPO), and the European Union Intellectual Property Office (EUIPO).

In numbers, the report states that almost 70% of criminal networks operating in the EU make use of one form of money laundering or the other to fund their activities and conceal their assets. Furthermore, more than 60% of the criminal networks operating in the EU use corrupt methods to achieve their illicit objectives. Lastly, 80% of the criminal networks active in the EU misuse legal business structures for criminal activities. Asset recovery is seen as one of the most powerful and effective deterrents by which to tackle serious and organised crime. Yet the amount of captured proceeds still remains too low – below 2% of the yearly estimated proceeds of organised crime.

In conclusion, the report underlines the role of corruption and money laundering as linked in the licit and illicit financial and economic worlds. Corruption and money laundering threaten to erode trust in authorities, in the rule of law, and in the general functioning of society. Due to the limited degree of recovery of criminal assets, the problem of laundered illegal profits being invested in the licit economy, and the victimisation of millions

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of EU citizens in different fraud schemes, financial and economic crimes pose a serious threat to the EU's internal security. For this reason, financial investigations should become standard law enforcement practice when investigating serious and organised crimes. Because of their specific external dimension, the report calls for a multidisciplinary and comprehensive approach towards tackling these types of crime affecting the EU.

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